

UBS PF Europe

Annual Report 2023/2024

UBS (CH) Property Fund – Europe



UBS

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Investment fund under Swiss law
(category Real Estate Fund)
This investment fund invests exclusively in foreign real estate
Audited annual report as at 30 June 2024
Securities no.: 14539972

Sales restrictions

Units of this real estate fund may not be offered, sold or delivered within the United States.

Units of this real estate fund may not be offered, sold or delivered to investors who are US persons. A US person is a person who:

- (i) is a United States person within the meaning of Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder;
- (ii) is a US person within the meaning of Regulation S of the US Securities Act of 1933 (17 CFR § 230.902(k));
- (iii) is not a Non-United States person within the meaning of Rule 4.7 of the US Commodity Futures Trading Commission Regulations (17 CFR § 4.7(a)(1)(iv));
- (iv) is in the United States within the meaning of Rule 202(a)(30)-1 of the US Investment Advisers Act of 1940, as amended; or
- (v) any trust, entity or other structure formed for the purpose of allowing US Persons to invest in this real estate fund.

This report is an English translation of the original German version. In case of discrepancies, only the German version authentic.

Organization

Fund management company

UBS Fund Management (Switzerland) AG,
Aeschenvorstadt 1, 4051 Basel

Board of Directors

- Michael Kehl, President
Managing Director
UBS Asset Management Switzerland AG, Zurich
- Dr. Daniel Brüllmann, Vice President
Managing Director
UBS Asset Management Switzerland AG, Zurich
- Francesca Gigli Prym, Member
Managing Director
- UBS Fund Management (Luxembourg) S.A., Luxembourg
- Dr. Michèle Sennhauser, Member
Executive Director
UBS Asset Management Switzerland AG, Zurich
- Franz Gysin, Member
- Werner Strebel, Member
- Andreas Binder, Member

Executive Board

- Eugène Del Cioppo
President of the Executive Board
- Thomas Schärer
Deputy Chairman of the Executive Board
Head ManCo Substance & Oversight
- Urs Fäs
Head Real Estate CH
- Yves Schepperle
Head WLS – Products
- Thomas Reisser
Head Compliance and Operational Risk Control
- Georg Pfister
Head Operating Office, Finance, HR
- Hubert Zeller
Head WLS – Client Management
- Marcus Eberlein
Head Investment Risk Control

Custodian bank

UBS Switzerland AG, Zurich

Valuation experts

Wüest Partner AG, Zurich

Responsible persons:

- Andreas Bleisch
- Pascal Marazzi-de Lima
- Christoph Axmann

Auditors

Ernst & Young AG, Basel

Delegation of specific tasks

- Selected portfolio management functions
(supporting activities from the portfolio perspective,
such as evaluations or due diligence tasks but no activities
concerning the investment decision)
- Acquisition and disposition of properties
- Construction and development
- Asset management (property management)
- Property management and technical maintenance

The above mentioned tasks are specified in agreements concluded between UBS Fund Management (Switzerland) AG and the respective entity:

- UBS Limited Nederlandse Vestiging B.V.
- UBS Immobilier (France) S.A.
- UBS Real Estate GmbH
- UBS Asset Management (Italia) SGR SpA
- UBS Europe SE, sucursal en España
- UBS Asset Management (UK) Ltd

Paying agents

UBS Switzerland AG, Zurich, and its offices in Switzerland

Notices to investors

I. Tax transparency in Germany and Austria

In line with German investment tax law, there is a tax liability at an investor level, in particular for fund distributions. Provided that at least 50% of the fund has been continuously invested in foreign real estate and real estate companies, there is generally the option for a partial exemption of 80% of the distributions in accordance with Section 20(3) no. 2 of the InvStG (real estate partial exemption). Classification of the fund as a public investment fund with the addition "Real estate fund with foreign focus area" is carried out via the WM Dataservice.

In the context of tax treatment, this real estate fund in Austria has the tax status of a reporting fund within the meaning of the Investment Fund Act (Investmentfondsgesetz, InvFG). For this purpose, it reports the tax assessment bases as defined in Section 186 (2) no. 2 InvFG to the Österreichische Kontrollbank (OeKB). Private investors who hold their units in an Austrian custody account are generally subject to final taxation under capital gains tax (Kapitalertragssteuer, KESt). If the units are held in a foreign custody account, the income from the fund is subject to assessment.

The investors are advised to contact their tax advisers with regard to personal tax implications.

Via Tornabuoni,
Florence



Key figures for the year

Financial year	30.06.2024	30.06.2023	30.06.2022
Net fund assets (in EUR m)	225.8	250.3	255.6
Number of units - (CHF hedged) I	23 629 932	23 629 932	23 629 932
Net asset value per unit (in CHF) - (CHF hedged) I	9.21	10.34	10.83
Distribution per share (in CHF)	0.24	0.24	n.a.
Last stock market price as of reporting date (in CHF)	10.00	10.65	n.a.
Land/real estate (in EUR m)	286.2	280.3	276.3
Total fund assets (in EUR m)	318.0	349.1	349.0
Borrowed capital (in EUR m)	92.2	98.8	93.3
Rental income (in EUR m)	13.5	11.3	9.4
Ordinary maintenance (in EUR m)	0.3	0.5	0.7
Net income (in EUR m)	6.2	5.0	3.3
Performance ¹	-3.9%	-5.3% ⁴	n.a.
SXI Real Estate Funds TR	n.a.	n.a.	n.a.
Commercial properties	86.8%	95.4%	94.7%
Residential properties	13.2%	4.6%	5.3%
Germany	35.0%	29.5%	24.4%
Netherlands	18.3%	20.9%	22.3%
Spain	14.4%	16.0%	16.8%
Italy	13.9%	14.3%	14.5%
Norway	13.5%	13.9%	15.9%
Belgium	4.9%	5.4%	6.1%
Key figures in accordance with AMAS	30.06.2024	30.06.2023	30.06.2022
Return on investment	-8.9%	-4.5%	4.1%
Distribution yield	2.4%	2.3%	n.a.
Payout ratio	82.4%	111.1%	n.a.
Return on Equity (ROE) ²	-8.8%	-1.7%	12.8%
Return on Invested Capital (ROIC) ³	-5.3%	-0.8%	10.2%
Premium/discount	8.6%	3.0%	n.a.
Operating profit margin (EBIT margin)	69.4%	61.1%	50.3%
Borrowing rate	28.6%	30.5%	28.8%
Rent default rate	0.4%	0.2%	0.4%
Fund operating expense ratio (TER _{REF}) – GAV	1.03%	1.02%	0.88%
Fund operating expense ratio (TER _{REF}) – MV (Market Value)	1.38%	1.43% ⁴	n.a.

1 Calculation according to AMAS (Asset Management Association Switzerland).

2 The ROE is determined based on the total income in EUR presented in the income statement, which can fluctuate significantly due to currency effects. If total income is calculated in Swiss francs, in which the fund units are also denominated, the currency effects are lower due to currency hedging. In addition, there are no currency effects on cash balances in Swiss francs. The key figures in CHF can be taken from the Notes.

3 ROIC is determined based on the total income in EUR presented in the income statement and the mortgage interest payables, which can fluctuate significantly due to currency effects. If total income and mortgage interest is calculated in Swiss francs, in which the fund units are also denominated, the currency effects are lower due to currency hedging. In addition, there are no currency effects on cash balances in Swiss francs. The key figures in CHF can be taken from the Notes.

4 Since listing.

Past performance is not a guarantee of future developments.

The performance shown does not take account of any commissions and costs charged for subscription to and redeeming units.

This statement applies to all historical performance data presented in the report.

Portfolio management report

The positive earnings performance, the very low vacancy rate and the long average remaining terms of the rental contracts prove the portfolio's high earnings stability in a persistently challenging market environment. The rent loss rate as at 30 June 2024 was 0.4% and rental income increased by EUR 2.1 million (around +19%) year-on-year to EUR 13.5 million. At 6.6 years, the average remaining term of rental contracts (WAULT) is still at a high level. The highest rating of 5 GRESB stars is testimony to the portfolio's sustainability and future viability.

Market report

Low economic momentum with brighter prospects

Eurozone economy continued its moderate growth momentum in the second half of 2023, ending 2023 with annual growth of 0.5%. The first and second quarters of 2024 saw slightly greater momentum with overall growth of 0.3%. Despite the weak economy, the unemployment rate remains at a historically low level of 6.5% in June 2024. At 2.5% in June 2024, inflation in the Eurozone has fallen significantly over the course of the year (June 2023: 5.5%). However, it remains above the European Central Bank's (ECB) target of 2%. With this in mind, the ECB initiated a turnaround in interest rates on 6 June and lowered its target for the fed funds rate by 25 basis points, although it raised its inflation forecasts at the same meeting. Accordingly, only two further reductions of 25 basis points each are currently expected for the remainder of 2024. With 0.8% in 2024 and 1.7% in 2025, the economy is expected to regain some momentum.

Yields stabilize after adjustment to the new interest rate level

The ECB's key interest rate hikes in response to the high inflationary pressure of the last three years have pushed liquidity on the real estate markets close to the level of the financial crisis. The annual investment volume in Europe fell to EUR 166.1 billion in 2023, which corresponds to a decrease of 50% compared to the previous year. The first half of 2024 did not indicate a strong turnaround either, with the transaction volume falling by a further 12% year-on-year. In addition to higher financing costs, one reason for the low liquidity was the disagreement among market participants regarding the price level in the new interest rate environment. According to the MSCI Europe Quarterly Property Index, the capital values of European real estate have fallen by 23% since their peak in the first quarter of 2022, including 7% in the past year. At -30% on average, office properties in particular fell significantly in value, although there are considerable differences within the office segment. Due to the corrections already made during the pandemic, the retail segment made the fewest corrections in relative terms, and it looks likely that it is now bottoming out. Since the beginning of this year, yields have remained stable in 72% of the almost 600 markets monitored by CBRE. Over the last three months, this stabilization increased further to just under 90%.

User markets are robust, particularly in the prime segment

In recent years, the commercial rental markets have had to contend with downturn-related cost savings, gloomy consumer sentiment and, in particular, the ongoing structural change of an increasingly hybrid working and shopping world. While hybrid working reduces the amount of office space required, it significantly increases quality requirements, which is leading to a strong polarization of the office market in favor of top real estate in prime locations. Hence, despite the difficult circumstances, prime rents in the first quarter of 2024 rose by an average of 6.4% year-on-year in Europe.

The situation for retail properties is gradually stabilizing. The majority of the European markets surveyed by PMA recorded falling vacancy rates and rising prime rents. As in the office segment, modern properties in prime locations and with good anchor tenants are benefiting in particular.

Logistics properties proved to be stable overall despite the cyclical headwinds. Nevertheless, rental activity returned from record highs to pre-pandemic levels. According to JLL, take-up in the first quarter of 2024 was 19% below the previous year's level, but still 5% above the average for 2014-2019. The vacancy rate rose to 4.5%, but since the supply of higher-quality, ESG-compliant buildings remains limited, the average growth in European prime rents in the first quarter of 2024 was still 6.6% year-on-year. Due to the limited availability of modern space, prime rents are expected to rise further.

On the housing market, in addition to the growth in the number of private households, the high financing costs for residential property remain a driving factor for the demand for rental apartments. In addition, construction activity remains in decline, which is exacerbating the shortage and driving up rents. As a result, rents in the fourth quarter of 2023 rose by an average of 5.9% year-on-year, and in the first quarter of 2024 by as much as 6.9%. Due to the shortage of available space, rents are expected to continue to rise, particularly in growing cities.

Development of the fund in the 2023/2024 financial year

Stock market price and performance

Trading in real estate products in the European target market of UBS PF Europe is still severely restricted, as shown above.

Swiss investors are increasingly reallocating their investments to real estate investments in Switzerland or other asset classes. Here, it is taken into account that government bonds, for example, in contrast to a product such as the UBS PF Europe, do not offer any protection against inflation. The Federal Republic of Germany has not issued any inflation-indexed German government securities since 2024. Although leading institutes believe that European real estate prices are bottoming out and yields of between 5% and 6% can be achieved again, investors remain cautious.

This explains the low trading volumes since the listing of UBS PF Europe with a moderate downward trend. The market price of UBS PF Europe fell to CHF 10.00 in the financial year ending 30 June 2024. This corresponds to a performance of -3.9% during the past financial year. The total return of the INREV European ODCE index was -5.5% at the end of 2023. The median total return of the INREV European ODCE index over the financial year was -7.25%.

Distribution and net asset value development

UBS PF Europe is planning an unchanged distribution of CHF 0.24 per unit for the 2023/2024 financial year.

The level of interest and inflation rates in Europe is still significantly higher than in Switzerland and has consequently led to greater adjustments in real estate prices in Europe. Since the beginning of July 2022, the prime initial yields of the sectors in which UBS PF Europe is invested have risen by an average of more than 130 basis points from 3.4% to 4.7% (source: CBRE). Transaction volumes remain low and do not allow any final conclusions to be drawn about the medium- to long-term development of values. High-quality properties at lower prices are rarely on offer. The spread between core properties on the one hand and core+ and value-add properties on the other is clear, as is reflected in the current market values of UBS PF Europe.

The devaluation of the existing portfolio amounts to 76 basis points, which puts UBS PF Europe in the more stable quantiles in a market comparison (INREV European ODCE index).

As at 30 June 2024, the market value of the portfolio amounted to EUR 286.2 million.

The net asset value per UBS PF Europe unit fell by 10.9% from CHF 10.34 to CHF 9.21 last year. The reasons for the negative investment return of -8.9% of UBS PF Europe is due, as in the previous year, to the devaluation of market values and unrealized foreign currency effects.

Property portfolio

Rental income rose during the reporting period from EUR 11.3 million to EUR 13.5 million. Thanks to the high indexation of the rental contracts, the target rent has increased by around 2.8% (excluding purchases) since the end of June 2023.

At 0.4%, the rent default rate is stable and very low. Expiring rental contracts can be extended or re-let at short notice.

The largest share of the fund's income continues to be derived from commercial and state tenants with strong credit ratings. The weighted average lease term is around 6.6 years and thus offers a secure long-term cash flow.

Efforts in the area of sustainability have led to an improvement of the placement in the GRESB rating. This result puts the fund in 11th place out of 167 participants in this peer group, and UBS PF Europe was able to maintain the maximum achievable number of five stars. The endeavor to make existing or even new properties fit for the future remains a key objective of UBS PF Europe.

The fund agreement provides for a reduction in CO₂ emissions to net zero by 2050 at the latest. The portfolio management plans to achieve this goal as early as 2040.

Highlights from the property portfolio



Brussels: Reletting of two spaces significantly above the current prime rent



Florence: Increase in annual rent as of 2025 from EUR 436,000 to EUR 750,000



Norway: Qualitative repositioning of the shopping street



Our tenants are our greatest asset. That is why looking after our tenants is one of the core tasks of the portfolio manager. We are therefore continuing to work on securing full occupancy.

Future-oriented space management

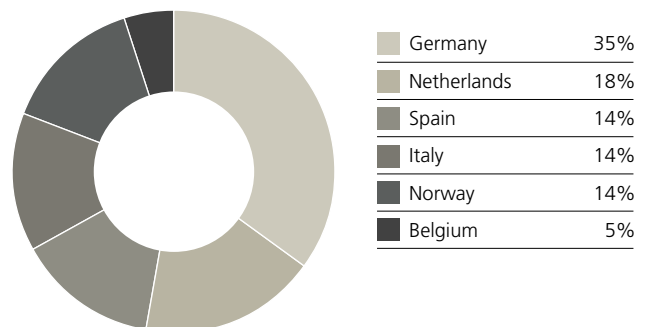
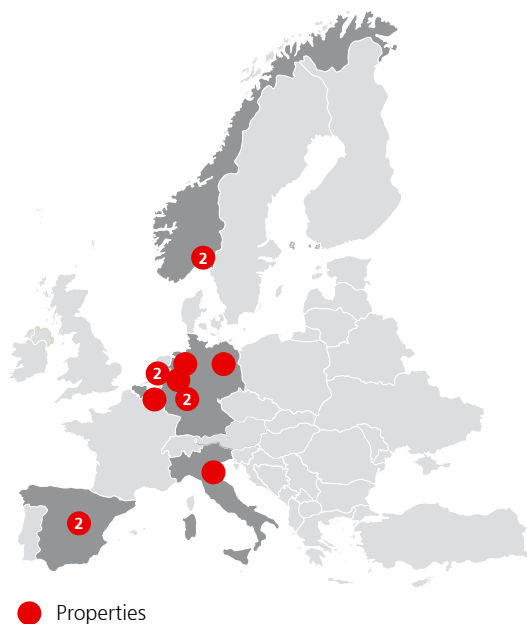
No later than two years before the contractual end of a tenancy, this becomes the focus of reletting. In collaboration with the local managers, we create detailed plans that are linked to the long-term continuation of the tenancy or the date on which a new tenant moves in. The aim is to ensure seamless subsequent letting and to anticipate market changes as early as possible.

We also regularly visit our most important tenants on site in person. This gives us the opportunity to discuss the tenant's space requirements and challenges with them and to retain them in the property for the long term. This avoids significant post-letting costs such as vacancy, conversion and marketing.

Key Facts

Increase in rent:	EUR 1.5 million (+12.3%)
Rent adjustments:	Around EUR 372,000 (+2.8%)
Occupancy rate:	Fully let WAULT around 6.6 years

Investment focuses of UBS PF Europe



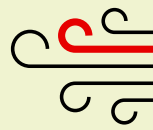
Sustainability report

UBS (CH) Property Fund – Europe
2023/2024

Our key sustainability figures¹ at a glance



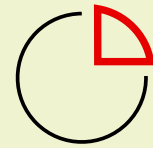
Energy intensity
57.3
kWh/m² GFA/year



Intensity of greenhouse
gas emissions
4.8
kg CO₂e/m² GFA/year



Energy resource mix
59.4%
renewable energy



Data coverage
100%

Our sustainability goals



Until 2030

- Halving of greenhouse gas intensity compared to 2019 (Scope 1+2 in kg CO₂e/m² GFA/year)
- Coverage data almost 100% (Scope 1+2)



Until 2040

- Reduction in energy intensity of 30% compared to 2019 (general electricity and heat, without tenant electricity in kWh/m² GFA/year)
- Share of renewable energy at least 50% (general electricity and heat, excluding tenant electricity)



Until 2050

- Net zero greenhouse gas emissions (Scope 1 + 2)

¹ Sustainability key figures according to AMAS (Asset Management Association Switzerland) for the calendar year 2023. Details on these key figures and our commitment to sustainability can be found on the following pages, on our website www.ubs.com/ch/de/assetmanagement/capabilities/real-estate/sustainability and in our comprehensive sustainability report.

The term CO₂ equivalents (CO₂e) is used to measure and compare greenhouse gas emissions from different sources in a single unit. Greenhouse gases such as carbon dioxide (CO₂), nitrous oxide (N₂O), methane (CH₄) and others have varying abilities to warm the Earth's atmosphere. CO₂ makes up the largest proportion of greenhouse gases emitted from real estate, while the proportion of other greenhouse gases is very low. The use of CO₂e makes it possible to express the climate impact of these gases in a common unit. UBS Real Estate Switzerland generally reports on CO₂e.

Our path to net-zero greenhouse gas emissions

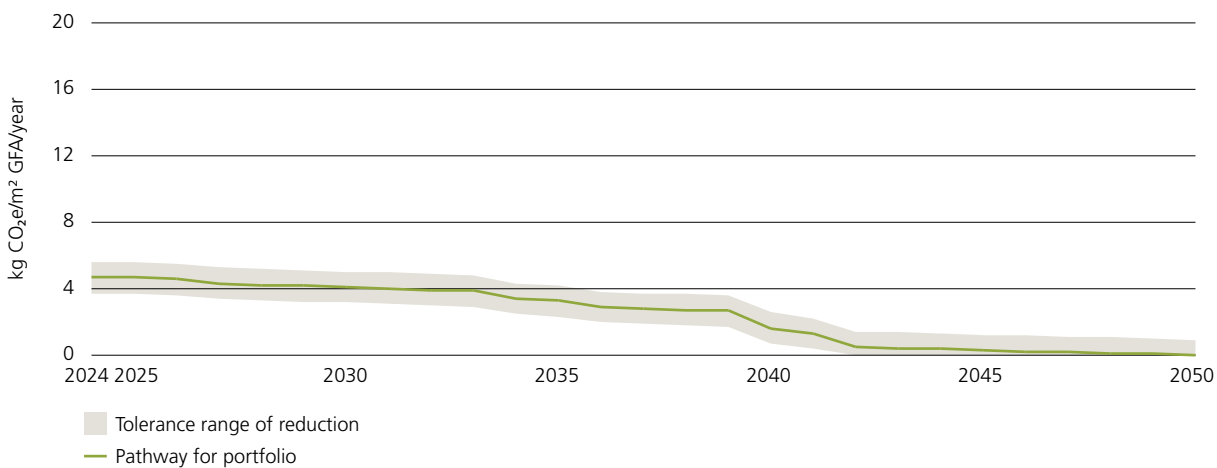
Clear sustainability strategy since 2012

Real Estate Switzerland has been pursuing a clearly defined sustainability strategy since 2012, and since August 2022 we have integrated our ESG objectives into the fund contracts on a binding basis. An important component is the integration of sustainability criteria along the entire life cycle of the properties (ESG integration). As part of our internal sustainability assessment, we take into account criteria such as ecological quality, building fabric, environmental risks, efficiency measures in operations and safety.

Climate alignment

In order to implement our ambitious sustainability goals in the best possible way, we developed a CO₂ reduction path for our properties in 2022, which is re-evaluated annually. The new assessment includes measures that have already been implemented and those planned for the future. This annual comparison of the actual greenhouse gas intensity of our properties (actual) with the CO₂ reduction path (target) helps us to recognize at an early stage whether national and local regulations are being complied with and, if necessary, to take appropriate measures.

CO₂ reduction pathway (Scope 1 + 2 emissions)



Basis for calculation

The "Wüest Climate" tool from Wüest Partner AG was used to calculate the future-oriented CO₂ reduction path. The tool simulates the energy used to operate our properties and identifies refurbishment strategies. The determination of the refurbishment strategies and the calculation of the simulated energy demand and CO₂e are based on an extensive number of building-specific input parameters.

Existing uncertainties

In the interpretation of the results, it is important to consider that the calculation is based on the assumption of an ideal world and does not account for local factors such as tenant behavior. The results must therefore be interpreted with a certain amount of tolerance, and the simulated values may differ from actual energy consumption (performance gap).

Climate risks

The real estate sector contributes to a large proportion of greenhouse gas emissions and is therefore the focus of regulation. At the same time, the effects of climate change and the associated extreme weather events pose significant risks for our buildings. Knowing these so-called transitory and physical climate risks is essential for sustainable real estate management.

Physical climate risks are risks that can occur more frequently and are more extreme as a result of climate change, such as floods, hail or drought. UBS PF Europe assesses the risk of increased loss potential on an annual basis and asks itself how the properties can be designed to meet future requirements.

Transitory climate risks result from the transition to a low-CO₂ economy, for example through regulatory challenges concerning the reduction of CO₂ emissions. UBS PF Europe measures transitory climate risks through the annual re-evaluation of the CO₂ reduction path at property and product level.

External assessment of our sustainability commitment

We have our comprehensive sustainability commitment reviewed by external experts and evaluated using recognized standards.

Building certificates and energy labels

In terms of market value, 13% of UBS PF Europe properties were awarded a building certificate (BREEAM/New Construction, DGNB Gold) and 75% were certified with “DGNB in operation” or “WELL Building Standard”. The operating certification helps us to improve and optimize existing buildings.

All UBS PF Europe properties hold a European Union Energy Performance Certificate (EU EPC). The EU EPC is a rating system that summarizes the energy efficiency of a building. It gives properties a rating from A+ (very efficient) to G (inefficient).

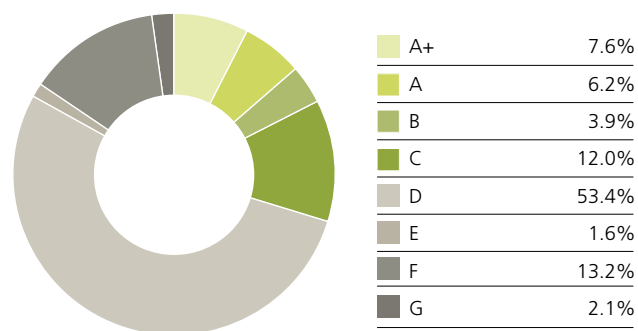
Global Real Estate Sustainability Benchmark (GRESB)

In 2024 we again took part in GRESB. GRESB is the leading sustainability benchmark for real estate portfolios. GRESB analyzes real estate investment products in the areas of ESG and compares the portfolio with a peer group. The maximum GRESB rating is five stars.

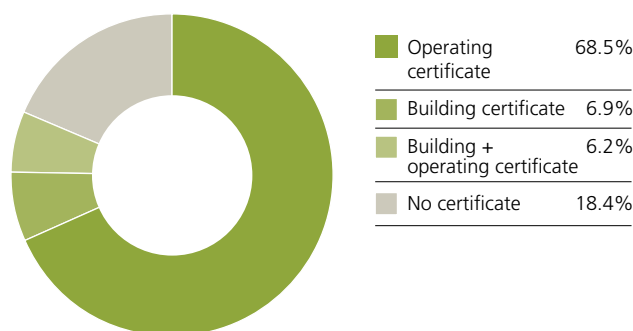
GRESB result for 2023

The results for 2024 will not be announced until after this report goes to press. The results for 2023 are therefore published here. In the 2023 GRESB rating, UBS PF Europe was awarded five stars and a GRESB score of 90/100.

Proportion of EU EPCs by class in % of market share



Share of certified properties in % of market value



GRESB result for 2023 – UBS PF Europe Standing investment: 5 stars, Green Star

GRESB Score	
Score	90/100
Average	75
Peer Average	76

Environmental	
Score	52 / 62
Average	41
Benchmark Average	40

Social	
Score	18 / 18
Average	16
Benchmark Average	17

Governance	
Score	20 / 20
Average	18
Benchmark Average	19

Our key environmental figures in detail

	Unit	2023	2022	Base year 2019
Portfolio characteristics				
Gross floor area (GFA)	m ²	86 887	82 139	33 850
Relevant floor area (GFA)	m ²	86 887	82 139	15 604
Coverage ratio	%	100.0	100.0	46.1
Energy key figures (climate-corrected)				
Energy consumption	kWh/year	4977	5190	2 446
Energy intensity	kWh/m ² GFA/year	57.3	63.2	156.7
Heating oil	%	0.0	0.0	0.0
Heating gas	%	24.9	26.1	0.0
Wood pellets/wood chips	%	0.0	0.0	0.0
District heating	%	36.7	37.3	69.3
Heat pump, environmental heat	%	22.4	21.1	18.1
Heat pump, electricity	%	9.0	8.4	7.2
Electricity for communal areas	%	7.0	7.0	5.4
Proportion of renewable	%	59.4	63.7	94.5
Key figures for greenhouse gas emissions (climate-corrected)				
Greenhouse gas emissions (Scope 1+2)	t CO ₂ e/year	418	418	47
Intensity of greenhouse gas emissions (Scope 1+2)	kg CO ₂ e/m ² GFA/year	4.8	5.1	3.0
Intensity Scope 1	kg CO ₂ e/m ² GFA/year	2.6	3.0	0.0
Intensity Scope 2	kg CO ₂ e/m ² GFA/year	2.2	2.1	3.0
Key figures for tenant electricity				
Coverage ratio for tenant electricity	%	100.0	100.0	46.1
Energy consumption for tenant electricity	kWh/year	2863	3 082	775
Energy intensity of tenant electricity	kWh/m ² GFA/year	32.9	37.5	49.6
Greenhouse gas emissions (Scope 3.13, tenant electricity)	t CO ₂ e/year	621	695	73
Intensity Scope 3.13 (tenant electricity)	kg CO ₂ e/m ² GFA/year	7.1	8.5	4.7
Key figures for photovoltaics				
Total PV output	kWp	832	121	121
PV electricity produced	MWh/Jahr	124	123	-
Key figures for water				
Coverage ratio for water	%	100.0	100.0	33.0
Water consumption	m ³ /year	17 064	14 836	7 998
Water intensity	m ³ /m ² GFA/year	0.20	0.18	0.72

Calculation method

The key figures were calculated as far as possible in accordance with the REIDA CO₂ benchmark methodology paper (version 1.2, 2023). The emission factors in accordance with CRREM V2.05 are used to calculate greenhouse gas emissions, with a region-specific coefficient taken into account for district heating.

Due to significant changes in data coverage, availability or quality, the data from previous years were recalibrated.

Explanatory notes on scopes

Greenhouse gas emissions can be divided into emission scopes according to the Greenhouse Gas (GHG) Protocol.

Scope 1: Direct emissions caused by the combustion of heating oil, natural gas and biogas directly in the building.

Scope 2: Indirect emissions caused by the generation of district heating and general electricity in the energy plants.

Scope 3: Indirect emissions caused by various upstream and downstream processes and during the generation of the tenant electricity supplied (e.g. tenant electricity emissions under Scope 3.13).

Portfolio characteristics

The total area comprises the portfolio floor area (GFA) of all existing properties, while the relevant area comprises the GFA of the existing properties with sufficient energy data. The degree of coverage is defined as the relevant area in relation to the total area.

Key figures for energy and greenhouse gas emissions

Optimization measures have increased energy efficiency and reduced greenhouse gas emissions in individual properties. Consumption and emissions nevertheless fluctuate across the entire portfolio, due in particular to the acquisition of properties.

Key figures for tenant electricity

We collect tenant electricity data from our properties as best we can. The resulting emissions are accounted for under Scope 3.13 in accordance with the GHG Protocol.

Key figures for photovoltaics

The use of PV systems is an important element in contributing to the energy transition. In the summer of 2023, a further system was installed in collaboration with the tenant.

Key figures for water

Water is also becoming an increasingly scarce commodity in this region. For this reason, we are taking specific steps, such as installing water-saving fixtures, to reduce water consumption and the water intensity of our properties.

« We do not fundamentally reject properties with sustainability deficits for purchase decisions; rather, we examine the possibilities for making them more sustainable. This way, we assume responsibility for the common good and identify potential for increasing value for the future.»

Florian Kutz
Fund Manager
UBS PF Europe



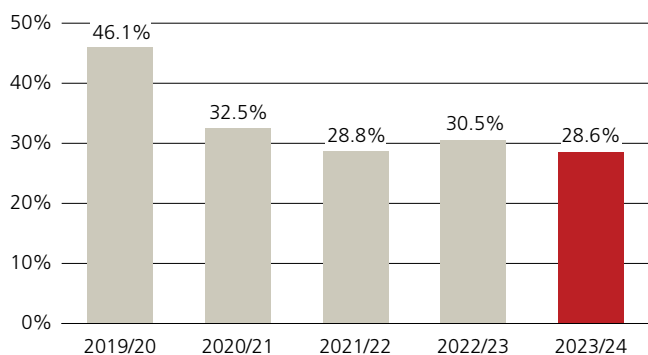
Financial report

Notes to the balance sheet

Net fund assets at the end of the financial year totaled EUR 225.8 million, a decrease of 9.8% compared to the previous year.

The mortgage debt amounted to EUR 82.0 million at the end of the reporting period. This corresponds to a borrowing rate of 28.6% and is thus below 33%, the maximum threshold under the fund contract.

Development of the borrowing rate



There are no further contractual payment obligations after the balance sheet date.

Liquidation taxes (applicable income and property gains taxes, and potential transfer taxes) are estimated at EUR 7.8 million. The decrease of EUR 1.4 million over the previous year is primarily due to the decrease in market values.

Notes to the income statement

Rental income totaled EUR 13.5 million in the 2023/24 financial year. Rental income increased by EUR 2.1 million or 18.7% compared to the previous year.

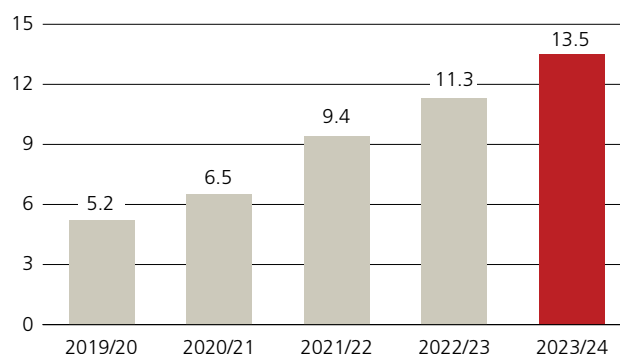
The respective price indices (baskets of goods) have changed due to inflation. This allows landlords to implement a rent increase in addition to the regular inflation adjustment and the allocation of general cost increases.

In the last 12 months, rental income in the UBS PF Europe portfolio increased by EUR 0.4 million or 2.8% excluding the last two acquisitions. This increase is largely due to indexation.

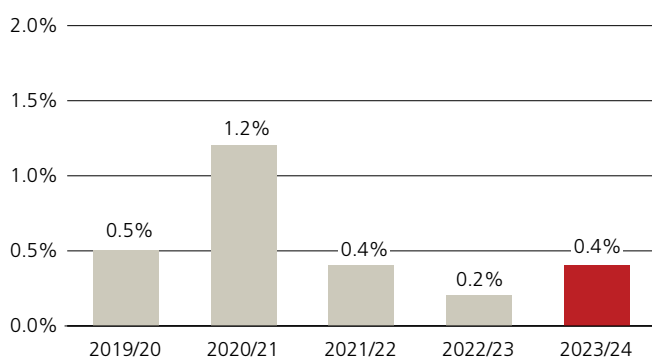
The average weighted remaining lease term (WAULT) of the commercial lease expiring by the end of the financial year is 6.6 years.

The rent default rate remained stable at 0.4% of target rental income in the reporting year.

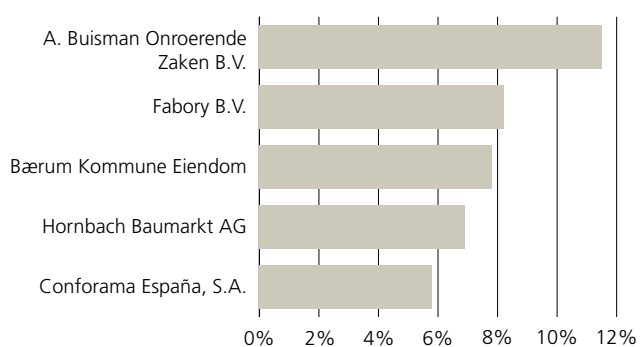
Development of rental income in EUR million



Development of the rent default rate



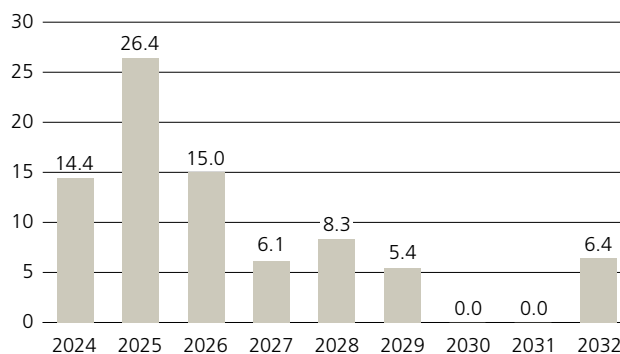
Five largest tenants as % of net rental income



As of the reporting date, there are five lease agreements accounting for more than 5% of total rental income.

Mortgage interest totaled EUR 1.8 million. To reduce the interest rate risk to the portfolio, the maturity dates of the mortgages have been staggered. The weighted interest rate on debt financing at the end of the financial year is 2.5%, and the average weighted remaining term of debt financing is 2.3 years.

Maturity of mortgages per financial year in EUR million



EUR 0.3 million or 2.4% of rental income was spent for the item "Ordinary maintenance/repairs". Property operating expenses amounted to EUR 0.2 million at the end of the financial year, which corresponds to 1.8% of rental income.

A total of EUR 0.2 million was spent on renovations in the 2023/24 financial year.

The total profit for the reporting period amounts to EUR -19.8 million, of which EUR -1.9 million is attributable to realized and unrealized gains from currencies, and EUR -24.1 million to unrealized capital gains from investments.

The unrealized capital gains from currencies result from the translation of the asset and income statement items.

The unrealized capital gains on investments result from the difference between the change in book values and market values of the fund and the liquidation tax.

The currencies in the balance sheet were hedged using foreign exchange forward contracts to minimize currency risk in accordance with the fund contract.

Financial accounts

Balance sheet

Market values	30.06.2024 EUR	30.06.2023 EUR	Change EUR
Cash, postal and bank cash equivalents, including fiduciary deposits at third-party banks	25 073 708.98	64 453 529.97	-39 379 820.99
Short-term fixed income securities			
Other (Article 89 CISO)	5 184 762.30	0.00	5 184 762.30
Properties			
Residential properties	37 830 000.00	12 960 000.00	24 870 000.00
Commercial properties	248 346 195.00	267 300 742.50	-18 954 547.50
<i>of which in condominium ownership</i>	<i>114 846 195.00</i>	<i>119 480 742.50</i>	<i>-4 634 547.50</i>
Total properties	286 176 195.00	280 260 742.50	5 915 452.50
Derivative financial instruments	332 110.67	1 159 495.89	- 827 385.22
Other assets	1 236 024.00	3 186 800.97	-1 950 776.97
Total fund assets	318 002 800.95	349 060 569.34	-31 057 768.39
Current liabilities			
Short-term interest-bearing mortgages and other liabilities secured by mortgages	-33 751 000.00	0.00	-33 751 000.00
Current other liabilities	-2 413 922.01	-3 966 282.93	1 552 360.92
Total current liabilities	-36 164 922.01	-3 966 282.93	-32 198 639.08
Non-current liabilities			
Long-term interest-bearing mortgages and other liabilities secured by mortgages	-48 210 000.00	-85 611 000.00	37 401 000.00
Total non-current liabilities	-48 210 000.00	-85 611 000.00	37 401 000.00
Total liabilities	-84 374 922.01	-89 577 282.93	5 202 360.92
Net fund assets before estimated liquidation taxes	233 627 878.94	259 483 286.40	-25 855 407.46
Estimated liquidation taxes ¹	-7 838 806.20	-9 198 762.20	1 359 956.00
Net fund assets	225 789 072.74	250 284 524.21	-24 495 451.47
Income statement			
Income	1.7.2023-30.06.2024 EUR	1.7.2022-30.06.2023 EUR	Change EUR
Income from bank or post office balances at sight	351 459.70	240 361.63	111 098.07
Income from short-term fixed income securities	54 138.47	0.00	54 138.47
Negative interest	0.00	- 72 217.30	72 217.30
Rental income (gross income earned)	13 473 490.93	11 348 644.98	2 124 845.95
Other income	153 811.41	122 787.56	31 023.85
Total income	14 032 900.51	11 639 576.86	2 393 323.65
Expenses			
Mortgage interest and interest from liabilities secured by mortgages	-1 832 306.99	-1 420 312.92	- 411 994.07
Maintenance and repairs			
Ordinary maintenance/repairs	- 328 373.84	- 466 240.27	137 866.43
Extraordinary maintenance/repairs	- 58 502.35	0.00	- 58 502.35
Property management			
Property expenses	- 248 122.19	- 451 981.85	203 859.66
Administrative expenses	- 369 448.27	- 301 700.45	- 67 747.82
Taxes and duties	- 443 876.46	- 503 759.33	59 882.87
Appraisal costs	- 90 785.41	- 88 402.51	- 2 382.90
Expenses of the audit firm ²	- 386 026.34	- 303 308.34	- 82 718.00
Provisions for future repairs			
Deposit	-1 000 000.00	0.00	-1 000 000.00
Withdrawal	0.00	0.00	0.00
Fees as per fund contract paid to			
the fund management company	-2 657 596.20	-2 715 234.08	57 637.88
the custodian bank	- 12 649.40	- 10 502.89	- 2 146.51
Other expenses	- 424 052.47	- 359 858.13	- 64 194.34
Total expenses	-7 851 739.92	-6 621 300.77	-1 230 439.15

¹ Provision for any local tax payable in the event of a sale.

² The expenses of the audit firm in the reporting year and in the previous year relate exclusively to audit services.

	1.7.2023-30.06.2024 EUR	1.7.2022-30.06.2023 EUR	Change EUR
Net income	6 181 160.59	5 018 276.10	1 162 884.49
Realized capital gains and losses on investments	0.00	0.00	0.00
Realized gains and losses on currencies	-2 067 080.77	12 178 268.60	-14 245 349.37
Realized net income	4 114 079.82	17 196 544.70	-13 082 464.88
Unrealized capital gains and losses on investments including liquidation taxes	-24 066 919.82	-11 763 011.00	-12 303 908.82
Unrealized gains and losses on currencies	145 380.54	-9 701 837.68	9 847 218.22
Total income	-19 807 459.46	-4 268 303.98	-15 539 155.48

Appropriation of net income

	1.7.2023-30.06.2024 EUR	1.7.2022-30.06.2023 EUR	Change EUR
Net income for the financial year from directly held real estate	1 002 407.91	38 930.55	963 477.36
Net income for the financial year from indirectly held real estate	5 178 752.68	5 051 562.86	127 189.82
Net income for the financial year from other income	0.00	-72 217.30	72 217.30
Carried forward from the previous year	38 930.55	0.00	38 930.55
Capital gains for the financial year to be distributed	0.00	708 646.73	-708 646.73
Available for distribution	6 220 091.14	5 726 922.83	493 168.31
Income earmarked for distribution to investors (exempt from Swiss federal withholding tax)	-979 305.80	0.00	-979 305.80
Income earmarked for distribution to investors (subject to Swiss federal withholding tax)	-4 585 441.18	-4 979 345.55	393 904.37
Capital gains of the financial year earmarked for distribution to investors (exempt from Swiss federal withholding tax)	0.00	-708 646.73	708 646.73
Net income not yet distributed included in the redemption price (exempt from Swiss federal withholding tax)	-370 531.61	0.00	-370 531.61
Carried forward to new account (exempt from Swiss federal withholding tax)	0.00	38 930.55	-38 930.55
Carried forward to new account (subject to Swiss federal withholding tax)	284 812.55	0.00	284 812.55
Carried forward to new account	284 812.55	38 930.55	245 882.00

Change in net fund assets

	1.7.2023-30.06.2024 EUR	1.7.2022-30.06.2023 EUR	Change EUR
Net fund assets at the start of the financial year	250 284 524.21	252 381 773.29	-2 097 249.08
<i>of which Reinvestment account - income from directly held real estate (exempt from Swiss federal withholding tax)</i>	<i>-323 412.25</i>	<i>-489 182.39</i>	<i>165 770.14</i>
<i>of which Reinvestment account - income from indirectly held real estate (subject to Swiss federal withholding tax)</i>	<i>5 103 238.92</i>	<i>2 859 729.47</i>	<i>2 243 509.45</i>
<i>of which Reinvestment account - income from other income (subject to Swiss federal withholding tax)</i>	<i>-652 603.40</i>	<i>-414 378.71</i>	<i>-238 224.69</i>
Ordinary annual distribution	-5 687 992.01	0.00	-5 687 992.01
Balance from unit transactions including purchasing/allocation of current income	0.00	0.00	0.00
Total income	-19 807 459.46	-4 268 303.98	-15 539 155.48
Reinvestment account - income from directly held real estate (exempt from Swiss federal withholding tax)	0.00	165 770.14	-165 770.14
Reinvestment account - income from indirectly held real estate (subject to Swiss federal withholding tax)	0.00	2 243 509.45	-2 243 509.45
Reinvestment account - income from other income (subject to Swiss federal withholding tax)	0.00	-238 224.69	238 224.69
Per balance deposit/withdrawal provisions for future repairs	1 000 000.00	0.00	1 000 000.00
Net fund assets at the end of the reporting period	225 789 072.74	250 284 524.21	-24 495 451.47
Net asset value per unit (in CHF)	9.21	10.34	-1.13

Unit performance

	1.7.2023-30.06.2024 Number	1.7.2022-30.06.2023 Number	Change Number
Balance at beginning of financial year	23 629 932.00	23 629 932.00	0.00
Units issued	0.00	0.00	0.00
Units redeemed	0.00	0.00	0.00
Balance at end of reporting period	23 629 932.00	23 629 932.00	0.00

Distribution for 2023/2024³

(No coupon – ex-date 1.10.2024)

Gross from directly held real estate (exempt from Swiss federal withholding tax)	CHF 0.0422
Gross from indirectly held real estate and other income (subject to Swiss federal withholding tax)	CHF 0.1978
Total gross per unit	CHF 0.2400
less Swiss federal withholding tax ⁴	CHF 0.0692
Net per unit (payable from 3.10.2024)	CHF 0.1708

Exchange rates

EUR 1 = 0.9634 CHF (as of 30.06.2024)
NOK 100 = 8.775 EUR (as of 30.06.2024)
EUR 1 = 0.9584 CHF (average exchange rate of the period)
NOK 100 = 8.683 EUR (average exchange rate of the period)

³ Rounded to four decimal places due to currency conversion.

⁴ Income earmarked for distribution to investors from directly held real estate and from capital gains is exempt from Swiss federal withholding tax. Income earmarked for distribution to investors from indirectly held real estate and from other income is subject to Swiss federal withholding tax. Investors resident outside Switzerland may reclaim the withholding tax deducted in whole or in part, provided that the provisions of any double taxation agreement concluded with their country of domicile provide for this.

Notes

Matter of particular economic and legal importance

On 19 March 2023, Credit Suisse Group AG and UBS Group AG signed an agreement on the merger, which was completed on 12 June 2023. The merger of Credit Suisse Funds AG with UBS Fund Management (Switzerland) AG was successfully completed on 30 April 2024. It was at this point that UBS Fund Management (Switzerland) AG took over the fund management function of Credit Suisse Funds AG. There will also be ongoing assessment of the strategic orientation of the product portfolio.

	30.06.2024	30.06.2023
Balance of depreciation account for land (in EUR m)	0.0	0.0
Balance of provision account for future repairs (in EUR m)	1.0	0.0
Balance of account for income retained for reinvestment (in EUR m)	4.1	4.1
Total insurance value of assets (in EUR m)	207.2	198.5
Number of units terminated at the end of the next financial year	6 177 182 ²	1 407 638 ¹

1 Repayment of units terminated as at 30.06.2023 will take place at the end of September 2024.
2 Repayment of units terminated as at 30.06.2024 will take place at the end of September 2025.

Key figures

	30.06.2024	30.06.2023
Rent default rate	0.4%	0.2%
Borrowing rate	28.6%	30.5%
Distribution yield	2.4%	2.3%
Payout ratio	82.4%	111.1%
Operating profit margin (EBIT margin)	69.4%	61.1%
Fund operating expense ratio (TER _{REF}) – GAV	1.03%	1.02%
Fund operating expense ratio (TER _{REF}) – MV (Market Value)	1.38%	1.43%
Return on Equity (ROE)	-8.8%	-1.7%
Return on Invested Capital (ROIC)	-5.3%	-5.9%
Premium/discount	8.6%	3.0%
Performance	-3.9%	-5.3%
Return on investment	-8.9%	-4.5%

Calculation according to AMAS (Asset Management Association Switzerland).

Supplementary information

The ROE and the ROIC are calculated in EUR based on the income statement, which is subject to strong fluctuations. If the figures used for the ROE and ROIC are calculated in Swiss francs (CHF), in which the fund units are also denominated, lower currency effects are incurred due to the currency hedging. In addition, there are no currency effects on cash balances in Swiss francs. Against this background, the ROE in Swiss francs (CHF) is -10.1% (30 June 2023: -4.3%) and the ROIC is -6.2% (30 June 2023: -2.6%).

Information on short-term fixed-income securities – other (Art. 89 CISO)

Security		Number/ nominal 30.06.2023	Purchases	Sales	Number/ nominal 30.06.2024	Market value in EUR 30.06.2024	in % of total fund assets 30.06.2024
0% SNB Bills Swiss National Bank 23.10.2023-15.01.2024	CHF	-	12 000 000	-12 000 000	-		
0% SNB Bills Swiss National Bank 06.05.2024-03.06.2024	CHF	-	5 000 000	-5 000 000	-		
0% SNB Bills Swiss National Bank 03.06.2024-01.07.2024	CHF	-	5 000 000	-	5 000 000	5 184 762	1.6%
Total						5 184 762	1.6%

Valued at the prices paid on the main market in accordance with Art. 84 para. 2 let. a CISO-FINMA.

Information on derivatives

Foreign currency derivatives open at the end of the reporting period

Sale currency	Sale amount	Purchase currency	Purchase amount	Due date	Replacement value in EUR	in % of total fund assets
Forward currency transactions						
EUR	225 000 000	CHF	217 487 025	17.07.2024	1 100 154	0.3%
NOK	427 000 000	EUR	36 637 234	17.07.2024	-768 043	-0.2%
Total					332 111	0.1%

Valued on the basis of observable market parameters in accordance with Art. 84 para. 2 let. b CISO-FINMA.

Supplementary information

The risk from derivative positions is measured using the commitment approach I in accordance with Art. 34 CISO-FINMA.

Position	Amount in EUR	In % of net fund assets
Total exposure-increasing positions	0.00	0,0%
Total exposure-decreasing positions	0.00	0,0%

The forward exchange transactions open at the end of the year are used exclusively for currency hedging. Currency-hedged fund share classes are generally fully hedged for currency risk against the fund currency. In some cases, there may be minor over- or under-hedging. This additional currency risk is not included in the calculation.

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

The net asset value of a unit is determined by the market value of the fund's assets, less any liabilities of the investment fund and any taxes likely to be due should the investment fund be liquidated, divided by the number of units in circulation. In accordance with Art. 64 (1) CISA, Art. 88 (2) CISA, Art. 92 and 93 CISO as well as the AMAS guidelines for real estate funds (link: www.am-switzerland.ch), the properties held by the fund shall be regularly assessed by independent valuation experts accredited by the supervisory authorities using a dynamic capitalized earnings value method. The valuation is made at the price that would probably be obtained in a diligent sale at the time of the assessment. When acquiring or disposing of properties in the fund assets, as well as at the end of each financial year, the market value of the properties in the fund assets must be verified by the valuation experts. The market value of the individual properties represents a price presumably achievable in the ordinary course of business and assuming prudent buying and selling behavior. In individual cases, particularly when buying and selling fund properties, any opportunities are exploited as effectively as possible in the interests of the fund. This can lead to deviations from the valuations. The valuations of the properties correspond to the valuation category pursuant to Art. 84 para. 2 let. c CISO-FINMA.

Further details about the appraisal methods, quantitative information and market values are provided in the valuation report of the property appraiser.

Information on the effective reimbursement rates where maximum rates are specified in the fund contract

Remuneration to the fund management company	30.06.2024		30.06.2023	
	Actual	Maximum	Actual	Maximum
For the administration of the fund and the property companies as well as the asset management of the fund, the fund management company will charge the fund a maximum annual commission of the average total fund assets, invoiced quarterly (management fee charged by the fund management company).	0.90%	1.50%	0.90%	1.50%
Remuneration for work in connection with the construction, renovation and conversion of buildings, based on the construction costs.	n.a.	3.0%	n.a.	3.0%
Compensation for work involved in the purchase and sale of properties as a percent of the purchase or sale price, provided no third party is commissioned with this task, and when taking over property and real estate as a substitute for a cash payment.	1.5%	2.0%	1.5%	2.0%
Costs or expenses incurred in connection with the management of the individual properties in relation to the annual gross rental income.	2.7%	8.0%	2.7%	8.0%
The management fee of the target funds in which investments are made, taking into account any retrocessions or rebates.	n.a.	1.5%	n.a.	1.5%
Issuing commission accruing to the fund management company, custodian bank and/or distributors in Switzerland or abroad for the placement of new units, based on the net asset value of the newly issued units.	n.a.	5.0%	0.0%	5.0%
Redemption commission accruing to the fund management company, custodian bank and/or distributors in Switzerland or abroad for the redemption of units, based on the net asset value of the redeemed units.	n.a.	2.0%	n.a.	2.0%
Remuneration of the custodian bank				
For the safekeeping of the fund assets, the handling of the fund's payment transactions and the performance of the other tasks of the custodian bank, the custodian bank will charge the fund an annual fee on the fund's net assets, invoiced quarterly (custodian bank fee).	0.0051%	0.1%	0.0051%	0.1%

Total amount of contractual payment obligations after the reporting date for land purchases, construction contracts and investments in properties

	30.06.2024 in EUR million	30.06.2023 in EUR million
Total contractual payment obligations	0.0	27.7

Long-term liabilities according to maturity (one to five years and more than five years)

	30.06.2024 in EUR million	30.06.2023 in EUR million
1 to 5 years	75.6	73.1
> 5 years	6.4	12.5

Real estate directory

Country	City	Street	Year of construction	Apartments	Apartment sizes (rooms)			
					<3	3-3.5	4-4.5	>5
Commercial properties								
Belgium	Brussels	Rond-Point Robert Schuman 14	1964	-	-	-	-	-
Germany	Wiesbaden	Viktoriastrasse 51	1965	-	-	-	-	-
Germany	Berlin	Kieler Strasse 1-2	2002	-	-	-	-	-
Germany	Hamburg	Alter Steinweg 13, Michaelisstrasse 22	1987	32	30	2	-	-
Germany	Neuenburg am Rhein	Otto-Hahn-Strasse 16	2022	-	-	-	-	-
Italy	Florence	Via de Tornabuoni 1	1500	-	-	-	-	-
Netherlands	Tilburg	Zevenheuvelenweg 44	2019	-	-	-	-	-
Netherlands	Zwolle	Mindenstraat 20-22	2000, 2004	-	-	-	-	-
Norway	Oslo/Sandvika	Claude Monets Alle 21	1997	-	-	-	-	-
Norway	Oslo/Sandvika	Arnold Haukelands plass 5	1998	-	-	-	-	-
Spain	Madrid	Plaza del Comercio 14	2002	-	-	-	-	-
Spain	Madrid	Avenida de Pio XII 44	1980	-	-	-	-	-
Total commercial real estate				32	30	2	-	-
Residential properties								
Germany	Aachen	Brabantstrasse 75-77	2015	64	10	35	-	-
Germany	Frankfurt am Main	Sonnemannstrasse 67-69	1960	47	45	2	-	-
Total residential buildings				111	55	37	-	-
Total of completed buildings (incl. land)				143	85	39	-	-
Belgium	Brussels	Rond-Point Robert Schuman 14	1964	-	-	-	-	-
Italy	Florence	Via de Tornabuoni 1	1500	-	-	-	-	-
Norway	Oslo/Sandvika	Claude Monets Alle 21	1997	-	-	-	-	-
Norway	Oslo/Sandvika	Arnold Haukelands plass 5	1998	-	-	-	-	-
Spain	Madrid	Avenida de Pio XII 44	1980	-	-	-	-	-
<i>of which in condominium ownership</i>				-	-	-	-	-

Commercial properties	Parking spaces/ other	Rental properties	Acquisition cost EUR	Market value EUR	Market value Domestic currency	Rent default in %	Rent default EUR	Gross Income EUR
9	13	22	13 801 481	13 900 000		0.8	-6 000	789 912
8	80	88	13 573 217	10 910 000		0.0		596 608
10	16	26	14 914 755	14 220 000		0.0		640 123
13	47	92	22 824 016	16 930 000		0.1	-1 067	732 823
3	49	52	21 934 117	20 400 000		0.0		939 491
3	-	3	36 161 378	39 650 000		0.0		1 316 960
3	135	138	20 318 143	20 160 000		0.0		1 111 905
4	93	97	39 304 906	32 250 000		0.0		1 443 946
14	62	76	28 624 174	30 758 130	350 520 000	0.0		1 504 620
15	43	58	8 032 197	8 008 065	91 260 000	4.8	-28 838	572 247
2	-	2	19 280 269	18 630 000		0.0		1 163 051
5	87	92	25 102 298	22 530 000		0.0		1 196 901
89	625	746	263 870 950	248 346 195		0.3	-35 905	12 008 588
-	78	142	30 185 137	27 200 000		0.9	-9 155	1 007 684
5	2	54	13 904 535	10 630 000		2.3	-10 583	457 220
5	80	196	44 089 671	37 830 000		1.3	-19 738	1 464 904
94	705	942	307 960 622	286 176 195		0.4	-55 643	13 473 491
9	13	22	13 801 481	13 900 000		0.8	-6 000	789 912
3	-	3	36 161 378	39 650 000		0.0	0	1 316 960
14	62	76	28 624 174	30 758 130	350 520 000	0.0	0	1 504 620
15	43	58	8 032 197	8 008 065	91 260 000	4.8	-28 838	572 247
5	87	92	25 102 298	22 530 000		0.0	0	1 163 051
46	205	251	111 721 527	114 846 195		0.6	-34 838	5 346 790

Summary of real estate directory

Property categories	Acquisition cost EUR	Market value EUR	Rent default in %	Gross income EUR
Total completed buildings (incl. land)	307 960 622	286 176 195	0.4	13 473 491
Commercial properties	263 870 950	248 346 195	0.3	12 008 588
Residential properties	44 089 671	37 830 000	1.3	1 464 904
<i>of which in condominium ownership</i>	<i>111 721 527</i>	<i>114 846 195</i>	<i>0.6</i>	<i>5 346 790</i>
Total	307 960 622	286 176 195	0.4	13 473 491

Changes in the portfolio

Properties

Country	City	Street	Property category	Date
Purchases				
Germany	Aachen	Brabantstrasse 75-77	Residential properties	15.08.2023
Sales				
None				

Mortgages

Term	Interest rate	Currency	Balance in EUR 30.06.2023	Admission in EUR	Redemption in EUR	Balance in EUR 30.06.2024
30.08.2019 - 31.08.2024	1.2%	EUR	5 400 000	-	-	5 400 000
02.07.2019 - 30.09.2023	4.8%	EUR	3 600 000	-	-3 600 000	-
02.07.2019 - 27.06.2024	1.1%	EUR	5 400 000	-	-5 400 000	-
27.06.2024 - 26.06.2029	5.2%	EUR	-	5 400 000	-	5 400 000
26.09.2019 - 26.09.2024	1.4%	EUR	9 000 000	-	-	9 000 000
27.05.2020 - 26.05.2025	1.1%	EUR	3 400 000	-	-	3 400 000
27.05.2023 - 26.05.2025	5.3%	EUR	2 400 000	-	-	2 400 000
15.10.2020 - 30.08.2025	1.0%	EUR	3 800 000	-	-	3 800 000
15.10.2020 - 30.08.2025	5.1%	EUR	3 200 000	-	-	3 200 000
15.03.2022 - 15.03.2025	2.0%	EUR	13 551 000	-	-	13 551 000
15.10.2021 - 30.09.2026	1.2%	EUR	11 000 000	-	-	11 000 000
15.10.2021 - 29.09.2023	5.1%	EUR	5 000 000	-	-5 000 000	-
15.11.2021 - 30.09.2026	0.8%	EUR	4 000 000	-	-	4 000 000
15.11.2021 - 30.09.2023	4.2%	EUR	3 350 000	-	-3 350 000	-
17.05.2022 - 30.03.2032	1.5%	EUR	6 390 000	-	-	6 390 000
03.05.2023 - 30.03.2027	3.8%	EUR	3 060 000	-	-	3 060 000
03.05.2023 - 30.03.2027	5.2%	EUR	3 060 000	-	-	3 060 000
15.08.2023 - 30.06.2028	3.9%	EUR	-	4 150 000	-	4 150 000
15.08.2023 - 30.06.2028	5.2%	EUR	-	4 150 000	-	4 150 000
Total			85 611 000	13 700 000	-17 350 000	81 961 000

Transactions between collective investment schemes pursuant to Art. 101 (3) CISO-FINMA

During the financial year 2023/2024, the real estate fund UBS PF Europe granted the following loan to the real estate fund UBS "Direct Urban" (in line with Art. 86 (3) letter CISO).

Term	Interest rate	Balance in CHF 30.06.2023	Balance in EUR 30.06.2023	Granting in CHF	Redemption in CHF	Balance in CHF 30.06.2024	Balance in EUR 30.06.2024
18.01.2024 - 15.04.2024	1.8%	-	-	12 000 000	-12 000 000	-	-
Total		-	-	12 000 000	-12 000 000	-	-

The real estate fund taking the loan and the real estate fund granting the loan participate equally in the agreed loan conditions.

Transactions with related parties

The fund management company confirms that no transfer of real estate assets to related parties or from related parties has taken place (Section 18 of the AMAS Guidelines for real estate funds of 2 April 2008, version of 5 August 2021).

Real estate companies

PFE Holding AG, Basel, Switzerland
PFE Norway AS, Oslo, Norway
Claude Monet Alle I AS, Baerum, Norway
Claude Monet Alle I ANS, Baerum, Norway
PFE Spain Holding 1, S.L., Madrid, Spain
PFE Spain Megapark, S.L., Madrid, Spain
PFE Spain Pio, S.L., Madrid, Spain
PFE S.A.S di PFE Tornabuoni S.r.l, Bolzano, Italy
PFE Tornabuoni S.r.l., Bolzano, Italy
PFE Belgium Holding SA, Watermael-Boitsfort, Belgium
Schuman 14 SA, Watermael-Boitsfort, Belgium

Valuation report

Mandate

In accordance with the Swiss Federal Act on Collective Capital Investment Schemes (CISA), properties owned by Swiss real estate funds are to be valued by independent valuation experts.

On behalf of the fund management company, Wüest Partner AG audited all properties held by the UBS (CH) Property Fund – Europe for accounting purposes as at 30 June 2024.

The portfolio comprised 14 properties as of the reporting date (including any new acquisitions and properties valued for the first time). Of these, no properties are in the planning or construction phase.

The documents relevant for the valuations were prepared by the fund management company and the responsible management companies. The valuations are based on the assessment and analysis of these documents, regular on-site inspections and an assessment of the general and specific market situation for each property. The valuation expert Wüest Partner AG, which is accredited by FINMA for UBS PF Europe, has reviewed the overall project in consultation with the fund management company, from defining the valuation parameters and entering the data into the valuation software, to the actual valuation work, to controlling and delivering the results. They performed their work neutrally and were committed only to the task of providing an independent valuation.

Valuation standards

Wüest Partner AG confirms that the valuations comply with the statutory provisions of the Collective Investment Schemes Act (CISA) and the Collective Investment Schemes Ordinance (CISO) as well as guidelines issued by the Asset Management Association Switzerland (AMAS), and that they are in line with the valuation standards customary in the industry. In accordance with the Swiss Valuation Standards, the market value reported for each property is the fair value, i.e. the sales price that would probably be obtained under normal conditions in the current market environment, excluding any transaction costs.

Zurich, 30 June 2024

Wüest Partner AG

Andreas Bleisch
Dr. rer. pol. / dipl. Ing. ETH
(Mandate Manager)

Valuation method

The valuations were carried out uniformly using the discounted cash flow method (DCF). With the DCF method, the market value of a property is determined by the sum of all the net income to be expected in the future, discounted to the balance sheet date. Discounting is carried out for each property in line with the market and adjusted for risk, i.e. taking into account individual opportunities and risks.

The valuation includes a detailed analysis and assessment of the individual income and cost items. The planned renovation work for the next ten years was reviewed and, if necessary, the scheduling and scope of investment were reassessed and adjusted. The valuation expert has at their disposal the accounting values for each property from previous years, the current letting situation and comprehensive market information. On this basis, the valuation expert estimates the expected future cash flows and determines the discount rate.

Independence and confidentiality

The accredited valuation expert, Wüest Partner AG, confirms its independence and guarantees the confidential treatment of information in connection with the valuation mandate.

Valuation result

As at 30 June 2024, the market value of the portfolio was EUR 286.18 million. Compared to 30 June 2023, the value has thus increased by EUR 5.92 million or 2.11%.

The discount rates used in the valuations are based on ongoing observation of the real estate market, in particular the returns paid in free-hand transactions. The average market value-weighted real discount rate of the existing properties (including any acquisitions and excluding buildings under construction) is reported at 4.38%, with the range for the individual properties lying between 3.60% and 6.20%. The current gross yield on these properties is 4.88%.

Pascal Marazzi-de Lima
MRICS, Dipl. Arch. ETH, Partner
(Deputy Mandate Manager)

Photographers

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