

# Helvetica Swiss Living Fund carries out optimizations, laying a new foundation

Zurich, September 3, 2024 – The Helvetica Swiss Living Fund (HSL Fund) ended the first half of 2024 with increased earning power, a targeted portfolio and a solid result. Property sales that strengthen the portfolio, combined with the reduced management fee, give the Fund a new foundation for future growth.

- **Debt financing ratio at the end of August 2024 significantly reduced to 31.5 percent**
- **Net income in the first half of 2024 of CHF 5.4 million contributes CHF 1.50 to the distribution per unit**
- **EBIT margin increases from 56 percent to 63 percent**
- **Occupancy rate at 96 percent stabilized at a high level**
- **Management fee reduced by a third to 0.45 percent**

## Net income and dividend contribution

The HSL Fund's portfolio generates stable income, based on the continuing high demand for housing in suburban locations. Rental income increased by CHF 0.8 million on an annualized basis as of April 2024 due to the further rise in the reference interest rate. The management fees, which have reduced by 25 basis points to 0.45 percent since 2024, also significantly contribute to improving operating profit. The EBIT margin increased from 55 percent at the end of 2023 to 63 percent. Net income in the first half of 2024 was CHF 5.4 million. Divided between the units relevant for the distribution (after deduction of the redemptions), this equates to a dividend contribution of CHF 1.50 per unit.

## Portfolio management

In the first half of 2024, eight properties with a total value of around CHF 75 million were successfully sold. However, the net asset value (NAV) as of the balance sheet date takes account of capital losses that are expected on the properties still to be sold. This proactive measure results in a write-down of around CHF 20 million and a one-time return on investment of –5 percent. The value of the remaining portfolio remained unchanged. No new real estate was acquired during the period under review.

In July and August 2024, an additional five properties with a value of CHF 109 million were sold. In total, 13 properties worth around CHF 184 million were sold between the start of the year and the end of August 2024. The sales served to improve the portfolio quality and sharpen the HSL Fund's positioning. The Fund Management Company expects an increase in net yield by around 25 basis points to 3.4 percent and a reduction in the vacancy rate to below 4 percent as a result of the transactions in the second half of 2024.

As of the balance sheet date of June 30, 2024, the Fund comprised 48 well-positioned residential properties in primarily suburban regions with optimal transport connections. 91 percent of the portfolio is in German-speaking Switzerland, with apartments in the lower rent segment, which is in demand from a broad section of the population. Residential use generates 87 percent of the rental income.

Thanks to active efforts by Asset Management and continuing high demand for housing in suburban locations, the occupancy rate was kept at a high level of 96 percent. The rent default rate fell further from 5.30 percent to

4.40 percent as of the balance sheet date. The portfolio's gross yield [target] was over 4.1 percent as of June 30, 2024, underlining its high profitability.

### **Financing strategy**

In line with the adjusted financing strategy, the proportion of long-term borrowing (term >1 year) was increased from 11 percent at the end of 2023 to 22 percent as of the balance sheet date. The debt financing ratio reduced to 39.8 percent at the end of June 2024 compared with 43.5 percent at the end of 2023 due to the eight property sales. Including the disposals after the balance sheet date, by the end of August 2024 the debt financing ratio was below the regulatory maximum at 31.5 percent.

### **Sustainability**

Helvetica is pursuing the net zero target for greenhouse gas emissions by 2050 and has enshrined this in the fund contract since 2023. Progress is monitored and actively managed on the basis of the CO<sub>2</sub> reduction pathway in order to keep the interim targets on track and take targeted measures.

Currently, the HSL Fund causes 13.5 kg/CO<sub>2</sub> per m<sup>2</sup> pursuant to the AMAS key figures (based on REIDA). The CO<sub>2</sub> energy intensity is based on a coverage rate of 95 percent, which will be continuously increased with further participation in the REIDA benchmarking. The current proportion of fossil-fuel heating of 74 percent will be greatly reduced in the next few years, primarily through heating refurbishments. There are clear business plans for this for each property.

### **Outlook for the second half of 2024**

As already communicated in the press release of August 20, 2024, 13 properties with a value of around CHF 184 million were sold between the start of 2024 and the end of August 2024 and the debt financing ratio was reduced to below the regulatory maximum, to 31.5 percent.

Between June 30, 2024, and the end of August 2024, five properties with a market value totaling CHF 109 million were sold. The plan is to bring the debt financing ratio within the target range of 25 to 28 percent by means of further property sales in the second half of 2024. Furthermore, the proportion of long-term debt financing (term >1 year) in the second half of 2024 will settle within the target range of 30 to 50 percent. A WAULT of 2 to 2.5 years is targeted.

The real estate portfolio of the HSL Fund is set to comprise 38 properties with a total value of around CHF 500 million and annual rental income [target] of around CHF 21 million following the planned disposals. This portfolio lays the foundation for further growth and value creation in the Fund.

**Further details, facts and figures can be found in the HSL Fund's 2024 semi-annual report: [Helvetica.com](https://www.helvetica.com)**

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## Appendix

### Key data HSL Fund

Key data		Notes	30.06.2024	31.12.2023
Securities number			49527566	49527566
ISIN			CH0495275668	CH0495275668
Initiation date			06.11.2019	06.11.2019
Issued units	Number		-	-
Outstanding units <sup>1)</sup>	Number		3 839 234	3 839 234
Redeemed units	Number		-	-
Net asset value per unit <sup>2)</sup>	CHF		102.66	110.40
Discount rate (real / nominal)	%		2.78 / 4.06	2.70 / 3.98
<b>Balance Sheet</b>			<b>30.06.2024</b>	<b>31.12.2023</b>
Market value of the properties	CHF	1	660 941 000	756 376 000
Gross Asset Value (GAV)	CHF		692 353 273	770 797 072
Debt ratio <sup>3)</sup>	%		43.07	45.01
Residual term debt financing <sup>3)</sup>	Years		0.69	0.41
Interest rate debt financing <sup>3)</sup>	%		1.82	2.12
Net Asset Value (NAV) <sup>2)</sup>	CHF		394 123 347	423 842 683
<b>Income statement</b>			<b>01.01.-30.06.2024</b>	<b>01.01.-30.06.2023</b>
Rental Income	CHF		13 930 231	14 544 197
Net income	CHF		5 388 362	4 959 420
Maintenance and repairs	CHF		1 945 806	1 672 862
Target rental income p.a. <sup>4)</sup>	CHF		27 343 779	30 433 251
Gross target yield	%		4.14	3.76
Gross actual yield	%		3.96	3.64
<b>Key financial figures AMAS<sup>3)</sup></b>			<b>30.06.2024</b>	<b>30.06.2023</b>
Return on investment	%		-5.12	-0.43
Distribution yield	%	9	n/a	n/a
Distribution per unit	CHF	9	n/a	n/a
Payout-Ratio	%	9	n/a	n/a
Return on equity (ROE)	%		-5.02	-0.42
Return on invested capital (ROIC)	%		-2.31	0.13
Premium/discount	%		-1.61	-4.83
unit price per fund unit	CHF		101.00	107.00
Operating profit margin (EBIT margin)	%		63.15	55.60
Debt financing ratio	%		42.63	45.85
Rent default rate	%	1	4.40	4.59
Total expense ratio TER <sub>REF</sub> GAV	%		0.80	0.88
Total expense ratio TER <sub>REF</sub> MV	%		1.54	1.72
Performance	%		-3.63	-2.26

<sup>1)</sup> The relevant number of shares for the distribution for the 2024 financial year, which will be paid out in April 2025, is 3,571,844. 267,390 shares were terminated at the end of 2023 and will be paid out in March 2025 at the latest.

<sup>2)</sup> Values as at 31.12.2022: Net asset value per unit CHF 116.37 / net fund assets (NAV) CHF 446 764 806.

<sup>3)</sup> The key figures were calculated in accordance with AMAS "Fachinformation Kennzahlen von Immobilienfonds" dated 13.09.2016 (as at 31.05.2022).

<sup>4)</sup> Annualized value based on balance sheet date.

Past performance is no guarantee of future performance and does not take into account any commissions and costs charged on subscriptions and redemptions of units.

### **About Helvetica**

Helvetica Property Investors AG, founded in 2006, is a leading real estate fund and asset management corporation regulated by FINMA. We offer institutional investors and private investors lasting value through long-term ownership of stable real estate assets with solid returns. With our fully integrated real estate asset platform, we cover the entire value chain, develop customer-specific investment solutions, and provide standardized investment products: The listed HSC Fund for commercial property, the HSO Fund for special commercial property, and the HSL Fund for residential property invest in attractive locations across Switzerland with good transport connections to regional economic centers. Our commitment to a sustainable future takes into account ESG requirements along the entire real estate life and investment cycle, and is formally integrated at fund level. [Helvetica.com](https://www.helvetica.com)

### **Helvetica Swiss Living Fund**

The HSL Fund is a Swiss real estate fund open only to qualified investors. HSL Fund invests in residential real estate throughout Switzerland, primarily where regional and national economic centers are easily accessible. The investment focus of the fund is on older and as-new properties with stable and sustainable income. The investment objective is mainly to maintain the value of the properties over the long term and to distribute appropriate income. The fund units are tradable over the counter. The HSL Fund is authorized by the Swiss Financial Market Supervisory Authority FINMA. Ticker Symbol HSL; Valor 49 527 566; ISIN CH0495275668

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