



Public
For marketing purposes

Residentia

Financial year-end results as at 31 December 2021



22 April 2022

Section 1

Financial year-end results as at 31 December 2021

Residentia - Management Summary

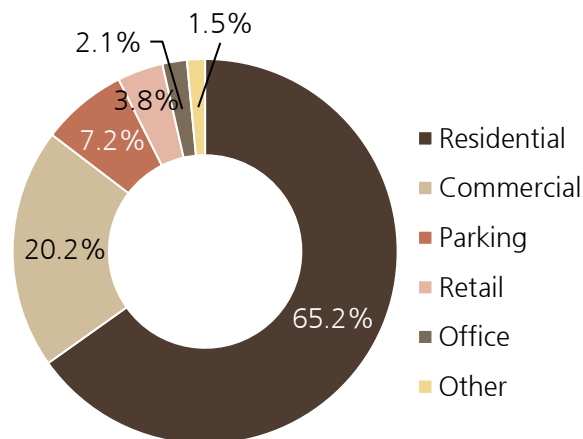
Financial year 2021

- Listed Swiss real estate fund with direct investments mainly in residential and mixed buildings in southern Switzerland
- Only Swiss real estate fund with a focus on properties in southern Switzerland
- Local expertise and network accessibility provided by Pagani Real Estate SA
- Fund managed by Real Estate Switzerland since 1st February 2021

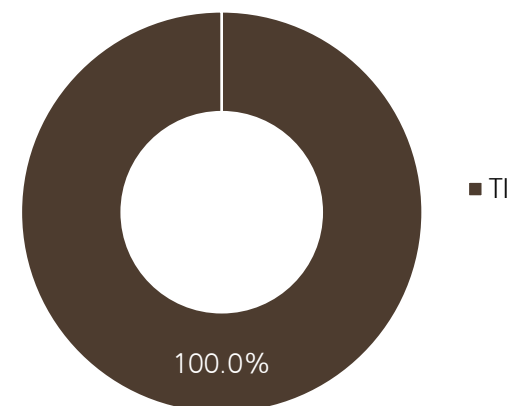
Key Figures

Year of launch	2009
Net Asset value	CHF 185.7m
Market value	CHF 246.7m
Rental income	CHF 10.4m
Rental default rate ¹	16.5%
Leverage ratio	26.8%
Total return on NAV	2.8%
Performance	2.1%
Number of properties	29

Usage



Regions



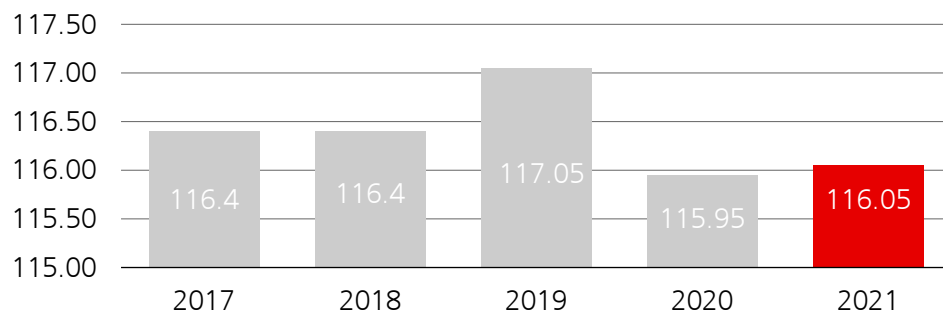
Residentia – Key Data

Financial year 2021

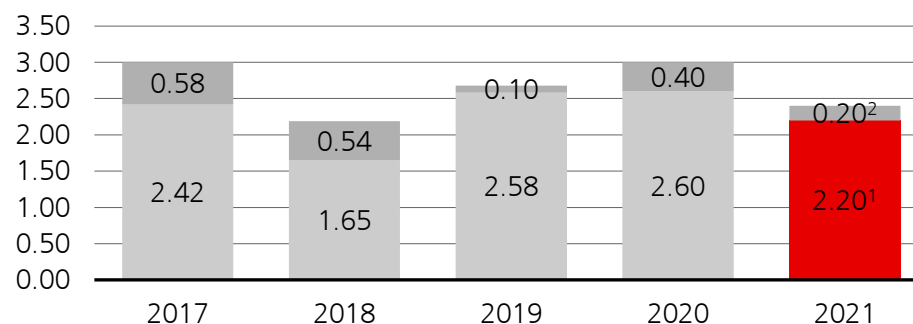
- Distribution per unit of **CHF 2.20 plus CHF 0.20** from capital gain
- Doubling of total return on NAV from 1.4% to **2.8%**

	31.12.2021	31.12.2020	31.12.2019
Performance	2.1%	-5.1%	7.6%
Total return on NAV	2.8%	1.4%	2.5%
Dividend yield	2.1%	2.3%	1.7%
Premium	-0.1%	0.5%	7.3%
Rental default rate	16.5% ³	15.2%	10.0%
Leverage ratio	26.8%	33.0%	29.3%

Net asset value



Distribution per unit



Source: UBS Asset Management, Real Estate & Private Markets (REPM); Data as at 31 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. The data presented as of 31.12.2019 and 31.12.2020 correspond to those published by the previous fund management company FidFund Management SA in the respective annual financial statements.

1 Ordinary distribution per share, 2 Capital gain distribution per share, 3 Including rent waivers granted (COVID-19); without this effect, the reported rent default rate would be 13.2% (instead of 15.2%) as of the end of the year.

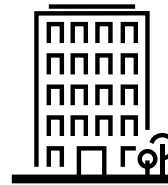
Residentia – Year end results

Financial year 2021



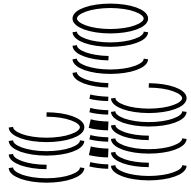
2.8%

doubling of total return on NAV



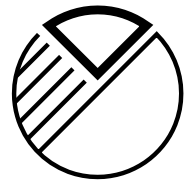
CHF 247m

Stable market value of the portfolio



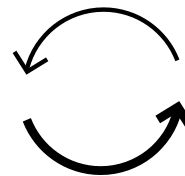
2.1%

dividend yield up to par



0.72%

Total expense ratio TER_{REF} declined from 0.87% in the previous year



Strategic

portfolio adjustments

Residentia

Financial year 2021



«Combined with a solid foundation and a very committed team, Residentia is equipped with the optimal factors to take advantage of the opportunities offered by the Ticino market and to achieve ambitious goals.»

Elvire Massacand

Fund Manager
Residentia

Residentia – Current highlight from the portfolio

Mendrisio (TI), Via Brenni 4

- Residential property
- Usage:
56 apartments, approx. 430 m² student housing, approx. 830 m² office space, approx. 650 m² business space, approx. 100 m² gastronomic space and approx. 170 m² storage space
- Market value approx. CHF 26.3m
- Gross return approx. 5.3%
- Minergie certificate for the new building
- Purchase in March 2017



Section 2

Swiss Real Estate and Ticino Market

Key views 1H22



Macroeconomics: inflation risk remains modest in Switzerland

- Inflation dynamic remains modest both in absolute and relative terms in Switzerland as a strong Swiss Franc dampens price increases on imported goods
- Despite a recent uptick, the Swiss interest rate environment is likely to remain rather accommodative over the next quarters as the SNB has no urgency to exit the negative interest rate policy



Multifamily: positive occupier market trend expected to continue

- Robust demand growth and retreating construction activity are supportive of the occupier market fundamentals for multifamily assets
- Thanks to the gradual absorption of pent-up supply, offering rents are expected to bottom out in most markets in the coming quarters



Office: differentiation likely to increase in the occupier market

- Offering rate in the Swiss office property market keeps edging up due to the COVID-19 impact on additional demand and the recent delivery of new office projects
- The impact on rental prices remains limited so far, but differentiation is likely to increase in the occupier market. Strong assets enjoying a dynamic demand, while peripheral and/or old-fashioned office space becoming gradually obsolete



Retail: mid-term outlook remains challenging

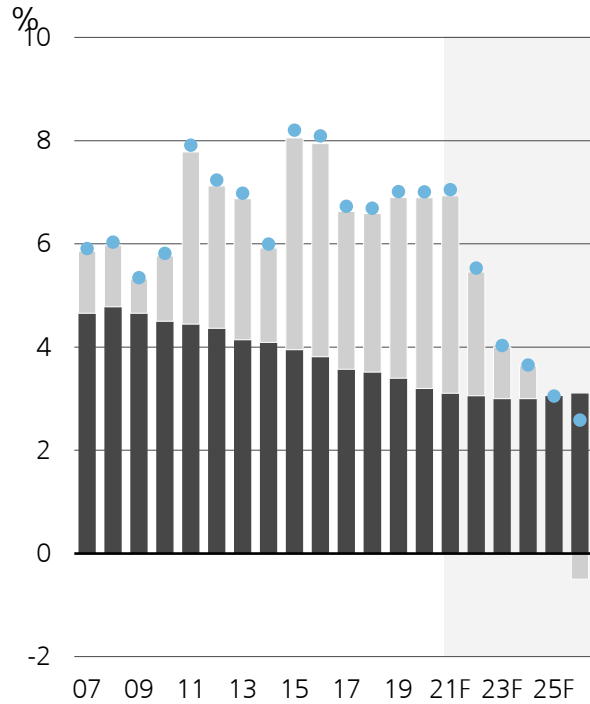
- The Omicron wave boosted e-commerce activity again at the expense of physical non-food retail activities
- In mid-term outlook, the shift of offline towards online retail is expected to continue, but in-store sales for the food and certain non-food sectors (furniture, gardening) are likely to remain resilient



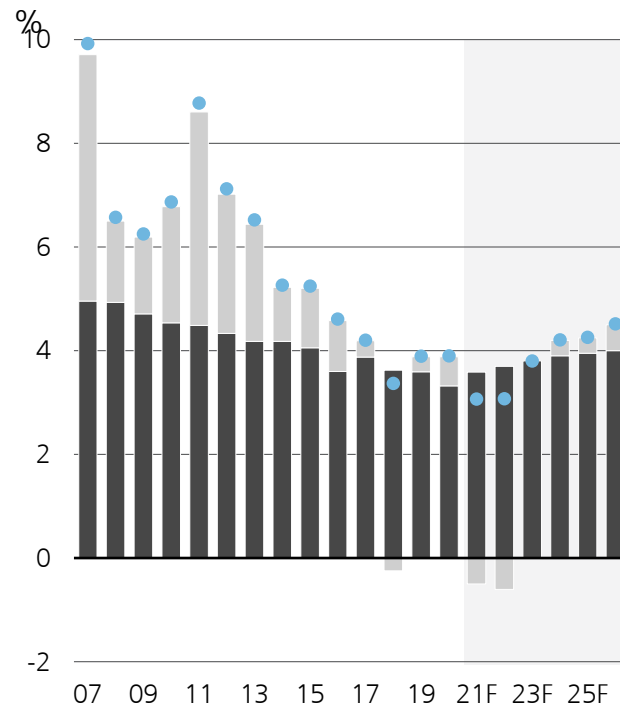
Source: UBS Asset Management, Real Estate & Private Markets (REPM), April 2022

Unchanged relative sectoral performance outlook

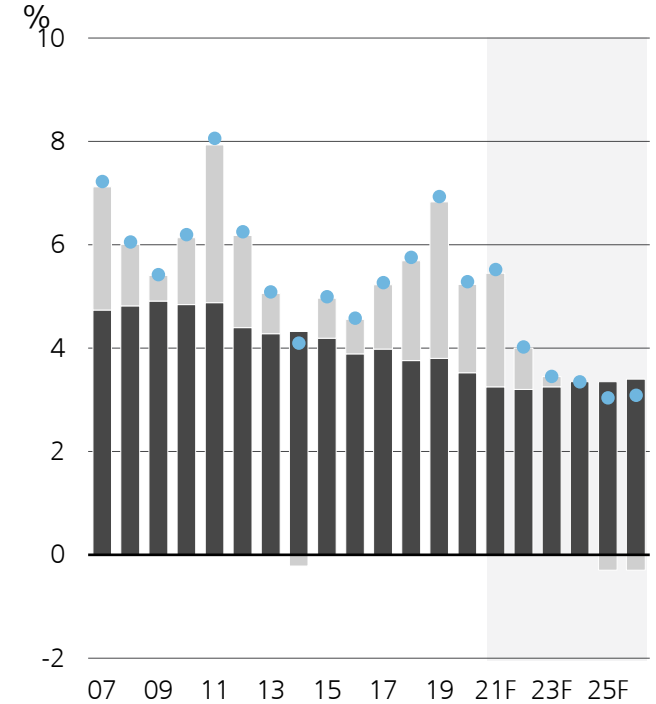
Multifamily



Retail



Office

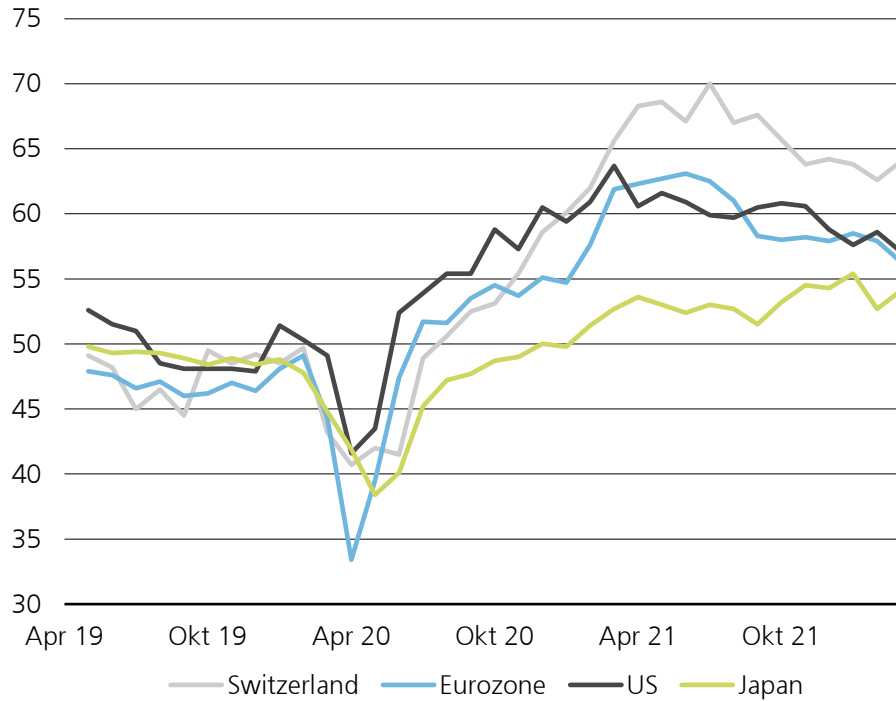


■ Income return ■ Capital value growth ● Total return

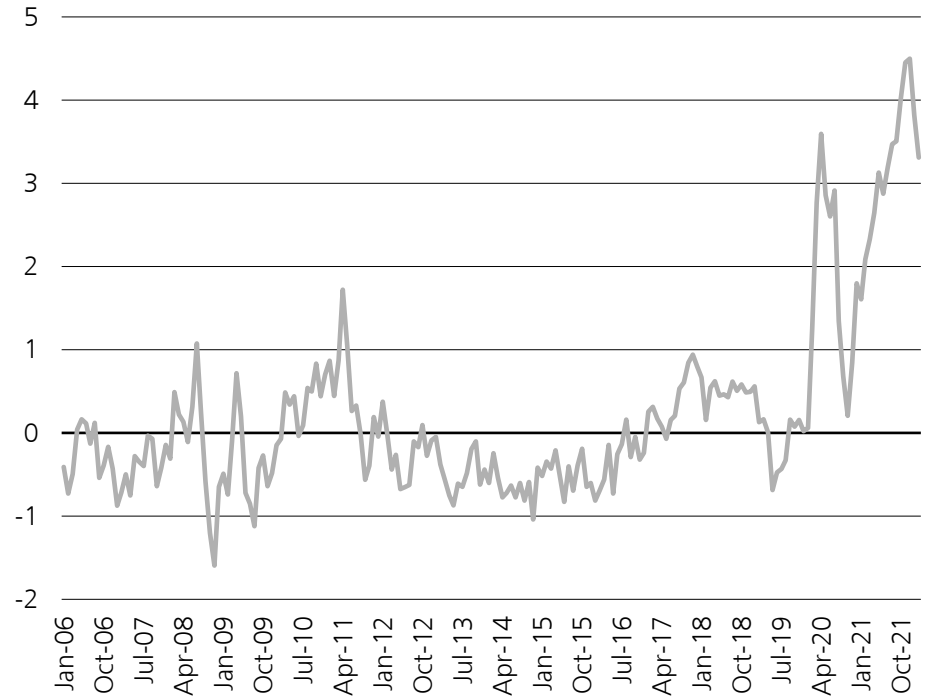
Source: MSCI / Wüest Partner; UBS Asset Management, Real Estate & Private Markets (REPM), February 2022
 Notes: Expected / past performance is no guarantee for future results.

The war in Ukraine is overshadowing the pandemic...

Purchasing Manager Index (PMI)



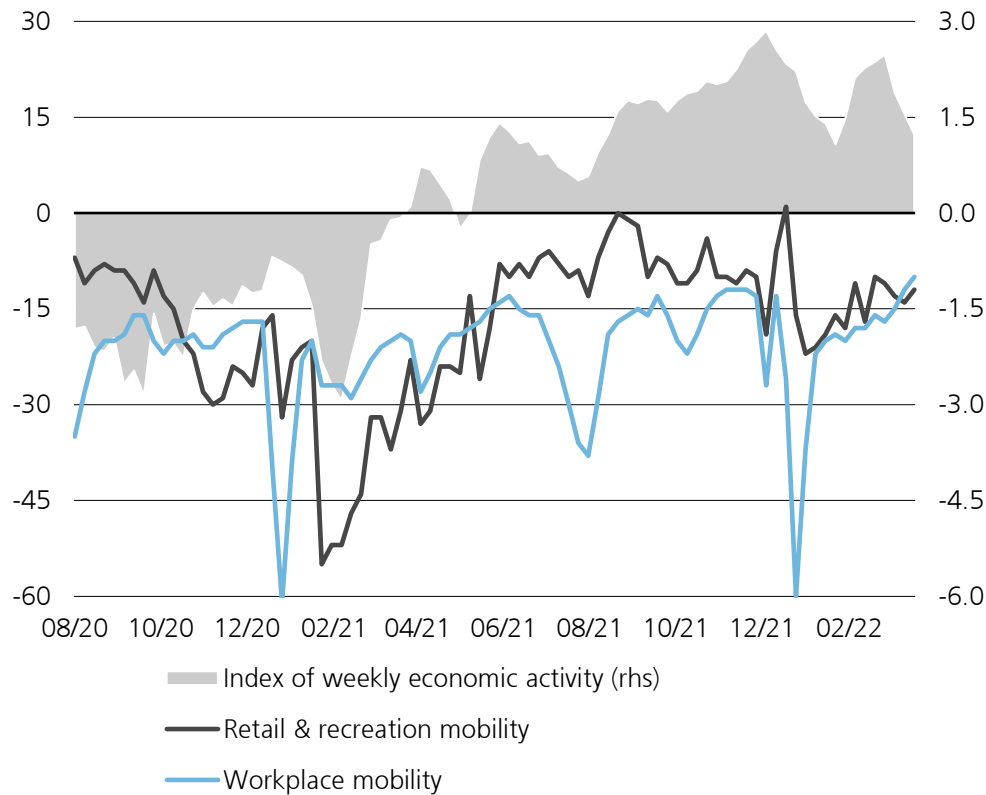
Global Supply Chain Pressure Index (GSCPI)



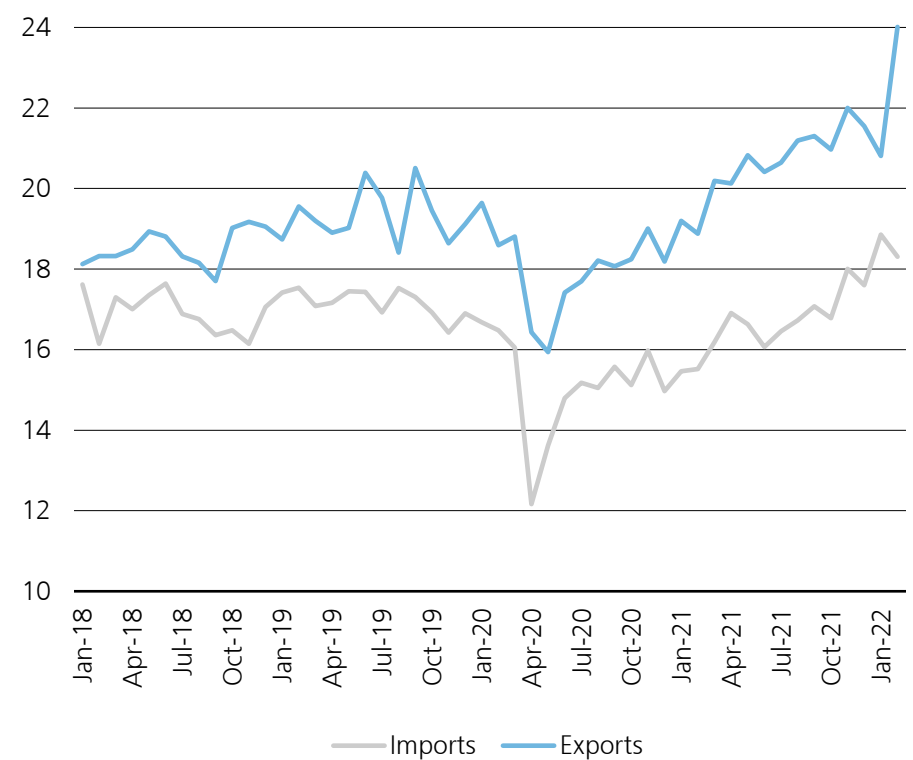
Source: Refinitiv March 2022; New York Fed Economic Research; UBS Asset Management, Real Estate & Private Markets (REPM), April 2022

...yet the impact on Swiss economic output remains modest so far

Mobility report and weekly economic activity index vs. baseline* in Switzerland (%)



Swiss foreign trade (nominal in CHF bn)



Source: Federal Customs Administration; Google; State Secretariat for Economic Affairs; Oxford Economics; UBS Asset Management, Real Estate & Private Markets (REPM), April 2022

Notes: * Baseline Weekly economic activity – Pre-COVID-19 level defined as 4Q19 data.

Baseline Mobility – Median value, for the corresponding day of the week, during the 5-week period between 3 Jan – 6 Feb 2020.

Outlook on the Ticino market

Important regional market

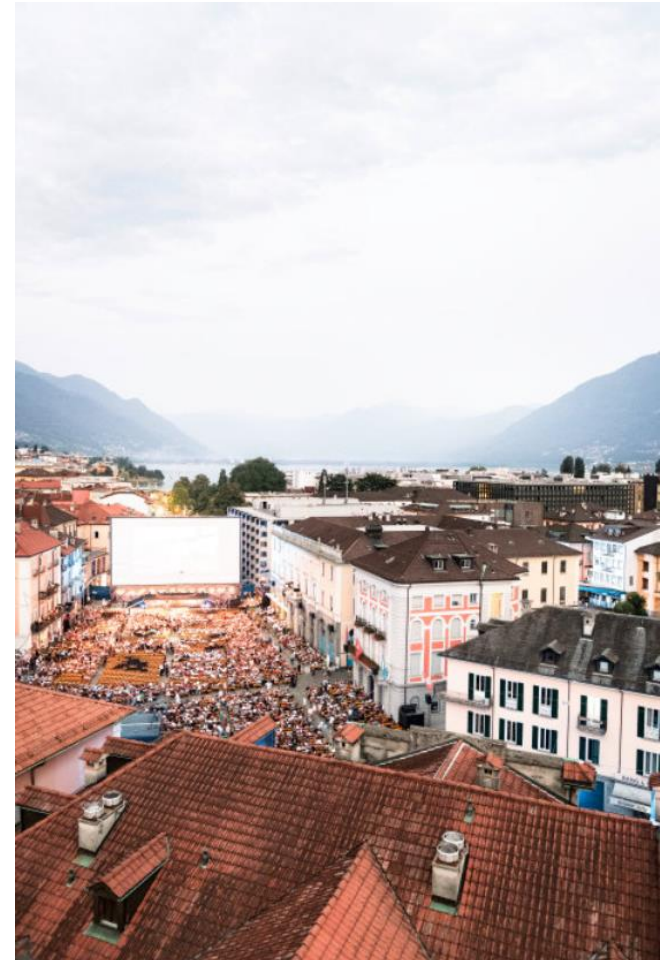
- The canton of Ticino with the agglomeration of Lugano shows a high regional importance between the agglomerations of Zurich (CH) and Milan (IT)
- The Ticino multi-family housing sector counts 130,000 residential units and Lugano represents one of the largest office space markets of the Swiss mid-sized centers

Infrastructural game changers

- The new Gotthard and Ceneri base tunnels will lead to a significant reduction in public transport travel time between the canton of Ticino, Zurich and Milan
- The cities of Locarno, Bellinzona and Lugano also move significantly closer together, enabling the long-term development of a Ticino agglomeration

Ticino real estate market in transition

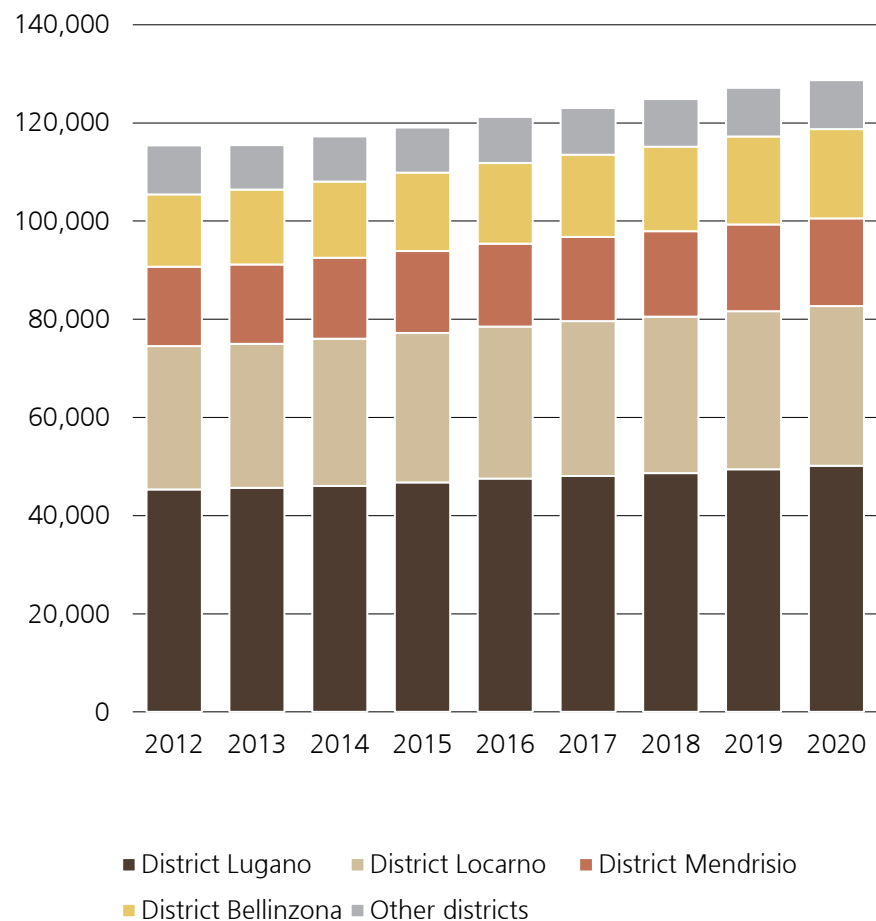
- After several years of dynamic construction activity, the number of residential projects approved for construction on the Ticino market has been developing with a downward trend since the beginning of 2020
- In the regional office space market of Lugano, the supply decreased in 2021 and is currently significantly below 4% of the total stock



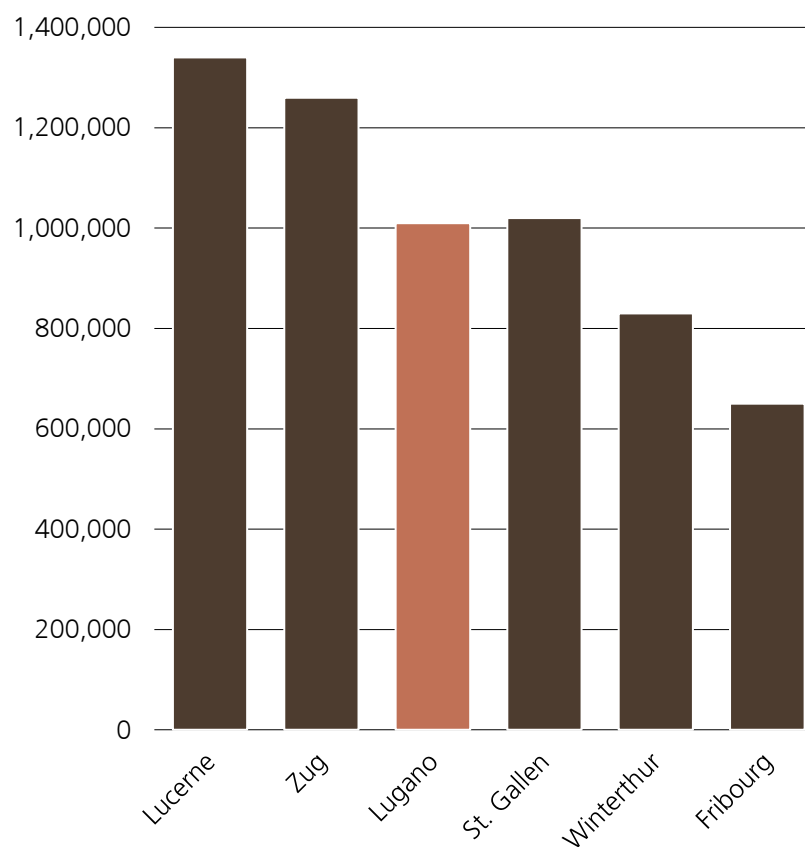
Source: Federal Office for Statistics, Bauinfo, JLL Research; UBS Asset Management, Real Estate & Private Markets (REPM), February 2022

Ticino as an important regional real estate market

Number of residential units in apartment buildings



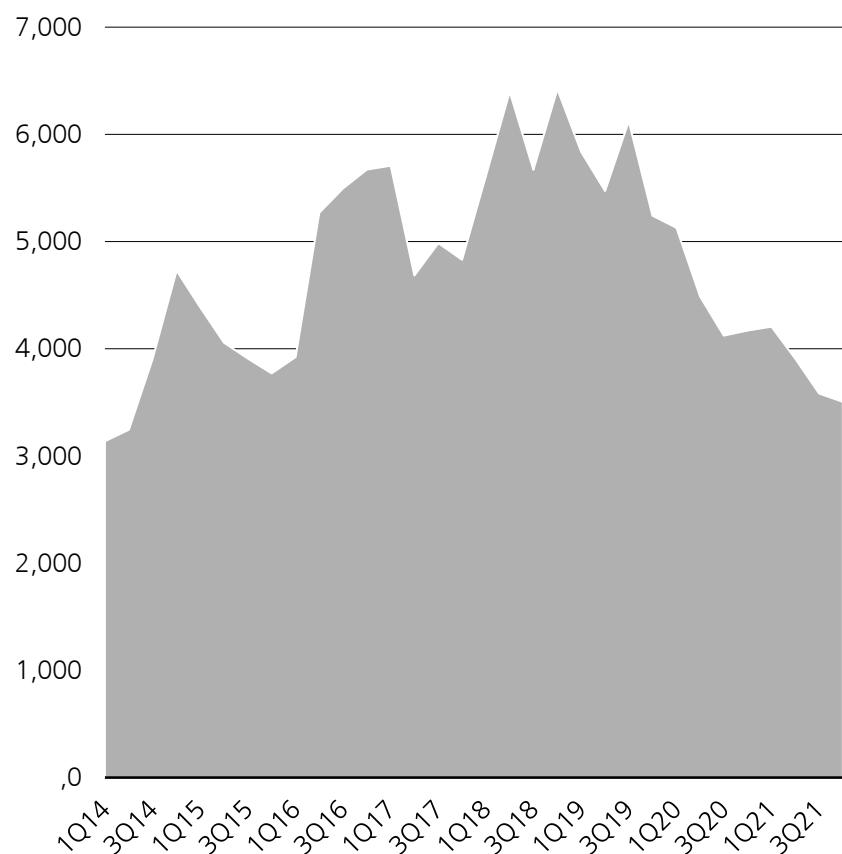
Office space stock of Swiss medium-sized centres (m2)



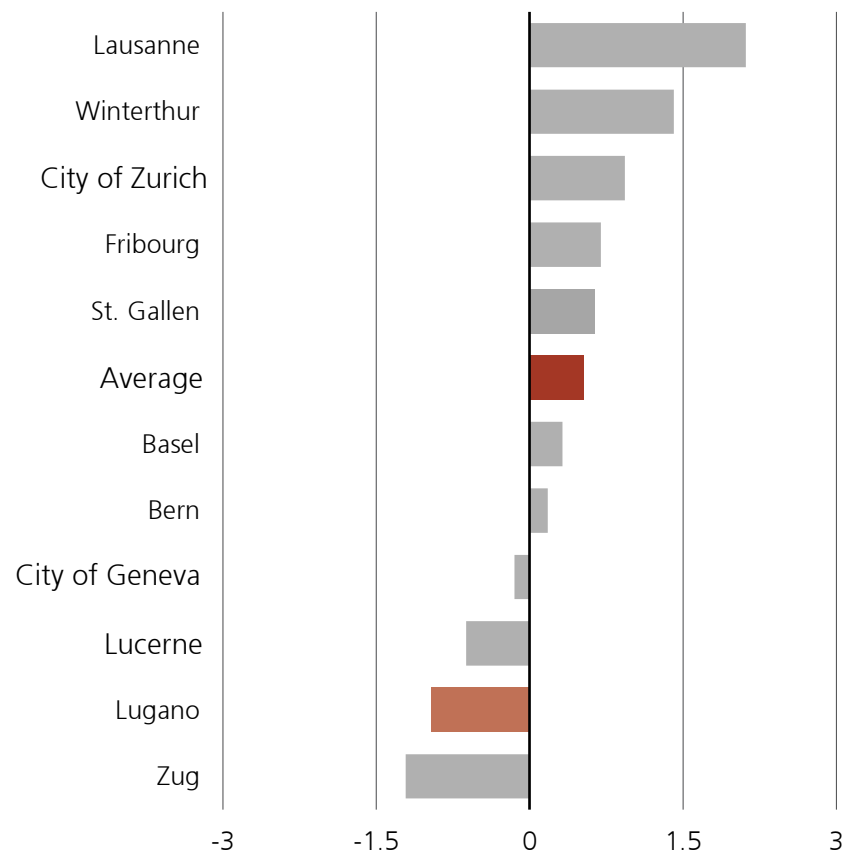
Source: Bundesamt für Statistik, JLL Research; UBS Asset Management, Real Estate & Private Markets (REPM), February 2022

Ticino's real estate market in transition

Annual sum of the residential projects approved for construction on the Ticino market (number of residential units)



Change in the supply ratios of office space between 2020 and 2021, in percentage points



Source; Bauinfo, JLL Research, CSL, Wüest Partner, UBS CIO; UBS Asset Management, Real Estate & Private Markets (REPM), February 2022

Update - SXI Real Estate® Funds Broad

Data as at 31 March 2022

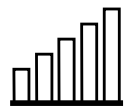
Name	Founded	Mkt cap. (mn.)	Weight	Sector	Region	Price	NAV	Premium	Div. Yield	Perf. YTD	Perf. 2021	Perf. 2020	Perf. 3YR
UBS Sima	1950	10'236	16.6%	Mixed	German-speaking CH	142.90	98.77	44.7%	2.3%	-3.8%	8.5%	13.3%	31.5%
CS Siat	1956	3'911	6.4%	Mixed	German-speaking CH	238.40	159.34	49.6%	2.2%	-4.1%	9.8%	17.3%	36.4%
* CS LivingPlus	2007	3'453	5.6%	Residential	German-speaking CH	165.60	110.81	49.4%	2.2%	-7.1%	8.2%	16.9%	27.9%
* CS Green	2009	3'161	5.1%	Mixed	German-speaking CH	161.00	116.92	37.7%	2.1%	-7.1%	6.8%	12.9%	27.3%
UBS Anfos	1956	3'178	5.2%	Residential	German-speaking CH	89.50	61.01	46.7%	2.0%	-3.7%	5.5%	22.5%	35.8%
* Edmond de Rothschild Swiss Immofonds	2010 1969	2'204 2'088	3.6% 3.4%	Mixed Residential	Mixed German-speaking CH	160.30 594.50	120.78 364.13	32.7% 63.3%	2.3% 2.3%	-4.0% -3.7%	12.3% 18.3%	10.7% 11.8%	37.5% 50.2%
* SL REF Swiss Properties	2015	2'155	3.5%	Mixed	German-speaking CH	133.00	112.06	18.7%	2.0%	-0.1%	6.8%	3.6%	
La Fonciere	1954	1'994	3.2%	Residential	Geneva / Vaud	146.50	93.61	56.5%	1.6%	-3.0%	9.9%	12.9%	41.6%
UBS Foncipars	1943	2'021	3.3%	Residential	Geneva / Vaud	141.80	93.36	51.9%	2.0%	-0.5%	9.2%	21.9%	50.8%
* Realstone	2008	1'784	2.9%	Mixed	Mixed	133.00	126.96	4.8%	2.7%	-8.8%	1.3%	3.9%	6.2%
Swisscanto IFCA FIR	1968 1997	1'800 1'757	2.9% 2.9%	Residential Residential	Mixed Geneva / Vaud	170.90 230.50	118.99 152.92	43.6% 50.7%	1.9% 1.8%	-2.3% -3.4%	4.3% 8.0%	24.9% 10.4%	37.8% 30.1%
Schroder ImmoPLUS	1997	1'701	2.8%	Commercial	Mixed	159.30	140.12	13.7%	3.0%	-2.6%	-0.9%	2.4%	7.8%
CS Interswiss	1954	1'653	2.7%	Commercial	Mixed	184.00	193.24	-4.8%	4.0%	-5.3%	-5.7%	3.3%	2.1%
UBS Swissreal	1962	1'575	2.6%	Commercial	German-speaking CH	68.85	63.57	8.3%	3.8%	-8.1%	2.6%	-3.5%	3.3%
* Solvalor 61	1997	1'562	2.5%	Residential	Geneva / Vaud	308.50	208.54	47.9%	1.7%	-6.5%	1.8%	18.4%	26.5%
* SF Sustainable Property Immo Helvetic	2010 1997	1'250 1'234	2.0% 2.0%	Residential Residential	Mixed Berne region	148.50 237.30	120.64 181.89	23.1% 30.5%	2.4% 2.8%	-1.3% -2.5%	1.3% 13.1%	10.3% 1.8%	20.6% 23.7%
* Bonhote	2006	1'124	1.8%	Residential	Geneva / Vaud	157.00	121.94	28.8%	2.0%	-3.1%	6.5%	10.4%	24.5%
Swissinvest RE Fund	2006	1'132	1.8%	Residential	German-speaking CH	214.20	153.64	39.4%	2.1%	-2.2%	13.8%	12.7%	38.5%
* Patrimonium	2007	1'028	1.7%	Residential	Geneva / Vaud	190.90	148.93	28.2%	1.9%	-6.2%	7.6%	14.4%	33.8%
* CS Real Estate Fund LogisticsPlus	2014	1'005	1.6%	Commercial	German-speaking CH	143.50	103.69	38.4%	2.7%	-4.3%	10.6%		
* Procimmo	2007	950	1.5%	Commercial	Geneva / Vaud	159.40	146.54	8.8%	3.7%	-4.9%	11.2%	-5.8%	6.7%
* UBS Direct Residential	2006	834	1.4%	Residential	German-speaking CH	17.95	14.17	26.6%	2.3%	-7.0%	5.5%	14.9%	34.9%
* Baloise Swiss Property Fund	2018	816	1.3%	Residential	German-speaking CH	137.00	107.52	27.4%	2.2%	0.0%			
SF Retail Properties	2015	708	1.2%	Commercial	Mixed	116.60	100.91	15.5%	3.7%	-7.1%	8.2%	2.1%	11.0%
* CS Hospitality	2010	624	1.0%	Commercial	Mixed	73.40	74.58	-1.6%	5.7%	-5.1%	12.5%	-19.4%	3.0%
* Swisscanto RE Commercial	2010	575	0.9%	Commercial	Mixed	110.50	104.74	5.5%	3.7%	-3.9%	1.8%	4.6%	15.9%
* Procimmo Swiss Commercial II	2015	553	0.9%	Commercial	German-speaking CH	140.00	120.30	16.4%	3.7%	0.7%			
* UBS Direct Urban	2012	504	0.8%	Mixed	German-speaking CH	14.00	11.67	20.0%	2.4%	-6.0%	7.3%	22.8%	36.5%
* Helvetica Swiss Commercial Fund	2016	510	0.8%	Commercial	German-speaking CH	117.50	112.20	4.7%	4.3%	2.2%	10.4%	-7.8%	
* Swiss Central City Real Estate	2018	452	0.7%	Mixed	German-speaking CH	119.00	107.51	10.7%	2.1%	0.0%	15.7%	5.1%	23.1%
* Polymen	2009	433	0.7%	Mixed	Geneva / Vaud	165.90	137.29	20.8%	2.0%	0.5%	6.6%	7.5%	23.8%
* Dominicé Swiss Property Fund	2013	373	0.6%	Residential	Geneva / Vaud	124.40	119.89	3.8%	2.4%	-2.8%	12.2%	-2.1%	7.8%
* Good Buildings Swiss RE Fund	2011	319	0.5%	Mixed	German-speaking CH	144.80	117.04	23.7%	2.8%	-1.5%	18.6%	10.5%	
* Swiss Romande Property Fund	2014	301	0.5%	Mixed	Geneva / Vaud	112.20	119.66	-6.2%	2.1%	-0.6%	-0.2%	3.6%	-1.2%
* Streetbox Real Estate Fund	2009	213	0.3%	Commercial	Geneva / Vaud	495.00	324.68	52.5%	3.0%	-6.8%	0.9%	14.6%	36.1%
SF Commercial Properties	2016	216	0.4%	Commercial	German-speaking CH	90.10	94.88	-5.0%	4.7%	-2.6%	5.3%	-8.9%	-4.4%
* Residentia	2009	172	0.3%	Mixed	Ticino	107.80	116.34	-7.3%	2.8%	-7.0%	2.1%	-5.1%	-7.8%
TOTAL		61'561	100.0%				0	32.5%	2.4%	-4.2%	7.3%	10.8%	26.8%

* 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



10
Real estate investment products and external mandates



1100+
Properties around Switzerland



Oldest Swiss real estate fund **UBS «Foncipars»**



UBS «Sima» largest Swiss real estate fund



Sustainable
and diversified strategy



~ 90
Experienced employees
in Basel, Zurich and Lausanne



75+
Years of **track record**

Our real estate investment products at a glance

	Investment focus	2017	2018	2019	2020	2021 ¹
Listed Funds						
UBS Direct Residential	Residential / all of CH	552	588	705	776	814
UBS Direct Urban	Mixed / all of CH	352	402	447	492	577
UBS «Anfos»	Residential / German-speaking CH	2466	2607	2704	2808	2925
UBS «Foncipars»	Residential / French-speaking CH	1353	1432	1492	1607	1703
UBS «Sima»	Mixed / all of CH	8887	9326	9895	10307	11 028
UBS «Swissreal»	Commercial / all of CH	1898	1907	1987	2051	2074
Residentia ²	Residential / Italian-speaking CH					247
Investment trusts						
UBS AST-IS	Mixed / all of CH	2027	2129	2308	2384	2492
UBS AST-KIS	Commercial / all of CH	621	681	711	711	728
External mandates						
Mandate (external)	Mixed / all of CH	2787	2913	2953	3141	3141
Total Portfolio Real Estate Switzerland		20 934	21 985	23 202	24 277	25 729
Annual percentage change (%)		21,1	5,0	5,5	4,6	5,9

Source: UBS Asset Management, Real Estate & Private Markets (REPM); 2017-2021: Market values in mill. CHF;
¹ External Mandate as at 31.12.20; UBS «Anfos» as at 30.09.21; UBS Direct Residential, UBS Direct Urban, UBS «Foncipars», UBS «Sima», UBS «Swissreal» and Residentia as at 31.12.21; UBS AST-IS and UBS AST-KIS as at 31.03.2022
² Residentia: Real Estate Switzerland has taken over the fund management of Residentia as of 1 February 2021

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