

2020 Half-year Report

Helvetica Swiss Commercial Fund

Real Estate Fund
under Swiss Law



Key Figures

4.2

**Unexpired lease term
(years)**

The weighted unexpired lease term was down 0.2 years compared to 12/31/2019

703

**Total fund assets
(in CHF million)**

An increase of 7% compared with 12/31/2019

5.8

**Gross actual yield
(%)**

Was kept stable through attractive investments

41.9

**Target rental income
per year
(in CHF million)**

Up 7% since 12/31/2019

678

**Market value of
properties
(in CHF million)**

An increase of 8% compared with 12/31/2019

94.4

**Occupancy ratio
(%)**

The occupancy ratio remained stable

23.14

**Debt financing ratio
(%)**

Increase of 2.3 percentage points over 12/31/2019

151

**Rent per square
meter (CHF)**

Has been shifted to nearly the market rent

110.00

**Share price
(CHF per share)**

Fund has been listed on the SIX Swiss Exchange since November 11, 2019

110.76

**Net asset value per
share (CHF)**

Increased by 2.8% since the start of year (after a distribution of CHF 5.00 for 2019)

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Helvetica Swiss Commercial Fund (HSC)

Real Estate Fund under Swiss Law

Half-yearly Report as of June 30, 2020

Key Financial Figures

Key Data	Notes	as of 06/30/2020	as of 12/31/2019	as of 12/31/2018
Securities number		33550793	33550793	33550793
Initiation date		12/09/2016	12/09/2016	12/09/2016
Issued shares	Quantity	0	1,563,426	1,544,125
Outstanding shares	Quantity	4,342,851	4,342,851	2,779,425
Redeemed shares	Quantity	0	0	0
Net asset value per share	CHF	110.76	112.71	110.00
Weighted real discount rate	%	3.92	4.01	4.11
Balance Sheet				
Fair market value of the properties	CHF 1	678,380,000	628,944,000	427,121,000
Gross Asset Value (GAV)	CHF	703,385,659	654,729,403	444,909,081
Debt financing ratio	%	23.14	20.87	28.33
Debt ratio	%	32.69	25.24	31.28
Residual term debt financing	Years	0.86	1.39	1.77
Interest rate debt financing	% 8	0.51	0.56	0.63
Net asset value (NAV)	CHF	481,022,185	489,475,301	305,729,749
Income Statement				
Rental income	CHF	18,118,553	12,936,360	6,874,612
Net profit	CHF 15	12,759,883	8,877,165	7,421,064
Rental income loss rate	%	8.59	7.56	7.91
Weighted average unexpired lease term (WAULT)	Years	4.20	4.50	3.29
Maintenance and repairs	CHF	929,864	1,457,704	121,350
Operating profit margin	%	67.94	66.36	77.59
Return and Performance				
Distribution of profits	CHF 13	n/a	21,714,255	11,117,000
Distribution per share	CHF 13	n/a	5.00	4.00
Distribution yield	%	n/a	4.06	3.64
Payout ratio	%	n/a	87.58	77.62
Return on equity (ROE)	%	2.52	6.18	5.62
Return on invested capital (ROIC)	%	2.06	4.73	4.29
Performance	% 15	-7.02	14.17	n/a
Return on investment	%	2.83	6.33	5.70
Premium/discount	% 15	-0.70	9.40	n/a
Total expense ratio TER _{REF} GAV*	% 15	1.03	1.04	0.98
Total expense ratio TER _{REF} NAV	% 15	1.43	1.42	1.36
Total expense ratio TER _{REF} MV**	% 15	1.27	1.34	n/a
Price/earnings ratio (P/E ratio)	Ratio	n/a	17.61	n/a

* See also TER_{REF} (GAV) on the balance sheet date in Note 15

** See also TER_{REF} (MV) on the balance sheet date in Note 15

Past performance is no guarantee for future results. The performance mentioned does not take into account any commissions and costs charged on subscriptions and redemptions of shares.



Versoix, Rue des Fayards 243

The Half-year in Brief

First Quarter

The first quarter got off to a rather quiet start and nobody had any inkling yet as to how unusual the first half of 2020 would become.

As in the previous years, the value of the properties offered rose quickly until the COVID-19 situation in Europe, which had received very little attention until then, spun completely out of control. The Fund Management Company was able to acquire a fully occupied property in Frauenfeld with long-term leases before economic and social life gradually ground to a halt towards the end of February.

Newly appointed as Head of Asset Management at the end of 2019, Lucas Schlageter's goal is to strengthen the Fund's asset management activities in a sustainable manner. He now heads up the Asset Management division and reports to Chief Investment Officer Frederic Königsegg. The division was able to report its first successes under the new leadership quite early in the year: Despite the retail crisis and the lockdown, early renewals of five years were agreed for some lease agreements at the Novasetta shopping center in Arbon and a single-tenant user in Arlesheim was persuaded to extend its lease to 2027.

The Fund Management Company switched to working from home during the lockdown phase without any major problems, thus ensuring that operations could continue as usual and without any notable restrictions.

Prevailing uncertainty put two acquisitions temporarily on hold in March that had already been negotiated in full and were ready for signing.

Second Quarter

On April 1, right in the middle of the lockdown phase, the Fund Management Company moved into its new offices on Brandschenkestrasse 47 in Zurich, which is in the immediate vicinity of its previous location on Gartenstrasse.

However, the modern, attractive offices remained largely deserted at the start. Only a skeleton crew was on hand while the remainder of the staff worked from home.

Despite travel restrictions and lockdown-related problems, the Fund Management Company managed to complete one of the transactions that had been halted in March. It was then successfully notarized in Geneva, in compliance with mask requirements and other special precautions.

One Acquisition was Notarized in Geneva in April Despite the Lockdown, Subject to Special Precautions and a Mask Requirement.

This acquisition increased the portfolio's market value by around CHF 31 million to CHF 678 million.

A third distribution from the Fund of CHF 5.00 per share was paid out to investors on April 29. The payout ratio was 87.6 percent with a distribution yield on the share price of 4.06 percent on December 31, 2019.

The properties currently offered are appealing and attractive, both with respect to the volume of properties and their qualities. The Helvetica Swiss Commercial Fund is evaluating several interesting investment properties whose acquisition would make sense from a portfolio management perspective and also help to achieve some diversity with respect to lease terms. To increase the Fund volume further and enable attractive future distributions, the Fund Management Company is examining the possibility of a capital increase in September 2020. In Asset Management, the focus in the second half of the year will be primarily on improving processes, reducing vacancy rates even further and maintaining the attractive occupancy rate and renewing strategic rental agreements.

Investment Management Highlights

January to June – Frauenfeld Zürcherstrasse 331/333, 370



Two fully occupied buildings were acquired on Zürcherstrasse in Frauenfeld. The main tenant has a long-term lease agreement. This prominent tenant has spacious, functional workshop, office, and retail spaces at its disposal.

Market value (in CHF million)

18.2

Gross income per year (in CHF million)

1.0

Rental space (m²)

5,070

January to June – Versoix Route des Fayards 243



Following extensive negotiations, May saw the acquisition of an attractive, multi-tenant commercial property built in 2013 at a prime location in Geneva. This property is situated at a well-connected location near Geneva airport and in close proximity to a large number of other businesses.

Market value (in CHF million)

31.2

Gross income per year (in CHF million)

1.4

Rental space (m²)

7,330



Gwatt-Thun, Schorenstrasse 39

Executive Board of the Fund Management Company



Michael Müller
Chief Executive Officer (Switzerland)

Born	1964
Nationality	Switzerland
Management position since	2020
Equity participation Fund Management Company	Yes
Member of the Investment Committee	Yes

Education

Graduated as an Architect HTL after his apprenticeship as a construction draughtsman, continued his studies to obtain a Graduate Industrial Engineer STV degree and received federal certification as a real estate trustee.

Executive and non-executive positions

Highly skilled professional with an outstanding career and track record in the real estate industry where he got to know the investors and owners as well as the managerial and the principal side of the business. From 2010 to 2018, he was at the helm of Ledermann Immobilien and headed up several major real estate projects. Earlier in his career, he acted as CEO of bwf Liegenschaften and played an instrumental role in its IPO.

Previous experience	
CEO	■
CFO	
Commercial Real Estate	■
Residential Real Estate	■
Project Management	■
IT and Technology	
Finance and Asset Management	
Institutional Sales and Marketing	■
Manufacturing and Industrial	
Transactions and M&A	■
Advisory, Consulting and Trust	■
Architecture and Legal	■



Peter R. Vogel
Chief Financial Officer

Born	1964
Nationality	Switzerland
Management position since	2019
Equity participation Fund Management Company	Yes
Member of the Investment Committee	No

Education

Master's degree in Business Administration with focus on audit and financial accounting from the University of St. Gallen (HSG), CAS for the position of Chief Digital Officer from HSLU.

Executive and non-executive positions

Extensive and outstanding career, during which he gained a wealth of strategic and operational management experience within the real estate industry and in the manufacturing industry. Former Head of Shared Service center of Zehnder Group and Head Accounting and Controlling of PSP Swiss Property. Earlier in his career, he served as commercial manager of the Siemens Metering and Siemens Switzerland business units.

Previous experience	
CEO	
CFO	■
Commercial Real Estate	■
Residential Real Estate	■
Project Management	■
IT and Technology	■
Finance and Asset Management	
Institutional Sales and Marketing	
Manufacturing and Industrial	■
Transactions and M&A	■
Advisory, Consulting and Trust	
Architecture and Legal	



Frederic Königsegg
Chief Investment Officer

Born	1969
Nationality	Switzerland and Germany
Management position since	2016
Equity participation Fund Management Company	Yes
Member of the Investment Committee	Yes

Education

Master of Science degree in Economics and Business Administration from the University of St. Gallen.

Executive and non-executive positions

More than 20 years of extensive investment and asset management experience. Former Director of Real Estate at Valartis Asset Management and Investment Director of Jargonnant Partners's real estate division. Earlier in his career, he acted as deputy CEO and member of the board of TK Liegenschaften.

Previous experience	
CEO	
CFO	
Commercial Real Estate	■
Residential Real Estate	■
Project Management	■
IT and Technology	
Finance and Asset Management	■
Institutional Sales and Marketing	■
Manufacturing and Industrial	
Transactions and M&A	■
Advisory, Consulting and Trust	
Architecture and Legal	



Salman Baday
Head Sales (Switzerland)

Born	1985
Nationality	Switzerland
Management position since	2019
Equity participation Fund Management Company	As of 2020
Member of the Investment Committee	No

Education

Swiss banking and finance degree, degrees in wealth management, marketing, and sales.

Executive and non-executive positions

More than 10 years of experience in the areas of institutional sales and the provision of investment advisory services on sustainable funds in every asset class at Vontobel, Vescore and Bank J. Safra Sarasin. Before switching to asset management, he worked as a private banker at Bank Sarasin where he served wealthy private clients and the advisors of family offices in Switzerland.

Previous experience	
CEO	
CFO	
Commercial Real Estate	■
Residential Real Estate	
Project Management	
IT and Technology	
Finance and Asset Management	■
Institutional Sales and Marketing	■
Manufacturing and Industrial	
Transactions and M&A	
Advisory, Consulting and Trust	■
Architecture and Legal	



Lucas Schlageter

Head Asset Management

Born	1979
Nationality	Switzerland
Management position since	2019
Equity participation Fund Management Company	As of 2020
Member of the Investment Committee	No

Education

Law degree from the University of Basel and a post-graduate degree in real estate management from the University of Zurich. Swiss federal certificate in real estate valuation and a Certificate of Advanced Studies in Real Estate Finance from the University of Bern.

Executive and non-executive positions

A seasoned real estate asset management expert with more than ten years of industry experience. Former Deputy Head of Asset Management Real Estate at Zürcher Kantonalbank. Earlier positions include management roles at Hess Family Estates and Immoveris.

Previous experience

CEO	
CFO	
Commercial Real Estate	■
Residential Real Estate	■
Project Management	■
IT and Technology	
Finance and Asset Management	■
Institutional Sales and Marketing	
Manufacturing and Industrial	
Transactions and M&A	
Advisory, Consulting and Trust	
Architecture and Legal	■

HSC Fund Portrait

General Information About the HSC Fund

The Helvetica Swiss Commercial Fund (HSC Fund) is an investment fund under Swiss law set up as a real estate fund in accordance with the Swiss Federal Act on Collective Investment Schemes (CISA) of June 23, 2006. The fund contract was drafted by Helvetica Property Investors AG, Zurich, in its capacity as the Fund Management Company and was presented with the consent of Notenstein La Roche Privatbank AG (the custodian bank at the time) to the Swiss Financial Market Supervisory Authority FINMA, which approved it for the first time on July 21, 2016.

The HSC Fund is based on a collective investment agreement (fund contract) in which the Fund Management Company undertakes to allow investors to participate in the HSC Fund to a degree that is proportionate to the number of fund shares acquired by them and to manage the Fund independently and in its own name in accordance with the provisions of the law and the fund contract. The custodian bank will be involved in the fund contract to the extent of the duties assigned to it by law and in accordance with the fund contract.

The HSC Fund is listed on the SIX Swiss Exchange and is characterized by clear investment guidelines and the careful investment of capital. The shares can be traded according to the standard for collective investments on the SIX Swiss Exchange. Bank J. Safra Sarasin is the market maker of the HSC Fund.

Investment Goal

The HSC Fund's investment goal is to build up a portfolio that is diversified with respect to region, type of use, size and tenant mix. Another goal of the HSC Fund lies in ensuring the long-term preservation of assets and an appropriate distribution of earnings.

Investment Policy

The HSC Fund invests in commercial investment properties in Swiss business centers and active economic areas in favorable locations with easy access by public and private transportation. In sectoral terms, the focus is on office, commercial, and retail, with an emphasis on real estate with several tenants and mixed uses, whereby flexible use and third-party usability of the spaces is possible. The HSC Fund concentrates primarily on operating and sustainable profitability, and secondarily on potential value enhancement. The HSC Fund does not invest directly in real estate but holds its properties through individual special purpose vehicles.

Fund Management Company Portrait

Helvetica Property is a Zurich-based provider of fund and asset management services within the real estate sector that is supervised by the Swiss Financial Market Supervisory Authority FINMA.

Helvetica Property is a successful, independent Fund Management Company and asset management service provider, which is committed to sustainable value creation through active, long-term, and responsible investment. We focus exclusively on real estate. We are dynamic, growing quickly and stand out through our integrity, our passion and our sense of responsibility.

We have built up our good reputation by offering reliable and stable real estate investments and services to institutional clients such as pension funds, asset managers, private banks, insurance and investment companies, foundations, private investors, companies and family offices.

Our fully integrated real estate investment platform comprises a series of proven strategies and investment solutions that are offered both in standardized products as well as in customized investment plans based on geographies, risk profiles and structures.

Our team stands out thanks to its passion and enterprising spirit, which we incorporate into every aspect of our work. We pursue an entrepreneurial, client-oriented approach and use our strong values to create a culture in which our investments, assets, business transactions and employees can benefit and flourish.

We have been approved and are regulated by the Swiss Financial Market Supervisory Authority FINMA.

Corporate Philosophy

Increase the value of invested capital through a long-term vision, a hands-on entrepreneurial approach, as well as a proven strategy and excellent quality in execution.

Our Approach

As a professional innovator in the Swiss real estate market, our aim is to identify hidden potential and – combined with a proactive, hands-on real estate asset management approach – to create value and optimize the results.

Values

- Honesty and responsibility
- Integrity and passion
- Transparency and longevity
- Independence and ambition

Social Media

A wide range of business areas are now shifting their focus to social media. As a Fund Management Company, we have decided to follow this path as well to increase our presence.

We would appreciate it if you follow us on LinkedIn. We regularly publish interesting articles on real estate, exciting news from our company and sometimes even personal stories. We publish articles that we like and that mean something to us. Sometimes these are controversial, sometimes not – but they are always candid and honest.



 **Helvetica**

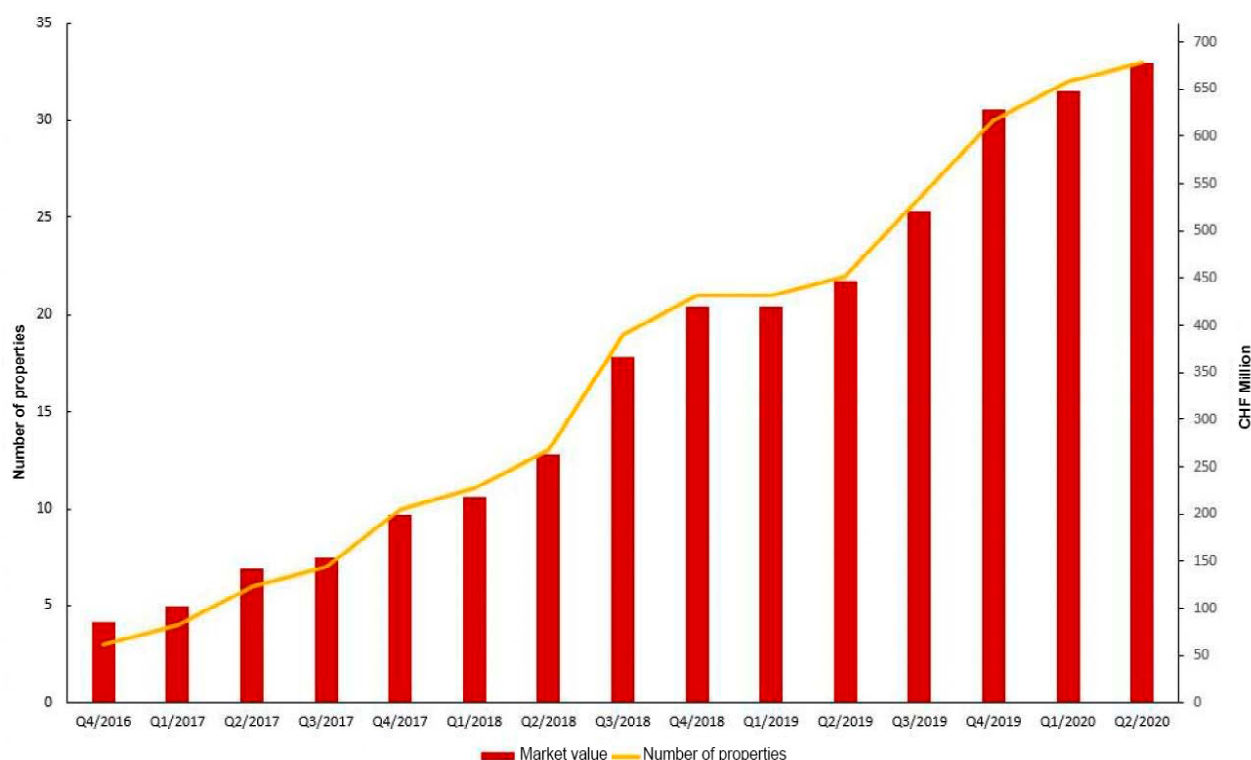


Investment Management Report

In the period under review, properties worth more than CHF 16 billion were offered for sale to the Fund Management Company of Helvetica for inclusion in its various investment products. In the end, detailed reviews and assessments were performed for properties worth around CHF 5.2 billion, which then led to due diligence processes common in the industry for a few, selected investment vehicles.

Based on the applicable investment guidelines and the high quality requirements that the Fund Management Company considers when making acquisitions, the investment volume of the new properties acquired for the HSC portfolio during the period under review had a market value of CHF 49.4 million.

Since the HSC Fund's launch in December 2016, this brings the total number of properties acquired by June 30, 2020, to 33 and a market value of around CHF 678 million.



Acquisitions in the First Half of the Year

After examining numerous properties, three were ultimately acquired during the reporting period.

Two properties in close proximity to one another were purchased in **Frauenfeld in the Canton of Thurgau** in the first quarter; originally built in 1967, they most recently underwent renovation and repair work in 2016. Our decision to purchase the property hinged largely on its long-term cash flow, the main tenant's good creditworthiness as well as the long-term usability of the flexible rentable spaces.

The highly visible location of the two properties on the main road between Frauenfeld and Kreuzlingen as well as the active economic environment underpin the activities of the main tenant, which has been operating a large car repair shop at this location for many years. The buildings are situated on two lots of over 22,000 square meters in size and have rentable space of around 5,100 square meters. It generates annual rent of slightly more than CHF 1 million per year for the Fund. More than 95 percent of the space is devoted to commercial use, with rented apartments in the remaining spaces. The average length of lease agreements is around 7.6 years and the properties are fully occupied.

The properties' market value amounted to CHF 18.2 million on June 30, 2020.

Following extensive negotiations, May saw the acquisition of an attractive, multi-tenant commercial property built in 2013 at a prime location in **Versoix in the Canton of Geneva**. The property has a market value of around CHF 31.2 million. It is situated at a well-connected location near Geneva airport and in close proximity to a large number of other businesses. It has rentable space of around 7,300 square meters, generates gross income of around CHF 1.43 million per year and measures around 12,750 square meters in size.

A special transaction structure ensures that the Fund always receives the entire amount of the target rental income regardless of the future occupancy rate. Of the contractually agreed rental income of around CHF 14.3 million over the next 10 years, more than CHF 7 million are guaranteed by a combination of a temporary retention of the purchasing price plus additional ten-year bank guarantees and a holding guarantee from the seller.

The average rent (excluding income from parking) amounts to around CHF 180 per square meter and year. Nearly all other investments, including investments in the

rental spaces and all incidental costs, will be covered by the seller of the property. This will improve the actual return, which is just under 5% on the invested capital, even further due to the extremely low "double-net cost structure".

The contract was still subject to a statutory right of first refusal by the FTI (Foundation pour les terrains Industriels), which is common in the canton, until just prior to the end of the reporting period. The FTI has since waived its right of first refusal, meaning that the property could be included in the portfolio retroactively with effect on May 1, 2020, with an impact on income.

Investing in the Current Market Environment

The reporting period in January 2020 got off to an unspectacular start and the beginning of the year was rather quiet, as usual. The volume of properties being offered to us for the Helvetica Swiss Commercial Fund began to rise over the course of the month. The trend indicating an attractive first quarter remained intact until late February and early March 2020, when the COVID-19 situation took on dramatic proportions. Various transactions and review processes were halted just a few days before the official lockdown and the closing of the Swiss borders and the value of properties on offer plunged to zero practically overnight.

Both the transaction business and the review process preceding it came to a complete standstill during the lockdown. The first few purchase offers started trickling in once the market and the market players had recovered from the initial big shock, although they were more modest than in the past, both in terms of quantity and value. As is often the case during crises triggered by an external shock, potential buyers and sellers disagreed about changes in market prices and assessments regarding the medium and long-term consequences of the crisis.

While a strong increase has been observed since June 2020 in the properties we offer in all asset classes, talking about a normalization of markets would be premature. All transactions are still impacted by the COVID-19 crisis and it cannot be said across the board that buyers and sellers have adjusted their expectations to reflect the new realities.

In the current market environment, focusing on the two main risks is more important than ever when assessing an investment property: the future amount and long-term security of the acquired cash flows as well as the impact that the COVID-19 crisis may have on future valuations.

As a result, the Fund Management Company consults with its valuation experts much more intensively than in the past for every property review. Additionally, an effort is made for each acquisition to safeguard the future cash flow streams as well as possible through the use of supplemental agreements to the lease agreements and other measures. The focus is on commercial properties with long-term lease agreements, whose cash flows are safeguarded by additional guarantee mechanisms. Plus, as in the past, building and space flexibility, a rent level that is in line with the market and as low as possible are pivotally important. If all these conditions apply to a property, the price environment can be expected to remain stable or even increase rather than deteriorate.

In this market environment, the importance of the Fund Management Company's experience and discipline should not be underestimated. The transaction and review process for properties has become even more challenging. Of course, that also means the likelihood that a transaction will be selected, in other words its "deal security", has declined.

The Fund Management Company of the Helvetica Swiss Commercial Fund takes all these factors into account and, on the basis of its experience and expertise, is extremely confident that it will be able to conduct some attractive transactions in the second half of 2020 that boast an above-average risk-return profile.

Asset Management Report

As of June 30, 2020, the Asset Management division of the Fund Management Company managed the Helvetica Swiss Commercial Fund portfolio containing 33 properties with a total rentable space of around 276,400 square meters and target rental income of CHF 41.9 million (annualized). On the reporting date, the market value of the portfolio managed by the Asset Management division for the HSC Fund amounted to around CHF 678 million. This value was most recently determined by the independent accredited valuation company Wüest Partner AG on June 30, 2020.

Report from the Asset Management Division of the Fund Management Company

The achievements of the Asset Management division have been pivotal to the results and performance of the HSC Fund. The Helvetica Swiss Commercial Fund focuses on real estate with special risk/return ratios. One characteristic shared by all HSC properties is that they generate above-average returns for investors through a systematically hands-on approach.

However, if they are to achieve these higher return targets both sustainably and over their entire life cycle, their management needs to be particularly intensive, professional and strict. Consequently, an asset manager from the Fund Management Company is responsible for a significantly lower level of assets under management and a significantly smaller number of investment properties than is usually the case with other fund management companies in order to guarantee that the investment properties receive more personal, intensive and business-minded support.

As of the reporting date, the Asset Management division of the Fund Management Company employed a total of five people. It is now headed up by Lucas Schlageter, who is a member of the Extended Management Board. Lucas Schlageter previously worked in the Fund Management Company of Swisscanto (Zürcher Kantonalbank). Additionally, the Asset Management division now reports directly to Chief Investment Officer, Frederic Königsegg, meaning that acquisitions, business plans and subsequent property management are closely coordinated and responsibility for all these aspects are bundled.

During the reporting period, the following asset management achievements made a special contribution to the results of the Helvetica Swiss Commercial Fund:

Arbon TG

Lease extensions until January 2022 were negotiated with two existing tenants. Negotiations are also currently underway with three other tenants to extend their leases by five years. The average lease term for the Arbon property is now 3.6 years. It generates income of CHF 2.45 million per year.

Arlesheim BL

The current tenant was persuaded to agree to an early extension of its lease until September 2027. An additional 285 square meters of space was also leased to this tenant so that it now has sole use of the entire property. In return, the Fund Management Company invested in an air conditioning system to ensure that the tenant remains satisfied with the location in the future. The total amount of the investment is CHF 1.23 million.

Bischofszell TG

In the wake of one tenant's bankruptcy, the entire space was able to be leased again within an extremely short period of time. As a result, the property was back at full occupancy again as of July 1, 2020, with the exception of a few parking spaces. The average rent generated through the property is low at CHF 48 per square meter and the new lease increased the average lease term from 5.9 years to 6.4 years.

Ittigen BE

In Ittigen, more than 90 parking spaces that had previously only been rented out on a sporadic, individual basis have now been permanently leased until 2024. This will generate consolidated rental income in excess of CHF 126,000.

Münchwilen TG

A long-term tenant increased the size of its rented space by 300 square meters and is now leasing a total of 1,300 square meters in the building. While this still left the property's vacancy rate high at around 28 percent on the reporting date of June 30, 2020, the property still turns a profit of 8.7 percent (gross actual return).

Rorschach SG

Kornhausbräu extended its lease agreement for a 777-square-meter space in the building by another 5 years. The building is fully occupied with the exception of one parking space, which puts the vacancy rate at 1 percent. It generates a low average rent of CHF 83 per square meter.

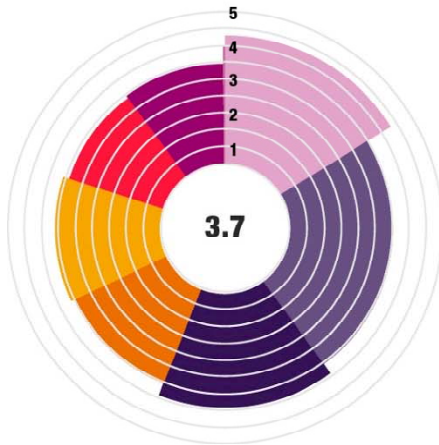
Steinhausen ZG

A total of three new lease agreements were concluded during the reporting period relating to a total of 1,678 square meters of office space. In each case, the (new) leases for the spaces ensured that these were seamlessly occupied throughout the entire period. This property generates CHF 220 in rent per square meter. The vacancy rate on the reporting date of June 30, 2020, was at a low 2.6 percent.

Zurich-Altstetten ZH

The 324 square meters of vacant space at the beginning of the reporting period was leased in full, so that – with the exception of a few parking spaces – the property was at full occupancy on March 1, 2020. One of the larger existing tenants also extended its lease agreement by another five years.

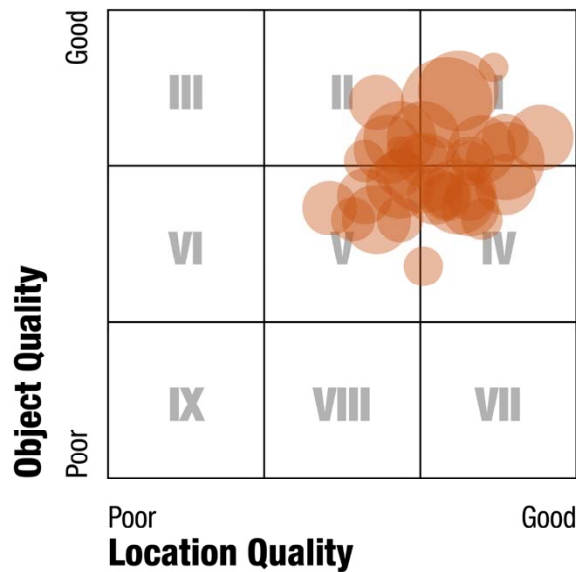
Quality Profile Evaluation



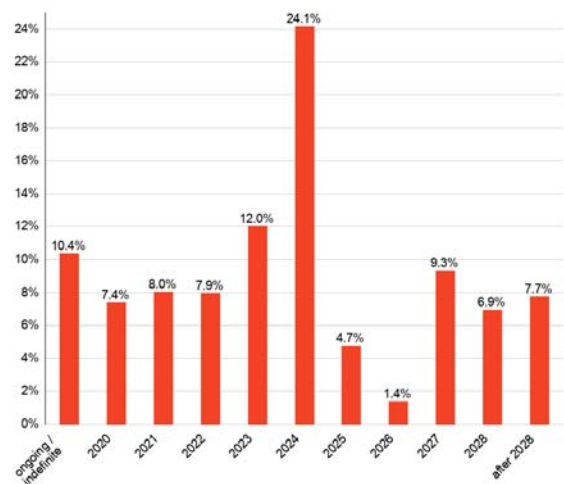
	Grade	Weighting
Overall Rating	3.7	
Location	3.8	40
Macro-location	4.3	40
Micro-location	3.5	60
Property	3.7	40
Usability	3.9	40
Standard	3.5	30
Condition	3.6	30
Market attraction	3.5	20
Lettability	3.4	50
Saleability	3.5	50
Earnings risk	4.0	1

Note: 1 = lowest score, 5= best score

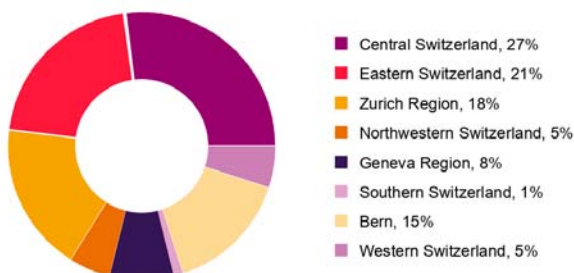
Property Quality / Location Quality



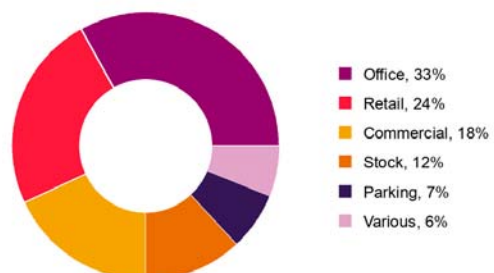
Lease Term



Geographical Distribution (Market values)



Rental Income According to Main Use (Target rental income)



Impact of COVID-19 on the HSC Fund Portfolio

The official measures imposed in the wake of the COVID-19 pandemic caused considerable economic disruption worldwide, including Switzerland, from February 2020 onward. Politicians additionally enacted emergency legislation that imposed strict, far-reaching interventions to an unprecedented degree in the normal, day-to-day lives of each and every person living in Switzerland, not even stopping short of interfering with the freedom of contract that usually exists between tenant and landlord. The situation was confusing and changed daily, especially during the lockdown phase, with retail and catering establishments as well as the hotel and tourism industries among the hardest hit.

Switzerland found itself in an advanced stage of a gradual easing of these measures toward the end of the reporting period, meaning that the country is slowly moving towards normalization. Normality, defined as the state of the country at the start of 2020, is probably still a long way away, however. A second wave of infections posing more new challenges can also be expected.

Tremendous uncertainty among all players was one of the main impacts felt during the active lockdown phase. For the time being, the Fund Management Company has decided not to write off any rent amounts prematurely and instead offered a deferment for the lockdown period to any tenants that had been in touch regarding the issue. This offer hinged on whether the tenant had taken advantage of federal support measures decided by the federal government, such as short-time work and bridging loans.

During this phase, the Fund Management Company also focused on taking immediate measures and ensuring that it could gain an overview of the extent of the expected losses.

Among tenants in the HSC Fund, which fortunately has nearly no exposure in the catering and tourism industry, 42% of rental income was directly impacted by the lockdown. At the onset of the COVID-19 crisis, the Fund Management Company estimated in its media release dated April 3 that the amount of rent at risk of default was around CHF 2 to 3 million, a figure that later turned out to be too pessimistic and overly cautious.

Some 64 percent of the directly impacted rental income comes from large tenants with strong credit ratings that will be able to cushion the impact of the pandemic. Only

36 percent of the impacted rental income comes from smaller tenants that are harder to assess.

The ten largest tenants of the Helvetica Swiss Commercial Fund are:

1. Precision Surfacing Solutions GmbH
2. AMAG Automobil und Motoren AG
3. Swiss Confederation
4. Coop Genossenschaft
5. Livique Division of Coop Genossenschaft
6. Lipomed AG
7. Conecta AG
8. Sportcenter Ost AG
9. Felss Rotaform AG
10. Dosenbach-Ochsner AG

We generate around 38 of our total rental income through the HSC Fund's ten largest tenants. These tenants have an average lease term of 4.2 years.

The Fund Management Company's strategy for the next steps with respect to a COVID-19-related reduction in rent will largely be shaped by legislation on the topic that is currently in the consultation phase. It can be assumed that the bill will be implemented in the form that is currently under discussion, albeit possibly only in 2021 or later if a referendum is held. However, the Fund Management Company is striving to clarify the situation more quickly for all stakeholders – meaning tenants, investors and all other parties affected – and restore certainty to greatest possible extent.

In this context, the Asset Management division will contact the tenants in question over the course of the next few weeks and offer them solutions that are tailored to each individual case and the different circumstances that apply to every tenant. We will use the expected legislation as a guideline. In the case of tenants not covered by a statutory rent reduction, we will make individual proposals on a case-by-case basis and try to negotiate extended lease terms with these tenants if rent reductions are unavoidable. We adhere to the basic principle that we, as a Fund Management Company with fiduciary activities, must endeavor to reach agreements with our tenants that are commercially viable and in our investors' interest. These agreements should ensure that attractive distributions can continue to be paid out in the future as well. No rent reductions had been granted yet as of the reporting date. CHF 1.5 million in rent payments had been deferred until July 31, 2020.

If a proposal were to be made to all tenants of the HSC Fund affected by COVID-19 in line with the new legal framework adopted by Parliament – regardless of the amount of their rent and thus irrespective of any legal entitlement – this would result in a one-time requirement to set aside reserves of around CHF 1.6 million at the general fund level in a worst-case scenario; this would impact the 2020 annual result.

The estimated amount of CHF 1.6 million also includes those rental agreements that do not have any entitlement whatsoever under the new legal framework expected (e.g. rents in excess of CHF 20,000 per month). Adjusted by these rental agreements, the reserve requirement would be even lower and amount to merely around CHF 0.5 million; this amount has been factored into the half-year financial statements.

With total rental income of CHF 41.9 million per year, this translates to a reserve requirement of just 1.3 percent if the legislation under consultation is actually adopted.

We are now coming to the realization that the loss of rental income for the HSC Fund is likely to be much lower than original estimates predicted.

The long-term effects of the COVID-19 pandemic are not entirely clear at this time and difficult to assess. In that respect, the HSC Fund benefits from the fact that it generally and strategically invests in buildings with fairly low rents per square meter and that the cases hit hardest by the pandemic account for only 42 percent of rental income. Here, we took a differentiated approach to the analysis and broke the retail and commercial spaces down into either food or non-food spaces, whereby the former are unlikely to have been impacted by the COVID-19 pandemic or, if so, to a much lesser degree. The HSC Fund has a retail space component of around 24 percent, around a quarter of which is unlikely to have been affected.

In the case of the non-food retail space, which was hit particularly hard, the rental income of 78 percent of all

affected spaces comes from more corporate-style tenants with good credit ratings and longer lease terms. They cannot fall back on the statutory solutions currently being planned.

With respect to the distribution expected for the 2020 financial year, the Fund Management Company expects it to be roughly on a par with the previous year's distribution (excluding the one-off effect). COVID-19 disruptions are not likely to result in any reduction in the distribution. Our goal is to offset the negative COVID-19-related cash flow effects by reducing vacancies, by preventing additional vacancies and through careful cost management. Investors can therefore expect the Helvetica Swiss Commercial Fund to continue to pay out its strong distribution in 2020.

Initially it was assumed that the COVID-19 crisis would likely have a direct and strong impact on valuations of the commercial real estate fund. The updated valuation for the HSC Fund shows that these fears were unfounded: The valuations remained stable overall and the valuation experts only added a comment regarding the currently heightened level of uncertainty as a result of the COVID-19 pandemic. The valuation of some buildings was even raised due to the high level of cash flow security. Here, too, the HSC Fund benefits from the fact that it only owns very few buildings that are heavily impacted by COVID-19 and that the rents for these are reasonable.

Conclusion: some 24 percent of the retail space in the HSC Fund profile was affected by the lockdown, however around a quarter of it relates to food services. Calculated based on future legal regulations, the estimated loss of rental income will amount to around CHF 0.5 million. The extent to which the COVID-19 crisis will impact the tenant structure of the HSC Fund in the long term and which losses in rental income might only become apparent in the medium or long term cannot be estimated at this point in time. This depends in part on whether a second wave comes and how strong it is.

Half-year Report as of June 30, 2020

The first half of 2020 was shaped by three acquisitions and the coronavirus crisis. Compared to the 2019 annual financial statements, total fund assets rose by CHF 49 million to CHF 703 million.

The Fund Management Company was able to acquire three properties in the first half of 2020. In April, investors received a distribution of CHF 5.00 per share (incl. a one-off effect) for the 2019 financial year.

At the end of December 2019, the net asset value asset value was CHF 112.71 per share. The Fund reported a net asset value per share of CHF 110.76 at the end of June 2020, which corresponds to a return on investment of 2.8 percent (incl. the distribution) and a return on equity of 2.5 percent for the first half-year.

The TER_{REF} GAV of 1.04 percent declined to 1.03 percent during the first half of the year. The TER_{REF} NAV of 1.42 percent rose to 1.43 percent during this same period. In a year-over-year comparison as of the reporting date, the TER_{REF} GAV rose from 0.85 percent to 0.92 percent, while the TER_{REF} NAV of 1.14 percent climbed to 1.34 percent.

Balance Sheet

Total fund assets reflect the acquisitions from the first half of the year, which took the total number of business premises from 30 to 33 and a total value of CHF 703 million, corresponding to an increase of CHF 49 million over year-end 2019. At the balance sheet date, the market value of the properties was CHF 678 million (12/31/2019: CHF 629 million), cash and cash equivalents CHF 6 million (12/31/2019: CHF 17 million), and current receivables CHF 10 million (12/31/2019: CHF 4 million).

After deducting liabilities of CHF 209 million (12/31/2019: CHF 154 million) and liquidation taxes of around CHF 14 million (12/31/2019: around CHF 11 million), net asset value amounted to CHF 481 million (12/31/2019: CHF 489 million) at the balance sheet date.

The debt financing ratio rose to 23.1 percent from 20.9 percent on December 31, 2019, and is substantially below the approved limit of 33.3 percent.

Income Statement

The portfolio at the end of 2020, including portfolio acquisitions of the last 12 months, led to an increase in net income of around 44 percent or CHF 3.9 million to around CHF 13 million.

The 40 percent increase in rental income of CHF 18 million made a material contribution toward the positive result.

Balance Sheet

in CHF

Assets	Notes	06/30/2020	12/31/2019
Cash, post and bank deposits on sight including fiduciary investments with third-party banks		6,421,536	16,505,657
Current receivables		9,848,643	4,390,659
Properties			
Building land and construction in progress		0	0
Residential properties		0	0
Residential properties with condominium ownership		0	0
Mixed properties		0	0
Commercial properties	1	678,380,000	628,944,000
Total properties		678,380,000	628,944,000
Other assets		8,735,481	4,889,088
Total fund assets		703,385,660	654,729,403
Liabilities			
Accounts payable			
Short-term interest-bearing mortgages	8, 9	-100,300,000	-53,500,000
Other current liabilities		-13,507,947	-12,266,975
Long-term interest-bearing mortgages	8, 9	-56,700,000	-77,750,000
Other non-current liabilities		-38,296,451	-10,318,397
Total liabilities		-208,804,398	-153,835,372
Net asset value before estimated liquidation taxes		494,581,261	500,894,031
Estimated liquidation taxes		-13,559,076	-11,418,730
Net asset value		481,022,185	489,475,302
Further Information			
Change in net asset value			
Net asset value at the start of the reporting period		489,475,302	305,729,749
Distribution of profits	13	-21,714,689	-11,117,700
Balance from trade in shares		0	165,719,014
Total profit		13,261,572	29,144,239
Net asset value at the end of the reporting period		481,022,185	489,475,302
Development of the number of shares			
Number of shares at the start of the reporting period		4,342,851	2,779,425
Issued shares		0	1,563,426
Redeemed shares		0	0
Number of shares at the end of the reporting period		4,342,851	4,342,851
Net asset value per share at the end of the reporting period		110.76	112.71
Further information (Art. 95 CISO-FINMA)			
Balance of the depreciation account of the properties		0	0
Balance of the provision account for future repairs	15	5,435,409	5,435,409
Balance of the account for reinvestment of retained earnings		0	0
Number of shares redeemed as of the end of the next financial year		0	0
Total insurance value of the assets		650,110,498	609,788,498

Income Statement

in CHF

Income	Notes	01/01/ - 30/06/2020	01/01/ - 30/06/2019
Interest income		0	0
Rental income		18,118,553	12,936,360
Capitalized construction interest		0	0
Other income		419,113	9,790
Participation in current income from share issuance		0	812,982
Total income		18,537,667	13,759,133
Expenses			
Mortgage interest		-395,752	-389,667
Other interest on liabilities		-123,356	0
Maintenance and repairs		-929,864	-1,457,705
Property management			
Property expenses		-523,481	-556,892
Administrative expenses		-205,000	-29,771
Taxes		-89,966	-64,632
Evaluation and auditing expenses		-182,579	-89,001
Consulting expenses		-141,482	-106,067
Transaction costs		-496	-5,000
Regulatory fees			
Management fee	12	-2,298,991	-1,708,826
Custodian bank fee	12	-176,874	-94,437
Real estate management (third-party and Fund Mgmt. Company)	12	-461,539	-370,932
Other expenses			-3,861
Bank charges		-4,048	-5,178
Miscellaneous expenses		-244,358	0
Payment of current net income due to redemption of shares		0	0
Total expenses		-5,777,784	-4,881,967
Profit			
Net profit		12,759,883	8,877,166
Realized gains/losses		0	0
Realized profit		12,759,883	8,877,166
Unrealized gains/losses		2,642,036	2,906,434
Incidental costs attributed to the fund assets for the issue of shares		0	1,118,718
Liquidation taxes		-2,140,346	-1,921,300
Total profit in the reporting period		13,261,572	10,981,018

Notes

1. Inventories of the Properties Held

Address	Use	Market value	Initial costs	Rental income	Occupancy
Altendorf, Zürcherstrasse 104	Commercial	28,060,000	28,172,904	740,923	92.1%
Arbon, St. Gallerstrasse 15	Commercial	38,400,000	40,312,778	1,139,076	96.1%
Arlesheim BL, Fabrikmattenweg 2	Commercial	12,000,000	13,234,237	523,150	100.0%
Baar, Oberdorfstrasse 2-8d	Commercial	22,240,000	23,063,036	507,586	97.0%
Bischofszell, Industriestrasse 6	Commercial	18,160,000	18,247,283	596,284	97.8%
Cham, Brunnmatt 14	Commercial	14,340,000	14,520,763	356,739	96.4%
Chiasso, Via Livio 1 / Via Motta 24 1	Commercial	10,130,000	9,730,788	301,395	89.3%
Dättwil AG, Täferstrasse 3/5	Commercial	18,990,000	17,610,559	326,259	94.7%
Dietikon, Riedstrasse 1	Commercial	36,380,000	36,114,974	887,747	93.0%
Feusisberg, Chaltenbodenstrasse 6 a-f	Commercial	27,620,000	31,768,438	658,168	65.2%
Frauenfeld, Zürcherstrasse 370	Commercial	5,221,000	4,246,945	132,944	100.0%
Frauenfeld, Zürcherstrasse 331/333	Commercial	13,020,000	13,157,000	348,968	100.0%
Glattbrugg, Europastrasse 19	Commercial	14,080,000	13,012,403	410,461	81.2%
Goldach, Blumenfeldstrasse 16	Commercial	12,570,000	13,076,856	387,792	80.5%
Gwatt-Thun, Schorenstrasse 39	Commercial	49,270,000	43,902,500	1,794,858	98.8%
Ittigen, Schermenwaldstrasse 13	Commercial	27,380,000	27,917,375	818,483	100.0%
Lyssach, Bernstrasse 35	Commercial	26,920,000	24,134,822	608,940	98.4%
Montreux 2, Grand-Rue 3	Commercial	25,900,000	25,759,323	605,936	99.5%
Münchwilen TG, Murgtalstrasse 20	Commercial	10,220,000	13,318,856	392,048	72.4%
Rorschach, Industriestrasse 21/23	Commercial	14,160,000	13,269,600	309,254	99.1%
Rothenburg, Wahligenstrasse 4	Commercial	17,890,000	19,025,131	738,541	100.0%
Sissach, Gelterkinderstrasse 30	Commercial	4,241,000	4,576,793	61,067	60.8%
St. Gallen, Rorschacherstrasse 292/294	Commercial	15,830,000	16,132,805	500,000	100.0%
Steinhausen, Turmstrasse 30 T1	Commercial	38,470,000	30,588,289	927,436	97.4%
Triengen, Grossfeld	Commercial	17,520,000	17,040,842	494,750	100.0%
Tuggen, Rüschenzopfstrasse 5	Commercial	14,190,000	13,965,487	365,876	100.0%
Versoix, Route des Fayards 243	Commercial	31,190,000	28,872,129	230,000	100.0%
Villars-sur-Glâne, Route de Villars 103-110	Commercial	31,240,000	31,649,821	769,128	100.0%
Wallisellen, Hertistrasse 23	Commercial	8,859,000	8,770,200	214,000	100.0%
Winterthur, Stegackerstrasse 6	Commercial	19,530,000	8,203,205	287,153	99.4%
Winterthur, Stegackerstrasse 6a	Commercial	9,129,000	17,605,712	399,795	100.0%
Zurich, Max Högger-Strasse 6	Commercial	33,780,000	29,629,064	993,726	99.9%
Zuzwil, Herbergstrasse 11	Commercial	11,450,000	11,438,447	290,071	88.1%
Total		678,380,000	662,069,362	18,118,553	

2. Real Estate Transactions

Purchases

Address	Type	Canton	Use	Transfer of ownership
Frauenfeld, Zürcherstrasse 370	Purchase	Thurgau	Commercial	01/01/2020
Frauenfeld, Zürcherstrasse 331/333	Purchase	Thurgau	Commercial	01/01/2020
Versoix, Route des Fayards 243	Purchase	Geneva	Commercial	05/01/2020

Sales

None

3. Total Amount of Contractual Payment Obligations After the Balance Sheet Date for Real Estate Purchases as well as for Construction Contracts and Investments in Properties

After the Canton of Geneva waived its right of first refusal, the purchase price for the Versoix property was transferred to the seller on July 9, 2020. This made it possible to include the property in the HSC Fund's portfolio as planned with effect on May 1, 2020.

Obligations from investments for the property in Arlesheim still exist in the amount of CHF 0.5 million.

4. Participations in Real Estate Companies

As at June 30, 2020 the Fund holds 100 percent of the share capital of Helvetica Swiss Commercial AG, based in Zurich, which in turn held 100 percent of the shares in Helvetica Swiss Commercial 2 GmbH, based in Zurich, until December 31, 2019. The two companies merged with effect on January 1, 2020. All properties in the HSC Fund are now held by Helvetica Swiss Commercial AG.

5. Shares in Other Real Estate Funds and Certificates

Other assets consist entirely of shares in other property funds

6. Rental Income per Tenant over 5 Percent

Tenant	Annual rent in percent
Precision Surfacing Solutions GmbH	7.0
AMAG Automobil und Motoren AG	6.9
Total	13.9

7. Information on Derivatives

The Fund does not use derivatives.

8. List of Mortgage Debts with a Residual Term of 1-5 Years

Type	Interest rate	Amount	Date of issue	Maturity
Fixed-rate mortgage	1.17%	500,000	02/10/2016	02/10/2025
Fixed-rate mortgage	1.00%	7,400,000	09/05/2016	09/30/2021
Fixed-rate mortgage	1.45%	5,750,000	01/01/2017	12/31/2022
Libor mortgage	0.29%	13,500,000	07/01/2020	09/30/2020
Libor mortgage	0.29%	23,000,000	07/01/2020	09/30/2020
Libor mortgage	0.29%	18,000,000	07/01/2020	09/30/2020
Libor mortgage	0.29%	8,000,000	07/01/2020	09/30/2020
Libor mortgage	0.49%	20,000,000	09/02/2019	12/31/2021
Libor mortgage	1.15%	3,800,000	07/01/2017	06/30/2022
Libor mortgage	0.55%	10,300,000	06/16/2018	04/30/2021
Libor mortgage	0.65%	18,250,000	12/15/2016	12/31/2021
Libor mortgage	0.65%	12,000,000	04/30/2018	06/30/2021
Libor mortgage	0.45%	1,000,000	12/31/2019	12/31/2021
Libor mortgage	0.35%	7,500,000	04/27/2020	09/30/2020
Libor mortgage	0.35%	8,000,000	04/28/2020	09/30/2020
Total		157,000,000		

9. List of Mortgage Debts with a Residual Term of Over 5 Years

None

10. Fees and Incidental Costs Charged to the Investors

Remuneration	Maximum rates	Actual rates	Basis
Issuing commission on shares	3.00%	-	Net asset value of shares
Redemption commission on shares	1.50%	-	Net asset value of shares

11. Incidental Costs Attributed to the Fund Assets Accruing from the Paid-in Amount Invested or from the Sale of Shares

Remuneration	Maximum rates	Actual rates	Basis
Premium to NAV	2.50%	-	Net asset value of shares
Discount to NAV	1.50%	-	Net asset value of shares

12. Fees and Incidental Costs Charged to the Fund

Remuneration	Maximum rates	Actual rates	Basis
Remuneration to the Fund Management Company			
Management fee	1.00%	0.70%	Total fund assets
Purchase/sales compensation	1.50%	1.50%	Purchase/sale price
Building and renovation fee	3.00%	-	Construction costs
Property management	5.00%	-	Gross rental income
Remuneration to Third Parties			
Remuneration to custodian bank (custodian bank commission)	0.05%	0.05%	Net asset value of shares
Remuneration to property managers	5.00%	2.63%	Gross rental income

13. Distribution of profits

No distribution in addition to the distribution of CHF 5.00 already decided for the 2019 financial year.

14. Events After the Balance Sheet Date

On July 13, 2020, the HSC Fund signed a purchase agreement for a mixed-use industrial site in Arbon/TG. The property with a market value of approximately CHF 26.2 million was retrospectively taken over on July 1, 2020. Apart from this, no further events after the balance sheet date have to be noted.

15. Collected Footnotes

1. The TER_{REF} GAV according to SFAMA guidelines is based on the Fund's average total assets during the reporting period. During the setup phase of a fund, this average is naturally lower, which leads to a higher total expense ratio. This figure is 0.92 percent in relation to the fund assets on June 30, 2020.
2. The TER_{REF} NAV according to SFAMA guidelines is based on the Fund's average net asset value during the reporting period. During the setup phase of a fund, this average is naturally lower, which leads to a higher total expense ratio. This figure is 1.34 percent in relation to the fund assets on June 30, 2020.
3. The TER_{REF} MV according to SFAMA guidelines is based on the Fund's average market value. During the setup phase of a fund, this average is naturally lower, which leads to a higher total expense ratio. This figure is 1.35 percent in relation to the market value on June 30, 2020.
4. The fund has been listed on the SIX Swiss Exchange since November 11, 2019. The exchange rates for December 31, 2019, and June 30, 2020, were used for calculating the key figures for performance and premium/discount.
5. The key figure premium/discount is being reported for the second time since the initial public offering of the Helvetica Swiss Commercial Fund.
6. Since 2019, the tax-motivated provisions for maintenance and repairs of the underlying statutory companies (Helvetica Swiss Commercial AG and Helvetica Swiss Commercial 2 GmbH, which were merged on 01/01/2020) are additionally reported at fund level.

Valuation Principles and Net Asset Value Calculation

The net asset value of the real estate fund is calculated at the fair market value in Swiss francs at the end of the first half-year period, at the end of the financial year as well as at each share issue.

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

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

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

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

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

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

Report of the Valuation Experts



Wüest Partner AG, Bleicherweg 5, 8001 Zurich

Helvetica Property Investors AG
Executive Board
Brandschenkestrasse 47
8002 Zurich

Zurich, 24 August 2020

Helvetica Swiss Commercial
Independent real estate valuer's report
Valuation as at 30 June 2020

To the Executive Board of Helvetica Property Investors AG

Ref.
118583.2000

Commission

Wüest Partner AG (Wüest Partner) was commissioned by the Fund Management to perform a valuation, for accounting purposes, of the 33 properties units held by Helvetica Swiss Commercial as at 30 June 2020 (reporting date).

Valuation standards

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

Definition of market value

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

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

Valuation method

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

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Basis of valuation

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

Wüest Partner inspects the properties normally at least once every three years as well as following purchase and upon completion of larger refurbishment and investment projects. All properties were visited in 2016 and 2020.

Results

A total of 33 investment properties were valued as at 30 June 2020. The market value of these properties on the valuation date is estimated by Wüest Partner to total 678,380,000 Swiss Francs.

In the property valuation, real discount rates between 3.45% and 4.55% were applied. Considering an inflation rate of 0.50% the nominal discount rates lie between 3.97% and 5.07%. Over the whole portfolio, the average of the discount rates – weighted by market value – is 3.92% in real terms and 4.43% in nominal terms.

Changes during reporting period

Within the review period from 1st January 2020 to 30th June 2020, the following Acquired:

- 1290, Versoix, Route des Fayards 243;
- 8500 Frauenfeld, Zürcherstrasse 331/333;
- 8500 Frauenfeld, Zürcherstrasse 370.

Independence and confidentiality

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

Zurich, 24 August 2020

Wüest Partner



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



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

Annex: valuation assumptions**Investment properties**

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

- The rent rolls from Helvetica Property Investors AG used in the valuation have the state of knowledge typically as at April 2020.
- A two-phase DCF model was adopted. The valuation period extends to infinity from the valuation date, with an implicit residual value in the eleventh period.
- Discounting is based on a risk-adjusted interest rate. Rates are determined individually for each property on the basis of appropriate benchmarks derived from arm's-length transactions. They may be broken down as follows: risk-free interest rate + property risk (immobility of capital) + premium for macro-location + premium for micro-location depending on use + premium for property quality and income risk + any other specific premiums.
- Unless otherwise stated, the valuations assume 0.50 percent annual inflation for income and all expenditure. Where a nominal discount rate is applied, this is adjusted accordingly.
- Credit risks posed by specific tenants are not explicitly factored into the valuation.
- Specific indexation of existing rental agreements is accounted for on an individual basis. After expiry of the contracts, an indexation factor of 80 percent (Swiss average) and an average contract term of five years are assumed.
- For existing tenancies, the timing of individual payments is assumed to comply with the terms of the lease.
- In terms of running costs, entirely separate service charge accounts are assumed, with no tenancy-related ancillary costs to be borne by the owner.
- The maintenance (repair and upkeep) costs were calculated using a building analysis tool. This tool is used to estimate the remaining lifespan of individual components based on their present condition, to model periodic refurbishments and to calculate the associated annual renewal fund allowances. The calculated values are plausibility tested using cost benchmarks derived from Wüest Partner surveys.

Auditor's Report



Report on the Review

of half-year report to the Board of Directors of the fund management company Helvetica Property Investors AG, Zürich

According to your request, we have reviewed the half-year report (statement of net assets, income statement and notes) (pages 4, 25 to 30 and 38) of the investment fund Helvetica Swiss Commercial Fund for the period from 1 January 2020 to 30 June 2020.

The half-year report is the responsibility of the Board of Directors of the fund management company. Our responsibility is to issue a report on the half-year report based on our review.

Our review was conducted in accordance with the Swiss Auditing Standard 910, which requires that a review be planned and performed to obtain limited assurance about whether the half-year report are free from material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the half-year report is not in accordance with the Swiss Collective Investment Schemes Act, the related ordinances as well as the investment fund agreement and the prospectus.

PricewaterhouseCoopers AG

Raffael Simone

Michael Zobrist

Zürich, 18 August 2020

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PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

Organization

Fund Management Company	Helvetica Property Investors AG, Brandschenkestrasse 47, Zurich
Executive team of the Fund Management Company	Michael Müller, CEO Peter R. Vogel, CFO, Head of Finance and Corporate Services Frederic Königsegg, CIO, Head of Investment Management
Extended Management Board of the Fund Management Company	Salman Baday, Head of Sales (Switzerland) Lucas Schlageter, Head of Asset Management
Board of Directors of the Fund Management Company	Dr. Hans Ueli Keller, Chairman Peter E. Bodmer, Vice Chairman Herbert Kahlich, Member Hans R. Holdener, Member Thomas Huber (until 05/29/2020)
Asset Manager	Helvetica Property Investors AG, Brandschenkestrasse 47, Zurich
Custodian Bank and Paying Agency	Banque Cantonale Vaudoise, Case postale 300, Lausanne
Trade	SIX Swiss Exchange, Pfingstweidstrasse 110, Zürich
Auditors	PricewaterhouseCoopers AG, Birchstrasse 160, Zurich
Market Maker	Bank J. Safra Sarasin, Elisabethenstrasse 62, Basel
Accredited Valuation Experts	The Fund Management Company has commissioned the following valuation experts with the approval of the supervisory authority: Ivan Anton, Valuation Expert, Wüest Partner AG, Zurich Silvana Dardikman, Valuation Expert, Wüest Partner AG, Zurich
Property Management	The commercial and technical management of the properties is delegated to specialized third-party companies. Corresponding agreements are concluded when the respective property is acquired. Existing agreements will be adjusted as necessary. As of June 30, 2020, contracts exist with: H&B Real Estate AG EIKO Verwaltungs AG Regimo Zug AG Arlewo AG Régimo Lausanne SA Regimo Basel AG Regimo Bern AG Wincasa AG Thoma Verwaltungen AG

Board of Directors of the Fund Management Company



Hans Ueli Keller
Chairman

Position	Chairman
Born	1952
Nationality	Switzerland
Member of the Board since	2014
Equity participation Fund Management Company	Yes
	Yes
Member of the Investment Committee	(Chairman)

Education

PhD from the University of St. Gallen and has completed the Advanced Management Program of the Business Schools INSEAD and Harvard HBS.

Executive and non-executive positions

Longstanding career as member of the Executive Board of Credit Suisse and President of Swisscard. Board member of both Engel & Völkers Commercial Switzerland and Ebix. Inc. He also served as Delegate of the board of directors of Goldbach Media and gained additional experience as former Chairman of the board of directors of Swisscontent.

Previous experience	
CEO	■
CFO	
Real Estate Industry	■
Project Management	
IT and Technology	
Finance and Asset Management	■
Industry	
Transactions and M&A	■
Consulting and Trust	
SME Experience	■



Peter E. Bodmer
Vice Chairman

Position	Vice Chairman
Born	1964
Nationality	Switzerland
Member of the Board since	2015
Equity participation Fund Management Company	Yes
	Yes
Member of the Investment Committee	Yes

Education

Degree in Business Administration from the University of Zurich and an MBA from IMD Lausanne.

Executive and non-executive positions

Former member of the Executive Committee of the Implenia Group, GKN Sinter Metals Group and Maag Holding. Active in various boards of directors such as Peach Property Group, Arbonia Forster, Klinik Schloss Mammern and member of the Board of Trustees of the Wilhelm Schulthess Foundation. Chairman of the Board of Trustees of the Profond Foundation.

Previous experience	
CEO	■
CFO	■
Real Estate Industry	■
Project Management	■
IT and Technology	
Finance and Asset Management	■
Industry	■
Transactions and M&A	■
Consulting and Trust	
SME Experience	■



Herbert Kahlich
Member

Position	Member
Born	1944
Nationality	Austrian
Member of the Board since	2015
Equity participation Fund Management Company	Yes
Member of the Investment Committee	No

Education

Graduated with a degree from an advertising school in Zurich, ongoing business education and attendance of banking, finance and management courses.

Executive and non-executive positions

Has more than twenty years of international asset management experience. He began his career at Credit Suisse and was a senior executive in the global fund business within Credit Suisse Group for more than 10 years, responsible for the group's real estate funds.

Previous experience	
CEO	■
CFO	
Real Estate Industry	■
Project Management	■
IT and Technology	■
Finance and Asset Management	■
Industry	
Transactions and M&A	■
Consulting and Trust	■
SME Experience	■



Hans R. Holdener
Member

Position	Member
Born	1966
Nationality	Switzerland and Norway
Member of the Board since	2007
Equity participation Fund Management Company	Yes
Member of the Investment Committee	Yes

Education

Master program in Customer Relationship Management and a Bachelor in Marketing from the Norwegian Business School BI in Oslo.

Executive and non-executive positions

Co-founder and CEO of the Helvetica Property Group. Managing director and founding member of Wohnspar and managing director of Immospar. Extensive experience as investment advisor to wealthy individuals and as a private investor in the Swiss real estate market for residential and commercial properties.

Previous experience	
CEO	■
CFO	
Real Estate Industry	■
Project Management	■
IT and Technology	■
Finance and Asset Management	■
Industry	
Transactions and M&A	■
Consulting and Trust	■
SME Experience	■

Further Information for Investors

Changes to Fund Contract

The fund contract of November 11, 2019, was amended and approved by FINMA on March 27, 2020. It entered into force on April 1, 2020.

Apart from purely formal or editorial changes, the amendments essentially comprise the following points in accordance with the publication dated March 9, 2020:

- The addresses of the Fund Management Company and custodian bank were crossed out in para. 1 sect. 2 and 3. After amendment, para. 1 sect. 2 and 3 now read as follows: "2. The Fund Management Company is Helvetica Property Investors AG in Zurich. 3. The custodian bank is Banque Cantonale Vaudoise in Lausanne."

Legal Disputes

There are no pending or threatened legal disputes.

Compliance with Investment Restrictions

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

Information About Related-party Transactions

The Fund Management Company confirms that there were no transfers of property values to related parties or

from related parties during the reporting period (Art. 63 para. 2 CISA and Art. 32, 32a, and 91a CISO and sect. 18 of the guidelines for the real estate funds of the Swiss Funds & Asset Management Association SFAMA (SFAMA Guidelines for Real Estate Funds) of April 2, 2008, version dated September 13, 2016).

Change of Fund Management Company and Custodian Bank

There were no changes in the Fund Management Company or the custodian bank during the reporting period.

Departure from the Board of Directors

Thomas Huber stepped down from his position as a member of the Board of Directors of the Fund Management Company with effect on May 29, 2020, for personal reasons.

Miscellaneous

Helvetica Property Investors AG changed its headquarters to Brandschenkestrasse 47 in 8002 Zurich as of April 1. The impact of COVID-19 on the real estate fund is described in the Asset Management Report. Otherwise, no significant events are known.

Definitions

Gross actual return

The current gross actual return is defined as the percentage of the current actual rental income measured against the market value.

Discount rate

The discount rate is the percentage used to discount all cash flows. The level of the chosen discount rate reflects the risk assessment.

Rent default rate

The rent default rate is the sum of all reductions in the target rental income due to vacancies, for example, expressed as a percent.

Debt financing ratio

The debt financing ratio corresponds to the percentage of the borrowed capital measured against the market value of the properties.

Debt ratio

The debt ratio corresponds to debt capital as a share of the total fund assets in percent.

Maintenance costs

Maintenance is also described as "ordinary maintenance". Maintenance refers to all measures taken to ensure the usability of the property (such as service work, minor repairs).

Repair costs

Repair work is also referred to as "extraordinary maintenance". It includes all investments that completely replace substantial components and/or are associated with a noticeable qualitative improvement. This may also include value-enhancing investments.

Actual rental income

Actual rental income is calculated based on the target rental income less the loss of income.

Vacancy

A rental property is regarded as vacant if no lease agreement exists.

Property quality

The property quality is a measure of the quality of a property, taking into account its condition, prevailing standards, usability and the mix of uses. The information required to determine the quality of the property is derived from the quality profile of the property.

Market rent / potential

The long-term, sustainable development of a property's respective income stream is reflected by an estimate of its market rent or potential to generate income.

Market value

The market value is the estimated amount for which a property is expected to be sold on the valuation date between a willing seller and a willing buyer in a transaction in the ordinary course of business, after an appropriate marketing period, where each party acts with skill, prudence, and without coercion.

Rental space

The rental space is the sum of leased and rentable spaces.

Rental income

Rental income corresponds to the actual rental income earned in the reporting period.

Net yield

The net yield is the ratio of the annual net yield to the determined market value of the property.

Target rental income

Possible income in the event of full occupancy, corresponding to the total amount of rental income agreed by contract plus vacancies based on market rent. Incidental costs specified in lease agreements are not taken into consideration.

Total net income

Net income is calculated as the sum of all income less all costs.

Maintenance and repair

Maintenance costs are composed of all costs incurred for maintenance and repairs.

Occupancy rate

Actual income as a percentage of target rental income.

WAULT

The WAULT (Weighted Average Unexpired Lease Term) adds up the weighted average unexpired terms of contractually fixed rents for a property or a portfolio (up to the earliest possible termination date without renewal options). The WAULT is reported in years. The following uses must be considered: office, hotel, retail, medical practices, restaurants and catering, warehouse, and other commercially used properties. Unlimited lease agreements will be included in the calculation with a term of six months. Property types not to be taken into account are: apartments, parking spaces, advertising spaces, basements/attics. Vacancies are not taken into account.

Total Expense Ratio Real Estate Fund (TER_{REF})

Fund operating expenses as a percentage of average total fund assets and as a percentage of average market value. If there is no trading, the net asset value per unit must be capitalized.

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