

# Audited annual report

December 31, 2019



## **Residentia,**

Investment fund under Swiss law  
in the “real estate funds” category

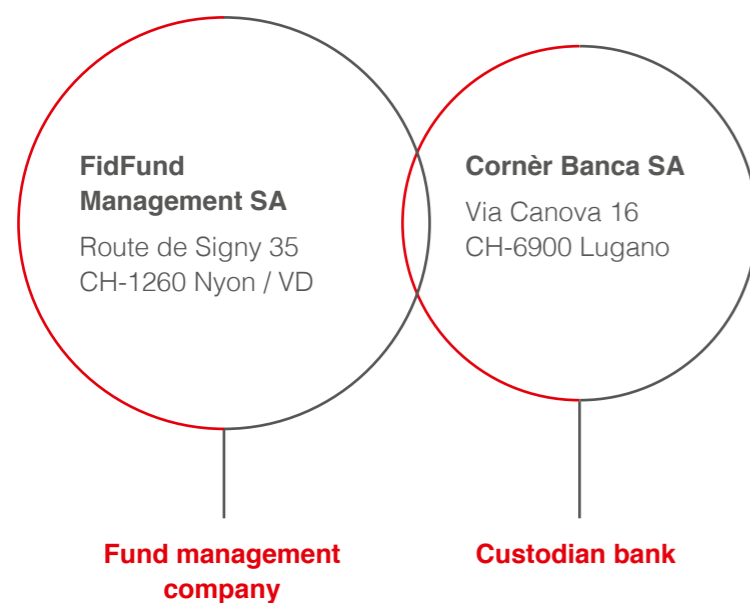
## Residentia

**+** **RESIDENTIA** is an investment fund under Swiss law in the „real estate funds“ category within the meaning of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 (CISA) (hereinafter referred to as the „fund“ or the „real estate fund“). The fund contract was drawn up by FidFund Management SA, as Fund Management Company, with the approval of the custodian bank Cornèr Banca SA. It was submitted to the Swiss Financial Market Supervisory Authority (FINMA), which approved it for the first time on 20 March 2009.

The real estate fund is based on a collective investment agreement (the fund contract) under which the fund management company undertakes to provide investors with a stake in the investment fund in proportion to the fund units they acquire, and to manage the fund at its own discretion and for its own account in accordance with the provisions of the law and the fund contract. The custodian bank is a party to the fund contract in consequence of the tasks conferred upon it by law and the fund contract.

In accordance with the fund contract, the fund management company is entitled to establish, liquidate or merge unit classes at any time, subject to the consent of the custodian bank and the approval of the supervisory authority.

The real estate fund is not divided into unit classes.



This document is a translation of the French version. Only the French version is authentic.

## FidFund Management SA

### Board of Directors

Jean Berthoud	Chairman
Olivier Vollenweider	Vice Director
Jean-François Abadie	Director
Yves de Coulon	Director
Philippe Bens	Director

### Fund Management Company

Selda Karaca	Managing Director
Christophe Audousset	Deputy Director
Lionel Bauer	Deputy Director (from 02.09.2019)

### Investment committee

Lorenzo Orsi  
Claudio Genasci

### (Without decision-making power)

Certified architect (ETH Zurich) and member of the REG A, SIA, OTIA and ASIAT  
Member of the management team, Banca Dello Stato del Cantone Ticino

### Investment committee advisor

Matteo Pagani

### (Without decision-making power)

Studio Fiduciario Pagani SA, Lugano

### Valuation experts

Omar Antonelli  
Mirko Fasola  
Fabio Guerra

Certified architect STS OTIA, Lugano  
ES technician, Lugano  
MRICS, MSc Real Estate CUREM, Arch. Dipl. EPFL Lausanne

### Real estate management

Assofide SA, Locarno  
Comafim SA, Lugano  
Privera SA, Lugano  
Multiresidenza SA, Muralto

### Custodian bank

Cornèr Banca SA, Lugano

### Auditors

KPMG SA - Esplanade de Pont-Rouge 6, 1211 Genève

### Promoters

Studio Fiduciario Pagani SA  
Banca dello Stato del Cantone Ticino

Residentia is an investment fund under Swiss in the real estate funds category.



**The fund invests exclusively in:**

- 🏠 real estate assets located in southern Switzerland (Ticino, Grisons);
- 🏠 residential properties and mixed-use buildings;
- 🏠 and to a lesser extent, properties of an exclusively or predominantly commercial nature, including properties used by the manufacturing and hotel industries.

The fund's objective is to preserve the value of its investments and the appropriate distribution of the income earned by them over the long term by creating a stable, actively managed asset portfolio.

## Manager's report

**Total assets**  
**CHF 271.8 million**  
11% increase compared with 2018

**Annual net rent**  
**+ 10% vs 2018**  
Rental income up CHF 950,000 from 9.92 million to 10.87 million

**NAV up**  
from CHF 116.40 to  
**CHF 117.05**

**Dividend of CHF 2.68**  
**22%**  
increase compared with 2018

**TER (GAV) down**  
**25,3%**  
From 1.04% to 0.83%

**Net operating profit up**  
**55%**  
From CHF 2.66 million to CHF 4.13 million

**EBIT margin up**  
**27,69%**  
From 40.19% to 51.32%

2019 was an extremely positive year for the Residentia Fund, which built on the good first-half performance in the second half of the year, with significant improvements in some areas due to the completion of various projects (the Via Besso site) and the acquisition of strategic properties.

🏠 The year just finished saw rental income increase by nearly 10% compared with the previous year (CHF 10.95 million vs CHF 9.96 million), which, combined with judicious management of the main cost items (-7% compared with the previous year: CHF 6.81 million vs CHF 7.30 million), enabled Residentia to post a significant **net profit**, an increase of **over 50%** compared with 2018 (CHF 4.13 million vs CHF 2.66 million).

## Manager's report

The increase in rental income is due to two main factors:

- a) the optimisation of the Fund's debt level through the purchase of three new properties (two in late June and one in November). To date, these have generated approximately CHF 440,000 in new rent payments, and should bring in around an additional CHF 715,000 in 2020 when they will have been in the portfolio for the entire year.
- b) the maintenance of the vacancy level to a significant extent across the entire portfolio. Even though the macroeconomic situation in the canton is still not positive, our sales team has managed to find new tenants for around 80 units, giving the Fund a total income of approximately CHF 1.5 million a year.

On the cost front, the extensive investments made during 2018 have meant that we only needed to make targeted interventions over the last 12 months; this policy has led to **a considerable reduction of costs** linked to the routine maintenance of our properties (-17%) and of general portfolio operating expenses (-25%). This was done even as the property portfolio increased overall from **CHF 242 million** in 2018 to the current **CHF 271 million**. However, Residentia will continue its strategy of continually renovating its properties in line with the natural rotation of tenants and making targeted investments from time to time to ensure an offering

that is appropriate to changing market conditions. We trust that this strategy will continue to yield the positive results that it has done over the last year.

Thanks to this prudent management, the Fund **increased its EBIT margin by 27.69%**, from 40.19% the previous year to the current 51.32%, as forecast at the end of the first half of 2019.

As announced in previous reports, Residentia has also reviewed its remuneration policy. This has led to a total saving for investors of more than CHF 120,000 and, together with a renegotiation of how property valuations are carried out, significantly reducing the costs incurred (-32%), has generated a further sizeable **contraction** of the **TER** (based on GAV) bringing it to 0.83% (-25.3%).

**As a result of the actions taken, combined with the strategy implemented, Residentia has achieved outstanding results, especially in light of the current uncertainties affecting the local property market. These results have led to an increase in the Fund's NAV from CHF 116.40 to CHF 117.05, an increase in total fund assets (CHF 271 vs CHF 242 million) and a rise in the dividend distributed of more than 20% (CHF 2.68 vs 2.19).**

The main activities and projects carried out during the year in the portfolio are as follows:

**Via Besso, Lugano:** the restructuring work on the historic building was successfully completed within the initial estimated budget (CHF 4.5 million). Only some internal finishing work on the first floor remains to be done, as the withdrawal by the tenant we had previously found has forced us to put these rooms on the market again. At full capacity, we expect a potential gross income of approximately CHF 600,000 against total expenditure (purchase + restructuring) of approximately CHF 12 million.

**Mendrisio:** the construction work on the new building intended for students of the new university campus is close to completion. The healthcare problems that have marked the early part of this year will inevitably delay completion and the start of the next academic year. We are hopeful that the first leases might start in September. The investment budget was increased to CHF 5.2 million as a result of certain architectural choices made - such as the Minergie standards, which enable the use of a greater habitable area, and the division of the building into 42 shared rooms suitable for student use, but offering flexibility in the event that the building is reorganised into traditional apartments. We expect annual rental income of CHF 375,000.

**Bellinzona, Via Ghiringhelli:** in September we embarked on a new strategic direction for this building. After the previous unfortunate circumstances linked to the plan to raise the height of the building, we decided to assign the completion of the works to a new company and undertake a strategic disposal of the property by selling the individual apartments. This strategy involved higher costs for the finishing work needed for the sale, but we expect a gross profit on completion of close to 25% (CHF 1.5 million).

Below is a brief description of the new properties acquired during the year:

**Rivera:** property acquired for CHF 8.15 million made up of two separate buildings in the centre of Rivera, opposite the railway station and near the Lugano-Bellinzona motorway junction. One of the buildings is commercial and has a Denner Satellite on the ground floor and other offices on the upper floors, whereas the second building is residential with six apartments distributed across the three floors. The building currently generates an annual income of CHF 420,000, but this is expected to increase as a result of the renovation work to be carried out jointly with Denner over the coming months, which should produce a return of close to 6%.

## Manager's report

🏠 **Massagno:** this building, purchased for CHF 7.85 million, is strategically located a short distance from the motorway, Lugano railway station and the cantonal hospital, and right next to public transport stops from which Lugano city centre can be reached in just a few minutes. The income generated amounts to CHF 420,000 a year and offers a potential return of over 5.5%.

🏠 **Bellinzona, Via Ghiringhelli 27:** building constructed in the late 1960s in an ideal location very close to the pedestrianised centre of Bellinzona, with 45 apartments, and 9 covered and 15 outdoor parking spaces. The building currently generates gross receipts of over CHF 450,000, which, against an outlay of just under CHF 9.4 million for its purchase, ensures an annual return of 4.80%. The property is currently suffering from a high and unjustified vacancy rate (around 25%), which is harming the rate of return, but once new tenants have been found for all the apartments, the gross income generated will be above CHF 600,000.

Another distinctive feature of the property is that it is right opposite our property at Via Ghiringhelli 18, which is currently being sold off; this means that the Fund can offer tenants the option to move into it if they wish to do so.

The coming year looks as if it will be full of unknowns linked above all to the current healthcare emergency affecting the entire world and our region in particular. At the moment it is very hard to predict what will happen and the possible consequences in the medium to long term, both socially and economically. From initial internal analysis, we consider that less than 10% of the Fund's current income is likely to be at risk should commercial tenants completely stop paying their rent due to forced closure for public health reasons. The canton and the Confederation have guaranteed maximum economic support to all parties in the region, but at this stage the terms and conditions and practical implications are still unsure. The Residentia Fund will obviously do all it can to minimise the impact of this pandemic using all means available to it and, at the same time, will make its own contribution to help in the difficult situation that we are all experiencing. Residentia has already offered accommodation and free car parking spaces for cross-border medical staff. We will only be able to make more accurate forecasts for future half-years when the emergency has passed and the future scenario becomes clearer.

## NAV valuation and calculation principles

**The net asset value of the real estate fund is calculated based on the market value at the end of the financial period and for each issue of units in Swiss francs.**

The fund management company instructs independent valuation experts to assess the market value of the properties held by the real estate fund at the end of each six-month period and whenever new units are issued. To do this, the fund management company, with the approval of the supervisory authority, appoints at least two individuals or one company as independent valuation experts. The inspection of the properties by the valuation experts should be repeated at least once every three years. Lors de l'acquisition / cession d'immeubles, la direction du fonds doit faire préalablement estimer lesdits immeubles. At the time of sale, a new estimate is not required if the existing estimate is not older than three months and if the conditions have not changed considerably.

The evaluation of undeveloped land is carried out according to the principle of effective costs. This evaluation is subject to an annual depreciation test.

Investments listed on a stock exchange or traded on another regulated market open to the public are valued at their principal market price. Other investments or investments for which no current market value is available are valued at the price that would probably be obtained in a diligent sale at the time of the valuation. In such cases, the fund management company uses appropriate and recognized valuation models and principles to determine the market value.

Open-ended collective investment schemes are valued at their redemption price and/or net asset value. If they are regularly traded on a stock exchange

or another regulated market open to the public, the fund management company may value such funds in accordance with the previous paragraph.

The value of short-term fixed-interest securities (money market instruments) that are not traded on a stock exchange or on a regulated market open to the public is calculated as follows: the valuation price of such investments is subsequently adapted to the redemption price, based on the net acquisition price, maintaining the same return on investment calculated as a result. If there are significant changes in market conditions, the valuation basis of the different investments is adjusted in line with the new market returns. If the current market price is not available, reference is normally made to the valuation of money market instruments with the same characteristics (issuer's rating and registered office, issue currency and term).

Bank and postal deposits are valued on the basis of the amount due plus accrued interest. If there are significant changes in market conditions or credit rating, the valuation principles for time deposits will be adjusted in line with the new circumstances.

The properties are valued for the real estate fund in accordance with the SFAMA instruction in force regarding the real estate funds.

The net asset value of a unit is determined by the market value of the fund's assets, less any liabilities of the fund and any taxes levied on the fund's liquidation, divided by the number of units in circulation. Figures are rounded to CHF 0.05.

## DCF valuation model

The valuation experts use a DCF valuation model that meets international standards and takes into account the guidelines of the TEGoVA (The European Group of Valuers' Associations) and the RICS (The Royal Institution of Chartered Surveyors), along with those of the IVSC (International Valuation Standards Committee), the SVS (Swiss Valuation Standards), the SEK/SVIT, SIV (Schweizerischer Immobilienschätzer Verband) and the CEI (Chambre suisse d'experts en estimations immobilières).

**Market value or fair value is the estimated amount at which a property would be traded at the valuation date between a willing buyer and seller in a normal transaction on the open market where the parties have each acted knowingly, prudently and without constraint.**

Market value does not include any transaction financing costs, commissions, taxes or change of ownership costs, or any capital gains tax. Conversely, real estate taxes are taken into account in the valuation.

**The discounted cash flow** method calculates returns based on future incomings and outgoings. It includes potential future cash flow forecasts in relation to a property's location and use. Gross annual income (net rental income) is defined based on current income and any market potential. Any loss of income due to vacancy risk is also taken into account. Furthermore, operating costs and maintenance and renovation costs that cannot be passed on to tenants are deducted.

The residual value is obtained by capitalising the net cash flow from the 11th year and taking into account future unscheduled maintenance costs that cannot be passed on to tenants. The location, use and state of repair of the building at that precise moment are factored into the capitalisation. Cyclical renovation costs after a ten-year period are calculated as a percentage of the building's value, adjusted for any increases (CapEx).

**The rental income** taken into consideration is based on information received from the property owners or management company. The calculation model ignores differences between rental conditions linked to the mortgage rate but does take account of index-linked contracts. In the valuation model, apart from factoring in rent reviews, the predicted growth in rental income is based on the options permitted under tenancy law, while taking into account the maximum market conditions.

**The market potential** is based on the market rent corresponding to the location parameters, type of property, rental area, number of rooms, fixtures and fittings, services and similar. The valuation is verified and adjusted where necessary, depending on the property, by market specialists.

**Legal basis for the valuation of rental income:** Valuations are subject to changes in the IPC index over the next 10 years. For residential properties, rent reviews take into account the increase in the value of the property. In contracts for commercial or office properties, indexing is applied in accordance with the contractual terms.

Market potential is valued based on the provisions of tenancy law and market conditions.

**Rental area:** The rental area is based on the information provided by management. We operate on the assumption that this information complies with the definitions given in applicable standards. In rare cases where areas are calculated from plans, the net effective surface area is used.

**Maintenance and renovation expenses** comprise all works carried out, such as repairs that cannot be passed on to tenants. Renovation includes non-recurring investments such as building renovations or improvements, etc. The percentage of these costs that corresponds to an increase in the property value is capitalised and to a certain extent reflected in rents.

The market value of each property represents the price that is likely to be achieved in the presence of a normal deal flow and assuming a diligent purchase and sale transaction. Any opportunities arising, particularly during the purchase and sale of the fund's properties, are exploited on a case-by-case basis in the best interests of the fund. This may lead to differences compared with the valuations.

### Capitalisation rate as at December 31, 2019

The capitalisation rate is 3.65%. (Average 10-year swap of the last 4 years: 1.50%; debt ratio: 1.15%; inflation rate: 1.00%)  
The discount rates vary between 3.30% (minimum) and 4.48% (maximum), with a weighted average of 3.92%.

## Information on matters of particular economic or legal significance

As of 07/06/2019, FidFund Management SA, as the manager of the Swiss "Real Estate Fund" contractual fund RESIDENTIA (the "Fund"), and Cornèr Banca SA, as the depositary bank of the Fund, are notifying investors of the following changes to the prospectus and accompanying fund contract, as well as to the simplified prospectus:

### Changes to the simplified prospectus and the prospectus of the fund contract

Change in the publication body set out in Section 5.4 of the Fund prospectus and Section 4.1 of the simplified prospectus of the Fund.

The Swiss Fund Data platform ([www.swissfunddata.ch](http://www.swissfunddata.ch)) is removed as the publication body of the Fund and replaced by the Swiss Official Gazette of Commerce (SOGC). Thus, from the date hereof, in the event of a change in the fund agreement, a change in the management of the fund or the depositary bank, as well as when the investment fund is dissolved, there is a publication by the management of the Fund in the Swiss Official Gazette of Commerce (SOGC).

Lastly, various formal changes have also been made, which do not affect the content of the simplified prospectus (e.g. editorial changes, re-numbering, etc.).

As of 26/09/2019, FidFund Management SA, as the manager of the Swiss "Real Estate Fund" contractual fund RESIDENTIA (the "Fund"), and Cornèr Banca SA, as the depositary bank of the Fund, are notifying investors of the following changes to the simplified prospectus:

**a) Performance of the collective investment scheme:**  
The performance chart now includes 2018 and the TER Market Value for 2018.

**b) Economic information:**  
The table on economic information has been updated.

Lastly, various formal changes have also been made, which do not affect the content of the simplified prospectus (e.g. editorial changes, re-numbering, etc.).

### Update on the Covid-19 health crisis:

The COVID-19 pandemic and its impact on the economy are post-closing events unrelated to the financial year which ended on 31 December 2019.

The Fund Management can confirm that commercial tenants have been approached to inform them of all the measures that have been put in place by the Confederation and the Canton of Ticino. The emphasis was placed on measures available to companies to minimise the business shutdown, such as short-time working, as well as the possibility of obtaining loans under special conditions guaranteed by the government.

As of 31 December 2019, in total the fund's commercial leases account for 28% of our income. The proportion of commercial tenants who risk finding themselves in financial difficulty making it hard to pay their rent is currently estimated at less than 10%. In exceptional cases, partial rent suspensions will be granted, with repayment schedules, in order to ease the financial burden.

Given the current uncertainty regarding the economic impact and duration of the pandemic, the Fund Management, assisted by the co-promoter Studio Fiduciario Pagani SA, is also continuously monitoring developments in measures taken by the Federal Council and the Ticino Council of State in order to adapt and, as far as possible, anticipate action to be taken in relation to our tenants so as to best protect the fund's interests.

We are doing all we can to contain, as far as possible, the potential impacts on 2020 results.



## 2019 figures

## Summary figures

		31.12.2018	31.12.2019
Total assets	CHF	242.708.736,66	271.797.067,82
Net fund assets	CHF	186.288.230,80	187.324.066,63
Estimated market value of completed properties	CHF	233.695.000,00	267.570.000,00
Estimated market value of properties under construction (including land)	CHF	0,00	0,00

	Units outstanding	Net assets	Net asset value per unit	Net income distribution	Capital gains distribution	Total
		CHF	CHF	CHF	CHF	CHF
31/12/2011	39.938	41.623.094,82	1.042,20	19,75	0,00	19,75
31/12/2012	68.388	75.113.699,44	1.098,35	24,42	0,00	24,42
31/12/2013	68.388	76.010.399,74	1.111,45	26,02	8,35	34,37
31/12/2014	68.388	75.712.234,11	1.107,10	29,39	2,28	31,67
31/12/2015	1.000.608	112.957.366,46	112,90	3,28	0,00	3,28
31/12/2016	1.200.713	138.679.280,64	115,50	2,06	0,87	2,93
31/12/2017	1.600.174	186.257.665,38	116,40	2,42	0,58	3,00
31/12/2018	1.600.174	186.288.230,80	116,40	1,65	0,54	2,19
31/12/2019	1.600.174	187.324.066,63	117,05	2,58	0,10	2,68

Above distributions result from annual and semi-annual distributions

## Indices calculated according to SFAMA directive

	31.12.2019
Return default rate	9,97 %
Borrowing ratio	29,33 %
Operating profit margin (EBIT)	51,32 %
TER REF GAV	0,83 %
TER REF MV	1,12 %
Return on equity (ROE 01.01.19 - 31.12.2019)	2,44 %
Dividend yield	1,74 %
Distribution ratio	99,90 %
Premium as at 31.12.2019	7,30 %
Investment return	2,49 %
Return on Invested Capital	1,98 %

## Performance of the Résidentia Fund (reinvested dividends)

	2018	2019 <sup>(1)</sup>	since launch <sup>(2)</sup>	accounting period 01.01.19 - 31.12.19
Residentia	-10,56%	7,56%	54,12%	7,56%
SXI Real Estate Funds Index*	-5,32%	20,67%	97,70%	20,67%

\* The SXI Real Estate Funds TR benchmark index includes all Swiss real estate funds listed on SIX Swiss Exchange. Their weighting in the index is determined by their market capitalisation. Dividend payments are taken into account when calculating the SWIIT performance index.

Past performance is not an indicator of current or future performance.

Performance figures do not take into account commissions and fees paid when units are issued or redeemed.

<sup>1</sup> until 31.12.2019

<sup>2</sup> from 1.07.2009 to 31.12.2019 (cumulative performance)

## Statement of assets and liabilities

	31.12.2018	31.12.2019
	CHF	CHF
<b>Assets</b>		
<b>Bank assets</b>		
Demand deposits	6.893.410,25	2.106.700,51
<b>Properties</b>		
Residential properties	129.680.000,00	147.600.000,00
Residential properties with floor-by-floor ownership	3.230.000,00	2.500.000,00
Mixed-use properties	49.115.000,00	42.100.000,00
Mixed-use properties with floor-by-floor ownership	0,00	8.450.000,00
Commercial properties	51.670.000,00	66.920.000,00
Building plots, including buildings to be demolished and properties under construction	0,00	0,00
<b>Total properties</b>	<b>233.695.000,00</b>	<b>267.570.000,00</b>
Other assets	2.120.326,41	2.120.367,31
<b>Total assets</b>	<b>242.708.736,66</b>	<b>271.797.067,82</b>
<b>Liabilities</b>		
<b>Commitments</b>		
Short-term commitments		
– Short-term mortgage debt	10.520.000,00	6.500.000,00
– Short-term other commitments	3.471.504,86	4.001.794,19
Long-term commitments		
– Long-term mortgage debt	40.130.000,00	71.990.000,00
– Long-term other commitments	0,00	0,00
<b>Total liabilities</b>	<b>54.121.504,86</b>	<b>82.491.794,19</b>
<b>Net assets before estimated taxes due in case of liquidation</b>	<b>188.587.231,80</b>	<b>189.305.273,63</b>
Provisions for taxes on unrealised gains	-2.299.001,00	-1.981.207,00
<b>Net assets</b>	<b>186.288.230,80</b>	<b>187.324.066,63</b>

## Change in net assets

	31.12.2018	31.12.2019
	CHF	CHF
<b>Change in net fund assets</b>		
Net fund assets at beginning of accounting period	186.257.665,38	186.288.230,80
Distribution	-4.800.522,00	-3.504.381,06
Balance of unit transactions	0,00	0,00
Total net income	4.831.087,42	4.540.216,89
<b>Net fund assets at end of accounting period</b>	<b>186.288.230,80</b>	<b>187.324.066,63</b>



**Summary figures**

	31.12.2018	31.12.2019
<b>Change in number of units</b>		
Position at beginning of period	1.600.174,00	1.600.174,00
Units issued	0,00	0,00
Units redeemed	0,00	0,00
<b>Position at end of period</b>	<b>1.600.174,00</b>	<b>1.600.174,00</b>
	<b>CHF</b>	<b>CHF</b>
<b>Net asset value per unit at end of period</b>	<b>116,40</b>	<b>117,05</b>

**Additional information (Art. 68 CISO-FINMA)**

	31.12.2018	31.12.2019
	<b>CHF</b>	<b>CHF</b>
Balance of property depreciation account	0.00	0.00
Balance of provision account for future repairs	0.00	0.00
Number of units presented for redemption for the end of the following period	0.00	0.00

**Income statement**

	From 01.01.2018 to 31.12.2018	From 01.01.2019 to 31.12.2019
	<b>CHF</b>	<b>CHF</b>
<b>Income</b>		
Rental income	9.921.179,28	10.875.676,03
Bank interest	0,00	-638,89
Other income	0,00	0,00
Other rental income	39.318,07	72.577,95
Income equalization on units issued	0,00	0,00
<b>Total income</b>	<b>9.960.497,35</b>	<b>10.947.615,09</b>
<b>Expenses</b>		
Mortgage interest	642.886,87	736.479,64
Other interest expense	0,59	0,00
Maintenance and repairs	1.934.895,52	1.611.551,08
Property administration:		
a) Property costs (water, electricity, concierge services, cleaning, insurance, etc.)	923.074,43	698.913,22
b) Administration costs (professional fees and management expenses)	450.511,40	511.990,90
Direct taxes	1.272.980,20	1.458.619,50
Valuation and audit fees	189.647,70	84.342,95
Bank charges	45.551,74	38.837,70
Other expenses (publication, printing, legal costs, etc.)	85.841,52	81.158,40
Statutory compensation for the fund management company	1.633.193,67	1.386.260,98
Statutory compensation for the custodian bank	92.420,34	92.894,59
Allocation(s) to provisions for doubtful debts	29.181,70	116.466,50
<b>Total expenses</b>	<b>7.300.185,68</b>	<b>6.817.515,46</b>
<b>Net income</b>	<b>2.660.311,67</b>	<b>4.130.099,63</b>
Realised gains/losses on investments	855.216,62	150.981,37
<b>Realised gain/loss</b>	<b>3.515.528,29</b>	<b>4.281.081,00</b>
Unrealised gains/losses on investments (change)	1.315.559,13	259.135,89
<b>Profit/loss for the period</b>	<b>4.831.087,42</b>	<b>4.540.216,89</b>
	<b>CHF</b>	<b>CHF</b>
<b>Allocation of net income</b>		
Realised gain/loss	3.515.528,29	4.281.081,00
Intermediary dividend	0,00	0,00
Retained earnings	429,23	11.576,46
<b>Income available for distribution</b>	<b>3.515.957,52</b>	<b>4.292.657,46</b>
<b>Income payable to investors</b>	<b>3.515.957,52</b>	<b>4.292.657,46</b>
Capital gains distribution	864.093,96	160.017,40
Income distribution	2.640.287,10	4.128.448,92
<b>Income expected to be paid to investors</b>	<b>3.504.381,06</b>	<b>4.288.466,32</b>
<b>Carried forward</b>	<b>11.576,46</b>	<b>4.191,14</b>

## Properties inventory

## Rental properties

Residential Properties		Cost price in CHF	Estimated market value in CHF	Rent received <sup>1</sup> in CHF	Gross yield <sup>2</sup>	Net yield <sup>3</sup>
Tessin	<b>Bellinzona</b>					
	Via San Gottardo 58 a/b/c	8.736.763,38	10.200.000,00	525.564,95	6,17%	5,15%
	Via Ghiringhelli 27	9.767.736,80	9.650.000,00	68.769,00	5,71%	3,61%
	Via San Gottardo 47	4.668.846,95	4.700.000,00	224.576,30	5,51%	4,78%
	<b>Biasca</b>					
	Via Quinta 53 à 59	8.788.124,24	10.050.000,00	508.567,45	5,20%	5,06%
	Via Quinta 45 - 47	6.208.037,30	6.050.000,00	287.370,85	4,99%	4,75%
	<b>Giubiasco</b>					
	Viale C. Olgiati 20/1	5.425.352,40	6.450.000,00	297.694,65	5,36%	4,62%
	Via Zorzi 2/A	6.577.237,75	6.500.000,00	258.609,15	4,56%	3,98%
	<b>Locarno</b>					
	Via Nessi 38	8.932.413,25	10.550.000,00	561.318,80	5,47%	5,32%
	Via Rovedo 15 - Via P. Romerio 12	9.205.550,93	10.500.000,00	611.825,20	5,84%	5,83%
	<b>Lugano</b>					
	Via Antonio Fusoni 5	7.252.736,45	8.100.000,00	415.635,00	5,21%	5,13%
	Via Beltramina 6 - 8 - 10	11.205.662,40	12.400.000,00	597.650,00	5,40%	4,82%
	Via dei Faggi 23	10.151.303,85	10.900.000,00	477.714,00	5,07%	4,38%
	<b>Monte Carasso</b>					
	Via Mundasc 2	28.997.555,14	28.400.000,00	1.220.316,85	4,62%	4,30%
	<b>Vacallo</b>					
	Via Bellinzona 10-11 - Via F.Chiesa 11	12.841.488,81	13.150.000,00	603.484,00	5,75%	4,59%
	<b>Totals</b>	<b>138.758.809,65</b>	<b>147.600.000,00</b>	<b>6.659.096,20</b>		

Residential properties with floor-by-floor ownership		Cost price in CHF	Estimated market value in CHF	Rent received <sup>1</sup> in CHF	Gross yield <sup>2</sup>	Net yield <sup>3</sup>
Tessin	<b>Locarno</b>					
	Via In Selva 17	2.450.811,75	2.500.000,00	0,00	0,00%	0,00%
	<b>Totals</b>	<b>2.450.811,75</b>	<b>2.500.000,00</b>	<b>0,00</b>	<b>0,00%</b>	

## Properties inventory

## Rental properties

Mixed-use properties		Cost price in CHF	Estimated market value in CHF	Rent received <sup>1</sup> in CHF	Gross yield <sup>2</sup>	Net yield <sup>3</sup>
Tessin	<b>Bellinzona</b>					
	Via C. Ghiringhelli 18	6.254.543,63	6.750.000,00	123.009,60	3,81%	1,82%
	Via San Gottardo 41	6.080.294,65	6.050.000,00	314.100,15	5,55%	5,19%
	<b>Lugano</b>					
	Via Bagutti 26	11.583.392,37	11.900.000,00	569.867,00	5,09%	4,79%
	<b>Massagno</b>					
	Via Solaro 1	8.092.338,30	8.550.000,00	230.630,95	4,87%	4,05%
	<b>Melide</b>					
	Via Cantonale 29-31	8.568.958,30	8.850.000,00	380.880,16	5,20%	4,30%
	<b>Totals</b>	<b>40.579.527,25</b>	<b>42.100.000,00</b>	<b>1.618.487,86</b>		

Mixed-use properties with floor-by-floor ownership		Cost price in CHF	Estimated market value in CHF	Rent received <sup>1</sup> in CHF	Gross yield <sup>2</sup>	Net yield <sup>3</sup>
	<b>Minusio</b>					
	Via Rinaldo Simen 58	8.310.055,12	8.450.000,00	378.611,45	4,63%	4,48%
	<b>Totals</b>	<b>8.310.055,12</b>	<b>8.450.000,00</b>	<b>378.611,45</b>		

Commercial properties		Cost price in CHF	Estimated market value in CHF	Rent received <sup>1</sup> in CHF	Gross yield <sup>2</sup>	Net yield <sup>3</sup>
Tessin	<b>Gambarogno</b>					
	Via Luserte 2-4	11.607.953,85	13.500.000,00	653.398,80	5,49%	4,84%
	<b>Lugano</b>					
	Via Besso 42	12.108.360,50	12.210.000,00	272.273,00	3,97%	2,23%
	<b>Manno</b>					
	Via Cantonale 27	6.423.006,20	6.050.000,00	241.151,70	5,29%	3,99%
	<b>Mendrisio</b>					
	Via Stefano Franscini 10/12	25.383.452,47	26.600.000,00	796.037,75	3,89%	2,99%
	<b>Monteceneri</b>					
	Via Lagacci 8	8.399.267,85	8.560.000,00	256.619,27	4,74%	4,50%
	<b>Totals</b>	<b>63.922.040,87</b>	<b>66.920.000,00</b>	<b>2.219.480,52</b>		

## Properties inventory

Summary	Cost price in CHF	Estimated market value in CHF	Rent received <sup>1</sup> in CHF
Residential properties	138.758.809,65	147.600.000,00	6.659.096,20
Residential properties with floor-by-floor ownership	2.450.811,75	2.500.000,00	0,00
Mixed-use properties	40.579.527,25	42.100.000,00	1.618.487,86
Mixed-use properties	8.310.055,12	8.450.000,00	378.611,45
Commercial properties	63.922.040,87	66.920.000,00	2.219.480,52
<b>Totals</b>	<b>254.021.244,64</b>	<b>267.570.000,00</b>	<b>10.875.676,03</b>

<sup>1</sup> includes rent receivable, excludes prepaid rents

<sup>2</sup> ratio between theoretical rental status and market value (for properties comprising a completed building/building in use)

<sup>3</sup> ratio between rent received<sup>1</sup> and market value (for properties comprising a completed building/building in use)

Building fire value: 240'991'900.00 CHF

No tenant accounts with more than 5% of the total rental income of the fund (in accordance with paragraph 66 of the SFAMA guidelines on real estate funds)

## Information on rate of vacant and building age

		Vacant rate	Building age in years
Tessin	<b>Bellinzona</b>		
	Via San Gottardo 58 a/b/c	14,09%	57
	Via San Gottardo 41	10,19%	57
	Via San Gottardo 47	21,12%	61
	Via C. Ghiringhelli 18	44,00%	42
	Via Ghiringhelli 27	25,11%	52
	<b>Biasca</b>		
	Via Quinta 53 à 59	5,61%	36
	Via Quinta 45-47	7,02%	37
	<b>Gambarogno</b>		
	Via Luserte 2-4	12,55%	30
	<b>Giubiasco</b>		
	Viale C. Olgiati 20/1	9,09%	29
	Via Zorzi 2A	3,40%	29
	<b>Locarno</b>		
	Via In Selva 17	0,00%	54
	Via Nessi 38	1,66%	56
	Via Rovedo 15 - Via Pietro Romerio 12	1,82%	49
	<b>Lugano</b>		
Via Beltramina 6 - 8 - 10	6,16%	54	
Via Bagutti 26	6,88%	49	
Via Besso 42	7,14%	124	
Via dei Faggi 23	21,39%	30	
Via Antonio Fusoni 5	3,29%	49	
<b>Manno</b>			
Via Cantonale 27	9,86%	32	

## Information on rate of vacant and building age

		Vacant rate	Building age in years
Tessin	<b>Massagno</b>		
	Via Solaro 1	14,15%	99
	<b>Melide</b>		
	Via Cantonale 29-31	18,61%	28
	<b>Mendrisio</b>		
	Via Stefano Franscini 10-12	8,48%	26
	<b>Minusio</b>		
	Via Rinaldo Simen 58	3,37%	24
	<b>Monte Carasso</b>		
	Via Mundasc 2	19,60%	25
<b>Monteceneri</b>			
Via Legacci 8	4,44%	32	
<b>Vacallo</b>			
Via Bellinzona 10-11 - Via F.Chiesa 11	18,44%	39	

## List of asset purchases and sales

Purchases		Purchase price in CHF
<b>Residential properties</b>		
Tessin	<b>Bellinzona</b>	
	Via Ghiringhelli 27	9.300.000,00
<b>Mixed-use properties</b>		
Tessin	<b>Massagno</b>	
	Via Solaro 1	7.850.000,00
<b>Commercial properties</b>		
Tessin	<b>Monteceneri</b>	
	Via Lagacci 8	8.150.000,00
<b>Totals</b>		<b>25.300.000,00</b>
<b>Sales</b>		<b>Sales price in CHF</b>
<b>Residential properties with floor-by-floor ownership</b>		
Tessin	<b>Locarno</b>	
	Via In Selva 17 LOT PPE N°12	780.000,00
<b>Totals</b>		<b>780.000,00</b>

**Analysis of mortgage debt**

	Principal in CHF	Interest rate Annual	Loan date	Maturity	Interest rate basis and frequency
<b>Short-term commitments below one year</b>	3.000.000,00	0,600%	27/04/17	27/04/20	FIX
	3.500.000,00	0,600%	18/05/17	18/05/20	FIX
<b>Long-term commitments from one to five years</b>	2.000.000,00	0,600%	22/04/16	31/12/21	FIX
	8.520.000,00	0,600%	18/05/16	31/12/21	FIX
	9.000.000,00	0,600%	15/10/19	31/12/20	FIX
	19.000.000,00	0,600%	25/04/19	31/12/21	FIX
	500.000,00	1,310%	20/10/17	30/04/23	FIX
	200.000,00	1,310%	20/10/17	30/04/23	FIX
	70.000,00	2,400%	20/10/17	31/12/23	FIX
	2.440.000,00	2,400%	20/10/17	31/12/23	FIX
	2.500.000,00	2,400%	20/10/17	31/12/23	FIX
	8.640.000,00	1,850%	30/06/14	01/07/24	FIX
<b>Long-term commitment over five years</b>	3.300.000,00	1,350%	20/10/17	30/06/26	FIX
	820.000,00	1,350%	20/10/17	30/06/26	FIX
	15.000.000,00	1,300%	31/03/17	31/03/27	FIX
	<b>78.490.000,00</b>	<b>1,032% (weighted average rate)</b>			

**Information on the effective rate of remuneration and ancillary costs**

Remuneration of management company		Maximum contractual rate	Rate applied
For management fee	§ 19 of the fund contract	1,00%	0,726%
For issuing commission	§ 18 of the fund contract	5,00%	n/a
For redemption fee	§ 18 of the fund contract	5,00%	n/a
For property purchases or sales	§ 19 of the fund contract	5,00%	1.20% to 4.20%
For property management	§ 19 of the fund contract	6,00%	3.00% to 3.75%
For building conversion/renovation/work projects	§ 19 of the fund contract	3,00%	n/a
<b>Remuneration of custodian bank</b>			
For securities custody, unsecured mortgage certificates and real estate equities	§ 19 of the fund contract	125 CHF	125 CHF
For administration, settlement of payment transactions and supervision of the fund management company	§ 19 of the fund contract	0,05%	0,05%
For annual product paid to investors	§ 19 of the fund contract	0,50%	0,50%

**Informations on commitments****Contractual payment undertakings on the day of the closing of the balance sheet for property purchases, construction mandates and investments in properties**

On the day of closing of the balance sheet, the ongoing contractual payment undertakings for the construction mandates and the investments in property amounted to a total of almost CHF 792'590.84.

# Properties





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**Residentia**  
Rapport abrégé de l'organe de révision  
sur les comptes annuels 2019

Rapport abrégé de l'organe de révision selon la loi sur les placements collectifs au Conseil d'administration de la société de direction de fonds sur les comptes annuels de

## Residentia

### Rapport de l'organe de révision selon la loi sur les placements collectifs sur les comptes annuels

En notre qualité de société d'audit selon la loi sur les placements collectifs, nous avons effectué l'audit des comptes annuels ci-joints du fonds de placements Residentia comprenant le compte de fortune et le compte de résultats, les indications relatives à l'utilisation du résultat et à la présentation des coûts ainsi que les autres indications selon l'art. 89 al. 1 let. b-h et l'art. 90 de la loi suisse sur les placements collectifs (LPCC) (pages 2 à 4 et 9 à 23) pour l'exercice arrêté au 31 décembre 2019.

#### Responsabilité du Conseil d'administration de la société de direction de fonds

La responsabilité de l'établissement des comptes annuels, conformément aux dispositions de la loi suisse sur les placements collectifs, aux ordonnances y relatives ainsi qu'au contrat du fonds de placements et au prospectus, incombe au Conseil d'administration de la société de direction de fonds. Cette responsabilité comprend la conception, la mise en place et le maintien d'un système de contrôle interne relatif à l'établissement des comptes annuels afin que ceux-ci ne contiennent pas d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs. En outre, le Conseil d'administration de la société de direction de fonds est responsable du choix et de l'application de méthodes comptables appropriées, ainsi que des estimations comptables adéquates.

#### Responsabilité de la société d'audit selon la loi sur les placements collectifs

Notre responsabilité consiste, sur la base de notre audit, à exprimer une opinion sur les comptes annuels. Nous avons effectué notre audit conformément à la loi suisse et aux Normes d'audit suisses. Ces normes requièrent de planifier et réaliser l'audit pour obtenir une assurance raisonnable que les comptes annuels ne contiennent pas d'anomalies significatives.

Un audit inclut la mise en œuvre de procédures d'audit en vue de recueillir des éléments probants concernant les valeurs et les informations fournies dans les comptes annuels. Le choix des procédures d'audit relève du jugement de l'auditeur, de même que l'évaluation des risques que les comptes annuels puissent contenir des anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs. Lors de l'évaluation de ces risques, l'auditeur prend en compte le système de contrôle interne relatif à l'établissement des comptes annuels, pour définir les procédures d'audit adaptées aux circonstances, et non pas dans le but d'exprimer une opinion sur l'existence et l'efficacité de celui-ci. Un audit comprend, en outre, une évaluation de l'adéquation des méthodes comptables appliquées, du caractère plausible des estimations comptables effectuées ainsi qu'une appréciation de la présentation des comptes annuels dans leur ensemble. Nous estimons que les éléments probants recueillis constituent une base suffisante et adéquate pour former notre opinion d'audit.

#### Opinion d'audit

Selon notre appréciation, les comptes annuels pour l'exercice arrêté au 31 décembre 2019 sont conformes à la loi suisse sur les placements collectifs, aux ordonnances y relatives ainsi qu'au contrat du fonds de placements et au prospectus.

#### Rapport sur d'autres dispositions légales

Nous attestons que nous remplissons les exigences légales d'agrément ainsi que celles régissant l'indépendance conformément à la loi sur la surveillance de la révision et qu'il n'existe aucun fait incompatible avec notre indépendance.

KPMG SA

Olivier Gauderon  
Expert-réviser agréé  
Réviser responsable

Bruno Beça  
Expert-réviser agréé

Genève, le 17 avril 2020

Annexe:

- Comptes annuels comprenant le compte de fortune et le compte de résultats, les indications relatives à l'utilisation du résultat et à la présentation des coûts ainsi que les autres indications selon l'art. 89 al. 1 let. b-h et l'art. 90 LPCC

RESIDENTIA



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