

# UBS (CH) Property Fund – Swiss Residential «Anfos»

Financial year-end results as at 30 September 2024

22 November 2024



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Section 1

# UBS «Anfos»

Financial year-end results as at 30 September 2024

# UBS «Anfos» – Management Summary

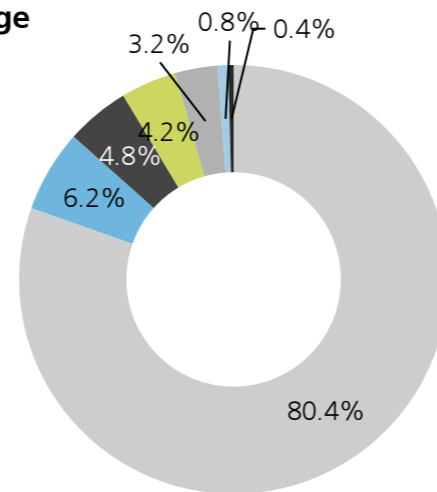
Financial year 2023/2024

- Listed Swiss real estate fund with Investments in residential properties in German-speaking Switzerland
- Stable return from existing portfolio
- Appreciation potential through renovations and redevelopments
- Focus on sustainable growth by always taking economic, ecological and social aspects into account in acquisitions, new buildings and renovations

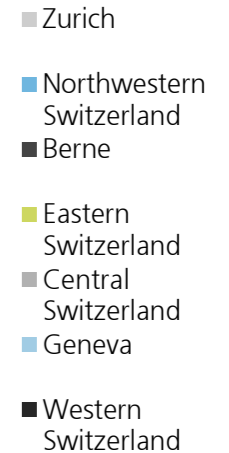
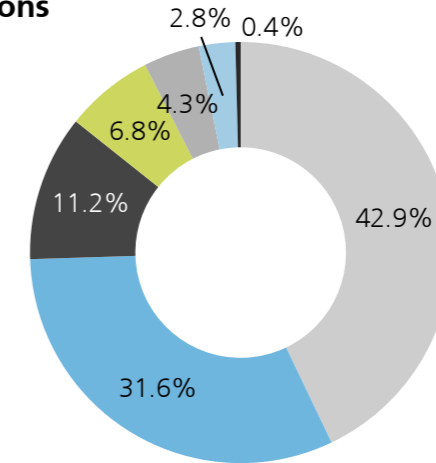
## Key Figures

Year of launch	1956
Net asset value	CHF 2'368.1m
Market value	CHF 3'303.9m
Rental income	CHF 137.9m
Rental default rate	3.3%
Leverage ratio	20.4%
Total return on NAV	5.7%
Performance	20.3%
Number of properties	152

## Usage



## Regions



Source: UBS Asset Management, Real Estate & Private Markets (REPM); data as per 30 September 2024. Key Performance Indicator (KPI) calculations according to AMAS (Asset Management Association Switzerland).

**Past performance is not a reliable indicator of future results.** The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units. Details on the implementation of the sustainable investment policy by integrating sustainability criteria can be found in the fund prospectus. Slide 25 "Risks" in the appendix shows a list of the known risks of the product. Distribution of regions according to Wüest Partner Monitoring Regions.

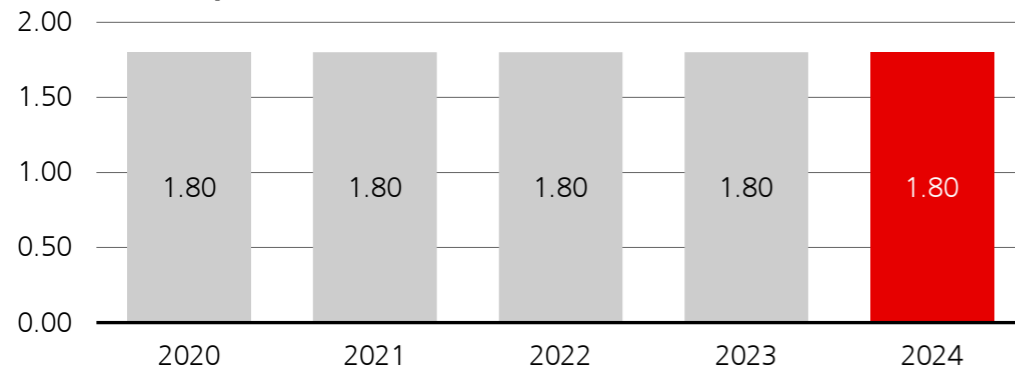
# UBS «Anfos» – Key Data

Financial year 2023/2024

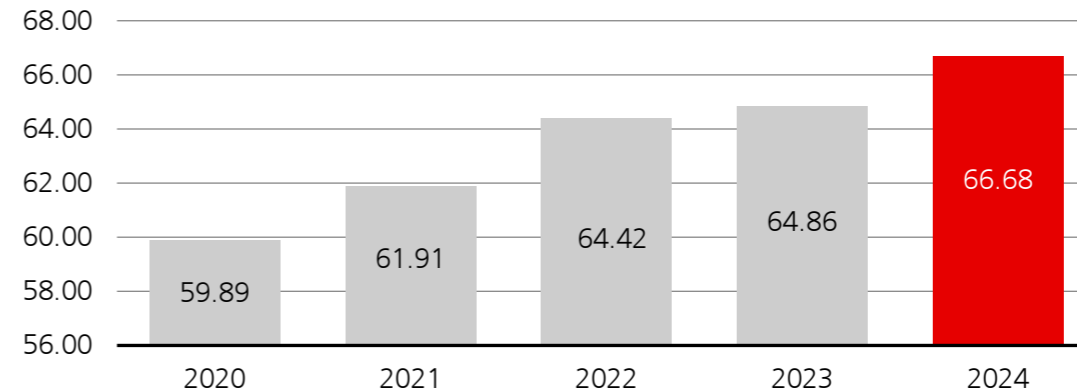
- Distribution per unit of 1.80 CHF per share maintaining the equal amount to the previous year
- Increase in net asset value per unit by 2.8% to CHF 66.68

	30.09.2024	30.09.2023	30.09.2022
<b>Performance</b>	20.3%	3.9%	-16.5%
<b>Total return on NAV</b>	5.7%	3.6%	7.2%
<b>Yield on distribution</b>	2.0%	2.3%	2.4%
<b>Agio</b>	36.8%	19.6%	18.8%
<b>Rental default rate</b>	3.3%	3.4%	4.1% <sup>1</sup>
<b>Leverage ratio</b>	20.4%	19.6%	18.0%

## Distribution per unit



## Net asset value



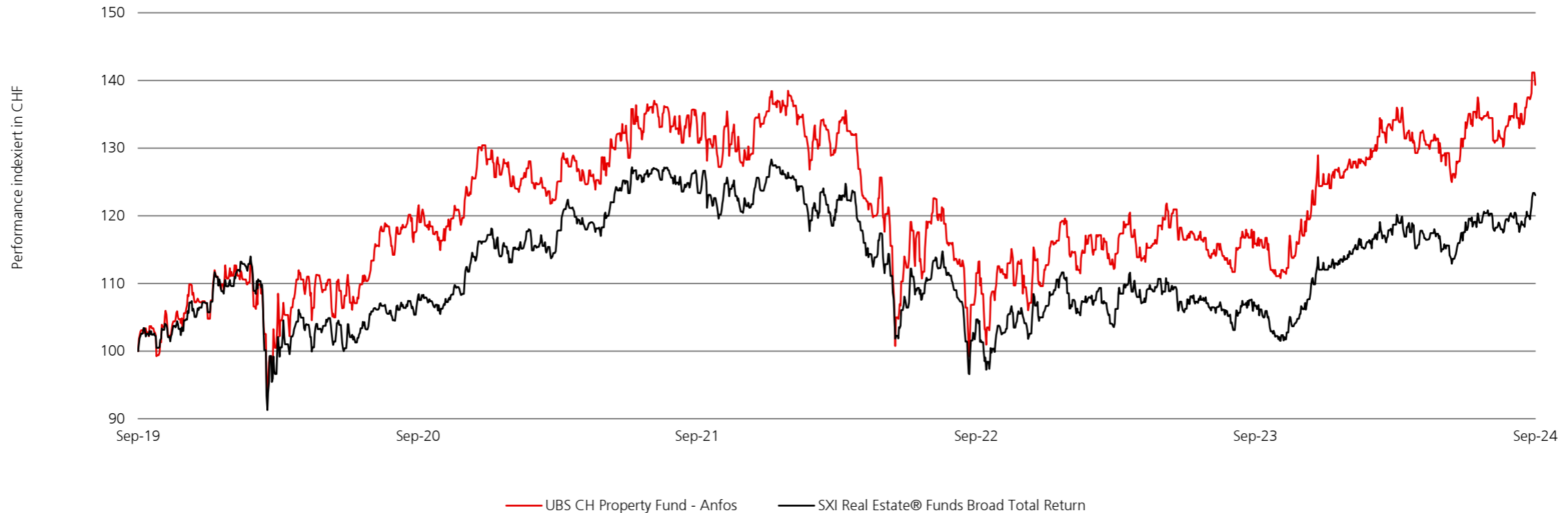
Source: UBS Asset Management, Real Estate & Private Markets (REPM), data as at 30 September 2024. Key Performance Indicator (KPI) calculations according to AMAS (Asset Management Association Switzerland).

<sup>1</sup> No rent waivers (COVID-19) were granted as of 30.09.2022; there is therefore no effect on the reported loss of rent rate of 4.1%.

**Past performance is no guarantee of future performance.** Performance does not take into account any commissions and costs charged for the subscription and redemption of shares.

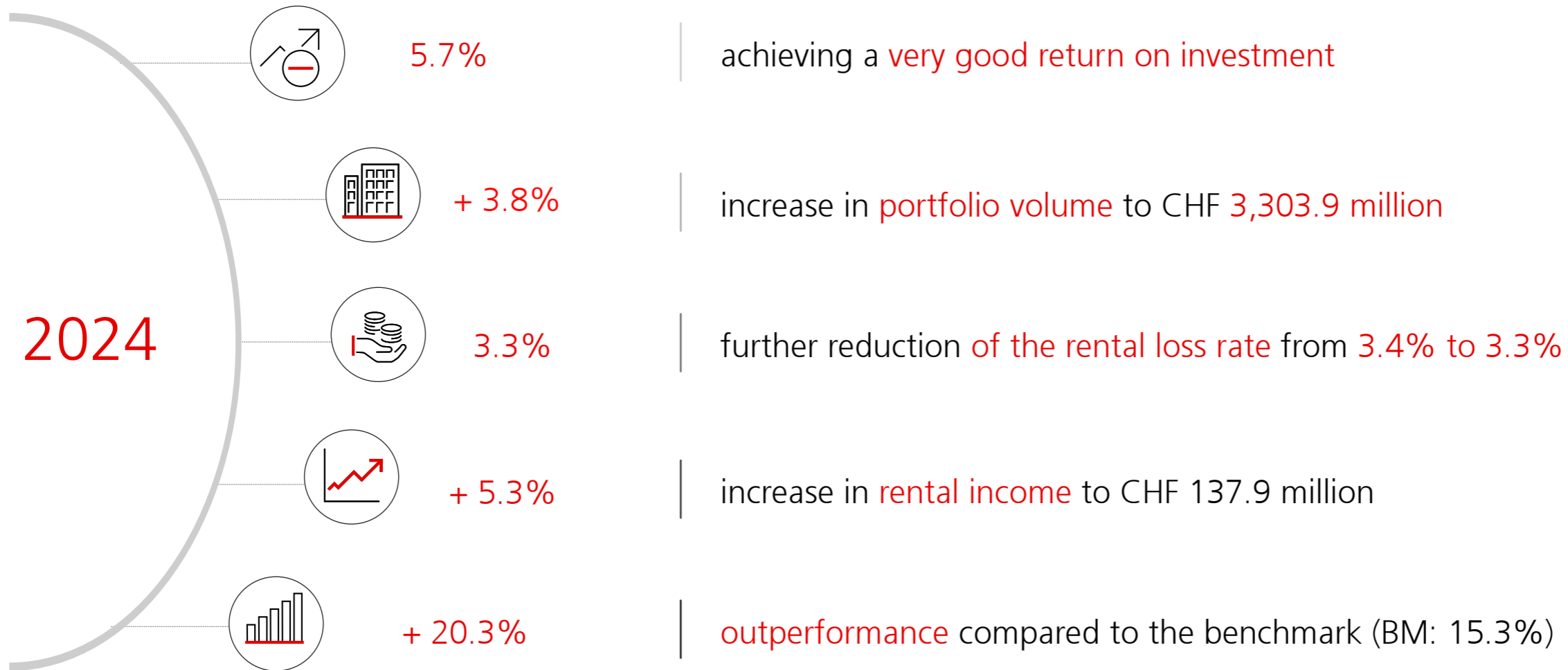
# UBS «Anfos» – Benchmark comparison

Performance in % as at 30.9.2024							
	2020	2021	2022	2023	2024 YTD	5 years	Ø p.a. 5 years
UBS «ANFOS»	22.5%	5.5%	-16.8%	10.6%	11.8%	39.3%	6.9%
BM	10.8%	7.3%	-15.2%	5.0%	9.8%	23.0%	4.2%



Source: UBS Asset Management, Real Estate & Private Markets (REPM), data as per 30 September 2024. Key Performance Indicator (KPI) calculations according to AMAS (Asset Management Association Switzerland). **Past performance is not a reliable indicator of future results.** The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units. It is not possible to directly invest in an index. The index returns shown do not represent the results of actual trading in investable assets/securities. Investors who follow an index-like strategy can earn higher or lower returns and bear the cost of fees and expenses that reduce returns. This does not constitute a guarantee on the part of UBS AG, Asset Management.

# UBS «Anfos» – At a glance



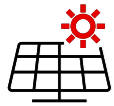
# UBS «Anfos» – Sustainability



GRESB-Rating 2024:  
Stading Investments: 5 stars  
Development: 3 stars



Modelling a reduction path across the entire portfolio with the aim of being **CO<sub>2</sub>-neutral by 2050 at the latest**



More than **1400 kWp** of installed **PV capacity** and other systems are in progress



Around **43%** of certified properties (in % of market value)



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The path to decarbonize the portfolio has been defined and is being implemented. It is now crucial to place greater emphasis on minimizing greenhouse gas emissions during the construction phase.

**Marcin Paszkowski**

Fund Manager  
UBS «Anfos»





# UBS «Anfos» – Highlights (I/II)



## Kloten (ZH), Alte Landstrasse – New residential construction

Completion:	Q2 2024
Investment volume:	CHF 50 m
Market value:	CHF 87.5 m
Gross profit:	CHF 3.3 m
Gross return:	3.7% <sup>1</sup>
No. of units:	108
Additional info:	Minergie, PV system



## Lausen (BL), Hauptstrasse – New construction of a retirement housing estate

Completion:	Q3 2025
Investment volume:	CHF 44 m
Market value:	CHF 17.7 m
Gross profit:	CHF 1.5 m <sup>2</sup>
Gross return:	3.6% <sup>3</sup>
No. of units:	34 apartments for the elderly, 40 nursing rooms, administration and restaurant areas
Additional info:	15-year lease, 100% indexed

<sup>1</sup> gross yield on market value, <sup>2</sup> gross income year 3 after completion; <sup>3</sup> gross return on purchase price

Source: UBS Asset Management, Real Estate & Private Markets (REPM), data as per 30 September 2024; numbers in photos in CHF. **Past performance is not a reliable indicator of future results.** For illustrative purposes.

# UBS «Anfos» – Highlights (II/II)



## **Rothrist (AG), «Breitenfeld» – New residential construction**

Completion: Q2 2024

Investment volume: CHF 30 m

Market value: CHF 32,8 m

Gross profit: CHF 1,2 m

Gross return: 3,7%<sup>1</sup>

No. of units: 52 appartements and 82 parking spaces

Additional info: Minergie, PV system



## **Bolligen (BE), Hühnerbühlstrasse – Refurbishment and extension of a residential property**

Completion: Q3 2025 – Q1 2027 (phased)

Investment volume: CHF 90 m

Market value: CHF 33.1 m

Gross profit: CHF 4.8 m<sup>2</sup>

Gross return: -

No. of units: 200 apartments, addition of 36 new apartments

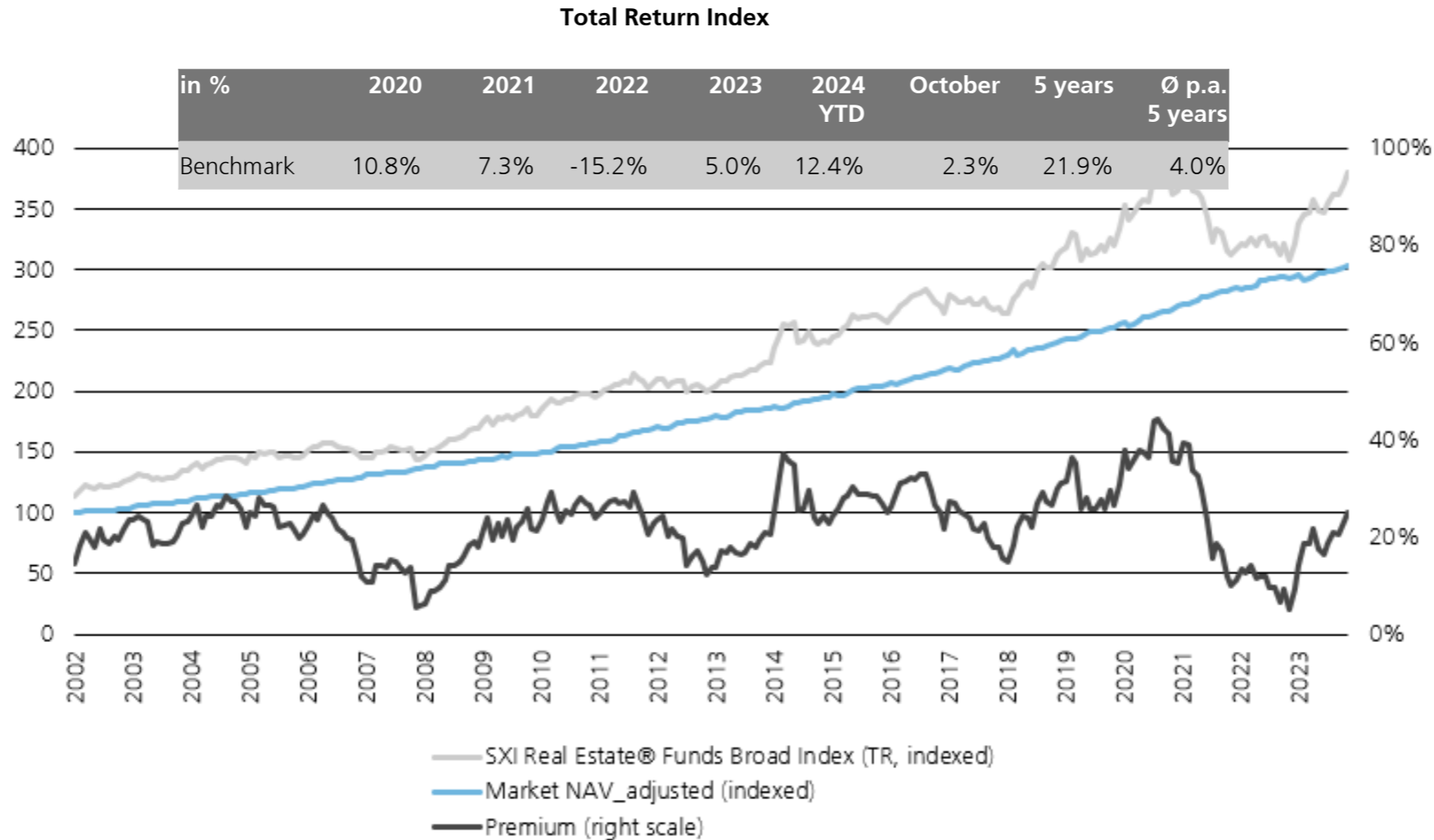
Additional info: «Minergie Areal» certification

Section 2

# Real Estate Switzerland

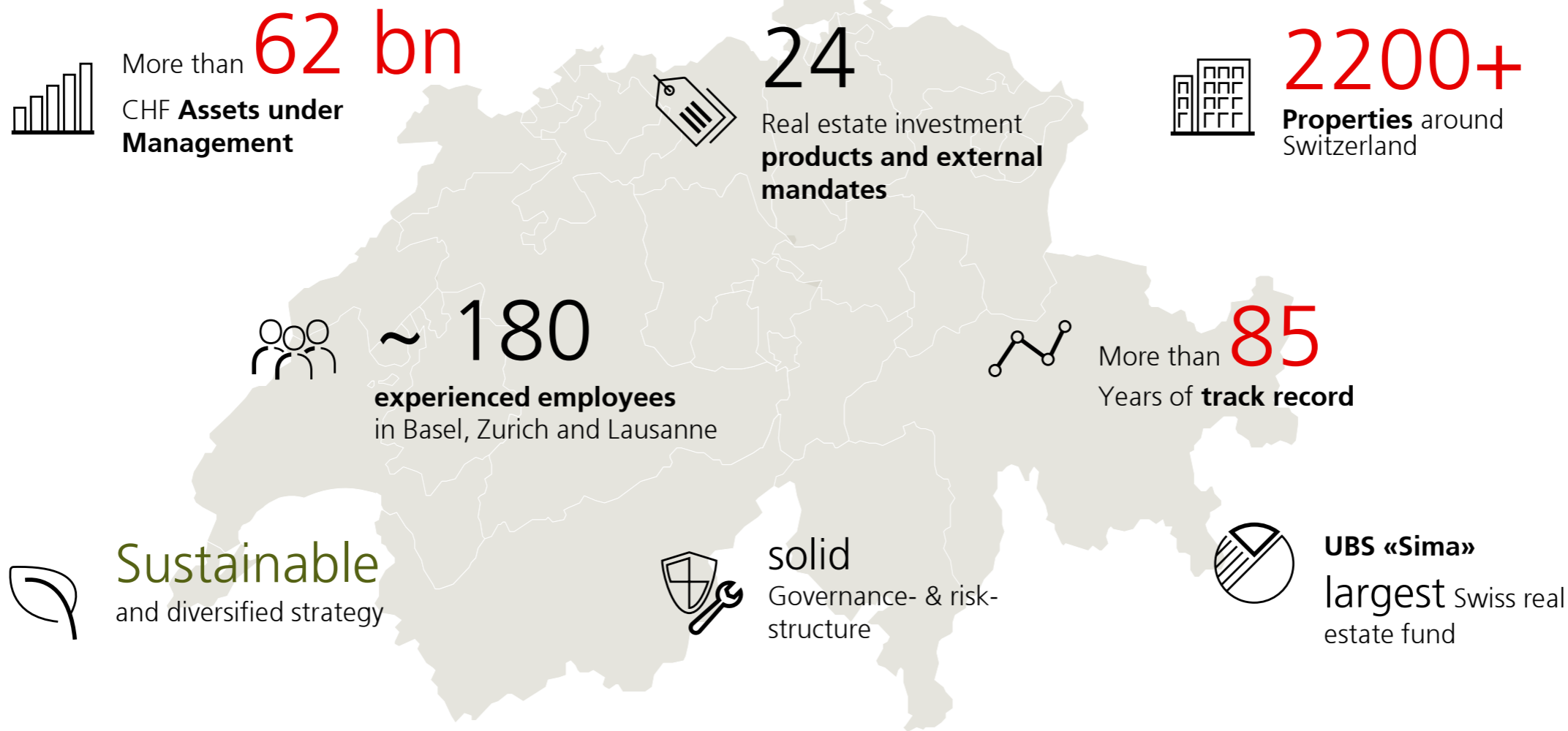
# Performance of listed Swiss real estate funds

Premium development from 1 January 2003 to 31 October 2024





# Convincing facts about Real Estate Switzerland



# Our real estate investment products

Listed Funds	Investment Focus		Ownership of real estate	Market value
UBS «Sima»	All types of use	All of Switzerland	Indirect	11 701
UBS «Anfos»	Residential	German-speaking CH	Indirect	3 206
UBS «Swissreal»	Commercial	All of Switzerland	Indirect	2 159
UBS «Foncipars»	Residential	French-speaking CH	Indirect	1 953
UBS Direct Residential	Residential	All of Switzerland	Direct	987
UBS Direct Urban	All types of use	All of Switzerland	Direct	584
UBS PF Europe <sup>1</sup>	All types of use	Europe	Direct	276
Residentia <sup>2</sup>	Residential	Italian-speaking CH	Direct	243
CS Real Estate Fund Siat	Residential	All of Switzerland	Indirect	3 989
CS Real Estate Fund Interswiss	Commercial	All of Switzerland	Indirect	2 516
CS Real Estate Fund Green Property	All types of use	All of Switzerland	Direct	3 330
CS Real Estate Fund LivingPlus	Residential	All of Switzerland	Direct	3 105
CS Real Estate Fund LogisticsPLUS	Commercial (i.e. Logistics)	All of Switzerland	Direct	941
CS Real Estate Fund Hospitality	All types of use (i.e. Residential)	All of Switzerland	Direct	836
<b>Total Listed Funds</b>				<b>35 924</b>

# Our real estate investment products

<b>Investment Foundations</b>	<b>Investment Focus</b>		<b>Market value</b>
Investment Fondation 1	All types of use	All of Switzerland	8 546
Investment Fondation 2	All types of use	All of Switzerland	2 712
Investment Fondation 3	Commercial	All of Switzerland	1 336
Investment Fondation 4	Commercial	All of Switzerland	1 938
Investment Fondation 5	Commercial	All of Switzerland	776
Investment Fondation 6	Commercial	Germany	882
<b>Total Investment Fondations <sup>1</sup></b>			<b>16 190</b>
<b>NAV-basierter Immobilienfonds</b>			
Real Estate Fund <sup>1</sup>	All types of use	All of Switzerland	4 962
<b>External Mandates</b>			
External Mandat 1	All types of use	All of Switzerland	3 578
External Mandat 2	Residential	German-speaking CH	1 006
External Mandat 3	All types of use	Northwestern Switzerland	718
<b>Total Portfolio Real Estate Switzerland</b>			<b>62 378</b>



Section 3

# Swiss Real Estate Market

# Summary: Swiss real estate market 2H24

## Economy



- The economic recovery is dragging on.
- Significant calming of inflation enables interest rate cuts. Two more interest rate cuts of 25 bps each in December 2024 and March 2025 are currently expected.
- Residual risks to the economy remain in view of the tense geopolitical situation.

## Swiss real estate market



- Momentum returns.
- Risk premium is back at the level of the long-term average.
- Residential market is characterized by shortages and strong rental growth.
- Commercial user markets are feeling the effects of the economic slowdown but remain in healthy shape – especially by international standards. Consolidations exacerbate polarization.

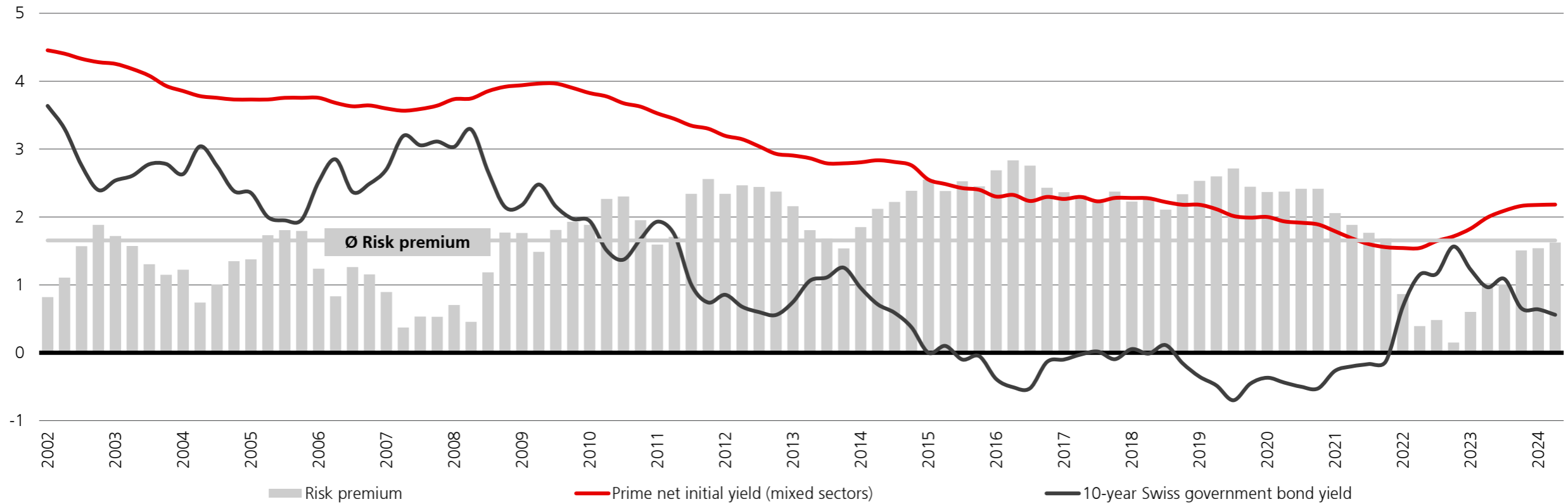
## Strategic recommendations



- Income returns remain at the center of attention.
- Housing stands out with positive rental growth prospects, but the risk of increasing regulation is high.
- In the case of commercial properties, quality of location and the asset are becoming even more important.

# Risk premium back to long-term average

10-year government bond yield, net initial yield on prime real estate and resulting risk premium (%)

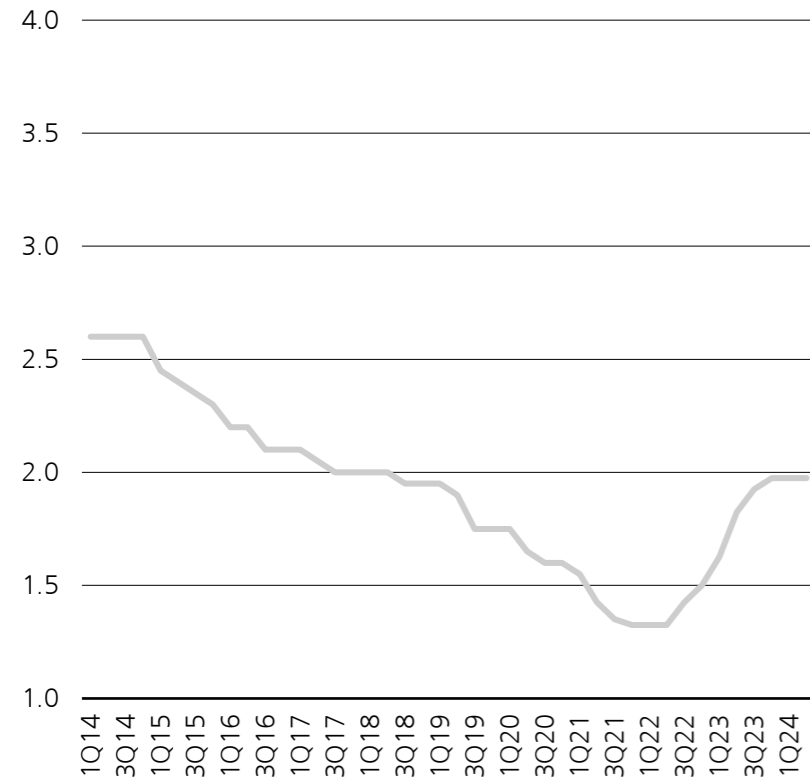


Source: Wüest Partner; SNB; UBS Asset Management, Real Estate & Private Markets (REPM); August 2024  
Last data point: 2Q24. **Past / expected performance is not a guarantee for future results.**

# Stabilization of prime yields

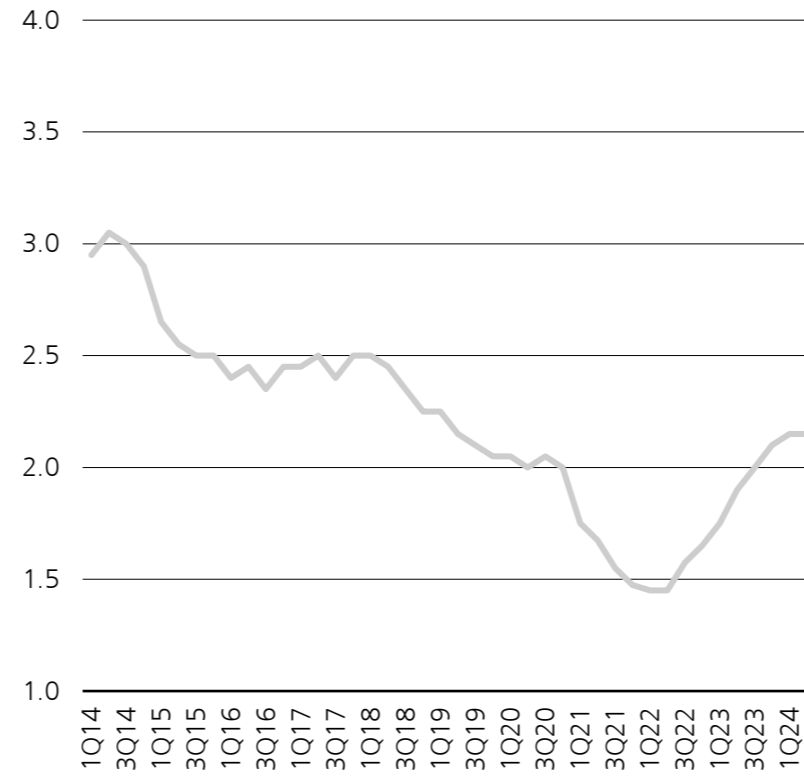
## Residential

(Prime yields, median, %)



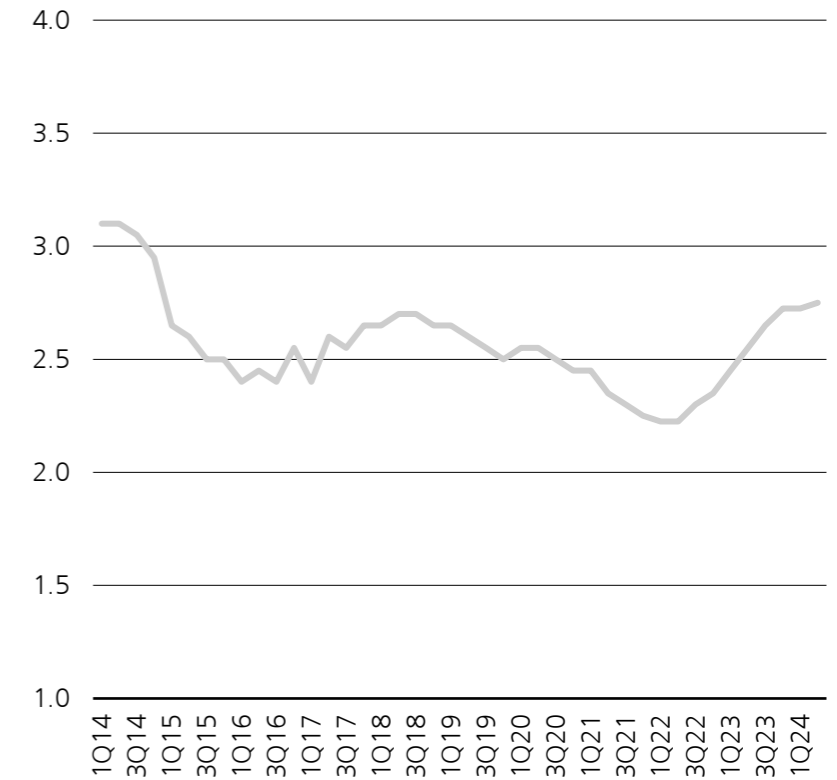
## Office

(Prime yields, median, %)



## Retail

(Prime yields, median, %)

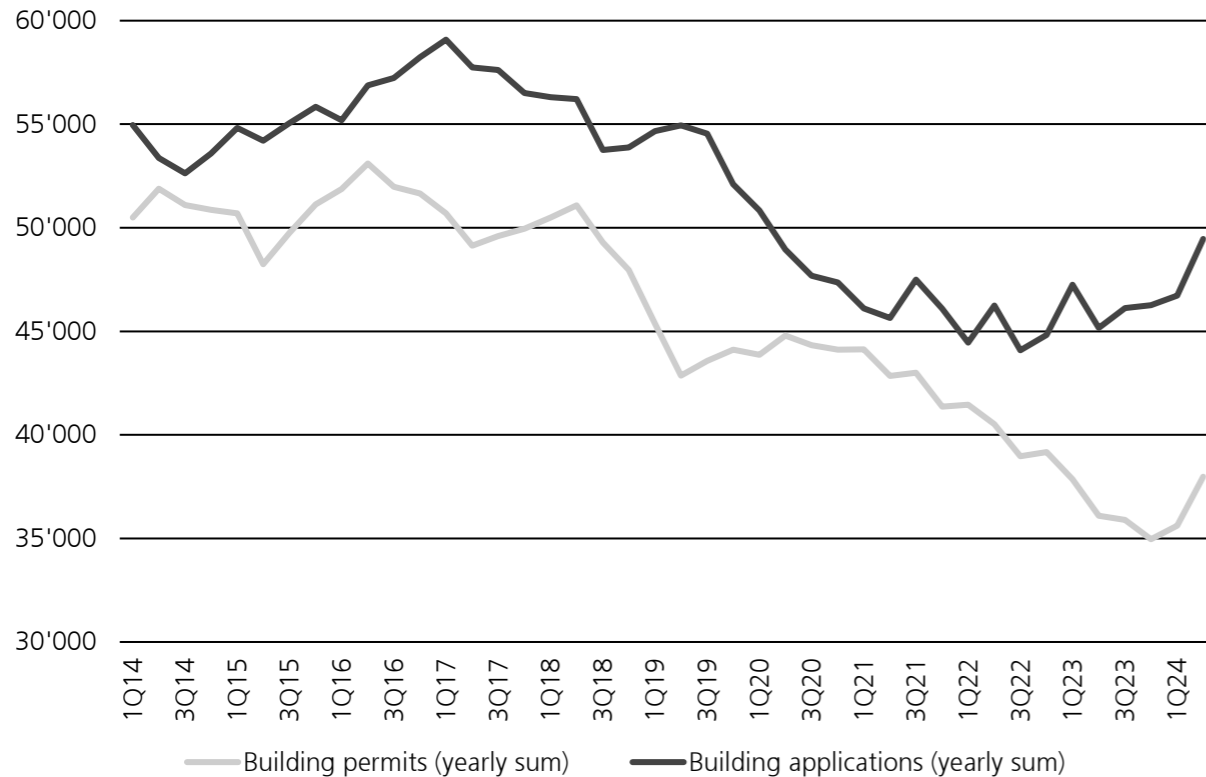


Source: Wüest Partner; Last data point: 2Q24. **Past / expected performance is not a guarantee for future results.**

# Residential: planning activity picking up again

## Planning activity in the Swiss housing market

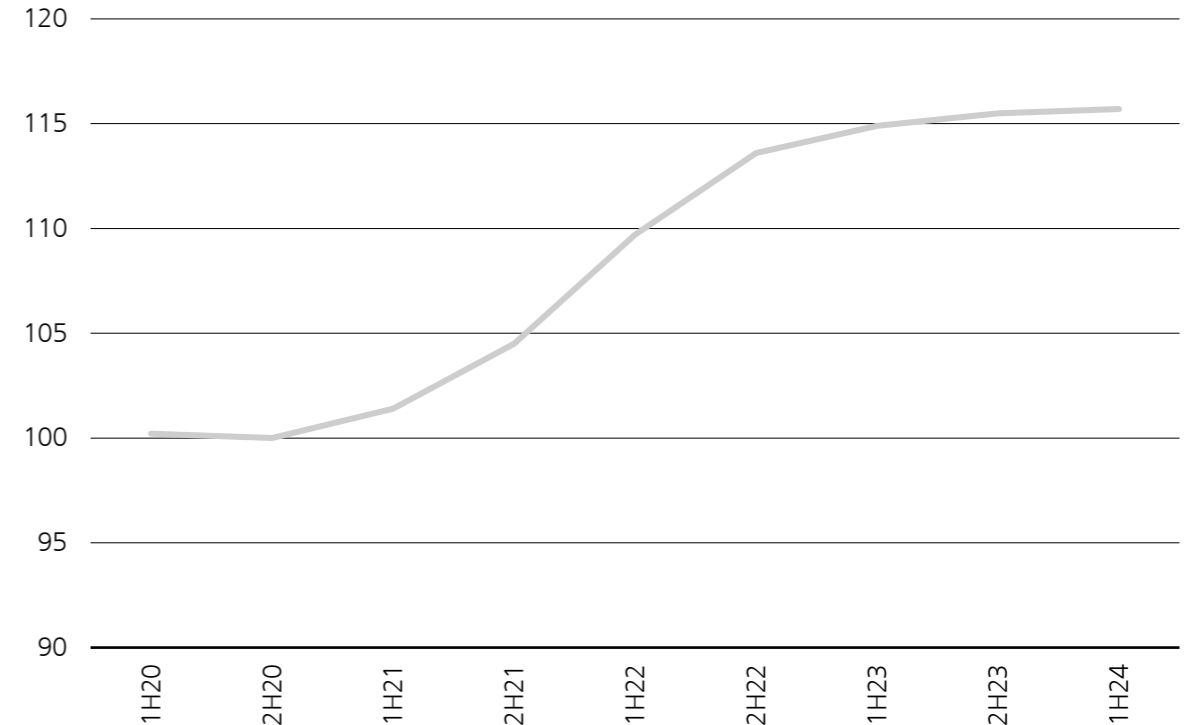
(12-month sum, number of dwelling units)



Source: Bauinfo; UBS Asset Management, Real Estate & Private Markets (REPM); August 2024. Last data point: 2Q24

## Construction Price Index

(Construction multi-family home, Index, 2H20=100)

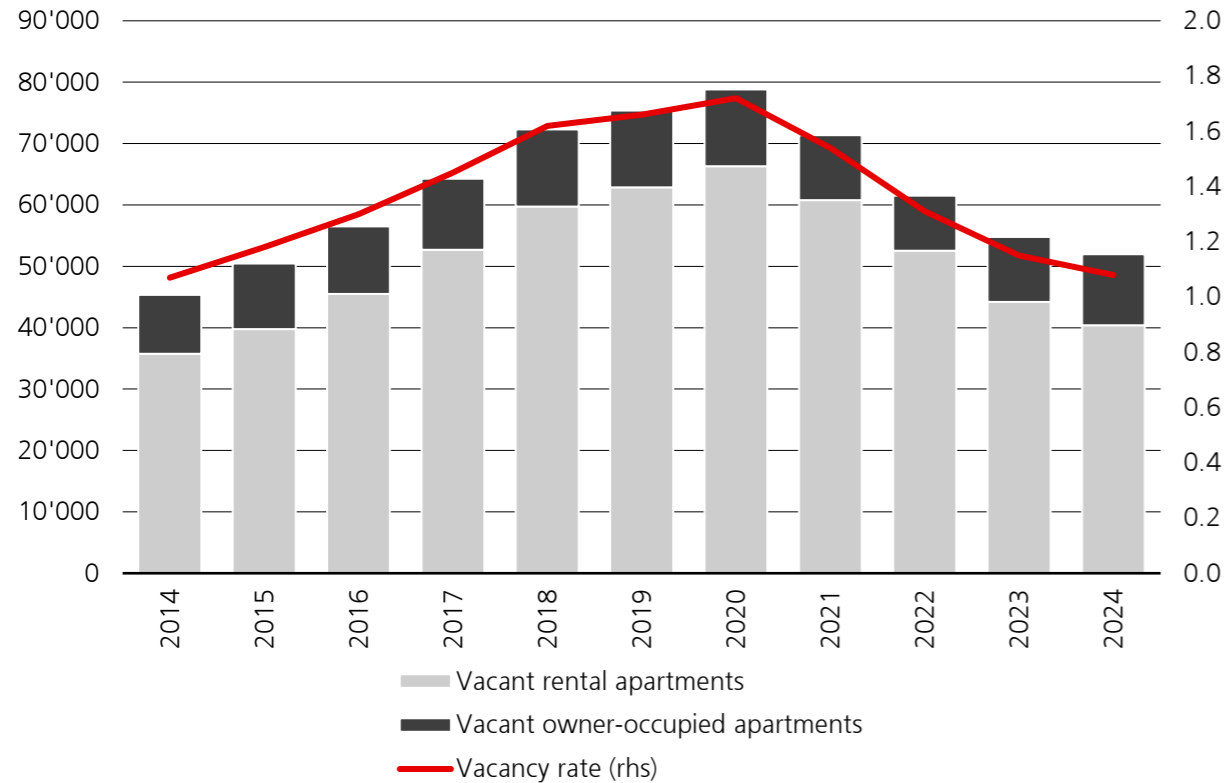


Source: Federal Statistical Office; August 2024. Last data point: April 2024

# Residential: vacancy rate sinking again

## Vacancies

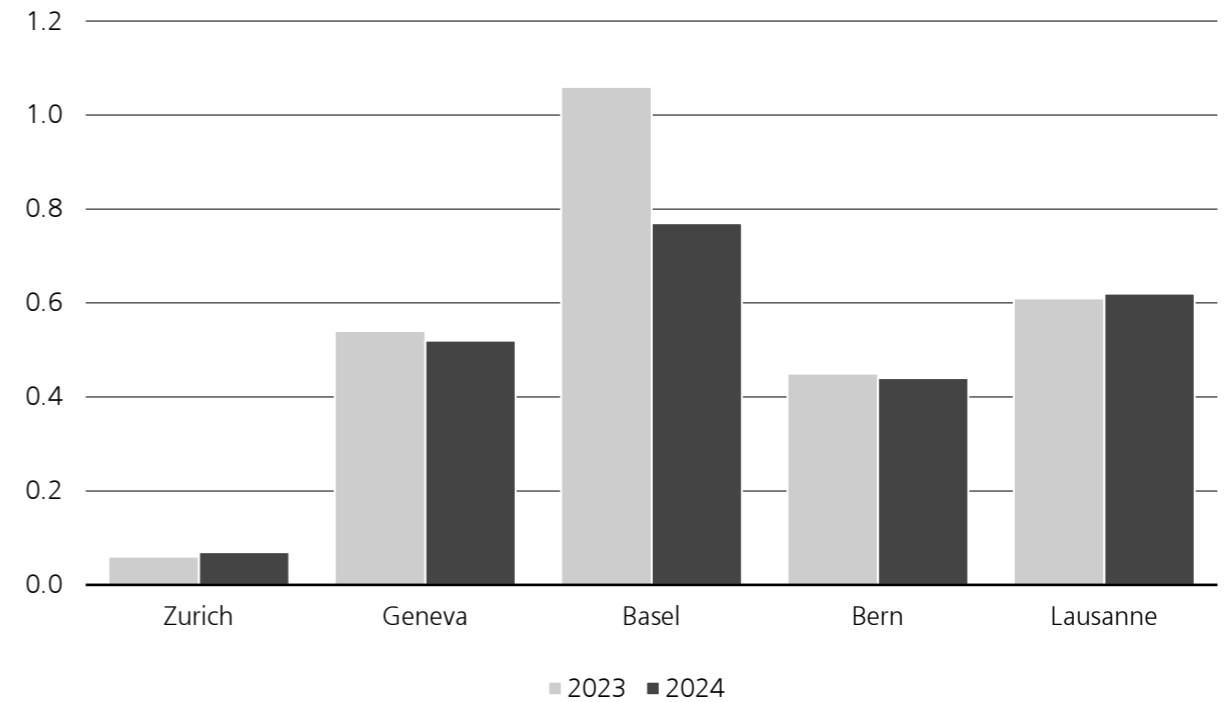
(Total (lhs); as % of stock (rhs))



Source: Federal Statistical Office; UBS Asset Management, Real Estate & Private Markets (REPM); September 2024. Last data point: June 2024

## Vacancies in selected cities

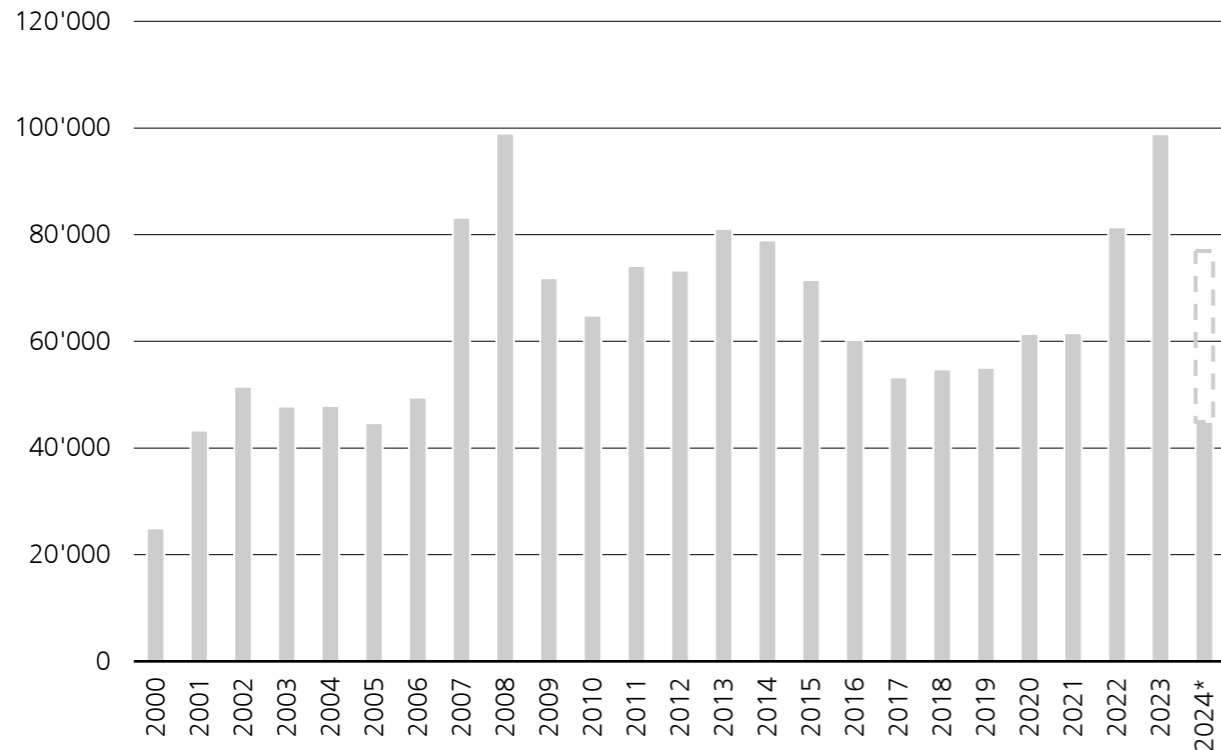
(% of stock)



Source: Cantonal Statistical Offices; UBS Asset Management, Real Estate & Private Markets (REPM); September 2024. Last data point: June 2024

# Residential: migration decreasing slightly, but staying on high levels

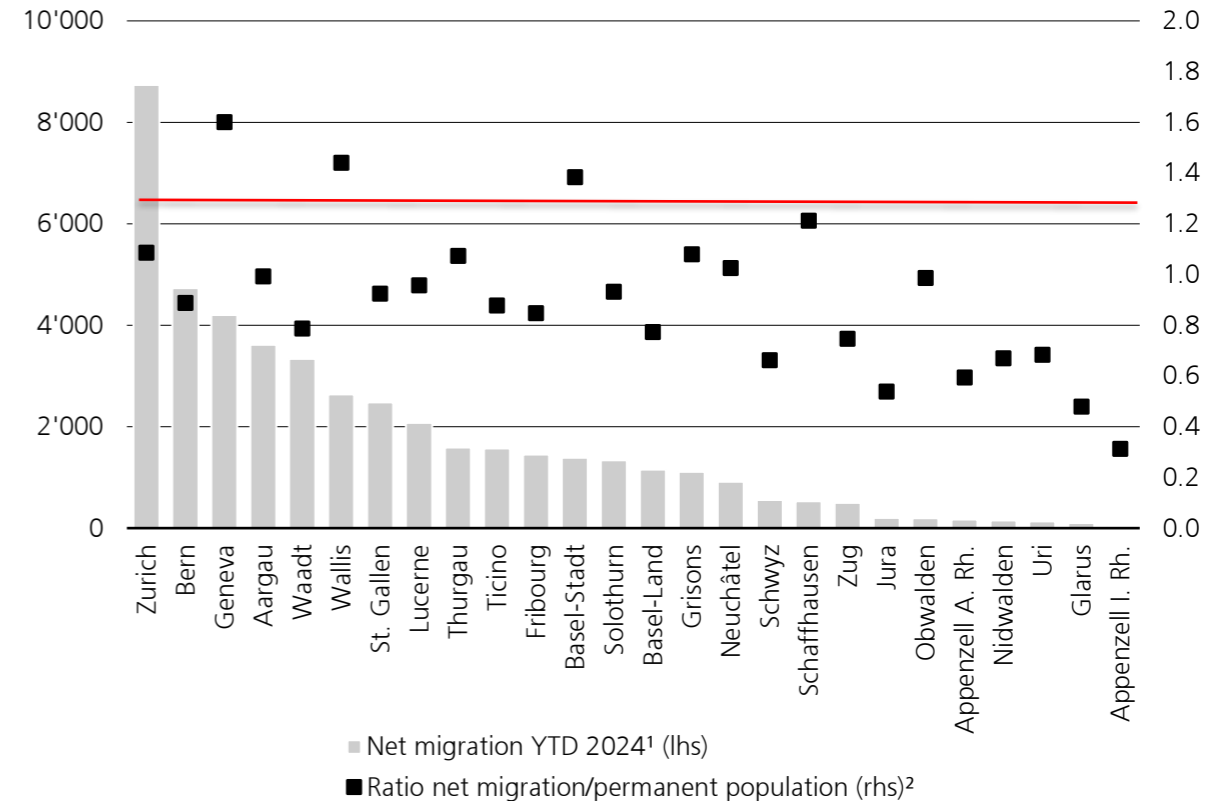
## Net migration in Switzerland (permanent population)



Source: State Secretariat for Migration; UBS Asset Management, Real Estate & Private Markets (REPM); August 2024. Last data point: July 2024

\* 2024: Jan – Jul + extrapolation (dotted line)

## Net migration YTD 2024 by canton



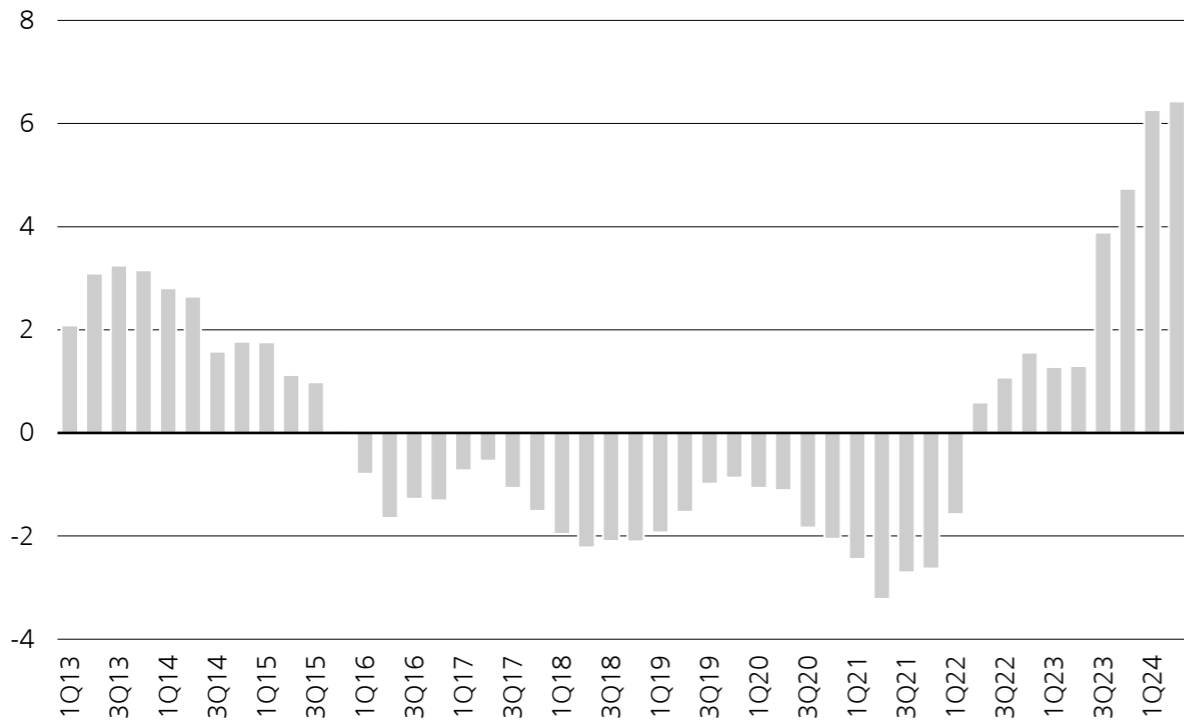
Source: State Secretariat for Migration; Federal Statistical Office; UBS Asset Management, Real Estate & Private Markets (REPM); August 2024. Last data point: July 2024

1: Net migration Jan-Jul 2024

2: Ratio of immigration into a canton (relative to total immigration) and permanent population into the same canton on 31.12.2023 (relative to total population); values > 1 mean disproportionately high immigration, values < 1 correspond to disproportionately low immigration

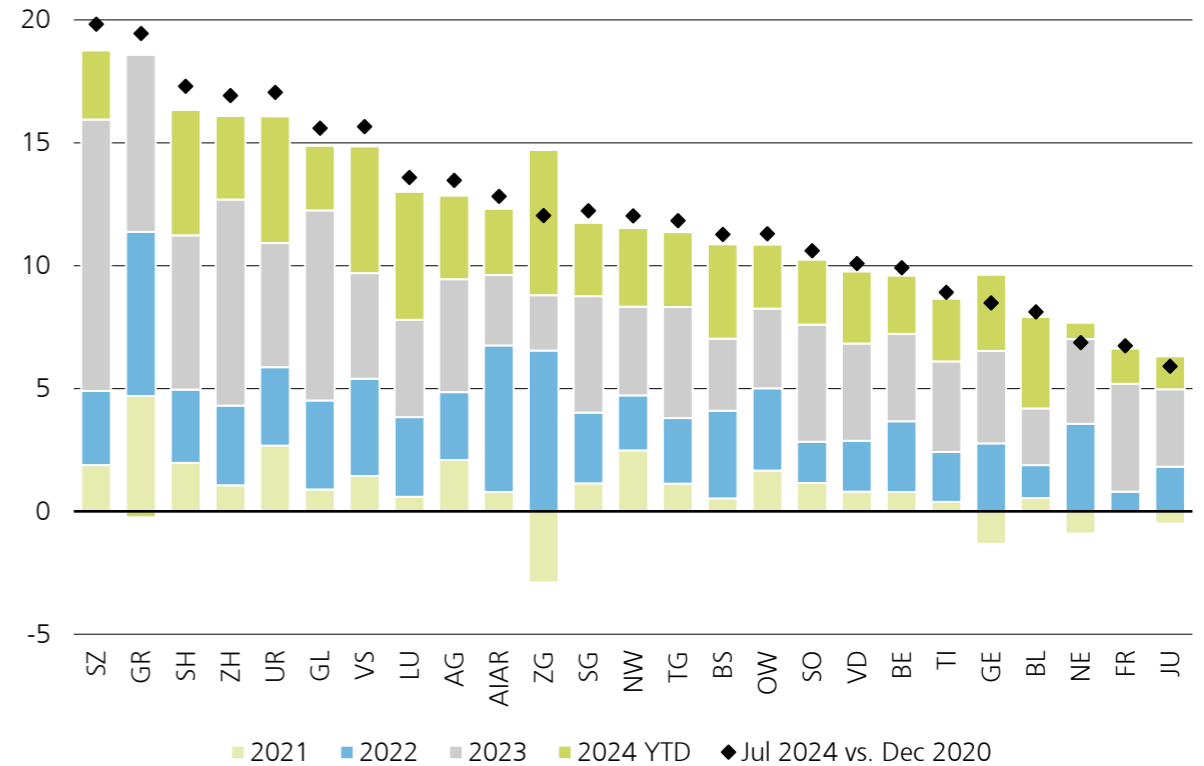
# Residential: advertised rents continue to increase strongly

**Annual growth rates advertised rents**  
(%, YoY)



Source: Wüest Partner; Last data point: 2Q24

**Regional rental price growth**  
(%, since December 2020)



Source: homegate, UBS Asset Management, Real Estate & Private Markets (REPM), August 2024; Last data point: July 2024



# Contact information

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UBS Fund Management (Switzerland) AG is a member of the UBS Group.



# Risks

- **General risks:**

- The material risks associated with this Real Estate Fund are the dependency on economic trends, changes in the Swiss real estate market, limited liquidity, interest rate changes, competition and pricing.
- The Real Estate Fund is also subject to sustainability risks (see “Sustainability-related risks” below). The occurrence of the aforementioned risks can have an actual or potential material negative impact on the value of the investments and therefore on the assets, financial and earnings position, and on the reputation of the Real Estate Fund.
- Such risks cannot be excluded completely.

- **Sustainability-related risks**

- Switzerland currently has no standardized definition of sustainability (“sustainability taxonomy”). In connection with the sustainability criteria, there is a risk that these may not conform with a potential future sustainability taxonomy.
- Climate change and its impact harbors potential financial risks. Finance-related climate risks can be divided into two categories: physical risks and transition risks. Physical risks arise if, for example, damage to property increases due to climate-related natural catastrophes. Transition risks arise, for example, due to the intervention of climate policy measures. The impact of physical risks, for example, is hedged as much as possible through insurance against natural forces.
- The sustainability criteria (see fund prospectus part I, 1.9.2 Investment policy) defined by the Fund Management Company allow transition risks to be reduced at the same time, by measuring the portfolio’s energy consumption and reporting it using defined ratios (cf. § 8 of the Fund Contract).
- As part of its investment process, the Fund Management Company also includes the relevant, sustainability-related risks in its investment decision and assesses them continuously.

- **Liquidity risk management / information on the liquidity management process**

- In accordance with the applicable provisions of the Fund Contract, investors may terminate their units at the end of each accounting year, subject to a notice period of 12 months. Accordingly, the Fund Management Company identifies, monitors and reports on the liquidity risks of the Real Estate Fund assets with regard to the redemption of units or the net outflow of assets. The instruments and models used allow the analysis of various scenarios and stress tests.

# Glossar (I/II)

Term	Definition
Agio (premium) / Disagio (discount)	The agio is the difference between the NAV (net asset value) and the market price of the fund units, as a percentage of the NAV. If the market price is above the NAV, there is a positive agio (premium). If the market price is below the NAV, this results in a negative disagio (discount).
Yield on investment	The investment return of a real estate fund corresponds to the change in the net asset value of the shares. If the gross amount of income and/or capital gains distributions is reinvested directly and without deductions in the fund at the net asset value of the shares. <sup>1</sup>
Payout ratio	Total amount of distributed income as a percentage of net income, adjusted for provisions for future repairs. <sup>1</sup>
Dividend yield	Last gross amount distributed per unit as a percentage of the stock exchange or market price. <sup>1</sup>
EBIT margin	Operating profit as a percentage of net rental income. Operating profit comprises all income (rent and other income) less all ordinary operating expenses (excluding taxes and interest).
Gross initial yield	The gross initial yield shows the ratio between the annual rental income and the net purchase price / market value of the property.
Cash flow	Cash flow is equal to total income plus depreciation and amortization of land and furniture, as well as net provisions for future repairs less unrealized capital gains.
Core investment strategy	A core investment strategy is the division of a portfolio into a broadly diversified core investment, which is intended to offer a basic return with sufficient security.
Discounted cash flow (DCF)	The DCF is a recognized assessment method in Switzerland. The earning potential of the properties to be valued is determined based on future income and expenses. The forecasts are based, among other things, on property settlements in recent years, the current letting situation and expected inflation. The net cash flows calculated in this way are discounted and the sum of the discounted net cashflows and the residual value results in the fair market value (corresponds to the value according to DCF).
Discount rate	The discount rate is used to discount a future payment or a future cash flow (e.g., rent payments) to today's value. This results in the present value (cf. discounted cash flow (DCF)).
Return on equity (ROE)	Total income in % of net fund assets at the beginning of the reporting period plus of the balance of shares to net present value. <sup>1</sup>
Total expense ratio TER <sub>REF</sub>	The TER <sub>REF</sub> (TER <sub>Real Estate Funds</sub> ) is based on the TER of securities funds and is an indicator of the burden of operating expenses on the fund. The burden is set in relation to both the total fund assets and the market value. <sup>1</sup>
Leverage ratio	Borrowed funds (mortgages and other interest-bearing liabilities) raised for financing as a percentage of the market value of the land (including building land and commenced construction) at the end of the reporting period.

# Glossar (II/II)

Term	Definition
Return on invested capital (ROIC)	The key figure provides information about the return on total fund assets. Adjusted total income, plus interest expense (mortgage interest and interest on mortgage-backed liabilities as well as other liability interest) as a percentage of average total fund assets. <sup>1</sup>
GRESB	The Global Real Estate Sustainability Benchmark (GRESB) evaluates and compares the sustainability performance of real estate portfolios according to ESG criteria.
KGAST	KGAST stands for <i>Konferenz der Geschäftsführer von Anlagestiftungen</i> (Conference of Managing Directors of Investment Foundations). It pursues the goal of offering investors of its member investment foundations the most appropriate transparency possible about the operating expenses of the investment groups, which is why the investment foundations are obliged to publish an "operating expense ratio TER KGAST".
Collective Investment Schemes Act	The purpose of the Collective Investment Schemes Act is to protect investors and to ensure the transparency and functioning of the market for collective investment schemes.
Rental default rate	The rent default rate provides information about the rental situation for finished buildings. The lower the value, the better the occupancy rate.
Net asset value (NAV)	The net asset value per unit is calculated by dividing the fair value of the assets less any liabilities by the number of shares outstanding.
Performance	The performance of a real estate fund corresponds to the total return achieved on a share within a certain period. It is expressed as a percentage of the stock exchange or market price of the shares at the beginning of the reporting period.
Redemption price	Corresponds to the price at which units must be redeemed by the fund management company in compliance with the statutory notice period (asset value minus a commission in accordance with the regulations).
Scope 1, 2 und 3	The terms Scope 1, 2 and 3 refer to a classification of greenhouse gas emissions according to "emission scopes". The classification into Scope 1, 2 and 3 emissions comes from the Greenhouse Gas Protocol (GHG Protocol). Scope 1: includes emissions caused by the property itself (e.g. heating oil, natural gas, wood pellets) Scope 2: includes the upstream emissions that are carried to the property (e.g. district heating, general electricity) Scope 3: may include various upstream and downstream emissions (e.g. tenant electricity)
Market value	The current value of a property, estimated by independent experts, which would likely be achieved at the time of sale, at the time of the valuation. The estimation is usually made once a year.
WAULT	The WAULT (weighted average unexpired lease term) provides information on the weighted average remaining term of the contractually fixed commercial leases at the end of the reporting period. It is an important indicator of the predictability and stability of rental income at the end of the reporting period.
Cession	A cession is an assignment of receivables. In this case, the obligation changes, as the claim is transferred to a new creditor.

# Disclaimer

## **For marketing and information purposes by UBS.**

UBS funds under Swiss law.

Arrangements for marketing fund units mentioned in this document may be terminated at the initiative of the management company of the fund(s).

Only tax-exempt occupational pension schemes under pillar 2 and pillar 3a domiciled in Switzerland and patronal welfare funds (in accordance with BVG) are authorised investors in the UBS Foundation for the Investment of Pension Fund Assets investment groups. The investment groups of UBS Investment Foundation 2 (AST 2) and UBS Investment Foundation 3 (AST 3) are only open to occupational pension plans domiciled in Switzerland that are entered in the register of occupational pension plans in accordance with Art. 48 and Art. 61 of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans. In accordance with the memorandum of understanding concluded in 2004, the investment groups are only subject to withholding tax on dividends from US and possibly other foreign equities if they do not meet this precondition.

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