

Helvetica Swiss Living Fund experiences rising tenant demand in financial year 2023: suburban locations reduce rent default rate

Zurich, 5 March 2024 – The Helvetica Swiss Living Fund (HSL Fund) has closed financial year 2023 with a stable result compared to the previous year. The fund benefits from the ongoing demand for housing.

- **Rental incomes increase by 21%.**
- **Rent default rate drops to 5.3%.**
- **The “Suburbia” investment strategy is in line with the ongoing immigration and supply deficit.**

Portfolio management

As a result of six property sales at the market value of CHF 42 million, the market value of the portfolio – taking into account a market-related valuation adjustment of 2.5% – fell by 8% to CHF 756 million. No real estate purchases were made during the reporting period. At the end of the 2023 financial year, the fund had 56 residential properties in easily accessible locations in regional and national economic centres with strong population growth, of which 89% are located in German-speaking Switzerland and 87% generate rental income from residential use. The rent default rate was reduced to 5.3%, partly thanks to the negotiating skills of Helvetica’s Asset Management team. At the end of 2023, the occupancy rate is 96%. The increase in rental income of 21% or CHF 5 million is also attributable to the active adjustments in rents due to the increased reference interest rate and to purchases made in 2022. The increasing attractiveness of the suburban locations due to the high demand for housing, coupled with a decline in construction activity, supports the fund’s investment strategy.

Financing strategy

In accordance with the financing strategy adapted to the current market opportunities, new long-term liabilities have been concluded. In the meantime, 11% of liabilities have been tied up with a term of more than one year. Sales in the current year are expected to reduce the debt financing ratio from 43% to below the regulatory figure of 33%.

Distribution of dividend

In view of future investment planning, the distribution of dividend for financial year 2023 is CHF 2.20 per share, corresponding to a distribution yield of 2.06%. 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, 267,390 shares were cancelled. This corresponds to 7% of the shares in circulation. The shares cancelled as per 31 December 2023 will be repaid no later than March 2025.

Events after the balance sheet date

As a result of the sale of properties in Wittenbach (Canton of St. Gallen) and La Chaux-de-Fonds (Canton of Neuchâtel), which had already been notarised at the end of 2023, the debt financing ratio at the end of 2023 will decline by one percentage point. Further strategic property sales are planned.

For more details, facts and figures, see the 2023 Annual Report of the HSL Fund:

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

Media contacts

Urs Kunz

Chief Commercial Officer,
Member of the Executive Board

T +41 43 544 70 95

urs.kunz@helvetica.com

Patricia Neupert

Head Marketing & Communications

T +41 43 544 70 98

patricia.neupert@helvetica.com

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 Living Fund

The HSL Fund is a Swiss real estate fund open only to qualified investors. HSL Fund invests in residential real estate throughout Switzerland, primarily where regional and national economic centers are easily accessible. The investment focus of the fund is on older and as-new properties with stable and sustainable income. The investment objective is mainly to maintain the value of the properties over the long term and to distribute appropriate income. The fund units are tradable over-the-counter. The HSL Fund is authorized by the Swiss Financial Market Supervisory Authority FINMA. Ticker Symbol HSL; Valor 49 527 566; ISIN CH0495275668

Disclaimer

This media release does not constitute a prospectus within the meaning of Art. 35 et seq. of the Federal Act on Financial Services or Art. 27 et seq. of the Listing Rules of SIX Swiss Exchange Ltd, nor a basic information sheet. It does not constitute an offer or a recommendation to subscribe for or redeem fund units but is intended solely for information purposes. This media release may contain forward-looking statements that are subject to uncertainties and risks and may change. Historical performance is no guarantee of current or future performance. The performance data do not take into account any commissions and costs charged on the subscription and redemption of units. The documents that are solely relevant for an investment decision, the prospectus with integrated fund contract as well as the current annual report can be obtained free of charge from the fund management company. This media release is not addressed to persons resident and/or domiciled outside Switzerland. In particular, this media release may not be made available or handed over to US persons within the meaning of the US Securities Act or US tax regulations, nor may it be distributed in the USA. **In case of doubt, the German version shall prevail.**

Notes

Key Figures HSL Fund

Key data		Notes	as of 31.12.2023	as of 31.12.2022
Securities number			49527566	49527566
ISIN			CH0495275668	CH0495275668
Initiation date			06.11.2019	06.11.2019
Issued units	Number		-	1 096 924
Outstanding units	Number		3 839 234	3 839 234
Redeemed units	Number		-	-
Net asset value per unit ¹⁾	CHF		110.40	116.37
Discount rate (real / nominal)	%		2.70 / 3.98	2.62 / 3.65
Balance Sheet			as of 31.12.2023	as of 31.12.2022
Market value of the properties	CHF	1	756 376 000	817 910 000
Gross Asset Value (GAV)	CHF		770 797 072	829 392 384
Debt ratio ²⁾	%		45.01	46.13
Residual term debt financing ²⁾	Years	8	0.41	0.10
Interest rate debt financing ²⁾	%	8	2.12	1.18
Net Asset Value (NAV) ¹⁾	CHF		423 842 683	446 764 806
Income statement			as of 31.12.2023	as of 31.12.2022
Rental Income	CHF		29 135 345	24 098 113
Net income	CHF		10 806 277	15 025 478
Maintenance and repairs	CHF		3 160 939	1 949 771
Target rental income p.a. ³⁾	CHF		29 292 727	30 336 839
Gross target yield	%		3.87	3.71
Gross actual yield	%		3.72	3.53
Key financial figures AMAS²⁾			as of 31.12.2023	as of 31.12.2022
Return on investment	%		-2.23	5.87
Distribution yield	%	12	2.06	3.05
Distribution per unit	CHF	12	2.20	3.45
Payout-Ratio	%	12	78.16	88.15
Return on equity (ROE)	%		-2.17	5.64
Return on invested capital (ROIC)	%		-0.33	3.47
Premium/discount	%		-3.08	-2.89
unit price per fund unit	CHF		107.00	113.00
Operating profit margin (EBIT margin)	%		57.63	62.00
Debt financing ratio	%		43.49	44.44
Rent default rate	%	1	5.30	5.80
Total expense ratio TERREF GAV	%		0.93	0.93
Total expense ratio TERREF MV	%		1.77	1.63
Performance	%		-2.26	2.77

¹⁾ Values as at 31.12.2021: Net asset value per unit CHF 113.31 / net fund assets (NAV) CHF 310 741 745.

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.

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.