

Swiss Life REF (LUX) ESG Commercial Properties Switzerland: capital increase planned

2 June 2021

The Swiss Life REF (LUX) ESG Commercial Properties Switzerland, FCP-SIF real estate fund is planning a capital increase with a subscription period from 21 June to 9 July 2021. New funds totalling CHF 110 million are to be raised. The capital will be used to lower the share of debt financing and to strengthen the equity base for further qualitative growth.

Both current and new investors¹ may participate in the capital increase. The issue will be effected on a best-effort basis with a maximum issue volume of CHF 110 million. The actual number of newly issued units is defined by the fund management at the end of the subscription period.

Focused investment strategy

Swiss Life REF (LUX) ESG Commercial Properties Switzerland, FCP-SIF has invested in top-class commercial real estate since its launch in November 2012. Fund performance in past years has been strong, due to the excellent quality of the properties and locations. In addition to several extensive renewals, the focus has mainly been on the consistent improvement of the occupancy rate (occupancy rate as at 31 March 2021: 96.9%). The property portfolio comprised 41 properties with a market value of around CHF 1398 million as at 31 March 2021.

In October 2020, the fund acquired a co-ownership stake in the Glatt shopping centre in Wallisellen, Zurich. The capital increase is intended to bring the fund's borrowing ratio back into the medium-term target range, thus laying the groundwork for continued selective growth. The Glatt centre in Wallisellen, Zurich, is one of the largest and most popular shopping centres in Switzerland. In addition to an attractive selection of shops and brands as well as catering outlets, the centre has repeatedly developed innovative new formats in recent years. It is one of the pioneers in Switzerland in terms of making a shopping trip an experience and an opportunity for meeting people and is the ideal location

for entering the Swiss retail market.

High-quality commercial real estate remains attractive

The slowdown in the real economy in connection with the COVID-19 pandemic is also leaving its mark on the domestic real estate market. However, core properties in good locations with stable cash flows are less exposed to current developments. In particular, high-quality properties will remain in demand over the long term.

Around 49% of the rental income of Swiss Life REF (LUX) ESG Commercial Properties Switzerland, FCP-SIF is generated by office use and around 37% by retail tenants. The properties are in excellent locations, which ensure sustainable mid and long-term letting even when the expected impact is taken into account. These locations will benefit in particular from the increasingly apparent economic upturn in the coming quarters.

Responsible investment

Since 1 March 2021, the fund has been managed as an ESG strategy product pursuant to Art. 8 SFDR (Sustainable Finance Disclosure Regulation, EU). We have accordingly added "ESG" to the name. As with GRESB, the fund is thus subject to a dedicated sustainability strategy and systematically takes sustainability measures. For example, buildings are regularly optimised in operational terms, satisfaction surveys are periodically conducted among business tenants to gauge their satisfaction levels and the fund is subject to the annual GRESB rating.

¹ Professional investors in accordance with Annex II of Directive 2014/65/EU and/or qualified investors in accordance with the Swiss Federal Act on Collective Capital Investments (CISA).

Information

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Swiss Life Asset Managers

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Swiss Life Asset Managers employs more than 2300 people in Europe.

¹ INREV Fund Manager Survey 2020 (AuM as of 31.12.2019)

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