

Zurich, 28 August 2023

1291 The Swiss Investment Foundation – Successful expansion of the investment foundation in the 2022/2023 financial year

- Investment foundation develops positively in a challenging market environment
- Real estate assets under management are up by 37% to CHF 1.4 billion
- Investment group “Real Estate Switzerland” increased rental income by 67% over the previous year to CHF 45.8 million; there are 91 properties with target rental income of CHF 49.5 million in the portfolio as at 30 June 2023
- Net income in the investment group “Real Estate Switzerland” rose by 19% compared to the previous year to CHF 29.2 million
- Investment group “Sustainable Real Estate Projects Switzerland”, launched in July 2022, with a positive start; two new building projects with a market value of CHF 68.9 million as at 30 June 2023, and an expected investment value of about CHF 185 million following completion
- Proposal for distribution of CHF 2.90 per unit for the investment group “Real Estate Switzerland” at the Investors’ Meeting on 19 September 2023
- Construction work for new residential and commercial property on the “Wächter-Areal” site in Zurich-Seefeld started at beginning of July 2023

1291 The Swiss Investment Foundation (“1291”) again implemented its growth strategy with great success in the 2022/2023 financial year and grew the real estate portfolio, which comprises two investment groups, by 37% to CHF 1.4 billion.

Investment group “Real Estate Switzerland”

Real estate portfolio

14 properties were acquired for the investment group “Real Estate Switzerland” in the 2022/2023 financial year and the real estate portfolio grew to CHF 1,328.8 million as at 30 June 2023 (30.06.2022: CHF 1,021.8 million). A commercial property was sold at a profit during the reporting year, as planned at the 2021/2022 balance sheet date. As at 30 June 2023, the real estate portfolio comprises 91 properties, which are well diversified over the regions of Northwestern Switzerland (30%), Zurich (25%), Bern (15%), Lake Geneva (14%), Eastern Switzerland (10%), Central Switzerland (4%) and Southern Switzerland (2%).

Target rental income for investment properties (excl. projects) increased by 48% over the previous year to CHF 49.5 million (2021/2022: CHF 33.4 million). At the start of the reporting year, a portfolio of about CHF 244 million was purchased at attractive conditions. It mainly comprises commercial properties, which offer – through an active portfolio and asset management – various expansion and reletting opportunities. The share of target rental income from residential use fell temporarily due to this acquisition and stood at 57% as of the balance sheet date 30 June 2023 (30.06.2022: 77%). In July 2023, a recently completed residential property comprising 48 apartments in Aigle/VD was transferred into ownership of 1291. Together with the current residential new building project in Bussigny/VD due for completion by the end of 2023, these two residential properties have a target rental income of about CHF 1.6 million. As a result, the residential proportion in the portfolio will again increase in the direction of the long-term strategically defined over 60% of residential share for the investment group “Real Estate Switzerland”.

Result

Net rental income increased by 67% during the reporting year to CHF 45.8 million (2021/2022: CHF 27.3 million). Net income of the 2022/2023 financial year rose by 19% to CHF 29.2 million (2021/2022: CHF 24.5 million). A capital gain of CHF 0.4 million was realised through the sale of the abovementioned commercial property. Due to the higher interest rate environment, which also impacted discount rates, the valuation of the real estate portfolio

by the independent real estate valuer led to an unrealised capital loss for the properties of CHF 19.5 million (2021/2022: capital gain of CHF 41.3 million). Relative to the total value of the portfolio, this equates to a slight decrease of 1.5%. The total income of the financial year was CHF 16.5 million (2021/2022: CHF 52.7 million).

Net assets of the investment group “Real Estate Switzerland” were up by 8% over the previous year to CHF 1,039.6 million (30.06.2022: CHF 964.6 million). The net asset value per unit prior to distribution amounted to CHF 118.45 (30.06.2022: CHF 119.43). The Board of Trustees again proposes a distribution of CHF 2.90 per unit (2021/2022: CHF 2.90). Investors will be able to choose between a cash distribution or reinvestment through allocation of new units. The payout ratio is 87.2% with a dividend yield of 2.45%.

Investment group “Sustainable Real Estate Projects Switzerland”

The investment group “Sustainable Real Estate Projects Switzerland” was newly launched on 6 July 2022 and focusses on investments in sustainable construction projects with first-class location and property quality. Capital to the value of CHF 55.7 million was raised in an initial subscription in the 2022/2023 financial year. Two very attractive sustainable real estate projects with an expected investment value of about CHF 185 million were acquired in the form of two new building projects in Wil/SG and Effretikon/ZH. Both projects are centrally located directly in front of the respective railway stations and are built to the Minergie standard and the 2000-watt site specifications. Heat generation is through geothermal probes and heat pumps, complemented by solar panels on the roofs or in the façade. The Wil project is scheduled for completion in spring 2026, while the Effretikon project will be realised between Q1 2025 and Q4 2027.

The two new building projects were valued at CHF 68.9 million as at 30 June 2023. Net income of the financial year was CHF 0.6 million and total income of the financial year was CHF 2.8 million including unrealised capital gains of CHF 2.8 million due to the appreciation of the Wil property. Net assets as at 30 June 2023 were CHF 58.6 million, corresponding to a net asset value per unit of CHF 105.07. The Board of Trustees proposes to the Investors’ Meeting to retain the accrued net income and allocate it to the investment group’s capital value.

Sustainability

Sustainability is an integral part of the long-term strategy and business model of 1291. As part of its 2022/2023 Annual Report, the investment foundation has also included its new sustainability report. 1291 has been a signatory of the UN PRI (Principles for Responsible Investment) since 2022 and will be taking part in this initiative for the first time in the calendar year 2023. Moreover, as of 2023 the investment foundation will also participate in the Global Real Estate Sustainability Benchmark (GRESB, sub-sector Performance) and the Swiss Sustainable Real Estate Index (SSREI). The new, innovative investment group “Sustainable Real Estate Projects Switzerland” enables investors to invest in new building and development projects with a long-term zero-carbon strategy and thus profit from incremental development and valuation gains.

Investors’ Meeting to be held on 19 September 2023

The Board of Trustees proposes to the Investors’ Meeting the approval of the 2022/2023 annual financial statements, the distribution of CHF 2.90 per outstanding unit as at 30 June 2023 for the investment group “Real Estate Switzerland”, to carry-forward the net income for the investment group “Sustainable Real Estate Projects Switzerland”, and the re-election of BDO AG, Zurich as auditor.

The Annual Report 2022/2023 (in German) as at 30 June 2023 as well as a summary report thereof (in English) are available on the 1291 website at: www.1291ast.ch/investment-foundation/download-center

Construction work for residential/commercial property in Zurich-Seefeld started

1291 is building a residential and commercial property in the heart of Zurich-Seefeld with 40 residential and various commercial units. The construction work for the new building on the “Wächter-Areal” site at the intersection of Bellerivestrasse and Feldeggstrasse started at the beginning of July 2023. The high-end property will be located close to local amenities, cultural activities and public transport links. A great deal of care and attention is being paid to the building development and the materials being used. Among other things, geothermal probes and heat pumps as well as photovoltaics will be used. The property is also planned to achieve Minergie certification and the spacious inner courtyard will be filled with a range of plants. The first tenants are scheduled to move into the new apartments and commercial premises during the third quarter of 2025.



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1291 Die Schweizer Anlagestiftung (1291 The Swiss Investment Foundation) is an investment foundation under Swiss law. In its investment group "Real Estate Switzerland", it invests in selected properties with residential, office, service, retail or commercial use throughout Switzerland, with a clear focus and target allocation of at least 60% in residential use. In the second investment group "Sustainable Real Estate Projects Switzerland", the investment focus is on the establishment and expansion of a diversified sustainable real estate portfolio of new construction projects and project developments, whereby residential use shall also be represented with at least 60%. All portfolio properties shall meet key sustainability requirements and thus contribute to ESG in the long-term. The investment foundation is represented in the Conference of Managers of Investment Foundations (KGAST) and is supervised by the Occupational Pension Supervisory Commission (OAK BV).

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