

Helvetica Swiss Commercial Fund reports higher occupancy rate and increased market value of the portfolio in the first half of 2022

Zurich, August 24, 2022 - Helvetica Swiss Commercial Fund (HSC Fund) increased its occupancy rate to 93.4% in the first half of the year because of active asset management. The market value of the portfolio increased to CHF 752.9 million without further portfolio acquisitions.

- Real estate portfolio at CHF 752.9 million
- Rent income increases to CHF 21.3 million (+2.6% compared to 30.6.2021) thanks to leasing successes
- Significantly higher net income of CHF 15.1 million (+4.6% compared to 30.6.2021)
- Active asset management pays off: Occupancy rate increases from 93.1% to 93.4%
- Outperformance of more than 10 % compared to the benchmark SXI Real Estate Funds Broad
- Net asset value per unit of CHF 114.36

Income statement

Helvetica Swiss Commercial Fund, which invests in commercial investment properties such as offices and commercial premises, benefited from a continued positive environment in the Swiss real estate market in the first half of the year. Rental income increased by almost 3% to CHF 21.3 million. The increase compared to the same period of the previous year is mainly due to active asset management and the corresponding leasing efforts. No properties were acquired during the reporting period. At the same time, the market value of the 35-property portfolio increased to CHF 752.9 million (31.12.2021: CHF 749.8 million). In addition to active asset management, this result is also due to the reduction of the discount rate from 3.68% to 3.55%. In addition, investments amounting to CHF 0.2 million were capitalized. The occupancy rate increased to 93.4% (31.12.2021: 93.1%). Due to the increase in rental income, the gross-actual yield remained stable at 5.7% despite the slightly higher market value of the portfolio, with the gross-target yield at 6%.

Net income increased by a further 4.6% year-on-year to CHF 15.1 million (30.6.2021: CHF 14.4 million). Due to unrealized capital gains of CHF 2.9 million (H1 2021: unrealized capital loss of CHF -0.4 million), the total income for the HSC Fund amounted to CHF 15.7 million in the reporting period. This is an impressive increase of 24.0% compared to the previous year. This includes a change in liquidation tax of CHF 2.3 million (30.6.2021: CHF 1.7 million). The 9.0% reduction in expenses to CHF 6.3 million (30.6.2021: CHF 7.0 million) also contributed to the good result.

Balance sheet

Total fund assets amounted to CHF 771.9 million as of June 30, 2022, CHF 9.4 million higher than at year-end (31.12.2021: CHF 781.3 million), the market value of the properties held representing a value of CHF 752.9 million. After deduction of all liabilities and estimated liquidation taxes, the net fund assets amounted to CHF 496.7 million (31.12.2021: CHF 503.9 million). The change in net fund assets is due to the distribution of CHF 5.30 per fund unit in the total amount of CHF 23.0 million, which was paid out on April 29, 2022. The net asset value per fund unit was CHF 114.36 at the end of June 2022 (December 31, 2021: CHF 116.04).

Outlook

An important focus of activities remains the value creation in asset management in order to further increase the occupancy rate and to continuously improve the overall portfolio's attractiveness through cost-effective investments. The fund management expects the occupancy rate to increase to over 94% by the end of the financial year. Negotiations are currently in progress to extend the lease for a further 5 years for an area of around 2,200 m² in a Zurich property. In addition, a vacant rental space of 300 m² in St. Gallen was let as of August. The Fund's properties are located solely in prosperous regions in good locations with good public and private transport connections. In addition, since 98% of the Fund's rental income is indexed, the HSC Fund offers a high degree of inflation protection, which is favorable in today's market environment. As a result, the fund management expects that income will be slightly higher in the long term than previously estimated. The leverage ratio of 30.51% is lower than the 31.04% at the end of the previous year. The fund management aims to reduce the leverage ratio to below 30%. Due to robust Swiss economic data, continuing high migration, declining construction activity and high inflation, the fund management expects the performance of the portfolio to remain stable.

An attractive distribution can also be expected for the 2022 financial year.

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KEY FINANCIAL FIGURES			
Balance sheet		Per 30.06.2022	Per 31.12.2021
Market value of the properties	CHF	752 876 000	749 757 000
Discount rate real / nominal	%	3.55 / 4.58	3.68 / 4.20
Gross asset value (GAV)	CHF	771 899 643	781 320 903
Net asset value (NAV)	CHF	496 650 805	503 944 221
Debt financing ratio ¹⁾	%	30.5	31.0
Residual term debt financing ¹⁾	%	35.66	35.50
Interest rate debt financing ¹⁾	%	0.41	0.30
Remaining term of debt financing ¹⁾	Years	0.54	0.60
Net asset value per unit	CHF	114.36	116.04
Outstanding units	Number	4 342 851	4 342 851
Income Statement		01.01.-30.06.2022	01.01.-30.06.2021
Rental income and income from ground rent	CHF	42 035 693	38 842 073
Vacancy rate ^{1) 2)}	%	6.45	7.34
Net income	CHF	15 092 537	14 425 403
Total income	CHF	15 723 694	12 684 584
Weighted average unexpired lease term (WAULT) ¹⁾	Years	3.80	4.10
Operating profit margin ¹⁾	%	73.13	71.92

¹⁾ The key figures were calculated in accordance with AMAS "Fachinformation Kennzahlen von Immobilienfonds" dated September 13, 2016 (as of May 31, 2022).

²⁾ If the rent reductions were taken into account, the rent default rate would be 7.65%.

The semi-annual report of the HSC Fund is available on the [fund management company's website](#) or also under [Swiss Fund Data](#).

All media releases can also be found at <http://www.Helvetica.com>

About Helvetica

Helvetica Property Investors AG is a leading real estate fund management company 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

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