

UBS «Sima»

Planned capital increase for April / May 2020

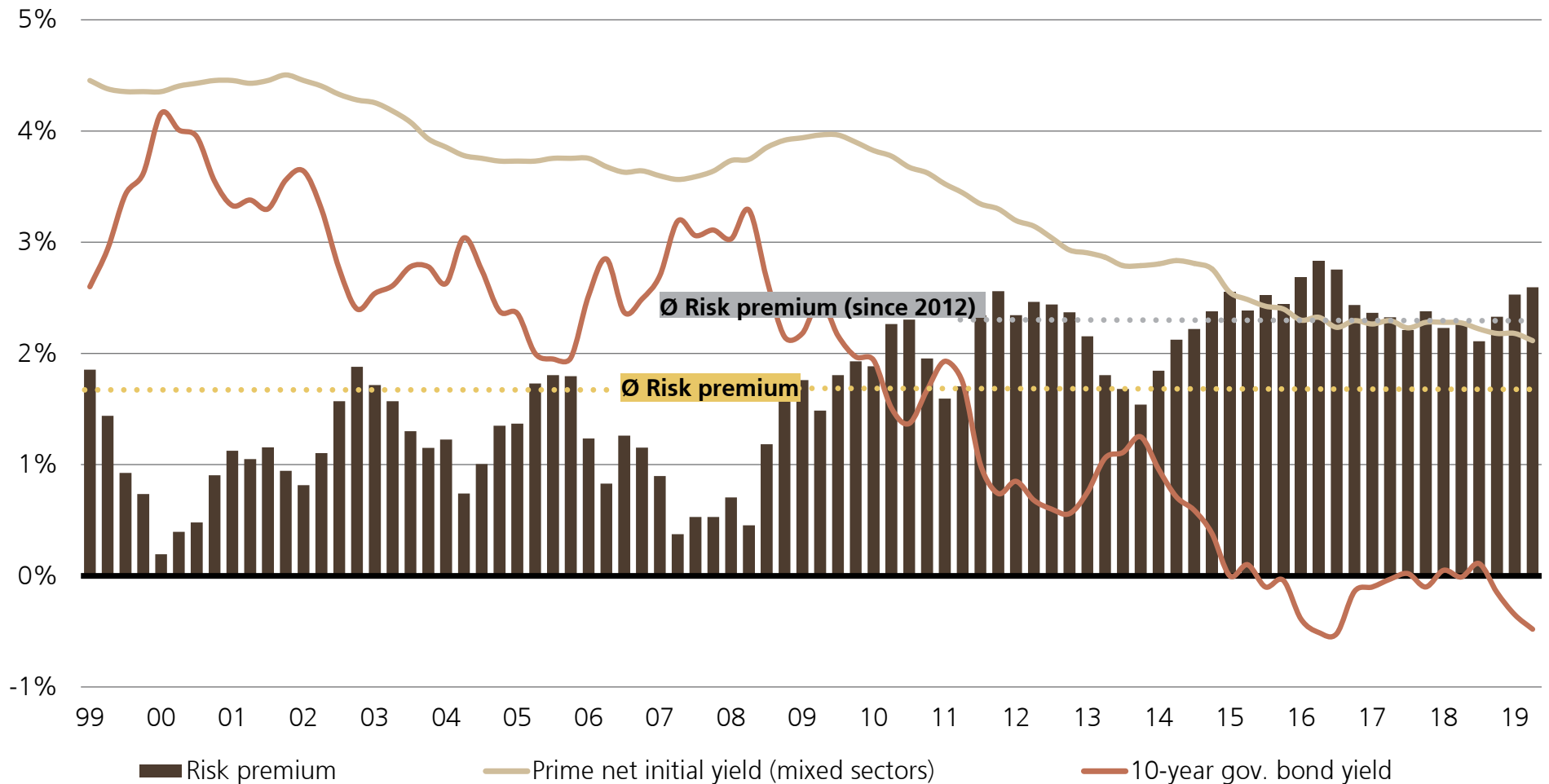


Section 1

Swiss Real Estate Market

Swiss real estate investment attractiveness still elevated

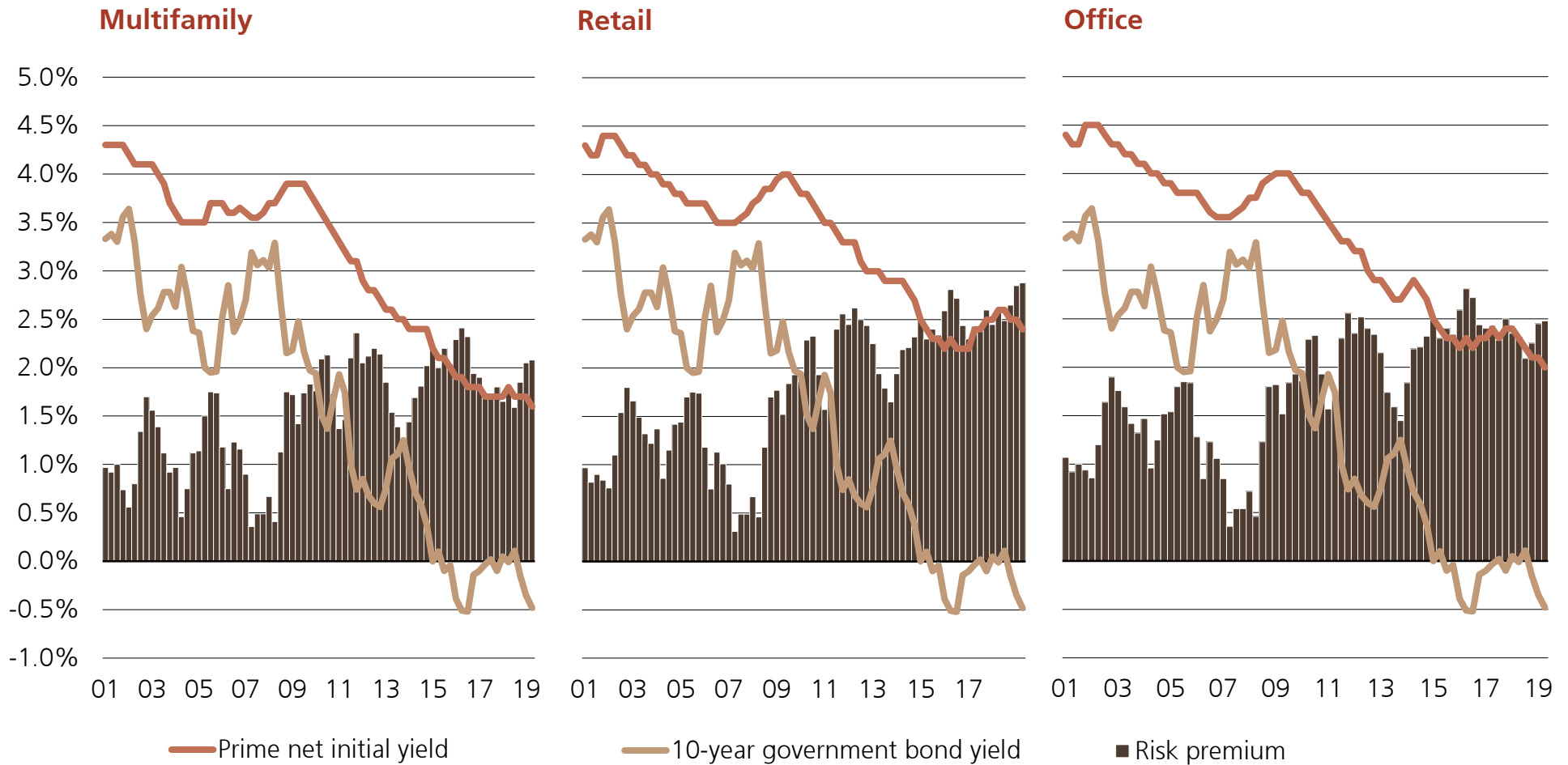
Interest rate drop leads to an increase in the risk premia



Source: Wüest Partner 2Q 2019; Oxford Economics; UBS Asset Management, Real Estate & Private Markets (REPM), August 2019

Cap rate compression in all sectors

Prime retail assets still enjoying investors' favor



Source: Wüest Partner 2Q 2019; Oxford Economics; UBS Asset Management, Real Estate & Private Markets (REPM), August 2019

Key messages



Economy

Low interest rate environment set to continue

- Swiss economic activity is cooling down, in line with the global trend. Real GDP growth should reach 0,8% in 2019
- Given lower economic growth, modest inflation levels and expensive Swiss franc, Swiss interest rates are set to remain low in the foreseeable future. Furthermore, another policy rate cut cannot be excluded
- In the persisting low interest rate environment, Swiss real estate investments remain very attractive. The average risk premium at the acquisition of prime properties amounted 2,6% in 2Q 2019



Multifamily

Supply level still exceeding demand potential

- Construction activity is slowing down from a high level and remains above the historical average
- At the same time, demand dynamics is still modest and supply level keeps exceeding absorption potential
- Rents remain under pressure in most regions of the country. However, the market situation remains rather healthy in larger cities and their metropolitan areas due to a robust demand potential in those submarkets



Office

Stabilization trend is gaining traction

- Robust job market is supporting office space absorption. However, demand momentum is expected to cool down in the coming quarters due to softer economic growth
- Due to the demand upswing, market conditions are tightening in central locations. Regions at the fringe of the business districts are increasingly benefiting from the recovery in the city centers which leads to a gradual stabilization of the overall market
- As the stabilization trend is gaining traction, rental prices are bottoming out in most of the Swiss office markets



Retail

Challenges are getting priced in

- Swiss retail environment remains very challenging. In addition to the growing competition from online retailers, stagnating real wages are weighing on consumer confidence and the strong Swiss franc is likely to give a boost to shopping tourism
- Investors begin to price those challenges in the valuation of retail properties. Nevertheless, good properties at prime locations are still enjoying high investor demand due to the persisting low interest rate environment

Section 2

UBS «Sima»

UBS «Sima»

Key data as per 31 December 2018

- Largest Swiss real estate fund, launched in 1950
- Investments in residential, commercial and mixed buildings throughout Switzerland
- Stable return from existing portfolio
- Appreciation potential through renovations and redevelopments
- Growth through acquisitions of construction projects and existing properties

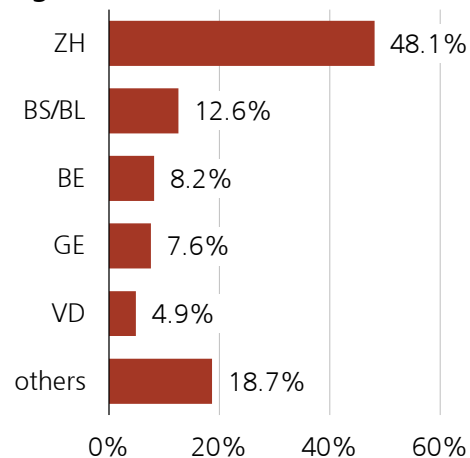


IAZI Real Estate Award
«Best Latin Switzerland Properties»
2019

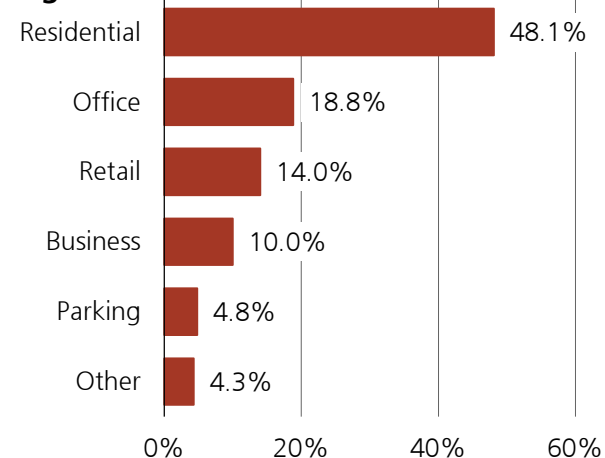
Key Figures

Net Asset Value	CHF 6394,3 Mio.
Market Value	CHF 9326,4 Mio.
Rental income	CHF 395,3 Mio.
Rental loss rate	5.3%
Leverage	21.4%
Total return on NAV	6.6%
Performance	-2.0%
Number of properties	350

Regions



Usage

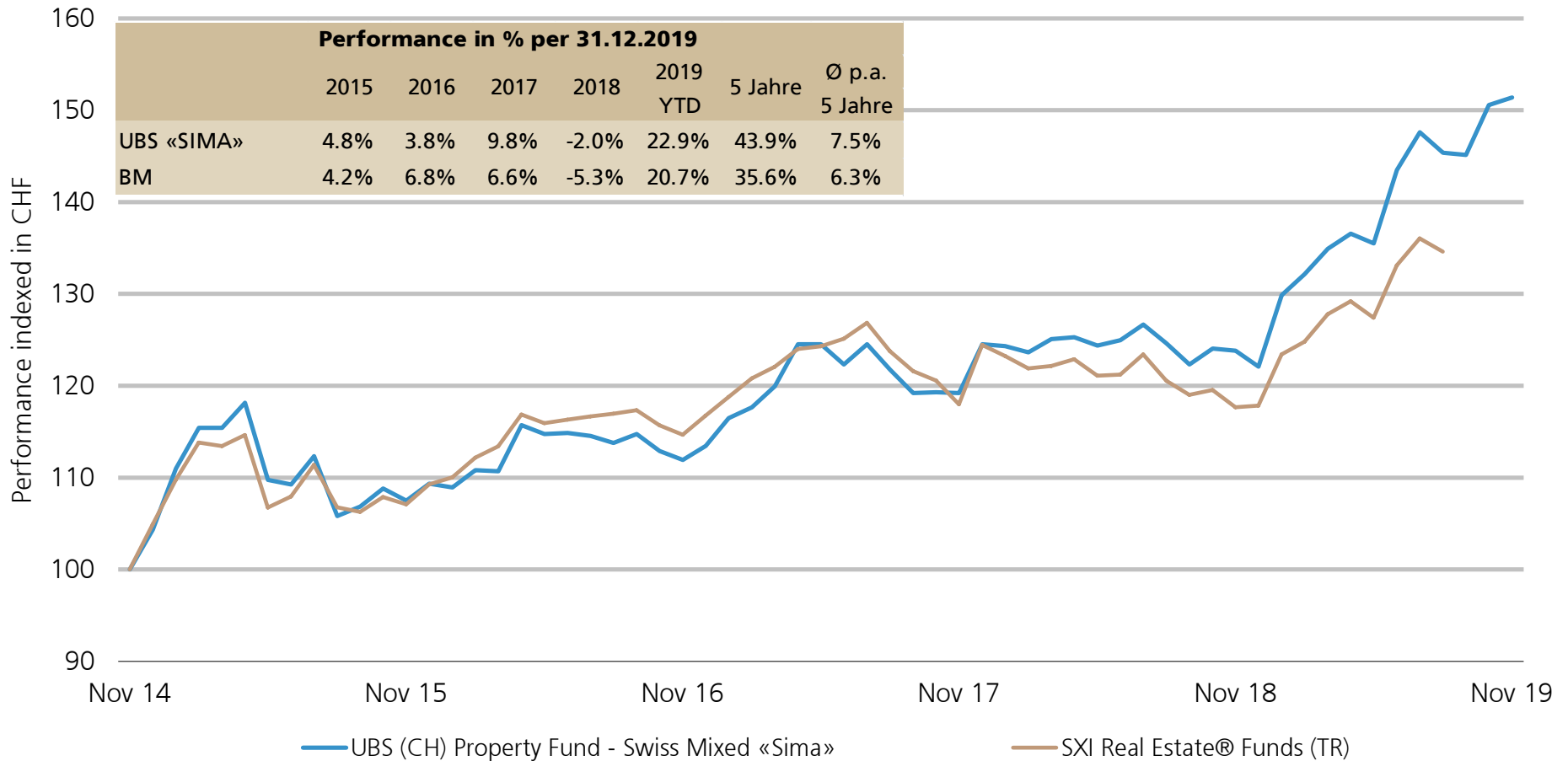


Source: UBS Asset Management, Real Estate & Private Markets (REPM)

These figures refer to the past. 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.

UBS «Sima»

Comparison with its Benchmark



Source: UBS Asset Management/Datastream, as at end of November 2019

These figures refer to the past. 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.

Update - SXI Real Estate® Funds Broad

Data as at 30 November 2019

Name	Founded	Mkt cap. (mn.)	Weight	Sector	Region	Price	NAV	Premium	Div. Yield	Perf. YTD	Perf. 2018	Perf. 2017	Perf. 3YR
UBS Sima	1950	8'948	17.8%	Mixed	German-speaking CH	128.70	91.58	40.5%	2.5%	24.0%	-2.0%	9.8%	35.2%
CS Siat	1956	3'219	6.4%	Mixed	German-speaking CH	208.50	149.22	39.7%	2.6%	16.6%	-9.1%	8.8%	18.2%
* CS LivingPlus	2007	3'111	6.2%	Residential	German-speaking CH	149.20	107.28	39.1%	2.3%	19.7%	-7.4%	4.5%	20.6%
* CS Green	2009	2'876	5.7%	Mixed	German-speaking CH	146.50	113.65	28.9%	2.5%	19.4%	-3.2%	6.9%	29.9%
UBS Anfos	1956	2'679	5.3%	Residential	German-speaking CH	75.45	56.93	32.5%	2.4%	19.7%	0.1%	3.8%	27.0%
UBS Swissreal	1962	1'819	3.6%	Commercial	German-speaking CH	79.50	62.16	27.9%	3.3%	21.2%	-1.7%	10.5%	33.2%
CS Interswiss	1954	1'800	3.6%	Commercial	Mixed	217.00	188.12	15.4%	3.9%	18.6%	-6.6%	9.4%	21.6%
Immofonds	1969	1'603	3.2%	Residential	German-speaking CH	498.00	332.27	49.9%	2.7%	25.0%	-4.5%	3.8%	23.9%
La Fonciere	1954	1'587	3.2%	Residential	Geneva / Vaud	128.30	84.04	52.7%	2.6%	27.1%	-3.8%	5.1%	29.7%
Schroder ImmoPLUS	1997	1'553	3.1%	Commercial	German-speaking CH	179.80	136.54	31.7%	2.5%	20.0%	-8.1%	8.4%	26.1%
FIR	1997	1'545	3.1%	Residential	Geneva / Vaud	214.00	143.78	48.8%	1.9%	23.3%	-1.4%	7.2%	27.7%
Swisscanto IFCA	1968	1'516	3.0%	Residential	Mixed	143.90	110.34	30.4%	2.3%	17.4%	-7.2%	4.1%	16.9%
UBS Foncipars	1943	1'462	2.9%	Residential	Geneva / Vaud	114.00	82.54	38.1%	2.2%	26.8%	-5.6%	12.8%	33.4%
* Edmond de Rothschild Swiss	2010	1'358	2.7%	Mixed	Mixed	148.20	115.67	28.1%	2.4%	21.0%	-7.1%	13.1%	28.9%
* Solvalor 61	1997	1'303	2.6%	Residential	Geneva / Vaud	289.50	195.08	48.4%	1.8%	20.7%	-7.9%	8.2%	20.4%
* SL REF Swiss Properties	2015	1'203	2.4%	Mixed	German-speaking CH	133.70	108.61	23.1%	1.9%	2.1%			
Immo Helvetic	1997	1'042	2.1%	Residential	Berne region	226.50	175.74	28.9%	2.9%	18.6%	-10.8%	0.2%	5.5%
* Realstone Swiss Property	2008	956	1.9%	Residential	Mixed	145.50	121.31	19.9%	2.5%	16.3%	-11.0%	5.1%	12.9%
* SF Sustainable Property	2010	940	1.9%	Residential	Mixed	142.50	118.59	20.2%	2.5%	11.1%	-0.6%	9.1%	23.9%
* Procimmo	2007	919	1.8%	Commercial	Geneva / Vaud	171.20	135.30	26.5%	3.2%	16.0%	-9.1%	12.6%	21.6%
Swissinvest RE Fund	2006	909	1.8%	Residential	German-speaking CH	187.70	137.36	36.6%	2.4%	22.4%	-7.3%	2.9%	16.5%
* Bonhote	2006	907	1.8%	Residential	Geneva / Vaud	144.80	119.87	20.8%	2.2%	14.0%	-10.1%	4.4%	8.3%
* Patrimonium	2007	885	1.8%	Residential	Geneva / Vaud	164.30	134.31	22.3%	2.3%	18.1%	-6.1%	5.9%	21.6%
* CS Hospitality	2010	853	1.7%	Commercial	Mixed	97.50	95.86	1.7%	3.4%	16.5%	-4.6%	1.0%	14.5%
SF Retail Properties	2015	723	1.4%	Commercial	Mixed	119.00	101.43	17.3%	3.7%	10.7%	-1.6%	-2.5%	
* Realstone Development Fund	2010	663	1.3%	Residential	Mixed	131.00	133.56	-1.9%	1.5%	8.3%	-10.3%	-6.8%	
* UBS Direct Residential	2006	651	1.3%	Residential	German-speaking CH	16.35	13.57	20.4%	2.6%	17.7%	-14.7%	-2.5%	-1.0%
* Helvetica Swiss Commercial Fund	2016	543	1.1%	Commercial	German-speaking CH	125.00	110.83	12.8%	3.2%	4.2%			
* Swisscanto RE Commercial	2010	497	1.0%	Commercial	Mixed	115.70	102.26	13.1%	3.0%	14.2%	-5.2%	-5.4%	3.2%
* Polymen	2009	382	0.8%	Mixed	Geneva / Vaud	146.20	129.95	12.5%	2.1%	9.4%	-4.0%	2.5%	12.8%
* UBS Direct Urban	2012	344	0.7%	Mixed	Mixed	11.95	11.37	5.1%	2.5%	18.3%	-18.5%	5.2%	0.7%
* Dominicé Swiss Property Fund	2013	317	0.6%	Residential	Geneva / Vaud	122.10	121.70	0.3%	2.5%	4.7%	-7.0%		
* Swiss Romande Property Fund	2014	295	0.6%	Residential	Geneva / Vaud	110.10	115.30	-4.5%	2.2%	-3.0%	-9.8%	-3.7%	
SF Commercial Properties	2016	247	0.5%	Commercial	German-speaking CH	103.00	100.95	2.0%	4.1%	4.1%	-0.6%	-2.0%	
* Good Buildings Swiss RE Fund	2011	238	0.5%	Mixed	German-speaking CH	118.90	112.02	6.1%	2.5%	2.1%			
* Streetbox Real Estate Fund	2009	201	0.4%	Commercial	Geneva / Vaud	469.00	295.83	58.5%	3.2%	17.3%	9.3%	-10.6%	21.6%
* Residentia	2009	196	0.4%	Residential	Ticino	122.50	116.71	5.0%	1.8%	4.8%	-10.6%	11.7%	3.9%
TOTAL		50'293	100.0%				Ø	30.6%	2.6%	19.3%	-5.3%	6.6%	22.6%

* property directly held by the fund

Notes: Market cap. & weightings based on SIX data, prices based on Bloomberg data. NAV according to the latest company statement, adjusted for the dividends. Mixed means portfolio consists of more than one sector. Region and sector classification as well as Premium and Div. Yield calculation done by UBS Asset Management based on financial year statements. Performance is Total Return based on Bloomberg data. **Past performance is no guarantee for future results.**



UBS «Sima»

Why UBS «Sima»?

Product

- Largest listed Swiss Real Estate Fund
 - High liquidity through large investment volume and small denomination
 - Attractive return on NAV and distribution
-

Portfolio

- Attractive residential and commercial buildings throughout Switzerland
 - Stable returns from existing portfolio
 - Growth through acquisitions of construction projects and standing properties
 - Development potential through renovations and urban densification
-

Management

- Your partner for responsible real estate management since more than 75 years
- Reliable, imaginative, passionate
- Fund and competence teams with many years of experience
- Responsible real estate management through appreciation and value creation

UBS «Sima»

Current highlight from the portfolio

Basel, «Claratum»

- High-rise building on the Messeplatz
- New construction project
- 100m tower with 20m high annex building
- Investment amount approx. CHF 120 m
- Primary residential use with commercial and restaurant areas on the ground floor
- 285 apartments frohm which 35 with «MOVEment»-concept
- Completion planned for autumn 2021



Statement of the Fund Manager

«Our advantage is that we can grow organically.»

Martin Strub

-

Fund Manager
UBS «Sima»



Source: UBS Asset Management, Real Estate & Private Markets (REPM)

UBS «Sima»

Investment pipeline as per January 2020

Capital increase over around 200 million CHF planned for April / May 2020

Building type	Place	Street / project name	Project type	Total volumen in m CHF	Completion
Commercial property	Binningen (BL)	Hauptstrasse	Redevelopment	24	3Q20
Mixed use	Morges (VD)	Îlot sud	Redevelopment	120	3Q21
Residential property	Geneva (GE)	Rue Hoffmann	Renovation / Extension	17	3Q21
Residential property	Zurich (ZH)	Grimselstrasse / Saumäcker	Redevelopment	60	4Q22
Total				221	



Binningen (BL)



Morges (VD)



Genf (GE)




Zürich (ZH)

Convincing facts...

.... about Real Estate Switzerland

10 
Real estate investment
**products and external
mandats**


1 100+
Properties around Switzerland

75 years of **track record**

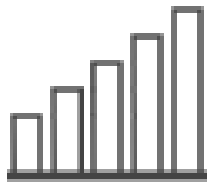



UBS «Sima» largest
Swiss real estate fund

Approx. **CHF 23bn**
Assets under Management



Sustainable
and diversified strategy



~80 
experienced employees
in Basel, Zurich and Lausanne



UBS «Foncipars» oldest
Swiss real estate fund

Data as per 30 September 2019

Our real estate investment products...

.... at a glance

			Market value (mio. CHF)				
Investment focus			2015	2016	2017	2018	2019 ¹
Listed funds							
UBS Direct Residential	Residential	D-CH	510	524	552	588	701
UBS Direct Urban	Mixed	all of CH	234	326	352	402	422
UBS «Foncipars»	Residential	W-CH	1112	1243	1353	1432	1441
UBS «Anfos»	Residential	D-CH	2212	2326	2466	2607	2704
UBS «Swissreal»	Commercial	all of CH	1687	1851	1898	1907	1972
UBS «Sima»	Mixed	all of CH	8046	8516	8887	9326	9394
Investment trusts							
UBS AST-KIS	Commercial	all of CH	447	588	621	681	688
UBS AST-IS	Mixed	all of CH	1728	1915	2027	2129	2282
External mandates							
Mandate (external)	Mixed	all of CH			2787	2913	2913
Total of the portfolio			15 976	17 289	20 934	21 985	22 517
Annual percentage change (%)			7,2	8,2	21,1	5,0	2,4

¹ UBS «Sima», UBS «Foncipars», UBS «Swissreal», UBS Direct Residential and UBS Direct Urban per 30.06.2019; UBS «Anfos» per 30.09.2019; AST-IS and AST-KIS per 30.11.2019; external mandate per 31.12.2018

We live real estate. Since 75 years.

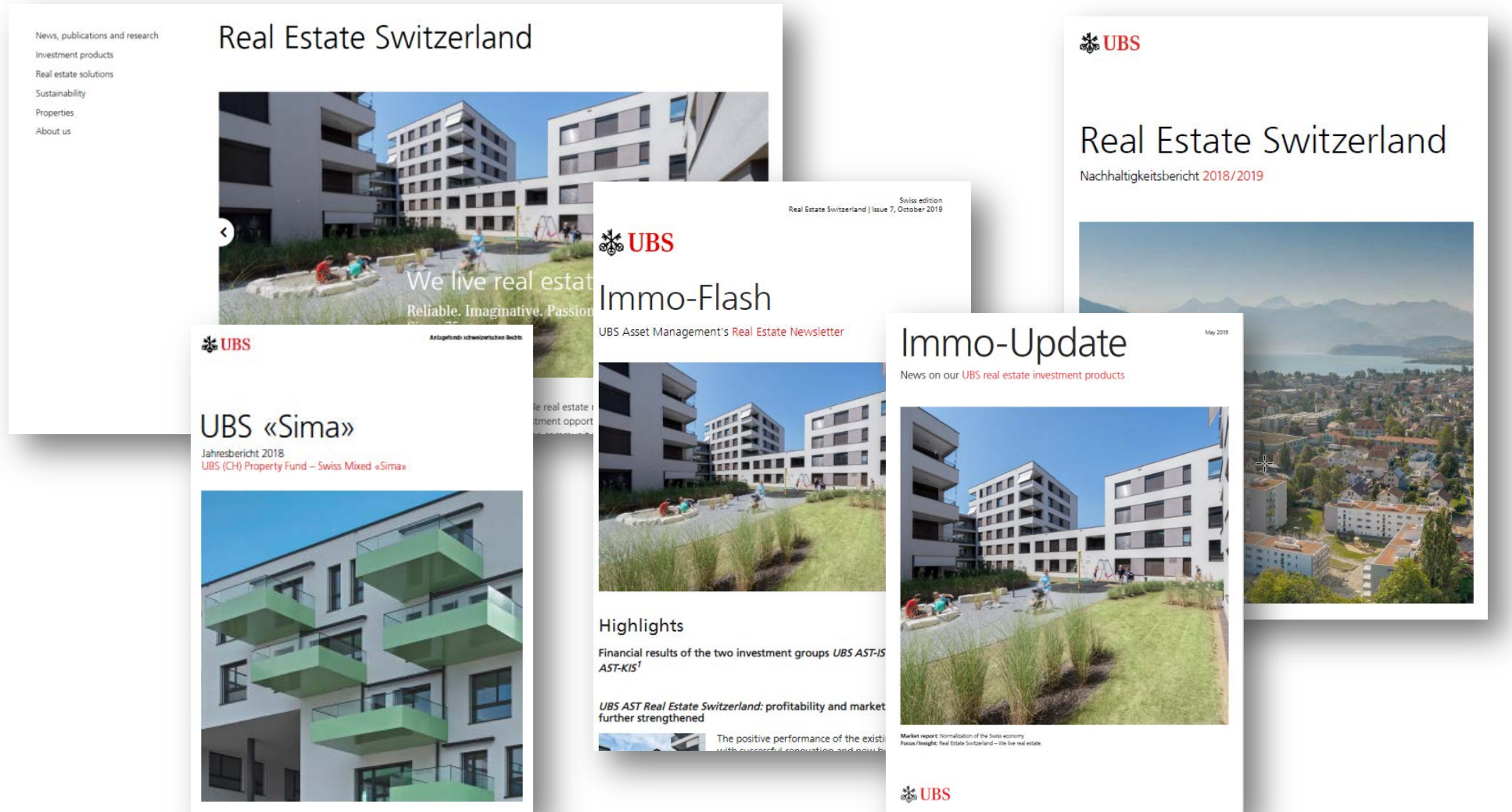
Reliable. Imaginative. Passionate.

“We believe appreciation and value creation are at the heart of responsible real estate management. By acknowledging people, ideas and potentials, we are passionate to create attractive investment opportunities, valuable living, working and recreational areas and promising real estate solutions. For the good of the community and the environment..”

RE-CH



Looking for more information?



For illustrative purposes

www.ubs.com/realestate-switzerland

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