

The HSC Fund purchases a modern and profitable multi-tenant property close to Geneva airport.

Zurich, 4 May 2020 – The Helvetica Swiss Commercial Fund (HSC Fund) acquires a modern, mixed-use commercial property in Versoix in the Canton of Geneva. The market value of the property amounts to CHF 31.14 million. The rental income from the property derives from 8 tenants and is largely secured over the next 10 years by the seller with a guarantee structure established over different levels.

The HSC Fund signed a purchase agreement for a modern, mixed-use commercial property in Versoix/GE with a privately held company. The property is situated in a well-developed and economically intensive location close to the airport Geneva. The property has a rentable surface of around 7,300 square meters and generates income of ca. CHF 1.43 million per year with 8 tenants. The acquired property measures around 12,750 square meters.

The property is mostly rented out on a long-term basis. A large part of the rental income is collateralized for the long-term over a contractually protected transaction structure. This transaction structure ensures that the HSC Fund accrues the full 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, over CHF 7.3 million are guaranteed by a combination of a temporary retention of the purchasing price and additional ten-year bank guarantees. In addition to the usual tenant's security deposits the seller's parent company secures all of the seller's obligations over the duration of 10 years. The seller will also oversee the management of the building in future.

Multi-tenant property at a very attractive location

The property was built in 2013. The average rent (excl. parking) amounts to around CHF 180 per square meter and year. In addition to the very attractive transaction structure, the HSC fund also benefits from the fact that it is only responsible for the maintenance of the constructive elements of the new property. All other investments, also investments in rental spaces and all auxiliary costs are covered by the property manager. As such the actual return which lies just under 5% on the invested capital, is further improved by a very low "double-net cost structure". The return on the market value lies at the time of purchase at around 4.6%.

Purchase agreement notarized, benefits and risks transferred retroactively as of 1 May 2020

The purchase agreement was notarized in Geneva on 30 April 2020 in compliance with the social distancing requirements of the Federal Council. In the Canton of Geneva, the contract is subject to a statutory right of first refusal by the FTI (Foundation pour les terrains Industriels). The contracting parties do not expect the FTI to exercise this right of first refusal. Subject to the FTI's right of first refusal, the transfer of benefits and risks will take place retroactively as of 1 May 2020.

"With the acquisition of this property and the transaction structure, we can ideally meet the current needs of our investors: Our investors not only benefit from an attractive return, but also enjoy the greatest possible cash flow security due to the extensive rent guarantees deposited to secure the business as well as the staggered payment of the purchase price" says Frederic Königsegg, Chief Investment Officer.

HSC Fund expands its portfolio into the French-speaking part of Switzerland with this acquisition and continues its long-term growth strategy prudently and in the interest of its investors.

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About Helvetica

Helvetica is a leading Real Estate Fund and Asset Management firm. We deliver sustainable value to our clients through active, long-term ownership of safe and stable real estate investments. With a fully integrated real estate investment platform, we are able to provide both standardized investment products and customized investment plans. We are proud of our longstanding reputation for outstanding client service and dedication to responsible ownership. Our Firm is approved and regulated by the Swiss Financial Market Supervisory Authority FINMA.

About Helvetica Swiss Commercial Fund

The HSC Fund is a Swiss real estate fund listed on the SIX Swiss Exchange and open to all investors. The HSC Fund invests in commercial and industrial properties in the major economic areas of Switzerland. The fund's portfolio is geared towards long-term value preservation and features high location and property quality as well as broad diversification. The investment objective is mainly the long-term preservation of value and the distribution of reasonable profits. The HSC Fund is approved by the Swiss Financial Market Supervisory Authority, FINMA.

Listing SIX Swiss Exchange; ticker symbol HSC; security 33 550 793; ISIN CH0335507932.