

HSON Half-Year Report 2023

# Helvetica Swiss Opportunity Fund

Real Estate Fund  
under Swiss Law





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## Helvetica Swiss Opportunity Fund (HSO Fund)

Real Estate Fund under Swiss Law

Audited Half-Year Report as of June 30, 2023

Valor number: 43472505

Helvetica.com

### Important Notice:

This is a translation of the German version. In case of deviation the German version applies.



 LAUBSCHER

Büetigenstrasse, Studen

## Key Figures

Key data		Notes	as of 30.06.2023	as of 31.12.2022
Securities number			43472505	43472505
ISIN			CH0434725054	CH0434725054
Initiation date			29.11.2019	29.11.2019
Issued units	Number		-	312 500
Outstanding units	Number		1 562 500	1 562 500
Redeemed units	Number		-	-
Net asset value per unit <sup>1)</sup>	CHF		116.38	121.15
Discount rate (real / nominal)	%		3.43 / 4.72	3.38 / 4.41
<b>Balance Sheet</b>			<b>as of 30.06.2023</b>	<b>as of 31.12.2022</b>
Market value of the properties	CHF	1	332 483 000	321 819 000
Gross Asset Value (GAV)	CHF		340 451 328	341 735 619
Debt ratio <sup>2)</sup>	%		46.59	44.61
Residual term debt financing <sup>2)</sup>	Years	8	0.23	0.21
Interest rate debt financing <sup>2)</sup>	%	8	2.39	1.60
Net Asset Value (NAV) <sup>1)</sup>	CHF		181 836 580	189 303 200
<b>Income statement</b>			<b>as of 30.06.2023</b>	<b>as of 30.06.2022</b>
Rental Income and Income from ground rent	CHF		8 907 804	6 425 261
Net income	CHF		5 288 363	5 180 881
Weighted average unexpired lease term (WAULT) <sup>2)</sup>	Years		5.65	6.96
Maintenance and repairs	CHF		118 332	84 559
Target rental income p.a. <sup>4)</sup>	CHF		18 649 167	15 029 669
Gross target return	%		5.61	5.31
Gross actual return	%		5.47	5.15
<b>Key financial figures AMAS<sup>2)</sup></b>			<b>as of 30.06.2023</b>	<b>as of 30.06.2022</b>
Return on investment	%		1.19	2.94
Distribution yield	%	12	n/a	n/a
Distribution per unit	CHF	12	n/a	n/a
Payout-Ratio	%	12	n/a	n/a
Return on equity (ROE)	%		1.13	2.80
Return on invested capital (ROIC)	%		1.00	1.92
Premium/discount	%		-11.49	-0.36
unit price per fund unit	CHF		103.00	119.00
Operating profit margin (EBIT margin)	%		75.28	78.37
Debt financing ratio	%		41.05	35.46
Rent default rate <sup>3)</sup>	%	1	4.16	2.94
Total expense ratio TER <sub>REF</sub> GAV	%		0.96	0.97
Total expense ratio TER <sub>REF</sub> MV	%		1.93	1.68
Performance	%		-4.36	1.91

1) Values as at 31.12.2021: net asset value per unit CHF 122.12 / net fund assets (NAV) CHF 152 648 197.

2) The key figures were calculated in accordance with AMAS "Fachinformation Kennzahlen von Immobilienfonds" dated 13.09.2016 (as of 31.05.2022).

3) The rent default rate is 4.16% as of the reporting date. There are no rent reductions in the first half of 2023, therefore the rent default rate including rent reductions is unchanged.

4) As of the reporting date, 98.2% of rental income is indexed and therefore tied to inflation.

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

## Portfolio Management Report

The first half of 2023 was another successful one for the Helvetica Swiss Opportunity Fund in the midst of a challenging market environment: The portfolio's market value grew by 3.3 percent or 10.7 million Swiss francs to some 332.5 million Swiss francs and now comprises 18 premium properties at good locations. At 97.4 percent, the occupancy rate remains at a very high level.

### Summary Report

Despite uncertainties on the market, the Helvetica Swiss Opportunity Fund exhibited constancy. The remainder of the emission proceeds from the capital increase carried out in the 2022 business year were used in January to purchase a logistics property in Studen in the Canton of Bern. Featuring tenants with strong credit ratings, secure long-term rental income of around 1.0 million Swiss francs and a gross actual return of 6.9 percent, this property complements the portfolio perfectly. The Fund now has a solid existing property portfolio consisting of 18 properties. Annual rental income grew by 1.4 million Swiss francs, from 16.8 million Swiss francs to 18.2 million Swiss francs. CPI (consumer price index) adjustments totaling around 0.4 million Swiss francs per year were made to rents during the period under review. Prime rate hikes and a slump in transaction activities caused a market-induced decline of 0.9 percent or around 3.0 million Swiss francs in the market values of the existing property portfolio. Overall, however, the portfolio grew by 3.3 percent, from 321.8 million Swiss francs to 332.5 million Swiss francs. The occupancy rate dropped slightly from 97.6 percent to 97.4 percent during the first half of the year, primarily due to the loss of an office tenant that had been leasing 500 square meters of office space at a property in Pratteln in the Canton of Basel-Land; it still remains at a high level, however. This high occupancy rate bears testimony to Asset Management's diligent efforts to cultivate excellent relationships with tenants as well as their ongoing commitment to outstanding real estate management. It also highlights the Helvetica Swiss Opportunity Fund's robust performance in a challenging market environment.

### Market Report

The first half of 2023 was still shaped by challenging developments and changes taking place on the Swiss real estate market. Especially ongoing inflation, accompanied by rising benchmark rates and palpable reluctance on the institutional capital market, had a major impact on activities on the Swiss real estate transaction market.

The investment strategies and behavior of various market players were shaped by continuously rising benchmark rates, while caution on the institutional capital market put a damper on transaction activities in general. The Fund Management Company recorded a marked decline in the volume of real estate examined compared to the same period of the previous year. Returns on acquisitions have also cooled down slightly, which points to current market reticence.

In the commercial sector, gross yields of 5.5 – 7.0 percent, just slightly higher than in the second half of 2022, were observed on properties that fit the search criteria. Location and leasability, tenant creditworthiness, lease terms and now the indexation rate are key factors when setting prices in the commercial sector.

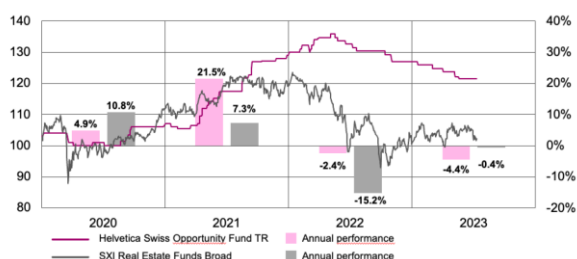
With respect to how interest rates are expected to develop going forward, the Fund Management Company shares the prevailing view that 2023 will bring at most one more interest rate hike, after which the interest rate curve will flatten. As a result, the transaction market is expected to stabilize in 2024 and feature an increased level of activity compared to the current year.

In summary, it can be said that the Swiss real estate market was still characterized by uncertainty and reticence in the first half of 2023. The current trends and

forecasts, however, indicate that the market might stabilize and momentum could potentially pick up again in 2024.

### Price and Performance

The unit price of the fund units declined by 9.6 percent (gross), from 114.00 Swiss francs to 103.00 Swiss francs, during the first half of the year. Taking into account the distribution of 6.15 Swiss francs paid out in the first half of the year for the 2022 business year, this is equivalent to a net performance of minus 4.4 percent. By comparison, the SXI Real Estate Funds Broad benchmark declined 0.4 percent. As the chart below shows, the HSO Fund performed less than the SXI Real Estate Funds Broad benchmark. The discount to net asset value is 11.5 percent.



### Distribution and Inventory Performance

Taking the distribution of 6.15 Swiss francs per unit and total profit in the first half of the year into consideration, net asset value decreased by 4.77 Swiss francs, from 121.15 Swiss francs to 116.38 Swiss francs per Fund unit. A return on investment of 1.2 percent was generated in the first half year.

### Real Estate Portfolio

The portfolio's market value rose by 3.3 percent, from 321.8 million Swiss francs to 332.5 million Swiss francs, during the period under review. Another high-quality logistics property in Studen in the Canton of Bern was added to the real estate portfolio during the period under review. This property has a market value of 13.7 million Swiss francs and a gross actual return of around 7 percent. The newly acquired, premium property generates rental income of around 1.0 million Swiss francs per year. The Fund owns a broadly diversified portfolio of 18 commercial properties with special uses; these are in good locations, primarily in German-speaking Switzerland. The broad range of rental space offered by the HSO Fund is therefore ideally positioned for future uses, something reflected in the extremely high occupancy rate of 97.4 percent.

### Portfolio Management Report

The market value of the existing property portfolio excluding acquisitions fell by 0.9 percent year over year, from 321.8 million Swiss francs to around 318.8 million Swiss francs. This decline is attributable to a transaction market-induced 5-basis-point increase in the discount rate from 3.38 percent in real terms to 3.43 percent. Target rental income climbed to 18.6 million Swiss francs and is comprised of retail space (29 percent), followed by commercial (23 percent), office (14 percent) and logistics, warehouse and education (together 29 percent).

Actual rental income for the year rose by around 1.4 million Swiss francs year over year, from 16.8 million Swiss francs to 18.2 million Swiss francs. The gross actual return rose noticeably year over year, from 5.2 percent to 5.5 percent. This increase was driven in large part by changes made during the period under review to adjust rents to the country's consumer price index (around 0.4 million Swiss francs per year), the slightly lower market value of properties in the existing property portfolio as well as the acquisition of the property in Studen in the Canton of Bern with a gross actual return of 7 percent. This had a positive impact on the portfolio yield.

According to the valuation expert Wüest Partner, the quality profile at the end of the business year remains attractive with an overall score of 3.7, meaning that the acquisition in Studen supported the quality of the portfolio.

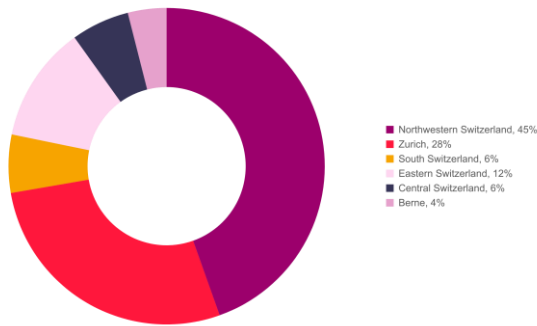
The portfolio's occupancy rate fell slightly by 0.2 percentage points, from 97.6 percent to 97.4 percent, which is still very high. This was attributable to the loss of a tenant that had occupied around 500 square meters of office space at the property in Pratteln in the Canton of Basel-Land. Lease negotiations with promising prospective tenants are already in progress. The Fund Management Company was still able to surpass its expectation from the start of the year that it would increase the occupancy rate to over 97 percent.

The weighted average unexpired lease term during the period under review declined from 6.1 years to 5.7 years, driven by upcoming lease expirations as well as the newly acquired property in Studen with a remaining term of 3.1 years. At the property in Root in the Canton of Lucerne, on the other hand, the lease with a single tenant from the convenience food sector concerning around 8,500 square meters of space was extended by another four years (until mid-2027) at attractive terms.

This success is a perfect example of how Asset Management’s diligent efforts to proactively communicate with relevant tenants is bearing fruit. In Pratteln in the Canton of Basel-Land, another lease relating to a 360 square meter retail space was extended for two more years (until the end of 2025). The tenant is a successful regional fish and seafood retailer.

Inflation in Switzerland was at around 2.5 percent in the period under review. The HSO Fund is characterized by leases with a very high level of inflation protection of 98 percent. That high degree of inflation protection enables adjustments to ensure continuous increases in rental income.

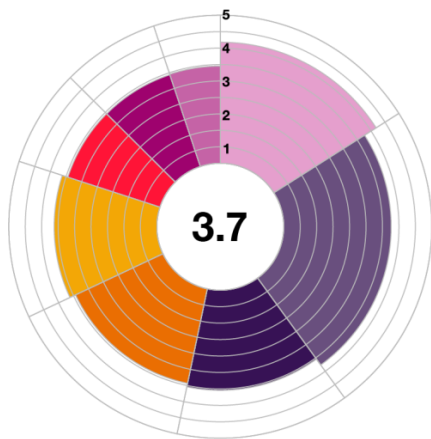
**Geographical Distribution**



**Rental Income According to Main Use**



**Quality Profile**

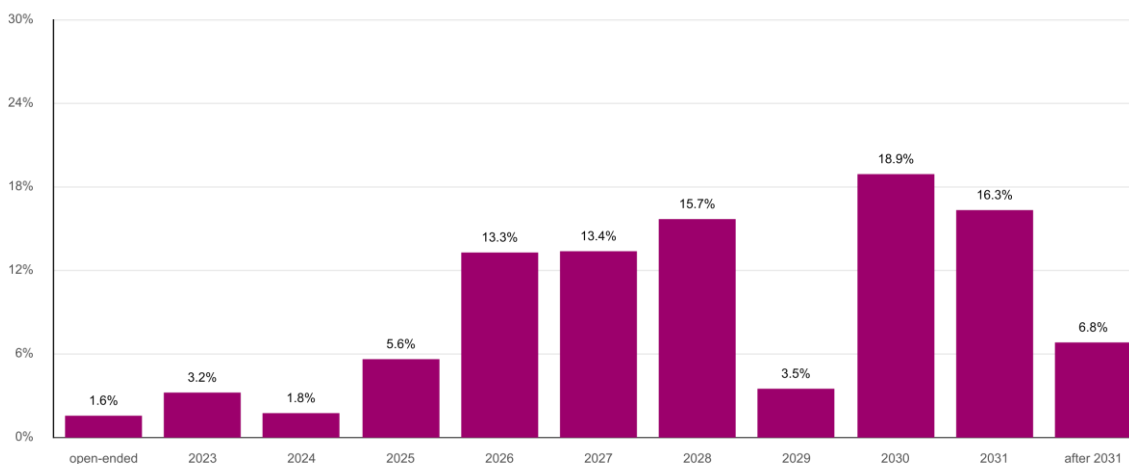


	Grade	Weighting
Overall rating	3.7	
Location	4.0	40
Macro-location	4.2	40
Micro-location	3.8	60
Property	3.5	40
Usability	3.5	33
Standard	3.4	37
Condition	3.6	30
Investment	3.5	20
Lettability	3.4	37
Saleability	3.4	37
Income risk	3.5	25

Note: 1 = lowest score, 5 = best score



## Breakdown of the Weighted Average Unexpired Lease Terms



## Highlights of the Portfolio

### Purchases

#### Studen, Bütigenstrasse 74

Another high-quality logistics property in Studen in the Canton of Bern was added to the real estate portfolio during the period under review. This property has a market value of 13.7 million Swiss francs and a gross actual return of around 7 percent. The newly acquired property generates rental income of around 1.0 million Swiss francs per year.

### Successful Leasing Activities

#### Root, Oberfeld 7

The lease with a single tenant from the convenience food sector concerning around 8,500 square meters of space at this property was extended by another four years (until mid-2027) at attractive terms. This success was the culmination of hard work by Asset Management to cultivate good relationships with relevant tenants.

#### Pratteln, Rütliweg 11/13

In Pratteln, another existing lease relating to a 360 square meter retail space was extended for two more years (until the end of 2025). The tenant is a successful regional fish and seafood retailer. This extension is proof of Pratteln's attractiveness as a location.

## Outlook

The HSO Fund benefited from the increase in rents for leased commercial spaces. Rent adjustments of 0.4 million Swiss francs were made to account for inflation during the period under review. With positive economic development continuing in Switzerland and in light of the very high indexation rate of over 98 percent, rental income can be expected to grow further, which will have a positive impact on the Fund's earnings. Another of 0.4 million Swiss francs in CPI adjustments will be made as of January of the upcoming business year. Despite the Fund's high indexation rate of 98 percent, leases relating to around 1 million Swiss francs in rent are still tied to the mortgage reference interest rate. The June increase in the reference interest rate to 1.5 percent combined with the further increase to 1.75 percent expected in December will result in an additional potential rent increase of 0.1 million Swiss francs per year. Due to the six-month notice period, however, these will only have an impact on income in the next business year.

The property in Pratteln in the Canton of Basel-Land holds enormous potential for exploitation. Asset Management is working on coming up with an attractive project that foresees a new building to replace the building currently located on the plot. Assessments are proceeding according to plan and should be completed by spring of the upcoming business year.

Asset Management is currently in the middle of negotiations with the second-largest tenant at the property in Buchs regarding a five-year extension on the lease for an approximately 2,500 square meter office space. Negotiations are expected to be concluded in the third quarter. Growing numbers of school-age children have

prompted the single tenant – an educational institution – to make a long-term commitment to the well-situated property in Wädenswil, also in the Canton of Zurich. In exchange for energy-efficient lighting in the school building, the tenant will waive its right to early termination of the lease and also extend the lease term until the end of 2031. The contract will be signed in the third quarter.

In the months to come, one focus will therefore be on maintaining the very high occupancy rate of over 97 percent.

Despite various steps taken to make long-term improvements to the amount of income generated by the properties and their value, their market values can be expected to decline further due to the market environment.

When it comes to our business activities, our commitment to sustainability takes center stage. In light of the results of the nationwide referendum on a climate protection act as well as the stricter sustainability regulations expected to be enacted, we have reviewed our sustainability strategy with an eye to the changed conditions. All properties in the HSO Fund will receive a Cantonal Energy Certificate for Buildings (CECB) to determine their energy consumption, establish transparency and identify potential for greater energy efficiency.

In a challenging market environment marked by above-average inflation and rising interest rates, the HSO Fund also finds itself faced with rising financing costs. Considering the Fund's financing structure, a thorough evaluation of our financing strategy resulted in a decision by the Fund Management Company to hold on to our short-term approach to financing for the time being. The current market forecasts, which is the majority view in the market, indicates a stable outlook for short-term interest rates, with the possibility of a downward trend in the coming year.

In light of prevailing conditions on the market, we have decided not to carry out another capital increase until the environment is more opportune. Our growth target, however, remains unaffected. We are focusing on taking other steps, such as investments in kind, to make strategic portfolio expansions.

As part of our ongoing efforts to optimize the portfolio and subject to FINMA approval, we are considering merging the HSC Fund with the HSO Fund. This merger would give rise to a larger, more strongly diversified business and commercial real estate fund with a portfolio valued at more than 1 billion Swiss francs. We are currently performing a feasibility study to examine the advantages of this strategy. The merger could solidify our position and lay the foundation for future growth potential.

It should be noted that this initiative will continue to be the subject of ongoing deliberation and analysis. We will provide information regarding any important developments in due course.

In addition, the Fund Management is considering further risk management measures, such as portfolio optimizations and the reduction of debt financing through property sales, which could have an impact on the distribution of the fund in the current financial year.

In the second half of the year, we will continue to focus on increasing the occupancy rate through new leases and contract extensions, adjusting rental income to inflation, and consistently realizing potential in our properties. Our goal is to secure further attractive returns for our investors.

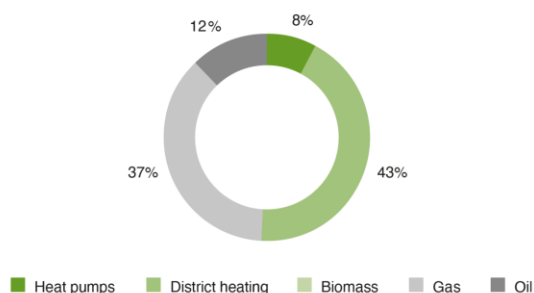
## Sustainability

In its capacity as a property owner, the Fund Management Company has a shared responsibility for creating a sustainable future. Sustainability represents a key component of Helvetica's corporate culture and shapes both the company's mindset and actions. The pragmatic approach it developed on that basis incorporates a well-considered and realistic way of dealing with all sustainability-related topics.

We publicly announced our commitment to sustainability when we published our first sustainability report in 2022. This past April saw us publish our second sustainability report, which presents a revised sustainability strategy and offers a greater degree of transparency at both the portfolio and corporate level.

Given the considerable CO<sub>2</sub> emissions caused by the construction and operation of real estate, the Fund Management Company identified the greatest reduction potential in making energy-saving improvements to its existing property portfolio. To realize that reduction potential, we revised our internal decision-making processes to weight sustainability-related aspects more heavily. A detailed survey of the spaces and the systematic collection of energy consumption data have already enabled us to disclose environmentally relevant key figures in our sustainability report (as at Dec. 31, 2021) in accordance with the AMAS guidelines:

- Heating systems documented: 56 percent
- General electricity documented: 60 percent
- Energy intensity – Scope 1+2 [kWh/ m<sup>2</sup>]: 78.1
- CO<sub>2</sub> intensity – Scope 1+2 [kgCO<sub>2</sub>/ m<sup>2</sup>]: 7.5
- Mix of heat sources



In addition, the Fund Management Company will participate in the CO<sub>2</sub> benchmark compiled by REIDA. We are certain that this benchmark offers an excellent opportunity to standardize and facilitate the comparability of CO<sub>2</sub> emissions at both the property and portfolio level. This commitment represents another step toward establishing transparency in our sustainability work. As a next step, the Cantonal Energy Certificate for Buildings (CECB) will be used as a certification system to create even greater transparency at the property level. From now on, this information can be used to show where energy-saving renovations and operational improvements fit into the big picture, make comparisons and prioritize the measures.

A CO<sub>2</sub> reduction pathway was developed based on the energy data obtained. The big challenge now is to implement our sustainability goals in the existing maintenance and investment plan on an ongoing basis. The Fund Management Company is aware of the fact that energy-saving renovations are the key to reaching these goals. In this context, a few upcoming or previously implemented energy-saving improvements should be mentioned:

- Pratteln, Rütistrasse: Heating system replaced as part of a strategic collaborative project with tenants
- Rümli, Hofwisenstrasse: Chiller (heat recovery) renovated to optimize energy and emissions
- Wädenswil, Steinacherstrasse: smart lighting to optimize utility costs

The projects mentioned underscore the Fund Management Company's efforts to make ongoing reductions to the greenhouse gas emissions of the existing property portfolio.

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## Comment on the Financial Report

The market value of the portfolio rose from 321.8 million Swiss francs to 332.5 million Swiss francs through the acquisition of a property in Studen. Rental income and ground rent for development rights amounted to 8.9 million Swiss francs, up 38.6 percent over the first half of 2022.

Ownership of a property in Studen that had already been notarized in the previous year was legally transferred in January. The portfolio value rose by 10.7 million Swiss francs in the first half 2023 to 332.5 million Swiss francs; nevertheless, total fund assets declined by 1.3 million Swiss francs to 340.5 million Swiss francs due to the distribution and negative market value adjustments.

Net asset value per unit was 116.38 Swiss francs on June 30. Taking the 2022 distribution of 6.15 Swiss francs into consideration, this corresponds to a return on investment of 1.19 percent, which is 1.75 percentage points lower compared to the first half of 2022. The return on equity fell 1.67 percentage points to 1.13 percent. The drop in both figures is mainly attributable to write-downs.

TER<sub>REF</sub>GAV declined by 0.01 percentage points to 0.96 percent.

### Balance Sheet

Gross asset value amounted to 340.5 million Swiss francs as of the reporting date; the market values of the properties rose by 10.7 million Swiss francs to 332.5 million Swiss francs. The purchase of the Studen property and the distribution caused cash equivalents to decline by 12.0 million Swiss francs; these currently stand at nearly 1.9 million Swiss francs. Other assets increased by 0.3 million Swiss francs to 2.9 million Swiss. As at June 30, 2023, units of other real estate funds in the amount of around 3.2 million Swiss francs were held.

Less liabilities of 142.9 million Swiss francs and liquidation taxes of 15.7 million Swiss francs, this results in net fund assets of 181.8 million Swiss francs, which is a year-over-year decrease of 7.5 million Swiss francs.

The debt financing ratio amounts to 41.05 percent, which puts it below the limit of 50 percent stipulated in the fund contract; according to the exemption, this limit applies for the first five years from initiation.

### Income Statement

Rental income and income from ground rent of 8.9 million Swiss francs was generated during the period under review, a year-over-year increase of 2.5 million Swiss francs. This increase is attributable to the properties acquired in the previous year and at the start of the year; both the earnings potential of these properties as well as the higher expenses were only evident in full in the first half of 2023.

Expenses in the amount of 3.9 million Swiss francs were incurred half of 2023; this corresponds to an increase of 1.5 million Swiss francs. That increase is attributable not only to the acquisitions but also to the higher cost of interest on interest-bearing liabilities. Financing costs bore an average interest rate of 1.89 percent during the period under review. The increase over the prior-year period is attributable to the interest rate hikes made by the Swiss National Bank (SNB) in 2022 and 2023.

Unrealized capital gains include a write-down of 2.9 million Swiss francs recognized on the portfolio; this compares to write-downs of 1.0 million Swiss francs that had been posted in the first half of 2022.

# Balance Sheet

in CHF

<b>Assets</b>	<b>Notes</b>	<b>30.06.2023</b>	<b>31.12.2022</b>
Cash on hand, postal check and bank sight deposits, including fiduciary deposits with third-party banks		1 877 711	13 864 858
<b>Land/buildings</b>			
Commercial property	1	332 483 000	321 819 000
<b>Total for land/buildings</b>		<b>332 483 000</b>	<b>321 819 000</b>
units in other real estate funds and real estate investment companies	1	3 202 150	3 419 113
Other assets		2 888 467	2 632 648
<b>Gross asset value</b>		<b>340 451 328</b>	<b>341 735 619</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Short-term interest-bearing mortgages and other liabilities secured by mortgage	8	-136 484 000	-131 724 000
Other current liabilities		-6 461 891	-5 124 296
<b>Total current liabilities</b>		<b>-142 945 891</b>	<b>-136 848 296</b>
<b>Total liabilities</b>		<b>-142 945 891</b>	<b>-136 848 296</b>
Net asset value before estimated liquidation taxes		197 505 436	204 887 323
Estimated liquidation taxes		-15 668 856	-15 584 123
<b>Net asset value</b>		<b>181 836 580</b>	<b>189 303 200</b>
<b>Further information</b>			
<b>Number of outstanding units</b>			
Number of units at the start of the reporting period		1 562 500	1 250 000
Issued units		-	312 500
Redeemed units		-	-
<b>Number of units at the end of the reporting period</b>		<b>1 562 500</b>	<b>1 562 500</b>
<b>Net asset value per unit at the end of the reporting period</b>		<b>116.38</b>	<b>121.15</b>
<b>Change in net asset value</b>			
Net asset value at the start of the reporting period		189 303 200	152 648 197
Distribution of earnings subject to withholding tax	12	-1 125 000	-2 234 375
Fund capital repayment exempt from withholding tax	12	-8 484 375	-7 296 875
Balance from trade in units		-	38 159 375
Total profit		2 142 755	8 026 878
<b>Net asset value at the end of the reporting period</b>		<b>181 836 580</b>	<b>189 303 200</b>

# Income Statement

in CHF

Income	Notes	01.01.-30.06.2023	01.01.-30.06.2022
Negative interest rate		-	-797
Rental income		8 786 939	6 307 593
Income from ground rent		120 865	117 668
Other income		290 371	634 009
Participation in current income from unit issuance		-	506 250
<b>Total income</b>		<b>9 198 175</b>	<b>7 564 724</b>
<b>Expenses</b>			
Mortgage interest and interest from liabilities secured by mortgage		-1 262 787	-123 500
Ground rent		-417 159	-392 486
Maintenance and repairs		-118 332	-84 559
<b>Property management</b>			
Property expenses		-182 814	-133 323
Administrative expenses		-140 133	-118 973
<b>Taxes</b>			
Property tax		-36 799	-29 000
Profit and capital tax		-154 647	-237 093
Evaluation and auditing expenses		-53 824	-50 605
<b>Regulatory fees to</b>			
the Fund management company	11	-1 198 618	-917 116
the custodian bank	11	-52 064	-47 285
property management	11	-255 575	-189 924
the market maker	11	-25 000	-25 000
<b>Other expenses</b>			
Other expenses		-12 060	-34 978
<b>Total Expenses</b>		<b>-3 909 812</b>	<b>-2 383 843</b>
<b>Profit</b>			
<b>Net income</b>		<b>5 288 363</b>	<b>5 180 881</b>
Realized capital gains		-	6 000
<b>Realized profit</b>		<b>5 288 363</b>	<b>5 186 881</b>
Unrealized capital losses / gains		-3 060 875	937 822
Change in liquidation taxes		-84 733	-788 641
<b>Total profit</b>		<b>2 142 755</b>	<b>5 336 062</b>

# Notes

## 1. Inventory

### Inventory of the Properties

Address	Ownership structure <sup>1)</sup>	Total rental space	Land plot	Building year	Date last extensive Renovation	Commencement of ownership
		in m <sup>2</sup>	in m <sup>2</sup>			
<b>Commercially used properties</b>						
Böckten, Rohrmattstrasse 1a/1b	so	8 988	9 791	1988, 2001, 2002	2020	01.07.2022
Buchs, Furtbachstrasse 16/18	so	11 578	8 210	1978, 1988, 2002	2019	15.12.2021
Oberentfelden, Industriestrasse 40	sogr	7 661	7 891	1995	2021	01.07.2022
Pratteln, Krummeneichstrasse 39	so	3 401	3 401	Lessor		21.05.2021
Pratteln, Rütieweg 11/13	sogr	2 121	4 523	1973		21.05.2021
Pratteln, Rütieweg 5	sogr	2 850	10 417	1977		21.05.2021
Pratteln, Rütieweg 7	sogr	7 611	3 329	2016		21.05.2021
Pratteln, Rütieweg 9	sogr	17 542	9 949	1973	1997	21.05.2021
Root, Oberfeld 7	so	8 514	5 164	1990	2018	01.07.2022
Rümlang, Hofwiesenstrasse 48 <sup>4)</sup>	sogr	4 161	9 372	1999		01.12.2019
Schaffhausen, Industriestrasse 2a/b	co	9 230	18 640	2016		12.12.2019
Schaffhausen, Solenbergstrasse 21	so	5 885	9 746	2020		10.08.2020
Sion, Avenue du Midi 3 Rue de la Dent-Blanche 12	co	12 613	3 717	1988		01.01.2020
Studen, Bütigenstrasse 74	so	11 345	5 396	1981	1991	01.08.2022
Villmergen, Durisolstrasse 6	so	4 854	5 699	1981	2014	01.12.2019
Wädenswil-Au, Steinacherstrasse 101	so	5 114	7 661	1989	2020	08.04.2022
Wattwil, Bleikenstrasse 48	so	4 622	4 572	1991	2016	09.04.2022
Wil, Flawilerstrasse 23	so	3 087	8 753	2018		01.05.2022
<b>Total commercially used properties</b>		<b>131 176</b>	<b>136 231</b>			
<b>of which, under sole ownership with ground rent</b>		<b>41 945</b>	<b>45 481</b>			
<b>of which, under condominium ownership</b>		<b>21 843</b>	<b>22 357</b>			
<b>of which, under sole ownership with development rights granted</b>		<b>3 401</b>	<b>3 401</b>			
<b>Subtotal</b>		<b>131 176</b>	<b>136 231</b>			
Secondary rental income						
<b>Grand total for land/buildings</b>		<b>131 176</b>	<b>136 231</b>			

1) AE = sole ownership

AEBR = Sole ownership in building right

STWE = condominium ownership

2) The rent defaults can be positive for individual properties because reversals of overstated valuation allowances result in income from collection losses.

3) The loss of rent rate according to the inventory list includes turnover rents, whereas these are not taken into account in the calculation of the AMAS key figures. Therefore, deviations are possible for this key figure.

4) HSO Fund is the leaseholder of the property in Rümlang, Hofwiesenstrasse 48, and at the same time passes on part of the parcel as the lessor of the building lease.



<b>Initial cost</b>	<b>Market value</b>	<b>Gross rental income</b>	<b>Rent default<sup>2)</sup></b>	<b>Rent default<sup>3)</sup></b>	<b>Rental income actual</b>	<b>Gross return</b>	<b>Occupancy rate</b>
in CHF	in CHF	in CHF	in CHF	in %	in CHF	in %	in %
22 673 951	22 210 000	580 535	-	-	580 535	5.41	100.0
23 893 103	27 160 000	743 053	-71 915	-9.68	671 138	5.49	90.4
13 745 403	13 310 000	399 889	-	-	399 889	6.21	100.0
4 288 311	4 704 000	92 364	-	-	92 364	3.93	100.0
3 274 191	2 974 000	178 314	-81 010	-45.43	97 304	11.99	53.9
4 730 314	5 008 000	292 254	-146 719	-50.20	145 535	11.67	100.0
26 961 163	28 650 000	768 636	-	-	768 636	5.37	100.0
37 774 000	39 750 000	1 186 123	-43 398	-3.66	1 142 725	5.97	96.3
15 762 486	16 010 000	438 624	-	-	438 624	5.67	100.0
5 844 720	5 727 000	367 432	-	-	367 432	12.56	100.0
24 491 401	28 270 000	741 710	-16 139	-2.18	725 571	5.33	96.6
15 199 308	16 270 000	364 500	-	-	364 500	4.48	100.0
49 340 173	51 760 000	1 291 434	-	-	1 291 434	4.99	100.0
13 406 421	13 690 000	473 190	-300	-0.06	472 890	6.89	99.9
10 499 893	11 070 000	276 419	-10 333	-3.74	266 086	5.05	99.9
21 102 387	20 060 000	512 766	-13 990	-2.73	498 776	5.12	97.1
10 856 384	10 690 000	250 239	-	-	250 239	4.78	100.0
14 906 943	15 170 000	303 650	-	-	303 650	4.00	100.0
<b>318 750 552</b>	<b>332 483 000</b>	<b>9 261 131</b>	<b>-383 805</b>	<b>-4.14</b>	<b>8 877 326</b>	<b>5.61</b>	<b>97.4</b>
<b>92 329 790</b>	<b>95 419 000</b>	<b>3 192 648</b>	<b>-271 127</b>	<b>-8.49</b>	<b>2 921 521</b>		
<b>73 831 574</b>	<b>80 030 000</b>	<b>2 033 144</b>	<b>-16 139</b>	<b>-0.79</b>	<b>2 017 005</b>		
<b>4 288 311</b>	<b>4 704 000</b>	<b>92 364</b>	<b>-</b>	<b>-</b>	<b>92 364</b>		
<b>318 750 552</b>	<b>332 483 000</b>	<b>9 261 131</b>	<b>-383 805</b>	<b>-4.14</b>	<b>8 877 326</b>		
					30 477		
<b>318 750 552</b>	<b>332 483 000</b>				<b>8 907 804</b>		

The fund holds 18 properties. The five properties in Pratteln are contiguous properties and are counted as one property based on Art. 87, para. 1 CISO. As a result, the fund owns 14 properties for regulatory purposes as of 30.06.2023.

**Inventory of units of other real estate funds and shares in real estate investment companies held**

Units in other real estate funds and real estate investment companies	Initial cost	Market value
All Amounts stated in Swiss francs		
Total units in other real estate funds	3 399 564	3 202 150

**Investments**

Valuation categories (amounts in CHF)	30.06.2023	30.12.2022
Investments that are listed on a stock market or traded on another regulated market open to the public: valued at the prices paid in the primary market (Art. 88 para. 1 CISA); in accordance with Art. 84 para. 2a CISO-FINMA	3 202 150	3 419 113
Investments for which no prices are available pursuant to letter a: valued based on market-observed parameters; in accordance with Art. 84 para. 2b CISO-FINMA	-	-
Investments whose value is based on parameters that are not observable on the market, valued with suitable valuation models taking account of the current market circumstances; in accordance with Art. 84 para. 2c CISO-FINMA	332 483 000	321 819 000
<b>Total investments</b>	<b>335 685 150</b>	<b>325 238 113</b>

**2. Real Estate Purchased and Sold****Purchased**

Address	Canton	Ownership situation	Legal Transfer of ownership	Start of ownership (transfer of benefits and risks)
Studen, Bütigenstrasse 74	Bern	Sole ownership	03.01.2023	01.01.2023

**Sold**

None

**3. Total Amount of Payment Obligations After the Balance Sheet Date**

None

**4. Participations in Real Estate Companies**

The properties of the Fund are held either by Helvetica Swiss Opportunity AG or by Retail Center AG. As of June 30, the Fund holds one hundred percent of the share capital of Helvetica Swiss Opportunity AG, headquartered in Zurich, which in turn holds one hundred percent of the share capital of Retail Center AG, headquartered in Zurich.

**5. Rental Income per Tenant over 5 Percent**

Tenant	Annual rent in %
Manor SA, Basel	12.1
Orior Menu AG	11.2
Lipo Einrichtungsmärkte AG	8.5
Kanton Zürich	5.0
<b>Total</b>	<b>36.8</b>

**Notes**

## 6. Information Regarding Derivatives

The Fund does not use derivatives.

## 7. Non-current Liabilities by Due Date

in CHF	30.06.2023	31.12.2022
1 to 5 years	-	-
> 5 years	-	-

## 8. Mortgages and Other Mortgage-backed Liabilities

### Current Mortgages and Fixed Advances

Type	Interest rate	in CHF	Date of issue	Maturity
money market mortgage	2.49%	41 294 000	30.06.2023	30.09.2023
money market mortgage	2.51%	22 190 000	30.06.2023	30.09.2023
money market mortgage	2.51%	15 140 000	28.06.2023	30.09.2023
money market mortgage	2.25%	11 600 000	30.06.2023	30.09.2023
money market mortgage	2.25%	7 460 000	30.06.2023	30.09.2023
money market mortgage	2.25%	5 440 000	30.06.2023	30.09.2023
money market mortgage	2.25%	5 015 000	30.06.2023	30.09.2023
money market mortgage	2.25%	1 545 000	30.06.2023	30.09.2023
Fixed Advance	2.16%	6 060 000	30.06.2023	31.08.2023
Fixed Advance	2.17%	5 080 000	27.06.2023	25.08.2023
Fixed Advance	2.16%	11 600 000	30.06.2023	31.07.2023
money market mortgage	2.48%	4 060 000	30.06.2023	31.07.2023
<b>Total</b>		<b>136 484 000</b>		

### Matured Mortgages and Fixed Advances

Type	Interest rate	in CHF	Date of issue	Maturity
money market mortgage	2.23%	41 614 000	01.04.2023	30.06.2023
money market mortgage	2.29%	22 190 000	18.05.2023	30.06.2023
money market mortgage	1.97%	11 600 000	01.04.2023	30.06.2023
Fixed Advance	1.92%	11 600 000	01.06.2023	30.06.2023
money market mortgage	1.97%	7 460 000	01.04.2023	30.06.2023
Fixed Advance	1.74%	6 060 000	24.03.2023	30.06.2023
money market mortgage	1.97%	5 440 000	01.04.2023	30.06.2023
money market mortgage	2.26%	4 060 000	20.05.2023	30.06.2023
money market mortgage	2.28%	5 015 000	01.06.2023	28.06.2023
money market mortgage	2.24%	15 140 000	01.06.2023	27.06.2023
money market mortgage	2.24%	1 545 000	01.06.2023	27.06.2023
Fixed Advance	1.89%	4 200 000	26.04.2023	26.06.2023
money market mortgage	2.24%	15 140 000	01.05.2023	31.05.2023
Fixed Advance	1.85%	11 600 000	01.04.2023	31.05.2023
money market mortgage	2.23%	5 015 000	01.05.2023	31.05.2023
money market mortgage	2.24%	1 545 000	01.05.2023	31.05.2023
money market mortgage	1.87%	4 060 000	01.05.2023	19.05.2023
money market mortgage	1.87%	3 700 000	01.05.2023	19.05.2023
money market mortgage	2.21%	18 490 000	01.04.2023	17.05.2023
money market mortgage	2.24%	15 140 000	01.04.2023	30.04.2023
money market mortgage	2.21%	5 015 000	01.04.2023	30.04.2023
money market mortgage	1.87%	4 060 000	01.04.2023	30.04.2023
money market mortgage	1.87%	3 700 000	01.04.2023	30.04.2023

### Notes

money market mortgage	2.24%	1 545 000	01.04.2023	30.04.2023
money market mortgage	1.76%	41 614 000	31.12.2022	31.03.2023
money market mortgage	1.77%	18 490 000	21.12.2022	31.03.2023
money market mortgage	1.78%	15 140 000	31.12.2022	31.03.2023
Fixed Advance	1.45%	11 600 000	30.12.2022	31.03.2023
money market mortgage	1.49%	11 600 000	01.02.2023	31.03.2023
money market mortgage	1.49%	7 460 000	01.02.2023	31.03.2023
money market mortgage	1.49%	5 440 000	01.02.2023	31.03.2023
money market mortgage	1.84%	5 015 000	01.03.2023	31.03.2023
money market mortgage	1.44%	4 060 000	31.12.2022	31.03.2023
money market mortgage	1.44%	3 700 000	31.12.2022	31.03.2023
money market mortgage	1.78%	1 545 000	31.12.2022	31.03.2023
Fixed Advance	1.41%	6 060 000	23.12.2022	23.03.2023
money market mortgage	1.75%	5 015 000	01.02.2023	28.02.2023
money market mortgage	1.38%	11 600 000	31.12.2022	31.01.2023
money market mortgage	1.36%	7 460 000	31.12.2022	31.01.2023
money market mortgage	1.36%	5 440 000	31.12.2022	31.01.2023
money market mortgage	1.74%	5 015 000	31.12.2022	31.01.2023

## 9. Fees and Incidental Costs Charged to the Investors

Remuneration	Maximum rates	Actual rates	Actual rates	Basis
		2023	2022	
Issue commission on units	3.00%	–	1.75%	Net asset value of units
Redemption commission on units	5.00%	–	–	Net asset value of units

With the fund contract amendment of May 10, 2023, the maximum rate for redemption commissions on units was increased from 1.50 % to 5.00 %. The new rate applies to any potential future redemptions.

## 10. Incidental Costs Attributed to the Fund Assets

Remuneration	Maximum rates	Actual rates	Actual rates	Basis
		2023	2022	
Premium to NAV	2.50%	–	0.75%	Net asset value of units
Discount to NAV	1.50%	–	–	Net asset value of units

## 11. Fees and Incidental Costs Charged to the Fund

Remuneration	Maximum rates	Actual rate	Actual rate	Basis
		2023	2022	
<b>Remuneration to the Fund Management Company</b>				
Management fee	1.00%	0.70%	0.70%	Gross asset value
Purchase/sales compensation	3.00%	–	2.20%	Purchase/sale price
Building and renovation fee	4.00%	4.00%	4.00%	Construction costs
Property management	5.00%	–	–	Gross rental income
<b>Remuneration to Third Parties</b>				
Remuneration to custodian bank (custodian bank commission)	0.05%	0.05%	0.05%	Net asset value of units
Remuneration to custodian bank (distribution commission)	0.25%	0.05%	0.05%	Gross distribution amount
Market maker	–	CHF 25 000	CHF 50 000	Flat amount of 12'500 Swiss francs per quarter
Remuneration to property managers	5.00%	2.91%	2.92%	Gross rental income

### Notes

## 12. Distribution of Profits

For the financial year ended December 31, 2022, a total amount of CHF 9.6 million was distributed, corresponding to CHF 6.15 per unit and a distribution yield on the price per unit of 5.4 %. The payout ratio is 93.8 %. The distribution consisted of an income distribution of CHF 1.1 million, which is subject to withholding tax, and a fund capital repayment of CHF 8.5 million, which is exempt from withholding tax. The ex-date was April 26, 2023 and the distribution was paid out on April 28, 2023.

## 13. Events After the Balance Sheet Date

None

## 14. Further Information (Art. 95 CISO-FINMA)

in CHF	30.06.2023	31.12.2022
Balance of the depreciation account on the land/buildings	-	-
Balance of the provision account for future repairs	-	-
Balance of the account for reinvestment of retained earnings	-	-
Number of units redeemed as of the end of the next financial year	-	-

Land/buildings were only depreciated and provisions made for repairs and maintenance (R&M) at the level of Helvetica Swiss Opportunity AG. Since this depreciation and these provisions are not in line with the market value principle under CISA, neither of these items is posted at the real estate fund level and they are recognized in neither the balance sheet nor the real estate fund's income statement. The table below shows the balance of the depreciation and provisions account for tax purposes at the level of the subsidiary or fund:

in CHF	30.06.2023	31.12.2022	Change
Balance of depreciation account for land and buildings (tax motivated, subsidiary level)	56 657 435	51 647 673	5 009 762
Balance of depreciation account for land and buildings (Fund level)	-	-	-
Balance of the provision account for future repairs (tax-motivated, subsidiary level)	9 151 722	9 151 722	-
Balance of the provision account for future repairs (Fund level)	-	-	-

## Clarification on roundings

Totals may add up to more or less than 100 percent due to rounding.

### Principles for the Valuation of the Fund Assets and Calculation of the Net Asset Value

The net asset value of the real estate fund is calculated at the market value in Swiss francs at the end of the first half-year period, at the end of the financial year as well as at each unit issue. The Fund Management Company commissions the independent valuation experts to re-evaluate the market value of the Fund's properties at the end of each half-year period, each financial year and at each unit issue. With the supervisory authority's approval, the Fund Management Company mandates at least two natural or one corporate entity as independent valuation experts. Land/building inspections by the valuation experts must be repeated at least every three years. In the case of acquisitions or disposals of properties, the Fund Management Company has the properties valued in advance. A new valuation is not needed in the case of disposal if the existing valuation is not older than three months and circumstances have not changed substantially.

Investments that are traded on a stock market or another regulated market that is open to the public are to be valued at the current prices paid on the main market. Other investments or investments with no current prices available must be valued at a price that is likely to be paid in a prudent sale at the time of valuation. In such a case, the Fund Management Company applies reasonable valuation models and principles that are recognized in practice to determine the market value.

Open collective investment schemes are valued at their redemption price or their net asset value. If they are regularly traded on a stock market or another regulated market open to the public, the Fund Management Company may value them according to para. 16, sect. 3 of the fund contract.

The value of short-term fixed-income securities that are not traded on a stock exchange or another regulated market open to the public is calculated as follows: Based on the net purchase price and presuming a stable investment return, the valuation price of these investments is adjusted gradually to the redemption price. In the case of significant changes in market conditions, the valuation basis of the individual investments is adjusted to the new market return. In this case, if there is no current market price, valuation is usually based on money market instruments with the same characteristics (quality and domicile of the issuer, issuing currency, maturity).

Post and bank deposits are valued according to their balance plus accrued interest. In the case of significant changes in market conditions or credit rating, the valuation basis for time deposits at banks is adjusted to the new conditions.

The calculation of a unit's net value is based on the market value of the Fund's gross asset value, less any liabilities as well as any taxes that would likely have to be paid in the case of the Fund's liquidation, divided by the number of outstanding units. The valuation of the Fund's properties is performed according to the current AMAS guidelines for real estate funds. The valuation of undeveloped land and buildings in progress is based on the value principle. If the Fund Management Company has any buildings in progress that are to be reported at market values, it has these appraised at the end of the financial year.

# Report of the Valuation Experts



Wüest Partner AG, Bleicherweg 5, 8001 Zurich

Helvetica Property Investors AG  
Executive Board  
Brandschenkestrasse 47  
8002 Zurich

Zurich, 17 July 2023

Helvetica Swiss Opportunity Fund  
Independent real estate valuer's report  
Valuation as at 30 June 2023

To the Executive Board of Helvetica Property Investors AG

Ref.  
118584.2300

## Commission

Wüest Partner AG (Wüest Partner) was commissioned by the Fund Management to perform a valuation, for accounting purposes, of the 18 properties held by Helvetica Swiss Opportunity Fund as at 30 June 2023 (reporting date).

## Valuation standards

Wüest Partner hereby confirms that the valuations comply with the legal provisions of the Collective Investment Schemes Act (CISA) and the Collective Investment Schemes Ordinance (CISO) as well as the guidelines of the Asset Management Association Switzerland (AMAS) and were furthermore performed in accordance with the customary national and international valuation standards.

## Definition of market value

Market value is defined as the amount for which a property would most probably be exchanged on the open market on the valuation date between two independent and knowledgeable parties, willing to buy and sell respectively, with due allowance made for a reasonable marketing period.

In the valuation are excluded property transfer, real property gains and value-added taxes plus any other costs incurred, or commissions paid, during the process of selling real estate. Nor is any account taken of Helvetica Swiss Opportunity Fund's liabilities in respect of taxation (apart from ordinary property taxes) and financing costs.

## Valuation method

In valuing Helvetica Swiss Opportunity Fund's investment properties, Wüest Partner applied the discounted cash flow (DCF) method, by which the market value of a property is determined as the total of all projected future net earnings discounted to the valuation date. Net income is discounted separately for each property with due allowance for specific opportunities and threats, and adjustment in line with market conditions and risks.

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wuestpartner.com  
Regulated by RICS

#### Basis of valuation

Wüest Partner is familiar with all the properties, having carried out inspections and examined the documentation provided. The properties have been analysed in detail in terms of their quality and risk profiles (attractiveness and lettability of rented premises, construction type and condition, micro- and macro-location etc.). Currently vacant premises are valued with due allowance made for a reasonable marketing period.

Wüest Partner inspects the properties normally at least once every three years as well as following purchase and upon completion of larger refurbishment and investment projects. All properties were visited in 2020 to 2023.

#### Results

A total of 18 investment properties were valued as at 30 June 2023. The market value of these properties on the valuation date is estimated by Wüest Partner to total 332,483,000 Swiss Francs.

In the property valuation, real discount rates between 3.10% and 4.10% were applied. Considering an inflation rate of 1.25% the nominal discount rates lie between 4.39% and 5.40%. Over the whole portfolio, the average of the discount rates – weighted by market value – is 3.43% in real terms and 4.72% in nominal terms.

#### Changes in the real estate portfolio

Within the review period from 1st January 2023 to 30 June 2023, the following changes occurred:

Acquired:

– 2557 Studen, Bütigenstrasse 74.

#### Independence and confidentiality

The valuation of Helvetica Swiss Opportunity Fund's real estate holdings was performed by Wüest Partner independently and neutrally in conformity with its business policies. It was carried out solely for those purposes specified above; Wüest Partner shall accept no liability in respect of third parties.

Zürich, 17 July 2023

Wüest Partner AG



Ivan Anton  
dipl. Architekt ETH; MSc Real Estate (CUREM)  
Partner



Silvana Dardikman  
MSc in Finance; Immob. Bew. mit eidg. FA  
Director



#### Annex: valuation assumptions

##### Investment properties

The investment property valuations are based on the following general assumptions:

- The rent rolls from Helvetica Property Investors AG used in the valuation have the state of knowledge typically as at April 2023.
- A two-phase DCF model was adopted. The valuation period extends to infinity from the valuation date, with an implicit residual value in the eleventh period.
- Discounting is based on a risk-adjusted interest rate. Rates are determined individually for each property on the basis of appropriate benchmarks derived from arm's-length transactions. They may be broken down as follows: risk-free interest rate + property risk (immobility of capital) + premium for macro-location + premium for micro-location depending on use + premium for property quality and income risk + any other specific premiums.
- Unless otherwise stated, the valuations assume 1.25 percent annual inflation for income and all expenditure. Where a nominal discount rate is applied, this is adjusted accordingly.
- Credit risks posed by specific tenants are not explicitly factored into the valuation.
- Specific indexation of existing rental agreements is accounted for on an individual basis.
- For existing tenancies, the timing of individual payments is assumed to comply with the terms of the lease.
- In terms of running costs, entirely separate service charge accounts are assumed, with no tenancy-related ancillary costs to be borne by the owner.
- The maintenance (repair and upkeep) costs were calculated using a building analysis tool. This tool is used to estimate the remaining lifespan of individual components based on their present condition, to model periodic refurbishments and to calculate the associated annual renewal fund allowances. The calculated values are plausibility tested using cost benchmarks derived from Wüest Partner surveys.

## Organization

<b>Fund Management Company</b>	Helvetica Property Investors AG, Brandschenkestrasse 47, Zürich
<b>Executive Board</b>	Hans R. Holdener, CEO and CIO ad interim Peter R. Vogel, CFO and Head Corporate Services Salman Baday, Head Sales and Marketing Lucas Schlageter, Head Portfolio Management
<b>Extended Management Board</b>	Michael Knoflach, Head Finance Dominik Fischer, Head Investment Management (as from 1.07.2023)
<b>Board of Directors</b>	Dr. Hans Ueli Keller, Chairman Peter E. Bodmer, Deputy Chairman Herbert Kahlich, Member Theodor Härtsch, Member Dr. Franziska Blindow-Prettl, Member
<b>Asset Manager</b>	Helvetica Property Investors AG, Brandschenkestrasse 47, Zürich
<b>Custodian Bank and Paying Agency</b>	Bank J. Safra Sarasin, Elisabethenstrasse 62, Basel
<b>Auditors</b>	PricewaterhouseCoopers AG, Birchstrasse 160, Zürich
<b>Market Maker</b>	Bank J. Safra Sarasin, Elisabethenstrasse 62, Basel
<b>Accredited Valuation Experts</b>	With the approval of the supervisory authority, the Fund Management Company has commissioned Wüest Partner AG in Zurich as the independent and permanent valuation expert. The main persons responsible are:  Ivan Anton, Valuation Expert, Wüest Partner AG, Zurich Silvana Dardikman, Valuation Expert, Wüest Partner AG, Zurich
<b>Property Management</b>	Property management and technical maintenance are mainly delegated to H&B Real Estate AG and Privera. The exact execution of the assignment is regulated in separate contracts.

## Information for Investors

### Changes to the Fund Contract

The following changes to the fund contract were approved by FINMA on May 5, 2023 and entered into effect on May 10, 2023.

The changes to the fund contract mainly relate to amendments made in connection with the express declaration that related real estate funds managed by the Fund Management Company may make joint investments in real estate assets (co-ownership of properties and/or participations in and claims against real estate companies). Related transactions between the affiliated real estate funds are not deemed real estate transactions with or between related parties and may be entered into without approval from the supervisory authority. Furthermore, redemption commission increases were capped at a maximum of 5 percent.

The changes mostly involve the following points, as published on March 14, 2023:

#### Para. 3 The Fund Management Company

The following new paragraph was added to para. 3 section 9 of the fund contract (*in italics*):

*“Transactions between affiliated real estate funds as defined in para. 8 section 2(a) and (c) and section 3 (co-ownership of real estate and/or participations in and claims against real estate companies) are not deemed real estate transactions engaged in by the Fund Management Company with or between related parties within the meaning of section 9 and may be entered into without approval from the supervisory authority.”*

#### Para. 4 The Custodian Bank

The following new paragraph was added to para. 4 section 8 of the fund contract (*in italics*):

*“Transactions between affiliated real estate funds as defined in para. 8 section 2(a) and (c) and section 3 (co-ownership of real estate and/or participations in and claims against real estate companies) are not deemed real estate transactions engaged in by the Fund Management Company with or between related parties within the meaning of section 8 and may be entered into without approval from the supervisory authority.”*

#### Para. 8 Investment Policies

Para. 8 section 2 will be supplemented as follows (*in italics*):

*“Ordinary co-ownership of real estate; co-ownership is permitted if the Fund Management Company can exercise controlling interest, i.e. if it holds a majority of co-ownership shares and votes. Co-ownership of real estate by affiliated real estate funds is expressly permitted. Affiliated real estate funds are considered to be real estate funds managed by the same fund management company;*

The properties are entered into the land register under the name of the fund management company with a note indicating its affiliation with the real estate fund(s).

1. Promissory notes or other contractual liens on the property;
2. Participations in and claims against real estate companies whose sole purpose is the acquisition and sale or rental and leasing of their own properties if at least two-thirds of their capital and votes are combined in the real estate fund. *Also permitted are joint participations in and claims against real estate companies with affiliated real estate funds in accordance with the definition provided above;*

A new section 3 has been added to para. 8. The new paragraph reads as follows (*in italics*):

*“When acquiring co-ownership in properties with affiliated real estate funds and/or participations in and claims against real estate companies with affiliated real estate funds in accordance with section 2(a) and (c) above (affiliate co-ownership / affiliate participations), the maximum investment in affiliate co-ownership / affiliate participations may not exceed a total of 50 percent of the fund assets.”*

The insertion of new section 3 results in a corresponding shift in the numbering of all subsequent sections of para. 8.

#### Para. 15 Spreading and Limiting Risk

Letter f was added to para. 15 section 4. Letter f reads as follows (*in italics*):

*“f. Investments in affiliate co-ownership / affiliate participations up to a maximum of 50 percent.”*

Para. 18 Fees and Incidental Costs Charged to the Investors

The maximum percentage of the redemption commission was changed to 5 percent in para. 18 section 2.

Para. 28 Applicable Law and Place of Jurisdiction and Signature Page

In para. 28 section 4, in the final paragraph of para. 28 and on the signature page, the date of the fund contract and of the approval of the fund contract by the Swiss Financial Market Supervisory Authority FINMA have been amended owing to the changes.

### **Legal Disputes**

There are no legal disputes of a material nature.

### **Compliance with Investment Restrictions**

The Fund Management Company confirms that the Helvetica Swiss Opportunity Fund fulfills all investment restrictions in accordance with the fund contract.

### **Information on Related-party Transactions**

The Fund Management Company confirms that there were no transfers of real estate to related parties or from related parties during the reporting period (Art. 63 para. 2 CISA and Art. 32, 32a, and 91a CISO and sect. 18 of the guidelines for the real estate funds of the Asset Management Association Switzerland (AMAS) of April 2, 2008, version dated August 5, 2021).

**Fondsleitung**

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Authorized and Regulated by the Swiss Financial Market Supervisory Authority FINMA.