

helvetia-am.ch

Helvetia (CH) Swiss Property Fund.

Contractual investment fund under Swiss law
of the type “real estate fund” for qualified investors.

Annual report as at 30.09.2023

helvetia 
Asset Management Ltd



Overview of key points.

Key fund data

Swiss security number		51383832	
ISIN		CH0513838323	
Year established		2020	
		30.09.2023	30.09.2022
Number of units in circulation	Number	8 125 000	6 500 000
Issue of fund units	Number	1 625 000	2 000 000
Redemption of fund units	Number	None	None
Redemption price	CHF	99	101
Units scheduled for redemption	Number	None	None
Net asset value per unit (before distribution)	CHF	101.61	103.95
Over-the-counter price	CHF	104.00	114.00

Return and performance

		30.09.2023	30.09.2022
Distribution per unit	CHF	2.75	2.75
Dividend yield	%	2.64	2.41
Payout ratio	%	98.90	99.65
Return on equity (ROE)	%	0.02	3.42
Return on invested capital (ROIC)	%	0.04	2.90
Investment yield	%	0.41	4.11
Net return on completed buildings	%	3.31	3.21
Performance, over-the-counter price	%	-6.40	-2.92
Premium, over-the-counter price	%	2.35	9.67
Operating profit margin (EBIT margin)	%	66.19	65.05
Fund operating expense ratio (TER _{REF} GAV)	%	0.76	0.77
Fund operating expense ratio (TER _{REF} MV), over-the-counter price	%	0.95	0.80

Statement of net assets

		30.09.2023	30.09.2022
Market value of the properties	CHF	1 077 974 000	862 760 000
Average discount rate	%	2.74	2.68
Gross asset value (GAV)	CHF	1 093 597 903	873 311 799
Borrowing ratio	%	22.77	21.21
Gearing	%	24.51	22.63
Weighted average term of debt	Years	2.22	2.45
Interest on debt capital	%	1.31	0.52
Net asset value (NAV)	CHF	825 573 703	675 668 188

Income statement

		01.10.2022 -30.09.2023	01.10.2021 -30.09.2022
Rental income	CHF	36 926 599	27 359 209
Rent default rate	%	2.48	2.53
Weighted average unexpired lease term (WAULT) ¹	Years	3.1	2.8
Maintenance and repairs	CHF	-3 529 190	-3 316 192
Net income	CHF	22 593 000	17 937 767
Realized capital gains and losses	CHF	0	0
Unrealized capital gains and losses	CHF	-22 021 235	8 452 010
Change in liquidation taxes	CHF	-410 000	-3 529 000
Total income	CHF	161 765	22 860 777

¹ Weighted average unexpired term of commercial leases.

Contents.

4 Organization

5 Notices to investors

6 Portfolio management report

13 Sustainability report

20 Financial report

22 Statement of net assets

23 Income statement

26 Appendix

38 Valuation report

41 Auditor's report

Sales restrictions

The Helvetia (CH) Swiss Property Fund (hereinafter the "real estate fund") is distributed exclusively in Switzerland, and units of the real estate fund may only be offered for sale in Switzerland.

This real estate fund is a contractual investment fund under Swiss law of the type "real estate funds" and is geared exclusively to qualified investors resident in Switzerland, pursuant to Art. 10 paras. 3 and 3^{ter} of the Swiss Act on Collective Investment Schemes (CISA) in conjunction with Art. 4 paras. 3-5 and Art. 5 paras. 1 and 4 of the Financial Services Act (FinSA). Private individuals may only acquire units of this real estate fund if they are deemed to be qualified investors within the meaning of the relevant statutory provisions. Circulation/distribution of this document must therefore be restricted accordingly.

The real estate fund is not available to US citizens. Units of the real estate fund may not be acquired by citizens of the USA or persons resident in the USA and/or other natural or legal persons whose income and/or earnings, irrespective of origin, are subject to US income tax, as well as by persons who are deemed to be US persons pursuant to Regulation S of the US Securities Act of 1933 and/or the US Commodity Exchange Act in the current valid version.

Disclaimer regarding language versions

The annual report of the Helvetia (CH) Swiss Property Fund is published in German, French and English. Should the French or English versions deviate from the original German text or if there are different possible interpretations, the German text shall be binding.

Organization.

Fund management company

Helvetia Asset Management Ltd
Steinengraben 41, 4051 Basel

Board of Directors

• Thomas Vonaesch

Chairman of the Board of Directors, external and not operational

Relevant activities not performed on behalf of the fund management company:

- Credit Suisse Funds AG, Zurich,
Member of the Board of Directors

• André Keller

Vice-Chairman of the Board of Directors, operational

Relevant activities not performed on behalf of the fund management company:

- Helvetia Insurance, St. Gallen,
Group Chief Investment Officer
- Helvetia Global Solutions AG, Vaduz,
Member of the Board of Directors
- MoneyPark AG, Freienbach,
Member of the Board of Directors
- Helvetia Insurance Pension Fund, St. Gallen,
Member of the Board of Foundation
- Helvetia Insurance Supplementary Fund, St. Gallen,
Member of the Board of Foundation
- Helvetia Insurance Pension Financing Foundation,
St. Gallen, Member of the Board of Foundation
- Caser (Caja de Seguros Reunidos, Compañía de Seguros y Reaseguros S.A.), Madrid,
Member of the Board of Directors

• Annelis Lüscher Hämmerli

Member of the Board of Directors, not operational

Relevant activities not performed on behalf of the fund management company:

- Helvetia Insurance, St. Gallen,
Group Chief Financial Officer
- Helvetia Versicherungs-AG, Frankfurt am Main,
Member of the Board of Directors
- Helvetia Versicherungen AG, Vienna,
Member of the Board of Directors
- Helvetia Compagnia Italo Svizzera di Assicurazioni sulla Vita S.p.A., Milan,
Member of the Board of Directors
- Helvetia Holding Suizo, Madrid,
Member of the Board of Directors
- Helvetia Compañía Suiza SA, Seville,
Member of the Board of Directors
- Caser (Caja de Seguros Reunidos, Compañía de Seguros y Reaseguros S.A.), Madrid,
Member of the Board of Directors

- Helvetia Swiss Insurance Company in Liechtenstein Ltd.,
Vaduz, Chairwoman of the Board of Directors

- Berner Kantonalbank, Bern,
Member of the Board of Directors

Executive Management

• Patrick Stampfli

CEO

Relevant activities not performed on behalf of the fund management company:

- Finovo AG, Basel, Member of the Board of Directors
- Gesinca Consultora SA, Madrid,
Chairman of the Board of Directors

• Alfonso Tedeschi

Head of Portfolio Management & Sales

No relevant activities outside of the fund management company.

• Beat Tanner

Head Legal, Compliance & Risk

No relevant activities outside of the fund management company.

Portfolio management

Helvetia Asset Management Ltd

Portfolio manager: Alfonso Tedeschi

Delegated tasks

• Custodian bank and paying agent

Zürcher Kantonalbank
Bahnhofstrasse 9, 8001 Zurich

• Regular over-the-counter trading

Bank J. Safra Sarasin Ltd
Elisabethenstrasse 62, 4051 Basel

• Statutory auditors

KPMG Ltd
Badenerstrasse 172, 8036 Zurich

• Accredited valuation experts

Wüest Partner AG
Bleicherweg 5, 8001 Zurich

- Reto Stiefel
- Zafer Köroglu

• Fund administration

Huwiler Treuhand AG
Bernstrasse 102, 3072 Ostermundigen

• Real estate management

Helvetia Swiss Insurance Company Ltd
Dufourstrasse 40, 9001 St. Gallen

Notices to investors.

Changes to the fund agreement

The fund agreement and appendix for the Helvetia (CH) Swiss Property Fund have been amended.

The amendments concern the adjustment in line with the new specimen fund agreement of Asset Management Association Switzerland (AMAS), which reflects the changes made in accordance with the Financial Services Act (FinSA). The amendments are mainly of a formal and linguistic nature. The fund agreement was also amended in terms of implementation of the sustainability target and the investment fund's sustainability policy. Moreover, the information about remunerations and ancillary costs was updated.

The amendments compared with the previous fund agreement approved by FINMA were published on 2 August 2023 on the electronic platform "Swiss Fund Data" (www.swissfunddata.ch). The amendments were approved by FINMA on 18 September 2023. The amended version of the fund agreement with appendix was published on Swiss Fund Data on 19 September 2023.

The amended fund agreement with appendix entered into force on 19 September 2023, replacing the version dated 12 April 2021. The version dated 19 September 2023 remains in force.

Information on changes in fund management company and custodian bank

There were no changes in fund management company or custodian bank in the reporting period.

Changes in the Board of Directors of the fund management company

There were no changes in the Board of Directors of the fund management company in the reporting period.

Changes in the executive officers of the fund management company

Beat Tanner, previously Head Legal & Compliance, joined Executive Management on 1 November 2022 and is now Head Legal, Compliance & Risk.

Details of legal disputes

There are no material legal disputes pending.

Riehen, Esterliweg 135, Lachenweg 3/5

Year of construction: 1964

Use: Residential

Market value: CHF 14,660,000



Portfolio management report.

Solid result for 2023 financial year

Investment objective, investment policy and special characteristics

Given its focus on residential usage in Swiss towns and cities and their conurbations, the Helvetia (CH) Swiss Property Fund is comparatively well positioned – despite rising interest rates and uncertainties on the capital markets – and is benefiting from lower vacancies and rising rental income.

Where possible, the portfolio will continue to be built up from the insurance portfolio of Helvetia Insurance. In future, selective purchases on the market are also due to be made.

The investment objective of the Helvetia (CH) Swiss Property Fund is to ensure an attractive long-term cash flow return. Income from direct property ownership is subject to taxation by the fund itself and is tax-free for the unitholder. Capital gains from direct property ownership are also subject to taxation only by the real estate fund.

Sustainable growth with greater earnings power

The Helvetia (CH) Swiss Property Fund is able once again to report a solid set of results for 2023 (01.10.2022 to 30.09.2023), its fourth financial year. Attention is focused on the capital increase completed for a gross amount of CHF 172 million in spring 2023. In this context, eight high-quality properties were acquired from the portfolio of Helvetia Insurance. The portfolio – whose market value topped the one-billion mark at CHF 1,078 million – offers our investors ideal diversification in terms of macro- and micro-sites, the economic year of construction and tenant structure. The fund participated in the Global Real Estate Sustainability Benchmark (GRESB) for the first time in the past financial year. This was honoured with a Green Star award. In addition, three stars were achieved in the relative peer comparison. This underlines the fact that ESG considerations are a key component in the investment process.

Compared with the previous year, net income went up significantly from CHF 17.94 million to CHF 22.59 million. Unrealized capital losses amount to CHF 22.02 million (previous year: unrealized capital gains of CHF 8.45 million).

This negative development is due to the interest rate rises in recent months and the resulting decline in market values in the portfolio. After deduction of liquidation taxes, total income amounted to CHF 0.16 million and thus the investment yield remained positive at 0.41%.

Development of operating result

The strong focus on residential properties, accounting for around 78% of the rental income, once again contributed to the very stable performance of the Helvetia (CH) Swiss Property Fund. The increase in rental income to CHF 36.93 million further strengthened earnings power (2022: CHF 27.36 million). The rent default rate was reduced via active asset management and stands at a very encouraging 2.48% (2022: 2.53%). The EBIT margin improved to 66.19% (2022: 65.05%). The fund operating expense ratio (TER_{REF} GAV) decreased again to 0.76% (2022: 0.77%). Net income generated in financial year 2023 rose to CHF 2.78 per unit (2022: 2.76).

Price and performance

The interest turnaround left its mark on the Swiss market for indirect real estate. Following the pronounced correction in the previous year (–13.6%), a slight recovery was seen in listed real estate funds in the course of the current calendar year (+1.2%). As at 30 September 2023, premiums for the segment as a whole came to 10%, corresponding to a decline of around 30 percentage points compared with the peak in January 2022. In the present interest rate environment, the current premiums on listed real estate funds can be classified as low by historical standards.

Between 1 October 2022 and 30 September 2023, the Helvetia (CH) Swiss Property Fund recorded a negative performance of –6.40% based on the OTC price trend, thereby underperforming the benchmark SXI Real Estate® Funds Broad TR (relevant for listed Swiss real estate funds), which showed a slightly positive performance of +3.88% in the same period. Since the interest rate turnaround, the Helvetia (CH) Swiss Property Fund has reflected a time-lagged but synchronous development compared with the overall index. In financial year 2023, the excess return (return from price gains for the Helvetia [CH] Swiss Property Fund compared to the SXI Real Estate® Funds Broad TR) came to around 13%.

Net asset value and distribution

The net asset value per unit declined from CHF 103.95 to CHF 101.61 last year, corresponding to a decrease of 2.25%. The market value of the properties climbed by CHF 215.21 million (+24.94%) past year to CHF 1,077.97 million. This increase in market value is attributable to the acquisition of eight properties worth CHF 229.52 million in spring 2023. At the same time, there was a negative change in the value of the portfolio of CHF -14.31 million. The main driver of this development is the declining relative attractiveness of direct real estate investments owing to higher interest rates, which is manifested in higher discount rates. In addition to the change in value of the portfolio, CHF -7.71 million in ancillary purchase costs had to be written off. Overall, this led to unrealized capital losses of CHF 22.02 million.

For the current financial year, last year's distribution of CHF 2.75 per unit was held constant despite the higher financing expenses. Accordingly, a total of 94.53% of the profit available for distribution is to be distributed to investors, corresponding to a payout ratio of 98.90%. Based on the OTC price of CHF 104.00 as at 30.09.2023, the dividend yield is a gratifying 2.64%.

Outlook for financial year 2024

The Helvetia (CH) Swiss Property Fund, with a portfolio market value of CHF 1,078 million, is one of the largest non-listed real estate funds in Switzerland. This fulfils the conditions for a listing on the SIX Swiss Exchange. Given suitable market conditions, this is planned for the first half of 2024.

The rise in the reference interest rate on 1 June 2023 and the adjustment of indexed rental agreements for apartments are expected on their own to generate additional rental income of CHF 1.12 million in the next financial year, corresponding to a rise of 2.95% compared with the target rental income. A further adjustment of the reference interest rate would result in a potential increase of CHF 0.76 million or 2.01% of the target rental income.

General economic conditions

Swiss economy

Current forecasts are expecting GDP to increase by around 0.9% this year. Although this is a positive figure, it is clearly below the average of the past 10 years (+1.7%).

The Swiss Federal Statistical Office's employment outlook indicator is still positive, which indicates that many companies are planning to hire new employees. Employment growth is likely to normalize in the medium term, however, and once again follow the real development of the economy more closely. In June 2023, inflation dropped below the 2% mark for the first time since January 2022. Core inflation has declined only marginally, however, and remains well above the average of recent years.

The high immigration rate is one of the key drivers of the Swiss real estate market. In the first half of 2023, net immigration into Switzerland came to 47,200 individuals. For the year as a whole, net immigration of over 90,000 people is expected, again driving up demand for housing.

Rental apartment market

The supply of rental housing continues to contract. Compared to two years ago, the number of apartments advertised for rent has declined considerably by 31%. In more and more regions of Switzerland this is creating an excess demand. The tight housing market will probably not be a short-term but a medium-term phenomenon. There are several reasons for this: manifold challenges for inward urban development, higher construction prices, more investment alternatives and lengthy building permit proceedings. Taken together, these challenges are having a dampening effect on new construction activity. In view of the strong demand for housing, the vacancy rate seems likely to fall below the optimum level of 1.27% this year, according to Wüest Partner. This is conducive to a continuing uptrend in quoted rents (forecast for 2023: +3.2%). Moreover, existing rents were raised by around 3% in June owing to the adjustment to the reference interest rate. This underpins the implicit inflation protection of residential real estate and partially compensates for the higher discount rates and the concomitant lower valuations by independent valuation experts.

Commercial space market

The market for office space is healthy and continues to show lively demand, driven by the dynamic development in the labour market. In the first quarter of 2023, employment once again rose by over 2% compared to the prior-year quarter. In contrast to the dynamic demand, new construction activity in both commercial property markets (office and retail) is declining. This development is due, inter alia, to increased construction and financing costs, which are weighing on investment sentiment. The stationary retail sector is still under considerable pressure from online trade. Rents continue to decline in the retail segment: Wüest Partner expects them to have fallen by 1.6% in 2023. Across Switzerland as a whole, advertised rental prices for office space can be expected to trend upwards this year (forecast: +1.0%).

Therwil, Im Hofacker 2/4/6/8/10/12/14/16

Year of construction: 2001

Use: Residential

Market value: CHF 25,720,000



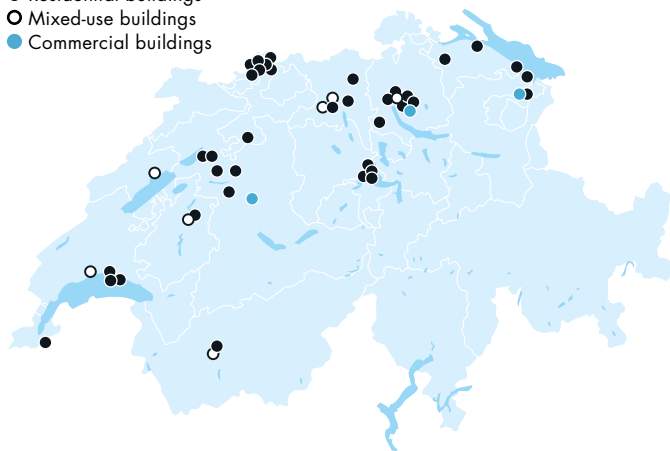
Real estate portfolio

Locations

The Helvetia (CH) Swiss Property Fund has a broadly diversified portfolio consisting of 47 yield-producing properties. In geographic terms, the properties extend along a corridor from Lake Geneva to Lake Constance. The focus is on conurbations within close proximity to large cities and regional centres, with the big cities (Basel, Geneva, Lausanne and Zurich) accounting for around 22% of the portfolio's value. Over 40% of the portfolio is accounted for by the conurbations of large and medium-sized towns and cities.

Location of the properties

- Residential buildings
- Mixed-use buildings
- Commercial buildings



Properties by canton

as a % of the market value of the portfolio

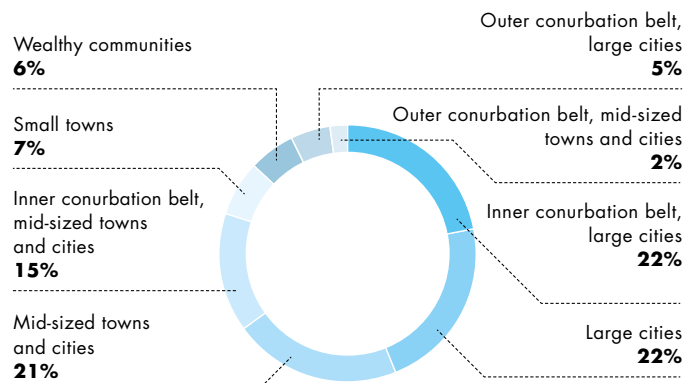
Zurich	23%
Bern	11%
Aargau	11%
Lucerne	9%
Thurgau	8%
Vaud	8%
Basel-Land	7%
St. Gallen	5%
Geneva	4%
Basel-Stadt	4%
Fribourg	4%
Solothurn	3%
Valais	2%
Neuchâtel	1%

In terms of market value, 35% of the properties are in the Zurich and Lake Geneva regions. If Northwest Switzerland is factored in, around 60% of the allocation is attributable to these regions. Western and Southern Switzerland account for 7% of the portfolio.

Altogether, the properties in the economically strong cantons of Zurich (23%), Lucerne (9%), Bern (11%), Basel-Stadt (4%), Vaud (8%) and Geneva (4%) make up around 60% of the portfolio.

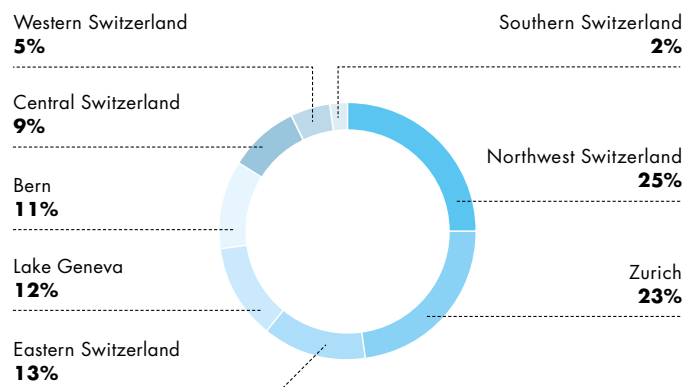
Properties by municipal typology

as a % of the market value of the portfolio



Properties by monitoring region

as a % of the market value of the portfolio



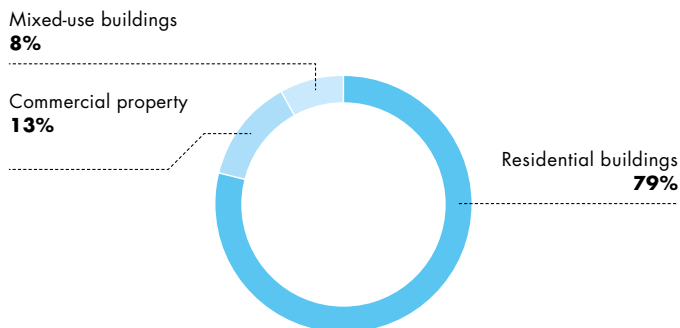
Usage

The Helvetia (CH) Swiss Property Fund real estate portfolio has a substantial residential component. 37 of the 47 properties (79% of the market value) are residential buildings. Seven other properties are mixed-use buildings (8% of the market value). The fund also holds three commercial properties (13% of the market value).

As at 30.09.2023, 78.1% of the annual target rental income is attributable to residential properties, followed by parking spaces (7.6%). Only 13.1% of the target rental income is generated by the commercial use categories – offices (5.5%), retail (4.5%), trade (2.8%) and restaurants (0.3%). Other usage types account for the remaining 1.2%.

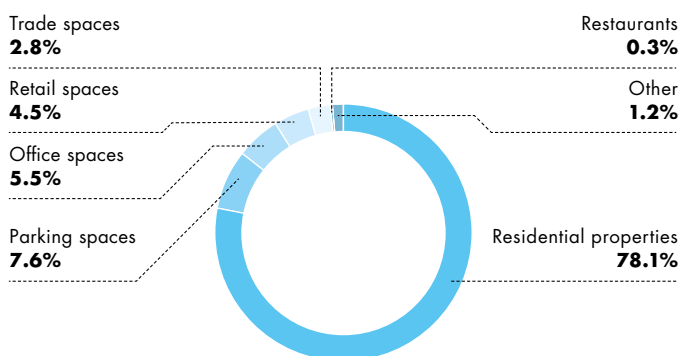
Properties by property type

as a % of the market value of the portfolio



Target rental income by usage

as a % of the target rental income of the portfolio

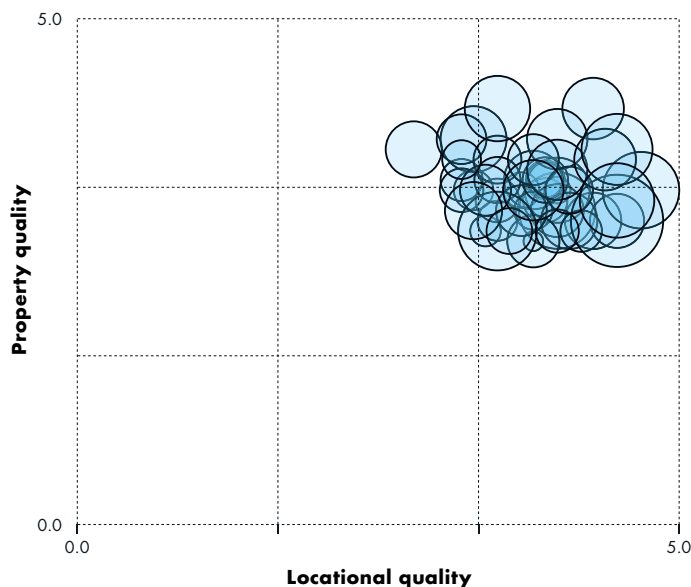


Location and quality of buildings

The majority of properties are predominantly located in very well-developed, economically strong regions regarded as attractive to real estate investors and tenants. In addition to their advantageous macro-locations, the properties are well connected to public and private transport infrastructures and situated in pleasant environments that offer tenants a broad range of amenities. These statements are confirmed by the independent valuation experts Wüest Partner, who give the average macro-location of the real estate portfolio a rating of 4.3 and the average micro-location 3.6 (5 = highest rating, 1 = lowest rating). This corresponds to a market value-weighted overall location rating of 3.9 (previous year: 3.9).

Wüest Partner market matrix

Dot sizes correspond to the relative market value in the portfolio



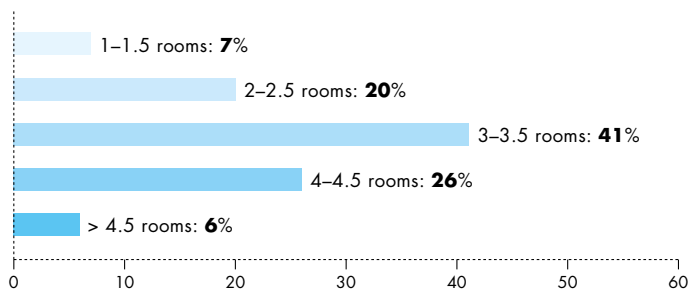
In order to provide a successful rental offer, in addition to the location, a property quality adapted to the demand is required. Wüest Partner gives the properties an overall quality rating of 3.3 (5 = highest rating, 1 = lowest rating). A rating of 3.2 for property standard is regarded as average, corresponding to the structure of the medium-sized portfolio. The properties are generally in good condition (Wüest Partner rating 3.6) and being used appropriately (Wüest Partner rating 3.3).

Residential mix and rent structure

The portfolio comprises 1,861 apartments (previous year: 1,575 apartments) and reflects a typical distribution by number of rooms for the Swiss property market. 67% of the portfolio consists of 3 to 4.5-room apartments, 27% 1 to 2.5-room apartments and 6% are apartments with 5 or more rooms.

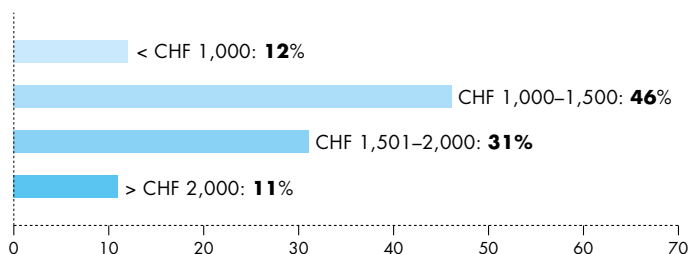
Distribution by size of residential unit

as a % of the residential component of the portfolio



Distribution of net rent per month

as a % of the residential component of the portfolio

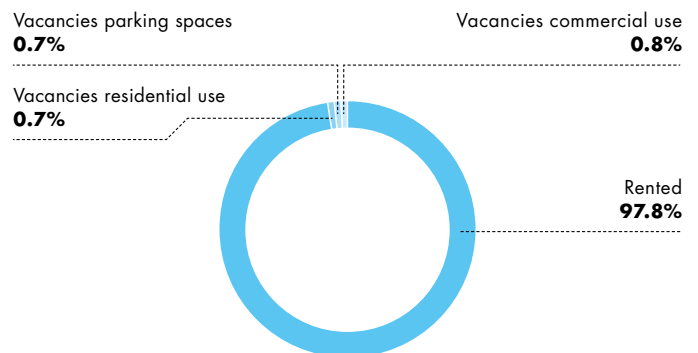


Rents for the apartments are mostly in the medium price segment. The maximum monthly net rent of around 58% of the apartments is CHF 1,500. Only 11% of the apartments have monthly rents of more than CHF 2,000.

The rental price structure, the good location and property quality as well as an active asset management strategy translate into a very low vacancy rate of 0.9% or 19 apartments as at 30.09.2023 (previous year: 11 apartments), corresponding to 0.7% of the total target rental income.

Vacancies by type of use

as a % of the target rental income of the portfolio



Obfelden, Stehli-Seiden-Areal 8-11

Year of construction: 2016

Use: Residential

Market value: CHF 28,810,000



Sustainability report.

As a member of the Helvetia Group, Helvetia Asset Management Ltd assumes responsibility for the effects of its decisions and activities on the environment, society and the economy. Whether as an investor, a company or a corporate citizen, Helvetia Asset Management Ltd pursues sustainable value creation with transparent and ethical practices characterized by a sense of responsibility towards its stakeholders.

Sustainability strategy

The sustainability strategy of Helvetia Asset Management Ltd is based on the sustainability strategy and its subordinate climate strategy and on the responsible investment strategy of the Helvetia Group. The latter is founded on two strategic objectives: the systematic integration of ESG criteria for all asset classes and the alignment of the investment portfolio with the net-zero target for greenhouse gas emissions by 2050.

Based on these parameters, a sustainability strategy factoring in the three sustainability dimensions of environment, society and economy was developed for real estate management and integrated into the entire property life cycle.

Sustainability approach

With the climate-oriented sustainability approach of its portfolio, Helvetia Asset Management Ltd is seeking to reduce its carbon footprint and achieve progress in terms of the sustainability targets it pursues. In particular, the corresponding reduction pathways are followed with the aim of reducing greenhouse gas emissions and energy consumption.

Vision

Helvetia Asset Management Ltd is convinced that optimum long-term performance can only be achieved by sustainably managing real estate along its entire life cycle by considering environmental, social, and economic criteria when taking decisions. Investments in the sustainability of real estate minimize risks and ensure long-term value to the benefit of the investors. In this way, Helvetia Asset Management Ltd also lives up to its responsibility towards its stakeholders and towards the environment and society.

Mission

As a responsible real estate manager, Helvetia Asset Management Ltd proactively handles the relevant sustainability aspects, manages its funds prudently and cultivates a service-oriented relationship with its stakeholders in a spirit of partnership. In implementing the sustainability strategy, it ensures that the quality of the investments it manages increases for investors and tenants over the long term, thus creating an attractive range of products which should generate an appropriate return in future too.

Principles

- **Integration of sustainability targets into the portfolio and property strategy**
- **Ensure a balance between return and environmental and social targets**
- **Using sustainability key figures for transparent communication with internal and external stakeholders**
- **Safeguarding the long-term future as opposed to maximizing profits in the short term**

Sustainability targets and action planning

Sustainability targets were defined on the basis of the sustainability strategy and, in line with these, an action plan was established for achieving them. The first four targets are an integral component of the fund agreement.



Reducing greenhouse gas emissions in the company

The focus for reducing greenhouse gas emissions should be on existing buildings, where the greatest impact can be achieved. The portfolio is to be reviewed in stages, and the share of properties with renewable sources of energy increased.

Actions

- Energy-efficient building refurbishments
- Substitution of fossil by non-fossil energy sources
- Expansion of photovoltaic systems



Reducing energy and water requirements

Buildings and their users account for the lion's share of Swiss energy consumption. Helvetia Asset Management Ltd recognizes the potential for reducing energy and water use in its portfolio and has set itself the goal of cutting its consumption.

Actions

- Energy-efficient building refurbishments
- Operational optimizations
- Installation of water-saving aerators



Greater environmentally friendly mobility

The locations and building concepts should promote environmentally friendly mobility in order to reduce usage of motorized individual transport. In particular, e-mobility and cycling will be promoted for this purpose.

Actions

- Needs analysis for e-mobility and parking spaces for bicycles
- Additional parking spaces for e-cars plus bicycle stands



Increasing user satisfaction

The Helvetia Asset Management Ltd offering should always take users' needs into account so that their satisfaction can be increased by fine-tuning the offering and its quality. In particular this is to be achieved by: Increasing acoustic, visual and thermal comfort as well as interior air quality in buildings and homes.

Actions

- Tenant surveys (every 3 years)
- Sustainability awareness campaigns directed at tenants



Reducing operating costs

Operating and ancillary costs incurred by owners should be continually benchmarked and optimized/reduced while factoring in economic, ecological and social aspects.

Actions

- Benchmarking of operating and ancillary costs incurred by owners
- Operational optimizations
- Centralization of energy procurement
- Optimization of data collection



Optimizing communication with stakeholders

Communication adapted to target groups increases transparency and stakeholder satisfaction. Sustainability-based communication should be on the agenda at least once a year.

Actions

- Annual sustainability report
- Participation in the Global Real Estate Sustainability Benchmark (GRESB)

Implementation of actions

The actions to be taken in connection with implementing the sustainability strategy were selected to ensure maximum effect if deployed over subsequent years with an optimum cost-benefit ratio.

The following actions have been taken or are in the planning stage:

ESG monitoring

- In order to monitor and analyse all sustainability KPIs on a centralized basis, a dynamic cockpit was developed that permits specific analyses at portfolio and property level and can be specifically used for action planning.

Photovoltaic systems

- The entire portfolio was analysed for its potential to accommodate photovoltaic systems and the installation of solar panels was assessed.
- In the 2023 financial year, a new photovoltaic system was commissioned in Biel (Brüggstrasse).
- Two further projects are in the planning phase and will be implemented in the coming financial year.

Electromobility and bicycle

- In response to the outcome of a needs analysis, the installation of parking spaces for e-cars and additional bicycle stands was defined.
- In financial year 2023, e-charging stations were installed at the properties in Kreuzlingen, Lucerne, Rorschacherberg, St. Gallen, Zollikofen and Zurich (Bristenstrasse).
- There are plans to install parking spaces for electric vehicles in three further properties in the new financial year.

Energy carrier exchange

- Based on the age of the heating systems, their condition is determined and the option of switching to non-fossil energy sources assessed.
- In financial year 2021, the property in Riehen was connected to the district heating network (previously gas).
- For the 2024 financial year there are plans to replace fossil-fuel heating systems at two properties in Lucerne and Zurich (Signaustasse).

Operational optimizations

- To increase the energy efficiency of the real estate portfolio, operational energy optimizations were implemented at a further five properties.
- Three follow-up inspections will be carried out in the new financial year, as they show further potential for energy savings.
- Six further properties will be examined with regard to their potential for energy savings in the new financial year.

Sensitization and survey of tenants

- In the past financial year, a tenant survey was conducted across the German-speaking sub-portfolio of the Helvetia (CH) Swiss Property Fund.
- In 2024, our tenants will be sensitized to sustainability topics as part of a campaign.

CO₂ emissions and energy consumption

Analysis of status quo

The main contribution to achieving environmental and climate targets comes from reducing CO₂ emissions as well as energy consumption. Among other things, the following key performance indicators based on the definitions of environmental indicators from the AMAS Specialist information factsheet on the key figures of real estate funds of 13.09.2016 (version of 31.05.2022) were determined for the Helvetia (CH) Swiss Property Fund portfolio in 2022.

Helvetia Asset Management Ltd is pursuing a net-zero target for greenhouse gas emissions by 2050. As a consequence, ambitious targets have been set for energy con-

sumption and the share of renewable energy. These were derived from the net-zero target.

The Helvetia (CH) Swiss Property Fund portfolio currently generates CO₂ emissions per m² of energy reference area (ERA) amounting to 14.9 kg CO₂, which is slightly higher than that of Switzerland's building stock (13 kg CO₂/m²). At 95.4 kWh/m², the portfolio's energy intensity is slightly below the Swiss mean of 97 kWh/m². The current share of renewable energy (13.7%) is still below the Swiss average (26%¹).

The portfolio's present energy mix is predominantly based on fossil energy sources. A strict switch to renewable sources of energy has already been integrated into long-term investment planning, which was also factored in for the calculation of the reduction pathways.

Environmental indicators²

Environmental indicators for real estate funds in accordance with the AMAS Specialist information factsheet on the key figures of real estate funds

		Actual 2021 ⁴	Actual 2022	Target 2050
Coverage ratio, electricity	%	88.2	97.0	100
Coverage ratio, heating	%	76.6	97.7	100
Energy consumption ³	MWh	11 608	12 236	0
Energy intensity	kWh/m ²	90.5	95.4	15
Greenhouse gas emissions	kg CO ₂ e	1 868 000	1 904 000	0
Intensity of CO ₂ emissions	kg CO ₂ e/m ²	14.6	14.9	0
Energy mix (percentage of renewable energy)	%	11.2	13.7	100

Other environmentally relevant key figures according to the fund agreement

		Actual 2021	Actual 2022	Target 2050
Water consumption	m ³ /m ²	1.1	1.1	0.8
User satisfaction	Score (1–5)	4.0	4.0	min. 4.0
Accessibility	% of apartments	56	56	85
Electromobility ⁵	% of interior parking spaces	0	2	N.a.
Bicycle parking spaces	Number of parking spaces/person	0.67	0.77	1.00

¹ Data on Switzerland's building stock is based on the 2023 benchmark compiled by REIDA (Real Estate Investment Data Association).

² Unaudited. The "actual" data refer to the underlying reporting periods (01.10.–30.09.).

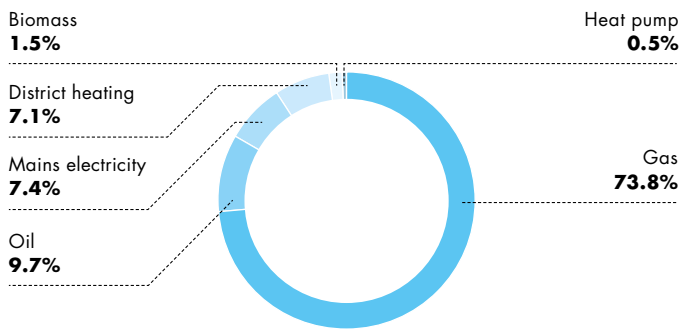
³ The 2050 target depends on the area and so has only been set for energy intensity (next line).

⁴ See measurement concept and methodological background on p. 17.

⁵ The expansion of electromobility is geared to demand.

Energy mix

in % of energy consumption of real estate portfolio



Measurement concept and methodological background

- For the measurement concept, please refer to the details set out in Section 8 clause 4 in the fund agreement.
- The consumption data are based on the ancillary cost accounts from 2021 and 2022 and/or on bills from energy providers and central energy procurement.
- The key figures are based on the most recent consumption data. These may vary compared with the key figures published in the previous year as additional original data have been incorporated in the meantime.
- Electricity supplied to tenants is not (yet) contained in the dataset. Scope 1 and Scope 2 are therefore disclosed accordingly.
- The energy reference area (ERA) is determined on the basis of the lettable area (LA) in line with the latest REIDA conversion factors. This results in a larger ERA compared to the previous year, which reduces the energy intensity.
- More up-to-date CO₂ factors are used for the calculation. The new CO₂ factors differ in part from the previous year's factors, especially with regard to electricity, which now has a much lower CO₂ factor of 19g CO₂/kWh than the previous 150g CO₂/kWh. This adjustment results in lower intensities for CO₂ emissions compared with the figures published in the previous year.
- Adaptation to best practice in the climate correction of raw data in line with the REIDA method: the previous method for correcting heating degree days was replaced by the accumulated temperature difference (ATD) method.

St. Gallen, Schönbüelpark 1/3/5/7

Year of construction: 2011

Use: Residential

Market value: CHF 33,870,000

Reduction pathways

In terms of the target for greenhouse gas emissions, the fund gears itself to the net-zero target set out in the Helvetia Group's responsible investment strategy. As a consequence, ambitious targets set for energy consumption and the share of renewable energy also have to be defined. These are derived from the net-zero target. In order to derive the reduction pathways for greenhouse gas emissions as well as for energy consumption, various scenarios with different depths of interference were modelled. The figures below illustrate the ten-year investment planning scenario plus additional downstream remedial measures through to 2050. The additional measures were factored in based on the life of the components through to 2050 (building shell 35 years, heating system 25 years). The measures include energy-related building refurbishments (shell refurbishment, reduction of energy consumption to 70 kWh/m²) and the replacement of fossil fuels with non-fossil energy sources (heat pumps or district heating).

The resulting reduction pathways for greenhouse gas emissions and energy consumption are shown below. The black line shows the progress of the objectives up to 2050. The blue reduction pathway reflects actual/estimated consumption based on historical data and the planned measures.

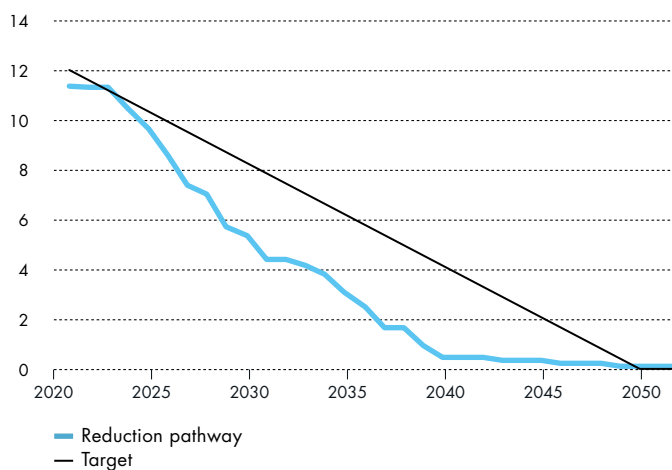
Accordingly, attainment of an objective depends on the reduction pathway not exceeding the target value. The reduction pathways shown take into account the current status of measures and investment planning. This planning, which is based on continually changing frames of reference, is fine-tuned annually to ensure that long-term objectives are attained.

The calculation of the current CO₂ intensities is based on the latest scientific knowledge. Dynamic CO₂ profiles were created for the calculation of future CO₂ intensities of electricity and district heating. Moreover, no improvements in the technological efficiency of heat pumps, installation components and PV systems by 2050 were assumed however, and calculations were based on current customary levels of effectiveness.

If, on the basis of actual consumption data, climate-neutral operation should effectively not yet have been achieved by 2050, there are plans to offset the remaining residual emissions in the form of CO₂ certificates. Offset with CO₂ certificates will only be considered for potential residual emissions in 2050 that cannot be reduced any further. It is important to emphasize that certificates are issued only in exceptional cases and that this is not the usual procedure. All efforts will be made to take other measures to reduce emissions as a priority.

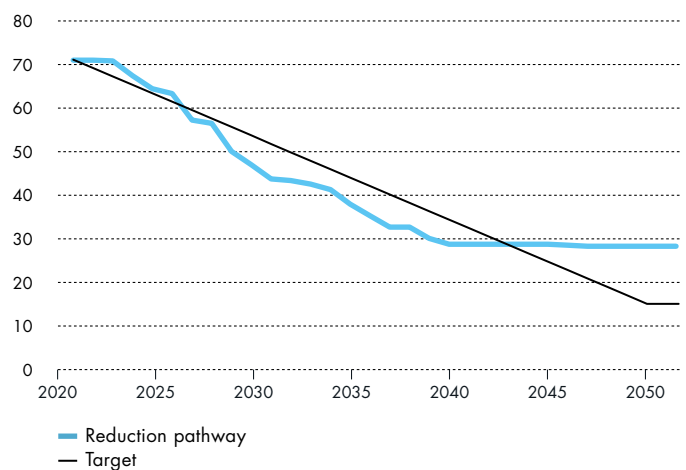
CO₂ reduction pathway, entire portfolio¹

CO₂ emissions in kg/m²



Energy reduction pathway, entire portfolio¹

Energy consumption in kWh/m²



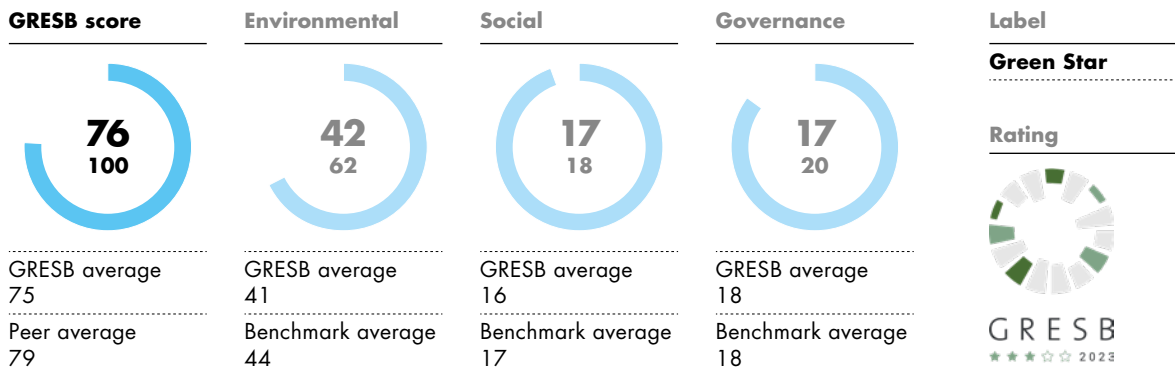
¹ Considers the portfolio of 39 properties as at 30.09.2022.

First-time participation in GRESB

The independent Global Real Estate Sustainability Benchmark (or GRESB for short) rates real estate investments each year in an effort to provide investors with an impartial and transparent benchmark for the ESG performance of companies and real estate investment vehicles.

The Helvetia (CH) Swiss Property Fund participated in the GRESB evaluation for the first time in the reporting period and achieved a gratifying GRESB score of 76. This resulted in three out of a maximum of five stars being awarded in the relative benchmark comparison. This good result means that the Helvetia (CH) Swiss Property Fund also meets the criterion for the separate Green Star award.

GRESB evaluation for Helvetia (CH) Swiss Property Fund



About GRESB

GRESB is an independent organization that provides investors and managers with validated ESG performance data and yardsticks in order to improve business information, industry commitment and decision-making. The GRESB benchmark is an international indicator of the sustainability performance of companies and collective investment vehicles in the real estate sector. The benchmark compares the participating investment vehicles and assesses their sustainability performance in different categories: company management, corporate principles and their implementation, risk and opportunity management, monitoring and environmental management system, certifications, stakeholder management and performance indicators. The evaluation criteria are updated annually and brought into line with the international reporting standards, targets and projects. The GRESB score resulting from the weighting of the categories makes a major contribution to the transparency and comparability of sustainability.

Financial report.

Notes on the statement of net assets

Valuation of properties

As at 30.09.2023 the market value of the real estate portfolio of the Helvetia (CH) Swiss Property Fund was determined by the independent valuation expert Wüest Partner at CHF 1,077.97 million. Compared with the market value of the properties as at 30.09.2022, this represents an increase of CHF 215.21 million or 24.94%. This increase in value is due to the acquisition of eight properties totalling CHF 229.52 million. The resulting difference of CHF –14.31 million is due to negative changes in value ascertained by the independent valuation expert Wüest Partner. One main factor here is the decline in attractiveness of direct real estate investments owing to higher interest rates. As a result, the valuation experts used moderately higher real discount rates compared with the previous year. In addition to the change in value of the portfolio, CHF –7.71 million in ancillary purchase costs had to be amortized. Overall, this led to unrealized capital losses of CHF 22.02 million.

As at 30.09.2023 the average, market valued-weighted real discount rate in the valuations was 2.74%. The figure ranges from 2.30% to 3.15%. Moreover, the valuation report indicated a gross starting yield for all properties of 4.00%.

Financing

In addition to the equity which accrued to the fund, mortgages in the amount of CHF 245.50 million were used to finance the real estate portfolio as at 30.09.2023. The borrowing ratio as at the end of the financial year is 22.77%. Owing to higher interest rates in the 2023 financial year, the interest expenses for loans secured by mortgage rose to CHF 2.36 million (previous year: CHF 0.47 million). Interest on the borrowed capital is 1.31% as at the reference date of 30.09.2023. The weighted average term of debt is 2.22 years, a slight decrease of 0.2 years from the previous year.

Taxes and duties

Tax expenses in financial year 2023 amount to CHF 1.77 million. Alongside tax expenses, estimated liquidation taxes were increased to CHF 4.63 million (previous year: CHF 4.22 million). The slight rise in liquidation taxes is due to the real estate transfer tax on the acquisition of eight properties in the portfolio.

NAV trend

The net fund assets (NAV) at the close of the financial year amount to a total of CHF 825.57 million (CHF 101.61 per unit), representing an increase of CHF 149.91 million or 22.19%. This sharp increase is due largely to the acquisition of the aforementioned real estate portfolio and the capital increase completed in spring 2023 for financing purposes. Net income of CHF 22.59 million also made a positive contribution. However, unrealized capital losses amounting to CHF 22.02 million affected the result. Over the past financial year, the over-the-counter price fell by 8.77%, which resulted in a premium on the NAV of 2.35% as at 30.09.2023.

Purchases and sales

In spring 2023, an attractive holding of eight properties from the portfolio of Helvetia Insurance was successfully integrated. This portfolio is an ideal fit for the fund's proven quality strategy with its clear focus on high earnings and stable value. The acquisition not only led to a further increase in diversification in terms of locations, property age and tenant diversity, but also lays the foundations for the fund's listing.

Notes on the income statement

Rental income and letting

In the 2023 financial year, the Helvetia (CH) Swiss Property Fund generated a total of CHF 36.93 in rental income. During this period, rent losses of CHF 0.94 million were reported, which is a comparatively low rent default rate of 2.48%. Of these rent losses, vacancies account for just 85% (previous year: 97%), while the remaining 15% is attributable to losses from receivables.

The tenant structure of the real estate fund is broadly diversified with no significant cluster risks. The ten largest tenants account for just 5.4% of the target rental income (previous year: 4.2%): The biggest tenant in the portfolio accounts for 0.9% (previous year: 1.0%). The weighted average unexpired lease term (WAULT) of commercial leases is 3.1 years.

Operating costs

In the reporting period, maintenance and repair costs for the properties amount to a total of CHF 3.53 million or 9.56% of the rental income from the portfolio. Property expenses for the 2023 financial year amount to CHF 1.18 million or 3.20% of the rental income.

Investments

The costs of sustainability measures, individual component refurbishments and restoration work on rental properties following a change of tenant amounted to CHF 1.38 million, CHF 0.99 million or 71.7% of which was classified as value-adding. The remaining, non-value-adding investments of CHF 0.39 million are contained in the maintenance and repairs line item.

Fund-related expenses

Operating expenses (remunerations in accordance with the fund regulations, appraisals and auditing expenses, and administration expenses) for financial year 2023 amounted to CHF 7.62 million. This represents a TER_{REF} GAV of 0.76% (previous year: 0.77%).

Frauenfeld, Teuchelwiesstrasse 2/4/6/8/10/12,
General-Weber-Strasse 6/8/10

Year of construction: 1966

Use: Residential

Market value: CHF 28,730,000



Statement of net assets.

Assets

in CHF	30.09.2023	30.09.2022
Bank accounts at sight	7 816 026	5 240 008
Property		
Residential buildings	852 454 000	739 330 000
Commercial property	88 630 000	14 620 000
Mixed-use buildings	136 890 000	108 810 000
Total properties	1 077 974 000	862 760 000
Other assets	7 807 877	5 311 791
Gross fund assets	1 093 597 903	873 311 799

Liabilities

in CHF	30.09.2023	30.09.2022
Short-term interest-bearing mortgages and other liabilities secured by mortgage	-104 500 000	-55 000 000
Other current liabilities	-17 892 200	-10 421 611
Long-term interest-bearing mortgages and other liabilities secured by mortgage	-141 000 000	-128 000 000
Net fund assets before estimated liquidation taxes	830 205 703	679 890 188
Estimated liquidation taxes	-4 632 000	-4 222 000
Net fund assets	825 573 703	675 668 188
Change in net asset value		
Net asset value at the beginning of the reporting period	675 668 188	465 313 302
Distributions paid	-17 875 000	-15 975 000
Balance from unit transactions	167 618 750	203 469 109
Total income	161 765	22 860 777
Net fund assets at the end of the reporting period	825 573 703	675 668 188

Number of units in circulation

Units	01.10.2022 – 30.09.2023	01.10.2021 – 30.09.2022
As at the beginning of the reporting period	6 500 000	4 500 000
Units issued	1 625 000	2 000 000
Units redeemed	0	0
As at the end of the reporting period	8 125 000	6 500 000
in CHF	30.09.2023	30.09.2022
Net asset value per unit	101.61	103.95

Income statement.

Income

in CHF	01.10.2022–30.09.2023	01.10.2021–30.09.2022
Income from bank accounts	2 675	40
Rental income	36 926 599	27 359 209
Other income	25 245	9 649
Negative interest	-538	-6 083
Current net income paid in on issued units	2 128 750	2 487 032
Total income	39 082 731	29 849 847

Expenses

in CHF	01.10.2022–30.09.2023	01.10.2021–30.09.2022
Mortgage interest and interest from liabilities secured by mortgage	-2 362 630	-465 743
Other interest paid	-13 421	-7 660
Negative interest received	0	10 375
Remuneration for building rights	-6 650	0
Repairs and maintenance	-3 529 190	-3 316 192
Property management:		
Administration expenses	-302	-1 885
Property expenses	-1 181 861	-943 889
Taxes and duties	-1 772 103	-1 646 279
Auditing expenses	-75 389	-49 849
Appraisal expenses	-74 030	-56 388
Remunerations in accordance with the fund regulations to:		
the fund management company	-5 900 729	-4 280 005
the custodian bank	-244 797	-167 806
the real estate manager	-1 328 629	-986 487
market makers	0	0
Other expenses	0	-272
Total expenses	-16 489 731	-11 912 080
Net income	22 593 000	17 937 767
Realized capital gains and losses	0	0
Realized income	22 593 000	17 937 767
Unrealized capital gains and losses	-22 021 235	8 452 010
Change in liquidation taxes	-410 000	-3 529 000
Total net income	161 765	22 860 777

Appropriation of income

in CHF	01.10.2022–30.09.2023	01.10.2021–30.09.2022
Net income for the financial year	22 593 000	17 937 767
Capital gains from the financial year intended for distribution	0	0
Capital gains from previous financial years intended for distribution	0	0
Balance carried forward from previous year	1 043 062	980 295
Income available for distribution	23 636 062	18 918 062
Income intended for distribution to investors	-22 343 750	-17 875 000
Income retained for reinvestment	0	0
Carried forward to new account	1 292 312	1 043 062

Distribution of income

in CHF, distribution date 15.12.2023, payment date 18.12.2023	01.10.2022–30.09.2023	01.10.2021–30.09.2022
To all unit certificate holders	-22 343 750	-17 875 000
Gross per unit	2.75	2.75
Less Swiss federal withholding tax	0	0
Net per unit	2.75	2.75

Zurich, Scheideggstrasse 123/125

Year of construction: 2012

Use: Residential

Market value: CHF 29,900,000



Appendix.

Key figures

The AMAS key figures were calculated in accordance with the AMAS Specialist information factsheet on the key figures of real estate funds of 13.09.2016 (version of 31.05.2022).

in %	30.09.2023	30.09.2022
Rent default rate	2.48	2.53
Borrowing ratio	22.77	21.21
Dividend yield	2.64	2.41
Payout ratio	98.90	99.65
Operating profit margin (EBIT margin)	66.19	65.05
Fund operating expense ratio GAV (TER _{REF} GAV)	0.76	0.77
Fund operating expense ratio MV (TER _{REF} MV)	0.95	0.80
Return on equity (ROE)	0.02	3.42
Return on invested capital (ROIC)	0.04	2.90
Premium	2.35	9.67
Performance, over-the-counter price	-6.40	-2.92
Investment yield	0.41	4.11

Environmental indicators¹

Environmental indicators for real estate funds in accordance with the AMAS Specialist information factsheet on the key figures of real estate funds.

		Actual 2022	Actual 2021 ³
Coverage ratio, electricity	%	97.0	88.2
Coverage ratio, heating	%	97.7	76.6
Energy consumption ²	MWh	12 236	11 608
Energy intensity	kWh/m ²	95.4	90.5
Greenhouse gas emissions	kg CO ₂ e	1 904 000	1 868 000
Intensity of CO ₂ emissions	kg CO ₂ e/m ²	14.9	14.6
Energy mix (percentage of renewable energy)	%	13.7	11.2

¹ Unaudited. The "actual" data refer to the underlying reporting periods (01.10.–30.09).

² The 2050 target depends on the area and so has only been set for energy intensity (next line).

³ See measurement concept and methodological background on p. 17.

Information on the balance sheet and units scheduled for redemption

in CHF	30.09.2023	30.09.2022
Balance of depreciation account for land and buildings	0.00	0.00
Balance of provisions account for future repairs	0.00	0.00
Balance of account for income retained for reinvestment	0.00	0.00
Number of units scheduled for redemption at the end of the next financial year	None	None

Information on short-term fixed-interest securities, real estate certificates or derivatives

None.

Information on units in other real estate funds and real estate investment companies

None.

Mortgages and other advances secured by mortgage

None.

Participations in real estate companies

None.

Rental income per tenant, greater than 5%

None.

Information concerning soft commission agreements

The fund management company has not concluded any fee-sharing agreements or agreements on retrocessions in the form of soft commission agreements.

Transactions with closely related persons/entities

In application of Art. 63 paras. 2 and 4 CISA in conjunction with Art. 32a CISO, under its ruling dated 26.02.2023 the Swiss Financial Market Supervisory Authority (FINMA) granted an exception to the ban on transactions with closely related persons/entities in respect of the acquisition of real estate assets from Helvetia Swiss Life Insurance Company Ltd, Basel. The fund management company is required to mention this transaction in the real estate fund's annual report.

In the context of the capital increase of the Helvetia (CH) Swiss Property Fund ("real estate fund"), Helvetia Swiss Life Insurance Company Ltd, Basel, assigned a real estate portfolio of eight properties to Helvetia Asset Management Ltd, Basel, in favour of the real estate fund by means of a transfer of assets in accordance with Art. 69 ff. of the Mergers Act (MergA). The transfer of the properties was carried out as a cash transaction and not as a contribution in kind against the issue of fund units. The two companies are closely related legal persons within the meaning of Art. 63 CISA. The real estate assets that were the subject of this transaction are listed under "Changes in holdings".

The fund management company confirms that other transactions with closely related persons/entities were concluded at market terms.

Transactions between collective investment schemes

None.

Net asset value

in CHF	Net asset value	Number of units	Net asset value per unit	Distribution per unit
30.09.2023	825 573 703	8 125 000	101.61	2.75
30.09.2022	675 668 188	6 500 000	103.95	2.75
30.09.2021	465 313 302	4 500 000	103.40	3.55
30.09.2020 ¹	441 128 447	4 500 000	98.03	0

¹ The 2020 financial year was short (120 days) as the launch was on 03.06.2020.

Principles for the valuation of the fund's assets as well as the calculation of the net asset value

In accordance with § 16 of the fund agreement ("Calculation of the net asset value and the engagement of valuation experts"), the net asset value of the real estate fund is calculated at the market value in Swiss francs (CHF) as at the end of the financial year as well as in the event of any issue of units. The net asset value of a unit is equal to the market value of the fund assets, less any liabilities of the real estate fund and any taxes likely to fall due in the event of any liquidation of the real estate fund assets, divided by the number of units in circulation. The net asset value is rounded to the nearest CHF 0.01.

In accordance with Art. 64 para. 1 CISA, Art. 88 para. 2 CISA, Art. 92 and 93 CISO as well as the AMAS Guidelines for Real Estate Funds, the fund's properties are regularly valued by independent valuation experts accredited with the supervisory authority using the discounted cash flow (DCF) method. The valuation corresponds to the price that would probably be obtained in a diligent sale at the time of valuation. When acquiring or selling properties in the fund's assets as well as at the close of each financial year, the market value of the properties in the fund's assets must be reviewed by the valuation experts. The market value of the individual properties is the price that is presumed to be achievable in the course of ordinary business transactions and based on the assumption of prudent purchasing and selling behaviour. In individual cases, in particular when purchasing and selling fund properties, any opportunities are leveraged in the best interests of investors. This can lead to deviations in valuations. Further information on valuation methods, quantitative data and market values can be found in the valuation report of the valuation experts.

Geneva, Chemin Frank-Thomas 34/36/38/40

Year of construction: 1989

Use: Residential

Market value: CHF 46,520,000



Mortgages, fixed advances, loans and lines of credit

During the 2023 financial year, the Helvetia (CH) Swiss Property Fund received the following lines of credit. Interest rates are fixed during the entire term.

Current lines of credit

	Amount (in CHF)	Term from	Term to	Interest rate (in %)
Short-term liabilities				
Maturity within 12 months				
Fixed advance	18 500 000	03.07.2023	03.10.2023	2.05
Fixed advance	38 000 000	29.09.2023	03.01.2024	2.09
Fixed mortgage	24 000 000	03.06.2020	03.06.2024	0.19
Fixed mortgage	24 000 000	03.06.2020	03.06.2024	0.20
Long-term liabilities				
Maturity within 1 to 5 years				
Fixed mortgage	40 000 000	01.04.2022	01.04.2026	0.71
Fixed mortgage	13 000 000	31.03.2023	31.03.2027	2.19
Fixed mortgage	18 000 000	31.03.2023	31.03.2027	2.18
Fixed mortgage	30 000 000	03.04.2023	02.04.2027	2.01
Fixed mortgage	40 000 000	01.04.2022	01.04.2028	0.94
Total	245 500 000			

Expired lines of credit

	Amount (in CHF)	Term from	Term to	Interest rate (in %)
Fixed advance	3 000 000	05.09.2022	03.10.2022	0.48
Fixed advance	52 000 000	05.09.2022	03.10.2022	0.37
Fixed advance	3 000 000	03.10.2022	03.11.2022	0.87
Fixed advance	38 000 000	03.10.2022	03.11.2022	0.82
Fixed advance	12 000 000	03.10.2022	02.12.2022	0.73
Fixed advance	38 000 000	03.11.2022	02.12.2022	0.74
Fixed advance	45 500 000	02.12.2022	02.02.2023	1.05
Fixed advance	12 000 000	02.12.2022	02.02.2023	1.04
Fixed advance	10 000 000	02.12.2022	02.02.2023	1.06
Fixed advance	12 000 000	02.02.2023	03.04.2023	1.28
Fixed advance	23 500 000	02.02.2023	03.04.2023	1.26
Fixed advance	31 000 000	31.03.2023	30.06.2023	1.77
Fixed advance	12 000 000	03.04.2023	03.07.2023	1.75
Fixed advance	23 500 000	03.04.2023	03.07.2023	1.77
Fixed advance	31 000 000	30.06.2023	29.09.2023	2.10
Fixed advance	12 000 000	03.07.2023	29.09.2023	2.10

Information on actual rates of remuneration if maximum rates are indicated in the fund agreement

Charged to investors

in %	30.09.2023		30.09.2022	
	Actual	Maximum	Actual	Maximum
Issue commission in favour of the fund management company, the custodian bank and/or domestic distributors (as % of net asset value)	1.50	3.00	2.00	5.00
Redemption commission in favour of the fund management company, the custodian bank and/or domestic distributors (as % of net asset value)	N.a.	2.00	N.a.	2.00
Commission for the payout of the liquidation proceeds	N.a.	0.50	N.a.	0.50

Charged to the fund's assets

in %	30.09.2023		30.09.2022	
	Actual	Maximum	Actual	Maximum
Annual administrative commission of the fund management company (as % of average total fund assets)	0.60	1.00	0.60	1.00
Commission for efforts and costs in connection with the construction of buildings, renovations and conversions (as % of building costs)	N.a.	3.00	N.a.	3.00
Commission for efforts and costs in connection with the management of individual properties (as % of annual net rental income)	3.60	5.00	3.60	5.00
Commission for efforts and costs in connection with the purchase and sale of properties (as % of the purchase or sale price as long as no third party has been commissioned with this)	1.50	2.50	1.50	2.50
Development commission for efforts and costs in connection with the development of undeveloped sites (as % of building costs)	N.a.	3.00	N.a.	3.00
Annual custodian bank commission of the custodian bank (as % of the net asset value)	0.03	0.10	0.03	0.10
Commission of the custodian bank for payment of the annual income to investors (as % of the gross amount of the distribution)	0.07	0.50	0.09	0.50

Total amount of contractual payment obligations after the reference date for property purchases, construction orders and investments in properties

in CHF	30.09.2023
Total amount of contractual payment obligations	N.a.

Dättwil, Pilgerstrasse 14/16/18/20

Year of construction: 1981

Use: Residential

Market value: CHF 16,190,000



Property inventory

as at 30.09.2023

Place	Address	Canton	Year of construction	Type of ownership	Purchase price (in CHF)	Market value (in CHF)	Target rental income (in CHF)	Rent losses (in CHF)	Rent losses (in %)	Rental income (gross income received) (in CHF)	Apartments (number)	Parking spaces (number)	Residential (m ²)	Offices/ practices (m ²)	Retail (restaurant) /shops (m ²)	Trade (m ²)	Other rental space (m ²)	Total rental space (m ²)	
Residential buildings																			
Allschwil	Bettenstrasse 22/24	Basel-Land	1967	Wholly owned	9 415 848	9 654 000	339 724	10 677	3.14	329 047	19	33	1 716	0	0	0	12	1 728	
Basel	Gundeldingerstrasse 131	Basel-Stadt	1932	Wholly owned	4 826 398	5 083 000	167 634	2 353	1.40	165 281	6	0	768	0	0	0	0	768	
Basel	Horburgstrasse 21, Badenweilerstrasse 28, Müllheimerstrasse 173/175	Basel-Stadt	2004	Wholly owned	33 797 220	33 550 000	1 328 273	14 146	1.06	1 314 127	48	43	4 806	0	0	1 387	34	6 227	
Biel/Bienne	Brüggstrasse 83/87	Bern	1977	Wholly owned	12 386 582	11 930 000	516 630	22 414	4.34	494 216	32	40	2 609	0	0	0	18	2 627	
Biel/Bienne	Fliedweg 4/6/10/12	Bern	2010	Wholly owned	13 765 756	13 530 000	601 359	8 297	1.38	593 062	32	18	3 130	0	0	0	15	3 145	
Binningen	Schafmattweg 47	Basel-Land	1966	Wholly owned	21 425 924	20 290 000	754 386	51 737	6.86	702 649	41	49	3 200	0	0	0	4	3 204	
Dättwil (Baden) ¹	Pilgerstrasse 14/16/18/20	Aargau	1981	Wholly owned	16 722 872	16 190 000	308 601	–	0.00	308 601	28	30	2 788	0	0	0	56	2 844	
Frauenfeld ¹	Teuchelwiesstrasse 2/4/6/8/10/12, General-Weber-Strasse 6/8/10	Thurgau	1966	Wholly owned	29 651 542	28 730 000	509 210	6 783	1.33	502 427	54	63	4 626	0	0	0	171	4 797	
Geneva	Chemin Frank-Thomas 34/36/38/40	Geneva	1989	Wholly owned	45 242 860	46 520 000	2 011 010	31 401	1.56	1 979 609	57	125	5 113	1 078	0	204	24	6 419	
Gockhausen	Spirackerstrasse 25/27/29/31/33/35/37/39/41/ 43/45/47/49/51/53	Zurich	1998	Wholly owned	17 221 454	17 800 000	715 818	13 144	1.84	702 674	24	44	2 368	0	0	0	65	2 433	
Gockhausen	Spirackerstrasse 20/22/24/26, Meisenrain 1	Zurich	1997	Wholly owned	15 935 589	16 470 000	653 793	18 415	2.82	635 378	25	39	2 724	0	0	0	101	2 825	
Hunzenschwil ¹	Juraweg 2/4, Hauptstrasse 7a/7b	Aargau	2016	Wholly owned	41 971 926	40 120 000	757 008	22 781	3.01	734 227	72	101	6 013	0	0	612	235	6 860	
Kreuzlingen	Döbelstrasse 8a/8b/10a/10b	Thurgau	2010	Wholly owned	21 094 847	20 150 000	774 692	20 974	2.71	753 718	32	48	3 328	0	0	0	48	3 376	
Kriens	Wichlernstrasse 6/8/10/12/14/16	Lucerne	1993	Wholly owned	21 844 317	21 810 000	868 729	14 983	1.72	853 746	48	68	4 362	0	0	0	241	4 603	
Lausanne	Chemin des Aubépines 6/8	Vaud	1952	Wholly owned	23 319 635	24 990 000	992 800	10 759	1.08	982 041	86	23	4 050	0	0	0	0	4 050	
Lutry	Route de Taillepied 47/49/59/61	Vaud	1975	Wholly owned	22 830 406	22 960 000	940 645	65 228	6.93	875 417	46	52	4 356	0	0	0	90	4 446	
Lucerne	Spannortstrasse 5, Bleicherstrasse 29	Lucerne	1967	Wholly owned	48 159 959	46 850 000	1 504 235	4 337	0.29	1 499 898	88	47	6 163	416	103	72	13	6 767	
Lyss	Rosengasse 3/3a/3b	Bern	1979	Wholly owned	11 092 645	11 590 000	471 001	14 698	3.12	456 303	31	31	2 294	0	0	9	48	2 351	
Meggen	Eiholzmatte 4	Lucerne	2002	Wholly owned	10 832 065	11 030 000	408 314	–	0.00	408 314	21	25	1 486	0	0	79	21	1 586	
MuttENZ	Gartenstrasse 13	Basel-Land	1968	Wholly owned	9 291 921	9 300 000	328 849	6 789	2.06	322 060	20	17	1 435	0	0	91	22	1 548	
Obfelden	Stehli-Seiden-Areal 8–11	Zurich	2016	Wholly owned	29 283 196	28 810 000	986 030	13 505	1.37	972 525	38	81	3 538	0	0	35	0	3 573	
Perlen	Haslirainstrasse 10/10a/12/12a	Lucerne	2010	Wholly owned	14 756 871	14 630 000	616 797	7 050	1.14	609 747	26	58	2 453	0	0	92	8	2 553	
Riehen	Esterliweg 135, Lachenweg 3/5	Basel-Stadt	1964	Wholly owned	14 714 949	14 660 000	570 508	18 937	3.32	551 571	27	29	2 371	0	0	0	69	2 440	
Romanel-sur-Lausanne	Chemin de Covatannaz 16	Vaud	1970	Wholly owned	7 310 621	6 942 000	312 495	13 033	4.17	299 462	24	30	1 408	0	0	0	0	1 408	
Romanshorn	Gottfried-Keller-Strasse 1/3/5/7/9/11/13/15/17	Thurgau	1990	Wholly owned	21 631 847	20 000 000	1 035 367	21 438	2.07	1 013 929	69	90	6 207	0	0	0	487	6 694	
Rorschacherberg	Resedastrasse 3/5–8/10	St. Gallen	1984	Wholly owned	17 999 961	17 330 000	772 307	46 590	6.03	725 717	40	72	4 008	0	0	0	114	4 122	
Schlieren	Kalktarrenstrasse 1–11/13, Nassackerstrasse 24/26	Zurich	1955	Wholly owned	21 326 198	21 280 000	993 009	14 966	1.51	978 043	82	18	4 816	0	0	0	0	4 816	
Schlieren b. Köniz	Talbodenstrasse 15	Bern	1990	Wholly owned	2 588 043	2 645 000	134 388	1 350	1.00	133 038	9	6	633	0	0	0	0	633	
Sion (Pont-de-la-Morge) ¹	Rue des Pommiers 29	Valais	2015	Wholly owned	12 287 523	11 440 000	238 593	17 903	7.50	220 690	30	36	1 941	0	0	0	0	1 941	
Solothurn	Josef Müller-Strasse 2/4/6/8	Solothurn	2010	Wholly owned	33 741 606	34 550 000	1 319 433	6 493	0.49	1 312 940	66	66	5 841	0	0	0	126	5 967	
St. Gallen	Schönbüelpark 1/3/5/7	St. Gallen	2011	Wholly owned	33 573 320	33 870 000	1 320 513	22 062	1.67	1 298 451	64	76	6 348	0	0	0	0	6 348	
Staufen	Kulmerweg 12a/12b/14a/14b	Aargau	2014	Wholly owned	18 801 839	19 230 000	791 250	9 000	1.14	782 250	40	43	3 337	0	0	0	0	3 337	
Tafers	Maggenbergmatte 1/3/7/9	Fribourg	2009	Wholly owned	25 377 579	24 710 000	1 047 941	2 877	0.27	1 045 064	60	76	5 033	0	0	0	51	5 084	
Therwil ¹	Im Hofacker 2/4/6/8/10/12/14/16	Basel-Land	2001	Wholly owned	26 474 583	25 720 000	484 176	30 148	6.23	454 028	32	53	3 772	264	0	0	164	4 200	
Zollikofen	Bim Hasel 1–7/9/11/13/15/17/ 19/20/22/24	Bern	1981	Wholly owned	51 850 933	49 570 000	1 877 766	32 192	1.71	1 845 574	97	140	8 198	0	0	0	277	8 475	
Zurich	Bristenstrasse 3/5/7/9, Hohlstrasse 561, Saumackerstrasse 2/4/6/8/10	Zurich	1964	Wholly owned	70 719 530	68 620 000	2 067 964	31 655	1.53	2 036 309	91	72	6 484	0	895	276	59	7 714	
Zurich	Scheideggstrasse 123/125	Zurich	2012	Wholly owned	28 154 068	29 900 000	968 778	13 160	1.36	955 618	18	56	2 123	0	0	0	0	2 123	
Total					861 422 433	852 454 000	30 490 026	642 275	2.11	29 847 751	1 623	1 898	135 846	1 758	998	2 857	2 573	144 032	

¹ Properties acquired from the portfolio of Helvetia Swiss Life Insurance Company Ltd in the context of the capital increase as at 31 March 2023.

Valuation category: All real estate investments are in the category “investments valued on the basis of parameters not observed on the market with suitable valuation models taking account of the current market circumstances” in accordance with Art. 84 para. 2 letter c CISO-FINMA.

Property inventory (cont'd)

as at 30.09.2023

Place	Address	Canton	Year of construction	Type of ownership	Purchase price (in CHF)	Market value (in CHF)	Target rental income (in CHF)	Rent losses (in CHF)	Rent losses (in %)	Rental income (gross income received) (in CHF)	Apartments (number)	Parking spaces (number)	Residential (m ²)	Offices/ practices (m ²)	Retail (restaurant /shops) (m ²)	Trade (m ²)	Other rental space (m ²)	Total rental space (m ²)	
Commercial property																			
Dübendorf ¹	Wallisellenstrasse 5/5a/7/7a	Zurich	2004	Wholly owned	45 774 391	44 230 000	819 266	2 630	0.32	816 636	18	90	2 302	1 728	452	1 445	502	6 429	
Münsingen ¹	Bahnhofplatz 1/1a	Bern	1910	Wholly owned	31 833 897	30 040 000	647 768	2 985	0.46	644 783	25	72	1 865	859	2 118	0	0	4 842	
St. Gallen	Bahnhofstrasse 2, Blumenbergplatz 1	St. Gallen	1933	Wholly owned	14 929 969	14 360 000	527 512	47 549	9.01	479 963	4	–	374	1 431	289	110	7	2 211	
Total					92 538 257	88 630 000	1 994 546	53 164	2.67	1 941 382	47	162	4 541	4 018	2 859	1 555	509	13 482	
Mixed-use buildings																			
Buchs	Brauereiweg 7, Mitteldorfstrasse 35/37/39, Weierweg 2	Aargau	1974	Wholly owned	27 544 330	27 000 000	1 267 901	55 533	4.38	1 212 368	33	127	2 293	1 774	1 073	2 023	339	7 502	
Fribourg	Boulevard de Pérolles 18	Fribourg	1932	Wholly owned	14 180 387	13 230 000	581 586	–	0.00	581 586	14	5	1 482	494	369	454	0	2 799	
Morges ¹	Rue Saint-Louis 2/2a/2b	Vaud	2004	Wholly owned	30 911 634	28 570 000	599 346	97 140	16.21	502 206	20	54	1 843	1 826	373	0	154	4 196	
Neuchâtel	Rue des Parcs 46	Neuchâtel	1992	Wholly owned	11 936 844	12 150 000	655 886	32 024	4.88	623 862	28	42	2 093	477	377	864	71	3 882	
Oftringen	Zimmereiweg 4–7	Aargau	2009	Wholly owned	16 277 932	15 940 000	730 465	42 475	5.81	687 990	23	54	2 538	121	0	1 101	0	3 760	
Sion	Avenue de Pratifori 5/7	Valais	1992	Wholly owned	15 019 974	15 070 000	765 878	13 810	1.80	752 068	34	87	2 555	454	758	309	22	4 098	
Zurich	Signaustasse 14, Forchstrasse 50/52	Zurich	1940	Wholly owned	22 660 427	24 930 000	779 850	2 464	0.32	777 386	39	13	2 607	108	322	56	0	3 093	
Total					138 531 528	136 890 000	5 380 912	243 446	4.52	5 137 466	191	382	15 411	5 254	3 272	4 807	586	29 330	

Summary of property inventory

as at 30.09.2023

	Purchase price (in CHF)	Market value (in CHF)	Target rental income (in CHF)	Rent losses (in CHF)	Rent losses (in %)	Rental income (gross income received) (in CHF)	Apartments (number)	Parking spaces (number)	Residential (m ²)	Offices/ practices (m ²)	Retail (restaurant /shops) (m ²)	Trade (m ²)	Other rental space (m ²)	Total rental space (m ²)
Residential buildings	861 422 433	852 454 000	30 490 026	642 275	2.11	29 847 751	1 623	1 898	135 846	1 758	998	2 857	2 573	144 032
Commercial property	92 538 257	88 630 000	1 994 546	53 164	2.67	1 941 382	47	162	4 541	4 018	2 859	1 555	509	13 482
Mixed-use buildings	138 531 528	136 890 000	5 380 912	243 446	4.52	5 137 466	191	382	15 411	5 254	3 272	4 807	586	29 330
Total properties	1 092 492 218	1 077 974 000	37 865 484	938 885	2.48	36 926 599	1 861	2 442	155 798	11 030	7 129	9 219	3 668	186 844
Bank accounts at sight		7 816 026												
Other assets		7 807 877												
Gross asset value		1 093 597 903												

¹ Properties acquired from the portfolio of Helvetia Swiss Life Insurance Company Ltd in the context of the capital increase as at 31 March 2023.

Valuation category: All real estate investments are in the category "investments valued on the basis of parameters not observed on the market with suitable valuation models taking account of the current market circumstances" in accordance with Art. 84 para. 2 letter c CISO-FINMA.

Changes in holdings

01.10.2022 to 30.09.2023

Place	Address	Type of property	Transfer of assets
Purchases in the context of the capital increase¹			
Dättwil (Baden)	Pilgerstrasse 14/16/18/20	Residential	31 March 2023
Frauenfeld	Teuchelwiesstrasse 2/4/6/8/10/12, General-Weber-Strasse 6/8/10	Residential	31 March 2023
Hunzenschwil	Juraweg 2/4, Hauptstrasse 7a/7b	Residential	31 March 2023
Sion (Pont-de-la-Morge)	Rue des Pommiers 29	Residential	31 March 2023
Therwil	Im Hofacker 2/4/6/8/10/12/14/16	Residential	31 March 2023
Dübendorf	Wallisellenstrasse 5/5a/7/7a	Commercial	31 March 2023
Münsingen	Bahnhofplatz 1/1a	Commercial	31 March 2023
Morges	Rue Saint-Louis 2/2a/2b	Mixed	31 March 2023

Other purchases

None

Sales

None

¹ Properties acquired from the portfolio of Helvetia Swiss Life Insurance Company Ltd in the context of the capital increase as at 31 March 2023.

Morges, Rue Saint-Louis 2/2a/2b

Year of construction: 2004

Use: Residential

Market value: CHF 28,570,000



Valuation report.

Mandate

The Collective Investment Schemes Act (CISA, in force since 01.01.2007) requires the properties held by real estate funds to be valued at their current market values by independent valuation experts at the end of each financial year.

Since the launch of the Helvetia (CH) Swiss Property Fund, the properties have been valued individually by FINMA-accredited valuation experts. They were also valued in connection with this update valuation as at 30.09.2023. Furthermore, an onsite inspection of nine of the 47 properties took place.

As accredited valuation experts, Wüest Partner was mandated by the fund management company to conduct and lead the valuation. This includes the valuation and viewing of the respective properties, coordination of the overall valuation process, including data preparation, provision of valuation software plus compilation and monitoring of the results of all valuations. Helvetia Asset Management Ltd is responsible for procuring the necessary documentation.

The documentation relevant to the valuations was prepared by the fund management company and management companies responsible. The valuations are based, on the one hand, on an evaluation and analysis of these documents, a site inspection, as well as an assessment of the general and specific market situation for each property. As FINMA-accredited valuation experts, Wüest Partner performed the entire mandate in consultation with the fund management company – from defining the valuation parameters and entering the data in the valuation software, through the actual appraisal work, to monitoring and submission of the results – on a neutral basis and solely in accordance with the independent valuation mandate.

Valuation standards

Wüest Partner confirms that the valuations were performed in accordance with the statutory requirements of the Collective Investment Schemes Act (CISA) and Collective Schemes Ordinance (CISO), as well as with the Guidelines of the Asset Management Association Switzerland (AMAS) and the Swiss Valuation Standards (which in turn conform with the RICS Guidelines) and accord with the industry valuation standards customary in Switzerland and in the Swiss real estate sector.

Market value is reported per property on the basis of the “fair value”, i.e. the sale price that can probably be realized under normal circumstances and current market conditions, factoring out transaction costs or deferred taxes.

Valuation method

The valuations were carried out uniformly using the discounted cash flow (DCF) method. With the DCF method, the market value of a property is determined as the total of all projected future net earnings discounted to the reference date. Income is discounted separately for each property with adjustment for market conditions and risks, i.e. with allowance for specific opportunities and risks.

The valuation includes a detailed analysis and assessment of the individual income and cost items. Operating and maintenance costs are determined on the basis of empirical values, approved budgets and benchmarks. Estimated future repair costs are based on benchmarks and cost models (life cycle costs). Future rental income is estimated using extensive market data (quoted rents and effective rents) as well as comparative properties. Any refurbishment measures included in the valuation are factored in, i.e. where substantial refurbishments are included, market rent potential is understood as applying after completion of these structural measures. In the case of fixed-term leases, the potential, sustainable rental income deemed achievable from a current perspective is used for the period after the lease expires. Credit risks posed by individual tenants are not explicitly factored into the valuation.

The valuation experts base their assessment on recent years' individual accounts for each property, the current rental situation, as well as extensive market intelligence. This is used as the basis for the estimation of future cash flows and for the definition of the discount rate for the specific properties. Valuations are prepared on the basis of a continuation of current use and the current portfolio of properties.

Valuation results

As at 30.09.2023, the market value of all 47 properties valued is CHF 1,077,974,000.

The discount rates used in the valuations are based on constant observation of the real estate market, particularly the yields paid in arm's-length transactions. The average market-weighted real net discount rate of all properties as at 30.09.2023 is 2.74%, with the rates for the individual properties ranging from 2.30% to 3.15%. The current gross return across all properties is 4.00%.


Independence and confidentiality

Wüest Partner confirm their independence and guarantee the confidential treatment of information connected with the valuation mandate.

Wüest Partner AG
Zurich, 30 September 2023



Andreas Ammann
Partner



Zafer Köroglu
Manager

Dübendorf, Wallisellenstrasse 5/5a/7/7a

Year of construction: 2004

Use: Commercial

Market value: CHF 44,230,000



Auditor's report.



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SHORT-FORM REPORT BY THE STATUTORY AUDITOR OF THE COLLECTIVE INVESTMENT SCHEME

For the attention of the Board of Directors of the Fund Management Company regarding the financial statements of

Helvetia (CH) Swiss Property Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements (pages 22-36 of the annual report) of the Helvetia (CH) Swiss Property Fund– which comprise the statement of net assets as at 30 September 2023, the statement of income for the year then ended, information regarding the appropriation of net income and the disclosure of costs as well as additional information pursuant to Article 89(1)(b)-(h) and Article 90 of the Swiss Collective Investment Schemes Act (CISA).

In our opinion, the financial statements are compliant with the Swiss Collective Investment Schemes Act, the relevant ordinances as well as the fund contract and the appendix.

Basis for Opinion

We conducted our audit of financial statements in accordance with Swiss law and the Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Responsibility of the auditor of the collective investment scheme for the auditing of the financial statements” section of our report. We are independent of the investment fund as well as of the Fund Management Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors of the Fund Management Company is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibility of the Board of Directors of the Fund Management Company for the Financial Statements

The Board of Directors of the Fund Management Company is responsible for preparing the financial statements in accordance with the Swiss Collective Investment Schemes Act, the corresponding ordinances and the appendix, and for such internal control as the Board of Directors of the Fund Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Auditor of the Collective Investment Scheme for the Auditing of the Financial Statements

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.



Helvetia (CH) Swiss Property Fund
Short form report of the audit company for collective investment
schemes on the financial statements 2023

We communicate with the Board of Directors of the Fund Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG AG

Markus Schunk
Licensed audit expert
Lead Auditor

Lars Gärtner
Licensed audit expert

Zurich, 7. December 2023

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