

Why PSP Swiss Property Is a Perfect Fit for the Swiss Fund: 100% Switzerland, 100% Quality

PSP Swiss Property is one of Switzerland's leading property companies. All its properties are located in Switzerland. All value creation takes place in Switzerland. The company is committed to steadily increasing shareholder value, while always taking into account the interests of all stakeholders, from employees and tenants to the environment.

If there is one sector that, like the Swiss Fund, is oriented towards long-term success, it is the property sector. And if there is one company that perfectly embodies this approach, it is PSP Swiss Property.

PSP Swiss Property, listed on the SIX Swiss Exchange since 2000, is one of Switzerland's largest property companies with a portfolio value of 10 billion Swiss francs. Its focus is on office properties and non-food retail space. The company prioritises quality over quantity: Quality of location (the properties are situated in prime locations in the major economic centres), quality of construction and fit-out (the properties meet the strictest architectural standards and the highest tenant expectations with regard to interior fit-out, flexibility and sustainability) as well as quality of returns (rents should ensure sustainable returns).

Property portfolio: Acquisitions, modernisations, repositionings

PSP Swiss Property owns 148 investment properties and 11 development properties across Switzerland. The company is selective when it comes to acquisitions. It often refrains from making purchases because the properties on offer are too expensive or do not offer any discernible potential for income or value appreciation. Consequently, only properties where price and yield are right, and where there is clear medium- and long-term potential for rent increases – and thus value creation for shareholders – are considered.

Despite its prudent acquisition strategy, PSP Swiss Property continues to grow steadily. In addition to notable acquisitions in the past, this growth is also driven by investments in the existing portfolio: Properties in the portfolio are, when the opportunity arises, refurbished, modernised, converted and repositioned. In doing so, the company follows a 'best-use' approach: Optimisations, modernisations or conversion are carried out depending on location, demand and potential uses.

One example of a successful refurbishment is the Hôtel des Postes in Lausanne. Following the refurbishment, the property – situated in a prime location right in the city centre – offers 11,700 m² of high-quality office and retail space. During the modernisation, great importance was attached to environmental considerations: Connection to the district heating network, a modern photovoltaic system and efficient building technology will significantly reduce energy consumption. PSP Swiss Property also aims, in all its new constructions and refurbishment projects, to ensure that not only the tenants benefit, but that the neighbourhood as a whole is enhanced. The 'new' Hôtel des Postes will thus act as a magnet, drawing passers-by and customers into the neighbourhood, where PSP Swiss Property owns further properties.

One ongoing conversion project, with an investment volume of around 25 million Swiss francs, is the Löwenbräu Red in Zurich. After the office tenant there had moved out, an analysis

of future usage options revealed that, due to its micro-location and market trends, the building was no longer ideally suited for large-scale office use. After reviewing various options, the decision was made to convert the building into a hotel. A renowned hotel operator, the German Althoff Group, has agreed to develop a modern hotel on the site under its 'Urban Loft' brand. The opening is scheduled for 2028.

Conservative financing policy, reliable dividend payments

PSP Swiss Property has always pursued a conservative financial policy. The balance-sheet structure is characterised by a strong equity base: As at 30 June 2026, equity stood at 5.7 billion Swiss francs, corresponding to a (high) equity ratio of 55.4%. Interest-bearing debt stood at 3.4 billion francs or 32.9% of total assets. This solid capital structure provides financial flexibility and reduces vulnerability to interest rate and valuation fluctuations. This contributes significantly to PSP Swiss Property's resilience across different market phases.

The Swiss Fund particularly values the shareholder-friendly, reliable dividend policy: PSP Swiss Property has delivered steadily rising dividends to its shareholders since its IPO – no spectacular leaps, but steady, reasonable increases. And what's also important in this respect is the basis for the dividend payouts: The annual distribution is based on the net income per share excluding gains or losses on real estate investments. In other words, dividends

are paid out of the income generated and not from gains on real estate investments. This, too, is evidence of the company's integrity.

A Great Place to Work

PSP Swiss Property offers its employees good, secure jobs in an attractive working environment – a 'friendly workplace'. The fact that PSP Swiss Property has been recognised as a 'Great Place to Work' several times by a specialist organisation speaks for itself. Staff turnover is correspondingly low. Corporate governance is exemplary and transparent, and there is a high degree of continuity within the Executive Board and the Board of Directors.

Biodiversity and ecological enhancement

Sustainability is an integral part of PSP Swiss Property's business strategy. The company reports transparently on environmental, social and governance issues as part of its annual report. In its day-to-day operations, the focus is on decarbonising the portfolio, including, for example, the replacement of fossil-fuel heating systems, targeted refurbishments and raising awareness among tenants.

Of particular relevance to the Swiss Fund is the fact that PSP Swiss Property assesses the impact on biodiversity as part of its construction projects and also takes animal welfare aspects into account. Specific measures include, for example, the greening of roof surfaces and façades, the protection of natural habitats and the creation of retreats for native wildlife. Close collaboration with experts and the local community ensures that these measures are effective and sustainable. When it comes to renaturation, landscaping work as well as the greening of roofs and façades, the company places great importance on using native plant species. One perhaps minor but telling example: During the refurbishment project at Theaterstrasse 12 in Zurich (Globus am Bellevue), two bird nests for alpine swifts were installed on the roof edge, as these birds had already been nesting in the roller-shutter boxes prior to the refurbishment.

PSP Swiss Property consistently aims to enhance the ecological value of terraces, façades and roofs, as well as the surrounding area. The aim is to promote biodiversity and counteract inner-city heat islands. The company's Zurich office at Seestrasse 353 serves as a model for other properties in the PSP portfolio: The property has been transformed from an uninviting concrete wasteland into an attractive workplace for staff and tenants and a new habitat for plants and animals. PSP Swiss Property is aware of the fact that countless animal and plant species in Switzerland are threatened with extinction. The company can and will counteract this trend through projects such as this.

PSP Swiss Property demonstrates that biodiversity and greening are not only pleasing to the eye and have a positive impact on the ecosystem and the number of species living there; they also improve the working environment and the lettability of properties, thereby contributing increasingly to letting success and, consequently, to shareholder returns.

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Top rating: From A3 to A2

After PSP Swiss Property had been awarded a solid A3 rating by Moody's for many years, the rating was upgraded to A2 (with a stable outlook) on 31 July 2026. In Moody's own words:

"The rating upgrade reflects PSP's consistently very solid credit fundamentals, evidenced by strong credit metrics, which we expect to strengthen further. The company combines low asset-based leverage with very strong interest coverage, and we expect leverage to improve further over the next 12 to 18 months. [It also reflects the company's] conservative financial policy, high-quality portfolio and operations in one of the strongest real estate markets in our rated universe, which together underpin the stability and predictability of its financial and operating performance."