HELVETICA PROPERTY

HELVETICA SWISS COMMERCIAL

Real Estate Investment Fund under Swiss Law

PROSPECTUS WITH INTEGRATED FUND AGREEMENT

Helvetica Swiss Commercial

Investment fund under Swiss law of the type "real estate fund"

Prospectus with integrated fund agreement

April 1, 2019

This is an unofficial English office translation of the official version of the German “Prospekt mit integriertem Fondsvertrag” of the HSC Real Estate Fund. In case of deviation, the German version applies.

Fund name

Helvetica Swiss Commercial (HSC)

Fund category

A contractual investment fund under Swiss law of the type "real estate fund"

Fund management

Helvetica Property Investors AG
Legal form: Public limited company
Headquarters: Gartenstrasse 23, 8002 Zurich

Custodian bank

Banque Cantonale Vaudoise
Legal form: Institute under public law
Headquarters: Place St-François 14, 1002 Lausanne

Paying agent

Banque Cantonale Vaudoise
Legal form: Institute under public law
Headquarters: Place St-François 14, 1002 Lausanne

Auditing company

PricewaterhouseCoopers AG
Legal form: Public limited company
Headquarters: Birchstrasse 160, 8050 Zurich

Version

01.04.2019

Part I Prospectus

The present prospectus with integrated fund agreement, the simplified prospectus and the latest annual or semi-annual report form the basis for all subscriptions of shares in the real estate fund. Only information contained in the prospectus, simplified prospectus or fund agreement is valid.

1 Information on the real estate fund

1.1 General information on the real estate fund

Helvetica Swiss Commercial is an investment fund under Swiss law of the type "real estate fund" in accordance with the Federal Act on Collective Investment Schemes of 23 June 2006 (CISA) and the Ordinance on Collective Investment Schemes of 22 November 2006 (CISO). The fund agreement was drawn up by Helvetica Property Investors AG, Zurich, as the fund management company and, with the approval of Notenstein La Roche Privatbank AG as the former custodian bank, submitted it to the Swiss Financial Market Supervisory Authority FINMA, which approved it for the first time on 21 July 2016.

The real estate fund is based on a collective investment contract (fund agreement) in which the fund management undertakes to enable the investor to participate in the real estate fund in accordance with the fund shares acquired by him and to manage the fund independently and in his own name in accordance with the provisions of the law and the fund agreement. The custodian bank participates in the fund agreement in accordance with the duties assigned to it by law and by the fund agreement.

According to the fund agreement, the fund management has the right, with the approval of the custodian bank and the supervisory authority, to create, cancel or merge different share classes at any time.

Helvetica Swiss Commercial is not divided into share classes.

1.2 Investment objective and investment policy of the real estate fund

1.2.1 Investment objective

Helvetica Swiss Commercial is a Swiss real estate fund that invests primarily in commercial real estate throughout Switzerland. The main investment objective is to achieve stable returns in line with market developments. In order to generate stable returns over the long term, the fund invests in real estate that offers above-average earnings prospects adjusted to the respective cycle. The real estate fund invests primarily in commercially used properties whose acquisition is not subject to approval pursuant to Art. 2 para. 2 of the Federal Act on the Acquisition of Real Estate by Persons Abroad of 16 December 1983 (BewG). In addition, the fund invests in other properties permitted under the fund agreement, with a limited focus on residential real estate.

1.2.2 Investment policy

This real estate fund invests primarily in properties and other investments permitted under the fund agreement.

a) The investments shall be distributed according to the type of use, age, structure and location of the property.
b) The investments shall be distributed among at least ten properties. Settlements which have been constructed according to the same structural principles and adjacent parcels shall be considered as a single property.

The fund management observes the following investment restrictions with regard to the fund's assets:

a) A single property may not account for more than 25% of the fund's assets in terms of value.
b) Debentures and other contractual mortgages up to a maximum of 10%.

c) Leasehold properties up to a maximum of 30%.
d) Building land, including demolition properties, and construction in progress up to a maximum of 30%.

1.2.3 The key risks

Helvetica Swiss Commercial is subject to the investor protection provisions of the Federal Act on Collective Investment Schemes of 23 June 2006 (CISA). These provisions may ease the risks mentioned, but may not exclude them. Investors considering purchasing real estate fund shares of Helvetica Swiss Commercial should consider the following specific but not exhaustive risk factors. Such risks, individually or in combination, can have a negative impact on the earnings position of the real estate fund and the valuation of the fund assets and lead to a reduction in the unit value (up to a total loss). In particular, the following factors, risks and uncertainties exist:

Force majeure	Real estate can be exposed to elements of force majeure events such as natural disasters (e.g. hurricanes, earthquakes and floods), acts of war or terrorism or acts of sabotage and strikes. Insurance cover does not exist for all events and, if such cover exists, the insurance may not fully cover the losses. Such events can have a negative impact on the earnings and financial situation.
Legal proceedings and other legal disputes	The Company can become involved in legal and regulatory proceedings and other legal disputes in connection with real estate projects. Such disputes can arise in particular in connection with the purchase or sale of real estate, its letting or the removal of contaminated sites. Such proceedings can entail considerable cost and reputation risks.
Changes in law and practices	Laws and other regulations as well as the practices of authorities may change. Changes in tax law, tenancy law, environmental protection law, spatial planning law, building law and the Federal Act on the Acquisition of Land by Persons Abroad (Lex Koller) may have an impact on property prices, costs and income. Such changes may also affect the valuation of the fund's assets and are not always foreseeable.
Economic development	Helvetica Swiss Commercial invests in real estate projects and real estate in Switzerland. The investment fund is therefore dependent on economic growth and general economic conditions in Switzerland. Negative economic developments may lead to higher vacancy rates for the properties held by the real estate fund. General economic downturns, changes in the inflation rate in Switzerland or a reduced attractiveness of Switzerland's central economic areas as a business location by international standards may also have a negative impact on the investment fund.

Liquidity risks

The Swiss real estate market has limited liquidity, as evidenced by the fact that, especially for larger properties, a short-term purchase or sale is only possible with corresponding concessions on the purchase price. The limited liquidity of the real estate market may mean that not all available liquid assets can be invested immediately in direct real estate investments and that these temporarily represent a larger position in the company's books. This in turn may have an impact on the investment return.

Tenant creditworthiness

Helvetica Swiss Commercial is dependent on the creditworthiness of the property tenants. Payment difficulties and insolvency of tenants can lead to loss of income for the investment fund.

Pricing

There is no certainty that there will always be a sufficiently liquid market for subscription rights or fund shares of Helvetica Swiss Commercial. Insufficient liquidity can have a negative impact on the tradability of the shares. It cannot be guaranteed that the shares will be traded at or above the issue price or net asset value.

The fund management is obliged to redeem the shares subject to 12 months' notice at the end of a financial year at the conditions stipulated in the fund agreement (§ 5 no. 5 of the fund agreement).

Risks in connection with the valuation of properties

The valuation of real estate involves numerous factors and depends not least on a certain subjective assessment of these factors by the valuation expert. The property values determined by the property fund as of the respective reporting date and reviewed by valuation experts may therefore deviate from the price to be achieved when the property is sold, especially as the selling price depends on supply and demand at the time of sale, which may have changed since the reporting date.

Risks in connection with the construction of buildings and construction projects

Helvetica Swiss Commercial invests in real estate projects and real estate in Switzerland. It is in the nature of projects related to construction, conversion and renovation of real estate that they are planned for a longer period of time and susceptible to delays. Delays in the completion of real estate projects can result in particular from the fact that building permits do not become legally binding for a long time due to objections and other legal remedies. Unforeseen difficulties can also arise with the land or building fabric to be developed, as well as problems on the part of general contractors or their subcontractors, over which the fund management has no influence. No income is generated during the execution of the project.

During the execution of construction projects, the budgeted costs are often exceeded, e.g. due to official requirements, accidents, insufficient insurance coverage, unforeseen difficulties during construction or errors in the planning or execution phase on the part of general contractors and subcontractors. Construction defects and construction errors can cause unexpected and possibly above-average refurbishment or maintenance costs, which have an adverse effect on the earnings situation.

Since construction projects are normally planned over several years, it can happen that the assumptions about the profitability of a project change during its implementation, for example because the region in question loses economic attractiveness. A loss of income can also occur if a property cannot be let or sold as planned.

Depending on the size of a project, a considerable cluster risk may also exist.

Risks in connection with IT

The company's business activities depend on a functioning IT environment. In particular, data security and the absence of malfunctions and interruptions cannot always be guaranteed. The materialization of such risks may have an impact on the company's financial position.

Environmental risks

Despite careful consideration of environmental risks when purchasing a property, contaminated sites can remain undetected. If such contaminated sites later come to light, this can lead to considerable, unscheduled remediation costs with corresponding negative effects on the valuation of the fund assets.

Changes in the Swiss real estate market

The Swiss real estate market may experience fluctuations in supply and demand, which may be in line with, but also independent of, economic developments. Such fluctuations may also appear in the future on both the tenant and owner markets. An oversupply leads to a reduction in rental income and property prices, while a shortage of supply leads to an increase in rental income and property prices.

Considerable overcapacities can arise, especially in office space; for commercial properties, an increase in supply with a corresponding increase in price pressure is more likely. This can also have a negative impact on the investment fund. By contrast, demand for residential properties in larger urban areas is likely to increase. However, overcapacity must be expected for residential properties in smaller cities, in urban agglomerations and in the peripheral areas of Switzerland. However, no reliable statements can be made about the future development of the Swiss real estate market. Moreover, it cannot be ruled out that the performance of real estate may vary greatly depending on its location.

Moreover, there is no guarantee that long-term leased properties can be re-let at at least the same favourable conditions once the lease expires.

Competition

The management of commercial properties in particular may change (rent instead of purchase, spin-off of properties and/or property management) and intensify competition. This can have (negative) effects on prices and lead to an already emerging concentration process.

Interest rate development and refinancing risk

Credit and capital market interest rates are subject to constant, not always foreseeable changes. In particular, changes in mortgage rates and inflation or inflation expectations can have a significant impact on the value of real estate and the development of rental income, as well as on financing costs. There is a risk that it will not be possible to renew financing, or only at higher cost.

1.2.4 Use of derivatives

The fund management does not use any derivatves.

1.3 Profile of the typical investor

Helvetica Swiss Commercial is open to all investors.

Helvetica Swiss Commercial is suitable for investors with a long-term investment horizon. Investors are able to cope with temporary fluctuations in the net asset value of the fund shares and are not dependent on the realisation of the investment by a specific date.

Helvetica Swiss Commercial is particularly suitable for institutional investors and private investors with a high investment volume.

1.4 Relevant tax provisions

The real estate fund has no legal personality in Switzerland. In principle, it is not subject to taxation on earnings or capital gains. Real estate funds with direct real estate holdings are an exception. According to the Federal Act on Direct Federal Tax, income from direct real estate is subject to taxation at the level of the fund itself and is therefore tax-free for private shareholders. Capital gains from direct real estate holdings are also taxable only for real estate funds.

The federal withholding tax deducted from domestic income in the real estate fund may be reclaimed in full by the fund management for the real estate fund.

The dividend payouts from the real estate fund (to investors domiciled in Switzerland and abroad) are subject to federal withholding tax of 35%. Income and capital gains distributed with a separate coupon from direct real estate and capital gains from the sale of participations and other assets are not subject to withholding tax.

Investors domiciled in Switzerland may reclaim the withholding tax deducted by declaring it in their tax return or by submitting a separate withholding tax application.

Investors domiciled abroad can reclaim the withholding tax in accordance with the double taxation agreement that may exist between Switzerland and their country of domicile. In the absence of an agreement, there is no possibility of reclaiming the tax.

The tax information is based on the current legal situation and practice. We expressly reserve the right to make changes to legislation, court rulings or the decrees and practices of the tax authorities.

Taxation and other tax implications for the investor when holding, buying or selling fund shares are governed by the tax regulations in the investor's country of domicile. Investors should contact their tax advisor for information in this regard. The purchase or sale of fund shares is subject to Swiss turnover tax if a Swiss securities dealer is involved in the transaction.

This real estate fund has the following tax status:

International automatic exchange of information in tax matters:

This real estate fund qualifies as a non-reporting financial institution for the purposes of automatic information exchange within the meaning of the common reporting and due diligence standard of the Organisation for Economic Cooperation and Development (OECD) for information on financial accounts (GMS).

FATCA:

The fund management has been registered with the US tax authorities as a Certified Deemed-Compliant Advisor and Investment Manager within the meaning of Section 1471 - 1472 of the U.S. Internal Revenue Code (Foreign Account Tax Compliance Act, including related decree, "FATCA"). The real estate fund was qualified as Nonreporting IGA FFI and registered with the US tax authorities with the following Global Intermediary Identification Number (GIIN): 27PAQV.99999.SL 756.

2 Information on the Fund Management

2.1 General Information on the Fund Management

The fund is managed by Helvetica Property Investors AG. Since its foundation as a public limited company in 2007, the fund management company based in Zurich has been active in the real estate business and in the fund business since 2016.

The subscribed share capital of the fund management amounts to CHF 1,000,000 on 31 December 2018. The share capital is divided into 1,000 registered shares and is fully paid up.

The ownership structure of Helvetica Property Investors AG is as follows:

Helvetica Property Group AG	100.00%

The ownership structure of Helvetica Property Group AG is as follows:

Hans R. Holdener	75.50%
Hans U. Keller	10.00%
Other shareholders (non-qualified participants)	14.50%

The Board of Directors of Helvetica Property Investors AG is composed as follows:

- **Hans U. Keller (Chairman)**
  Relevant activities outside the fund management: Member of the Board of Directors of Engel & Völkers Schweiz Invest AG; Member of the Board of Directors, Chairman of the Compensation Committee and Member of the Audit Committee of Ebix, Inc.

- **Hans R. Holdener (Member)**
  Relevant activities outside the fund management: Member of the Board of Directors of Helvetica Property Group AG; Member of the Board of Directors and the Executive Board of Wohnspar AG.

- **Herbert Kahlich (Member)**
  Relevant activities outside the fund management: Managing Director of INOSOFT Financial Services AG, Zurich; Member of the Board of Directors and Member of the Executive Board of Real Coin One AG, Zug.

- **Thomas Huber (Member)**
  Relevant activities outside the fund management: Owner of inno thinc holding ag, innopunkt projekte ag and innopunkt treuhand ag; Member of the Board of Directors of Artico Partners AG, Zurich; Chairman of the Board of Directors of Batagon International AG, Zug, Chairman of the Board of Directors of Batagon Factoring AG, Zug, Chairman of the Board of Directors of Fundbase Fund Services AG, Freienbach; Member of the Board of Directors of Graubündner Kantonalbank, Chur; Chairman of the Board of Directors of PMG Fonds Management AG, Zurich; Chairman of the Board of Directors of Zugerberg Finanz AG, Zug.

- **Peter E. Bodmer (Member)**
  Relevant activities outside the fund management: President and CEO of the BEKA Group; Delegate of the Government Council of the Canton of Zurich for the development of the Zurich Centre university area; Member of the Board of Directors of Peach Property Group AG; Member of the Board of Directors of HL Holding AG; Member of the Board of Directors of Arbonia Holding AG; Member of the Board of Directors of Brütsch / Rüegger Holding AG; Member of the Board of Directors of Inovex Holding AG; Member of the Board of Trustees of the Innovation Park Zurich; Member of the Board of

Trustees of Profonds Sammelstiftung; Member of the Board of Trustees of the Wilhelm Schulthess Foundation (Schulthess Klinik); Member of the Board of Directors of Klinik Schloss Mammern.

The management of Helvetica Property Investors AG is composed as follows:

- **Hans R. Holdener (Chief Executive Officer, Head of Sales)**
  Relevant activities outside the fund management: Member of the Board of Directors of Helvetica Property Group AG; Member of the Board of Directors of Wohnspar AG

- **Frédéric Königsegg (Chief Investment Officer, Head of Investment Management)**
  No relevant activities outside the fund management

- **Hans-Peter Wasser (Head of Asset Management)**
  No relevant activities outside the fund management

- **Peter R. Vogel (Chief Financial Officer, Head of Corporate Services)**
  No relevant activities outside the fund management

The fund management has managed the Helvetica Swiss Commercial real estate fund, an investment fund under Swiss law of the "real estate fund" type, in Switzerland since 31 December 2018. The total assets under management of Helvetica Swiss Commercial real estate fund amounted to around CHF 427 million as at 31 December 2018.

In addition, the fund management has provided the following services in particular since 31 December 2018:

- Distribution of Swiss collective investment schemes;
- Individual real estate asset management for institutional and private investors; and
- Investment advice in the field of real estate for institutional and private investors.

Address:
Helvetica Property Investors AG
Gartenstrasse 23
CH-8002 Zurich

Website:
http://www.HelveticaProperty.com

The content of this website does not form part of this Prospectus.

2.2 Delegation of investment decisions

The fund management makes the investment decisions for the investment fund itself. The employees of Helvetica Property Investors AG are distinguished by their many years of experience in the field of indirect and direct real estate investments.

2.3 Delegation of tasks

The following tasks are partially delegated to third parties:

- Tasks related to property management (tenant management, maintenance, property accounting) and construction activities (building, conversion, renovation, etc.) are sometimes delegated to external service providers. Depending on the property and the region, mandate agreements are concluded with corresponding service providers for individual properties. The exact execution of orders to external service providers is regulated in the respective mandate agreements. A list with the respective service providers per property can be obtained free of charge from the fund management. The external service providers are distinguished by their many years of experience.

2.4 Exercise of membership and creditor rights

The fund management exercises the membership and creditor rights associated with the investments of the managed funds independently and exclusively in the interest of the investors. Upon request, investors can obtain information from the fund management on the exercise of membership and creditor rights.

In the case of pending routine transactions, the fund management is free to exercise the membership and creditor rights itself or to delegate the exercise to the custodian bank or third parties.

For all other items on the agenda that could have a lasting effect on the interests of investors, such as, in particular, the exercise of membership and creditor rights to which the fund management is entitled as a shareholder of the custodian bank or other related legal entities, the fund management itself exercises the voting right or issues express instructions. In doing so, it may rely on information received from the custodian bank, the portfolio manager, the company or from voting rights advisors and other third parties or obtained from the press.

The fund management is free to waive the exercise of membership and creditor rights.

3 Information on the custodian bank

The custodian bank is Banque Cantonale Vaudoise (hereinafter "BCV"). BCV was established for an indefinite period by decree of the Grand Council of Vaud of 19 December 1845. It is a public limited company. Its registered office and management are located at Place St-François 14, 1003 Lausanne / Switzerland. It is entitled to have subsidiaries, branches, offices and agencies.

BCV is a universal bank with more than 170 years of business experience, around 2000 employees and over 60 branches in the canton of Vaud. Its mission is to promote all sectors of the private sector throughout the canton and to support public bodies in the financing of their tasks, as well as to cover the need for mortgage loans. To this end, it conducts all normal banking business for its own account and for the account of third parties (Art. 4 Law on the Banque Cantonale Vaudoise and Art. 4 of the Bank's Statutes). BCV conducts its business mainly in the canton of Vaud; if it is in the interest of the Vaud economy, it may also operate in other places in Switzerland and abroad. As a cantonal bank, it is particularly committed to the development of the cantonal economy in accordance with the principles of sustainable development, taking into account economic, ecological and social criteria.

The custodian bank is entitled to instruct third-party and collective custodians in Switzerland and abroad to deposit the fund's assets, provided that this is in the interest of proper custody. For financial instruments, the transfer may only be made to supervised third-party or collective custodians. This does not apply to mandatory safe custody at a location where transfer to supervised third-party or collective custodians is not possible, such as, in particular, due to mandatory legal provisions or the modalities of the investment product. Third-party and collective custody means that the fund management no longer has sole ownership of the deposited securities, but only co-ownership. Moreover, if the third-party and collective custodians are not supervised, they are unlikely to meet the organisational requirements placed on Swiss banks.

The custodian bank shall be liable for any loss or damage caused by the agent unless it can prove that it exercised due care in the selection, instruction and monitoring of the agent.

The custodian bank is registered with the US tax authorities as a foreign financial institution subject to Model 2 reporting requirements under the Intergovernmental Agreement within the meaning of Sections 1471-1474 of the US Internal Revenue Code ("Reporting Model 2 FFI").

4 Information on third parties

4.1 Paying agent

The paying agent in Switzerland is Banque Cantonale Vaudoise, Place St-Francois 14, 1002 Lausanne, with all branches in Switzerland.

4.2 Sales agent

- No external institutes have currently been commissioned to sell the real estate fund. The fund management distributes the units of the real estate fund itself.

The fund management reserves the right to appoint selling agents in the future.

4.3 Auditing company

The auditing company is PricewaterhouseCoopers AG, Birchstrasse 160, 8050 Zurich.

4.4 Valuation experts

The fund management has commissioned the following valuation experts with the approval of the supervisory authority:

- Marco Feusi, Valuation Expert, Wüest Partner AG, Zurich;
- Silvana Dardikman, Valuation Expert, Wüest Partner AG, Zurich.

The valuation experts are distinguished by their many years of experience in valuation as partners or managers of Wüest Partner AG. The detailed execution of the order is regulated by an order concluded between the fund management Helvetica Property Investors AG and Wüest Partner AG.

5 Further information

5.1 Useful information

Securities number	33550793
ISIN number	CH0335507932
Trading	The shares are traded OTC via Banque Cantonale Vaudoise, Lausanne.
Financial year	The financial year ends on 31 December each year.
Duration	The investment fund shall exist for an indefinite period of time.
Accounting unit	CHF
Share securitisation	The shares are not securitised, but recorded in the accounts.
Use of profits	Income is distributed annually, within four months of the end of the financial year. The fund management may make additional interim distributions.

5.2 Conditions for the issue, redemption and trading of fund shares

Shares may be issued at any time. They may only be issued in tranches. The fund management determines the number of new shares to be issued, the subscription ratio for existing investors, the issue method for the subscription right and the other conditions in a separate issue prospectus.

The investor may terminate his shares at the end of any financial year by giving 12 months' notice. Under certain conditions, the fund management company may redeem shares terminated during a financial year prematurely (cf. § 17 no. 2 of the fund agreement). If the investor wishes to redeem the shares early, he must request this in writing at the time of termination. Ordinary and early redemption shall take place within three months of the end of the accounting year (cf. § 5 no. 5 of the fund agreement).

The net asset value of the real estate fund is calculated at the market value at the end of the accounting year and each time shares are issued.

The net asset value of a share is calculated as the market value of the total gross fund assets less any liabilities of the real estate fund and the taxes likely to be payable on any liquidation of the real estate fund divided by the number of shares outstanding. It is rounded to two decimal places.

The issue price is calculated on the basis of the net asset value calculated at the time of issue, plus the issue commission. The amount of the issue commission is indicated in Section 5.3 below.

The redemption price is calculated on the basis of the net asset value calculated at the time of redemption, less the redemption commission. The amount of the redemption commission is indicated in Section 5.3 below.

The incidental costs for the purchase and sale of investments (transfer taxes, notary fees, fees, brokerage fees in accordance with market conditions, levies, etc.) incurred by the real estate fund from the investment of the paid-in amount or from the sale of a portion of the investments corresponding to the terminated shares are charged to the fund assets.

The issue and redemption prices are rounded to two decimal places.

The shares are not securitised, but entered in the accounts.

The Helvetica Swiss Commercial real estate fund is not listed on a stock exchange.

In compliance with the applicable regulations (in particular the provisions of the Federal Act on Collective Investment Schemes), the fund management ensures the regular off-exchange trading of real estate fund shares through a bank or securities dealer.

The fund management has transferred the organisation of share trading to Banque Cantonale Vaudoise, Lausanne, without granting it exclusive rights. The fund management is free to enter into further agreements with other banks or securities dealers. The arrangements for the organisation of share trading are set out in the relevant agreement between the fund management and Banque Cantonale Vaudoise in compliance with the applicable regulations.

The fund management publishes the market value of the fund assets and the resulting net asset value of the fund shares in the publication vehicles at the same time as these values are announced to the bank or securities dealer entrusted with the regular over-the-counter trading of the shares.

Contact person for regular OTC trading:

Banque Cantonale Vaudoise
Mr Luc Byrde
Case postale 300
CH-1001 Lausanne
Tel.: +41 21 212 40 82
Fax: +41 21 212 13 59
Email: immo.desk@bcv.ch

Trading takes place daily, every bank working day in Lausanne. Prices are set on a weekly basis. The prices (last price paid or, in the absence of a transaction, the price quoted) are available from the fund management and Banque Cantonale Vaudoise and can also be found on the Telekurs website at www.six-financial-information.com.

The fund management may only pass on information or indications about the net asset value or the development of the real estate fund's assets or similar information to Banque Cantonale Vaudoise in its capacity as operator of over-the-counter trading, provided that this information is also available to investors.

Any indicative net asset values calculated are generally not based on revaluations of the properties of the property fund and do not reflect the development of the market prices of the shares. When prices are quoted in over-the-counter trading, the market prices may deviate significantly from the actual or indicative net asset values of the shares. The development of the market prices of the shares often reflects the general development of the capital and real estate markets and not the specific development of the real estate portfolio of the real estate fund.

5.3 Fees and incidental costs

Fees and incidental costs charged to investors (extract from § 18 of the fund agreement):

Issue commission payable to the fund management, custodian bank and/or selling agents in Switzerland and abroad	Max. 3.0%
Redemption commission payable to the fund management, custodian bank and/or selling agents in Switzerland and abroad	Max. 1.5%

Incidental costs payable to the fund as a result of investment of the paid-up amount or sale of the investments (extract from § 17 para. 3 of the fund agreement):

Surcharge on net asset value	Max. 2.5%
Deduction from net asset value	Max. 1.5%

The incidental costs are listed in the respective issue prospectus when shares are issued. If shares are redeemed, the incidental costs are displayed in the relevant statement.

Fees and incidental costs charged to the fund assets (extract from § 19 of the fund agreement):

Administrative commission for the fund management	Max. 1% p.a. of the total gross fund assets

The commission is used for the management of the real estate fund, the management of assets and the marketing of the real estate fund.

Custodian bank commission	Max. 0.05% p.a. of the net asset value

The commission is used for the tasks of the custodian bank, such as the safekeeping of the fund assets, the provision of payment transactions and the other duties specified in § 4 of the fund agreement.

For the payment of the annual income to the investors, the custodian bank charges the real estate fund a commission of a maximum of 0.25% of the gross amount of the distribution.

In addition, the real estate fund may be charged the other fees and incidental costs listed in § 19 of the fund agreement.

The actual rates applied are displayed in the annual and semi-annual report.

Payment of retrocessions and discounts

The fund management and its agents may pay retrocessions to compensate the sales activities of real estate fund shares in Switzerland or from Switzerland. In particular, the following services may be compensated with this compensation:

- the organisation of road shows;
- participation in events and trade fairs;
- the production of advertising material; and
- the training of sales staff etc.

Retrocessions do not count as discounts even if they are ultimately passed on in full or in part to investors.

The recipients of the retrocessions shall ensure transparent disclosure and inform the investor, on their own initiative and free of charge, of the amount of compensation they may receive for distribution.

Upon request, recipients of retrocessions shall disclose the amounts actually received for the distribution of collective investment schemes to such investors.

The fund management and its agents may pay discounts directly to investors upon request from sales in Switzerland or from Switzerland. Discounts serve to reduce the fees or costs applicable to the investors concerned. Discounts are permitted provided that they

- are paid out of fees charged by the fund management so that the fund assets are not burdened additionally;
- are granted on the basis of objective criteria;
- all investors who meet the objective criteria and demand discounts are granted the same amount under the same time conditions.

The following are objective criteria for granting discounts by the fund management:

- The volume subscribed by the investor or the total volume held by him in the collective investment scheme or, if applicable, in the promoter's product range;
- The amount of fees generated by the investor;
- The investment behaviour practised by the investor (e.g. expected investment period);
- The investor's willingness to provide support during the launch phase of a collective investment scheme.

At the investor's request, the fund management shall disclose the corresponding amount of the discounts free of charge.

Total Expense Ratio

The coefficient of the total expense ratio (TER) as at 31 December 2018 is as follows:

- TER_{REF} GAV: 0.98%
- TER_{REF} NAV: 1.36%

Fee-sharing agreements ("commission sharing agreements") and non-cash benefits("soft commissions"):

The fund management has not concluded any commission sharing agreements.

The fund management has not concluded any agreements regarding so-called "soft commissions".

Investments in affiliated collective investment schemes

In the case of investments in collective capital investments which the fund management manages directly or indirectly itself or which are managed by a company with which the fund management is associated through joint management, control or through a significant direct or indirect participation, no issue and redemption commission is charged.

5.4 Publications of the real estate fund

Further information on the real estate fund can be found in the most recent annual and semi-annual reports. In addition, current information can be found at http://www.HelveticaProperty.com and www.swissfunddata.ch.

The prospectus with integrated fund agreement, the simplified prospectus and the annual and semi-annual reports may be obtained free of charge from the fund management and the custodian bank.

In the event of a fund agreement amendment, a change of fund management or custodian bank, or the dissolution of the real estate fund, the fund management will publish the information on the website www.swissfunddata.ch.

The issue and redemption price or the net asset value with the note "excluding commissions" is published on the website www.swissfunddata.ch each time the fund management issues and redeems fund shares. The net asset value and the issue and redemption prices will be published on the Internet at www.swissfunddata.ch each month on the 15th day of the following month. If the 15th day of the following month falls on a weekend or public holiday, the net asset value and the issue and redemption prices is published on the next working day.

The fund management publishes any price-relevant changes at http://www.HelveticaProperty.com.

5.5 Insurance of real estate

The properties owned by this real estate fund are generally insured against fire and water damage as well as damage resulting from causes relevant to liability law. Loss of rental income as a result of fire and water damage is included in this insurance cover. In principle, earthquake damage and its consequences are not insured.

5.6 Selling restrictions

Upon the issue and redemption of shares of this real estate fund abroad, the provisions applicable there shall apply.

a) The following countries have a marketing licence: Switzerland.
b) Shares of this real estate fund may not be offered, sold or delivered inside the USA.

The fund management and the custodian bank may prohibit or restrict the sale, brokerage or transfer of shares to natural or legal persons in certain countries and territories.

5.7 Detailed provisions

All other details on the real estate fund, such as the valuation of the fund assets, the list of all fees and incidental costs charged to the investor and the real estate fund, and the use of the profit, are set out in detail in the fund agreement.

Part II Fund Agreement

1 Basics

§ 1 Name, company and registered office of fund management and custodian bank

1. Under the name "Helvetica Swiss Commercial" exists a contractual investment fund of the type real estate fund (the "real estate fund") within the meaning of Art. 25 et seq. in connection with Art. 58 et seq. of the Federal Act on Collective Investment Schemes of 23 June 2006 (CISA).

2. The fund management company is Helvetica Property Investors AG, Gartenstrasse 23, 8002 Zurich.

3. The custodian bank is Banque Cantonale Vaudoise, Place St-François 14, 1001 Lausanne.

4. A bank or securities dealer domiciled in Switzerland shall ensure the off-exchange trading of shares for the real estate fund. Several institutions may also be entrusted with the off-exchange trading of shares.

2 Rights and obligations of the contractual parties

§ 2 Fund agreement

The legal relationships between the investors on the one hand and the fund management and custodian bank on the other are governed by this fund agreement and the relevant statutory provisions of the Collective Investment Schemes Act.

§ 3 Fund management

1. The fund management manages the real estate fund on behalf of the investors independently and in its own name. In particular, it decides on the issue of shares, investments and their valuation. It calculates the net asset value and determines issue and redemption prices as well as profit distributions. It asserts all rights belonging to the real estate fund.

2. The fund management and its agents are subject to the duty of loyalty, care and information. They shall act independently and exclusively in the interests of the investors. They shall take the organisational measures necessary for the proper conduct of business. They shall ensure transparent accounting and provide appropriate information on the present real estate fund. They shall disclose all fees and costs charged directly or indirectly to investors as well as their use; they shall provide investors with complete, truthful and comprehensible information on compensation for the distribution of collective investment schemes in the form of commissions, brokerage fees and other monetary benefits.

3. The fund management may delegate investment decisions and other subtasks, provided that this is in the interest of proper management. It shall appoint exclusively persons who are qualified to carry out the task correctly and shall ensure the instruction, monitoring and control of the execution of the task. The fund management shall be liable for the actions of the agents and for its own actions. Investment decisions may only be delegated to asset managers who are subject to approved supervision. If foreign law requires an agreement on cooperation and exchange of information with the foreign supervisory authorities, the fund management may only delegate investment decisions to an asset manager abroad if such an agreement exists between FINMA and the foreign supervisory authorities relevant to the investment decisions in question.

4. The fund management may, with the approval of the custodian bank, submit an amendment to this fund agreement to the supervisory authority for approval (see § 27).

5. The fund management may merge the real estate fund with other real estate funds in accordance with the provisions of § 24 or liquidate it in accordance with the provisions of § 26.

6. The fund management is responsible for appointing at least one institution (a bank or a securities dealer domiciled in Switzerland) to handle the off-exchange trading of units for the real estate fund. The fund management may only pass on information or indications about the net asset value or the development of the real estate fund's assets or similar information to the institution responsible for off-exchange trading, provided such information is also available to investors.

7. The fund management is entitled to the fees provided for in § 18 and § 19, to exemption from the liabilities incurred in the proper performance of its duties, and to reimbursement of the expenses incurred in discharging these liabilities.

8. The fund management shall be liable to the investor for ensuring that the real estate companies belonging to the real estate fund comply with the provisions of the CISA and the fund agreement.

9. The fund management, as well as its agents and the natural and legal persons associated with them, may not acquire or assign any real estate assets from the real estate fund.

In justified individual cases, the supervisory authority may grant exceptions to the prohibition of transactions with related parties if the exception is in the interest of investors and, in addition to the valuation of the real estate fund's permanent valuation experts, a valuation expert who is independent of the investors or their employers and of the fund management and custodian bank of the real estate fund confirms the market conformity of the purchase and sale price of the real estate value as well as of the transaction costs.

Upon completion of the transaction, the fund management shall prepare a report containing information on the individual property values acquired or transferred and their value on the date of acquisition or transfer, the valuation report of the permanent valuation experts and the report on the market conformity of the purchase or sale price of the independent valuation expert within the meaning of Art. 32a Para. 1 c of the CISO.

As part of its assessment of the fund management, the auditing company shall confirm compliance with the special duty of loyalty with respect to real estate investments.

In the annual report of the real estate fund, the fund management shall mention the approved transactions with related parties.

§ 4 Custodian bank

1. The custodian bank shall retain the fund assets, in particular the unencumbered promissory notes and the shares of the real estate companies. It shall arrange for the issue and redemption of fund units as well as payment transactions for the real estate fund. It may have accounts managed by third parties for the day-to-day management of real estate assets.

2. The custodian bank shall ensure that the equivalent value of transactions relating to the assets of the real estate fund is transferred to it within the usual time limits. It shall notify the fund management if the countervalue is not refunded within the usual period and shall demand compensation from the counterparty for the asset in question if this is possible.

3. The custodian bank shall keep the necessary records and accounts in such a way that it can distinguish between the assets of each individual investment fund deposited at any time. In the case of assets that cannot be deposited, the custodian bank shall verify the assets of the fund management and keep records thereof.

4. The custodian bank and its agents are subject to the duty of loyalty, care and information. They shall act independently and exclusively in the interests of the investors. They shall take the

organisational measures necessary for the proper conduct of business. They shall ensure transparent accounting and provide appropriate information on the present real estate fund. They shall disclose all fees and costs charged directly or indirectly to investors as well as their use; they shall provide investors with complete, truthful and comprehensible information on compensation for the distribution of collective investment schemes in the form of commissions, brokerage fees and other monetary benefits.

5. The custodian bank may entrust third-party and collective custodians in Switzerland or abroad with the custody of the fund assets, provided that this is in the interest of proper custody. It shall check and monitor whether the third-party or collective custodian instructed by it is in charge:

   a. has adequate operational organisation, financial guarantees and the necessary professional qualifications for the nature and complexity of the assets entrusted to it;
   b. is subject to regular external review to ensure that the financial instruments are in its possession;
   c. the assets received from the custodian bank are held in such a way that they can be clearly identified by the custodian bank as belonging to the fund assets at any time by means of regular portfolio comparisons;
   d. complies with the regulations applicable to the custodian bank with regard to the performance of its delegated tasks and the avoidance of conflicts of interest.

   The custodian bank shall be liable for any loss caused by the agent unless it can prove that it exercised due care in selecting, instructing and supervising the agent. The prospectus contains details of the risks associated with the transfer of custody to third-party and collective custodians. For financial instruments, the transfer referred to in the preceding paragraph may only be made to supervised third party or collective custodians. This does not apply to mandatory custody in a place where transfer to supervised third party or collective custodians is not possible, such as, in particular, due to mandatory legal provisions or the modalities of the investment product. Investors must be informed in the prospectus of the custody by unattended third-party or collective custodians.

6. The custodian bank shall ensure that the fund management complies with the law and the fund agreement. It shall examine whether the calculation of the net asset value and the issue and redemption prices of the units as well as the investment decisions comply with the law and the fund agreement and whether the profit is used in accordance with the fund agreement. The custodian bank is not responsible for selecting the investments made by the fund management within the framework of the investment regulations.

7. The custodian bank shall be entitled to the fees provided for in sections 18 and 19, to exemption from the liabilities it has incurred in the proper performance of its duties and to reimbursement of the expenses it has incurred in discharging these liabilities.

8. The custodian bank as well as its agents and the natural and legal persons closely associated with them may not acquire or assign any real estate assets from the real estate fund.

   In justified individual cases, the supervisory authority may grant exceptions to the prohibition of transactions with related parties if the exception is in the interest of investors and, in addition to the valuation of the property fund's permanent valuation experts, a valuation expert who is independent of the investors or their employers and of the fund management and custodian bank of the property fund confirms the market conformity of the purchase and sale price of the property value as well as of the transaction costs.

   As part of its assessment of the fund management, the auditing company shall confirm compliance with the special duty of loyalty with respect to real estate investments.

§ 5 Investors

1. The number of investors is not limited.
2. Upon completion of the contract and payment in cash (in exceptional cases by a contribution in kind, cf. § 17, para. 8 et seq.), investors shall acquire a claim against the fund management for participation in the assets and income of the real estate fund. The investors' claim is based on shares.
3. Investors are only obliged to pay the share they have subscribed to into the real estate fund. Their personal liability for commitments in the real estate fund is excluded.
4. Investors can obtain information from the fund management at any time on the underlying principles for calculating the net asset value per share. If the investors are interested in receiving more detailed information about individual transactions conducted by the fund management, such as the exercise of membership and creditor rights or risk management, the fund management will also provide them with this information at any time. Investors may request at the court of the registered office of the fund management company that the auditing company or another expert investigates the facts in need of clarification and reports to them.
5. Investors may terminate the fund agreement at the end of any financial year subject to 12 months' notice and demand payment of their share in the real estate fund in cash.

   Under certain conditions, the fund management may prematurely repay shares terminated during a financial year after completion of the financial year (cf. § 17 para. 2).

   Both scheduled and premature repayments shall be made within a maximum of three months following the end of the financial year.
6. The shares of an investor must be redeemed compulsorily by the fund management in cooperation with the custodian bank at the respective redemption price if:

   a. this is necessary to safeguard the reputation of the financial centre, in particular to combat money laundering;
   b. the investor no longer fulfils the legal or contractual requirements for participation in this real estate fund.
7. In addition, the shares of an investor may be compulsorily redeemed by the fund management in cooperation with the custodian bank at the respective redemption price if:

   a) the investor's participation in the real estate fund is likely to significantly impair the economic interests of the other investors, in particular if the participation may result in tax disadvantages for the real estate fund in Switzerland or abroad;
   b) investors have acquired or hold their shares in violation of the provisions of a domestic or foreign law applicable to them, this fund agreement or the prospectus;
   c) the economic interests of the investors are impaired, in particular in cases where individual investors attempt to achieve pecuniary benefits through systematic subscriptions and immediately subsequent redemptions by exploiting time differences between the fixing of the closing prices and the valuation of the fund assets (market timing).

§ 6 Shares and share classes

1. The fund management may, with the consent of the custodian bank and the approval of the supervisory authority, create, cancel or merge different share classes at any time. All share classes entitle the holder to participate in the undivided fund assets, which in turn are not segmented. This participation may be different due to class-specific cost burdens or distributions or due to class-specific income and the different share classes may therefore have a different net asset value per share. The assets of the real estate fund as a whole are liable for class-specific cost burdens.

2. The creation, cancellation or amalgamation of share classes shall be announced in the publication channels. Only the amalgamation shall be deemed an amendment to the fund agreement within the meaning of § 27.

3. The various share classes may differ in terms of cost structure, reference currency, currency hedging, distribution or retention of income, minimum investment and investor group. Fees and expenses are only charged to the share class to which a certain service is attributable. Fees and expenses that cannot be clearly allocated to a share class are charged to the individual share classes in proportion to the fund assets.

4. The real estate fund is not divided into share classes.

5. The shares are not certificated but entered in the accounts. The investor is not entitled to demand the issue of a share certificate.

6. The shares are traded off-exchange. Off-exchange trading takes place via a bank or securities dealer domiciled in Switzerland.

3 Investment policy guidelines

A Investment principles

§ 7 Compliance with investment regulations

1. When selecting the individual investments and implementing the investment policy in accordance with § 8, the fund management shall observe the following principles and percentage restrictions in order to achieve a balanced distribution of risk. These relate to the fund assets at market values and must be complied with at all times. This real estate fund must meet the investment requirements two years after the end of the subscription period (launch).

2. If the restrictions are breached due to market changes, the investments must be reduced to the permissible level within a reasonable period of time while safeguarding the interests of the investors.

§ 8 Investment policy

1. The fund management invests the assets of this real estate fund in real estate holdings and real estate projects throughout Switzerland. The fund management intends to invest the assets of this real estate fund primarily in commercially used properties in various regions within Switzerland with a focus on economic centres. In addition, the real estate fund may invest in other suitable properties with a limited focus on residential real estate. The prospectus contains further details.

2. Permissible investments for this real estate fund are:

   a. Properties, including their associated annexes;

   Properties are deemed to be:

   - Buildings that are used exclusively or for a predominant part for commercial purposes; the commercial part is predominantly the commercial part if the income from it accounts for at least 60 percent of the property income (commercially used properties);
   - Residential buildings in the sense of real estate, which serves for residential purposes;
   - Mixed-use buildings that serve both residential and commercial purposes; mixed-use buildings are those in which the income from the commercial portion accounts for more than 20 percent but less than 60 percent of the real estate income. In the case of mixed-use properties, the uses are allocated to the respective use segments in accordance with the income;

- Building land (incl. demolition objects) and construction in progress, provided that the land has been developed and is suitable for immediate construction and a legally binding building permit for construction has been issued. Construction work must be able to begin before the expiry of the validity period of the respective building permit;
- Condominium and co-ownership properties; co-ownership properties are permissible if the fund management can exercise a controlling influence, i.e. if it holds the majority of the co-ownership shares and votes;
- Leasehold properties (incl. buildings and easements).

The properties are entered in the land register in the name of the fund management with a note stating that they belong to the real estate fund.

b. Debentures or other contractual mortgages;

c. Investments in and claims against real estate companies whose sole purpose is the acquisition and sale or letting and leasing of own real estate, provided that at least two thirds of their capital and votes are held in the real estate fund;

d. Shares in other real estate funds (including real estate investment trusts) and real estate investment companies and certificates traded on a stock exchange or on another regulated market open to the public. Subject to § 19, the fund management may acquire shares in target funds which are managed directly or indirectly by the fund management itself or by a company with which it is linked by joint management or control or by a direct or indirect participation.

3. The fund management may have buildings constructed for the benefit of the fund. In this case, it may credit a building interest at the usual market rate for the period of preparation, construction or renovation to the income statement of the real estate fund for building land and construction in progress, provided that the costs do not exceed the estimated market value.

4. The residential ratio may not exceed 30%.

§ 9 Securing liabilities and funds available in the short term

1. The fund management must hold an appropriate portion of the fund assets in short-term fixed-interest securities or in funds available at short notice in order to secure liabilities. It may hold these securities and funds in the accounting unit of the real estate fund and in other currencies in which the liabilities are denominated.

2. Liabilities include loans taken out, obligations arising from the course of business and all obligations arising from terminated shares.

3. Short-term fixed-interest securities are debt securities with a maturity or residual term of up to 12 months.

4. Cash, postal and bank deposits at sight and time with maturities of up to 12 months and fixed credit limits granted by a bank up to a maximum of 10% of the fund's net assets shall be regarded as funds available at short notice. The credit limits shall be counted towards the maximum permissible pledge in accordance with § 14, para. 2.

5. Fixed-interest securities with a term or remaining term of up to 24 months may be held to secure pending construction projects.

B Investment techniques and instruments

§ 10 Securities lending

The fund management does not conduct any securities lending transactions.

§ 11 Repurchase agreements

The fund management does not engage in any repurchase agreements.

§ 12 Derivatives

The fund management does not use any derivatives.

§ 13 Borrowing and granting of loans

1. The fund management may not grant any loans for the account of the real estate fund, with the exception of claims against real estate companies participating in the real estate fund, promissory notes or other contractual mortgages.

2. The fund management may take out loans for the account of the real estate fund.

§ 14 Property encumbrance

1. The fund management may pledge real estate and transfer the liens as security.

2. However, the encumbrance on all properties shall not, on average, exceed one third of the market value.

3. To safeguard liquidity, the encumbrance may be increased temporarily and exceptionally to half of the market value, provided that the interests of the investors are safeguarded. Within the framework of the audit of the real estate fund, the auditing company shall comment on the requirements pursuant to Art. 96 para. 1bis CISO.

§ 15 Risk diversification and its limitations

1. Investments shall be distributed according to properties, their type of use, age, building substance and location.

2. Investments shall be distributed over at least ten properties. Buildings constructed according to the same construction principles and adjacent parcels shall be regarded as a single property.

3. The market value of a property may not exceed 25% of the fund's assets.

4. Furthermore, in pursuing the investment policy pursuant to § 8, the fund management is bound by the following investment restrictions in relation to the fund assets:

   a. Building land, including demolition properties, and construction in progress up to a maximum of 30%
   b. Building lease properties up to a maximum of 30%
   c. The investments referred to in points a and b above, combined, up to a maximum of 40%
   d. Debentures and other contractual liens on real property up to a maximum of 10%Schuldbriefe und andere vertragliche Grundpfandrechte bis höchstens 10%
   e. Shares in other real estate funds and real estate investment companies up to a maximum of 25%
   f. The total residential share may not exceed 30%.

4 Calculation of net asset value, issue and redemption of shares, valuation experts

§ 16 Calculation of net asset value and involvement of valuation experts

1. The net asset value of the real estate fund shall be calculated at the market value at the end of the accounting year and each time shares are issued in Swiss francs.

2. The fund management shall have the market value of the properties belonging to the real estate fund checked by independent valuation experts for the financial statements of each financial year and for the issue of shares. For this purpose, the fund management shall commission at least two natural persons or one legal entity as independent valuation experts with the approval of the supervisory authority. The inspection of the properties by the valuation experts must be repeated at least every three years. When real estate is purchased / sold, the fund management shall have the real estate appraised in advance. A new estimate is not necessary in the case of sales, provided that the existing estimate is not older than 3 months and the circumstances have not changed significantly.

3. Investments traded on a stock exchange or on another regulated market open to the public shall be valued at the current prices paid on the principal market. Other investments or investments for which no current prices are available shall be valued at the price that would be likely to be achieved if they were sold with due care at the time of valuation. In this case, the fund management shall apply appropriate valuation models and principles recognised in practice to determine the market value.

4. Open-ended collective investment schemes are valued at their redemption price or net asset value. If they are regularly traded on a stock exchange or on another regulated market open to the public, the fund management company may value them in accordance with section 3.

5. The value of short-term fixed-interest securities which are not traded on a stock exchange or on another regulated market open to the public shall be determined as follows: The valuation price of such investments shall be successively adjusted to the redemption price, based on the net purchase price, while keeping the calculated investment return constant. In the event of significant changes in market conditions, the valuation basis of the individual investments shall be adjusted to the new market yield. In the absence of a current market price, the valuation of money market instruments with the same characteristics (quality and domicile of the issuer, issue currency, maturity) shall generally be used.

6. Postal and bank accounts are valued at their receivable amount plus accrued interest. In the event of significant changes in market conditions or creditworthiness, the valuation basis for bank deposits is adjusted to the new circumstances.

7. The net asset value of a share is calculated as the market value of the total gross fund assets, less any liabilities of the real estate fund and any taxes likely to be payable on the liquidation of the real estate fund, divided by the number of shares outstanding. It is rounded to two decimal places.

8. Valuation of the properties for the real estate fund is carried out in accordance with the current SFAMA real estate fund guidelines.

9. The valuation of undeveloped land or buildings in progress shall be based on the principle of actual costs incurred. This valuation is subject to an annual value retention test.

§ 17 Issue, redemption and trading of shares

1. Shares may be issued at any time, but only in tranches. The fund management shall first offer new shares to existing investors.

2. Shares are redeemed in accordance with § 5, para. 5. The fund management may redeem shares terminated during a financial year prematurely after conclusion of the financial year if:

   a. the investor requests this in writing upon termination;
   b. all investors who have requested early redemption can be satisfied.

   In addition, the fund management shall ensure regular over-the-counter trading of the real estate fund shares via a bank or securities dealer domiciled in Switzerland. The prospectus sets out the details. In the case of off-exchange trading, there is at least one weekly price fixing.

   In the case of price fixing by the bank or securities dealer, however, the market prices may deviate significantly from the actual or indicative net asset values of the shares. In addition, the development of the market prices of the shares often reflects the general development of the capital and real estate markets and not the specific development of the real estate portfolio held by the real estate fund.

3. The issue and redemption prices of the shares are based on the net asset value per share calculated in accordance with § 16. Upon issue, the ancillary costs (transfer taxes, notary fees, fees, brokerage fees in line with market conditions, attorneys' fees, levies, etc.) arising on average from the investment of the paid-up amount in the real estate fund are added to the net asset value of the shares. Upon redemption, the net asset value is reduced by the ancillary costs incurred by the real estate fund on average for the sale of a share of the investments corresponding to the portion terminated. The applicable rate is set out in the prospectus and simplified prospectus. In addition, when shares are issued and redeemed at their net asset value, an issue commission pursuant to § 18 para. 1 may be added or a redemption commission pursuant to § 18 para. 2 deducted from the net asset value. The issue and redemption prices are rounded to two decimal places.

4. The fund management may stop issuing shares at any time and reject applications for subscription or conversion of shares.

5. The fund management may, in the interest of all investors, temporarily and exceptionally postpone the redemption of shares if:

   a. a market which forms the basis for the valuation of a substantial part of the fund's assets is closed or if trading on such a market is restricted or suspended;
   b. there is a political, economic, military, monetary or other emergency;
   c. transactions become impracticable for the real estate fund due to restrictions on foreign exchange transactions or restrictions on other transfers of assets;
   d. numerous shares are terminated and the interests of the other investors may thereby be significantly impaired.

6. The fund management shall immediately inform the auditing company, the supervisory authority and investors in an appropriate manner of the decision to postpone.

7. As long as the redemption of shares is postponed for the reasons set out in subsections 5 a to c above, no shares shall be issued.

8. The fund management may exceptionally permit an investor to make an investment in the form of a non-cash contribution to the real estate fund instead of a cash payment at the investor's request. The application must be submitted together with the subscription or termination. The fund management is not obliged to permit contributions in kind. The fund management decides alone and approves such a transaction only if it is fully compatible with the fund agreement and the current investment policy of the real estate fund and the interests of the other investors are not

adversely affected in any way. If additional costs are incurred as a result of the contribution in kind, in particular by the fund management and the custodian bank, these must be borne by the investor.

9. Each contribution in the form of real estate shall be reviewed by two independent valuation experts. The valuation expert's duties in the case of a contribution in kind are the same duties as in the case of the purchase of real estate (cf. Art. 92 CISO).

10. The fund management shall prepare a report in which the investments delivered or received are listed individually and from which their market value on the transfer date, on the one hand, and the number of shares transferred or redeemed as consideration, on the other hand, together with any fractional amounts settled in cash, is derived.

11. In each individual case, the custodian bank shall verify compliance with the duty of loyalty and the other conditions mentioned above as well as the simultaneous valuation of the investments to be delivered or received and the corresponding fund shares. It shall immediately report any reservations or objections that may exist to the auditing company. All relevant transactions must be mentioned in the annual report.

5 Fees and incidental costs

§ 18 Fees and incidental costs charged to investors

1. When shares are issued, investors may be charged an issuing commission in favour of the fund management, the custodian bank and/or selling agents in Switzerland and abroad of a maximum of 3% of the net asset value. The maximum rate currently applicable is set out in the prospectus and simplified prospectus.

2. On redemption of shares, investors may be charged a redemption commission in favour of the fund management, the custodian bank and/or selling agents in Switzerland and abroad totalling a maximum of 1.5% of the net asset value. The maximum rate currently applicable is set out in the prospectus and simplified prospectus.

3. When shares are issued and redeemed, the fund management also charges the average incidental costs incurred by the real estate fund from the investment of the paid-in amount or from the sale of a portion of the investments corresponding to the terminated share (cf. § 17 para. 3). The applicable rate is shown in the prospectus and simplified prospectus.

§ 19 Fees and incidental costs charged to the fund assets

1. For the operation of the real estate fund, the asset management and the distribution of the real estate fund, the fund management shall charge the real estate fund a commission of a maximum of 1% of the total gross fund assets annually, which shall be charged pro rata temporis for each calculation of the net asset value of the fund assets and which shall be payable quarterly no later than 30 days after the end of each calendar quarter (administrative commission). The actually applied rate of the administrative commission is shown in the annual report and the semi-annual report.

2. For the safekeeping of the fund assets, the handling of the payment transactions of the real estate fund and the other tasks of the custodian bank listed in § 4, the custodian bank shall charge the real estate fund a commission of up to 0.05% of the net fund assets annually, which shall be charged pro rata temporis to the fund assets each time the net asset value is calculated and paid out annually (custodian bank commission). The effectively applied rate of the custodian bank commission is shown in the annual report and the semi-annual report.

3. For the payment of the annual yield to the investors, the custodian bank shall charge the real estate fund a commission of a maximum of 0.25% of the gross amount of the distribution.

4. The fund management and the custodian bank shall also be entitled to reimbursement of the following expenses incurred in the execution of the fund agreement:

   a. Costs for the purchase and sale of real estate investments, in particular brokerage fees customary in the market, attorneys' fees and notary fees, mutation fees (for the settlement of real estate transactions, the fund management shall charge the fund assets a fee of max. 1.5% of the transaction value for its expenses. If an external broker is called in, the actual costs for the external broker shall also be charged);

   b. Fees charged by the supervisory authority for the establishment, amendment, dissolution or merging of the real estate fund;

   c. Annual fee of the supervisory authority;

   d. Auditing company's fees for the annual audit as well as for certificates in connection with the establishment, amendment, dissolution or merging of the real estate fund;

   e. Fees for legal and tax advisors in connection with the establishment, alteration, dissolution or merging of the real estate fund and the general safeguarding of the interests of the real estate fund and its investors;

   f. Costs for the publication of the net asset value of the real estate fund and all costs for communications to investors, including translation costs, which are not attributable to malpractice on the part of the fund management;

   g. Costs of printing legal documents and the annual and semi-annual reports of the real estate fund;

   h. Costs for any registration of the real estate fund with a foreign supervisory authority, in particular commissions charged by the foreign supervisory authority, translation costs and compensation for the representative or paying agent abroad;

   i. Costs associated with the exercise of voting rights or creditors' rights by the real estate fund, including fees for external consultants;

   j. Costs and fees in connection with intellectual property registered in the name of the real estate fund or with rights of use of the real estate fund;

   k. All costs incurred by the fund management, the asset manager of collective investment schemes or the custodian bank as a result of taking extraordinary steps to safeguard the interests of investors.

      In addition, the fund management may charge the following incidental costs to the fund assets within the scope of Art. 37 para. 2 CISO:
      - Fees of the independent valuation experts and any other experts;
      - Costs and fees in connection with securing regular over-the-counter trading by a bank or securities dealer or costs and fees in connection with exchange trading.

      The fund management may charge the following commissions to the fund assets for its own efforts in connection with the following activities within the scope of Art. 37 para. 2 CISO:
      - Construction commission in connection with the construction of buildings, renovations and conversions up to a maximum of 3% of the construction costs;
      - Property management commission in connection with the management of individual properties up to a maximum of 5% of annual gross rental income.

5. In addition, the real estate fund shall bear all incidental costs arising from the management of the total gross fund assets for the purchase and sale of the investments (in particular brokerage fees,

commissions, taxes and levies customary in the market). These costs are directly offset against the purchase or sale value of the relevant investments. In addition, the real estate fund shall bear the costs of checking and maintaining quality standards for physical investments.

6. The custodian bank commission pursuant to paragraph 2 above does not include brokerage fees (which amount to CHF 150 excl. any third-party fees), FX spreads (for which 0.035% is charged for major currencies and 0.075% for exotic currencies), swap fees, third-party fees (e.g. government levies, stock exchange fees), fiscal charges, market impact and management fees for fund investments. The custodian bank commission is paid in advance from the fund assets in installments, which are debited quarterly at the latest 30 days after the end of the respective calendar quarter. These instalments are adjusted to the net asset value determined on the basis of the revised annual accounts of the real estate fund.

7. The fund management and its agents may, in accordance with the provisions of the prospectus, pay retrocessions to compensate the sales activity of fund shares and discounts in order to reduce the fees and costs charged to the real estate fund attributable to the investor.

8. If the fund management acquires shares of other collective investment schemes which are managed directly or indirectly by the fund management company itself or by a company with which it is affiliated through joint management or control or through a significant direct or indirect participation ("affiliated target funds"), it may not charge any issue or redemption commissions of the affiliated target funds to the real estate fund.

6 Financial reporting and auditing

§ 20 Financial reporting

1. The accounting unit of the real estate fund is the Swiss franc.

2. The accounting year shall run from 1 January to 31 December.

3. Within four months of the end of the accounting year, the fund management shall publish an audited annual report of the real estate fund.

4. The investor's right to information pursuant to § 5 No. 4 shall remain reserved.

§ 21 Auditing

The auditing company shall verify whether the fund management and the custodian bank have complied with the statutory and contractual provisions as well as the Swiss Funds & Asset Management Association SFAMA Code of Professional Conduct. A brief report by the auditing company on the published annual accounts shall appear in the annual report.

7 Use of profit

§ 22 Use of profit and payouts

1. The net income of the real estate fund shall be distributed to the investors in Swiss francs within four months of the end of the accounting year at the latest. The fund management may carry out additional interim distributions from the income.

2. Up to 30% of the net income can be carried forward to the next financial year. A distribution may be waived and the entire net income may be carried forward to the next financial year if:
   - the net income of the current financial year and the income carried forward from previous financial years of the real estate fund is less than 1% of the net asset value of the collective investment scheme, and
   - the net income of the current financial year and the income carried forward from previous financial years of the real estate fund is less than one unit of the unit of account of the collective investment scheme.

3. Realized capital gains from the sale of assets and rights may be distributed by the fund management or retained for reinvestment.

8 Publications of the real estate fund

§ 23 Publications of the real estate fund

1. The publication medium of the real estate fund is the print or electronic medium specified in the prospectus. Any change of publication medium must be indicated in the publication medium.

2. In particular, summaries of material amendments to the fund agreement shall be published in the publication medium with reference to the offices from which the wording of the amendments can be obtained free of charge, the change of fund management and/or custodian bank, the creation, cancellation or merging of share classes and the dissolution of the investment fund. Changes required by law which do not affect the rights of investors or which are of a purely formal nature may, with the approval of the supervisory authority, be exempted from the publication obligation.

3. The fund management shall publish the issue and redemption prices or the net asset value with the note "excluding commissions" for each issue and redemption of shares in the print or electronic medium specified in the prospectus. The prices are published at least once a month. The weeks and weekdays on which the publication takes place shall be specified in the prospectus.

4. The prospectus with integrated fund agreement, the simplified prospectus and the respective annual and semi-annual reports may be obtained free of charge from the fund management company, the custodian bank and from all sales agents.

9 Restructuring and dissolution

§ 24 Mergers

1. The fund management may, with the consent of the custodian bank, merge real estate funds by transferring the assets and liabilities of the real estate fund(s) to be transferred to the acquiring real estate fund at the time of merging. The investors of the transferring real estate fund shall receive shares in the acquiring real estate fund in the corresponding amount. At the time of the merger, the transferring real estate fund shall be dissolved without liquidation and the fund agreement of the acquiring real estate fund shall also apply to the transferring real estate fund.

2. Real estate funds can only be merged if:
   a. the relevant fund agreements provide for this;
   b. they are managed by the same fund management;

c. the relevant fund agreements are in principle in accordance with the following provisions:
    - the investment policy, the investment technique, the risk distribution and the risks associated with the investment
    - the appropriation of net income and capital gains
    - the type, amount and calculation of all fees, issue and redemption commissions as well as incidental costs for the purchase and sale of investments (brokerage fees, fees, levies) which may be charged to the fund assets or the investors
    - the terms of redemption
    - the duration of the contract and conditions of dissolution;

d. on the same day, the assets of the property funds involved are valued, the exchange ratio calculated and the assets and liabilities assumed;

e. neither the real estate funds nor the investors incur any costs as a result.
Section 19 No. 4 remains reserved.

3. If the merger is expected to take more than one day, the supervisory authority may authorise a temporary postponement of repayment of the shares of the property funds involved.

4. At least one month before the planned publication, the fund management shall submit the intended amendments to the fund agreement and the intended merger together with the merger plan to the supervisory authority for review. The merger plan shall contain information on the reasons for the merger, the investment policy of the real estate funds involved and any differences between the acquiring and transferring real estate funds, the calculation of the exchange ratio, any differences in fees, any tax consequences for the real estate funds as well as the opinion of the responsible auditing company under collective investment law.

5. The fund management shall publish the intended amendments to the fund agreement pursuant to § 23, para. 2, as well as the intended merger and its date together with the merger plan at least two months prior to the deadline set by the fund management company in the publication organs of the participating real estate funds. In doing so, it shall draw the attention of investors to the fact that within 30 days of publication they may raise objections to the intended amendments to the fund agreement with the supervisory authority or demand repayment of their shares.

6. The auditing company shall directly verify the proper implementation of the merger and express its opinion in a report to the fund management and the supervisory authority.

7. The fund management shall notify the supervisory authority of the conclusion of the merger and publish the execution of the merger, the confirmation of the audit company that the merger has been properly executed and the exchange ratio without delay in the publication organs of the real estate funds involved.

8. The fund management shall mention the merger in the next annual report of the acquiring real estate fund and in any semi-annual report to be prepared beforehand. An audited final report must be prepared for the transferring real estate fund if the merger does not fall on the regular annual accounts.

§ 25 Corporate transformation

There are no plans to convert this real estate fund into another legal form.

§ 26 Duration of the real estate fund and dissolution

1. The real estate fund shall exist for an indefinite period.
2. The fund management or the custodian bank may terminate the real estate fund by terminating the fund agreement with one month's notice.
3. The real estate fund may be dissolved by order of the supervisory authority, in particular if, at the latest one year after expiry of the subscription period (launch) or a longer period extended by the supervisory authority at the request of the custodian bank and the fund management, it does not have net assets of at least CHF 5 million (or the equivalent).
4. The fund management shall notify the supervisory authority of the dissolution without delay and publish it in the publication medium.
5. After termination of the fund agreement, the fund management may immediately liquidate the real estate fund. If the supervisory authority has ordered the dissolution of the real estate fund, it must be liquidated immediately. Payment of the liquidation proceeds to the investors is transferred to the custodian bank. If the liquidation takes longer, the proceeds may be paid out in instalments. Before making the final payment, the fund management must obtain the approval of the supervisory authority.

10 Amendments to the fund agreement

§ 27 Amendments to the fund agreement

If the present fund agreement is to be amended or if there is an intention to change the fund management or the custodian bank, the investor may raise objections with the supervisory authority within 30 days of publication. In the publication, the fund management shall inform investors of the amendments to the fund agreement to which FINMA's review and assessment of legal compliance apply. In the event of an amendment to the fund agreement, investors may also demand payment of their shares in cash in compliance with the contractual deadline. The cases pursuant to § 23 para. 2, which are exempted from the publication obligation with the approval of the supervisory authority, remain reserved.

11 Applicable law and place of jurisdiction

§ 28 Applicable law and place of jurisdiction

1. The real estate fund is subject to Swiss law, in particular the Federal Act on Collective Investment Schemes of 23 June 2006, the Ordinance on Collective Investment Schemes of 22 November 2006 and the FINMA Ordinance on Collective Investment Schemes of 27 August 2014.
2. The place of jurisdiction shall be the registered office of the fund management.
3. The German version shall be the authoritative version for the interpretation of the fund agreement.
4. The present fund agreement is effective from 5 February 2018 and replaces the fund agreement of 7 November 2016.
5. When approving the fund agreement, FINMA shall examine only the provisions pursuant to Art. 35a para. 1 a-g CISO and determine whether they comply with the law.

The fund agreement was approved by the supervisory authority on 5 February 2018.

The fund management:

Helvetica Property Investors AG

Zurich

The custodian bank:

Banque Cantonale Vaudoise

Lausanne

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Fund management

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

FINMA approved