

Helvetica Swiss Commercial Fund proves to be resilient in financial year 2023: Stable rental income enables unchanged dividend distribution

Zurich, 5 March 2024 – The Helvetica Swiss Commercial Fund (HSC Fund) has closed financial year 2023 with a stable result compared to the previous year. The preliminary application for a merger with the Helvetica Swiss Opportunity Fund (HSO Fund) has been submitted to the FINMA.

- The 2023 dividend is unchanged compared with the previous year at CHF 5.35 per share.
- Debt financing was reduced including an increase in the remaining term to 26.84%.
- The occupancy rate remains stable with a stable rental income and a stable gross yield at a high level of 95%.
- The preliminary application for a merger with the HSO Fund was submitted to the FINMA in February 2024.

Portfolio management

As a result of two property sales which were above the market value of CHF 24 million, the market value of the portfolio – taking into account a market-related valuation adjustment of -1.7% – fell by a total of 5% to CHF 720 million. During the reporting period, no new real estate was acquired. At the end of financial year 2023, the Funds included 33 well-positioned commercial properties, 82% of which are situated in German-speaking Switzerland. 35% of the rental income generated comes from office use, 22% from retail space and 21% from commercial premises. Active asset management efforts and long-term tenant relationships keep the occupancy rate at a high level of 95%. The constant rental income in the amount of CHF 42 million as well as the stable gross target return of 6.1% underscore the stability and intrinsic value of the property portfolio.

Financing strategy

The debt ratio was reduced to 26.84% and was in the target range of 25-28% at the end of 2023. In accordance with the financing strategy adapted to the current market opportunities, new long-term liabilities have been concluded. In the meantime, 20% of liabilities have been tied up with a term of more than one year.

Distribution of dividend

The distribution of dividend for financial year 2023 is at the level of the previous year, at CHF 5.35 per share, which corresponds to a distribution yield of 7.06%. The distribution will be made with a value date of 26 April 2024 (ex-date 24 April 2024).

Fund shares

At the end of financial year 2023, 674,498 shares were cancelled. This corresponds to 16% of the shares in circulation. The repayment of the shares cancelled as per 31/12/2023 will be made in March 2025 at the latest.

Events after the balance sheet date

For two sales notarised at the end of 2023 in Chiasso (TI) and in Sissach (BL) with a total market value of CHF 14 million, the transfer of ownership was completed in February 2024. These sales already carried out will reduce the debt ratio to around 25%. Further sales of non-strategic properties are planned for the current year.

Merger with Helvetica Swiss Opportunity Fund

With the decision of the Board of Directors of the Helvetica Property Investors AG on 10 August 2023, which was also made known to the public on 1 November 2023, the HSC Fund (acquiring fund) and the HSO Fund (transferring fund) are to be merged. Implementation is planned up to the end of the second quarter of 2024, subject to the approval of FINMA. The preliminary application for the merger was submitted to the FINMA in February 2024. Depending on the market development, the fund management reserves the right to merge the two funds at a later date.

You can find more details, facts and figures in the 2023 Annual Report of the HSC Fund:

<https://www.helvetica.com/en/products/download-center>

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About Helvetica

Helvetica Property Investors AG, founded in 2006, is a leading real estate fund and asset management corporation regulated by FINMA. We offer institutional investors and private investors lasting value through active and long-term ownership of secure and stable real estate assets with solid returns. With our fully integrated real estate asset platform, we cover the entire value chain, develop customer-specific investment solutions, and provide standardized investment products: The listed HSC Fund for commercial property, the HSO Fund for special commercial property, and the HSL Fund for residential property invest in attractive locations across Switzerland with good transport connections to regional economic centers. Our commitment to a sustainable future takes into account ESG requirements along the entire real estate life and investment cycle, and is formally integrated at fund level.
www.helvetica.com

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 most important 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 primarily the long-term preservation of substance and the distribution of appropriate income. The HSC Fund is authorized by the Swiss Financial Market Supervisory Authority FINMA. Listing SIX Swiss Exchange; ticker symbol HSC; Valor 33 550 793; ISIN CH0335507932

Helvetica Swiss Opportunity Fund

The HSO Fund is a Swiss real estate fund open only to qualified investors. The HSO Fund invests in commercial special real estate in the Swiss economic centers. The focus is on fully leased properties with long-term leases and few tenants that generate stable income. The investment objective is mainly to preserve the value of the properties over the long term and to distribute appropriate income. The fund units are tradable over the counter. The HSO Fund is licensed by the Swiss Financial Market Supervisory Authority FINMA. Ticker Symbol HSO; Valor 43 472 505; ISIN CH0434725054

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Notes

Key Figures HSC Fund

Key data		Notes	as of 31.12.2023	as of 31.12.2022
Securities number			33550793	33550793
ISIN			CH0335507932	CH0335507932
Initiation date			09.12.2016	09.12.2016
Issued units	Number		-	-
Outstanding units	Number		4 342 851	4 342 851
Redeemed units	Number		-	-
Net asset value per unit ¹⁾	CHF		114.80	117.19
Discount rate (real / nominal)	%		3.48 / 4.78	3.45 / 4.49
Balance Sheet			as of 31.12.2023	as of 31.12.2022
Fair market value of the properties	CHF	1	719 930 000	756 152 000
Gross Asset Value (GAV)	CHF		737 257 548	774 565 608
Debt ratio ²⁾	%		32.38	34.29
Residual term debt financing ²⁾	Years	8	0.61	0.48
Interest rate debt financing ²⁾	%	8	1.94	1.29
Net Asset Value (NAV) ¹⁾	CHF		498 565 182	508 955 525
Income statement			as of 31.12.2023	as of 31.12.2022
Rental Income and Income from ground rent	CHF		42 395 782	42 742 033
Net income	CHF		27 485 105	29 302 060
Weighted average unexpired lease term (WAULT) ²⁾	Years		3.73	3.72
Maintenance and repairs	CHF		1 663 763	1 530 461
Target rental income p.a. ³⁾	CHF		43 908 665	45 540 896
Gross target yield	%		6.07	6.02
Gross actual yield	%		5.79	5.73
Key financial figures AMAS²⁾			as of 31.12.2023	as of 31.12.2022
Return on investment	%		2.64	5.83
Distribution yield	%	12	7.06	5.46
Distribution per unit	CHF	12	5.35	5.35
Payout-Ratio	%	12	83.66	79.29
Return on equity (ROE)	%		2.52	5.56
Return on invested capital (ROIC)	%		2.22	3.75
Premium / discount	%		-33.97	-16.38
unit price per fund unit	CHF		75.80	98.00
Operating profit margin (EBIT margin)	%		72.54	71.67
Debt financing ratio	%		26.84	28.74
Rent default rate	%	1	6.23	5.63
Total expense ratio TER _{REF} GAV	%		0.96	0.94
Total expense ratio TER _{REF} MV	%		1.92	1.58
Performance	%		-18.20	-10.81

¹⁾ Values as at 31.12.2021: Net asset value per unit CHF 116.04 / net fund assets (NAV) CHF 503 944 221.

²⁾ The key figures were calculated in accordance with AMAS "Fachinformation Kennzahlen von Immobilienfonds" dated 13.09.2016 (as at 31.05.2022).

³⁾ Annualized value based on balance sheet date. As at the reporting date, 94.8 percent of rental income is indexed and therefore linked to inflation.

Past performance is no guarantee of future performance and does not take into account any commissions and costs charged on subscriptions and redemptions of units.