

2020 Annual Report

Helvetica Swiss Living Fund

Real Estate Fund
under Swiss Law

Key Figures

8.9

Target rental income per year (in CHF million)

Still has upward potential compared to market rents

225

Total fund assets (in CHF million)

Achieved through the initial offering and two capital increases

3.9

Gross actual return (%)

Was reached through attractive acquisitions since the initial offering

35.5

Debt financing ratio (%)

Considerably below the permitted threshold of 50 percent

204

Market value of properties (in CHF million)

Portfolio has achieved a critical mass since its initial offering

8.3

Return on investment (%)

Generated since the initial offering in November 2019

108.31

Net asset value per share (CHF)

Corresponds to an increase of 8.3 percent since initial offering

199

Rent per square meter (CHF)

Below market rent, meaning it has potential

89.2

Occupancy rate (%)

The vacancy rate was reduced substantially during the reporting period

2019

Initial offering

Fund launched on 11/6/2019

3.10

Distribution per share (CHF)

The Fund's first distribution

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Helvetica Swiss Living Fund (HSL Fund)

Real Estate Fund under Swiss Law

Audited Annual Report as of 12/31/2020

Important Notice:

This is an unofficial translation of the German version. In case of deviation the German version applies.

Key Financial Figures

Key Data		Notes	as of 12/31/2020
Securities number			49527566
Initiation date			06.11.2019
Issued shares	Number		1 371 155
Outstanding shares	Number		1 371 155
Redeemed shares	Number		0
Net asset value per share	CHF		108.31
Weighted real discount rate	%		3.03
Balance Sheet			
Fair market value of the properties	CHF	1	204 347 000
Gross asset value (GAV)	CHF		225 118 403
Debt financing ratio*	%		35.47
Debt ratio*	%		34.02
Residual term debt financing*	Years		0.01
Interest rate debt financing*	%	8	0.04
Net Asset Value (NAV)	CHF		148 512 490
Income Statement			
Rental income	CHF		4 609 479
Net income	CHF		4 710 711
Rent default rate*	%		12.30
Repairs and maintenance	CHF		350 540
Operating profit margin*	%		59.67
Return and Performance			
Distribution of profits	CHF	13	4 250 581
Distribution per share	CHF	13	3.10
Distribution yield*	%	13	2.86
Payout ratio*	%	13	90.23
Return on equity (ROE)*	%		6.48
Return on invested capital (ROIC)*	%		5.29
Return on investment*	%		8.31
Premium/discount*	%		-1.67
Performance*	%		6.50
Total expense ratio TER _{REF} GAV*	%		1.16
Total expense ratio TER _{REF} NAV	%		1.76

*The SFAMA key figures were calculated according to the "Specialist information factsheet on the key figures of real estate funds" of the SFAMA dated September 13, 2016 including annualization.

Past performance is no guarantee for future results. The performance mentioned does not take into account any commissions and costs charged on subscriptions and redemptions of shares.

No figures are available for comparison due to the fact that the initial offering took place on November 6, 2019.



Avenue du Midi 17/19, Fribourg

The Year in Brief

Despite the COVID-19 pandemic, the Helvetica Swiss Living Fund was able to build up an attractive residential property portfolio featuring more than 500 apartments and a market value in excess of 200 million Swiss francs during the first, slightly longer 2020 financial year. Here are a few of the year's highlights:

First Quarter

The fourth quarter of 2019 featured the market launch of the Helvetica Swiss Living Fund with a successful initial offering that culminated with the subscribed shares being fully paid up on November 6, 2019. During this initial offering, liquid assets in the amount of 42.4 million Swiss francs flowed into the Fund. This put the Fund Management Company in a position to increase Helvetica's array of regulated Swiss real estate funds even before the end of 2019 and gain a foothold in the area of residential real estate funds. Shortly after the subscribed capital was fully paid up, the HSL Fund acquired nine properties and 142 apartments in four cantons. Just a few weeks later, the Fund Management Company conducted a second transaction for five apartment buildings and 73 apartments.

An experienced professional was added to the established Asset Management Team and will exclusively be responsible for the residential properties. The Investment Management Team also adapted its organizational structure to ensure that it would be able to swiftly analyze and form an opinion on the large number of residential investment properties being proposed.

In March 2020, the HSL Fund launched its first capital increase on the market. It was successfully placed in the midst of the emerging COVID-19 pandemic and increased the HSL Fund's investment capital by another approximately 44 million Swiss francs. The HSL Fund acquired another three apartment buildings with a total of 27 apartments one month later.

Second Quarter

The purchase of a property with 44 apartments substantially expanded the portfolio yet again at the end of June. The COVID-19 pandemic has prompted investors to focus even more on properties with residential uses, which led to a marked increase in demand. An intense hands-on management approach was able to reduce the vacancy rate of the HSL portfolio from 15 percent to 13.1 percent by mid-2020. In fact, the vacancy rate for certain properties even declined by more than 50 percent following the acquisition. After just half a year, the valuation of the real estate portfolio conducted by the independent valuation experts Wüest Partner AG resulted in an unrealized gain of 2.3 million Swiss francs.

Third Quarter

The HSL Fund acquired five modern apartment buildings in Erlen TG in the third quarter. These attractive residential properties are in almost-new condition and within walking distance of the local train station. They are well-connected to both the public and private transportation networks. The properties were first constructed in 2013/2014 and are nearly fully rented. As of December 31, 2020, they had a market value of around 23.5 million Swiss francs and generate rental income of 0.9 million Swiss francs per year.

Fourth Quarter

A second capital increase in the amount of 56.7 million Swiss francs was concluded in the fourth quarter. These additional funds enabled the Fund Management Company Helvetica Property Investors AG to carry out the agreed purchase of an attractive portfolio of residential properties in the cantons of Basel-Land, Valais, St. Gallen and Fribourg with a market value of 49.4 million Swiss francs on December 31, 2020.

At the start of November, the HSL Fund then acquired a property in Rorschach SG with more than 3 600 m² in rental space. The residential property has a market value of 18.0 million Swiss francs as of December 31, 2020, and generates annual income of just under 0.8 million Swiss francs.

The market value of the HSL Fund portfolio rose to a total of 204 million Swiss francs. Target rental income at the end of 2020 amounted to 8.9 million Swiss francs.

Overall Portfolio Worth 204 Million Swiss Francs at the End of 2020

Another property was also acquired in the Canton of Solothurn shortly before the end of 2020, which will be included in the HSL Fund portfolio as of January 1, 2021, when title of the property is transferred. This raises the total value of the portfolio to more than 220 million Swiss francs, with target rental income of around 9.7 million Swiss francs.

The Fund's 2020 distribution amounts to 3.10 Swiss francs per share. The payout ratio is 90.2 percent, with a distribution yield on the NAV of 2.9 percent as of December 31, 2020. The distribution amount is expected to be paid out on April 29, 2021.

All asset classes revealed just how much more important the aspect of security has become. Assets with stable cash flows and prime locations are extremely popular and in high demand. Investors are often willing to pay a premium for this additional security as a result.

The number of coronavirus cases rose again toward the end of the year, which once again resulted in more major restrictions in public and private life. The Fund Management Company remains confident, however, that the situation will normalize again over the course of 2021, in part as a result of the vaccination strategies that are just getting started. For information about what impact the COVID-19 pandemic had on the HSL Fund portfolio in the 2020 reporting year, please refer to the corresponding section of Note 14 on page 29.

The Fund Management Company is planning to expand the HSL Fund's portfolio even further over the course of 2021. It will also examine the possibility of a listing on the SIX Swiss Exchange by the end of 2022.

Investment Management Highlights

November 2019 to June 2020 – Portfolio with Nine Properties in Four Cantons



An interesting portfolio with nine properties in four cantons was acquired in January 2020. The properties have an average gross return of 4.5 percent.

Market value (in CHF million)

65.2

Gross income per year (in CHF million)

2.9

Rental space (m²)

15 500

November 2019 to June 2020 – Oberbuchsitzen Poststrasse 762, 764



Three attractive apartment buildings in nearly new condition were acquired in May 2020. The buildings are within walking distance of the local train station and well-connected to both the public and private transportation networks. The gross return amounts to 4.4 percent.

Market value (in CHF million)

11.6

Gross income per year (in CHF million)

0.5

Rental space (m²)

2 540

July to December – Granges Route de la Crête-Blanche 5a/5b



A property built in 2016 with two stand-alone apartment buildings was acquired in December. The 27 apartments generate target rental income of 0.5 million Swiss francs, which corresponds to a gross return of 4.4 percent. The tenants benefit from a finishing standard comparable to that of owner-occupied dwellings.

Market value (in CHF million)

11.3

Gross income per year (in CHF million)

0.5

Rental space (m²)

2 400

July to December – Portfolio with Five Properties in Four Cantons



Acquired in December 2020, the portfolio of five properties in four cantons generates target rental income of 2.3 million Swiss francs with rentable space of 10 200 square meters.

Market value (in CHF million)

49.4

Gross income per year (in CHF million)

2.3

Rental space (m²)

10 200

Extended Executive Board



Michael Müller

Chief Executive Officer (Switzerland)

Born	1964
Nationality	Switzerland
Management position since	2020
Equity stake in Fund Mgmt. Company	Yes
Member of the Investment Committee	Yes

Education

Graduated as an Architect HTL after his apprenticeship as a construction draughtsman, continued his studies to obtain a Graduate Industrial Engineer STV degree and received federal certification as a real estate trustee.

Executive and non-executive positions

Highly skilled professional with an outstanding career and track record in the real estate industry where he got to know the investors and owners as well as the managerial and the principal side of the business. From 2010 to 2018, he was at the helm of Ledermann Immobilien and headed up several major real estate projects. Earlier in his career, he acted as CEO of bfw Liegenschaften and played an instrumental role in its IPO.

Prior positions	
CEO	■
CFO	
Commercial Real Estate	■
Residential Real Estate	■
Project Management	■
IT and Technology	
Finance and Asset Management	
Institutional Sales and Marketing	■
Manufacturing and Industrial	
Transactions and M&A	■
Advisory, Consulting and Trust	■
Architecture and Legal	■



Peter R. Vogel

Chief Financial Officer

Born	1964
Nationality	Switzerland
Management position since	2019
Equity stake in Fund Mgmt. Company	Yes
Member of the Investment Committee	No

Education

Master's degree in Business Administration with focus on audit and financial accounting from the University of St. Gallen (HSG), CAS for the position of Chief Digital Officer from HSLU.

Executive and non-executive positions

Extensive and outstanding career, during which he gained a wealth of strategic and operational management experience within the real estate industry and in the manufacturing industry. Former Head of Shared Service center of Zehnder Group and Head Accounting and Controlling of PSP Swiss Property. Earlier in his career, he served as commercial manager of the Siemens Metering and Siemens Switzerland business units.

Prior positions	
CEO	
CFO	■
Commercial Real Estate	■
Residential Real Estate	■
Project Management	■
IT and Technology	■
Finance and Asset Management	
Institutional Sales and Marketing	
Manufacturing and Industrial	■
Transactions and M&A	■
Advisory, Consulting and Trust	
Architecture and Legal	



Salman Baday

Head of Sales (Switzerland)

Born	1985
Nationality	Switzerland
Management position since	2019
Equity stake in Fund Mgmt. Company	As of 2020
Member of the Investment Committee	No

Education

Swiss banking and finance degree, degrees in wealth management, marketing and sales.

Executive and non-executive positions

More than 10 years of experience in the areas of institutional sales and the provision of investment advisory services on sustainable funds in every asset class at Vontobel, Vescore and Bank J. Safra Sarasin. Before switching to asset management, he worked as a private banker at Bank Sarasin where he served wealthy private clients and the advisors of family offices in Switzerland.

Prior positions	
CEO	
CFO	
Commercial Real Estate	■
Residential Real Estate	■
Project Management	
IT and Technology	
Finance and Asset Management	■
Institutional Sales and Marketing	■
Manufacturing and Industrial	
Transactions and M&A	
Advisory, Consulting and Trust	■
Architecture and Legal	



Lucas Schlageter

Head of Asset Management

Born	1979
Nationality	Switzerland
Management position since	2019
Equity stake in Fund Mgmt. Company	As of 2020
Member of the Investment Committee	No

Education

Law degree (lic. iur.) from the University of Basel and a postgraduate degree in real estate management (MAS UZH in Real Estate) from the University of Zurich. Swiss federal certificate in real estate valuation and a Certificate of Advanced Studies in Real Estate Finance from the University of Berne.

Executive and non-executive positions

A seasoned real estate asset management expert with more than ten years of industry experience. Former Deputy Head of Asset Management Real Estate at Zürcher Kantonalbank. Earlier positions include management roles at Hess Family Estates and Immovertis.

Prior positions	
CEO	
CFO	
Commercial Real Estate	■
Residential Real Estate	■
Project Management	■
IT and Technology	
Finance and Asset Management	■
Institutional Sales and Marketing	
Manufacturing and Industrial	
Transactions and M&A	
Advisory, Consulting and Trust	
Architecture and Legal	■

HSL Fund Portrait

General Information About the Fund

The Helvetica Swiss Living Fund is an investment fund under Swiss law set up as a real estate fund in accordance with the Swiss Federal Act on Collective Investment Schemes (CISA) of June 23, 2006, that is offered to qualified investors within the meaning of Art. 10 para. 3, 3bis and 3ter CISA. The fund contract was drafted by Helvetica Property Investors AG, Zurich, in its capacity as the Fund Management Company and was presented with the consent of Banque Cantonale Vaudoise (the custodian bank) to the Swiss Financial Market Supervisory Authority FINMA, which approved it for the first time on July 5, 2018.

The HSL Fund is based on a collective investment agreement (fund contract) in which the Fund Management Company undertakes to allow investors to participate in the HSL Fund to a degree that is proportionate to the number of fund shares acquired by them and to manage the Fund independently and in its own name in accordance with the provisions of the law and the fund contract. The custodian bank will be involved in the fund contract to the extent of the duties assigned to it by law and in accordance with the fund contract.

Investment Goal

The investment goal of the HSL Fund is to build up a portfolio of properties with residential uses throughout Switzerland. Another goal of the HSL Fund lies in ensuring the long-term preservation of assets and an appropriate distribution of earnings.

Investment Policy

The HSL Fund invests in properties in the low- to mid-price segment, whereby its focus is on both traditional apartments as well as modern living arrangements. The HSL Fund concentrates on properties at locations with an excellent infrastructure and stable population development. The investment focus is on affordable, family-friendly housing, modern living arrangements as well as existing like-new properties, properties requiring maintenance and renovation as well as residential construction projects and residential project developments that have already been approved. Beyond that, the HSL Fund is also able to invest in mixed-use and commercial properties. The HSL Fund does not invest directly in real estate but holds its properties through individual special purpose vehicles.

Fund Management Company Portrait

Helvetica is a provider of fund and asset management services within the real estate sector and is supervised by the Swiss Financial Market Supervisory Authority FINMA and headquartered in Zurich.

Helvetica is a successful, independent Fund Management Company and asset management service provider, that is committed to sustainable value creation through active, long-term, and responsible investment activities. We focus exclusively on real estate. We are dynamic, growing quickly and stand out through our integrity, our passion and our sense of responsibility.

We have built up our reputation by offering reliable and stable real estate investments and services to institutional clients such as pension funds, asset managers, private banks, insurance and investment companies, foundations, private investors, companies and family offices.

Our fully integrated real estate investment platform comprises a series of proven strategies and investment solutions that are offered both in standardized products as well as in customized investment plans based on geographies, risk profiles and structures.

Our team stands out thanks to its passion and enterprising spirit, which we incorporate into every aspect of our work. We pursue an entrepreneurial, client-oriented approach and use our strong values to create a culture in which our investments, asset values, business transactions and employees can flourish.

We have been approved and are regulated by the Swiss Financial Market Supervisory Authority FINMA.

Corporate Philosophy

Increase the value of invested capital through a long-term vision, a hands-on entrepreneurial approach, as well as a proven strategy and excellent quality in execution.

Our Approach

As a professional innovator in the Swiss real estate market, our aim is to identify hidden potential and together with a proactive, hands-on real estate asset management approach, to create value and optimize the results.

Values

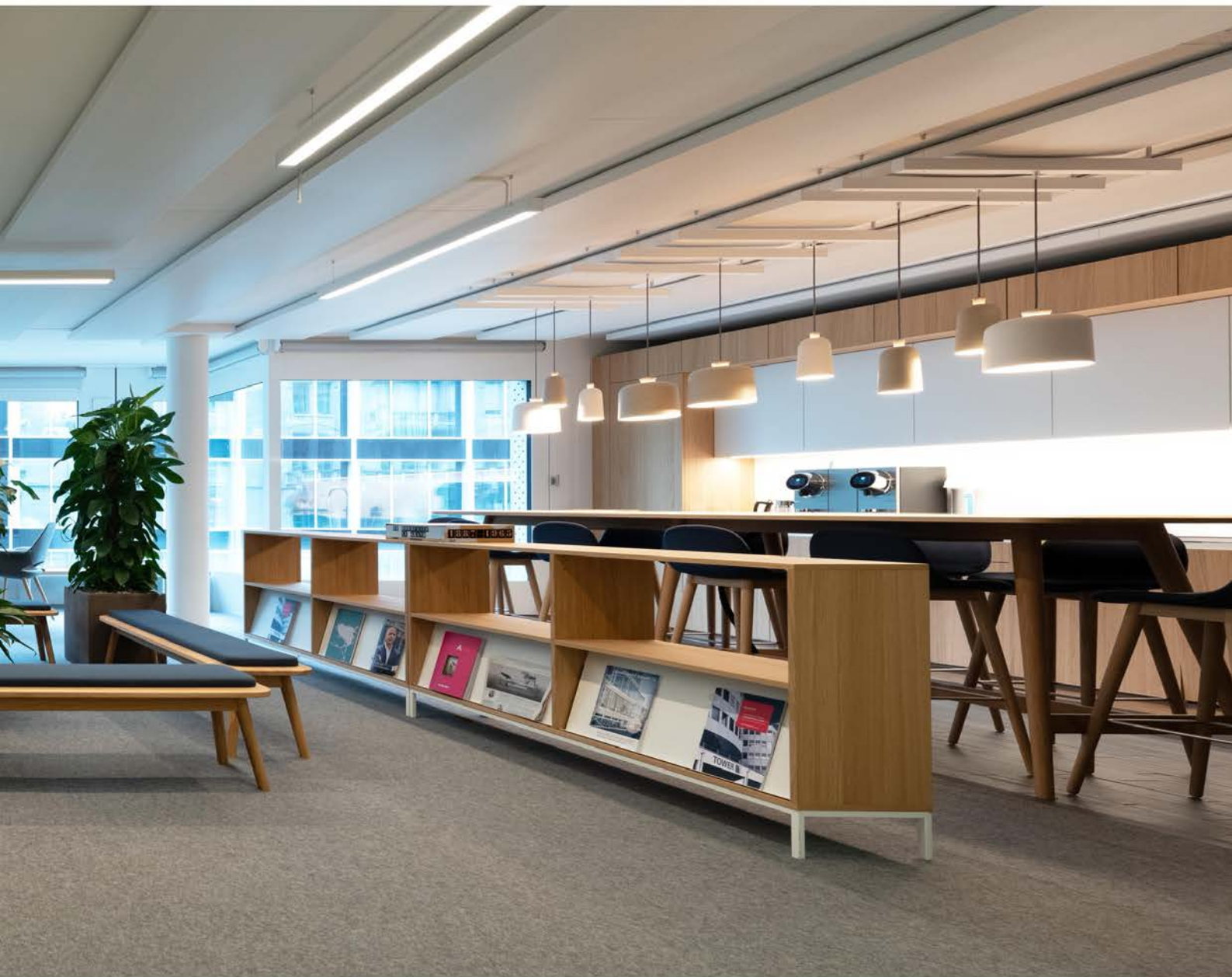
- Honesty and responsibility
- Integrity and passion
- Transparency and longevity
- Independence and ambition

Social Media

A wide range of business areas are now shifting their focus to social media. As a Fund Management Company, we have decided to follow this path as well, thus increasing our presence.

We would appreciate it if you follow us on LinkedIn. We regularly publish interesting articles on real estate, exciting news from our company and sometimes even personal stories. We publish articles that we like and that mean something to us. Sometimes these are controversial, sometimes not – but they are always candid and honest.



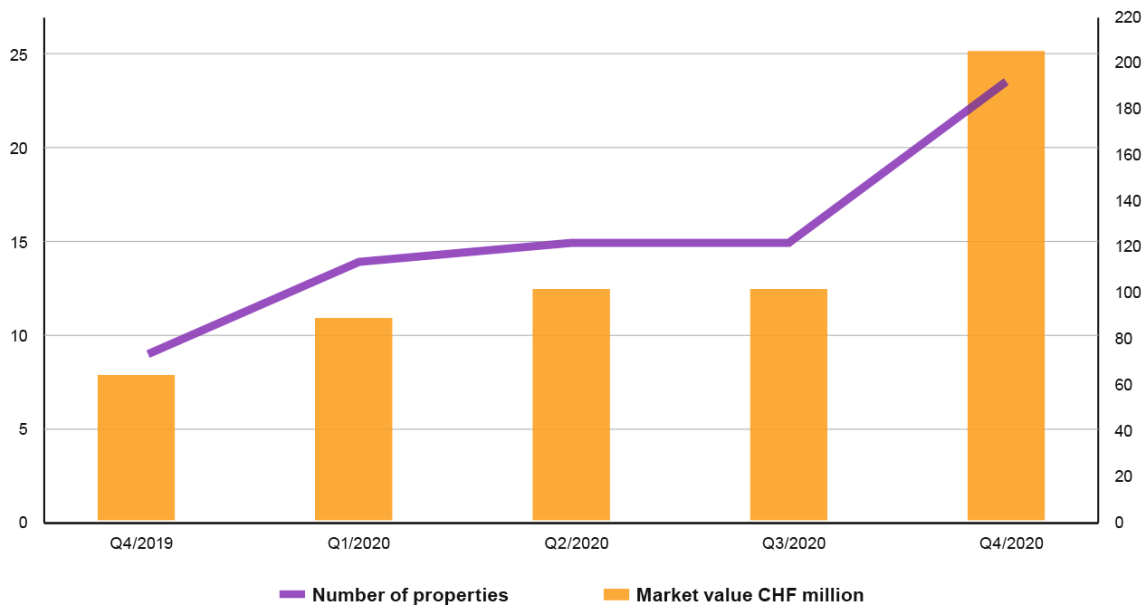


Investment Management Report

From January 1 to December 31, 2020, properties with a volume of 27.5 billion Swiss francs were offered to the Fund Management Company for sale. In the end, the Fund Management Company took a closer look at premises with a total value of 9.6 billion Swiss francs and performed corresponding assessments, which then culminated in the due diligence processes common in the industry for a few, select properties.

Based on the applicable investment guidelines and the high quality requirements that the Fund Management Company considers when making acquisitions, 23 properties with a total market value of around 204 million Swiss francs were added to the Helvetica Swiss Living Fund's portfolio during the period under review from November 2019 to December 2020.

The Fund manages some 500 apartments and ancillary rooms. Around 90 percent of the portfolio is used as residential space.



Successful Transactions

Within the scope of a portfolio transaction in November 2019, the Swiss Living Fund acquired well-maintained apartment buildings constructed in different years that are situated in good locations in four different cantons. 13 buildings contain a total of 142 apartments. The apartment buildings also feature parking spaces in sufficient quantities. These properties are located in Benglen ZH, Lufingen ZH, Grenchen SO, Haag SG and Neuhausen SH and have total rentable space of 15 500 square meters. The portfolio generates gross target rent of around 2.9 Swiss francs per year. 89 percent of the total space is put to residential use. The market value of the portfolio, which was acquired within the scope of an asset deal, amounted to over 65.2 million Swiss francs on December 31, 2020. The portfolio was added to the HSL portfolio in November 2019 with a vacancy rate of around 19 percent; in the meantime, several different rental campaigns have been able to bring the vacancy rate down to 11 percent.

The HSL Fund acquired further five apartment buildings in the Canton of Aargau as part of another portfolio transaction in November 2019. These buildings were also constructed in different years and are in good condition for their age. The portfolio has a total of 73 apartments in five different apartment buildings and a sufficient number of parking spaces. These properties are on lots totaling more than 14 300 square meters in area and have rentable space of around 6 150 square meters. The annual rent comes to just under 1.1 million Swiss francs. 100 percent of the total space is used for residential purposes. The market value of the portfolio, which was acquired within the scope of an asset deal, amounted to 25.4 million Swiss francs on December 31, 2020. The portfolio was added to the HSL portfolio on January 1, 2020, with a vacancy rate of around 3 percent.

In May, the HSL Fund acquired a well-maintained apartment complex in Oberbuchsitzen SO that had been built in 2013. The property has a total of 27 apartments in three different apartment buildings and 45 parking spaces in a modern, shared underground parking facility. The complex is located in a quiet residential area. The local train station is about a 2-minute walk away. Access to the road network is also above average. The 4 800 square meter plot has rentable space of around 2 540 square meters. Annual rent comes to around 0.5 million Swiss francs per year. The market value of the residential

property, which was acquired within the scope of an asset deal, amounted to 11.6 million Swiss francs on December 31, 2020. With a vacancy rate of around 5 percent, the property is practically at full occupancy.

In July, the HSL Fund acquired an extremely well-maintained apartment complex in Erlen TG that had been built in 2014. The property has a total of 44 apartments in five different apartment buildings and 69 parking spaces in a modern, shared underground parking facility. It is situated in a quiet residential area and the local train station is within walking distance. The premises are extremely modern and feature contemporary yet affordable apartments. The gardens, outdoor spaces, garden seating and terraces are particularly popular among the residents.

The apartment buildings have around 4 570 square meters of rentable space. They generate rent of just over 0.9 million Swiss francs per year. The market value of the properties, which were acquired within the scope of an asset deal, amounted to 23.5 million Swiss francs on December 31, 2020. With a vacancy rate of around 3 percent, the property is practically at full occupancy.

The capital increase in the fourth quarter put the Fund Management Company of Helvetica Property Investors AG in a position to conduct the previously agreed acquisition of an attractive portfolio within a very short space of time. The high-quality apartment buildings located in the cantons of Basel-Land, Valais, St. Gallen and Fribourg feature 96 apartments and had a market value of 49.4 million francs on December 31, 2020. The five properties generate rental income of 2.3 million Swiss francs per year. The buildings have a vacancy rate of 17 percent.

At the start of November, the HSL Fund also acquired a property in Rorschach SG with more than 3 600 m² in rental space. The residential property has a market value of 18.0 million Swiss francs and generates annual rental income of over 0.8 million Swiss francs.

As of December 1, 2020, another attractive property with a market value of 11.3 million Swiss francs was purchased. The property is located in Granges in the canton of Valais and brings the HSL Fund target rental income of 0.5 million Swiss francs. There were 463 apartments in the portfolio on December 31, 2020. The new portfolio has a market value of 204.3 million Swiss francs and generates annual rental income of 8.9 million Swiss francs.

Another property was acquired in the Canton of Solothurn shortly before the end of 2020 and included in the HSL Fund portfolio as of January 1, 2021. This acquisition raises the total value of the portfolio to more than 220 million Swiss francs, the number of apartments in it to more than 500 and target rental income to around 9.7 million Swiss francs.

Investing in the Current Market Environment

As usual, the reporting period got off to a quiet start. The volume of offers received and assessed more closely was at a normal level and only came to an abrupt halt as a result of the approaching COVID-19 pandemic. Various transactions and review processes were halted just a few days before the official lockdown mandated by the Federal Council and the closing of the Swiss borders; the value of properties on offer then dropped to the lowest it had ever been.

Both the transaction business and the review process preceding it came to a complete standstill during the lockdown. Although the crisis had a firm grip on the market in the short term and drained it of virtually all liquidity, no panic selling or other extreme manifestations of the crisis were seen in the transaction market. The solid financing situation on Switzerland's investment market combined with government support measures helped counteract the impact of this exogenous event. Once the market and market players had recovered from the initial big shock, transaction activity recovered somewhat towards the end of May. However, the number and volume of those projects remained modest, as the review process was also impacted by the restrictions mandated by the federal government and the cantons. Brief disruptions on international capital markets prompted palpable uncertainty regarding valuations, among both sellers and buyers alike, which in turn caused transaction processes to falter and gave rise to a general sense of discord. The Fund Management Company decided to be cautious as a result and postponed or even canceled several acquisition processes.

The number of properties offered rose again in June and the transaction market started to normalize over the next few months. During the lockdown and the months that followed, the Fund Management Company remained in close contact with the other market players and experts so that it could properly assess the repercussions on future transactions in the residential and commercial sector. Investors preferred secure investments in the residential sector. It turns out that the market was willing to pay a premium for additional security, which led to a competitive market environment. Real estate had once again proven to be "solid as a rock". Overall, valuations remained relatively stable on the general market. As a result of the measures it enacted to support its economy as well as its robust healthcare system, Switzerland performed quite well in international comparison. This showed that Switzerland continued to be in high demand as an investment location.

The trend solidified in the fourth quarter and the relationship between supply and demand on the real estate market remained intact. The HSL Fund reported a substantial increase in the number of incoming offers toward the end of the year, which then culminated in an extensive review process with greater frequency. Demand for residential real estate, in particular, remained unabated. On the market, competitive deal processes made it even more important for buyers to focus on precision, speed and reliability. The transactions conducted revealed that the HSL Fund is capable of embodying these values, even in a challenging market environment. Rising numbers of people infected with the coronavirus as well as the threat of a second wave, which actually came to pass in November, were unable to intimidate the transaction market. By the end of the year, transactions were largely being conducted normally and in compliance with requirements aimed at containing the pandemic. This underscores yet again just how much confidence the market has in Swiss real estate in general – and residential properties in particular.

Asset Management Report

As of December 31, 2020, the Asset Management division of the Fund Management Company managed a Helvetica Swiss Living Fund portfolio of 23 premises with a total rental space of around 44 900 square meters and target rental income of 9 million Swiss francs. As of the cutoff date of this report, the portfolio's market value was around 204 million Swiss francs. This value was calculated by the independent and leading consulting firm Wüest Partner AG on December 31, 2020.

Report from the Asset Management Division of the Fund Management Company

The market value is defined as the expected price that can be achieved on the open market on the reporting date, excluding taxes and other costs incurred on disposal. The portfolio is valued using the discounted cash flow method. This involves estimating the market value of the individual properties, taking into account their current characteristics and expected future market development. The occupancy rate as of December 31 was 89.2 percent and increased substantially over the previous year, thanks in part to active asset management and successful rental campaigns. The portfolio is diversified throughout all of Switzerland, with the main focus being Eastern Switzerland and Northwestern Switzerland. At 4.4 percent, the portfolio's gross target return was at a good level as of December 31. Overall, the premises have a quality profile score of 3.5 and generate target rental income of 8.9 million Swiss francs.

The achievements of the Asset Management division were pivotal to the results and performance of the Helvetica Swiss Living Fund. The Helvetica Swiss Living Fund's strategy focuses on properties featuring affordable apartments that have easy access to private and public

transportation to the national and regional centers. When managed with a systematically hands-on approach, all properties in the HSL Fund generate above-average returns for investors.

However, if they are to achieve these higher return targets both sustainably and over their entire life cycle, their management needs to be particularly intensive and professional. With that in mind, an asset manager from the Fund Management Company is responsible for a significantly lower level of assets under management and a significantly smaller number of investment properties than is usually the case with other fund management companies in order to guarantee that the real estate receives more personal, intensive and business-minded support.

The Asset Management team was strengthened by the addition of an accomplished, experienced specialist during the reporting period. The Fund Management Company integrates the properties and partial portfolios purchased into the Helvetica Swiss Living Fund portfolio, puts management structures into place and standardizes these wherever possible.

During the reporting period, the following achievements of the Asset Management team made a special contribution to the results of the Helvetica Swiss Living Fund:

Benglen ZH, Bodenacherstrasse 16/18, 79

Currently undergoing renovation work, the property had a vacancy rate of over 43 percent at the start of the reporting period. Through active management and the systematic hands-on approach employed by the team in charge, the premises were rented out more quickly than expected. The occupancy rate was raised considerably. The renovation-related vacancy rate of 43 percent at the start of the year was completely eliminated by the end of September and the property is now rented out in full.

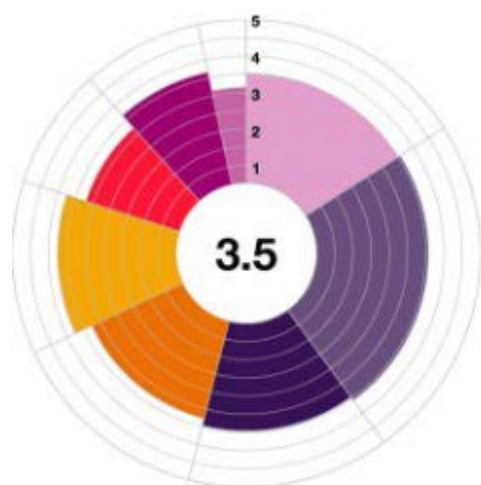
Grenchen SO, Kirchstrasse 72

More intense marketing succeeded in slashing the vacancy rate by 30 percent, from 24.3 percent at mid-year to 17.2 percent as of the cut-off date of the report.

The HSL Fund weathered the coronavirus crisis extremely well. Due to the fact that around 90 percent of the rental income is generated through residential use (incl. ancillary uses related to residential use), the COVID-19 crisis did not have any noticeable impact during the 2020 reporting year. No COVID-19-related rent defaults are expected for the upcoming financial year, either.

The strategic decision to purchase residential properties at good locations with upside rent potential proved prudent. Due to the persistently low interest rate environment, the Fund Management Company also expects residential real estate to remain attractive over the long term.

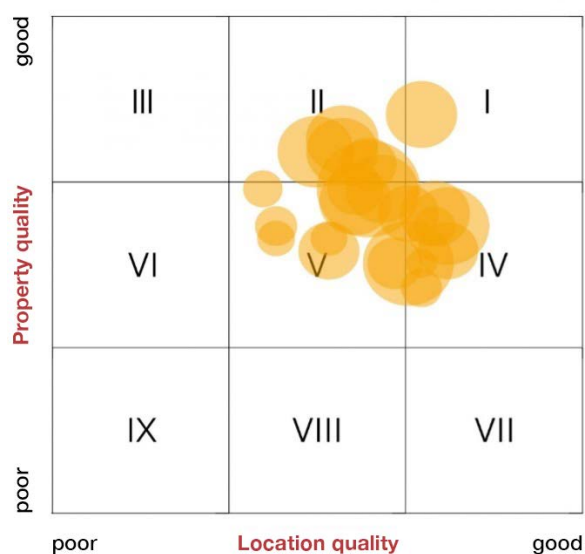
Quality Profile Evaluation



	Score	Weight
Overall score	3.5	
Location	3.5	40
Macro location	3.5	40
Micro location	3.6	60
Property	3.5	40
Use	3.5	35
Standard	3.3	35
Condition	3.8	30
Investment	3.4	20
Rentability	3.2	42
Salability	3.7	42
Income risk	3.1	16

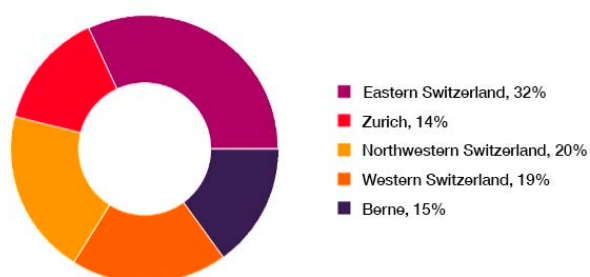
Note: 1 = worst score, 5 = best score

Property Quality / Location Quality



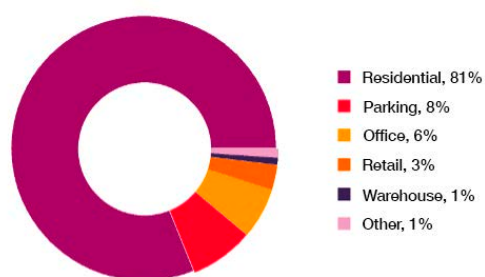
Geographical Distribution

(Market values)



Rental Income According to Main Use

(Target rental income)



The majority of rental income is therefore generated through rents on residential units, in line with the strategy.

Sustainability Report

In our capacity as a real estate investor, we at Helvetica Property Investors AG are aware of our responsibility to ensure a sustainable future. With that in mind, we focused our efforts and set out on an ambitious journey in 2020 that is in line with the Paris Climate Agreement and the federal government's current energy and emission reduction targets.

We are open-minded and eager to bring our processes and corporate responsibility in line with environmental, economic and social sustainability criteria.

Entirely in line with the motto "walk the talk", we discussed several different measures this year that would help us achieve sustainable development and have already incorporated some of these into our services. Our measures initially focus on climate protection.

For example, we examined the feasibility and economic efficiency of using solar power to produce our own energy for all property sites across the portfolios so that we can have solar systems installed on the first few properties as soon as possible.

Going forward, when performing regularly scheduled or emergency replacements of heating systems, we also only intend to use heating systems powered by renewable energies whenever possible. To that end, we had preliminary studies on the matter performed for all premises that currently have fossil fuel-based heating systems. Those studies put us in a position to perform targeted, system-appropriate maintenance and modernization work on the properties.

We will promote the transformation process aimed at achieving climate neutrality and sustainability in a pragmatic, structured and sustained manner and have our objectives and results validated by an internationally recognized certification process. This is one reason why we opted in favor of the "Deutsche Gesellschaft für Nachhaltiges Bauen" (DGNB) System for "Buildings in Use"; this system is a field-tested management instrument for sustainable real estate that is optimized with respect to climate protection goals. We intend to use this certification process for our portfolios and individual premises in order to

- help our real estate portfolio become climate neutral
- reduce operating costs
- promote the value retention and appreciation of our properties
- optimize the use of resources such as energy, water and reusable materials
- ensure the satisfaction of those who use our buildings
- gain the trust of tenants and investors.

We rolled out our improvement process on one pilot building (Erlen) last fall. The property was granted "DGNB Building in Use" certification by the SGNi (Swiss Sustainable Building Council) in late February 2021. The objective results will provide us with a baseline for making the quality of our building-related facility and real estate management activities and the related operational processes visible to the outside world from an environmental, economic and social point of view and to improve it in a targeted and continuous manner.

Annual Report as of December 31, 2020

As the HSL Fund was launched on November 6, 2019, the first financial year is slightly longer than usual and extends from November 6, 2019, to December 31, 2020. Gross asset value grew to 225 million Swiss francs during this time.

November 2019 saw the successful completion of the initial issue of the HSL Fund, which attracted investment capital of 42.4 million Swiss francs. The first capital increase was also completed back in March and attracted proceeds in the amount of 43.9 million Swiss francs. Another capital increase was successfully placed on the market in October 2020 and attracted proceeds in the amount of 56.7 million Swiss francs to the Fund.

23 properties were acquired during the period under review.

The Fund reported a net asset value per share of 108.31 Swiss francs on December 31, 2020, which corresponds to a return on investment of 8.3 percent and a return on equity of 6.5 percent for the first extended financial year.

The TER_{REF} GAV amounts to 1.16 percent and TER_{REF} NAV is 1.76 percent. Calculated on the balance sheet date the TER_{REF} GAV amounts to 0.73 percent and TER_{REF} NAV amounts to 1.11 percent.

Balance Sheet

Gross asset value reflects the acquisitions and capital increases of the first financial year and amounts to 225 million Swiss francs. At the balance sheet date, the market value of the properties was 204 million Swiss francs, cash and cash equivalents came to 1 million Swiss francs, and other assets amounted to 17 million Swiss francs. The HSL Fund also holds stakes in other real estate funds that amount to around 3 million Swiss francs.

After deducting liabilities of 76 million Swiss francs and liquidation taxes of around 1 million Swiss francs, the net fund assets amounted to 149 million Swiss francs on the balance sheet date.

At 35.5 percent, the debt financing ratio is substantially below the limit of 50 percent.

Income Statement

The properties purchased generated rental income of 4.6 million Swiss francs during the period under review. Expenses came to around 2.4 million Swiss francs.

The substantial reduction in vacancies through successful rental campaigns increased the valuation of the properties, which is reflected in the line item "Unrealized capital gains" and amounts to 5.4 million Swiss francs.

Balance Sheet

in CHF

Assets	Notes	12/31/2020
Cash, post and bank deposits on sight including fiduciary investments with third-party banks		1 187 185
Properties		
Residential buildings	1	187 668 000
Commercially used properties	1	2 920 000
Mixed buildings	1	13 759 000
Total for properties		204 347 000
Shares in other real estate funds and real estate investment companies		2 889 000
Other assets		16 695 218
Gross asset value		225 118 403
Liabilities		
Current liabilities		
Short-term interest-bearing mortgages and other mortgage-backed liabilities	8, 9	-72 485 000
Other current liabilities		-3 078 154
Total current liabilities		-75 563 154
Non-current liabilities		
Long-term interest-bearing mortgages and other mortgage-backed liabilities	8, 9	0
Other non-current liabilities		0
Total non-current liabilities		0
Total liabilities		-75 563 154
Net fund assets before estimated liquidation taxes		149 555 249
Estimated liquidation taxes		-1 042 759
Net fund assets		148 512 490
Further Information		
Number of shares outstanding		
Number of shares at the start of the reporting period		0
Issued shares		1 371 155
Redeemed shares		0
Number of shares at the end of the reporting period		1 371 155
Net asset value per share at the end of the financial year		108.31
Change in net fund assets		
Net fund assets at the start of the reporting period		0
Distribution of profits	13	0
Balance from trade in shares		139 480 869
Total profit		9 031 621
Net fund assets at the end of the financial year		148 512 490
Further information (Art. 95 CISO-FINMA)		
Balance of the depreciation account of the properties	16	0
Balance of the provision account for future repairs	16	918 424
Balance of the account for reinvestment of retained earnings		0
Number of shares redeemed as of the end of the next financial year		0
Total insurance value of the assets		151 027 895

Income Statement

in CHF

Income	Notes	11/06/2019 - 12/31/2020
Negative interest rate		-12 174
Rental income		4 609 479
Other income		979 490
Participation in current income from share issuance		1 548 303
Total income		7 125 098
Expenses		
Mortgage interest and interest from mortgage-backed liabilities		-17 203
Repairs and maintenance		-350 540
Property management		
Property expenses		-122 279
Administrative expenses		-115 003
Taxes		
Property tax		-14 666
Profit and capital tax		-142 948
Evaluation and auditing expenses		-134 683
Change in reserves for future repairs	16	0
Regulatory fees		
Fund Management Company	12	-975 845
Custody bank	12	-76 700
Property management	12	-228 872
Market maker		-12 500
Other expenses		
Other expenditures		-223 147
Total expenses		-2 414 387
Profit		
Net income		4 710 711
Realized capital gains		0
Realized profit		4 710 711
Unrealized capital gains		5 363 669
Change in liquidation taxes		-1 042 759
Total profit		9 031 621
Profit Appropriation		
Net income for the financial year		4 710 711
Capital gains for distribution in the financial year		0
Capital gains for distribution in previous financial years		0
Balance carried forward from previous year		0
Profit available for distribution		4 710 711
Profit intended for distribution to investors		4 250 581
Capital gain intended for distribution to investors		0
Income retained for reinvestment		0
Balance to be carried forward		460 130

Notes

1. Inventory of the Properties Held*

Address	Ownership situation	Fair market value	Initial costs	Gross income (rental income)	Occupancy rate
All amounts stated in CHF					
Residential buildings					
Benglen, Bodenacherstrasse 16/18	Sole ownership	11 510 000	9 989 796	322 289	99.7%
Benglen, Bodenacherstrasse 79	Sole ownership	6 683 000	6 232 738	234 310	88.4%
Dottikon, Lindenweg 2-6	Sole ownership	6 845 000	6 820 438	298 741	98.8%
Erlen, Kümmerthausenstr. 7a, 7b, 9, 11a, 11b	Sole ownership	23 460 000	23 336 271	446 939	96.7%
Fribourg, Av. Du Midi 17/19	Sole ownership	8 063 000	7 841 043	24 124	82.3%
Granges VS, Route de la Crête-Blanche 5a/5b	Sole ownership	11 310 000	11 326 223	34 527	83.9%
Grenchen, Kirchstrasse 72	Sole ownership	3 643 000	3 490 649	158 378	77.4%
Grenchen, Viaduktstrasse 9/11	Sole ownership	11 120 000	11 293 332	332 869	80.6%
Haag, Thalistrasse 2, 4, 6, 8	Sole ownership	12 770 000	12 563 501	531 518	83.0%
Lufingen, Moosbrunnenstrasse 3, 5, 7, 9	Condominium ownership	10 810 000	10 425 095	426 949	99.1%
Monthey, Ch. Des Semilles 3, 5, 7, 9	Sole ownership	11 450 000	10 378 037	35 548	91.8%
Hirschthal, Zofoldweg 2	Sole ownership	3 900 000	4 010 714	177 214	100.0%
Kaisten, Weihermatt 1	Sole ownership	3 105 000	3 069 197	130 574	80.3%
Oberbuchsiten, Poststrasse 762, 764	Sole ownership	11 560 000	11 334 227	315 539	91.0%
Oberkulm, Schrägweg 16-22	Sole ownership	8 176 000	7 418 462	319 239	90.2%
Rorschach, St. Gallerstrasse 16/16a	Sole ownership	18 020 000	17 056 897	113 505	97.3%
Therwil, Vorderbergweg 2/4	Sole ownership	14 980 000	16 380 493	46 726	78.9%
Wittenbach, Arbonerstrasse 4a	Sole ownership	6 863 000	6 989 283	19 170	72.8%
Zetzwil, Bohnenackerweg 425	Sole ownership	3 400 000	3 392 921	147 755	97.3%
Total for residential buildings		187 668 000	183 349 316	4 115 915	
of which, condominium ownership		10 810 000	10 425 095	426 949	
Commercially used properties					
Neuhausen, Rundbuckstrasse 6	Sole ownership	2 920 000	3 057 734	137 538	63.3%
Total for commercially used properties		2 920 000	3 057 734	137 538	
Mixed buildings					
Grenchen, Bündengasse 18, 20, 22	Sole ownership	3 672 000	3 388 002	191 072	97.3%
Grenchen, Viaduktstrasse 5	Sole ownership	2 063 000	1 847 994	129 553	99.1%
Bulle, Rue Nicolas-Glasson 5/7	Sole ownership	8 024 000	7 319 671	35 401	89.9%
Total for mixed buildings		13 759 000	12 555 667	356 026	
Total for properties		204 347 000	198 962 717	4 609 479	

*Other investments in accordance with Art. 84 para. 2c CISO-FINMA

2. Properties Purchased and Sold

Purchased

Address	Canton	Ownership situation	Start of ownership (transfer of benefits and risks)
Benglen, Bodenacherstrasse 16/18	Zurich	Sole ownership	11/22/2019
Benglen, Bodenacherstrasse 79	Zurich	Sole ownership	11/22/2019
Grenchen, Bündengasse 18, 20, 22	Solothurn	Sole ownership	11/22/2019
Grenchen, Kirchstrasse 72	Solothurn	Sole ownership	11/22/2019
Grenchen, Viaduktstrasse 5	Solothurn	Sole ownership	11/22/2019
Grenchen, Viaduktstrasse 9/11	Solothurn	Sole ownership	11/22/2019
Haag, Thalistrasse 2, 4, 6, 8	St. Gallen	Sole ownership	11/22/2019
Lufingen, Moosbrunnenstrasse 3, 5, 7, 9	Zurich	Condominium ownership	11/22/2019
Neuhausen am Rheinfall, Rundbuckstrasse 6	Schaffhausen	Sole ownership	11/22/2019
Hirschthal, Zofoldweg 2	Aargau	Sole ownership	1/1/2020
Kaisten, Weihermatt 1	Aargau	Sole ownership	1/1/2020
Dottikon, Lindenweg 2-6	Aargau	Sole ownership	1/1/2020
Oberkulm, Schrägweg 16-22	Aargau	Sole ownership	1/1/2020
Zetzwil, Bohnenackerweg 425	Aargau	Sole ownership	1/1/2020
Oberbuchsiten, Poststrasse 762/764	Solothurn	Sole ownership	5/1/2020
Erlen, Kümmerthausenstr. 7a, 7b, 9, 11a, 11b	Thurgau	Sole ownership	7/1/2020
Rorschach, St. Gallerstrasse 16/16a	St. Gallen	Sole ownership	11/1/2020
Bulle, Rue Nicolas-Glasson 5/7	Fribourg	Sole ownership	12/1/2020
Fribourg, Av. Du Midi 17/19	Fribourg	Sole ownership	12/1/2020
Granges VS, Route de la Crête-Blanche 5a/5b	Valais	Sole ownership	12/1/2020
Monthey, Ch. Des Semilles 3, 5, 7, 9	Valais	Sole ownership	12/1/2020
Therwil, Vorderbergweg 2/4	Basel Land	Sole ownership	12/1/2020
Wittenbach, Arbonerstrasse 4a	St. Gallen	Sole ownership	12/1/2020

Sales

None

3. Total Amount of Contractual Payment Obligations After the Balance Sheet Date for Real Estate Purchases as well as for Construction Contracts and Investments in Properties

None

4. Participations in Real Estate Companies

As of December 31, 2020, the Fund holds one hundred percent of the share capital of Helvetica Swiss Living AG, headquartered in Zurich. All properties in the HSL Fund are now held by Helvetica Swiss Living AG.

5. Shares in Other Real Estate Funds and Certificates

As of December 31, 2020, the HSL Fund holds stakes in other real estate funds that amount to 2.9 million Swiss francs.

6. Rental Income per Tenant over 5 percent

None

7. Statement Regarding Derivatives

The Fund does not use derivatives.

8. Non-current Liabilities by Due Date, Broken Down into Between One and Five Years or More Than Five Years

in CHF	12/31/2020
1 to 5 years	0
> 5 years	0

9. Mortgages and Other Mortgage-backed Liabilities

Current mortgages and fixed advances

All amounts stated in CHF	Interest rate	Amount	Date of issue	Maturity
Type				
Fixed advance payment	0.04%	34 685 000	11/24/2020	1/4/2021
Fixed advance payment	0.04%	11 000 000	11/26/2020	1/4/2021
Fixed advance payment	0.04%	26 800 000	12/10/2020	1/4/2021
Total		72 485 000		

Current mortgages and fixed advances

All amounts stated in CHF	Interest rate	Amount	Date of issue	Maturity
Type				
Fixed advance	0.04%	34 685 000	9/24/2020	11/24/2020
Fixed advance	0.08%	34 685 000	8/24/2020	9/24/2020
Fixed advance	0.09%	500 000	7/28/2020	8/24/2020
Fixed advance	0.09%	34 185 000	7/24/2020	8/24/2020
Fixed advance	0.12%	11 585 000	6/26/2020	7/24/2020
Fixed advance	0.12%	22 600 000	6/30/2020	7/24/2020
Fixed advance	0.12%	11 585 000	5/28/2020	6/26/2020
Fixed advance	0.50%	550 000	4/30/2020	5/29/2020
Fixed advance	0.50%	550 000	4/17/2020	4/30/2020
Fixed advance	0.05%	5 000 000	3/19/2020	4/17/2020
Fixed advance	0.04%	44 388 000	2/24/2020	3/19/2020
Fixed advance	0.04%	12 245 000	1/3/2020	2/24/2020
Fixed advance	0.04%	32 143 000	11/22/2019	2/24/2020

10. Fees and Incidental Costs Charged to the Investors

Remuneration	Maximum rates	Actual rates	Basis
Issuing commission on shares	3.00%	1.45%	Net asset value of shares
Redemption commission on shares	1.50%	0%	Net asset value of shares

11. Incidental Costs Attributed to the Fund Assets Accruing from the Paid-in Amount Invested or from the Sale of Shares

Remuneration	Maximum rates	Actual rates	Basis
Premium to NAV	2.50%	0.72%	Net asset value of shares
Discount to NAV	1.50%	0%	Net asset value of shares

12. Fees and Incidental Costs Charged to the Fund

Remuneration	Maximum rates	Actual rates	Basis
Remuneration to the Fund Management Company			
Management fee	1.00%	0.63%*	Gross asset value
Purchase/sales compensation	2.00%	1.62%	Purchase/sale price
Building and renovation fee	3.00%	0%	Construction costs
Property management	5.00%	0%	Gross rental income
Remuneration to Third Parties			
Remuneration to custodian bank (custodian bank commission)	0.05%	0.05%	Net asset value of shares
Remuneration to custodian bank (distribution commission)	0.25%	0%	Gross distribution amount
Market Maker	-	CHF 12 500	Flat rate CHF 12 500 per quarter
Remuneration to property managers	5.00%	4.97%	Gross rental income

* The actual rates were annualized according to the “Specialist information factsheet on the key figures of real estate funds” of the SFAMA dated September 13, 2016 (calculation for 12 months). During the slightly longer first financial year (14 months) 0.70% was effectively charged.

13. Distribution of Profits

For the financial year ending December 31, 2020, a total amount of 4.3 million Swiss francs will be distributed, representing 3.10 Swiss francs per share and a distribution yield on the NAV per share of 2.9 percent. The payout ratio is 90.2 percent. The ex-date is April 27, 2021. The distribution will be paid out on April 29, 2021.

14. Statements of Special Economic and Legal Significance / COVID-19 Pandemic

The COVID-19 pandemic has not had any material impact on the real estate portfolio of the HSL Fund. Some 90 percent of the target rental income is generated through residential properties and related ancillary uses, while the share of rental income generated through office and retail spaces accounts for around 9 percent of target rental income.

The Fund Management Company did not have any COVID-19-related defaults to report in the past financial year and no rent reductions had to be granted. Similarly, there are no legal disputes with tenants and market value assessments are not subject to any increased or material uncertainties. No COVID-19-related rent defaults are expected for the upcoming financial year, either.

15. Events After the Balance Sheet Date

A property was acquired in Gerlafingen shortly before the end of the reporting year. It will be added to the HSL Fund portfolio on January 1, 2021. This raises the total market value of the real estate portfolio to more than 220 million Swiss francs and the portfolio's target rental income to around 9.7 million Swiss francs.

16. Further information (Art. 95 CISO-FINMA)

The properties are only depreciated at the level of the subsidiaries (Helvetica Swiss Living AG). As these depreciations do not comply with the fair value principle according to CISA, they are not recognized at the level of the real estate fund and are not shown in the balance sheet or in the income statement of the real estate fund.

The provisions for maintenance and repairs (R&U) at the level of the subsidiaries (2020: Helvetica Swiss Commercial AG, 2019: Helvetica Swiss Commercial AG and Helvetica Swiss Commercial 2 GmbH) are disclosed under "Further information (Art. 95 CISO-FINMA)". As these do not comply with the fair value principle under CISA, they are not recognized at the level of the real estate fund and are not shown in either the balance sheet or the income statement of the real estate fund. In the following, the holdings and changes are explained separately at the level of subsidiaries and real estate funds.

All amounts stated in CHF

Total tax-motivated provisions for R&M as of 12/31/2020	Total tax-motivated provisions for R&M as of initial issue	Change
918 424	0	918 424
Total provisions for R&M at the Fund level as of 12/31/2020	Total provisions for R&M at the Fund level as of initial issue	Change
0	0	0

Organization

Fund Management Company	Helvetica Property Investors AG, Brandschenkestrasse 47, Zurich
Executive Board	Michael Müller, CEO (Switzerland) Peter R. Vogel, CFO, Head of Finance and Corporate Services
Extended Executive Board	Salman Baday, Head of Sales (Switzerland) Lucas Schlageter, Head of Asset Management
Board of Directors	Dr. Hans Ueli Keller, Chairman Peter E. Bodmer, Vice Chairman Herbert Kahlich, Member Hans R. Holdener, Member Thomas Huber, Member (until May 29, 2020) Theodor Härtsch, Member (as of November 18, 2020)
Asset Manager	Helvetica Property Investors AG, Brandschenkestrasse 47, Zurich
Custodian Bank and Paying Agency	Bank J. Safra Sarasin, Elisabethenstrasse 62, Basel
Market Maker	Bank J. Safra Sarasin, Elisabethenstrasse 62, Basel
Auditors	PricewaterhouseCoopers AG, Birchstrasse 160, Zurich
Accredited Valuation Experts	The Fund Management Company has commissioned the following valuation experts with the approval of the supervisory authority: Marco Feusi, Valuation Expert, (until 12/31/2019) Wüest Partner AG, Zurich Ivan Anton, Valuation Expert (as of 01/01/2020), Wüest Partner AG, Zurich Silvana Dardikman, Valuation Expert, Wüest Partner AG, Zurich
Property Management	Property management and technical maintenance are mainly delegated to H&B Real Estate AG Admicasa Verwaltung AG. The detailed execution of the assignment is regulated in separate contracts.

Principles Used for Valuation of the Fund Assets and for Calculating Net Asset Value

The net asset value of the real estate fund is calculated at the fair market value in Swiss francs at the end of the first half-year period, at the end of the financial year as well as at each share issue.

The Fund Management Company commissions the independent valuation experts to re-evaluate the fair market value of the Fund's properties at the end of each half-year period, each financial year and at each share issue. With the supervisory authority's approval, the Fund Management Company commissions 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 Management Company has the properties valued in advance. A new valuation is not needed in the case of disposal if the existing valuation is not older than three months and circumstances have not changed substantially.

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

Open collective investment schemes are valued at their redemption price or their net asset value. If they are regularly traded on a stock market or another regulated market open to the public, the Fund Management Company may value them according to para. 16, sect. 3 of the fund contract.

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

The calculation of a share's net asset value is based on the fair market value of the Fund's gross asset value, less any liabilities as well as any taxes that 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 performed according to the current SFAMA guidelines for real estate funds. The valuation of undeveloped land and buildings in progress is based on the fair value principle. If the Fund Management Company has any buildings in progress that are to be reported at fair market values, it has these appraised at the end of the financial year.

Further details regarding fair market values and the valuation method as well as quantitative information on the assumptions in the valuation model can be found in the valuation report of the real estate valuation expert in the annual financial statements.

Further Information for Investors

Amendments to the Fund Contract

The fund contract was amended twice in 2020. The first amendment was approved by FINMA on March 27, 2020, and entered into force on April 1, 2020.

Apart from purely formal or editorial changes, the amendments essentially comprise the following points in accordance with the publication dated March 9, 2020:

- Para. 1 Name, company name and registered office of the Fund Management Company and custodian bank "Fund" was added to the name of the real estate fund. Accordingly, para. 1 sect. 1 reads as follows: "The Helvetica Swiss Living Fund is a contractual fund set up as a real estate fund (the "Real Estate Fund") within the meaning of Art. 25 et seq. in conjunction with Art. 58 et seq. of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 (CISA) that is offered to qualified investors within the meaning of Art. 10 para. 3, 3bis and 3ter CISA."
- The addresses of the Fund Management Company and custodian bank were crossed out in para. 1 sect. 2 and 3. After amendment, para. 1 sect. 2 and 3 now read as follows: "2. The Fund Management Company is Helvetica Property Investors AG in Zurich. The custodian bank is Bank J. Safra Sarasin in Basel."

The second amendment was approved by FINMA on September 14, 2020, and entered into force on September 15, 2020. According to the publication dated July 8, 2020, as well as the follow-up publication dated August 12, 2020, the amendments comprise the following points:

- The custody bank was changed in para. 1 sect. 3. The function previously performed by the custody bank will now be performed by Bank J. Safra Sarasin AG, Basel. The custodian bank was previously Banque Cantonale Vaudoise, Lausanne. Accordingly, para. 1 sect. 3 now reads as follows:

"The custodian bank is Bank J. Safra Sarasin in Basel."

- In the last paragraph and the last sentence of para. 28, the date of the fund contract and the date on which the fund contract was approved by the Swiss Financial Market Supervisory Authority FINMA were changed due to the amendment of the fund contract. On the signature page, Banque Cantonale Vaudoise was replaced by Bank J. Safra Sarasin AG.

Legal Disputes

There are no pending or threatened legal disputes.

Compliance with Investment Restrictions

The Fund Management Company confirms that the Helvetica Swiss Living Fund fulfills all investment restrictions in accordance with the fund contract.

Information About Related-party Transactions

The Fund Management Company confirms that there were no transfers of property values to related parties or from related parties during the reporting period (Art. 63 para. 2 CISA and Art. 32, 32a, and 91a CISO and sect. 18 of the guidelines for the real estate funds of the Swiss Funds & Asset Management Association SFAMA (SFAMA Guidelines for Real Estate Funds) of April 2, 2008, version dated September 13, 2016).

Change of Custodian Bank

The role of custody bank was transferred from Banque Cantonale Vaudoise, Lausanne to Bank J. Safra Sarasin, Basel during the reporting period.

Change in the Board of Directors

Thomas Huber stepped down from his position as a member of the Board of Directors of the Fund Management Company with effect from May 29, 2020, for personal reasons. Theodor Patrick Härtsch joined the Board of Directors on November 18, 2020.

Changes in the Executive Board

As of January 1, 2021, Hans R. Holdener will assume the duties and responsibilities of Chief Investment Officer and Head of the Investment Management Team on an ad interim basis. Frédéric Königsegg, CIO resigned from the Executive Board and the company on November 11, 2020. The function of CIO was taken over by Michael Müller, CEO on an interim basis until the end of the year.

Change of Valuation Expert

With effect on January 1, 2020, there was a change in the valuation experts, from Marco Feusi and Silvana Dardikman, both at Wüest Partner AG, Zurich, to Wüest Partner AG, Zurich; lead valuation experts: Ivan Anton and Silvana Dardikman, both at Wüest Partner AG, Zurich.

Miscellaneous

Helvetica Property Investors AG changed its headquarters to Brandschenkestrasse 47 in 8002 Zurich as of April 1. The impact of COVID-19 on the real estate fund is described in Note 14. Otherwise, no significant events are known.

Report of the Valuation Experts



Wüest Partner AG, Bleicherweg 5, 8001 Zurich

Helvetica Property Investors AG
Executive Board
Brandschenkestrasse 47
8002 Zurich

Zurich, 4 February 2021

Helvetica Swiss Living Fund
Independent real estate valuer's report
Valuation as at 31 December 2020

To the Executive Board of Helvetica Property Investors AG

Ref.
118585.2010

Commission

Wüest Partner AG (Wüest Partner) was commissioned by the Fund Management to perform a valuation, for accounting purposes, of the 23 properties held by Helvetica Swiss Living Fund as at 31 December 2020 (reporting date).

Valuation standards

Wüest Partner hereby confirms that the valuations comply with the legal provisions of the Collective Investment Schemes Act (CISA) and the Collective Investment Schemes Ordinance (CISO) as well as the guidelines of the Swiss Funds & Asset Management Association (SFAMA) and were furthermore performed in accordance with the customary national and international valuation standards.

Definition of market value

Market value is defined as the amount for which a property would most probably be exchanged on the open market on the valuation date between two independent and knowledgeable parties, willing to buy and sell respectively, with due allowance made for a reasonable marketing period.

In the valuation are excluded property transfer, real property gains and value-added taxes plus any other costs incurred, or commissions paid, during the process of selling real estate. Nor is any account taken of Helvetica Swiss Living Fund's liabilities in respect of taxation (apart from ordinary property taxes) and financing costs.

Valuation method

In valuing Helvetica Swiss Living Fund's investment properties, Wüest Partner applied the discounted cash flow (DCF) method, by which the market value of a property is determined as the total of all projected future net earnings discounted to the valuation date. Net income is discounted separately for each property with due allowance for specific opportunities and threats, and adjustment in line with market conditions and risks.

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Basis of valuation

Wüest Partner is familiar with all the properties, having carried out inspections and examined the documentation provided. The properties have been analysed in detail in terms of their quality and risk profiles (attractiveness and lettability of rented premises, construction type and condition, micro- and macro-location etc.). Currently vacant premises are valued with due allowance made for a reasonable marketing period.

Wüest Partner inspects the properties normally at least once every three years as well as following purchase and upon completion of larger refurbishment and investment projects. All properties were visited in 2019 and 2020.

Results

A total of 23 investment properties were valued as at 31 December 2020. The market value of these properties on the valuation date is estimated by Wüest Partner to total 204,347,000 Swiss Francs.

In the property valuation, real discount rates between 2.75% and 4.10% were applied. Considering an inflation rate of 0.50% the nominal discount rates lie between 3.26% and 4.62%. Over the whole portfolio, the average of the discount rates – weighted by market value – is 3.03% in real terms and 3.54% in nominal terms.

Changes in the real estate portfolio

All 23 investment properties were acquired during the period 6 November 2019 to 31 December 2020.

Independence and confidentiality

The valuation of Helvetica Swiss Living Fund's real estate holdings was performed by Wüest Partner independently and neutrally in conformity with its business policies. It was carried out solely for those purposes specified above; Wüest Partner shall accept no liability in respect of third parties.

Zürich, 4 February 2021

Wüest Partner AG



Ivan Anton
dipl. Architekt ETH; MSc Real Estate (CUREM)
Partner



Silvana Dardikman
MSc in Finance; Immob. Bew. mit eidg. FA
Director

Annex: valuation assumptions

Investment properties

The investment property valuations are based on the following general assumptions:

- The rent rolls from Helvetica Property Investors AG used in the valuation have the state of knowledge typically as at October 2020.
- A two-phase DCF model was adopted. The valuation period extends to infinity from the valuation date, with an implicit residual value in the eleventh period.
- Discounting is based on a risk-adjusted interest rate. Rates are determined individually for each property on the basis of appropriate benchmarks derived from arm's-length transactions. They may be broken down as follows: risk-free interest rate + property risk (immobility of capital) + premium for macro-location + premium for micro-location depending on use + premium for property quality and income risk + any other specific premiums.
- Unless otherwise stated, the valuations assume 0.50 percent annual inflation for income and all expenditure. Where a nominal discount rate is applied, this is adjusted accordingly.
- Credit risks posed by specific tenants are not explicitly factored into the valuation.
- Specific indexation of existing rental agreements is accounted for on an individual basis.
- For existing tenancies, the timing of individual payments is assumed to comply with the terms of the lease.
- In terms of running costs, entirely separate service charge accounts are assumed, with no tenancy-related ancillary costs to be borne by the owner.
- The maintenance (repair and upkeep) costs were calculated using a building analysis tool. This tool is used to estimate the remaining lifespan of individual components based on their present condition, to model periodic refurbishments and to calculate the associated annual renewal fund allowances. The calculated values are plausibility tested using cost benchmarks derived from Wüest Partner surveys.

Auditor's Report

Report of the statutory auditor to the Partners' meeting of Helvetica Swiss Living Fund, Zürich

Report on the financial statements

As statutory auditor, we have audited the accompanying financial statements, which comprise the sub-fund of the participating shareholders including supplemental disclosures in accordance with art. 89 para. 1 lit. a–h of the Swiss Collective Investment Schemes Act (CISA), the sub-fund of the corporate shareholders and the resultant aggregated financial accounts (balance sheet, income statement and notes) – collectively referred to as 'the financial statements' – of Helvetica Swiss Living Fund for the year ended 31 December 2020.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation, the investment guidelines and the prospectus. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit opinion

In our opinion, the financial statements for the year ended 31 December 2020 comply with Swiss law and the company's articles of incorporation, the investment guidelines and the prospectus.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (art. 728 CO and art. 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with art. 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings pertaining to the sub-fund of the participating shareholders as well as the available earnings pertaining to the sub-fund of the corporate shareholders comply with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

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PricewaterhouseCoopers AG

Raffael Simone
Audit expert
Auditor in charge

Erik Ganz
Audit expert

Zürich, 17 March 2021

Enclosure:

- Financial statements, which comprise the sub-fund of the participating shareholders including supplemental disclosures in accordance with art. 89 para. 1 lit. a–h CISA, as well as the sub-fund of the corporate shareholders and the resultant aggregated financial accounts (balance sheet, income statement and notes)



Board of Directors



Hans Ueli Keller

Chairman

Position	Chairman
Born	1952
Nationality	Switzerland
Member of the Board since	2014
Equity stake in Fund Mgmt. Company	Yes
Member of the Investment Committee	Yes (Chairman)

Education

PhD from the University of St. Gallen and has completed the Advanced Management Program of the Business Schools INSEAD and Harvard HBS.

Executive and non-executive positions

Longstanding career as a member of the Executive Board of Credit Suisse and President of Swisscard. Board member of both Engel & Völkers Commercial Switzerland and Ebix. Inc. He also served as delegate of the board of directors of Goldbach Media and gained additional experience as former chairman of the board of directors of Swisscontent.

Prior positions	
CEO	■
CFO	
Real Estate Industry	■
Project Management	
IT and Technology	
Finance and Asset Management	■
Industry	
Transactions and M&A	■
Consulting and Trust	
SME Experience	■



Peter E. Bodmer

Vice Chairman

Position	Vice Chairman
Born	1964
Nationality	Switzerland
Member of the Board since	2015
Equity stake in Fund Mgmt. Company	Yes
Member of the Investment Committee	Yes

Education

Degree in Business Administration from the University of Zurich and an MBA from IMD Lausanne.

Executive and non-executive positions

Former member of the Executive Committee of the Implenia Group, GKN Sinter Metals Group and Maag Holding. Active in various boards of directors such as Peach Property Group, Arbonia Forster, Klinik Schloss Mammern and member of the Board of Trustees of the Wilhelm Schulthess Foundation. Chairman of the Board of Trustees of the Profond Foundation.

Prior positions	
CEO	■
CFO	■
Real Estate Industry	■
Project Management	■
IT and Technology	
Finance and Asset Management	■
Industry	■
Transactions and M&A	■
Consulting and Trust	
SME Experience	■

**Herbert Kahlich****Member**

Position	Member
Born	1944
Nationality	Austrian
Member of the Board since	2015
Equity stake in Fund Mgmt. Company	Yes
Member of the Investment Committee	No

Education

Graduated with a degree from an advertising school in Zurich, ongoing business education and attendance of banking, finance and management courses.

Executive and non-executive positions

Has more than twenty years of international asset management experience. He began his career at Credit Suisse and was a senior executive in the global fund business within Credit Suisse Group for more than 10 years, responsible for the group's real estate funds.

Prior positions	
CEO	■
CFO	
Real Estate Industry	■
Project Management	■
IT and Technology	■
Finance and Asset Management	■
Industry	
Transactions and M&A	■
Consulting and Trust	■
SME Experience	■

**Hans R. Holdener****Member**

Position	Member
Born	1966
Nationality	Switzerland and Norway
Member of the Board since	2006
Equity stake in Fund Mgmt. Company	Yes
Member of the Investment Committee	Yes

Education

Master program in Customer Relationship Management and a Bachelor in Marketing from the Norwegian Business School BI in Oslo.

Executive and non-executive positions

Co-founder and CEO of the Helvetica Property Group. Managing director and founding member of Wohnspar and managing director of Immospar. Extensive experience as investment advisor to wealthy individuals and as a private investor in the Swiss real estate market for residential and commercial properties.

Prior positions	
CEO	■
CFO	
Real Estate Industry	■
Project Management	■
IT and Technology	■
Finance and Asset Management	■
Industry	
Transactions and M&A	■
Consulting and Trust	■
SME Experience	■



Theodor Härtsch

Member

Position	Member
Born	1970
Nationality	Switzerland
Member of the Board since	2020
Equity stake in Fund Mgmt. Company	No
Member of the Investment Committee	No

Education

Law degree from the University of Zurich, attorney-at-law and completed the Global Executive MBA program at IE Business School.

Executive and non-executive positions

20 years of experience as an attorney-at-law in national and international law firms with a focus on banking & finance as well as capital market law. Active in various boards of directors such as UBS Swiss Financial Advisors AG, prior to which he spent more than 15 years at different Swiss banks.

Prior positions

CEO	
CFO	
Real Estate Industry	■
Project Management	■
IT and Technology	
Finance and Asset Management	■
Industry	■
Transactions and M&A	■
Consulting and Trust	■
SME Experience	■

Definitions

Gross actual return

The current gross actual return is defined as the percentage of the current actual rental income measured against the market value.

Discount rate

The discount rate is the percentage used to discount all cash flows. The level of the chosen discount rate reflects the risk assessment.

Rent default rate

The rent default rate is the sum of all reductions in the target rental income due to vacancies, for example, expressed as a percent.

Debt financing ratio

The debt financing ratio corresponds to the percentage of the borrowed capital measured against the fair market value of the properties.

Debt ratio

The debt ratio corresponds to debt capital as a share of the gross asset value in percent.

Maintenance costs

Maintenance is also described as "ordinary maintenance". Maintenance refers to all measures taken to ensure the usability of the property (such as service work, minor repairs).

Repair costs

Repair work is also referred to as "extraordinary maintenance". It includes all investments that completely replace substantial components and/or are associated with a noticeable qualitative improvement. This may also include value-enhancing investments.

Actual rental income

Actual rental income is calculated based on the target rental income less defaults.

Vacancy

A rental property is regarded as vacant if no rental contract exists.

Property quality

The property quality is a measure of the quality of a property, taking into account its condition, prevailing standards, usability and the mix of uses. The information required to determine the quality of the property is derived from the quality profile of the property.

Market rent / potential

The long-term, sustainable development of a property's respective income stream is reflected by an estimate of its market rent or potential to generate income.

Market value

The market value is the estimated amount for which a property is expected to be sold on the valuation date between a willing seller and a willing buyer in a transaction in the ordinary course of business, after an appropriate marketing period, where each party acts with skill, prudence, and without coercion.

Rental space

The rental space is the sum of rented and rentable spaces.

Rental income

Rental income corresponds to the actual rental income earned in the reporting period.

Net yield

The net yield is the ratio of the annual net yield to the determined market value of the property.

Target rental income

Possible income in the event of full occupancy, corresponding to the total amount of rental income agreed by contract plus vacancies based on market rent. Incidental costs specified in rental contracts are not taken into consideration.

Total net income

Net income is calculated as the sum of all income less all costs.

Maintenance costs

Maintenance costs are composed of all costs incurred for repairs and maintenance.

Occupancy rate

Actual income as a percentage of target rental income.

WAULT

The WAULT (Weighted Average Unexpired Lease Term) adds up the weighted average unexpired terms of contractually fixed rents for a property or a portfolio (up to the earliest possible termination date without renewal options). The WAULT is reported in years. The following uses must be considered: office, hotel, retail, medical practices, restaurants and catering, warehouse, and other commercially used properties. Unlimited rental contracts will be included in the calculation with a term of six months. Property types not to be taken into account are: apartments, parking spaces, advertising spaces, basements/attics. Vacancies are not taken into account.

Total Expense Ratio Real Estate Fund (TER_{REF})

Fund operating expenses as a percentage of the average gross asset value and as a percentage of average market value. If there is no trading, the net asset value per unit must be capitalized.

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