



Swiss Prime Site
Solutions REAL ESTATE
ASSET MANAGERS

Annual report as at 30.09.2024

Swiss Prime Site Solutions
Investment Fund (SPSS IF)
Commercial

A contractual investment fund under Swiss law for qualified
investors in the “real estate fund” category

Disclaimer

This document constitutes neither a brochure nor an offer or recommendation to purchase or subscribe for units in the described fund or in any other fund or financial instrument. In particular, this document is no substitute for the recipient carrying out their own assessment of the information contained in it, with the help of a professional advisor if necessary, and of the legal, regulatory, tax and other consequences in relation to their own personal circumstances. This document has been prepared by Swiss Prime Site Solutions AG with utmost care and to the best of its knowledge and belief. Nevertheless, Swiss Prime Site Solutions AG does not guarantee that the content is accurate or complete. Furthermore, it assumes no liability whatsoever for any losses resulting from use of the information. In particular, Swiss Prime Site Solutions AG points out that past performance is not a reliable indicator of current and future results. The performance data contained in this document does not take into account the commissions and fees charged for issuing and redeeming fund units. The total expense ratio (TER) expresses the total commissions and fees charged on an ongoing basis against the average fund assets (operating expenses). The amount of the TER stated in this document should not be construed as a guarantee of a corresponding amount in the future. Key investor information is included in the current fund contract and annex. These can be obtained free of charge from Swiss Prime Site Solutions AG (fund manager) and Banque Cantonale Vaudoise (custodian bank) and/or consulted at www.swissfunddata.ch. This document is intended solely for distribution in Switzerland and is aimed exclusively at qualified investors within the meaning of the Swiss Collective Investment Schemes Act (CISA) and the related ordinance. It is expressly not intended for persons in other countries or for persons who, due to their nationality or residency status, are prohibited from accessing such information under the applicable laws. This document and the information contained in it may not be distributed to and/or shared with persons who may qualify as a US person under the applicable legal and regulatory definitions (e.g. US Securities Act, US Internal Revenue Code).

Contents

04	Editorial
06	Key information at a glance
07	Fund information and organisation
10	Activity report by the fund management company
16	Sustainability
24	Essential key figures
25	Portfolio structure
26	Balance sheet
28	Income statement
30	Notes
32	Property details
37	Valuation report
39	Auditor's report

Editorial

Dear investors,

The Swiss Prime Site Solutions Investment Fund Commercial (“SPSS IFC”) can look back on a strong 2023/2024 financial year characterised by high yields. Record low vacancies and profits from portfolio streamlining brought high net revenues and a significant increase in dividends. At the same time, the portfolio’s carbon footprint fell by a considerable 28%. The fund management team would like to thank you for your trust, and believe that this result serves as confirmation of their investment strategy.



The past year was dominated by geopolitical tensions, inflation pressure and continued market volatility. These factors affected the economic environment and led to greater caution among market participants, particularly in relation to investment in the real estate sector. Higher interest rates and economic uncertainty brought additional challenges. Amid this demanding environment, the fund continued to focus on operational excellence and unlocked further potential of the SPSS IFC. Vacancy losses fell further to a record low of 1.5%, strengthening the cash flow-oriented portfolio and reflecting the investment strategy’s focus on economically strong sites. The sharp rise in rental income, supported by high indexing rates, offset the significant increase in financing costs and further raised the operating profit margin. The profitable sale of a property in Cham also serves to highlight the sustainable valuation of our portfolio.

Thanks to the high-yield 2023/2024 financial year, the SPSS IFC is increasing its dividend from CHF 4.40 to CHF 4.90 per fund certificate. This leaves the payout ratio at a defensive 87%. This attractive cash yield of 4.9% exceeds last year’s results, putting it at the upper end of our target range.

The fundamental strength of the SPSS IFC is also seen in the solid performance in over-the-counter trading since the establishment of the fund in 2021. In this period the fund has achieved performance of +6.15%, meaning it outperformed the index of Swiss real estate funds listed on the stock exchange (SWIT) by a rate of +8.20%, which declined by –2.05% in the same period.

With our focus on operational excellence, an attractive cash yield and targeted implementation of effective ESG measures, we are convinced that we can offer our investors an attractive investment product that can create added value both in uncertain times and in a recovering market environment.

A handwritten signature in black ink, appearing to read 'M. Hoffmann', with a long horizontal line extending to the right.

Maximilian Hoffmann
CIO Funds (Commercial)



Photo: Via Laveggio 5, 6855 Stabio

Key information at a glance

Key data	30.09.2024	30.09.2023
Number of units in circulation at the start of the reporting period	2 342 755	2 119 576
Fund units issued	–	223 179
Fund units redeemed	–	–
Number of units in circulation at the end the reporting period	2 342 755	2 342 755
Net asset value per unit in CHF	104.20	104.06
Closing price in CHF (Mid) ¹	100.50	104.50
Market value in CHF ¹	235 446 878	244 817 898
Premium/Discount	–3.55%	0.42%
Balance sheet	30.09.2024	30.09.2023
Fair value of the properties	430 989 000	434 824 000
Total fund assets (GAV) in CHF	435 404 729	439 308 150
Net fund assets (NAV) in CHF	244 117 258	243 790 202
Loan-to-value ratio as % of fair value ²	40.67%	42.08%
Return and performance information	01.10.2023– 30.09.2024	01.10.2022– 30.09.2023
Distribution in CHF ³	4.90	4.40
Cash yield	4.88%	4.21%
Payout ratio	86.56%	79.19%
Return on equity (ROE)	4.05%	1.71%
Return on invested capital (ROIC)	3.11%	1.56%
Return on investment	4.56%	1.77%
of which cash flow yield	5.68%	5.43%
of which capital growth	–1.13%	–3.67%
Performance ⁴	0.06%	9.37%
Total expense ratio, GAV (TER _{REF} GAV)	0.63%	0.71%
Total expense ratio, market value (TER _{REF} MV)	1.17%	1.28%
Income statement	01.10.2023– 30.09.2024	01.10.2022– 30.09.2023
Net income ⁵	13 262 229	13 016 501
Rental income	22 731 209	20 729 273
Rent default rate	1.50%	3.29%
Weighted average unexpired lease term (WAULT)	5.38 years	5.41 years

1) Only over-the-counter trading on the secondary market

2) FINMA approval for an exemption to the maximum encumbrance limits in the first five years after the launch

3) Ex date: 04.12.2024 / Payment date: 06.12.2024

4) Calculation based on bid prices

5) Adjusted for provisions for future repairs

Fund information and organisation

Fund information

Fund name	Swiss Prime Site Solutions Investment Fund Commercial
Year of foundation	2021
Securities number / ISIN	113 909 906 / CH1139099068
Legal form	Contractual real estate fund for qualified investors (Art. 25 et seq. CISA)
Investor base	Qualified investors within the meaning of Art. 10 para. 3 and 3ter CISA in conjunction with Art. 4 paras. 3–5 and Art. 5 para. 1 FinSA
Accounting year	1 October to 30 September
Fund management company	Swiss Prime Site Solutions AG, Zug
Statutory auditors of the fund management company	PricewaterhouseCoopers AG (PwC), Zurich
External auditor of the real estate fund	KPMG AG, Zurich
Custodian bank	Banque Cantonale Vaudoise, Lausanne

Board of Directors



Jürg Sommer
Chairman of the Board of Directors



Marcel Kucher
Member of the Board of Directors



Philippe Keller
Member of the Board of Directors

The Board of Directors of Swiss Prime Site Solutions AG comprises the following members:

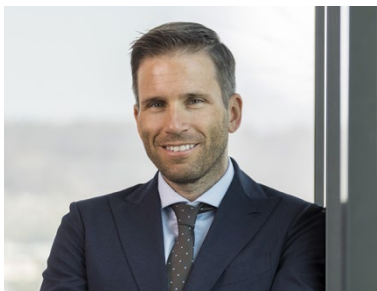
- Jürg Sommer, citizen of Sumiswald, resident in Safenwil, Chairman (also Group General Counsel of Swiss Prime Site AG, Zug, and Chairman of the Board of Directors of the following Swiss Prime Site group companies: Akara Property Development AG, Zug, Fundamenta Group (Schweiz) AG, Zug, Fundamenta Consulting AG, Zug, and Chairman of the Supervisory Board of Fundamenta Group Deutschland AG, Munich)
- Marcel Kucher, citizen of Herrliberg, resident in Zurich, Vice-Chairman (also Group CFO of Swiss Prime Site AG, Zug, and a member of the Board of Directors of the following Swiss Prime Site group companies: Akara Property Development AG, Zug, Fundamenta Group (Schweiz) AG, Zug, Fundamenta Consulting AG, Zug, Jelmoli AG, Zurich, Swiss Prime Site Immobilien AG, Zurich, Swiss Prime Site Finance AG, Zug, Swiss Prime Site Management AG, Zug, and a member of the Supervisory Board of Fundamenta Group Deutschland AG, Munich); member of the Board of Directors of Superlab Suisse AG, Zurich, Flexoffice (Schweiz) AG, Zurich, and Urban Connect AG, Zurich
- Philippe Keller, citizen of Sarmenstorf, resident in Hergiswil, Member (also Managing Partner of PvB Pernet von Ballmoos AG, Zurich, and a member of the Board of Directors of Akara Property Development AG, Zug)

Executive Management

The Executive Board of Swiss Prime Site Solutions AG comprises the following members:

- Anastasius Tschopp, citizen of Sursee, resident in Hünenberg, CEO (also a member of the Executive Board of Akara Property Development AG, Zug, a member of the Executive Board of the Swiss Prime Site Group, and a member of the Board of Directors of the following Swiss Prime Site group companies: Fundamenta Group (Schweiz) AG, Zug, Fundamenta Consulting AG, Zug, and a member of the Supervisory Board of Fundamenta Group Deutschland AG, Munich)
- Philippe Brändle, citizen of Mosnang, resident in Zurich, CFO (also a member of the Executive Board of Akara Property Development AG, Zug) until 31 March 2024
- Bernhard Rychen, citizen of Wilderswil, resident in Zug, CFO (also a member of the Executive Board of Akara Property Development AG, Zug) from 1 April 2024
- Jerome Pluznik, citizen of Gänsbrunnen, resident in Zurich, Head Legal & Compliance (also a member of the Executive Board of Akara Property Development AG, Zug)
- Reto Felder, citizen of Flühli, resident in Dottikon, COO (also a member of the Executive Board of Akara Property Development AG, Zug)
- Deniz Gian Orga, citizen of Solothurn, resident in Uitikon Waldegg, COO & CIO Swiss Prime Investment Foundation from 1 July 2024 (also Managing Director of Luise Verwaltung GmbH in Germany – part of the investment group SPA Living+ Europe)

Operational Management



Anastasius Tschopp
CEO



Bernhard Rychen
CFO



Maximilian Hoffmann
CIO Funds (Commercial)



Samuel Bergstein
Head Acquisition & Sales (Commercial)



Monika Gadola Hug
Head Client Relations



Regina Hardziewski
Head Sustainability

Information on third parties

Accredited valuation experts

- Laura Blaufuss, PriceWaterhouseCoopers AG, Zurich
- Sebastian Zollinger, PriceWaterhouseCoopers AG, Zurich

Property management

- Wincasa AG, Winterthur

Delegation of specific tasks

The fund management company has delegated specific tasks in the following areas to SPS Management AG, Zug a group company of Swiss Prime Site AG, Zug:

- Accounting
- Real estate controlling
- IT and infrastructure
- Human Resources
- Internal audit



Photo: Oberer Steig 18/20, 6430 Schwyz

Activity report by the fund management company

The Swiss Prime Site Solutions Investment Fund Commercial (“SPSS IFC”) closed the 2023/2024 financial year with high yields and significantly increased its dividend payment. By focusing on operational excellence, the fund reduced vacancies to a record low of 1.48% and further increased net revenues. The strong operating result led to an EPS of CHF 5.66 (net revenue, adjusted for provisions for future repairs per unit certificate) to enable an outstanding increase in the dividend payment to CHF 4.90 per unit certificate (cash yield: 4.88%) with a defensive payout ratio of 86.6%.

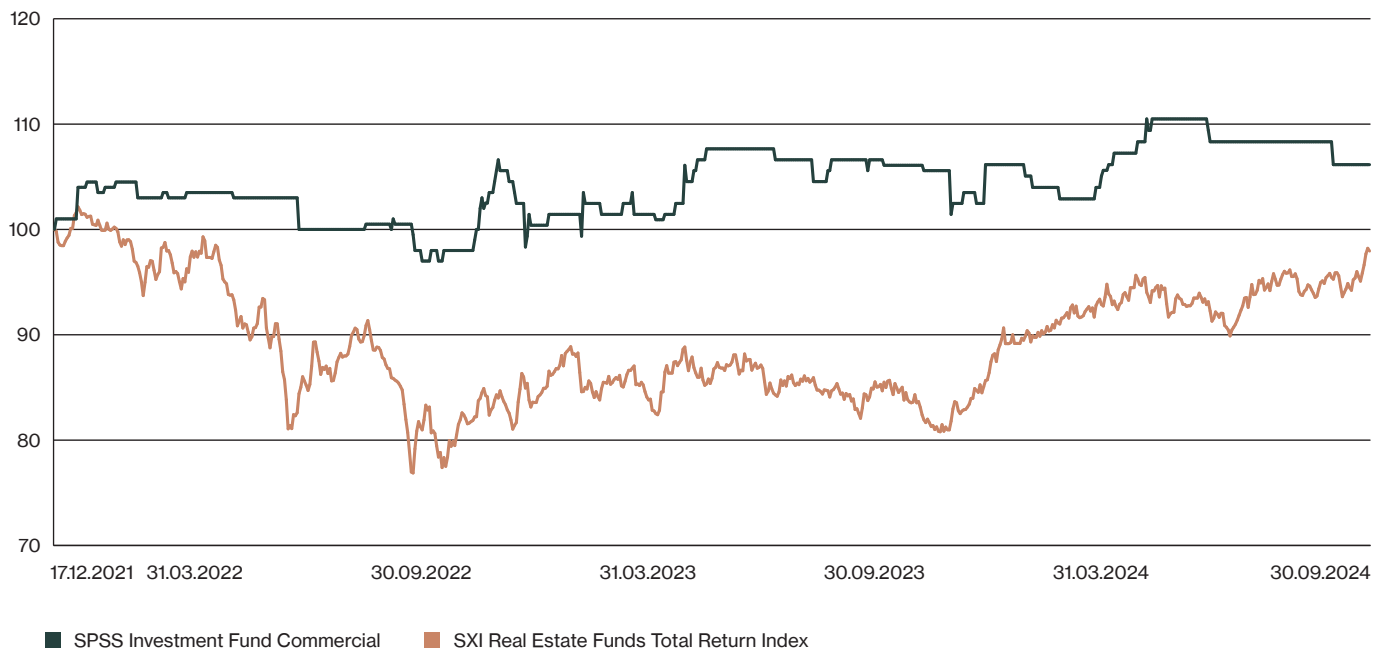
Summary of key facts

- Since launching, the total return outperformed the index of Swiss real estate funds listed on the stock exchange (SWIIT) by a rate of +8.20%, which declined by –2.05% in the same period.
- The SPSS IFC closed the 2023/2024 financial year with a cumulative return on investment of 4.56%. This comprised a cash flow return of 5.68% and negative capital growth of –1.13%. The target range for the cash flow return of between 3.5% and 4.0% was therefore comfortably exceeded.
- The dividend distribution of CHF 4.90 per unit at a payout ratio of 86.6% is significantly higher than our target range for a sustainable dividend strategy of CHF 4.40 per unit certificate.
- The valuation outcome is in line with expectations and was largely cushioned by the strong cash flow performance.
- The increase in the top line (rental income) by a significant 9.7% more than offsets the pronounced 45% increase in financing costs, resulting in growth of the bottom line (net revenue, adjusted for provisions for future repairs) of 1.9%.
- The operating profit margin increased by around 80 bps to 76.25%.
- The borrowed capital ratio fell from 42.1% to 40.7%.
- Within the reporting period, one property (Cham, Dorfplatz 2) was sold at a profit.
- The CO₂ emissions per m² of the portfolio were reduced by 28%.

Performance

- **Performance:** In a challenging market environment, the over-the-counter price (bid price) fell from CHF 102.50 to CHF 98.00 per unit. Taking into account the distribution, the performance for the 2023/2024 financial year was 0.06%. Comparing performance since the launch of the SPSS IFC, the fund outperformed the Real Estate Funds Total Return Index (SWIIT) by 8.02%. The discount on the net asset value was 3.55% on the balance sheet date, demonstrating the SPSS IFC’s robustness compared to other commercial funds.

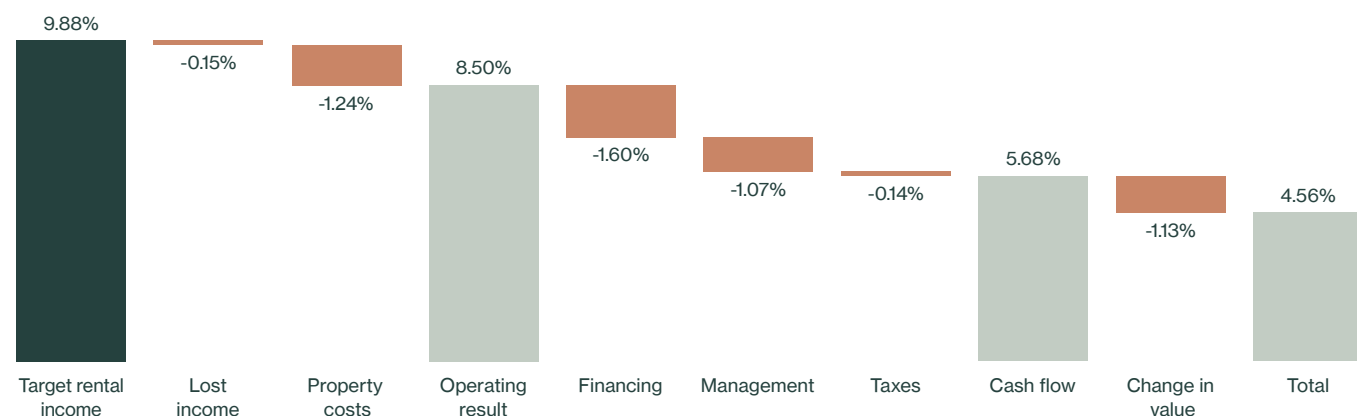
Price performance SPSS IFC vs. SXI Real Estate Funds Total Return Index (SWIIT)



Yield

- **Investment yield:** A high cash flow yield of 5.68% was generated in the 2023/2024 financial year, reflecting the good operating result. The market-induced devaluations caused by rising interest rates in the first half of the year and the associated increase in the discount rate (like-for-like) led to a value correction for the portfolio of -1.61% at the half-year point. Part of the half-year value correction was offset at year-end, resulting in a value correction of -1.13% on an annualised basis. The total return for the period was therefore 4.56%.

Composition of SPSS IFC shareholders' equity and return on investment, 2023/2024 financial year



Balance sheet

- **Fair value of properties:** The fair value of the property portfolio fell by CHF 3.8 million compared to year-end 2022/2023, amounting to CHF 431.0 million on 30 September 2024 (previous year: CHF 434.8 million). This decrease is attributable to valuation corrections and the sale of the property in Cham.
- **Discounting:** The real discount rate as at 30 September 2024 was 3.47%, 0.01% basis points higher than in the previous year (3.46%).

- **Total and net fund assets:** The total fund assets amounted to CHF 435 million, more or less unchanged from the previous year's figure (CHF 439 million). Net fund assets remained constant at CHF 244 million, as there were no issues in the past financial year.
- **Net inventory value:** The net inventory value per unit certificate at the balance sheet date of 30 September 2024 was CHF 104.20 (previous year: CHF 104.06).
- **Loan-to-value ratio:** The loan-to-value ratio was reduced further to 40.7% at the balance sheet date (previous year: 42.1%), which is below the permissible maximum limit of 50% sanctioned by FINMA until December 2026.

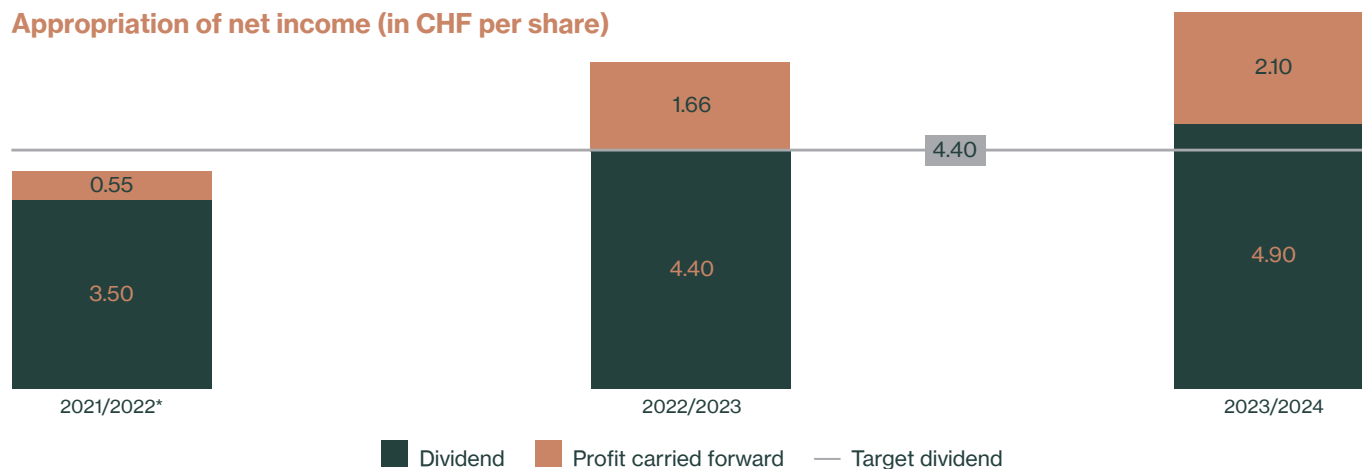
Income statement

- **Rental income:** Rental income of CHF 22.7 million was posted for the reporting period. This represents an increase of CHF 2.0 million (9.7%) compared to the previous year. Factors that contributed to this increase include improved rental income for existing properties due to indexing and further reduction in vacancy losses.
- **Financing costs:** The financing costs for the reporting year amounted to CHF 3.7 million. The average financing costs of 2.0% rose significantly compared to the previous year (1.6%), but were also significantly offset by the high-yield portfolio.
- **Total expense ratio (TER):** In the financial year 2023/2024, the TER GAV of 0.63% represented a significant reduction on the previous year (0.71%). This reduction can be attributed in particular to the management fees retrospectively charged to tenants. This change in practice led to a reduction in management fees for the current financial year of CHF 483 000 (including CHF 283 000 from the previous year).

Net income

- **Unrealised capital gains/losses:** The market-induced corrections to the valuations as at 30 September 2024 are shown under unrealised capital losses. At around CHF 1.1 million, devaluations of the portfolio were in line with market expectations.
- **Capital gains/losses:** The sale of the property in Cham brought a capital gain in the amount of CHF 435 000.
- **Earnings per share (EPS):** The EPS (net revenue, adjusted for provisions for future repairs per unit certificate) totalled CHF 5.66, resulting in a dividend payout of CHF 4.90 per unit certificate with a payout ratio of 86.6%. This equates to a cash yield of 4.88%. This result is higher than the target range of the sustainable dividend strategy (CHF 4.40 per unit certificate) and can be attributed to an extraordinarily high-yield financial year 2023/2024. With this the SPSS IFC has succeeded in continually increasing dividends since the launch of the fund, and has significantly surpassed each dividend target.
- **Use of profits:** In total, net revenue amounted to CHF 13.3 million, adjusted for provisions for future repairs. Of this, 86.6% was distributed to investors in the form of dividends. The remaining 13.4%, CHF 1.8 million, will be used to form provisions for repairs (CHF 750 000) as well as profit carried forward to the new financial year (CHF 1 033 000).
- **EBIT margin:** The EBIT margin increased further compared with the previous year to reach 76.3% in the reporting period (previous year: 75.4%).

Appropriation of net income (in CHF per share)



* Because the first financial year 2021/2022 was a shortened financial year, the dividend contribution was based on a period of nine months.

Financing structure

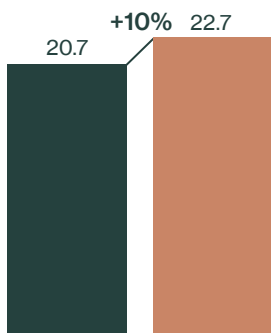
- **Maturity:** The maturity structure for financing amounts to an average residual term to maturity of 0.56 years. The fund management team is currently considering reallocation of financing to increase the residual term to maturity. A reallocation of CHF 25 million following the close of the reporting period brought the residual term to maturity to 1.1 years.
- **Interest increase:** The financing costs for the reporting year amounted to CHF 3.7 million. The average financing costs of 2.0% rose significantly compared to the previous year (1.6%). As at 30 September 2024, the average weighted interest rate for external financing was 1.78%.

Portfolio Management

- **Rental income:** Rental income rose by CHF 2.0 million (9.7%) compared to the previous year. This growth in rental income was made up of indexing and rental increases (2.8%), reduction in vacancies (2.4%) and portfolio growth (4.5%).
- **Net yield:** At 4.56%, the net yield of the portfolio in the reporting period was above the target of 4.0%.
- **Rent losses:** Rent losses declined further to a record low of 1.50% at the balance sheet date (previous year: 3.29%). Rent losses were made up of vacancy losses (1.48%) plus collection losses (0.02%).
- **Weighted average unexpired lease term (WAULT):** The weighted average unexpired lease term (WAULT) remained stable at a high level of 5.4 years in the 2023/2024 financial year (previous year: 5.4 years) and was therefore just below the all-time high since the fund's launch in December 2021.
- **Valuation:** The valuation outcome shows a change of -1.1% compared to the half-year valuation as at 31 March 2024 (-1.6%). The half-year value correction was offset by around 50 basis points, cushioning the value correction on an annualised basis for the reporting period, which amounted to -1.1%. Revaluation in the second half of the year was achieved without structural adjustment to discount rates. The valuation result was largely made up of properties that generate additional income through targeted investments, with associated revaluation.
- **Construction measures (Capex, capital expenditures):** We implemented capitalisable Capex measures of approximately CHF 3.5 million within the portfolio during the reporting period. This investment in the physical infrastructure amounts to around 0.8% of the portfolio's value and is aimed at long-term value preservation.

- The three main measures:
 - Winterthur, Rudolf-Diesel-Strasse 20: installation of PV system
 - Oberbüren, Buchental 4: refurbishment of lift systems
 - Centro Lugano Sud: expansion of rental space
 - Burgdorf, Emmentalstrasse 14: expansion of rental space
- **Green leases:** In the reporting period, there were a total of two rental contracts signed with mutual agreements regarding sustainability aspects (“green lease”). These “green leases” now represent approximately 17% of the target rent for the portfolio.

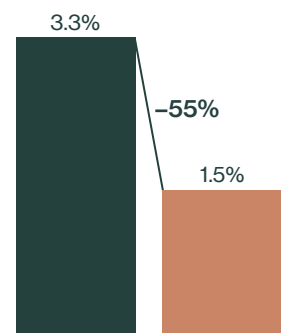
Growth in rental income (in MCHF)



WAULT (in years)



Rent default rate (as % of target rental income)



■ Year-end 22/23 ■ Year-end 23/24

Acquisition & Sales

- **Acquisitions:** There were no properties acquired in the reporting year.
- **Sales:** In the reporting year we sold one property in Cham at a profit as part of portfolio streamlining.

Sustainability strategy

Integration of ESG factors into the investment process

- When considering new investments, we conduct a systematic ESG due diligence assessment based on on-site inspections. This enables us to identify significant ESG-related risks and potential and strategically define future optimisation measures right at the start of the investment process. When managing investments, environmental (E), social (S) and governance (G) aspects – collectively referred to as ESG criteria – are adequately taken into account throughout all investment phases.

Outlook for the SPSS Investment Fund Commercial

- The SPSS IFC continues to perform well in a challenging market environment. A high cash flow yield of 5.68% with a defensive distribution ratio enabled us to significantly surpass the dividend target. The record low vacancy rate of just 1.48% and the weighted average unexpired lease term of over 5 years show that the SPSS IFC is invested in economically strong locations with high stability. The properties' net yields, which average 4.56%, sustainably support the SPSS IFC's high cash flow return and will remain the focus of the fund management. Opportunities for reallocating to a more defensive financing structure will be continually monitored and seized once the market conditions are right. A selective approach is taken to portfolio expansion by means of acquisitions. Properties must have a risk/reward profile that is appropriate for the portfolio, with a focus on attractive, long-term cash generation.



Photo: Centro Lugano Sud, Via Cantonale, 6916 Grancia

Sustainability

The fund management is committed to an ESG-integrated approach and pursues a sustainable investment policy. The sustainable investment policy was incorporated into the fund documents effective 9 January 2024. We are implementing the following environmental (E), social (S) and governance (G) measures:

Portfolio and asset management

Environment (E)

Our aim is for the portfolio to be climate-neutral (net zero CO₂) by 2050 in terms of heat and electricity supply. To this end, we are committed to adhering to a CO₂ reduction pathway that is consistent with the 1.5-degree target of the Paris Agreement and the Swiss Federal Council's goal of achieving climate neutrality by 2050. There is a particular focus on reducing Scope 1¹ and Scope 2² greenhouse gas emissions (GHGE) in accordance with the methodology of the Greenhouse Gas Protocol (GHG Protocol).

This is how we plan to achieve our climate protection targets:

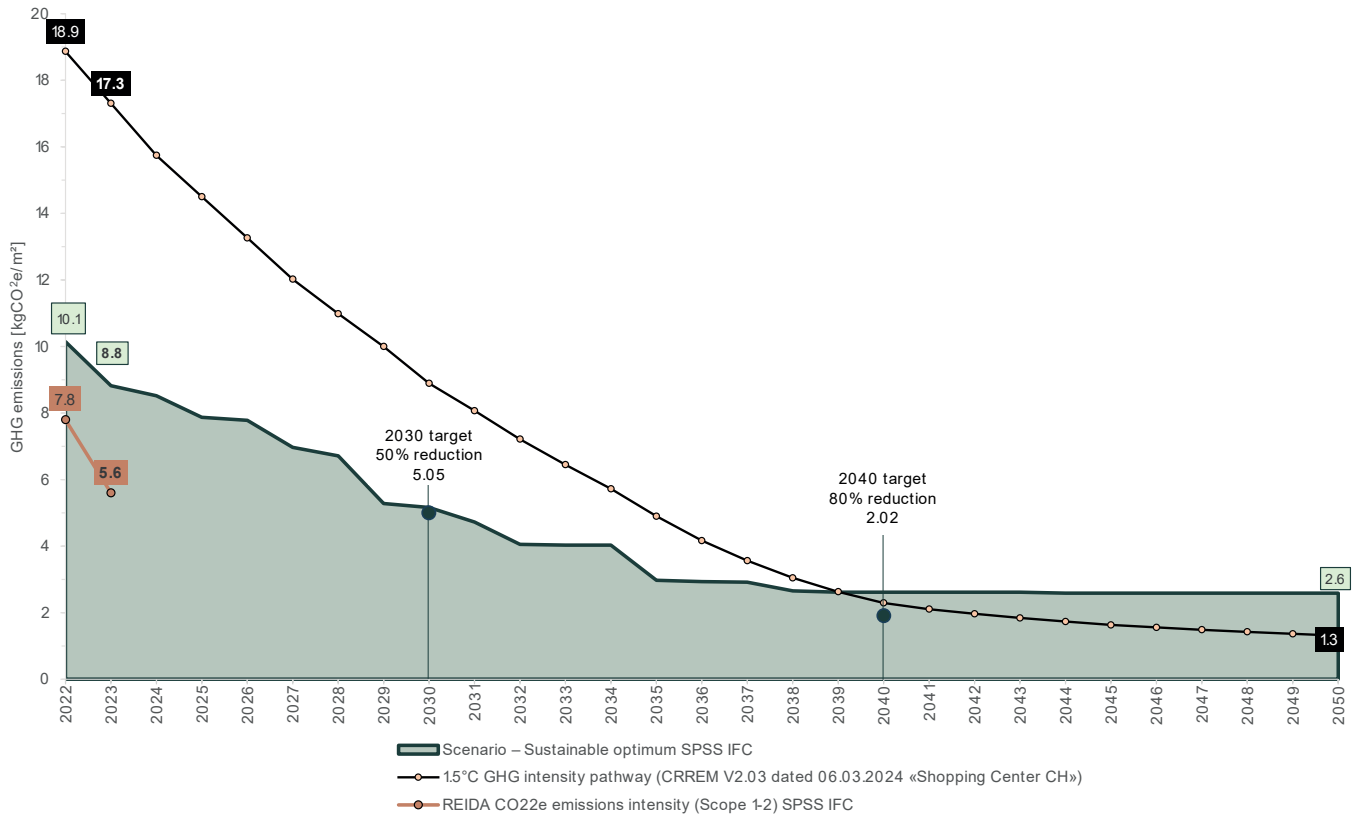
- **CO₂ reduction pathway:** A CO₂ reduction pathway has been established for all properties, focusing on operational energy consumption and the energy mix within the properties. It follows the current CRREM (Carbon Risk Real Estate Monitor) pathways with the defined 1.5-degree reduction scenario for shopping centres in Switzerland.

The CO₂ reduction pathway identifies opportunities for improvement and derives property-specific measures. In order to plan and coordinate these steps holistically, we incorporate the requirements of the CO₂ reduction pathway into the property strategies.

1) Direct emissions from the combustion of fossil fuels (e.g. oil heating)

2) Indirect emissions caused by purchased energy (e.g. district heating, electricity)

SPSS IFC CO₂ reduction pathway and climate targets – (Scopes 1, 2 & 3)



The reduction pathway depicted here reflects the “sustainable optimum”. Existing fossil fuel-powered heating systems will be replaced by geothermal probes or groundwater heat pumps once they reach the end of their service life. For the renovation of building shells, building parts will be evaluated using the MuKEn 2014 guideline on thermal insulation. To a large extent, suitable roof and façade surfaces will be fitted with PV systems.

On the balance sheet date, the CO₂ reduction pathway accounted for 17 properties and includes actual measured values (heating, general electricity) for single and multi-tenant properties. The current focus of the reduction pathway is on operating the portfolio Scope 1 and 2 and parts of Scope 3 in line with the GHG Protocol. In this case, Scope 3 encompasses energy consumption by tenants as determined by overall electricity output (as opposed to general electricity).

CO₂ emissions are calculated using the KBOB factors that apply throughout Switzerland (“Ökobilanzdaten im Baubereich: 2009/1:2022”). The Swiss consumer mix (location-based) is used for electricity, and the Swiss district heating mix (location-based) for district heating. This includes on-site consumption of energy from PV systems.

For 2022, the carbon intensity (10.1 kg CO₂e/m²) from the reduction pathway in the previous reporting period was taken as the starting value. The actual CO₂ emissions for 2022 (7.8 kg CO₂e/m²) and 2023 (5.6 kg CO₂e/m²) are presented in accordance with the REIDA standard. The key findings from observations along the CO₂ reduction pathway are:

- The actual emissions by energy reference area fell significantly from 2022 (7.8 kg CO₂e/m²) to 2023 (5.6 kg CO₂e/m²) – around 28%

- The actual emissions by energy reference area are lower than the emissions forecast under the “sustainable optimum” scenario
- Since the launch of the SPSS IFC, the actual emissions by energy reference area have been well below the CRREM target pathway.

The planned, forecast emissions for the period 2024 to 2039 are also, in part, well below the CRREM target pathway. This will allow us to build a positive emissions reserve for the years 2040 to 2050. In 2039, the CRREM target pathway intersects with the reduction pathway.

Note on data calculation: REIDA calculates key figures by energy reference area (ERA) with standardised factors on the basis of rentable space. For the CO₂ reduction pathway, the ERA is based on SIA 2040¹. Scope 3 emissions are also considered on a pro-rata basis for calculation of the CO₂ reduction pathway.

- **Sustainable investment planning:** We develop specific measures to continuously improve the ESG factors for the existing portfolio. A 10-year strategic sustainability plan is applied for all properties. External sustainability specialists evaluate all properties and draw up 10-year plans for sustainable refurbishment. This planning encompasses measure and cost planning as well as the impact on the CO₂ reduction pathway. This plan then serves as the basis for evaluating the refurbishment measures.
- **Refurbishment and replacement measures:** We replace building technology components or refurbish parts of the building that improve the building’s energy efficiency. This reduces the need for energy from external sources. For instance, we replace the heat generation system with carbon-neutral or low-emission energy sources while improving the building shell at the same time.
 - Bedano, Via d’Argine: replacement of air-to-water heat pump
 - Burgdorf, Emmentalstrasse: start of planning for replacement of oil heating with district heating
 - Solothurn, Hauptgasse: fitting out of 33% of the rental space with LED lighting
 - Amriswil, Weinfelderstrasse 74: start of planning for electromobility at existing petrol station
 - Stabio, Via Laveggio 5: start of planning for fitting out all traffic areas with LED lighting
- **Substitution measures:** This includes investments in additional installations or measures that reduce CO₂ emissions on or inside the building.
 - Entire portfolio: establishing and developing an organisation for energy control (EC) and operational optimisation (BO) for individual properties through external partners, with the aim of achieving sustainability targets more quickly and enabling performance monitoring
 - Winterthur, Rudolf-Diesel-Strasse: successful execution of EC/BO pilot project
 - Remaining portfolio: contract to implement EC/BO in the next financial year
 - Winterthur, Rudolf-Diesel-Strasse: installation of a PV system
 - St. Gallen, Oberbüren: conducting a feasibility study for a PV system
- **Existing certification:** Around 38% of the rental space has been certified with internationally recognised labels. This concerns the following properties:
 - Centro Lugano Sud, Via Cantonale: BREEAM In-Use
 - Stabio, Via Laveggio 5: LEED New Construction, Platinum

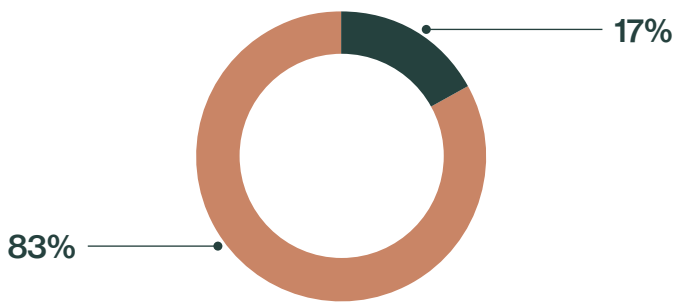
¹) Final report “Expansion of the building stock model according to the SIA Energie efficiency pathway” by TEP Energy GmbH, June 2016

Certification of the Rudolf-Diesel-Strasse property in Winterthur under the DGNB GiB¹ system is currently ongoing. The final certificate is expected in late 2024.

- **Green leases:** Around 17% of the target rent for the portfolio is linked to green leases. These contracts entail mutual commitments between tenants and landlords regarding sustainability aspects.

Green leases

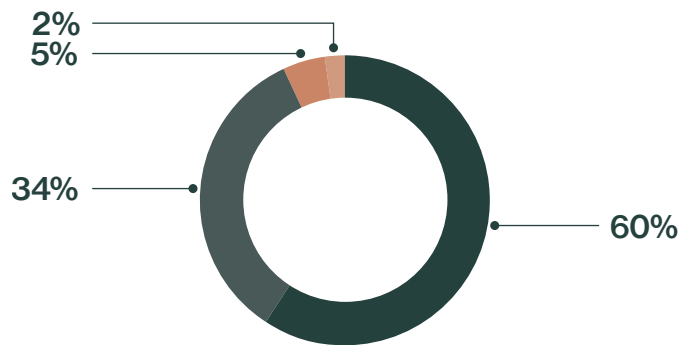
(as % of target rental income)



■ Green leases ■ Conventional leases

Energy mix

(as % of energy reference area)



■ Heat pumps ■ Gas ■ District heating ■ Oil

Energy mix: The portfolio draws 65% of its heating capacity from non-fossil fuels (60% heat pumps plus 5% district heating). At present only one property (Burgdorf) is still fitted with an oil heating system. The potential for connecting the building to district heating is currently under evaluation.

Social (S)

Tenant satisfaction survey

- In 2023 we carried out an anonymised tenant survey to identify the needs and preferences of tenants. The survey was designed and conducted by the Swiss market research company LINK. A key finding of the study: satisfaction with the rental properties is high (7.4 points) and slightly above the benchmark (7.2). The study uses a tool to identify measures that are then implemented systematically by the management.

Employee training

- We regularly conduct training to improve the knowledge of our employees, such as on sustainability issues. The Lunch&Learn events are free for employees and are led by external or internal experts.

Governance (G)

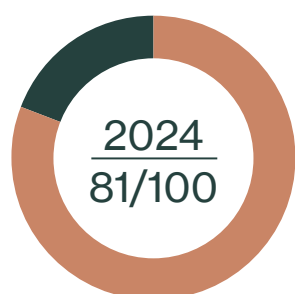
- A sustainability report on the sustainability performance of the property fund is published for investors each year as part of the annual report. Within it, the fund management presents the environmental indicators (energy mix, energy consumption, energy intensity, greenhouse gas emissions, intensity of greenhouse gas emissions).

1) DGNB GiB: Deutsche Gesellschaft für Nachhaltiges Bauen Gebäude im Betrieb (German Sustainable Building Council, Buildings in Use)

Environmental indicators for real estate funds (AMAS): The “environmental indicators for real estate funds” in accordance with the Asset Management Association Switzerland (AMAS) were calculated and published for the second time in the reporting year. To ensure consistent calculation and comparability of the indicators, we used the latest REIDA CO₂e report “Methodological Principles”¹⁾ as a standardised calculation basis. The indicators are based on measured energy and water consumption values. Consumption data for heating gas, district heating, electricity and water is taken from utility bills issued by energy providers. Consumption data for heating oil is provided by the managers.

GRESB (Global Real Estate Sustainability Benchmark): Following successful completion of the GRESB grace period with the receipt of the Green Star, in the reporting year 2023/2024 we took part in a GRESB rating for the first time. We achieved a 3-star rating in the category “Standing Investments”, with 81 points.

2024 GRESB Score und Rating “Standing Investment”



UN PRI Signatory: Swiss Prime Site Solutions signed up to the UN Principles for Responsible Investment (UN PRI) on behalf of the SPSS IFC in November 2022. This underscores our commitment to taking ESG (environmental, social and governance) criteria into account in our investment decisions – at the company, fund and property levels. In September 2023 we participated in UN PRI reporting for the first time. We also took part in PRI rating once again in the 2023/2024 reporting year. The results are expected at the end of November 2024 and will be posted on the website.

PACTA: In April 2024, documents for the SPSS IFC portfolio were submitted to the federal government’s PACTA (Paris Agreement Capital Transition Assessment) climate compatibility test. The aim of the federal PACTA climate test is to periodically analyse and evaluate the impact of the Swiss finance sector’s voluntary climate efforts.

Environmental indicators “SPSS IFC”: Only owner-controlled properties were considered, not tenant-controlled ones. Properties from transactions during the year were also not included. The environmental indicators have been climate-adjusted in accordance with REIDA methodology.

¹⁾ REIDA CO₂e report “Methodical Principles”, 16 August 2023, Version 1.2 final

Environmental indicators according to REIDA – KPIs (location-based)

	Unit	2022	2023
Number of properties			
Stock with sufficient energy data	Prop.	10	12
Stock with insufficient energy data	Prop.	0	0
Entire area (ERA)	m ² ERA	48 986	80 886
Relevant area (ERA)	m ² ERA	48 986	80 886
Coverage level	ERA %	100	100
Energy consumption	MWh/a	3 883	5 501
Energy intensity	kWh/m² ERA	79.3	68.0
Fuels	%	43.2	46.2
Heating oil	%	10.6	3.7
Heating gas	%	32.7	33.7
Biomass	%	0.0	8.8
Heating	%	29.3	16.7
Local and district heating	%	8.1	4.6
Ambient heat	%	21.2	12.0
Electricity	%	27.5	37.1
Electricity (heat pump)	%	8.5	4.8
Electricity (general)	%	19.0	32.3
Share renewable energy	%	47.4	52.7
Share fossil fuels	%	46.9	39.8
CO₂e emissions (Scope 1– 2)	To. CO₂e/a	383	451
CO₂e emission intensity (Scope 1-2)	kg CO₂e/m² ERA	7.8	5.6
Scope 1	%	87.5	86.7
Heating oil	%	27.0	11.3
Heating gas	%	60.5	75.1
Biomass	%	0.0	0.3
Scope 2	%	12.5	13.3
Local and district heating	%	2.8	1.9
Anergic emissions ¹	%	6.3	5.9
Electricity (heat pump)	%	1.0	0.7
Electricity (general)	%	2.3	4.8
Water consumption	m³	10 357.2	16 587.4
Water intensity	m³/m² ERA	0.2	0.2

Comments: the environmental indicators do not form part of the audited annual report.

CO₂e emissions intensity: 28% improvement from 2022 to 2023. In 2022, the fund purchased the property “Centro Lugano Sud”, which uses biomass (wood) as an energy source (transaction not included in 2022 figures).

The indicators for 2022 have changed slightly from the 2022 indicators set out in the previous annual report due to a more precise allocation of purchased energy. For three properties, in 2023 purchased energy was allocated to the tenant for the first time, and not to the owner as in the previous year. This resulted in a redistribution of emissions from owners (Scope 1 and 2) to tenants (Scope 3.13).

1) Anergic CO₂e emissions from burning of fossil waste (recorded under Scope 2)

Successful project in the field of sustainability

Promotion of biodiversity and retention of species diversity

The Centro Lugano Sud, part of the SPSS IFC portfolio, received the “Natur & Wirtschaft” certificate. The Stiftung Natur & Wirtschaft (Nature & Business Foundation) supports companies with planning and execution on the pathway to near-natural sites and offers advice on upkeep and usage of sites. This guarantees a high level of ecological quality in sites, secured for the long term through regular recertification. Near-natural sites not only promote biodiversity, they also ensure high quality of outdoor areas and time spent on the site.

This certificate is issued to company sites whose particular ecological value contributes to the preservation of natural species diversity and quality of life, particularly in industrial and commercial zones. The ultimate aim is the promotion of biodiversity and the preservation of species diversity.

Requirements:

- A minimum of 30% of the entire grounds must be near-natural
- Only domestic and site-appropriate plants can be used
- Ground coverings must be permeable
- No poisons are to be used

Regular recertification (every five years) ensures that companies meet and continuously improve on the high standards. These measures not only help promote biodiversity, they also ensure high quality of time spent on the site and a pleasant working environment.

Lugano Sud Climate Fund

As part of the project to expand the Centro Lugano Sud shopping centre in Grancia, the WWF successfully requested that the new parking spaces be subject to fees (CHF 0.50 per hour). The proceeds from the parking spaces will be donated to the Lugano Sud Climate Fund to finance climate protection measures.

The WWF branch for Italian-speaking Switzerland is part of the climate fund committee that evaluates project applications.

The climate fund has supported numerous projects, including:

- The energy conversion of the shopping centre, which now operates on 100% renewable energy
- Various sustainable mobility projects in Pian Scairolo
- Training and awareness-raising projects on the subject of climate protection
- Renaturation of green areas in the centre of Lugano Sud



Photo: Via Laveggio 5, 6855 Stabio

Essential key figures

17

Properties owned

-28%

Reduction of CO₂ emissions per m²

431.0 million CHF

Fair value

23.1 million CHF

[TARGET] rental income annualise

25.4 million CHF

Average property volume

105 485 m²

Rental space

5.38 years

WAULT

31%

Share of office space

29%

Proportion of properties with PV systems

17%

"Green Leases" as a proportion of target rental income

5.30%

Gross yield (based on fair value)

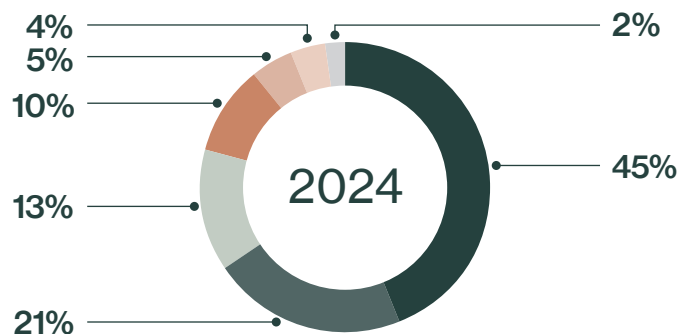
4.56%

Average weighted net yield

Portfolio structure

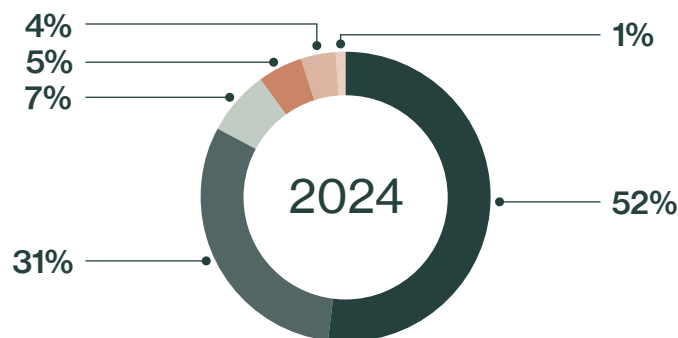
Portfolio split by region (based on target rental income)

	30.09.2024	30.09.2023
■ Southern Switzerland	45%	45%
■ Zurich	21%	20%
■ Central Switzerland	13%	14%
■ Eastern Switzerland	10%	10%
■ Northwestern Switzerland	5%	5%
■ Berne	4%	4%
■ Western Switzerland	2%	2%



Portfolio split by type of use (based on fair value)

	30.09.2024	30.09.2023
■ Commerce/retails	52%	52%
■ Office/administration	31%	32%
■ Commercial/industrial	7%	6%
■ Storage	5%	5%
■ Parking	4%	4%
■ Other	1%	1%



Balance sheet

Actives in CHF	30.09.2024	30.09.2023
Cash, post office and bank balances payable at sight, including fiduciary deposits with third-party banks	2 012 216	2 104 252
Sites		
– Residential buildings	0	0
– Commercial properties	430 989 000	434 824 000
– Mixed-use buildings	0	0
– Building land including properties for demolition and buildings under construction	0	0
Total sites	430 989 000	434 824 000
Other assets	2 403 513	2 379 898
Total fund assets	435 404 729	439 308 150
Liabilities in CHF	30.09.2024	30.09.2023
Current interest-bearing mortgages and other liabilities secured by mortgages	-125 285 000	-182 985 000
Other current liabilities	-11 397 150	-9 916 654
Total current liabilities	-136 682 150	-192 901 654
Non-current interest-bearing mortgages and other liabilities secured by mortgages	-50 000 000	0
Non-current other liabilities	0	0
Total non-current liabilities	-50 000 000	0
Net fund assets before estimated liquidation taxes	248 722 579	246 406 496
Estimated liquidation taxes	-4 605 321	-2 616 294
Net fund assets	244 117 258	243 790 202

Number of units in circulation	01.10.2023– 30.09.2024	01.10.2022– 30.09.2023
Units in circulation at the start of the reporting period	2 342 755	2 119 576
Units issued	0	223 179
Units redeemed	0	0
Units in circulation at the end of the reporting period	2 342 755	2 342 755
Net asset value per unit	104.20	104.06

Change in net fund assets in CHF	01.10.2023– 30.09.2024	01.10.2022– 30.09.2023
Net fund assets at the start of the reporting period	243 790 202	224 155 040
Distributions	-10 308 122	-7 418 516
Balance from unit transactions excluding purchase of current income on issue of units and payment of current income on redemption of units	0	22 820 053
Total result	9 885 179	4 233 625
Balance of allocations to/releases of provisions for repairs	750 000	0
Net fund assets at the end of the reporting period	244 117 258	243 790 202

Previous years' figures	Net fund assets	Net asset value per unit
31.03.2024	236 149 733	100.80
30.09.2023	243 790 202	104.06
30.09.2022	224 155 040	105.75

Information on the balance sheet in CHF	30.09.2024	30.09.2023
Balance on depreciation account for properties	0	0
Balance on provision account for future repairs	750 000	0
Balance on the account for the reinvestment of retained earnings	0	0
Number of units on which notice given by the end of the next financial year	none	3 000 ¹⁾

1) Units for which notice was given by 30 September 2023 will be redeemed in December 2024.

Income statement

Income in CHF	01.10.2023– 30.09.2024	01.10.2022– 30.09.2023
Income from bank and postal deposits	1 508	438
Rental income	22 731 209	20 729 273
Other income	4 410	5 880
Purchase of current net income on issue of units	0	230 443
Total income	22 737 127	20 966 034
Expenses in CHF	01.10.2023– 30.09.2024	01.10.2022– 30.09.2023
Mortgage interest and interest on liabilities secured by mortgages	-3 738 703	-2 585 824
Other interest payable	-731	-1 218
Maintenance and repairs	-725 812	-445 024
Property management:		
– Property expenses	-1 593 949	-1 265 420
– Administrative expenses	[1] 0	0
Taxes and duties:		
– Property taxes	-313 502	-385 465
– Profit and capital taxes	-331 110	-265 000
– Duties	0	0
Audit expenses	[2] -66 400	-66 708
Valuation expenses	-69 040	-60 000
Depreciation of properties	0	0
Provisions for future repairs	-750 000	0
– Allocations	-750 000	0
– Releases	0	0
Mandated remuneration of:		
– the fund management company	-2 057 041	-1 983 737
– the custodian bank	-72 090	-71 281
– the real estate managers	[3] -262 968	-627 862
Other expenses	-243 552	-191 994
Payment of current net income on redemption of units	0	0
Total expenses	-10 224 898	-7 949 533
Net income	12 512 229	13 016 501
Realised capital gains and losses	434 977	0
Realised result	12 947 206	13 016 501
Unrealised capital gains and losses	-1 073 000	-8 170 000
Change in liquidation taxes	-1 989 027	-612 876
Total result	9 885 179	4 233 625

[1] The management fees of the property management companies are reported under the item "Mandated remuneration of the real estate managers".

[2] Of which statutory audit TCHF 66.4 (previous year TCHF 66.7). No other services were provided by the statutory auditors.

[3] Subsequent charging of management fee to tenant. This change in practice has resulted in a reduction of CHF 483 000 in management fees in the current financial year (of which CHF 283 000 from previous years).

Appropriation of net income in CHF	30.09.2024	30.09.2023
Net revenue for the reporting period	12 512 229	13 016 501
Capital gains of the reporting period intended for distribution	0	0
Capital gains of previous accounting periods intended for distribution	0	0
Brought forward from previous year	3 880 721	1 172 342
Net income available for distribution	16 392 950	14 188 843
Net income reserved for distribution to investors	11 479 500	10 308 122
Net income retained for reinvestment	0	0
Balance carried forward to new account	4 913 450	3 880 721



Photo: Avenue J.-J. Rousseau, 2000 Neuchâtel

Notes

	30.09.2024	30.09.2023
Key data		
Rent default rate	1.50%	3.29%
Loan-to-value ratio (as % of fair value) ¹	40.67%	42.08%
Cash yield	4.88%	4.21%
Payout ratio	86.56%	79.19%
EBIT margin	76.25%	75.44%
Total expense ratio, GAV (TER _{REF} GAV)	0.63%	0.71%
Total expense ratio, market value (TER _{REF} MV)	1.17%	1.28%
Return on equity (ROE)	4.05%	1.71%
Return on invested capital (ROIC)	3.11%	1.56%
Premium/Discount	-3.55%	0.42%
Performance ²	0.06%	9.37%
Return on investment	4.56%	1.77%

1) FINMA approval for an exemption to the maximum encumbrance limits in the first five years after the launch

2) Calculation based on bid prices

Information on derivatives

None

Principles for the valuation of fund assets and the calculation of net asset value

The net asset value of a unit is the fair value of the fund assets, less any liabilities of the investment fund and any taxes likely to fall due if the fund assets are liquidated, divided by the number of units outstanding. The amount is rounded to two decimal places.

In accordance with Art. 88 para. 2 CISA, Art. 92 and 93 CISO and the Asset Management Association Switzerland (AMAS) Guidelines for real estate funds, the fund's properties are regularly valued by an independent valuation expert accredited by the supervisory authority, using a dynamic capitalised earnings method. The valuation represents a price that would probably be obtained in a prudent sale at the time of the valuation. Buildings under construction and construction projects are also valued at fair value. When properties are bought or sold for the fund and at the end of each financial year, the fair value of the properties held by the fund must be checked by the valuation expert. The valuation experts must survey the properties at least once every three years. In certain cases, opportunities may arise that could be seized in the best interest of the funds, particularly to buy or sell properties for the fund. This may lead to discrepancies compared with the valuations.

For the properties valued by PwC, the average weighted real discount rate according to market values was 3.47% as at 30 September 2024. The average weighted capitalisation interest rate according to market values was 3.48% as at 30 September 2024.

Further information on the fair values can be found in the valuation report of the independent real estate valuer.

Inventory of properties as at 30.09.2024 Summary

Property category in CHF	Actual costs		Fair value		Gross income (rental income ACTUAL)	
Commercial	434 603 000	100.0%	430 989 000	100.0%	22 710 054	100.0%
– thereof building law	0		0		0	
– thereof condominium property	0		0		0	
Total	434 603 000		430 989 000		22 710 054	



Photo: Marktgasse 3, 8400 Winterthur

Property details

(all values in CHF)

Town/city, address	Built	Form of ownership	Actual costs	Fair value	Target rental income ¹	Rental defaults ¹	Gross income ¹ (net rental income)	Gross yield (based on fair value)
Commercial properties								
Amriswil , Weinfelderstrasse 74	2004	Sole ownership (100%)	7 453 000	7 144 000	515 396	– 0.0%	515 396	7.2%
Bedano , Via d'Argine 3	2002 / 2010	Sole ownership (100%)	21 050 000	19 168 000	1 083 580	– 0.0%	1 083 580	5.7%
Burgdorf , Emmentalstrasse 14	1972	Sole ownership (100%)	8 568 000	7 208 000	414 973	21 335 5.1%	393 638	5.8%
Cham , Dorfplatz 2		sold	–	–	235 618	11 111 4.7%	224 507	
Dietikon , Kirchstrasse 20	1987	Sole ownership (100%)	14 682 000	16 953 000	616 782	2 340 0.4%	614 442	3.6%
Grancia , Via Cantonale	1991 / 2004	Sole ownership (100%)	86 254 000	86 217 000	6 992 468	84 865 1.2%	6 907 603	8.1%
Luzern , Luzernerstrasse 86, 88	1986	Co-ownership (99%)	22 291 000	21 981 000	1 012 739	44 338 4.4%	968 402	4.6%
Neuchâtel , Avenue J.-J. Rousseau 7	1929	Sole ownership (100%)	8 211 000	9 614 000	495 312	9 190 1.9%	486 122	5.2%
Oberbüren , Buchental 4	1990	Sole ownership (100%)	28 632 000	27 730 000	1 569 895	– 0.0%	1 569 895	5.7%
Schwyz , Oberer Steisteg 18, 20	1988	Sole ownership (100%)	9 747 000	8 690 000	585 836	26 229 4.5%	559 607	6.7%
Solothurn , Hauptgasse 59	1963	Sole ownership (100%)	19 500 000	19 883 000	796 549	– 0.0%	796 549	4.0%
St. Gallen , Rorschacher Strasse 63	1960	Sole ownership (100%)	8 969 000	8 634 000	351 667	– 0.0%	351 667	4.1%
Stabio , Via Laveggio 4	2010	Sole ownership (100%)	80 308 000	79 030 000	3 370 239	– 0.0%	3 370 239	4.3%
Stabio , Via Laveggio 5	2008 / 2019	Sole ownership (100%)	10 295 000	10 031 000	428 064	– 0.0%	428 064	4.3%
Steinhausen , Chollerstrasse 21, 23	1990	Sole ownership (100%)	25 185 000	23 676 000	1 118 959	165 255 14.8%	953 704	4.7%
Thun , Bälliz 7	1900	Sole ownership (100%)	11 454 000	10 224 000	476 319	– 0.0%	476 319	4.7%
Winterthur , Marktgasse 3	1969	Sole ownership (100%)	19 744 000	20 028 000	626 630	– 0.0%	626 630	3.1%
Winterthur , Rudolf Diesel Strasse 20	2019	Sole ownership (100%)	52 260 000	54 778 000	2 385 091	1 400 0.1%	2 383 691	4.4%
Overall total			434 603 000	430 989 000	23 076 116	366 063² 1.6%	22 710 054³	5.3%

1) Not annualised

2) Without lump-sum value adjustment of CHF 19 000

3) Without lump-sum value adjustment of CHF 19 000 and other non-recurring income of CHF 2 155

Information on actual remuneration rates where the fund regulations lay down maximum rates	30.09.2024	
	Actual	Maximum
a) Remuneration of the fund management company		
Annual commission for the management of the real estate fund, management of its assets and distribution of the real estate fund, based on the total fund assets	0.47%	1.00%
Commission for work on construction, renovation and modification of buildings, based on construction costs	3.04%	9.00%
Remuneration for work on the purchase and sale of properties, based on the purchase/sale price, where no third party is commissioned for this	1.50%	2.00%
Remuneration for the management of the individual properties during the reporting period based on gross rental income	n.a.	5.00%
Issuing commission to cover the costs associated with the placement of new units, based on the net asset value of the newly issued units ¹	n.a.	2.50%
Redemption commission to cover the costs associated with the redemption of units, based on the total asset value of the redeemed units	n.a.	2.50%
b) Remuneration of the custodian bank		
Commission for the custody of the fund assets, provision of the payment infrastructure for the real estate fund and the other expenses listed in section 4 of the fund contract, based on the total fund assets	0.03%	0.05%
Commission for the payment of annual income to investors	none	none

1) Excluding granted discounts

Total amount of the contractual payment obligations after the balance sheet date for purchases of properties and for construction contracts and investments in properties	30.09.2024
Purchases of properties	0
Construction contracts and investments in properties	5 731 200

Non-current liabilities, broken down into those falling due within one to five years and after five years	30.09.2024
1 to 5 years	50 000 000
> 5 years	0

Investments	30.09.2024
Investments that are listed on an exchange or another regulated market open to the public: valued at the prices paid on the primary market; in accordance with Art. 84 para. 2 lit. a CISO-FINMA.	0
Investments for which no prices are available pursuant to lit. a above: valued on the basis of parameters that are observable on the market; in accordance with Art. 84 para. 2 lit. b CISO-FINMA.	0
Investments not valued on the basis of parameters that are observable on the market: valued using suitable valuation models and taking account of the current market circumstances; in accordance with Art. 84 para. 2 lit.	430 989 000
Total investments	430 989 000

Mortgages and other liabilities secured by mortgages

Current mortgages and fixed advances (as at 30.09.2024)

Type of loan	Term		Amount in CHF	Interest rate
	from	to		
Fixed advance	30.07.2024	30.10.2024	20 000 000	1.89%
Fixed advance	30.08.2024	30.10.2024	29 900 000	1.76%
Fixed advance	30.09.2024	30.10.2024	15 000 000	1.70%
Fixed advance	30.09.2024	31.10.2024	43 385 000	1.75%
Fixed advance	30.09.2024	31.10.2024	2 000 000	1.71%
Fixed advance	30.09.2024	30.09.2025	15 000 000	1.45%
Fixed-rate mortgage	30.11.2023	28.11.2025	35 000 000	1.92%
Fixed-rate mortgage	30.11.2023	30.11.2026	15 000 000	1.88%
Total			175 285 000	1.78%

Expired mortgages and advances (01.10.2023–30.09.2024)

Type of loan	Term		Amount in CHF	Interest rate
	from	to		
Fixed advance	17.07.2023	17.10.2023	8 000 000	2.06%
Fixed advance	31.08.2023	31.10.2023	30 000 000	2.18%
Fixed advance	29.09.2023	31.10.2023	5 700 000	2.14%
Fixed advance	17.10.2023	17.11.2023	4 800 000	2.06%
Fixed advance	31.08.2023	30.11.2023	43 385 000	2.17%
Fixed advance	31.08.2023	30.11.2023	39 100 000	2.19%
Fixed advance	29.09.2023	30.11.2023	32 500 000	2.04%
Fixed advance	29.09.2023	08.12.2023	24 300 000	2.04%
Fixed advance	17.11.2023	22.12.2023	4 500 000	2.04%
Fixed advance	08.12.2023	15.01.2024	24 300 000	2.06%
Fixed advance	31.10.2023	30.01.2024	3 200 000	2.07%
Fixed advance	30.11.2023	30.01.2024	17 800 000	2.06%
Fixed advance	22.12.2023	30.01.2024	4 500 000	2.17%
Fixed advance	31.10.2023	31.01.2024	32 500 000	2.13%
Fixed advance	30.11.2023	31.01.2024	4 300 000	2.27%
Fixed advance	22.12.2023	31.01.2024	750 000	2.23%
Fixed advance	15.01.2024	15.02.2024	21 800 000	2.06%
Fixed advance	30.11.2023	29.02.2024	20 000 000	2.13%
Fixed advance	30.01.2024	29.02.2024	25 500 000	2.07%
Fixed advance	31.01.2024	29.02.2024	2 500 000	2.07%
Fixed advance	31.01.2024	29.02.2024	35 050 000	2.26%

Type of loan	Term		Amount in CHF	Interest rate
	from	to		
Fixed advance	15.02.2024	15.03.2024	21 100 000	2.07%
Fixed advance	29.02.2024	29.03.2024	20 000 000	2.11%
Fixed advance	15.03.2024	15.04.2024	20 600 000	2.03%
Fixed advance	29.02.2024	29.04.2024	28 700 000	2.03%
Fixed advance	29.02.2024	30.04.2024	20 000 000	2.19%
Fixed advance	28.03.2024	30.04.2024	500 000	1.83%
Fixed advance	29.03.2024	30.04.2024	19 700 000	1.92%
Fixed advance	31.03.2024	30.04.2024	250 000	2.03%
Fixed advance	15.04.2024	22.05.2024	18 600 000	1.85%
Fixed advance	29.04.2024	30.05.2024	28 700 000	1.86%
Fixed advance	30.04.2024	30.05.2024	2 500 000	1.86%
Fixed advance	30.11.2023	31.05.2024	23 385 000	2.11%
Fixed advance	08.12.2023	31.05.2024	10 000 000	2.14%
Fixed advance	29.02.2024	31.05.2024	14 500 000	2.18%
Fixed advance	30.04.2024	31.05.2024	20 000 000	1.95%
Fixed advance	30.04.2024	31.05.2024	17 950 000	2.03%
Fixed advance	22.05.2024	14.06.2024	18 600 000	1.84%
Fixed advance	30.05.2024	28.06.2024	31 200 000	1.85%
Fixed advance	31.05.2024	28.06.2024	43 385 000	1.95%
Fixed advance	31.05.2024	28.06.2024	42 000 000	2.01%
Fixed advance	14.06.2024	28.06.2024	18 600 000	1.83%
Fixed advance	28.06.2024	30.07.2024	31 900 000	1.99%
Fixed advance	28.06.2024	30.07.2024	43 385 000	1.80%
Fixed advance	28.06.2024	30.08.2024	29 900 000	1.80%
Fixed advance	30.07.2024	30.08.2024	9 100 000	1.95%
Fixed advance	30.08.2024	06.09.2024	8 000 000	1.99%
Fixed advance	28.06.2024	30.09.2024	30 000 000	1.79%
Fixed advance	30.07.2024	30.09.2024	43 385 000	1.82%
Fixed advance	06.09.2024	30.09.2024	2 000 000	1.90%

Acquisitions and sales of properties (as at 30.09.2024)

Acquisitions

City, address	Type of building	Fair value
none		

Sales

City, address	Type of building	Selling price
Cham, Dorfplatz 2	Commercial property	7 000 000

Tenants accounting for more than 5% of rental income

Tenant	Property location	Share of rental income in %
VF International Sagl	Stabio	16.7%
Coop Genossenschaft	Grancia, Lucerne, Oberbüren	12.5%
C&A Mode AG	Grancia, Solothurn	5.6%

Information on matters of particular economic or legal significance

Transactions with related parties

The fund management confirms that no real estate assets have been transferred from or to related parties and that other transactions with related parties were carried out at standard market terms (Article 18 of the Guidelines for real estate funds, issued by the Asset Management Association Switzerland (AMAS) on 2 April 2008 (version dated 5 August 2021)).

Changes to the fund contract

The following change to the fund contract was made in the reporting period and published on the electronic platform “www.swissfunddata.ch”, the official publication of the real estate fund, on 9 January 2024: Current fund contract dated 9 January 2024 replaces the fund contract dated 18 September 2023. FINMA approval with decree of 8 January 2024. In particular, there were additions to ESG provisions in the fund contract and prospectus. In addition, on 16 April 2024 there was a change to the prospectus due to the change in the fund’s executive management and the delegation of fund management activities to third parties.

Material questions concerning the interpretation of laws and the fund contract

Currently there are no material open questions concerning the interpretation of laws or the fund contract in relation to the SPSS IFC.

Fund management and custodian bank

Neither the fund management company nor the custodian bank were changed during the reporting period.

Executive management of the fund

Bernhard Rychen replaced Philippe Brändle as CFO effective 1 April 2024. This change also affects the risk management of the SPSS IFC, which is now run as a separate department. Bernhard Rychen is leading the fund management’s Risk department on an interim basis, until a projected end date of 31 December 2024. At that point a new Head of Risk will lead the department. In addition, the fund’s executive management has had a new member since 1 July 2024: Deniz Orga. Within the fund management, Deniz Orga leads the Swiss Prime Investment Foundation. With the integration of the real estate division of Fundamenta Group into Swiss Prime Site Solutions AG, Ricardo Ferreira, Head of the Fundamenta Products division within Swiss Prime Site Solutions AG, will also join the fund’s executive management.

Legal disputes

There are no material pending legal disputes.

Valuation report



*PricewaterhouseCoopers AG
Birchstrasse 160
8050 Zurich
Phone: +41 58 792 44 00
www.pwc.ch*

Swiss Prime Site Solutions AG
SPSS IF Commercial
Alpenstrasse 15
6300 Zug

30 September 2024

Market value of the properties as of 30 September 2024

Background and Mandate

On behalf of Swiss Prime Site Solutions AG, all investment properties of the Swiss Prime Site Solutions Investment Fund (SPSS IF) Commercial (hereinafter «SPSS IF Commercial») have been valued by the Real Estate Advisory Team of PricewaterhouseCoopers AG for financial reporting purposes as of 30 September 2024.

Valuation Standards and Principles

The valuations comply with the requirements of the Collective Investment Schemes Act (CISA), the Ordinance on Collective Investment Schemes (CISO) as well as the guidelines of the Asset Management Association and are in line with the best practice guidelines of the International Valuation Standards (IVSC), the Swiss Valuation Standard (SVS) and the guidelines of the Royal Institution of Chartered Surveyors (RICS). The concept of best possible use has not been applied.

In accordance with the market value definitions of IVSC, SVS and RICS, market value is defined as follows: "Market value is the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Each property is valued individually and not as part of the portfolio. The property value is determined based on observable market parameters. In accordance with valuation practice in Switzerland, costs and taxes which may be incurred by the owner but are not directly related to the property (financing and disposal costs, value added tax, etc.), are not taken into account.

The valuation is based on current information regarding the properties and the real estate market. Documents and data concerning the properties have been provided by the client. The accuracy of these documents is assumed. The properties are surveyed as part of the valuation process at least every three years and for the purpose of an acquisition or following a renovation.

Assessment Methodology

The property values are determined using the discounted cash flow method (DCF method). For this purpose, the expected annual net cash flows, i.e. the cash flows effectively at the owner's free disposal, are forecasted over an observation period of ten years. The remaining useful life is represented by extrapolating the cash flow of a representative year (exit year). The individual cash flows are discounted to the present value and added up. The sum of the present values corresponds to the market value.

The discount rate applied reflects the market-based, risk-adjusted opportunity costs of the investment in the property and is determined using the build-up-method. The base discount rate refers to the long-term yield forecast for 10-year federal bonds and is supplemented by a premium to reflect the general illiquidity of property investments. Further property specific premiums or discounts for location, use and other property related risks are taken into account on a per property basis. The capitalization rate is adjusted for inflation-related cash flow growth from year eleven. The long-term inflation assumption is 1.00%.



The modelling of the expected net cash flows considers indexation and payments according to the current tenancies. After the expiration of current tenancies, rental income is estimated based on comparable values observable on the market. The operating costs incurred by the owner are recorded based on historical property data and comparable values observable on the market. For maintenance costs incurred by the owner, the remaining useful life and the investment sum of the individual building components are determined based on a condition analysis. On this basis, a periodic renewal and an annual maintenance payment are derived, which are compared to market benchmarks.

Valuation Result

As of the valuation date, a total of 17 properties are in the SPSS IF Commercial portfolio. No properties were acquired during the reporting period from 01 October 2023 to 30 September 2024. One property was sold. A total of 12 properties were re-inspected as part of the current valuation.

For the properties valued by PwC, the average real discount rate weighted by market values is 3.47% as of 30 September 2024. The average capitalisation rate weighted by market values is 3.48% as of 30 September 2024.

Based on the above, the market value of the SPSS IF Commercial portfolio as of 30 September 2024 is valued at CHF 430'989'000 by the Real Estate Advisory Team of PricewaterhouseCoopers AG.

Portfolio	Number of properties	Market value (CHF)	Weighted discount rate (real)	Weighted capitalisation rate (real)
SPSS IF Commercial	17	430'989'000	3.47%	3.48%

Independence

In accordance with the corporate policy of PricewaterhouseCoopers AG, the real estate portfolio has been valued independently and impartially. The valuation shall serve the purpose stated above. No liability is assumed towards third parties.

PricewaterhouseCoopers AG
Real Estate Advisory

Dr. Mare Schmidli, CFA
Partner

Laura Blaufuss MRICS
Director

Auditor's report



KPMG AG
Badenerstrasse 172
Postfach
CH-8036 Zürich

+41 58 249 31 31
kpmg.ch

SHORT-FORM REPORT BY THE STATUTORY AUDITOR OF THE COLLECTIVE INVESTMENT SCHEME

For the attention of the Board of Directors of the Fund Management Company regarding the financial statements of

Swiss Prime Site Solutions Investment Fund (SPSS IF) Commercial

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements (pages 6-9 & pages 26-36) of the investment fund Swiss Prime Site Solutions Investment Fund (SPSS IF) Commercial – which comprise the statement of net assets as at 30 September 2024, the statement of income for the year then ended, information regarding the appropriation of net income and the disclosure of costs as well as additional information pursuant to Article 89(1)(b)-(h) and Art. 90 of the Swiss Collective Investment Schemes Act (CISA).

In our opinion, the financial statements are compliant with the Swiss Collective Investment Schemes Act, the relevant ordinances as well as the prospectus with integrated fund contract.

Basis for Opinion

We conducted our audit of financial statements in accordance with Swiss law and the Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Responsibility of the auditor of the collective investment scheme for the auditing of the financial statements" section of our report. We are independent of the investment fund as well as of the Fund Management Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



**Swiss Prime Site Solutions Investment Fund
(SPSS IF) Commercial**
SHORT-FORM REPORT BY THE STATUTORY AUDITOR
OF THE COLLECTIVE INVESTMENT SCHEME
Financial Statements 2023/2024

Other Information

The Board of Directors of the Fund Management Company is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Board of Directors of the Fund Management Company for the Financial Statements

The Board of Directors of the Fund Management Company is responsible for preparing the financial statements in accordance with the Swiss Collective Investment Schemes Act, the corresponding ordinances and the prospectus with integrated fund contract, and for such internal control as the Board of Directors of the Fund Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Auditor of the Collective Investment Scheme for the Auditing of the Financial Statements

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.



**Swiss Prime Site Solutions Investment Fund
(SPSS IF) Commercial**
SHORT-FORM REPORT BY THE STATUTORY AUDITOR
OF THE COLLECTIVE INVESTMENT SCHEME
Financial Statements 2023/2024

We communicate with the Board of Directors of the Fund Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG AG

Jakub Pesek
Licensed audit expert
Lead auditor

Michael Stamm
Licensed audit expert

Zurich, 12 November 2024



Swiss Prime Site
Solutions REAL ESTATE
ASSET MANAGERS

Swiss Prime Site Solutions AG

Poststrasse 4a

CH-6300 Zug

Tel. +41 58 317 17 17

info@sps.swiss