Public
For marketing purposes

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

Year-end results as at 30 September 2021

19 November 2021

Table of contents

Section 1	**UBS «Anfos»**	2
Section 2	**Real Estate Switzerland**	9
Section 3	**Swiss real estate market**	14

Section 1

UBS «Anfos»

Year-end results as at 30 September 2021

UBS

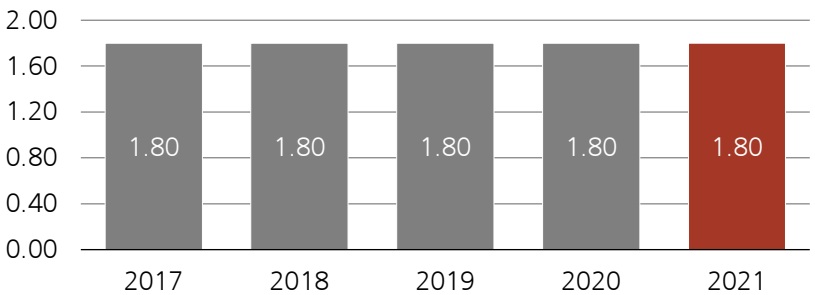
UBS «Anfos»

Key Data as at 30 September 2021

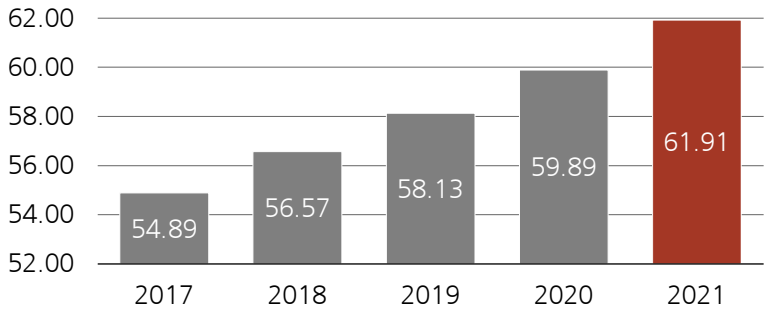
- Distribution per unit of 1.80 CHF per share maintaining the equal amount to the previous year
- Increase in net asset value per unit by 3.4% to CHF 61.91

	30.09.2021	30.09.2020	30.09.2019
Performance	10.3%	21.1%	11.6%
Total return on NAV	6.6%	6.3%	6.1%
Yield on distribution	1.9%	2.1%	2.5%
Agio	50.9%	44.4%	25.8%
Rental loss rate	5.2%[1]	6.6%[2]	6.7%
Leverage	17.1%	16.9%	16.8%

Distribution per unit



Net asset value



1 incl. rental interest exemptions (COVID-19); without this effect, the reported rental loss rate would rise to 5.0% (instead of 5.2%) as at financial year end 30.09.2021
2 incl. rental interest exemptions (COVID-19); without this effect, the reported rental loss rate would rise to 6.4% (instead of 6.6%) as at financial year end 30.09.2020

These figures refer to the past. Past performance/distribution is not a reliable indicator of future results

Management Summary

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

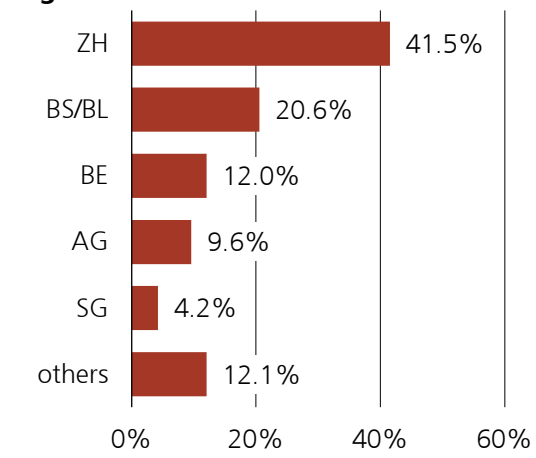
- Listed Swiss real estate fund, launched in 1956
- Investments in residential properties in German-speaking Switzerland
- Stable return from existing portfolio
- Appreciation potential through renovations and redevelopments
- Focus on sustainable growth by always taking economic, ecological and social aspects into account in acquisitions, new buildings and renovations

IAZI Real Estate Investment Award 2021
Kategorie 'Best Investment Fund'

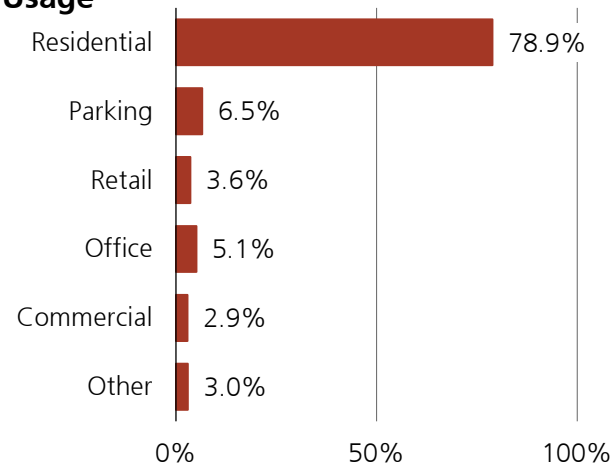
Key Figures

Net Asset Value	CHF 2'198.6 m
Market Value	CHF 2'925.2 m
Rental income	CHF 124.2 m
Rental loss rate[1]	5.2%
Leverage	17.1%
Total return on NAV	6.6%
Performance	10.3%
Number of properties	150

Regions



Usage



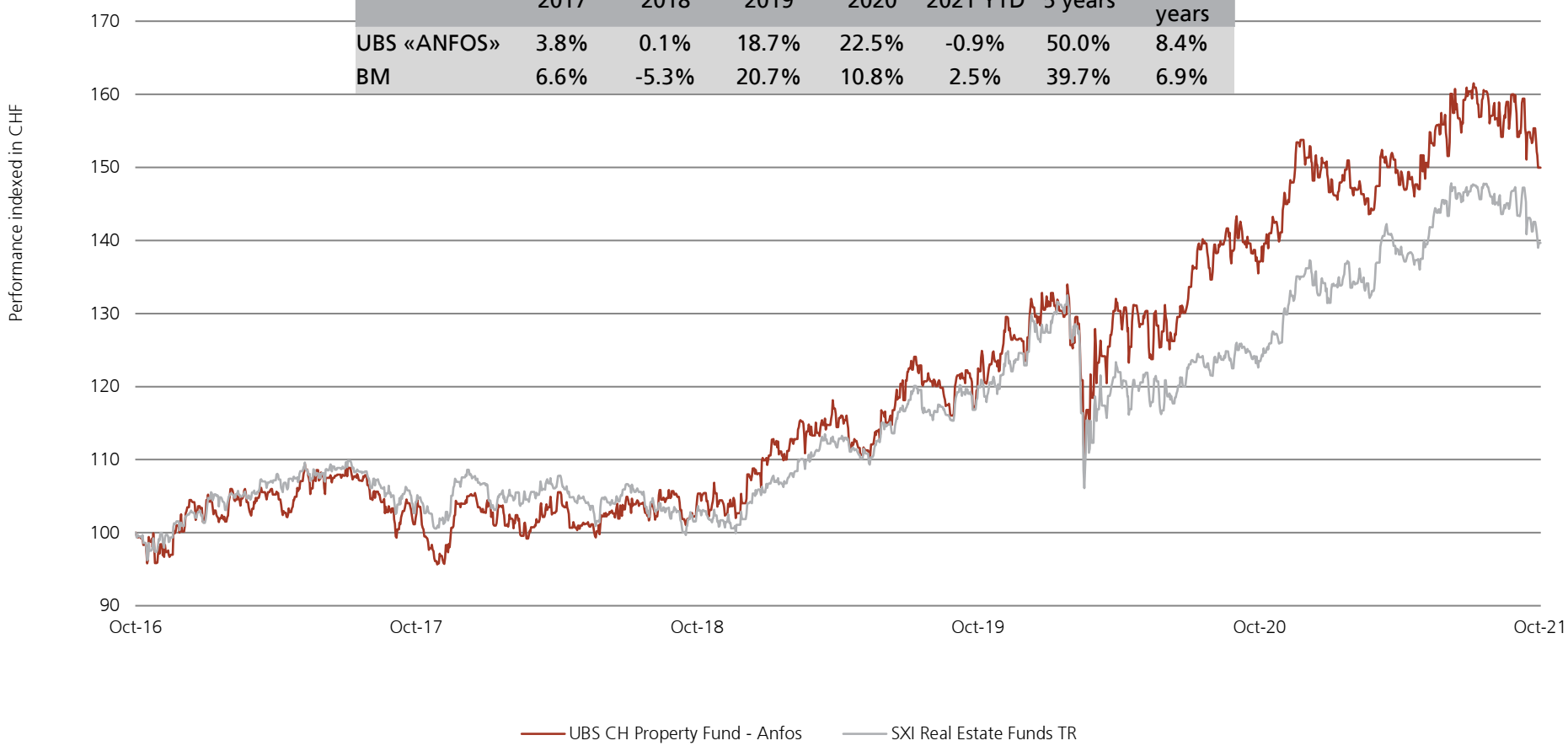
Source: UBS Asset Management, Real Estate & Private Markets (REPM); Data as of 30 September 2021
These figures refer to the past. Past performance is not a reliable indicator of future results. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units.
1 Incl. granted rent waivers (COVID-19); without this effect, the reported vacancy rate would amount to 5.0% (instead of 5.2%) for the financial year

UBS «Anfos»

Benchmark comparison

Performance in % as at 31.10.2021

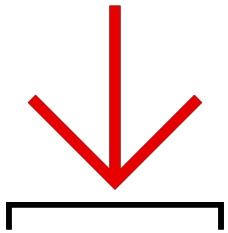
	2017	2018	2019	2020	2021 YTD	5 years	avg p.a. 5 years
UBS «ANFOS»	3.8%	0.1%	18.7%	22.5%	-0.9%	50.0%	8.4%
BM	6.6%	-5.3%	20.7%	10.8%	2.5%	39.7%	6.9%



Source: Datastream, UBS Asset Management as at end of October 2021
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.

At a glance

Financial year 2020/2021

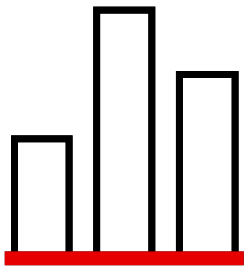


Reduction of the rental loss rate from 6,6% to

5.2%

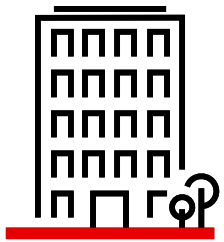
Total return on NAV of

6.6%



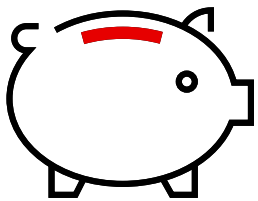
+4.2%

portfolio growth to **CHF 2925 m**



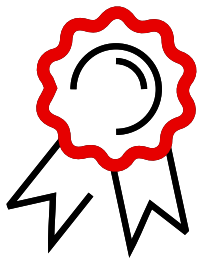
Portfolio of

150 properties



1.9%

yield on distribution



4 Green Stars

in the GRESB Real Estate Assessment 2021

Data as at 30 September 2021

Sustainability at UBS «Anfos»

Highlights of the fiscal year 2020/2021

GRESB

Highest awarded score of four stars in the peer group «Residential Switzerland»

Realization of four photovoltaic systems in 2021 – further systems at the planning stage.

Eight certified properties (1x Leed , 1x Minergie-P, 6x Minergie)

33% of tenants have been asked about satisfaction and well-being.

Further informationen on the topic of sustainability at RE-CH can be found in the annual report at www.ubs.com/realestate-switzerland

«Thanks to partnerships with innovative companies, we can help shape groundbreaking developments.»

Marcin Paszkowski
Fund Manager
UBS «Anfos»

UBS «Anfos»

Current highlight from the portfolio

Kloten (ZH), Alte Landstrasse

- Replacement project
- 108 apartments
- Investment amount approx. CHF 50 m
- Completion planned for autumn 2023
- Sustainability aspects, e.g. Minergie standard, heating via geothermal probes, PV system as well as electric charging stations in the garage
- Gross return: approx. 4.2%

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

Section 2

Real Estate Switzerland

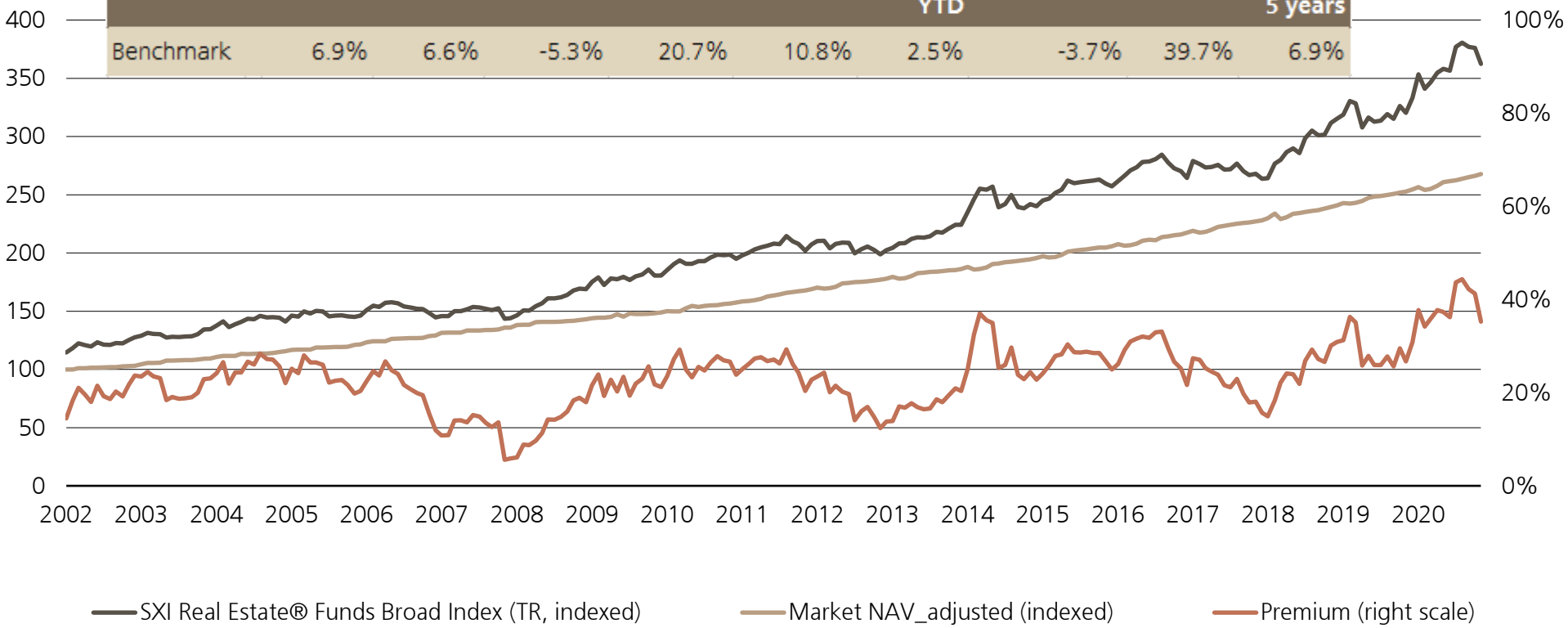
UBS

Performance of the listed Swiss real estate funds

Premium development from 1 January 2003 until 31 October 2021

Total Return Index

in %	2016	2017	2018	2019	2020	2021 YTD	October	5 years	Ø p.a. 5 years
Benchmark	6.9%	6.6%	-5.3%	20.7%	10.8%	2.5%	-3.7%	39.7%	6.9%



Source: UBS Asset Management, SXI Real Estate Funds Index, Bloomberg, listed Swiss real estate funds financial results.
Past performance is no guarantee for future results.

Update - SXI Real Estate® Funds Broad

Data as at 31 October 2021

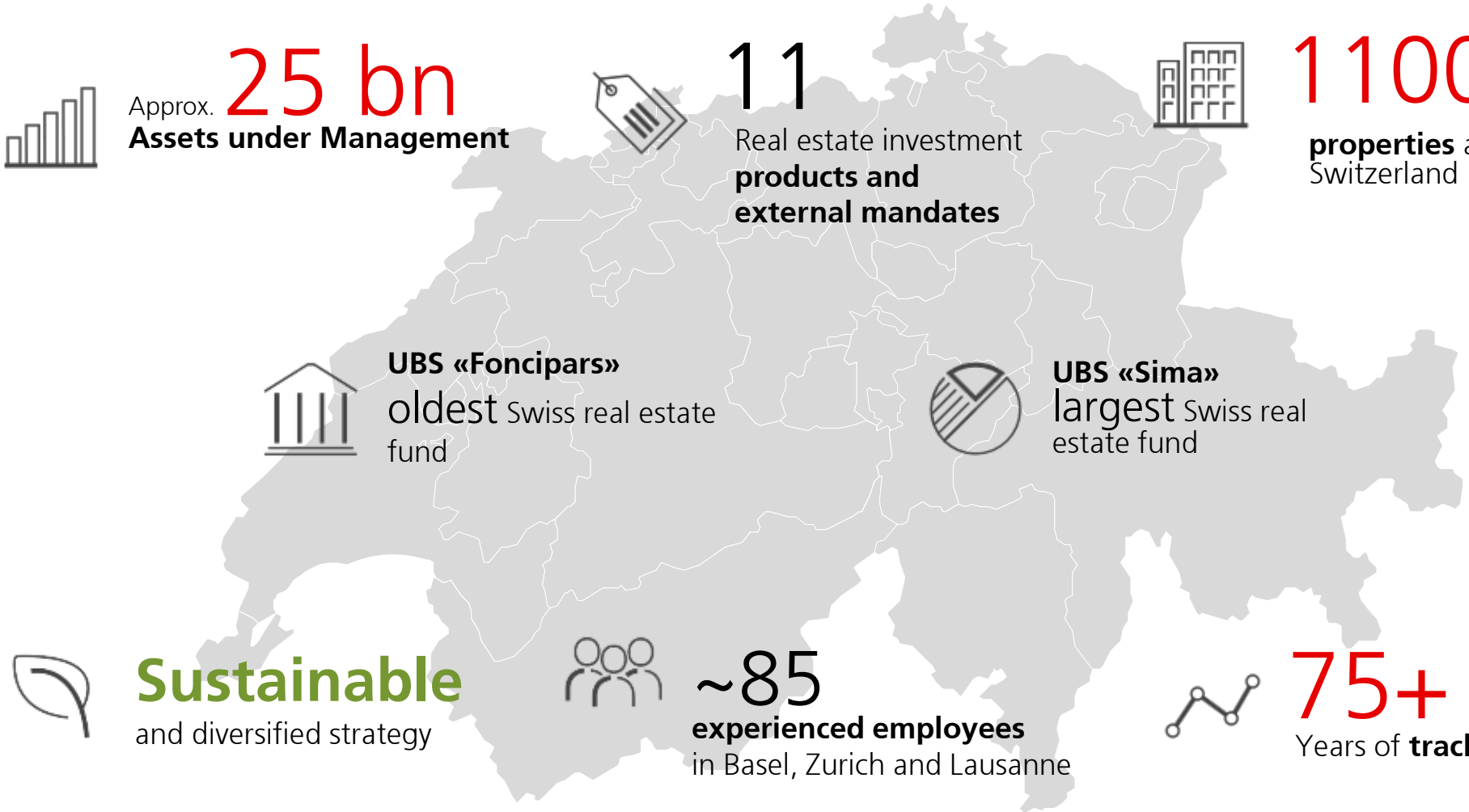
	Name	Founded	Mkt cap. (mn.)	Weight	Sector	Region	Price	NAV	Premium	Div. Yield	Perf. YTD	Perf. 2020	Perf. 2019	Perf. 3YR
	UBS Sima	1950	10'222	17.1%	Mixed	German-speaking CH	142.70	97.41	46.5%	2.3%	4.2%	13.3%	22.9%	42.8%
	CS Siat	1956	3'911	6.5%	Mixed	German-speaking CH	238.40	157.73	51.1%	2.2%	3.1%	17.3%	17.3%	39.9%
*	CS LivingPlus	2007	3'533	5.9%	Residential	German-speaking CH	169.40	110.34	53.5%	2.1%	0.7%	16.9%	20.5%	39.6%
*	CS Green	2009	3'292	5.5%	Mixed	German-speaking CH	167.70	116.88	43.5%	2.0%	1.2%	12.9%	24.7%	40.3%
	UBS Anfos	1956	3'161	5.3%	Residential	German-speaking CH	89.00	60.10	48.1%	2.0%	-0.9%	22.5%	18.7%	42.9%
	Immofonds	1969	2'035	3.4%	Residential	German-speaking CH	579.50	358.33	61.7%	2.3%	11.0%	11.8%	26.3%	53.3%
	La Fonciere	1954	2'014	3.4%	Residential	Geneva / Vaud	148.00	90.38	63.8%	1.5%	6.2%	12.9%	29.3%	50.9%
*	Edmond de Rothschild Swiss	2010	2'165	3.6%	Mixed	Mixed	157.50	119.24	32.1%	2.3%	5.9%	10.7%	24.1%	42.9%
	Swisscanto IFCA	1968	1'727	2.9%	Residential	Mixed	164.00	117.60	39.5%	2.0%	-2.3%	24.9%	17.9%	43.3%
*	SL REF Swiss Properties	2015	1'810	3.0%	Mixed	German-speaking CH	134.10	111.22	20.6%	1.9%	3.2%	3.6%		
	CS Interswiss	1954	1'790	3.0%	Commercial	Mixed	199.20	195.45	1.9%	3.8%	-6.9%	3.3%	22.7%	19.4%
	UBS Swissreal	1962	1'730	2.9%	Commercial	German-speaking CH	75.60	62.46	21.0%	3.5%	3.5%	-3.5%	23.5%	24.7%
	Schroder ImmoPLUS	1997	1'665	2.8%	Commercial	Mixed	167.00	141.09	18.4%	2.8%	-2.3%	2.4%	20.7%	17.1%
	UBS Foncipars	1943	1'922	3.2%	Residential	Geneva / Vaud	134.90	92.11	46.5%	1.9%	3.4%	21.9%	27.9%	55.3%
	FIR	1997	1'688	2.8%	Residential	Geneva / Vaud	233.70	150.62	55.2%	1.8%	3.9%	10.4%	21.9%	34.9%
*	Solvalor 61	1997	1'595	2.7%	Residential	Geneva / Vaud	315.00	204.46	54.1%	1.7%	-2.9%	18.4%	22.5%	39.8%
*	SF Sustainable Property	2010	1'122	1.9%	Residential	Mixed	146.70	120.68	21.6%	2.4%	-2.5%	10.3%	13.7%	22.5%
*	Bonhote	2006	1'137	1.9%	Residential	Geneva / Vaud	158.80	120.51	31.8%	2.0%	4.4%	10.4%	15.1%	30.1%
	Immo Helvetic	1997	1'191	2.0%	Residential	Berne region	229.00	179.13	27.8%	2.9%	6.4%	1.8%	20.0%	28.5%
*	Patrimonium	2007	1'008	1.7%	Residential	Geneva / Vaud	187.20	142.12	31.7%	2.0%	-1.0%	14.4%	23.6%	37.7%
*	Realstone	2008	1'823	3.0%	Mixed	Mixed	143.40	123.20	16.4%	2.5%	-0.9%	3.9%	17.6%	18.6%
	Swissinvest RE Fund	2006	1'156	1.9%	Residential	German-speaking CH	218.70	151.91	44.0%	2.1%	13.6%	12.7%	19.1%	49.4%
*	CS Real Estate Fund LogisticsPlus	2014	1'002	1.7%	Commercial	German-speaking CH	143.20	105.32	36.0%	2.7%	2.8%			
*	Procimmo	2007	909	1.5%	Commercial	Geneva / Vaud	152.40	142.24	7.1%	3.5%	1.1%	-5.8%	17.0%	14.0%
*	UBS Direct Residential	2006	820	1.4%	Residential	German-speaking CH	17.65	13.96	26.4%	2.4%	-3.5%	14.9%	23.9%	36.8%
	SF Retail Properties	2015	720	1.2%	Commercial	Mixed	118.60	102.44	15.8%	3.7%	2.2%	2.1%	13.5%	16.1%
*	CS Hospitality	2010	658	1.1%	Commercial	Mixed	77.30	76.49	1.1%	3.2%	9.1%	-19.4%	26.1%	9.0%
*	Swisscanto RE Commercial	2010	582	1.0%	Commercial	Mixed	111.90	103.02	8.6%	3.7%	-0.9%	4.6%	16.0%	16.9%
*	UBS Direct Urban	2012	520	0.9%	Mixed	German-speaking CH	14.45	11.50	25.7%	2.3%	4.0%	22.8%	19.3%	47.5%
*	Procimmo Swiss Commercial II	2015	535	0.9%	Commercial	German-speaking CH	135.50	123.48	9.7%	3.8%				
*	Helvetica Swiss Commercial Fund	2016	482	0.8%	Commercial	German-speaking CH	110.90	114.68	-3.3%	4.6%	6.4%	-7.8%		
*	Polymen	2009	430	0.7%	Mixed	Geneva / Vaud	164.80	135.90	21.3%	2.0%	6.4%	7.5%	12.4%	27.6%
*	Swiss Romande Property Fund	2014	287	0.5%	Mixed	Geneva / Vaud	107.10	118.66	-9.7%	2.2%	-5.3%	3.6%	-0.9%	-1.6%
*	Dominicé Swiss Property Fund	2013	320	0.5%	Residential	Geneva / Vaud	123.00	118.04	4.2%	2.4%	7.3%	-2.1%	5.5%	7.7%
*	Good Buildings Swiss RE Fund	2011	316	0.5%	Mixed	German-speaking CH	143.70	115.37	24.6%	2.8%	15.9%	10.5%		
	SF Commercial Properties	2016	216	0.4%	Commercial	German-speaking CH	90.00	97.41	-7.6%	4.7%	2.4%	-8.9%	6.2%	0.5%
*	Streetbox Real Estate Fund	2009	223	0.4%	Commercial	Geneva / Vaud	518.00	315.16	64.4%	2.9%	-1.6%	14.6%	26.4%	36.8%
*	Residentia	2009	178	0.3%	Mixed	Ticino	111.30	115.08	-3.3%	2.7%	-2.0%	-5.1%	7.5%	-1.3%
		TOTAL	**59'895**	**100.0%**				**Ø**	**35.3%**	**2.4%**	**2.5%**	**10.8%**	**20.7%**	**35.1%**

** 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.**

Convincing facts …

…. about Real Estate Switzerland



Approx. **25 bn**
Assets under Management

11
Real estate investment **products and external mandates**

1100+
properties around Switzerland

UBS «Foncipars»
oldest Swiss real estate fund

UBS «Sima»
largest Swiss real estate fund

Sustainable
and diversified strategy

~85
experienced employees
in Basel, Zurich and Lausanne

75+
Years of **track record**

Data as at 30 September 2021

Our real estate investment products…

…. at a glance

	Investment focus		Market value (M CHF)					
			2016	2017	2018	2019	2020	2021[1]
Listed funds								
UBS Direct Residential	Residential	all of CH	524	552	588	705	776	803
UBS Direct Urban	Mixed	all of CH	326	352	402	447	492	528
Residentia[2]	Residential	Italien-speaking CH						237
UBS «Foncipars»	Residential	French-speaking CH	1243	1353	1432	1492	1607	1612
UBS «Anfos»	Residential	German-speaking CH	2326	2466	2607	2704	2808	2925
UBS «Swissreal»	Commercial	all of CH	1851	1898	1907	1987	2051	2053
UBS «Sima»	Mixed	all of CH	8516	8887	9326	9895	10307	10356
Investment trusts								
UBS AST-KIS	Commercial	all of CH	588	621	681	711	711	727
UBS AST-IS	Mixed	all of CH	1915	2027	2129	2308	2384	2487
External mandates								
Mandate (external)	Mixed	all of CH		2787	2913	2953	3141	3141
Total of the portfolio			**17 289**	**20 934**	**21 985**	**23 202**	**24 277**	**24 869**
Annual percentage change (%)			**8,2**	**21,1**	**5,0**	**5,5**	**4,6**	**2,4**

1 External mandate as at 31.12.20; UBS «Sima», UBS «Foncipars», UBS «Swissreal», UBS Direct Residential, UBS Direct Urban and Residentia as at 30.06.21; UBS «Anfos», UBS AST-IS and UBS AST-KIS as at 30.09.2021
2 Residentia: Real Estate Switzerland has taken over the fund management of Residentia as of 1 February 2021

Section 3

Swiss real estate market

Key views 2H21

Macroeconomics: Low inflation and interest rate environment to persist

- Despite a recent acceleration due to the economy reopening and base effects, inflation is expected to remain modest in Switzerland in the coming quarters
- 10-year Swiss government bonds remain deeply in negative territory, which keeps the risk premia of direct property investments at an elevated level

Multifamily: Market imbalance has not resorbed yet

- The deceleration of planning activity continue in the Swiss residential market, but supply keeps overshooting the demand potential for now
- Market offering rents currently remain under pressure, whilst rental levels in institutional stock is trending sideways thanks to above-average property and location quality

Office: COVID-19 impact remains limited so far

- Offering rate in the office property markets of Zurich and Geneva plateaued in 2Q21 after having edged up over the last quarters due to the shock of the pandemic
- Despite current uncertainty, rental level is trending sideways in the major Swiss markets and the net initial yield level remains under pressure for prime office transactions

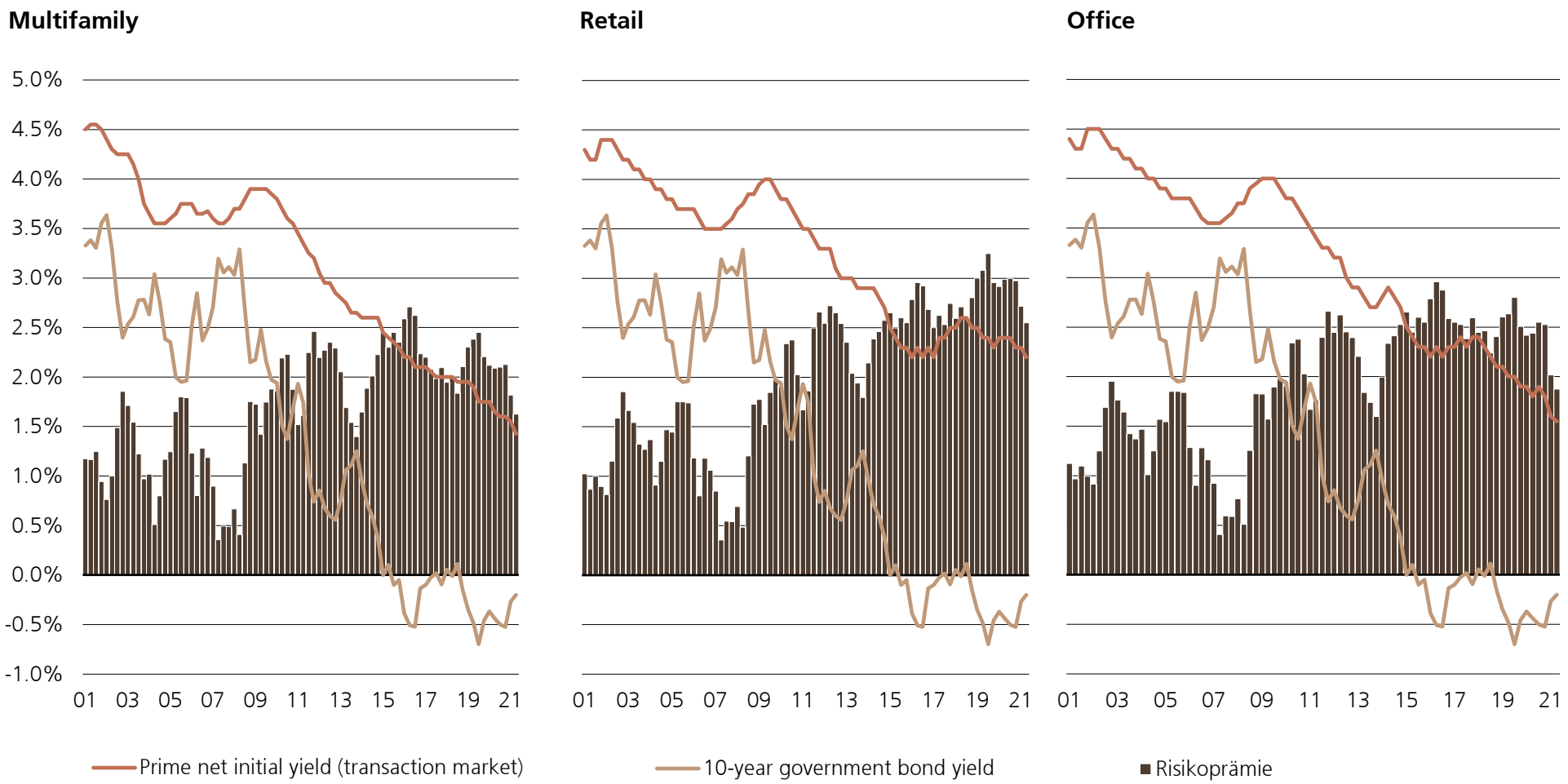
Retail: Some light at the end of the tunnel

- Non-food spending in physical stores returned to pre-pandemic levels in 2Q21 as lockdown measures gradually eased
- Transaction initial yields did not shift outward for most retail property sectors despite the harsh stress test posed by the pandemic

Source: UBS Asset Management, Real Estate & Private Markets (REPM), August 2021

Investor interest keeps driving up transaction prices

Prime net initial yields trending downward in the Swiss real estate market

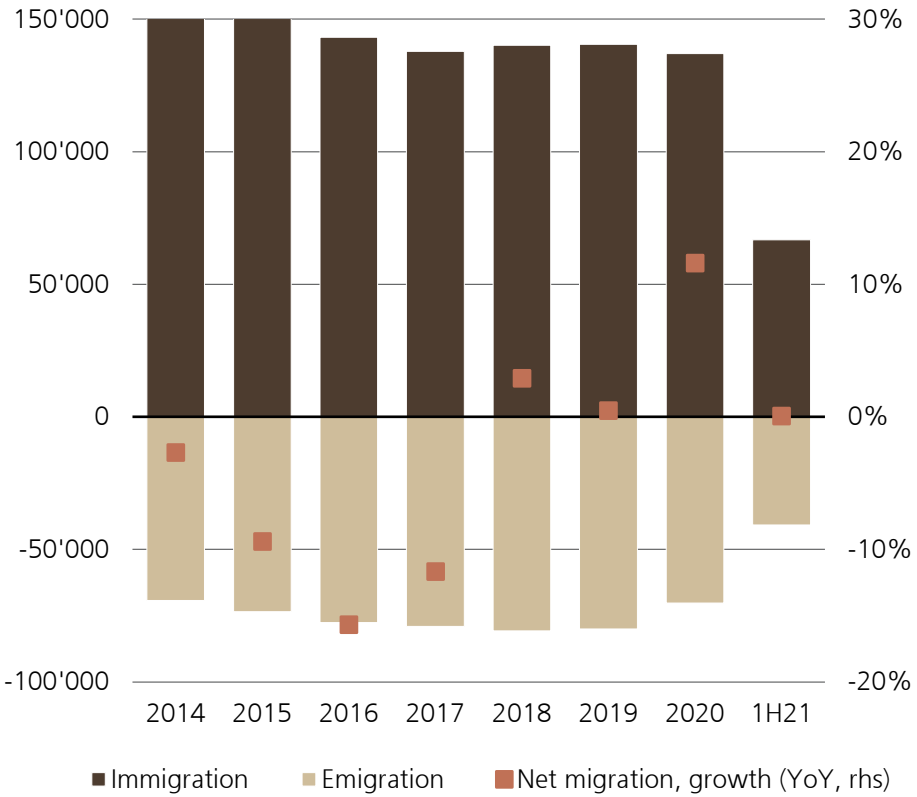


Source: Wüest Partner 2Q21; Oxford Economics; UBS Asset Management, Real Estate & Private Markets (REPM), August 2021

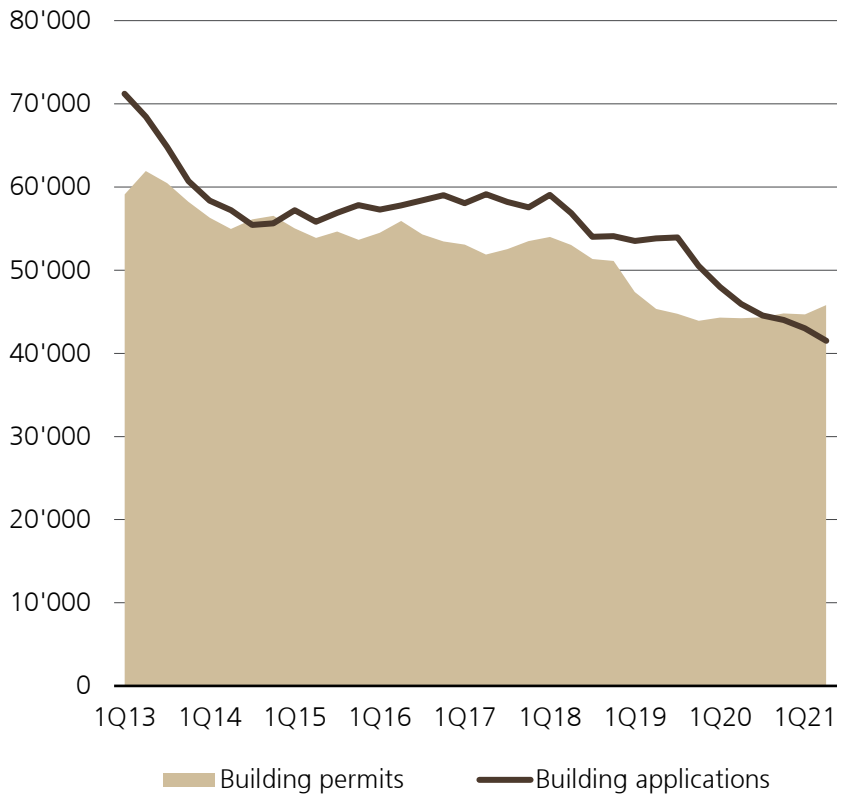
Multifamily: Continuation of recent trends

Planning activity cooling down at a slow pace and net migration remains close to past year level

Net migration into Switzerland



Planning activity in the Swiss housing market (12-month sum, number of dwelling units)

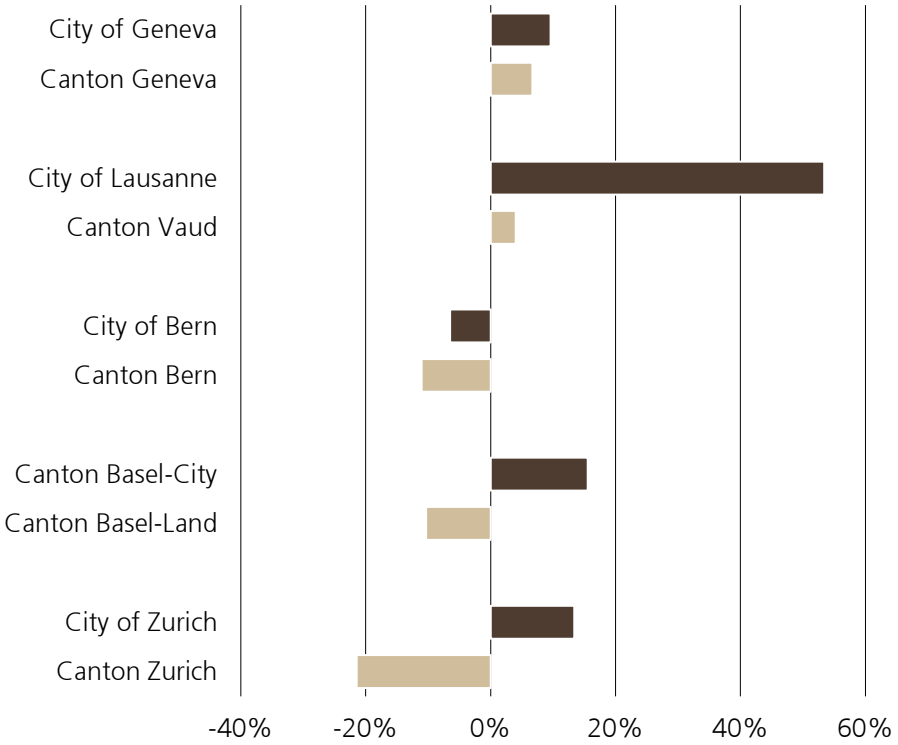


Source: State Secretariat for Migration SEM; Bauinfo 2Q21; UBS Asset Management, Real Estate & Private Markets (REPM), August 2021

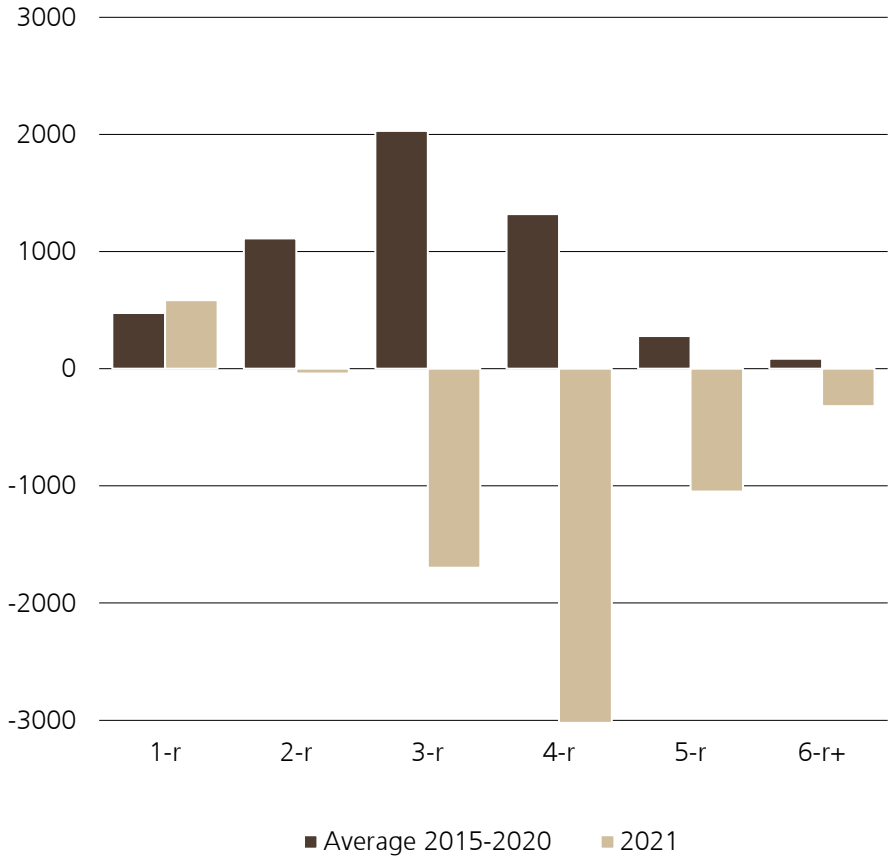
First decrease of the residential vacancy rate since 12 years

Compression primarily in agglomeration areas and for mid-sized and large apartments

Increase in vacant rental units 2021 vs. 2020 in the local multifamily market



Increase in vacant rental units in the Swiss multifamily market by apartment size (number of rooms)
(number of rental units)



Source: Swiss Statistical Office; UBS Asset Management, Real Estate & Private Markets (REPM), September 2021

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