

# UBS PF Europe

Semi-Annual Report 2023/2024  
UBS (CH) Property Fund – Europe



**UBS**



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Investment fund under Swiss law  
(type of real estate fund)

This investment fund invests exclusively in foreign real estate.

Unaudited semi-annual report dated 31 December 2023

Security no.: 14539972

## **Sales restrictions**

Units of this real estate fund may be acquired only by qualified investors in accordance with the fund contract.

Units of this real estate fund may not be offered, sold or delivered in the USA or 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 US Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder;
- (ii) is a US person within the meaning of Regulation S under 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 under 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 version German is authentic.

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

# 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, Independent Board Member
- Werner Strebel, Independent Board Member

### **Executive Board**

- Eugène Del Cioppo,  
Managing Director
- Georg Pfister  
Deputy Managing Director and Head of Process,  
Platform, Systems and Head of Finance, HR
- Urs Fäs  
Head of Real Estate Funds
- Christel Müller  
Head of Corporate Governance & Change Management
- Thomas Reisser  
Head of Compliance
- Matthias Börlin  
Head of Custody & Tax Oversight
- Daniel Diaz  
Head of Delegation & Investment Risk Management
- Melanie Gut  
Head of Corporate & Regulatory Governance
- Patric Schläpfer  
Head of Corporate Services
- Hubert Zeller  
Head of White Labeling Solutions, Switzerland

## **Custodian bank**

UBS Switzerland AG, Zurich

### **Appraisers**

Wüest Partner AG, Zurich, Responsible persons in charge:

- 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 & 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

# Note to investors

## **I. Tax transparency in Germany and Austria**

In line with German investment tax law, there is a tax liability at 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 Investment Tax Act (InvStG) (real estate partial exemption). Classification of the fund as a public investment fund with the addition "Real estate fund with foreign focal area" is carried out via WM Datenservice.

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.



Residential and  
commercial property in  
Oslo/Sandvika (NOR)

# Key figures for the half-year

Financial year	31.12.2023	31.12.2022	31.12.2021
Net fund assets (in EUR m)	244.5	257.4	201.4
Number of units - (CHF hedged) I	23 629 932	23 629 932	19 800 620
Net asset value per unit (in CHF) - (CHF hedged) I	9.58	10.75	10.54
Distribution per share (in CHF) <sup>1</sup>	0.24	n.a.	n.a.
Last share price on the reporting date (in CHF)	10.25	10.65	n.a.
Land/real estate (in EUR m)	298.2	274.1	249.5
Total fund assets (in EUR m)	338.7	356.4	286.6
Borrowed capital (in EUR m)	94.2	99.1	85.2
Rental income (in EUR m)	6.7	5.5	4.2
Ordinary maintenance (in EUR m)	0.2	0.2	0.5
Net income (in EUR m)	3.2	2.4	1.2
Performance (after 6 months) <sup>2</sup>	-1.5%	-5.3% <sup>3</sup>	n.a.
SXI Real Estate Funds TR	n.a.	n.a.	n.a.
Commercial properties	86.6%	94.9%	94.1%
Residential properties	13.4%	5.1%	5.9%
Germany	35.2%	23.8%	17.4%
Netherlands	18.9%	22.6%	23.8%
Spain	14.5%	17.1%	18.5%
Norway	13.3%	15.9%	17.9%
Italy	13.2%	14.7%	15.7%
Belgium	4.9%	5.9%	6.7%
<b>Key figures in accordance with AMAS</b>	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
Return on investment (after 6 months)	-5.2%	-0.7%	1.3%
Distribution yield	2.3%	n.a.	n.a.
Payout ratio	n.a.	n.a.	n.a.
Return on equity (ROE) <sup>4</sup> (after 6 months)	-0.1%	1.1%	7.6%
Return on invested capital (ROIC) <sup>5</sup> (after 6 months)	0.2%	0.9%	5.5%
Premium/discount	7.0%	-1.0%	n.a.
Operating profit margin (EBIT margin)	66.6%	59.3%	47.2% <sup>6</sup>
Borrowing ratio	27.5%	29.0%	28.3%
Rent default rate	0.4%	0.4%	0.3%
Fund operating expense ratio (TER <sub>REF</sub> ) - GAV	1.05%	0.94%	0.81%
Fund operating expense ratio (TER <sub>REF</sub> ) - MV (market value in CHF)	1.45%	1.30% <sup>3</sup>	n.a.

1 Distribution in the previous year.

2 Calculation in line with AMAS (Asset Management Association Switzerland).

3 Since listing.

4 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.

5 ROIC is determined based on the total income in EUR presented in the income statement and the mortgage interest payable, 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 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.

6 In July 2021, the Oslo/Sandvika property (NOR) was subject to costs of EUR 0.498 million from 2018/19, which had already been deducted from the purchase price. A part of these expenses was thus recognized under unrealized capital gains on investments and credited to the procurement costs of real estate.

Past performance is not a guarantee of future performance.

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

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

# Portfolio management report

Rental income of UBS PF Europe increased by around EUR 1.2 million to EUR 6.7 million (+21.6%) compared to the same period of the previous year. The residential property in Aachen secured in the previous financial year was acquired as planned. Portfolio management continues to pursue an active debt capital strategy to ensure the necessary flexibility of the fund in what remains a challenging environment.

## Market situation

The economy in the Eurozone has weakened in 2023, but performed better than expected at the end of the year. After two quarters of slowed growth of 0.1%, GDP in the Eurozone shrunk by 0.1% in the third quarter. The restrictive monetary policy of the European Central Bank (ECB), weak foreign trade and stringent fiscal policy have taken effect. This is reflected in noticeably lower inflation rates. At 2.4%, inflation in November 2023 was significantly lower than in the previous year. In view of the economic slowdown and the significant reduction in the inflation rate, no further interest rate hikes are currently expected; instead, interest rates are expected to be cut by 75 bps in 2024 (UBS CIO Global Wealth Management).

The overall increase in prime rates in the Eurozone by 450 basis points has led to an increase in government bond yields, significantly narrowing the spread between the risk-free interest rate and real estate yields. Although real estate yields are now adjusting to the changed conditions, the spread remains historically low in comparison to non-inflation-indexed government bonds. Consequently, there is ongoing disagreement between buyers and sellers regarding the new fair market prices and potential further value adjustments. This uncertainty has caused the European transaction volume to shrink significantly (-54% according to MSCl). The sharpest year-on-year declines were recorded in the residential (-66%) and industrial (-59%) segments, which boomed during the coronavirus pandemic. The retail and hotel sectors, which suffered during the pandemic, saw the smallest decline.

While most sectors saw a decline in transaction volumes and letting activities, prime rents have increased, especially in the residential and office segment for high-quality properties with premium amenities.

## Fund performance from 1 July 2023 to 31 December 2023

Taking acquisitions into account, the rental income of UBS PF Europe increased by around EUR 1.2 million to EUR 6.7 million (+21.6%) compared to the same period of the previous year (+3.5% excluding acquisitions). This encouraging performance of the fund results from the indexation of almost the entire portfolio, successful rent renewals and lease renewals as well as the acquisition of the property in Aachen (Germany). Notable achievements include the lease of residential units in Aachen and Frankfurt at higher rents, the early renewal of the lease agreement with the fund's second-largest tenant (8%) in Tilburg (NL) for an additional 10 years, and a 10-year retail lease agreement with a lifestyle company in Oslo/Sandvika (NOR).

The challenging market environment of the last year and the related price corrections offered UBS PF Europe the opportunity to acquire modern and sustainable residential and logistics properties in line with its strategy. As announced in the last annual report, UBS PF Europe acquired a residential property in the university city of Aachen, Germany in August 2023. The property, constructed in 2014, consists of four multi-story residential buildings with a total of 64 premium residential units (99.5% occupied) and a total rental area of 7 640 m<sup>2</sup>. Despite being located in the city center, the complex features spacious balconies and green spaces, as well as an underground parking garage with 74 parking spaces.

**The latest research information**, such as the current outlook from our research expert is available on our website [www.ubs.com/immobilienfonds-schweiz](http://www.ubs.com/immobilienfonds-schweiz)





**10-year lease extension in Tilburg (NL)**



**Tenant's fit-out in Oslo/Sandvika (NOR)**

From a portfolio perspective, the residential property in Aachen represents another promising asset in a prime location with rental growth potential. The indexed rental agreements also provide ongoing inflation protection in the residential segment. The proportion of residential buildings increased from 5.1% to around 13.4% compared with the last semi-annual report.

As part of the debt strategy, the portfolio management reduced the leverage ratio by repaying variable-rate mortgages totaling approximately EUR 12.0 million, bringing it down to 27.5%. In recent months, the currency hedges were subject to strong changes in foreign exchange rates, which has been taken into account in liquidity management. Furthermore, available funds reserved for acquisitions and the repayment of further obligations have been invested in short-term fixed-income securities with very low default risk to take advantage of the current positive trend in interest rates.

Within the area of sustainability, UBS PF Europe once again achieved the highest possible 5-star rating in the GRESB rating for 2023. The aim of making existing as well as new properties future-proof remains a main target for UBS PF Europe.

Since the start of July, the prime yields for each of the European countries and the usage types in which UBS PF Europe is invested has on average risen by around 36 basis points (source: CBRE). Over the same period, the gross yields of UBS PF Europe increased by only 21 basis points, thanks to the occupancy rate marking nearly one hundred percent, long average lease terms (6.9 years WAULT), high indexation (over 86% of rental contracts), and quality of tenants (over 18% associated with the government). The estimated market value of the portfolio as at 31 December 2023 is EUR 298.2 million, resulting in a net asset value per UBS PF Europe unit of CHF 9.58.

However, due to the price corrections driven by the rise in interest rates, UBS PF Europe was not immune from the deteriorating price performance of the European real estate market, resulting in a drop in its share price, as reflected in the half-year performance of -1.5%.

It should be noted that the corrections driven by discount rates are partially offset by rising rents. The share price at the end of the reporting period was CHF 10.25 per share, representing a premium of 7.0%.

The portfolio management team believes that UBS PF Europe offers an attractive opportunity to buy into a high-quality, well-diversified real estate portfolio covering all sectors.

The fund management company intends to maintain its portfolio strategy, with continued focus on Europe (excluding Switzerland). The core of the strategy remains the broad diversification of investments in residential, mixed-use, and commercial properties in established or development-ready locations, providing investors with direct access to the European real estate market with a «Swiss touch».

## Financial report

### Notes to the balance sheet

The mortgage debt at the end of the reporting period amounted to EUR 82.0 million. This equates to a borrowing rate of 27.5% and is thus under the highest limit of 33% as laid down in the fund contract.

### Notes to the income statement

The rental income in the first half of the 2023/24 financial year amounted to EUR 6.7 million.

The mortgage interest amounted to EUR 1.0 million. To reduce the interest rate risk to the portfolio, the maturity dates of the mortgages continue to be staggered. The average weighted interest rate of the debt financing as of 31 December 2023 amounted to 2.17% and the average weighted residual term of mortgages was 2.44 years.

The total income for the first half year amounted to EUR -0.1 million.

Further information and assessments can be found in the appendix.

# Financial accounts

## Balance sheet

(unaudited figures)

Market values	31.12.2023 EUR	31.12.2022 EUR	Change EUR
Cash, postal and bank cash equivalents, including fiduciary deposits at third-party banks	20 822 573.94	61 393 563.04	-40 570 989.10
Short-term fixed-income securities			
Other (Article 89 CISO)	12 912 267.89	0.00	12 912 267.89
Mortgages and other borrowings secured by mortgages <sup>1</sup>	0.00	20 254 190.09	-20 254 190.09
Properties			
Residential properties	39 920 000.00	13 980 000.00	25 940 000.00
Commercial properties	258 277 907.20	260 071 230.03	-1 793 322.83
<i>of which in condominium ownership</i>	<i>117 327 907.20</i>	<i>127 051 230.02</i>	<i>-9 723 322.82</i>
Total properties	298 197 907.20	274 051 230.03	24 146 677.17
Derivative financial instruments	4 547 080.46	0.00	4 547 080.46
Other assets	2 212 200.15	716 082.52	1 496 117.63
<b>Total fund assets</b>	<b>338 692 029.64</b>	<b>356 415 065.68</b>	<b>-17 723 036.04</b>
Current liabilities			
Derivative financial instruments	0.00	-5 440 174.75	5 440 174.75
Other current liabilities	-3 832 684.46	-3 339 720.65	- 492 963.81
Total current liabilities	-3 832 684.46	-8 779 895.40	4 947 210.94
Non-current liabilities			
Long-term interest-bearing mortgages and other liabilities secured by mortgages	-81 961 000.00	-79 491 000.00	-2 470 000.00
Total non-current liabilities	-81 961 000.00	-79 491 000.00	-2 470 000.00
Total liabilities	-85 793 684.46	-88 270 895.40	2 477 210.94
<b>Net fund assets before estimated liquidation taxes</b>	<b>252 898 345.18</b>	<b>268 144 170.27</b>	<b>-15 245 825.09</b>
Estimated liquidation taxes <sup>2</sup>	-8 445 193.91	-10 788 742.71	2 343 548.80
<b>Net fund assets</b>	<b>244 453 151.27</b>	<b>257 355 427.56</b>	<b>-12 902 276.29</b>
<b>Income statement</b>			
(unaudited figures)			
<b>Income</b>	<b>1.7.2023-31.12.2023 EUR</b>	<b>1.7.2022-31.12.2022 EUR</b>	<b>Change EUR</b>
Income from bank or post office balances at sight	198 057.27	0.00	198 057.27
Negative interest	0.00	- 40 284.19	40 284.19
Rental income (gross income earned)	6 658 216.92	5 477 504.90	1 180 712.02
Other income	60 439.56	2 654.85	57 784.71
<b>Total income</b>	<b>6 916 713.75</b>	<b>5 439 875.56</b>	<b>1 476 838.19</b>
<b>Expense</b>			
Mortgage interest and interest from liabilities secured by mortgages	- 990 688.75	- 589 046.62	- 401 642.13
Maintenance and repairs			
Ordinary maintenance/repairs	- 249 797.32	- 164 744.14	- 85 053.18
Extraordinary maintenance/repairs	0.00	0.00	0.00
Property management			
Property expense	- 152 197.41	- 224 928.48	72 731.07
Administrative expense	- 332 715.13	- 149 480.56	- 183 234.57
Taxes and duties	- 335 753.59	- 326 226.32	- 9 527.27
Appraisal costs	- 37 591.38	- 34 018.78	- 3 572.60
Auditors' costs <sup>3</sup>	- 221 073.36	- 139 279.16	- 81 794.20
Provisions for future repairs			
Deposit	0.00	0.00	0.00
Withdrawal	0.00	0.00	0.00
Fees as per fund contract paid to			
the fund management company	-1 345 230.66	-1 337 783.91	- 7 446.75
custodian bank	- 6 287.97	- 5 013.00	- 1 274.97
Other expenses	- 40 585.10	- 87 061.91	46 476.81
<b>Total expense</b>	<b>-3 711 920.66</b>	<b>-3 057 582.88</b>	<b>- 654 337.78</b>

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

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

3 The audit costs in the reporting year and in the previous year relate exclusively to audit services.

	1.7.2023-31.12.2023 EUR	1.7.2022-31.12.2022 EUR	Change EUR
<b>Net income</b>	<b>3 204 793.09</b>	<b>2 382 292.69</b>	<b>822 500.40</b>
Realized capital gains and losses on investments	0.00	0.00	0.00
Realized gains and losses on currencies	4 276 652.19	13 995 337.13	-9 718 684.94
<b>Realized profit/loss</b>	<b>7 481 445.28</b>	<b>16 377 629.82</b>	<b>-8 896 184.54</b>
Unrealized capital gains and losses on investments	-12 525 830.30	-1 768 367.00	-10 757 463.30
Unrealized gains and losses on currencies	4 901 004.36	-11 806 663.37	16 707 667.73
<b>Total income</b>	<b>- 143 380.66</b>	<b>2 802 598.45</b>	<b>-2 945 979.11</b>

### Change in net fund assets

(unaudited figures)

	1.7.2023-31.12.2023 EUR	1.7.2022-31.12.2022 EUR	Change EUR
<b>Net fund assets at the start of the financial year (excl. accumulation accounts)</b>	<b>246 157 300.94</b>	<b>252 381 773.29</b>	<b>-6 224 472.35</b>
Ordinary annual distribution	-5 687 992.28	0.00	-5 687 992.28
Balance from unit transactions including purchase/allocation of current income	0.00	0.00	0.00
Total income	- 143 380.66	2 802 598.45	-2 945 979.11
Accumulated income from directly held real estate (exempt from Swiss federal withholding tax)	- 323 412.25	165 770.14	- 489 182.39
Accumulated income from indirectly held real estate (subject to Swiss federal withholding tax)	5 103 238.92	2 243 509.36	2 859 729.56
Accumulated income from remaining returns (subject to Swiss federal withholding tax)	- 652 603.40	- 238 223.68	- 414 379.72
<b>Net fund assets at the end of the reporting period</b>	<b>244 453 151.27</b>	<b>257 355 427.56</b>	<b>-12 902 276.29</b>
<b>Net asset value per unit (in CHF)</b>	<b>9.58</b>	<b>10.75</b>	<b>-1.17</b>

### Unit performance

(CHF hedged) I

	1.7.2023-31.12.2023 Number	1.7.2022-31.12.2022 Number	Change Number
Balance at start of the 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
<b>Balance at end of reporting period</b>	<b>23 629 932.00</b>	<b>23 629 932.00</b>	<b>0.00</b>

### Exchange rates

EUR 1 = 0.926 CHF (as of 31.12.2023)

NOK 100 = 8.896 EUR (as of 31.12.2023)

EUR 1 = CHF 0.97144 (average exchange rate for the reporting period)

NOK 100 = EUR 8.761 (average exchange rate for the reporting period)

# Notes

	31.12.2023	31.12.2022
Balance of depreciation account for land (in EUR m)	0.0	0.0
Balance of provision account for future repairs (in EUR m)	0.0	0.0
Balance of account for income retained for reinvestment (in EUR m)	4.1	0.0
Total insurance value of assets (in EUR m)	199.4	145.1
Number of units terminated at the end of the next financial year	1 407 638	0

## Key figures

	31.12.2023	31.12.2022
Rent default rate	0.4%	0.4%
Borrowing rate	27.5%	29.0%
Distribution yield	2.3%	n.a.
Payout ratio	n.a.	n.a.
Operating profit margin (EBIT margin)	66.6%	59.3%
Fund operating expense ratio (TER <sub>REF</sub> ) - GAV	1.05%	0.94%
Fund operating expense ratio (TER <sub>REF</sub> ) - MV (market value in CHF)	1.45%	1.30% <sup>2</sup>
Return on equity (ROE) <sup>1</sup>	-0.1%	1.1%
Premium/discount	7.0%	-1.0%
Performance <sup>1</sup>	-1.5%	-5.3% <sup>2</sup>
Return on investment <sup>1</sup>	-5.2%	-0.7% <sup>3</sup>

Calculation in line with AMAS (Asset Management Association Switzerland).

<sup>1</sup> Calculation for 6 months.

<sup>2</sup> Since listing.

<sup>3</sup> Considering the withholding tax paid on income from indirect real estate and other income, the investment yield as per 31 December 2022 was -0.2% (instead of -0.7%).

## Supplementary information

The ROE and the ROIC are calculated in EUR based on the income statement, which is subject to strong fluctuations due to currency effects. 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, there is a resulting ROE in Swiss francs (CHF) of -5.4% (31 December 2022: -0.3%) or a ROIC of -3.4% (31 December 2022: -0.4%).

## Information on derivatives

### Foreign currency derivatives open at the end of the reporting period

Sell Currency	Sell Amount	Purchase Currency	Purchase Amount	Due date	Replacement value in EUR	In % of total fund assets
<b>Forward currency transactions<sup>1</sup></b>						
EUR	230 000 000	CHF	218 800 770	17.01.2024	5 491 014	1.6%
NOK	425 000 000	EUR	37 481 006	17.01.2024	-943 934	-0.3%
<b>Total</b>					<b>4 547 080</b>	<b>1.3%</b>

<sup>1</sup> Valued on the basis of observable market parameters.

### Supplementary information

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

Position	Amount in EUR	In % of the net fund asset
Total exposure-increasing positions	0.00	0.0%
Total exposure-reducing positions	0.00	0.0%

The open forward currency transactions at the end of the half year are exclusively for currency hedging. Currency-hedged fund share classes are generally fully hedged against currency risk toward 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 the fund's 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 Article 64 (1) CISA, Article 88 (2) CISA, Article 92 and 93 CISO as well as the AMAS Guidelines for real estate funds (link: [www.am-switzerland.ch](http://www.am-switzerland.ch)), the properties held by the fund shall be regularly valued by independent valuation experts accredited by the supervisory authority 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's assets, as well as at the close of each financial year, the market value of the property in the fund's assets must be verified by the appraisers. 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 best as possible in the interests of the fund. This can lead to deviations from the valuations.

Further details of the appraisal methods, quantitative information and market values are provided in the valuation report of the property appraiser as set out in the annual report for the year ending 30.06.2023.

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

Remuneration of the fund management company	31.12.2023		31.12.2022	
	Actual	Maximum	Actual	Maximum
For the management 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.	3.1%	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.	0.0%	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%
<b>Remuneration of the custodian bank</b> 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 real estate

	31.12.2023 in EUR million	31.12.2022 in EUR million
Total contractual payment obligations	0.0	0.0

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

	31.12.2023 in EUR million	31.12.2022 in EUR million
1 to 5 years	75.6	73.1
> 5 years	6.4	6.4

# Real estate directory

Country	City	Street	Year of construction	Apartment size (rooms)				
				<3	3-3.5	4-4.5	>5	
<b>Commercial properties</b>								
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	-	-	-	-	-
<b>Total commercial properties</b>				<b>32</b>	<b>30</b>	<b>2</b>	-	-
<b>Residential properties</b>								
Germany	Aachen	Brabantstrasse 75-77	2015	64	10	35	-	-
Germany	Frankfurt am Main	Sonnemannstrasse 67-69	1960	47	45	2	-	-
<b>Total residential properties</b>				<b>111</b>	<b>55</b>	<b>37</b>	-	-
<b>Total completed buildings (incl. land)</b>				<b>143</b>	<b>85</b>	<b>39</b>	-	-
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 %	Gross Income EUR
6	16	22	13 801 481	14 540 000		0.7	398 607
7	81	88	13 571 218	11 380 000		0.0	298 304
7	19	26	14 913 262	14 540 000		0.0	315 496
8	52	92	22 824 016	18 210 000		0.3	365 277
3	49	52	21 792 017	21 000 000		0.0	462 872
3	-	3	36 161 378	39 360 000		0.0	655 832
3	135	138	20 318 143	21 160 000		0.0	555 952
3	94	97	39 304 906	35 310 000		0.0	648 271
9	67	76	29 107 837	31 501 626	354 110 000	4.6	283 043
11	47	58	8 053 995	8 136 282	91 460 000	0.0	737 633
2	-	2	19 280 269	19 350 000		0.0	572 649
5	87	92	25 083 916	23 790 000		0.0	590 450
<b>67</b>	<b>647</b>	<b>746</b>	<b>264 212 438</b>	<b>258 277 907</b>		<b>0.3</b>	<b>5 884 388</b>
-	78	142	30 177 686	28 600 000		0.8	543 336
3	4	54	13 880 561	11 320 000		0.9	230 494
<b>3</b>	<b>82</b>	<b>196</b>	<b>44 058 247</b>	<b>39 920 000</b>		<b>1.7</b>	<b>773 829</b>
<b>70</b>	<b>729</b>	<b>942</b>	<b>308 270 685</b>	<b>298 197 907</b>		<b>0.4</b>	<b>6 658 217</b>
6	16	22	13 801 481	14 540 000		0.7	398 607
3	-	3	36 161 378	39 360 000		0.0	655 832
9	67	76	29 107 837	31 501 626	354 110 000	4.6	283 043
11	47	58	8 053 995	8 136 282	91 460 000	0.0	737 633
5	87	92	25 083 916	23 790 000		0.0	572 649
34	217	251	112 208 607	117 327 907		0.6	2 647 765

## Summary of real estate directory

Property categories	Acquisition cost EUR	Market value EUR	Rent default in %	Gross income EUR
<b>Total completed buildings (incl. land)</b>	<b>308 270 685</b>	<b>298 197 907</b>	<b>0.4</b>	<b>6 658 217</b>
Commercial properties	264 212 438	258 277 907	0.3	5 884 388
Residential properties	44 058 247	39 920 000	1.7	773 829
<i>of which in condominium ownership</i>	<i>112 208 607</i>	<i>117 327 907</i>	<i>0.6</i>	<i>2 647 765</i>
<b>Total</b>	<b>308 270 685</b>	<b>298 197 907</b>	<b>0.4</b>	<b>6 658 217</b>

## Changes in holdings

### Properties

Country	City	Street	Property category	Date
<b>Purchases</b>				
Germany	Aachen	Brabantstrasse 75-77	Residential properties	15.08.2023

### Sales

None

## Mortgages

Term to maturity	Interest rate	Currency	Balance in EUR 30.06.2023	Amount raised in EUR	Redemption in EUR	Balance in EUR 31.12.2023
30.08.2019 - 31.08.2024	1.2%	EUR	5 400 000	-	-	5 400 000
02.07.2019 - 29.09.2023	4.8%	EUR	3 600 000	-	-3 600 000	-
02.07.2019 - 26.06.2024	1.1%	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
27.05.2020 - 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	5.0%	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	5.0%	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	5.1%	EUR	-	4 150 000	-	4 150 000
<b>Total</b>			<b>85 611 000</b>	<b>8 300 000</b>	<b>-11 950 000</b>	<b>81 961 000</b>



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

None.

**Tenants accounting for more than 5% of rental income.**

A. Buisman Onroerende Zaken B.V.

Fabory B.V.

Bærum Kommune Eiendom

Hornbach Baumarkt AG

Conforama España, S.A.

**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

## **Photographers**

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