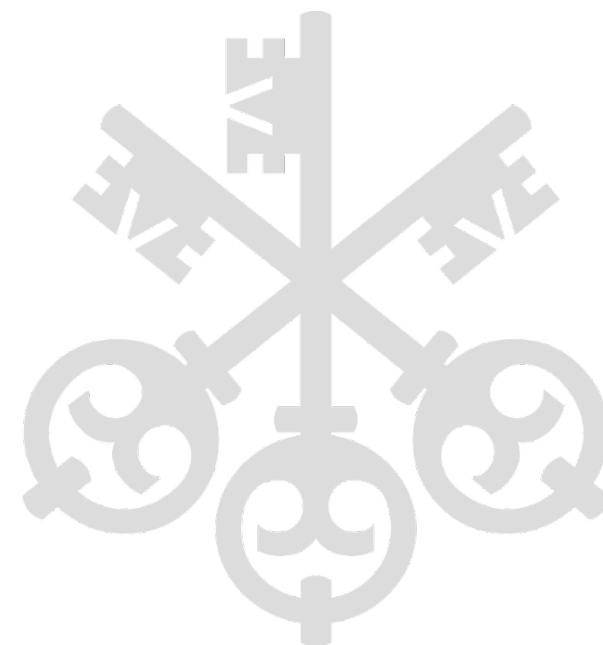


# UBS «Swissreal»

Capital increase planned for April / May 2022



# Investment Pipeline as at December 2021

Building type	Location	Street	Project type	Total volume in m CHF	Entrance/ Start of construction
Commercial building	Dietikon	Lagerstrasse	Acquisition	54	4Q20
Commercial building	Lausanne	Avenue Villamont	Refurbishment existing building	7	2Q21
Mixed building	Lausanne	Route de Berne	Refurbishment existing building	20	2Q22
Commercial building	Muttenz	Güterstr./Prattelerstr.	New construction	30	4Q23
<b>Total</b>				<b>111</b>	



Capital increase amounting to roughly CHF 111 million planned for April / May 2022

Detailed terms and conditions will be published at the beginning of April 2022

Source: UBS Asset Management, Real Estate & Private Markets (REPM), January 2022

Section 1

# 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**

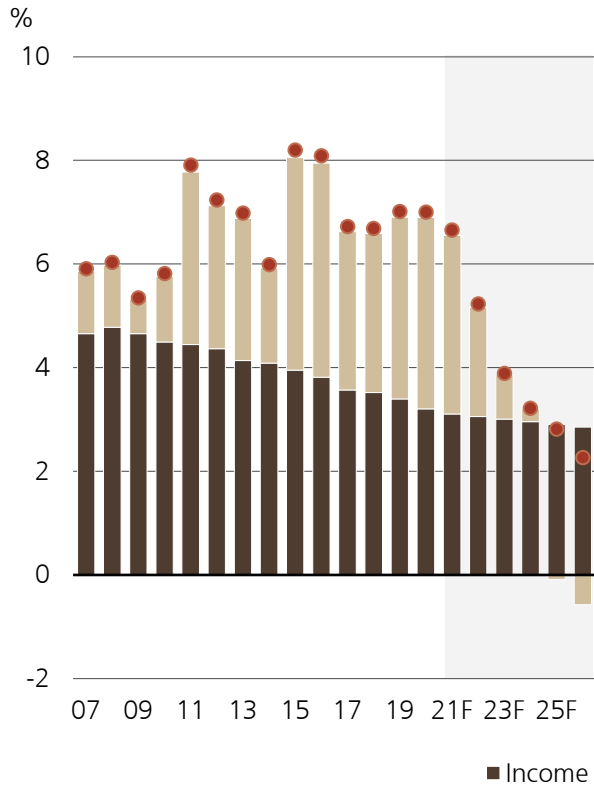
- Non-food spending in physical stores returned to pre-pandemic levels in 2Q21 as lockdown measures gradually eased
- Transaction initial yields did not shift outward for most retail property sectors despite the harsh stress test posed by the pandemic



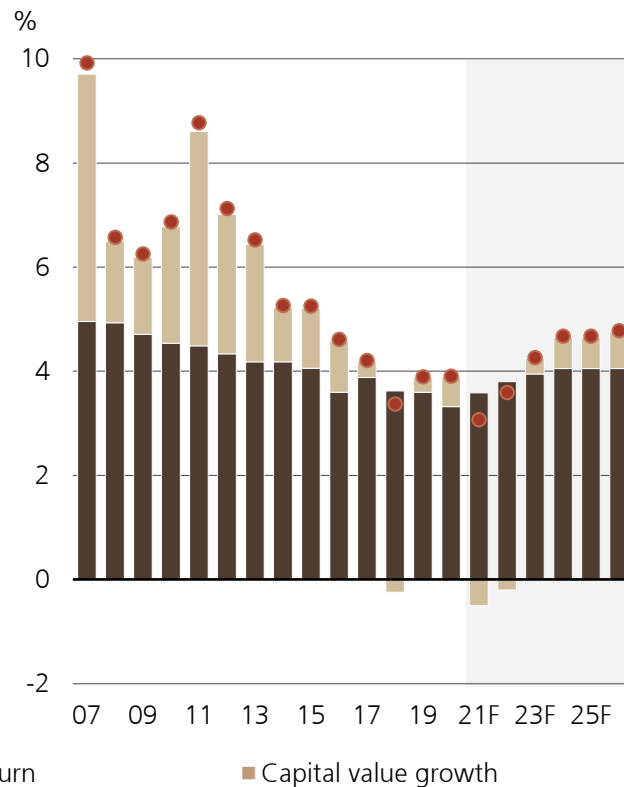
Source: UBS Asset Management, Real Estate & Private Markets (REPM), August 2021

# Stable perspectives for commercial sectors

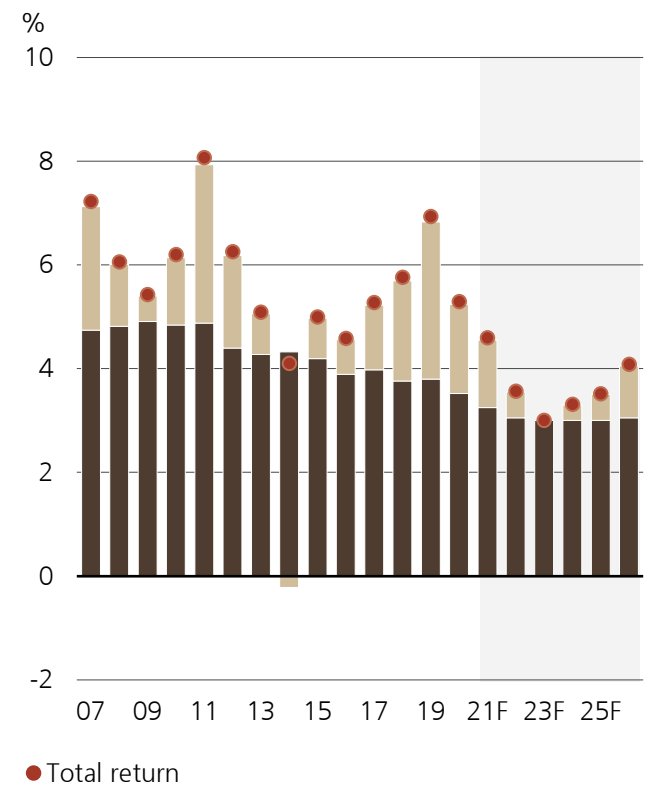
## Multifamily



## Retail



## Office

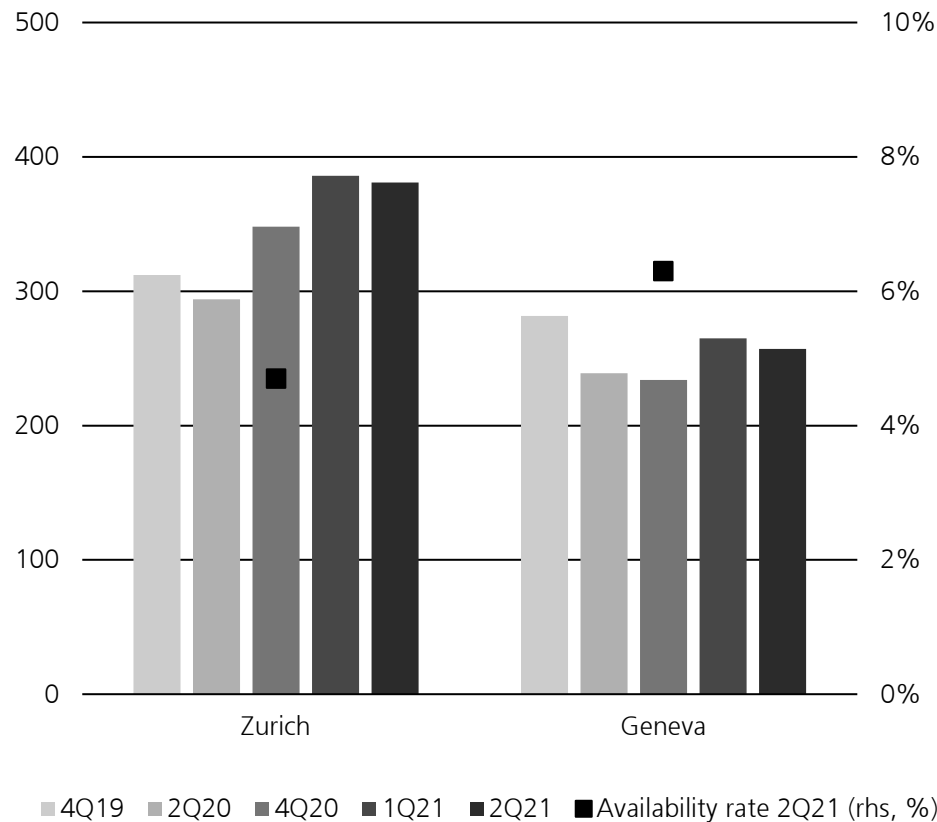


Source: MSCI / Wüest Partner; UBS Asset Management, Real Estate & Private Markets (REPM), August 2021

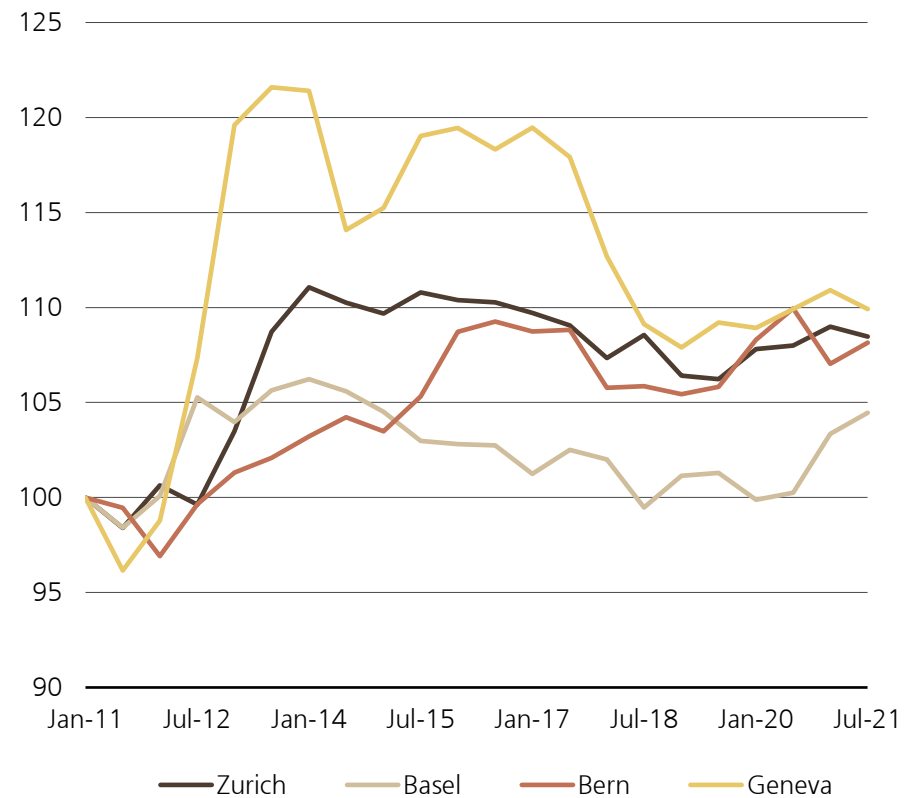
Note: **Expected / past performance is no guarantee for future results.** The presented forecasts have been computed based on the assumption of a persisting low interest rate environment in the near future.

# Limited impact from COVID-19 on the office market so far

Available office surfaces ('000 sqms)



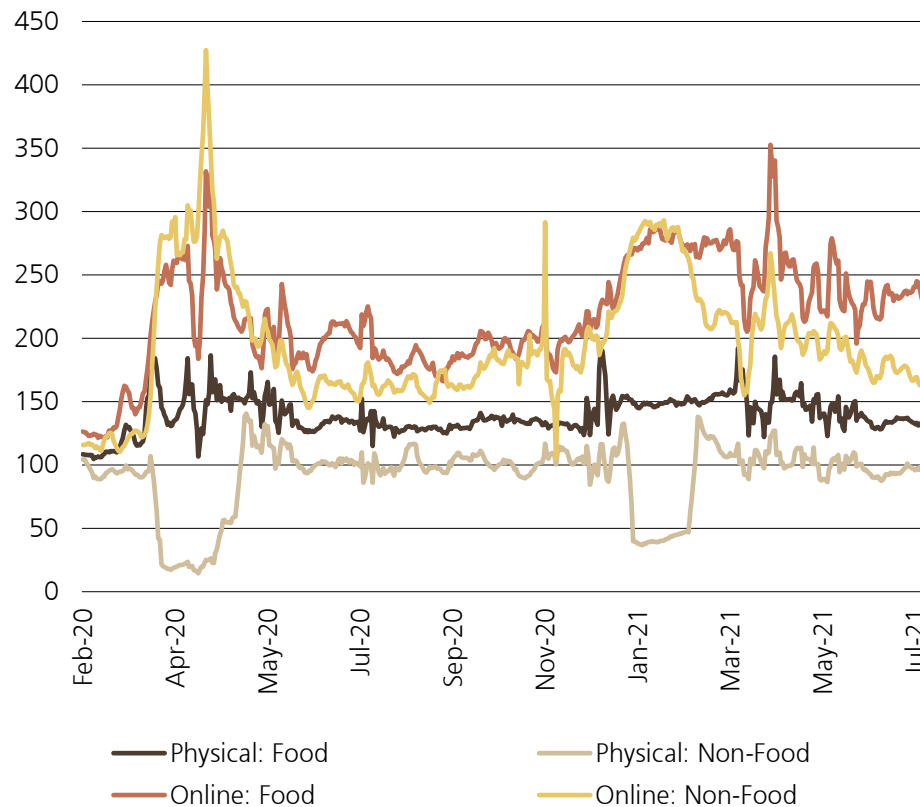
Evolution of the offering rents in regional office markets (Index, 100 = Jan 2011)



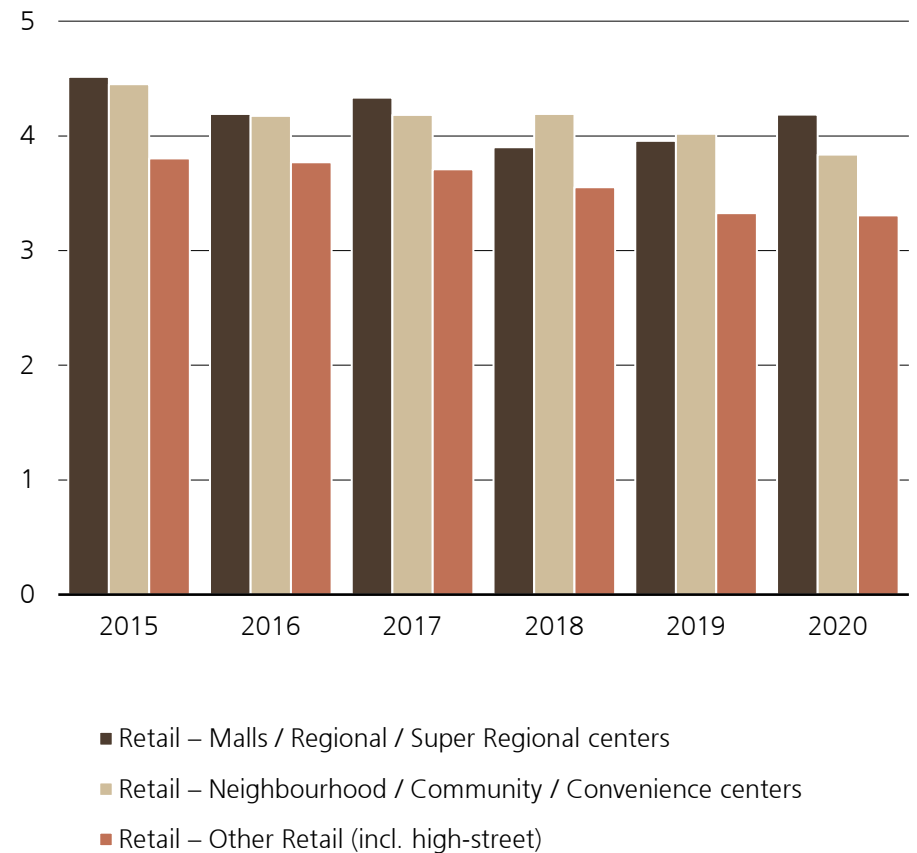
Source: JLL; Wüest Partner; UBS Asset Management, Real Estate & Private Markets (REPM), August 2021

# Retail properties: Some light at the end of the tunnel

**Retail sales volume from mobile, credit and debit card payments (index, 7-day moving average, 100 = value same day 2019)**



**Net initial yields for different retail categories (%)**



Source: Monitoring Consumption Switzerland; Wüest Partner / MSCI; UBS Asset Management, Real Estate & Private Markets (REPM), August 2021

Section 2

# UBS «Swissreal»



# Why UBS «Swissreal»?

## Product

- Listed Swiss real estate fund with investments in commercial properties throughout Switzerland
  - High liquidity through large investment volume and small denominations
  - Attractive return on NAV and distribution
- 

## Portfolio

- Attractive commercial properties throughout Switzerland with a focus on large cities and their agglomerations
  - Stable returns from existing portfolio
  - Growth through acquisition of construction projects and standing properties
  - Development potential through renovations and 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

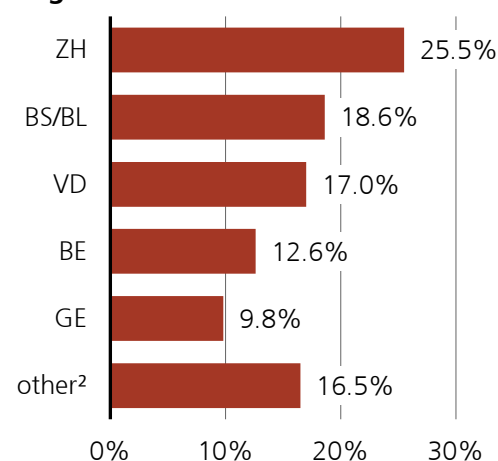
# Key data as at 31 December 2020

- Listed Swiss real estate fund, launched in 1962
- Investments in commercial buildings throughout 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

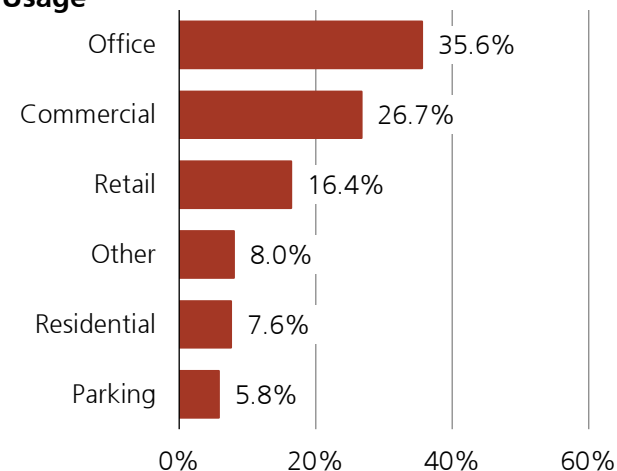
## Key Figures

Net Asset Value	CHF 1439.2m
Market Value	CHF 2 050.6m
Rental income	CHF 99.3m
Rental loss rate <sup>1</sup>	5.5%
Leverage	24.4%
Total return on NAV	4.2%
Performance	-3.5%
Number of properties	81

## 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.

<sup>1</sup> Incl. granted rent waivers (COVID-19); without this effect, the reported vacancy rate would amount to 4.5% (instead of 5.5%) for the financial year

<sup>2</sup> Other Regions: LU 4.0%, AG 3.9%, SG 3.4%, FR 2.5%, ZG 1.1%, TI 1.0%, TG 0.5%

# Benchmark comparison

	Performance in % as at 31.12.2021							
	2017	2018	2019	2020	2021 YTD	5 years	avg p.a. 5 years	
UBS «SREA»	10.5%	-1.7%	23.5%	-3.5%	2.6%	33.0%	5.9%	
BM	6.6%	-5.3%	20.7%	10.8%	7.3%	44.8%	7.7%	



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

# SXI Real Estate® Funds Broad as at 31 December 2021

Data as at 31 December 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	10'645	16.5%	Mixed	German-speaking CH	148.60	97.96	51.7%	2.2%	8.5%	13.3%	22.9%	51.1%
CS Siat	1956	4'076	6.3%	Mixed	German-speaking CH	248.50	158.05	57.2%	2.1%	9.8%	17.3%	17.3%	51.1%
* CS LivingPlus	2007	3'795	5.9%	Residential	German-speaking CH	182.00	110.95	64.0%	2.0%	8.2%	16.9%	20.5%	52.5%
* CS Green	2009	3'475	5.4%	Mixed	German-speaking CH	177.00	117.45	50.7%	1.9%	6.8%	12.9%	24.7%	50.4%
UBS Anfos	1956	3'299	5.1%	Residential	German-speaking CH	92.90	63.26	46.9%	1.9%	5.5%	22.5%	18.7%	53.5%
* Edmond de Rothschild Swiss Immofonds	2010 1969	2'294 2'168	3.6% 3.4%	Mixed Residential	Mixed German-speaking CH	166.90 617.50	119.84 360.62	39.3% 71.2%	2.2% 2.2%	12.3% 18.3%	10.7% 11.8%	24.1% 26.3%	54.3% 67.0%
* SL REF Swiss Properties	2015	2'156	3.3%	Mixed	German-speaking CH	133.10	115.31	15.4%	2.0%	6.8%	3.6%		
La Fonciere	1954	2'085	3.2%	Residential	Geneva / Vaud	153.20	91.75	67.0%	1.4%	9.9%	12.9%	29.3%	60.4%
UBS Foncipars	1943	2'031	3.2%	Residential	Geneva / Vaud	142.50	92.54	54.0%	1.8%	9.2%	21.9%	27.9%	70.3%
* Realstone	2008	1'956	3.0%	Mixed	Mixed	145.80	126.05	15.7%	2.5%	1.3%	3.9%	17.6%	23.8%
Swisscanto IFCA	1968	1'843	2.9%	Residential	Mixed	175.00	118.16	48.1%	1.9%	4.3%	24.9%	17.9%	53.6%
FIR	1997	1'818	2.8%	Residential	Geneva / Vaud	238.50	151.34	57.6%	1.8%	8.0%	10.4%	21.9%	45.2%
Schroder ImmoPLUS	1997	1'746	2.7%	Commercial	Mixed	163.50	146.06	11.9%	2.9%	-0.9%	2.4%	20.7%	22.6%
CS Interswiss	1954	1'746	2.7%	Commercial	Mixed	194.30	191.39	1.5%	3.8%	-5.7%	3.3%	22.7%	19.4%
UBS Swissreal	1962	1'715	2.7%	Commercial	German-speaking CH	74.95	62.91	19.1%	3.5%	2.6%	-3.5%	23.5%	22.4%
* Solvalor 61	1997	1'671	2.6%	Residential	Geneva / Vaud	330.00	205.36	60.7%	1.6%	1.8%	18.4%	22.5%	47.6%
* SF Sustainable Property	2010	1'267	2.0%	Residential	Mixed	150.50	121.27	24.1%	2.3%	1.3%	10.3%	13.7%	27.1%
Immo Helvetic	1997	1'266	2.0%	Residential	Berne region	243.50	180.25	35.1%	2.7%	13.1%	1.8%	20.0%	38.1%
* Bonhote	2006	1'160	1.8%	Residential	Geneva / Vaud	162.00	121.15	33.7%	2.0%	6.5%	10.4%	15.1%	35.3%
Swissinvest RE Fund	2006	1'158	1.8%	Residential	German-speaking CH	219.00	152.68	43.4%	2.1%	13.8%	12.7%	19.1%	52.6%
* Patrimonium	2007	1'096	1.7%	Residential	Geneva / Vaud	203.50	148.01	37.5%	1.8%	7.6%	14.4%	23.6%	52.2%
* CS Real Estate Fund LogisticsPlus	2014	1'050	1.6%	Commercial	German-speaking CH	150.00	102.72	46.0%	2.6%	10.6%			
* Procimmo	2007	1'000	1.6%	Commercial	Geneva / Vaud	167.70	143.16	17.1%	3.2%	11.2%	-5.8%	17.0%	22.6%
* UBS Direct Residential	2006	897	1.4%	Residential	German-speaking CH	19.30	14.03	37.6%	2.2%	5.5%	14.9%	23.9%	50.1%
* Baloise Swiss Property Fund	2018	868	1.3%	Residential	German-speaking CH	145.70	111.27	30.9%	2.1%	15.6%			
SF Retail Properties	2015	762	1.2%	Commercial	Mixed	125.50	103.18	21.6%	3.5%	8.2%	2.1%	13.5%	25.3%
* CS Hospitality	2010	678	1.1%	Commercial	Mixed	79.75	76.91	3.7%	3.1%	12.5%	-19.4%	26.1%	14.3%
* Swisscanto RE Commercial	2010	598	0.9%	Commercial	Mixed	115.00	103.72	10.9%	3.6%	1.8%	4.6%	16.0%	23.6%
* Procimmo Swiss Commercial II	2015	569	0.9%	Commercial	German-speaking CH	144.10	126.81	13.6%	3.6%	-5.0%			
* UBS Direct Urban	2012	536	0.8%	Mixed	German-speaking CH	14.90	11.56	28.9%	2.2%	7.3%	22.8%	19.3%	57.2%
* Helvetica Swiss Commercial Fund	2016	499	0.8%	Commercial	German-speaking CH	115.00	115.55	-0.5%	4.4%	10.4%	-7.8%		
* Swiss Central City Real Estate	2018	467	0.7%	Mixed	German-speaking CH	122.80	108.30	13.4%	1.7%	-1.5%			
* Polymen	2009	431	0.7%	Mixed	Geneva / Vaud	165.10	136.46	21.0%	2.0%	6.6%	7.5%	12.4%	28.8%
* Dominicé Swiss Property Fund	2013	384	0.6%	Residential	Geneva / Vaud	128.00	118.55	8.0%	2.3%	12.2%	-2.1%	5.5%	15.9%
* Good Buildings Swiss RE Fund	2011	323	0.5%	Mixed	German-speaking CH	147.00	116.05	26.7%	2.7%	18.6%	10.5%		
* Swiss Romande Property Fund	2014	303	0.5%	Mixed	Geneva / Vaud	112.90	119.06	-5.2%	2.1%	-0.2%	3.6%	-0.9%	2.5%
* Streetbox Real Estate Fund	2009	228	0.4%	Commercial	Geneva / Vaud	531.00	320.94	65.5%	2.8%	0.9%	14.6%	26.4%	46.1%
SF Commercial Properties	2016	222	0.3%	Commercial	German-speaking CH	92.50	98.13	-5.7%	4.6%	5.3%	-8.9%	6.2%	1.9%
* Residentia	2009	185	0.3%	Mixed	Ticino	115.90	115.59	0.3%	2.6%	2.1%	-5.1%	7.5%	4.2%

\* property directly held by the fund

**TOTAL 64'469 100.0%** **Ø 38.7%** **2.3%** **7.3%** **10.8%** **20.7%** **43.5%**

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.**



# Current highlight of the portfolio

## Dietikon (ZH), Lagerstrasse

- Commercial property acquisition
- Three plots with two separate commercial properties
- Investment volume approx. CHF 54 million
- Approx. 16 000 m<sup>2</sup> leasable space and 65 parking spots
- Long-term lease with two creditworthy tenants
- WAULT of around 9 years
- As of mid December 2020

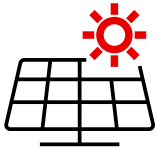


Source: UBS Asset Management, Real Estate & Private Markets (REPM)

# Sustainability



GRESB-Rating 2021:  
Standing investment: 4 stars



**Two solar heating systems in operation** and ten more are in planning



**Two DGNB silver** certifications are in operation



With around 25% is the amount of oil heating systems within our portfolio **lower than Swiss average**



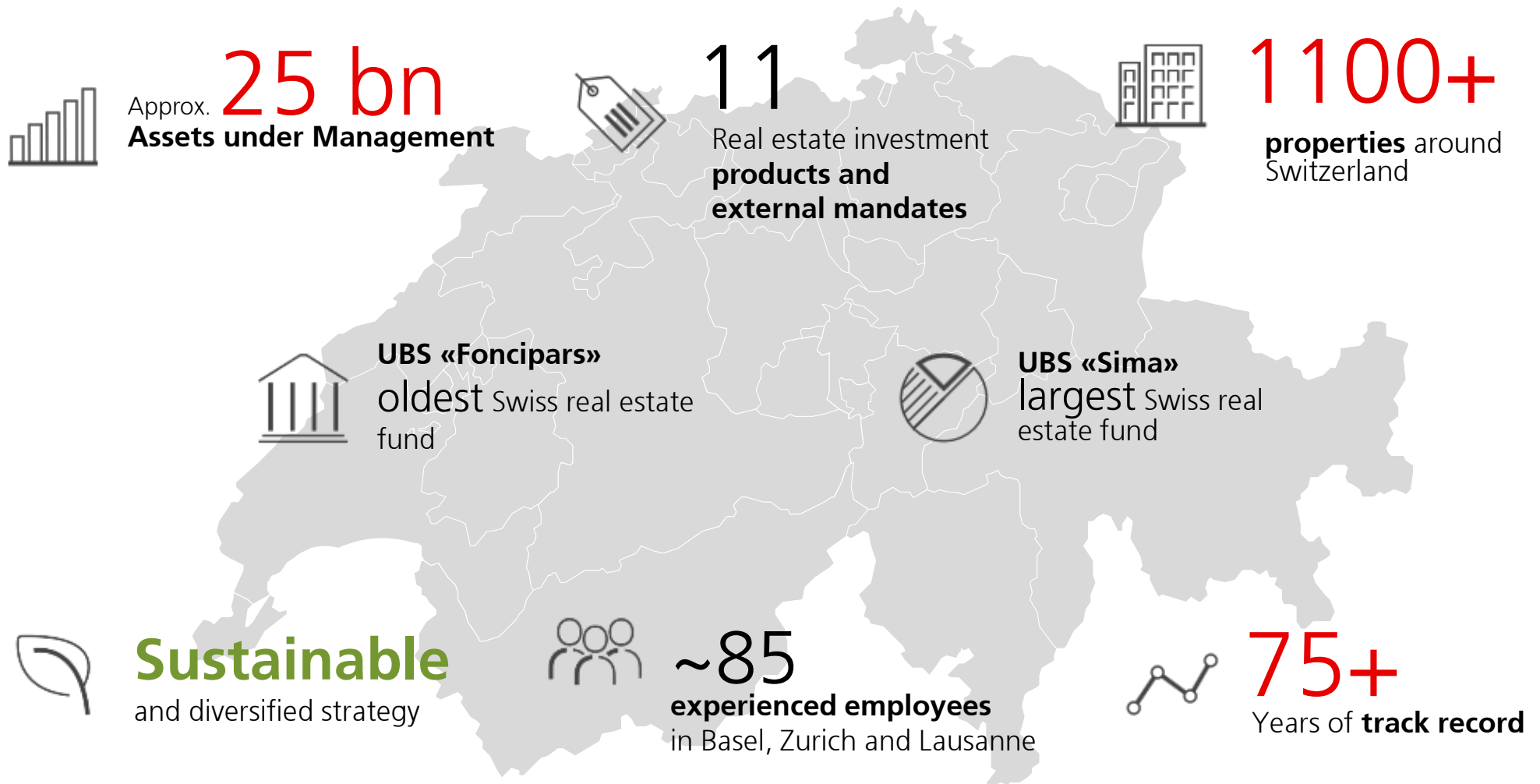
// We are focused on optimizing existing properties – thereby, we are tuning up for the future.

**Jürgen Zimmermann**

Fund Manager  
UBS «Swissreal»

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

# Convincing facts about Real Estate Switzerland



Data as at 30 September 2021

# Our real estate investment products at a glance

			Market value (M CHF)					
Investment focus			2016	2017	2018	2019	2020	2021 <sup>1</sup>
<b>Listed funds</b>								
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 <sup>2</sup>	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	10 307	10 356
<b>Investment trusts</b>								
UBS AST-KIS	Commercial	all of CH	588	621	681	711	711	728
UBS AST-IS	Mixed	all of CH	1915	2027	2129	2308	2384	2491
<b>External mandates</b>								
Mandate (external)	Mixed	all of CH		2787	2913	2953	3141	3141
<b>Total of the portfolio</b>			<b>17 289</b>	<b>20 934</b>	<b>21 985</b>	<b>23 202</b>	<b>24 277</b>	<b>24 874</b>
<b>Annual percentage change (%)</b>			<b>8,2</b>	<b>21,1</b>	<b>5,0</b>	<b>5,5</b>	<b>4,6</b>	<b>2,5</b>

<sup>1</sup> 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» as at 30.09.21; UBS AST-IS and UBS AST-KIS as at 30.11.2021 <sup>2</sup> Residentia: Real Estate Switzerland has taken over the fund management of Residentia as of 1 February 2021



# Looking for more information?

The collage features several overlapping documents from UBS Real Estate Switzerland:

- Real Estate Switzerland**: A document with a sidebar menu (News, Publikationen und Research; Anlageprodukte; Immobilienlösungen; Nachhaltigkeit; Liegenschaften; Über uns) and a main image of a modern apartment building.
- Immo-Flash**: A newsletter cover with the UBS logo, the title "Immo-Flash", and the subtitle "UBS Asset Management's Real Estate Newsletter".
- UBS «Swissreal»**: A report cover for the "Jahresbericht 2020" (Annual Report 2020) for "UBS (CH) Property Fund – Swiss Commercial «Swissreal»", featuring a large glass-fronted building.
- Real Estate Switzerland Nachhaltigkeitsbericht 2020/2021**: A sustainability report cover with a red border, showing a cityscape with solar panels on a building.
- Immo-Update**: A newsletter cover with the UBS logo, the title "Immo-Update", and the subtitle "Neues zu unseren UBS Immobilienanlageprodukten" (New for our UBS real estate investment products), dated December 2021. It includes a table of contents:

04	In Fokus: Interview: Aktuelles zum Thema Nachhaltigkeit
22	Einblick: Concrete Update mit neuen Onlineauftritten
23	Einblick: Neue Mieterzeuginerwartungen
- Highlights**: A document titled "Highlights" with the subtitle "Jahresabschlüsse der zwei Anlagegruppen UBS AST-IS<sup>1</sup> und UBS AST-KIS<sup>1</sup>". It includes a section for "UBS AST Immobilien Schweiz: Ertragskraft und Marktposition weiter gestärkt" (UBS AST Real Estate Switzerland: Income and market position further strengthened), accompanied by a small image of a building and text describing the positive development of the portfolio.

For illustrative purposes

[www.ubs.com/real-estate-switzerland](http://www.ubs.com/real-estate-switzerland)

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