

Audited Half-Year Report

Helvetica Swiss Commercial (HSC)

Real Estate Investment Fund under Swiss law

June 30, 2017



Disclaimer

English translation of German original

This is an English translation of the German PwC audited original.
Only the German PwC audited original is legally binding.

Portfolio with

6 Properties

Total rental area

53 600m²

Market value property portfolio

140 Million

WAULT Weighted Average Unexpired Lease Term

3 Years

Occupancy rate

90.5%

Actual gross yield

5.8%

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KEY FIGURES

Highlights

<p>NET ASSET VALUE PER SHARE</p> <p>104.17</p>	<p>TOTAL FUND ASSETS</p> <p>181 Million</p>	<p>NET FUND ASSETS</p> <p>129 Million</p>
<p>INVESTMENT RETURN</p> <p>4.17%</p>	<p>DEBT RATIO</p> <p>29%</p>	<p>TARGET RENTAL INCOME</p> <p>8.95 Million</p>
<p>RENTAL AREA</p> <p>53 600 m²</p>	<p>PROPERTY PORTFOLIO</p> <p>140 Million</p>	<p>RENT PER m²</p> <p>CHF 155</p>
<p>WAULT</p> <p>3 Years</p>	<p>OCCUPANCY RATE</p> <p>90.5%</p>	<p>ACTUAL GROSS YIELD</p> <p>5.8%</p>

Securities number		33550793
Initial payment date		December 9, 2016
Issued shares	Number	1 235 300
Outstanding shares	Number	1 235 300
Redeemed shares	Number	-
NAV per share	CHF	104.17
Weighted real discount rate	%	4.3

STATEMENT OF ASSETS

Market value of the properties	CHF	140 309 841
Gross asset value (GAV)	CHF	181 404 943
External financing ratio	%	32.00
Debt ratio	%	29.06
Residual term external financing	Years	3.48
Interest rate external financing	%	1.02
Net asset value (NAV)	CHF	128 686 047

INCOME STATEMENT

Rental income	CHF	6 314 907
Net income	CHF	5 437 968
Rental income loss rate	%	8.97
WAULT (Weighted average unexpired lease term)	Years	3.27
Maintenance and repairs	CHF	274 281
Operating profit margin	%	66.82

RETURN AND PERFORMANCE FIGURES

Distribution	CHF	-
Distribution yield	%	-
Distribution rate	%	-
Return on equity (ROE)	%	4.17
Return on invested capital (ROIC)	%	3.34
Performance	%	-
Investment return	%	4.17
Premium/discount	%	-
Fund expense ratio GAV (TER _{REF} GAV) ¹⁾	%	1.10
Fund expense ratio NAV (TER _{REF} NAV) ¹⁾	%	1.55

1) According to the SFAMA guideline, TER_{REF} GAV as well as TER_{REF} NAV are based on the fund's average total respectively net assets during the reporting period. During a fund's buildup phase, this average is, of course, lower, which results in higher total expense ratios. In relation to the fund's assets as of June 30, 2017, the total expense ratios were 0.85% respectively 1.20%.

THE FUND MANAGER

Helvetica Property Investors is a provider of Fund and Asset Management services within the real estate sector with its head office in Zurich. The Company is authorized and regulated by the Swiss Financial Market Supervisory Authority FINMA. Helvetica Property Investors assembles portfolios, manages direct and indirect real estate investments in Switzerland and manages these investments on behalf of its clients. The Company covers the entire range in the field of real estate investments, including investment strategies, selection of investment properties, structuring of transactions, acquisitions, financing, portfolio management and sales. Helvetica Property Investors acts as fund and asset manager for the Helvetica Swiss Commercial Real Estate Fund. The Company celebrates its 10-year anniversary in 2017.

Corporate Philosophy

Protect and grow investors' capital through long term-vision, hands-on entrepreneurial approach, focused strategy and seamless excellent execution.

Our Approach

As a professional innovator in the Swiss real estate market, identify and unlock hidden potential with a proactive, hands-on asset management approach.

Corporate Values

Honesty and responsibility

Integrity and passion

Transparency and long-term perspective

Independent and ambitious



Passion for Real

REPORT OF THE BOARD OF DIRECTORS

Dear Investors

We are pleased to present you with the first half-year report of the Helvetica Swiss Commercial Real Estate Fund (“HSC”) and to outline some of the key facts and figures of the past months.

We were able to successfully finalize the initial issue of the HSC Fund on December 9, 2016. The Fund was able to raise CHF 77.2 million in equity. Shortly after payment of the subscribed equity, we were able to invest the the capital including 33% of leverage (as permitted by the regulatory authority) successfully. A few days before Christmas 2016, the Fund purchased three attractive properties with a total volume of CHF 84 million. At the beginning of 2017, the Fund Manager decided, due to a well-filled pipeline of properties, to carry out the first capital increase from March 15 to April 13, 2017. This was met with great interest on the part of investors. Overall, the subscribed equity added up to approximately CHF 48.2 million.

Prudent and foresighted, yet timely investing is more important than ever in these times of negative interest rates. Consequently, it is particularly encouraging that we were able to invest the equity from both capital increases almost immediately after the Fund received the equity in high-quality real estate assets. This approach and the well-prepared start of the HSC Fund underlines the Fund Manager's know-how with regard to the acquisition of attractive real estate. Due to the active, hands-on asset management approach, the Fund Manager is able to report revenue growth and value appreciation.

The figures as of June 30, 2017, reflect the results of the six months of the first fiscal year since the launch of the Fund. Total income amounted to CHF 7.66 million, while expenses added up to CHF 2.23 million. Thereby, the acquisition of two properties held by two companies as of December 15, 2016, by means of a share deal must be taken into account. Consequently, the Fund's income and expenses include these two companies' entire fiscal year 2016. Rental income increased substantially in the first half of 2017 due to additional purchases. This resulted in a net income before liquidation taxes of CHF 5.44 million. Combined with an unrealized profit of CHF 2.36 million, incidental costs of CHF 0.57 million at the share issues to the benefit of the HSC Fund as well as liquidation taxes of CHF 3.22 million, this resulted in an overall result of CHF 5.16 million. The Fund Manager engages in active cost management; as a result, fees mostly remained below the maximum remuneration cap as outlined in the Fund contract. During a fund's initial growth phase, its average total assets are below the figure for the end of an entire fiscal year. As a result, the HSC's TER_{REF} GAV according to the SFAMA guideline was 1.10% as per June 30, 2017; the corresponding total expense ratio was 0.85% as per June 30, 2017.

The Fund's net assets rose to CHF 128.69 million in the first half of the year. With 1 235 300 outstanding shares, this results in a net asset value per share of CHF 104.17 and, consequently, a return on equity of 4.17% since the Fund's launch in December 2016 – a good, solid figure considering the fact that the Fund started in a particularly challenging environment.

MANAGEMENT, BOARD AND THIRD PARTIES

Fund Manager

Helvetica Property Investors AG, Gartenstrasse 23, 8002 Zurich

Asset Manager

Helvetica Property Investors AG, Gartenstrasse 23, 8002 Zurich

Board of Directors

Dr. Hans U. Keller, Chairman

Peter E. Bodmer, Vice-Chairman

Thomas Huber

Herbert Kahlich

Hans R. Holdener

Custodian Bank and Paying Agent

Notenstein La Roche Privatbank AG, Bohl 17, 9000 St.Gallen

Auditors

PricewaterhouseCoopers AG, Birchstrasse 160, 8050 Zurich

Sales Agents

Vontobel Asset Management AG, Gotthardstrasse 43, 8002 Zurich

Swiss Finance & Property AG, Untermüli 7, 6302 Zug

Valuation Experts

Marco Feusi, Valuation Expert, Wüest Partner AG, Bleicherweg 5, 8001 Zurich

Peter Pickel, Valuation Expert, Wüest Partner AG, Bleicherweg 5, 8001 Zurich

Property Management

Helvetica Property Investors AG, Gartenstrasse 23, 8002 Zurich

H&B Real Estate AG, Lagerstrasse 107, 8004 Zurich

FUND PORTRAIT

Fund Description

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

Investment Strategy

- Focus on commercial properties across the most dynamic economic regions in Switzerland
- Primary focus on operational and sustainable profitability, secondary focus on potential value appreciation
- Maximizing existing potentials by revitalizations, renovations, re-positioning, vacancy reductions, lease extensions and conversions of rental areas
- The goal is to achieve a broadly diversified portfolio by region, type of use, object size and tenant mix
- High stability due to a low debt ratio of at most 33%

Advantages

- The Fund Manager's view is that the risk/return ratio is more attractive than for properties in central city locations
- High and stable initial yields compared to the overbought central locations in Zurich, Basel and Geneva
- Revenue growth and appreciation gains due to new leases and lease extensions
- Increased demand for rental areas at moderate rents
- Little competition from new constructions, because rental areas can be offered at substantially lower rents
- Undervalued objects are likely to benefit from the next cyclical upswing

Fund Information

Fund name	Helvetica Swiss Commercial
Legal structure	Contractual Investment Fund under Swiss law
Fund currency	Swiss francs
Launch date	December 2, 2016
Initial payment date	December 9, 2016
Custodian bank	Notenstein La Roche Privatbank AG, St. Gallen
Valuation experts	Wüest Partner AG, Zurich
Fund Manager	Helvetica Property Investors AG, Zurich
Asset Manager	Helvetica Property Investors AG, Zurich
Auditors	PricewaterhouseCoopers AG, Zurich
Management fee	0.70%
Benchmark	SXI Real Estate Funds (TR)
ISIN	CH0335507932
Securities number	33550793
OTC trade	Banque Cantonale Vaudoise
Fiscal year	01.01. – 31.12.
NAV publication	www.swissfunddata.ch
Distribution policy	Minimum 70% dividend distribution
Published price	SIX Financial Information, Bloomberg
Investors	Qualified investors according to art. 10, para. 3, 3bis and 3ter CISA

REPORT OF THE FUND MANAGEMENT

Outlook

By international comparison, Switzerland's real estate market seems highly attractive. It is characterized by a well-functioning jobs market, low vacancy rates, moderate rent levels, conservative debt ratios with low borrowing costs and a well-functioning credit market. These factors combined result in high demand and stable property prices. The Fund Manager expects that the economic growth and the high levels of immigration in Switzerland will improve the environment for the commercial property market further.

In order to generate sustainably income, the HSC Fund invests in properties with stable cash-flow and long-term value appreciation potential in Switzerland's most important economic regions. Potentially undervalued assets are likely to benefit from the expected economic growth, which means that HSC is already well positioned with its existing property portfolio. The expected net absorption time of vacant space is expected to decline further. The expected pickup in economic growth fuels the demand for rental space in good locations with moderate rent levels. However, a hands-on asset management approach close to the customers is crucial in order to succeed with letting vacant space. This is amongst the core competencies of the Fund Manager. The Fund Manager actively screens the market for attractive investment opportunities on an ongoing basis, and the current pipeline is full of promising high-quality real estate assets. The focus is on commercial properties from CHF 15 up to 30 million. To further diversify the Fund's assets, an additional capital increase is expected to take place in the near future. A key pillar of the strategic growth plan is a listing, which is planned by mid-2019 at the latest.

Investment Management

The HSC Fund's primary investment focus is on commercial properties with operational and sustainable cash flow, while the secondary focus is on potential value increase. Geographically, the HSC Fund invests in economic regions, where properties have not yet benefitted from the negative-interest-rate environment and have long-term capital value appreciation potential. Disciplined investment processes based on clear investment guidelines combined with an in-depth screening in the early acquisition phase secures high-quality investment decisions. The key objective of the Fund is to generate sustainable returns leading to a stable and attractive annual cash distribution. In the twelve months from July 2016 to the end of June 2017, the Fund Manager sourced and screened properties with a total volume of CHF 11.5 billion. However, only CHF 3.5 billion of assets were analyzed in detail in a due-diligence process.

Acquisitions and Disposal Activities

Due to the Fund Manager's strict investment guidelines and rigorous analysis when acquiring assets, the purchased investment volume was only CHF 150 million. The acquisitions ratio therefore, was only 4% based on the assets that were analyzed in detail. Compared to the sourced assets in total, the purchase ratio, however, was only 1.3%. This demonstrates the Fund Manager's investment approach to protect investor capital. Since inception of the HSC Fund, only seven properties were acquired.

- The Fund's first property was purchased in Dietikon (Canton of Zurich). The building benefits from outstanding visibility and offers retail and office space. In the immediate vicinity of the motorway entry, there are approximately 11 300 m² of rental space which generate close to CHF 1.9 million in income. Due to the fact that the average rent is just CHF 164 per m² p.a., the tenants benefit from attractive

conditions. With 14 tenants, there is a broad diversification of rental income streams. The occupancy rate is 89%.

- In Eastern Switzerland, a regionally well-known property was purchased in Münchwilen (Canton of Thurgau). In the “Zukunftsfabrik”, there is space for retail, office and small businesses as well as storage for a large number of tenants. On more than 12 500 m², rental income exceeding CHF 0.9 million is generated. The average rent is attractive at CHF 97 per m² p.a. The property is well-positioned in the market, not least due to the parking capacity. The market value is nearly CHF 11 million, generating an actual gross yield significantly above 8%. With almost 25% of additional rentable area not yet leased, there is still substantial upside potential at the property.
- The Fund’s largest property was purchased in Steinhausen (Canton of Zug). At Turmstrasse, there are more than 8 200 m² of rental space in a prime location, which generate a total of CHF 2.0 million of rental income. Approximately 27% of the rental space is for small businesses, the rest are offices which are offered at CHF 207 per m² p.a. This outstanding property is fully leased. It has its own train station, which is a unique selling proposition compared to other properties on the market.
- Using debt finance, a property in the city of St. Gallen was purchased in January 2017. The property can be reached from the nearest motorway exit in just a few minutes. The property includes space for both offices and small businesses as well as a garage and sports facilities. CHF 1 million of rental income is generated on approximately 8 500 m². The property has a good tenant mix and is fully leased for the next five years.
- At the end of April 2017, the Investment Management received further equity for investing from the first capital increase. As early as May 2017, an additional property in the Zurich region was acquired. The property in Wallisellen near Zurich is in good condition and located right next to the motorway with good access to Zurich Airport, which can be reached in less than ten minutes. The property has close to 3 600 m² of rental space and is also fully leased for the next five years. The actual rental income amounts to CHF 0.43 million p.a. Furthermore, the property has capital value appreciation potential due to the moderate rent levels.
- In May 2017, a property in Altstetten in the city of Zurich was acquired. The property is well maintained with an excellent location. Both the train station and the tramway stops can be reached in just a couple of minutes. The property offers approximately 9 300 m² of rental space and generates a rental income of CHF 1.87 million p.a. with an occupancy rate of 86%. The property was purchased significantly below the construction costs for a comparable new building in the same location. Altstetten is one of the most attractive growth markets and office locations in the city of Zurich. HSC will further benefit from this property’s solid cash-flow basis and the potential for future capital appreciation.
- At the end of June, the purchase agreement was signed for a property in Goldach (Canton of St. Gallen). Closing was arranged for July 1, 2017, which is outside the current reporting period. The property mostly offers space for storage and small businesses and a smaller part for offices. Almost CHF 0.8 million p.a. are generated on close to 12 000 m².

Asset Management

The acquisition of several properties following the initial issue and the first capital increase gave the Asset Management team a wide range of interesting challenges. The business plans, already finalized during the acquisition process, were re-checked post-acquisition and, if necessary, revised and updated. Based on thorough analyses of the properties, maintenance planning was re-assessed and, if necessary, innovative marketing concepts were developed and implemented. The property management is, whenever possible, handled directly by the Fund Manager's Asset Management team. This makes it easier to manage the properties with a hands-on approach in order to be better positioned to unlock and realize hidden potential. In some cases, the property management fees are even below market conditions. To achieve maximum efficiency, the Asset Management team sometimes cooperates with local property managers on a case-by-case basis.

Dietikon, Zurich

Negotiations are being conducted with the long-time tenant Möbel Märki in the top-location property "Pestalozzihaus" for a possible lease extension due to the existing option. The Asset Management Team is in close contact with the two other major tenants, Pestalozzi and Denova, to be able to react to any long-term changes. Furthermore, evaluations are ongoing for a possible facelift of some façade elements in order to further enhance the building's attraction with an improved visual appearance.

Münchwilen, Thurgau

Clearly rising demand for the property in Münchwilen could be observed recently. In order to realize the potential of the vacant space, comprehensive marketing activities were launched in cooperation with the regional property manager. Concrete negotiations are being conducted with interested parties for various vacancies. A ten-year lease was signed with the Canton of Thurgau, an existing tenant, increasing the potential for capital value appreciation. The Fund Manager is currently analyzing how additional potential may be realized and how added capital value can be realized on part of the existing land.

Steinhausen, Zug

The property in Steinhausen (Canton of Zug) is fully leased and in excellent condition. Several five-year lease extensions were signed at attractive conditions. The property is managed directly by the Asset Management Team with a cost-efficient hands-on approach.

St. Gallen, St. Gallen

Maintenance optimizations were discussed directly with the main tenant at the property in St. Gallen and the renewal of the heating system was agreed upon. The existing oil heating will be replaced by a more efficient gas heating as early as this summer at the expense of the tenant. Furthermore, a building application was submitted for a representative media screen. This could generate additional income as well as attract attention to the property and create advertising opportunities for the tenants.

Wallisellen, Zurich

In order to evaluate the strategic planning of the building, a first contact between the Asset Management Team and the main tenant in Wallisellen was made during the due-diligence phase. Currently, the installation of a photovoltaic system on the roof is being evaluated in close collaboration with the tenant. This would lower the tenant's ancillary expenses and generate additional income for the Fund.

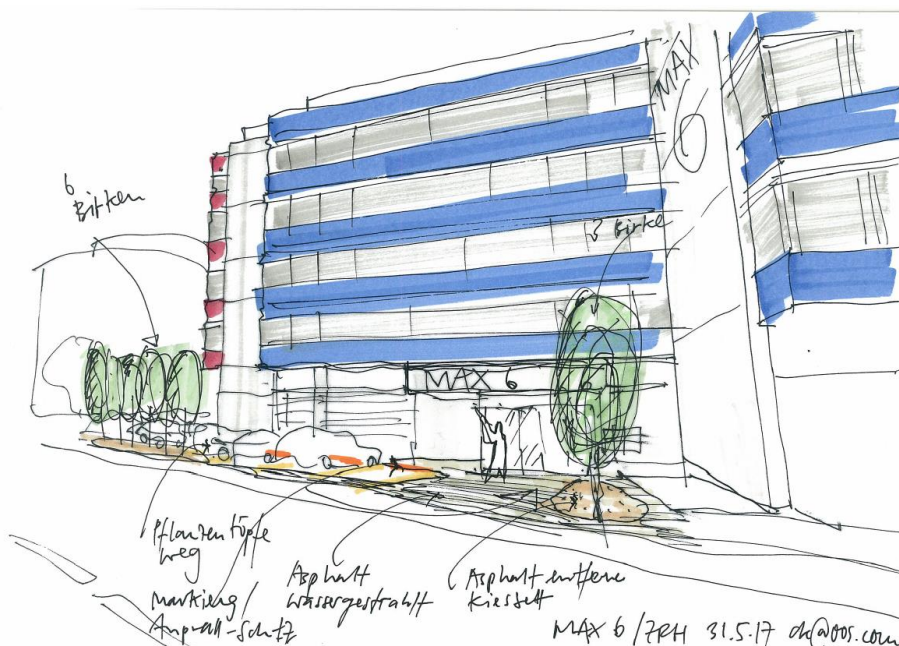
Goldach, St. Gallen

The acquisition of this property with moderate rents for storage, office and small-business areas will be closed as per July 1, 2017. During the reporting period, all measures necessary for a smooth transfer were initiated with the local property manager.

Altstetten, Zurich

The demand for office rental space in Altstetten is picking up. The property is located in the immediate vicinity of the Altstetten train station, a tram station and the motorway. A lease extension was agreed upon with the main tenant for approximately 1 750 m² until 2023. From the beginning of next year, approximately 1 000 m² of rental area on the particularly attractive top floor will become available for rent.

The vacant exclusive and representative offices in this top location will be redeveloped and put up for rent at the beginning of 2018. The price per m² may be above the current market rent level due to the attractive location.



The property's entrance area will also be modernized in order to raise the visual appearance significantly and, consequently, increase the property value in the long term.







Rental Activities

Increased demand from potential tenants of office and small-business areas can be observed on the market. Lease extensions were signed with existing tenants, partly with better conditions than in the past, which indicates a positive market development. Renovations and revitalizations were initiated to further strengthen the properties' position on the market and generate added value. The Asset Management team pursues an active, hands-on rental management approach and conducts all negotiations with possible tenants and prospects directly.

The ongoing marketing activities are constantly being revised and analyzed in close cooperation with the local property managers responsible for marketing of vacant space.

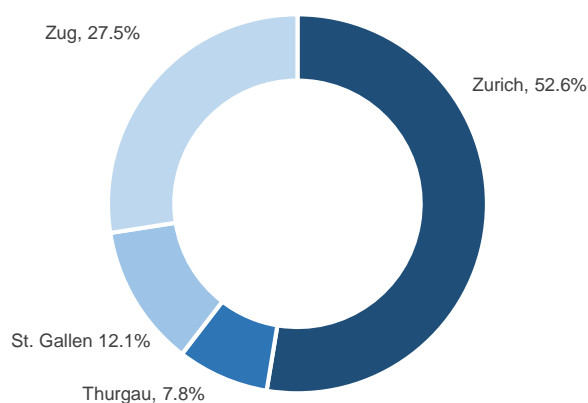
PROPERTY PORTFOLIO

Portfolio Highlights

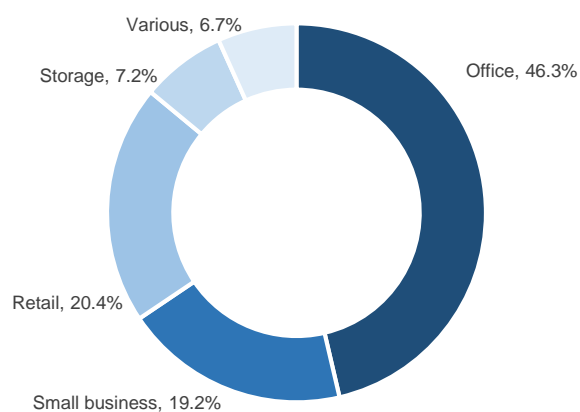
	Town Canton	Use	Rental area (m2)	Occupancy rate	Number of tenants	Rental income (actual) (CHF million p.a.)	Average rent (actual) (CHF/m2) *	Year of construction Renovations	Market value (CHF million)
	Dietikon Zurich	Office Retail	11 270	89%	14	1.89	163.8	1980 1998/2006	35.94
	Münchwilen Thurgau	Office Small business Retail	12 726	75%	28	0.91	97.3	1993 2011/2016	10.96
	Steinhausen Zug	Office Small business	8 240	100%	13	2.00	206.7	2007 2016	38.45
	St. Gallen St. Gallen	Office Small business Retail	8 469	100%	20	1.00	115.2	1987/1992 2016	16.96
	Wallisellen Zurich	Office Small business Storage	3 597	100%	3	0.43	119.0	2002	8.90
	Zurich Zurich	Office	9 305	86%	24	1.87	217.1	1975 2014-2016	28.83
Total			53 606	90.5%	106	8.10	155.3		140.04

* excl. parking spaces

Geographical Allocation (Market Value)



Structure and Type of Use (Area)





Wir feiern
und danken –

10 Jahre Jubiläum.



Ausdauer, Verbindlichkeit und Geduld sind Tugenden die für uns nicht nur im Real Estate Fund und Asset Management eine hohe Wichtigkeit haben, sondern auch unseren ganz persönlichen Alltag bereichern. Darum danken wir heute all jenen, die uns in den letzten 10 Jahren stets von Neuem ihr Vertrauen geschenkt haben, unseren Kunden, Investoren, Geschäftspartnern und Mitarbeitern – Danke!

10 Jahre
Jubiläum

STATEMENT OF ASSETS (in CHF)

	30.06.2017
ASSETS	
Cash, sight deposits in post and bank accounts including fiduciary deposits with third-party banks	39 996 137.65
Current receivables	1 098 964.50
Properties	
Building land and constructions-in-progress	0.00
Residential properties	0.00
Residential properties with condominium ownership	0.00
Mixed properties	0.00
Commercial properties	140 309 840.80
Total properties	140 309 840.80
Other assets	0.00
Total fund assets	181 404 942.95
LIABILITIES	
Accounts payable	
Short-term interest-bearing mortgages	-12 500 000.00
Other short-term accounts payable	-4 597 750.91
Long-term interest-bearing mortgages	-32 400 000.00
Other long-term accounts payable	-1 145.10
Total accounts payable	-49 498 896.01
Net asset value before estimated liquidation taxes	131 906 046.94
Estimated liquidation taxes	-3 220 000.00
Net asset value	128 686 046.94
FURTHER INFORMATION	
Change in net asset value	
Net asset value at the beginning of the reporting period	0.00
Distribution	0.00
Balance from trade in shares	123 530 000.00
Total income	5 156 046.94
Net asset value at the end of the reporting period	128 686 046.94
Development of the number of shares	
Number of shares at the beginning of the reporting period	0.00
Number of issued shares	1 235 300.00
Number of redeemed shares	0.00
Number of shares at the end of the reporting period	1 235 300.00
Net asset value per share at the end of the reporting period	104.17
Further information (Art. 95 KKV-FINMA)	
Balance of the depreciation account of the properties	0.00
Balance of the provision account for future repairs	0.00
Balance of the account for the reinvestment of retained earnings	0.00
Number of shares cancelled as of the end of the next fiscal year	0.00
Total insurance value	145 307 500.00

INCOME STATEMENT (in CHF)

	9.12.2016 - 30.6.2017
INCOME	
Interest income	57 030.37
Rental income	6 314 906.90
Capitalized construction interest rates	0.00
Other income	14 139.60
Participation in current income from share issues	1 278 156.00
Total income	7 664 232.87
EXPENSES	
Mortgage interest	-629 197.50
Other passive interest	-200 000.00
Maintenance and repairs	-274 280.58
Property management	
Property expenses	-211 622.02
Administrative expenses	-471 435.46
Taxes	-65 405.05
Evaluation and auditing expenses	-112 561.67
Consulting expenses	-111 566.49
Transaction costs	-6 000.00
Change in provisions for future repairs	594 393.65
Fees pursuant to regulations	
- Management fee	-517 000.00
- Custodian bank fee	-41 264.25
- Property management fee (third parties and Fund Management)	-139 475.05
Bank charges	-1 250.75
Other expenses	-39 600.00
Payment of current net income due to redemption of shares	0.00
Total expenses	-2 226 265.17
PROFIT	
Net profit	5 437 967.70
Realized gains / losses	0.00
Realized profit	5 437 967.70
Unrealized gains / losses	2 363 835.24
Incidental costs to the benefit of the fund from share issues	574 244.00
Liquidation taxes	-3 220 000.00
Total profit in the reporting period	5 156 046.94
APPROPRIATION OF PROFIT	
Net profit of the fiscal year	-
Capital gains of the fiscal year appropriated for distribution	-
Capital gains from previous fiscal years appropriated for distribution	-
Balance carried forward from the previous year	-
Profit available for distribution	-
Profit appropriated for distribution to the investors	-
Retained earnings for re-investment	-
Balance carried forward	-

NOTES (in CHF)

1. INVENTORY OF PORTFOLIO PROPERTIES

<i>Location of the property</i>	<i>Type</i>	<i>Market value</i>	<i>Initial cost</i>	<i>Gross income</i>	<i>Insurance value</i>
Münchwilen, Murgtalstrasse 20	Small business	10 960 000	10 950 000	1 407 249	23 648 000
Steinhausen, Turmstrasse 28/30	Small business	38 450 000	36 500 000	2 998 047	25 312 000
Dietikon, Riedstrasse 1	Small business	35 940 000	35 920 974	1 039 634	36 841 000
St. Gallen, Rorschacherstrasse 292/294	Small business	16 960 000	16 132 805	500 000	14 876 500
Zurich-Altstetten, Max-Högger-Strasse 6	Small business	28 830 065	28 830 065	315 310	38 830 000
Wallisellen, Hertistrasse 23	Small business	8 900 000	8 770 200	54 666	5 800 000
Capitalized initial costs		269 776	269 776	-	-
Total		140 309 841	137 373 820	6 314 907	145 307 500

All the properties were purchased by means of asset or share transactions in the period from December 9, 2016, to June 30, 2017. There were no sales during that period.

The gross income from the properties Münchwilen and Steinhausen include the figures from January 1, 2016, to June 30, 2017, because they were acquired by means of a share transaction.

The weighted average real discount rate as of June 30, 2017, was 4.3%.

As of July 1, 2017, a further property was purchased in Goldach. There is a payment obligation from this transaction in the amount of CHF 12.8 million. Related to this transaction, initial costs in the amount of CHF 269 776 were capitalized.

2. TRANSACTIONS WITH RELATED PARTIES

<i>Property</i>	<i>Type</i>	<i>Market value</i>	<i>Initial cost</i>	<i>Approval</i>
Münchwilen	Small business	10 960 000	10 950 000	15.11.2016
Steinhausen	Small business	38 450 000	36 500 000	15.11.2016
Dietikon	Small business	35 940 000	35 920 974	15.11.2016
Zurich-Altstetten	Small business	28 830 065	28 830 065	24.03.2017
Total		114 180 065	112 201 039	

The Fund Management confirms that, apart from the above-mentioned FINMA-approved transactions, there were no further transfers of properties to related parties or from related parties and that the other transactions with related parties were concluded in line with market conditions (clause 18, para. 52 of the guideline for real estate funds of the Swiss Funds & Asset Management Association SFAMA as of April 2, 2008, version dated September 13, 2016).

NOTES (in CHF)

3. PARTICIPATIONS IN OTHER REAL ESTATE FUNDS AND REAL ESTATE COMPANIES

The Fund holds all properties directly through Helvetica Swiss Commercial AG, which is fully controlled by the Fund.

As per December 15, 2016, the Fund took over two properties at 100%, each by means of a share transaction. In a contract dated May 15, 2017, these two companies were merged with Helvetica Swiss Commercial AG.

4. RENTAL INCOME PER TENANT EXCEEDING 5% OF NET RENTAL INCOME

<i>Tenant</i>	<i>Participation</i>	<i>Property</i>
Hirsch George AG	11.2%	St. Gallen, Rorschacherstrasse 292/294
REEL Alesa AG	9.9%	Zurich-Altstetten, Max-Högger-Strasse 6
Möbel Märki Handels AG	8.8%	Dietikon, Riedstrasse 1
Pestalozzi & Co AG	8.5%	Dietikon, Riedstrasse 1
Constellium Switzerland AG	5.1%	Zurich-Altstetten, Max-Högger-Strasse 6

At the object in St. Gallen, there are 20 corporate tenants. There is a single-tenant contract with the above-mentioned main tenant who has, in turn, sublet more than 50%.

5. INFORMATION ON DERIVATIVES

Currently, the Fund does not use derivatives.

6. LIST OF MORTGAGE DEBT WITH A RESIDUAL TERM OF 1 - 5 YEARS

<i>Type</i>	<i>Interest rate</i>	<i>Amount</i>	<i>Commencement date</i>	<i>Maturity</i>
Fixed-rate mortgage	1.00%	4 300 000	30.06.2016	30.09.2021
Fixed-rate mortgage	1.00%	3 100 000	05.09.2016	30.09.2021
Fixed-rate mortgage	1.45%	12 000 000	31.08.2012	30.08.2017
Libor mortgage	0.65%	19 750 000	15.12.2016	31.12.2021
Total		39 150 000		

7. LIST OF MORTGAGE DEBT WITH A RESIDUAL TERM OF 5 OR MORE YEARS

<i>Type</i>	<i>Interest rate</i>	<i>Amount</i>	<i>Commencement date</i>	<i>Maturity</i>
Fixed-rate mortgage	1.45%	5 750 000	01.01.2017	31.12.2022
Total		5 750 000		

The existing financings were assumed in connection with the transactions and restructured with the lender in order to meet the regulatory requirements.

8. FEES AND INCIDENTAL COSTS CHARGED TO THE INVESTORS

<i>Fee</i>	<i>Maximum</i>	<i>Actual</i>
Issuing commission	3.00%	0.73%
Redemption fee	1.50%	-

The actual rates for the issuing commission varied depending on the subscription volume. In the reporting period, the range of the issuing commission was from 0.25% to 1.75%.

9. FEES AND INCIDENTAL COSTS TO THE BENEFIT OF THE FUND

<i>Fee</i>	<i>Maximum</i>	<i>Actual</i>
Premium to NAV	2.50%	1.21%
Discount to NAV	1.50%	-

NOTES (in CHF)

10. FEES AND INCIDENTAL COSTS CHARGED TO THE FUND

<i>Fee</i>	<i>Maximum</i>	<i>Actual</i>
Management fee	1.00%	0.70%
Purchase and sales fees	1.50%	1.50%
Construction and renovation fees	3.00%	-
Property management by the Fund Management*	5.00%	1.62%
Property management by external management companies*	-	1.98%
Custodian bank commission**	0.05%	0.05%

* The actual rates of the fees for property management are based on an annualized consideration of the gross target rental income and the corresponding fee structure.

** The custodian bank commission is based on the Fund's net asset value at the beginning of the fiscal year according to para. 19 no. 2 of the fund contract and is included in full in the income statement.

VALUATION PRINCIPLES AND NET ASSET VALUE CALCULATION

The HSC Fund's net asset value is calculated at market value in Swiss francs at the end of the fiscal year and at each new share issue. The Fund Manager mandates the independent valuation experts to re-evaluate the market value of the Fund's properties as of the end of each fiscal year and at each new share issue.

With the supervisory authority's approval, the Fund Manager 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 Manager commissions a new valuation. A new valuation is not needed in the case of disposal, if a valuation has been made during the previous three months and circumstances have not changed profoundly.

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

Open collective investment instruments are valued at their redemption price respectively their net asset value. If they are regularly traded on a stock market or another regulated market which is open to the public, the Fund Manager may value them according to para. 3 of the fund contract.

The value of short-term fixed-rate securities which are not traded on a stock exchange or another regulated market which is open to the public, is calculated as follows: Based on the net purchase price and presuming a stable investment return, the valuation 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. Thereby, 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 financial standing, the valuation basis for time deposits at banks is adjusted to the new conditions.

The calculation of the shares' net asset value is based on Fund's gross asset value (market value) minus any liabilities as well as any taxes which 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 made according to the current SFAMA guidelines for real estate funds.

The valuation of undeveloped properties or constructions-in-progress is made according the principle of actually incurred costs. This valuation is subject to an annual impairment test.

FURTHER INFORMATION FOR INVESTORS

FUND CONTRACT

The Helvetica Swiss Commercial fund contract was approved by the supervisory authority FINMA on July 21, 2016. There were no changes as of June 30, 2017.

The fund prospectus, dated March 14, 2017, with integrated fund contract of July 21, 2016, is published on www.swissfunddata.ch.

LEGAL DISPUTES

There are no pending or threatened legal disputes.

OTC TRADE

Since the launch of the Helvetica Swiss Commercial Fund, Raiffeisen Schweiz AG has been responsible for OTC trading.

The Fund Manager has informed FINMA that, as of June 30, 2017, the agreement for OTC trading by the corresponding service provider has been terminated by the Fund Manager. The corresponding changes in the fund prospectus are being made and submitted to FINMA. The updated version will be published on www.swissfunddata.ch.

The change will come into force as per September 1, 2017. From that date, Banque Cantonale Vaudoise will be responsible for OTC trading.

COMPLIANCE WITH INVESTMENT RESTRICTIONS

The Fund Manager confirms that the Helvetica Swiss Commercial Fund is compliant with all investment restrictions according to the fund contract.

10 Years
Anniversary



Fund Manager

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Market Supervisory Authority FINMA.

