

Media Release

Helvetica Property Investors looks back on a successful fiscal year for the HSC real estate fund with an investment return of 7.6%.

Zurich, 15 March 2018 – In the first fiscal year of the Helvetica Swiss Commercial Fund "HSC", ten high-quality properties were acquired with a gross yield of around 6%. The dividend of CHF 3.50 per share paid out in January 2018 corresponds to a payout yield of 3.3% with a corresponding payout ratio of 70.3%.

The HSC real estate fund achieved a good result in the extended financial year 2017. Since its launch in December 2016, the acquisition of ten properties with a total value of CHF 199 million and a return on equity of 7.6%, it has closed a successful first financial year.

Annual results 2017 in detail

Income Statement

Adjusted rental income for the extended financial year from 9 December 2016 to 31 December 2017 amounted to CHF 8.5 million, while adjusted net income reached CHF 6.1 million. The fund's operating profit margin was 72.5%. Low borrowing costs as well as the additional transactions in the second half of the year resulted in an increase in the return on invested capital from 4.2% at mid-year to 5.2% at year-end. This is a very positive result, considering the fact that the properties only generated a return for an average of 8 months due to the buildup phase. The occupancy rate rose from 90.5% in June to 95.3% as at 31 December 2017. The properties were revalued for the second capital increase as well as the annual financial statements, which resulted in an overall appreciation of the portfolio by 0.68% to CHF 199 million.

Statement of Assets

The fund's gross assets amounted to CHF 205.9 million as at 31 December 2017. The fund's net assets increased by the total net income of CHF 9.5 million to CHF 132.9 million, corresponding to a net asset value of CHF 107.57 per share. The debt financing ratio was 31.9%, which was within the regulatory requirement of 33.3% on the portfolio's market value at year-end. Estimated liquidation taxes amounted to CHF 4.5 million or 2.2% of the fund's gross assets. In January 2018, a dividend of CHF 3.50 was already paid to the investors for the financial year 2017. This corresponds to a payout yield of 3.3% at a payout ratio of 70.3%, thus exceeding the figure for the first financial year as communicated prior to the fund's launch.

Outlook

The Fund Manager, Helvetica Property Investors AG, is optimistic about the future. The economists at the State Secretariat for Economic Affairs (Seco), strongly revised their forecasts upward and expect above-average growth in 2018. A pickup in the office and commercial property markets is, therefore, likely. Based on the concurrent expected growth in demand for rental space, there is further potential to improve occupancy rates at attractive conditions. Consequently, we were able to observe a pickup in demand for various vacant premises. We are in negotiations for lease extensions or new leases at a number of the

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HSC's properties. Thereby, prospective tenants focus on excellent traffic links as well as the relatively low rents at HSC properties compared to sites in major cities. The capital increase which was completed successfully in December, resulted in an increase in the fund's net assets by around CHF 65 million, which will be used to further expand the high-quality portfolio. As early as February 2018, the Fund Manager communicated the acquisition of two additional properties worth approximately CHF 50 million. In February 2018, a number of adjustments came into force with regard to the fund contract. Among others, these include a change in the custodian bank, the possibility of contribution in kind as well as the opening of the HSC Fund to all investors. The Fund Manager has a promising acquisition pipeline. As part of the growth strategy, further capital increases as well as a listing of the fund by mid-2019 are being planned.

KEY FIGURES FISCAL YEAR 2017

Market value of the properties	CHF	198'960'000
Weighted real discount rate	%	4.2
Gross fund assets (GAV)	CHF	205'888'007
Net fund assets (NAV)	CHF	132'875'558
Debt financing ratio in % of market values	%	31.9
NAV per share	CHF	107.57
Return on equity (ROE)	%	7.6
Return on invested capital (ROIC)	%	5.2
Investment return	%	7.6
Rental income*	CHF	11'391'618
Rental income default rate	%	8.0
Net income*	CHF	8'599'551
Operating profit margin	%	72.5
Payout	CHF	4'323'550
Payout yield	%	3.3
Payout rate	%	70.3

*In the income statement of the fund's reporting period from 9 December 2016 to 31 December 2017, income and expenses from the two acquired companies with the two properties Steinhausen and Münchwilen are consolidated for the period from 1 January 2016 to 31 December 2017. However, the actual economic holding period of the two properties by the fund only concerns the period from 15 December 2016 to 31 December 2017. After the elimination of the corresponding one-off effects, rental income adds up to CHF 8.5 million instead the reported CHF 11.4 million, while net income was CHF 6.1 million instead of the reported CHF 8.6 million.

FOR MORE INFORMATION

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All press releases can be found at www.HelveticaProperty.com

Financial statements are available on the website of the fund manager <http://www.HelveticaProperty.com> or www.swissfunddata.ch



About Helvetica Property Investors AG

Helvetica Property Investors is an independent partner-owned and managed real estate fund management company regulated by the Swiss Financial Market Supervisory Authority FINMA. Helvetica Property Investors offers the full spectrum of real estate investments, including investment strategies, investment property selection, deal structuring, acquisitions, financing, portfolio management and sales. The firm offers both direct and indirect real estate investments in Switzerland on behalf of its clients. Helvetica Property Investors acts as fund and asset manager for the Helvetica Swiss Commercial real estate fund.



About Helvetica Swiss Commercial Real Estate Fund

The Helvetica Swiss Commercial real estate fund («HSC») and is an open contractual real estate investment fund under Swiss law open to all investors. The fund is suited for long-term value investors interested in a stable and consistent cash-flow. The fund invests in commercial properties with value appreciation potential across the most dynamic economic regions in Switzerland. The focus is on potentially undervalued properties with an attractive cash-flow yield. The fund manager pursues an active hands-on management approach to unlock and realize hidden potential in the properties by means of revitalization, renovations, vacancy reductions and lease extensions. The long-term goal is to build a broadly diversified portfolio by region, type of use, object size and tenant mix.

