

2020 Annual Report

Helvetica Swiss Opportunity Fund

Real Estate Fund
under Swiss Law

Key Figures

8.3

**Unexpired lease term
(years)**

High WAULT thanks to long-term lease agreements

112

**Total fund assets
(in CHF million)**

Increased by 123 percent since the initial issue

5.5

**Gross actual return
(%)**

Reflects interesting portfolio of special-purpose real estate

6.1

**Target rental income
per year
(in CHF million)**

On market level

110

**Market value of
properties
(in CHF million)**

The market values remained stable throughout the reporting period

11.8

**Return on
investment (%)**

Generated since the Fund was launched in late November 2019

21.29

**Debt financing ratio
(%)**

Considerably below the permitted threshold of 50 percent

178

**Rent per square
meter (CHF)**

On market level

99.0

**Occupancy rate
(%)**

The high occupancy rate is secured by long-term lease agreements

111.82

**Net asset value per
share (CHF)**

Up 11.8 percent since the issue on 11/29/2019

6.00

**Distribution per
share (CHF)**

The Fund's first distribution

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Helvetica Swiss Opportunity Fund (HSO 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			43472505
Initiation date			29.11.2019
Issued shares	Quantity		750 000
Outstanding shares	Quantity		750 000
Redeemed shares	Quantity		0
Net asset value per share	CHF		111.82
Weighted real discount rate	%		3.64
Balance Sheet			
Fair market value of the properties	CHF	1	110 262 000
Gross asset value (GAV)	CHF		111 559 116
Debt financing ratio*	%		21.29
Debt ratio*	%		24.82
Residual term debt financing*	Years		0.54
Interest rate debt financing*	%	8	0.50
Net asset value (NAV)	CHF		83 863 093
Income Statement			
Rental income	CHF		5 694 800
Net income	CHF		5 133 391
Rent default rate*	%	17	7.43
Weighted average unexpired lease term (WAULT)*	Years		8.30
Maintenance and repairs	CHF		321 981
Operating profit margin*	%		74.22
Return and Performance			
Distribution of profits	CHF	13	4 500 000
Distribution per share	CHF	13	6.00
Distribution yield*	%	13	5.37
Payout ratio*	%	13	87.66
Return on equity (ROE)*	%		10.93
Return on invested capital (ROIC)*	%		9.64
Return on investment*	%		11.82
Premium/discount*	%		-4.31
Performance*	%		7.00
Total expense ratio TER _{REF} GAV*	%		1.28
Total expense ratio TER _{REF} NAV	%		1.67

*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 29, 2019.



Solenbergstrasse 21, Schaffhausen

The Year in Brief

The Helvetica Swiss Opportunity Fund focuses on special-purpose properties with a good risk/return ratio. Even despite the COVID-19 pandemic and the weak economy that arose as a result, the Fund Management Company succeeded in building up an outstanding portfolio with a market value of around 110 million Swiss francs.

First Quarter

The HSO Fund, with an initiation date on November 29, 2019, acquired its first three premises in late 2019. The rental space available in the Wädenswil ZH property, which was previously used as an office building, was converted for school use during the reporting year. This project was completed on schedule in August and the Zimmerberg cantonal school moved into its new facilities just in time for the start of the 2020/2021 school year. The annual rent generated for the Fund in the year under review was just over 1 million Swiss francs (rental income from mid-March 2020 onward). The rent will increase to around 1.4 million Swiss francs per year in 2021.

The second property acquired by the HSO Fund in November 2019 is located in Rümlang ZH. This property's market value amounted to 5.8 million Swiss francs as of December 31, 2020. The HSO Fund was able to acquire a third property in Schaffhausen-Herblingen SH in December 2019. This relates to the shell and peripheral areas of Schaffhausen Stadium, which account for 71.5 percent of the overall building and were acquired in condominium ownership. The property's business-oriented environment is impressive. It generates annual rent of nearly 1.6 million Swiss francs per year for the Fund.

The trend indicating an attractive first quarter remained intact until early March 2020, when the COVID-19 pandemic took on dramatic proportions.

Second Quarter

Both the transaction business and the review processes preceding it came to a complete standstill during the lockdown. Once the market had recovered from the initial big shock, the first few purchase offers from market players started trickling back in toward the end of May.

The volume of properties offered rose in June and the transaction market started to normalize again over the next few months.

Third Quarter

In the third quarter, the Fund Management Company purchased a special-purpose logistics property in Schaffhausen-Herblingen SH. The new building, which was constructed in 2020, had a market value of 15.2 million Swiss francs as of December 31, 2020. The building is leased in full to a company in the pharmaceutical logistics business under a long-term, 15-year lease agreement. It generates around 0.7 million Swiss francs in rental income per year.

Fourth Quarter

The Helvetica Swiss Opportunity Fund completed its first capital increase in October, which raised 27 million Swiss francs in proceeds. There were 750,000 shares outstanding after the capital increase.

In December 2020, the HSO Fund acquired an attractive downtown property in Sion, which had a market value of 41.9 million Swiss francs as of December 31, 2020. The building is leased in full to a prominent Swiss company with a long tradition. A ten-year lease agreement was signed for the property, which features more than 10,600 square meters in rental space. The company has been using the fully-leased building for many years now as a retail location for selling food, a warehouse and a restaurant.

Portfolio with a Market Value of 110 Million Swiss Francs and an Attractive Distribution.

A diverse and attractive special-purpose real estate portfolio with a market value of 110 million Swiss francs as of December 31, 2020, was acquired within the first year; it

is expected to generate target rental income of 6.1 million Swiss francs. The Fund's distribution amounts to 6.00 Swiss francs per share for the 2020 reporting year. The payout ratio is 87.7 percent, with a distribution yield on the NAV of 5.4 percent as of December 31, 2020. The distribution amount is expected to be paid out on April 29, 2021.

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 HSO portfolio in the 2020 reporting year, please refer to the corresponding section of Note 14 on page 29.

Investment Management Highlights

November 2019 to June 2020 – Schaffhausen Industriestrasse 2b



Use of the commercial property on Industriestrasse 2b in Schaffhausen was acquired in condominium ownership (shell and peripheral areas, the soccer stadium itself was not acquired); it has a condominium ownership value ratio of 71.5 percent. The property is fully rented.

Market value (in CHF million)

27.2

Gross income per year (in CHF million)

1.6

Rental space (m²)

9,300

November 2019 to June 2020 – Wädenswil Steinacherstrasse 101



The rental space in what was formerly used as an office building was converted for school use. The Canton of Zurich started teaching classes in the school in August 2020. Rental income amounts to around 1.1 million Swiss francs in 2020 and around 1.4 million Swiss francs from 2021 onward (the Canton of Zurich started paying rent as of mid-March 2020). The long-term lease agreement with the Canton of Zurich expires in 2030.

Market value (in CHF million)

20.2

Gross income per year (in CHF million)

1.4

Rental space (m²)

4,440

**July to December – Schaffhausen
Solenbergstrasse 21**



The newly constructed logistics facility offers the single tenant from the pharmaceutical logistics industry excellent access to the road network. This property generates rental income of 0.7 million Swiss francs per year for the Fund. The lease agreement expires in 2034.

Market value (in CHF million)

15.2

Gross income per year (in CHF million)

0.7

Rental space (m²)

5,900

**July to December – Sion
Avenue du Midi 3**



The HSO Fund acquired a downtown property in Sion in December. The building is leased in full to a prominent Swiss company with a long tradition. The company has been using the fully-leased building for many years as a retail location for selling food, a warehouse and a restaurant.

Market value (in CHF million)

41.9

Gross income per year (in CHF million)

2.1

Rental space (m²)

10,600



Steinacherstrasse 101, Wädenswil



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	■

HSO Fund Portrait

General Information About the Fund

The Helvetica Swiss Opportunity 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 at the time) to the Swiss Financial Market Supervisory Authority FINMA, which approved it for the first time on July 26, 2018.

The HSO Fund is based on a collective investment agreement (fund contract) in which the Fund Management Company undertakes to allow investors to participate in the HSO 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 HSO Fund is to build up a portfolio of commercially used premises throughout Switzerland. Another goal of the HSO Fund lies in ensuring the long-term preservation of assets and an appropriate distribution of earnings.

Investment Policy

The focus of the HSO Fund is on properties with special usages as well as operator properties such as logistics, data centers, industry and manufacturing as well as healthcare and nursing care facilities in Swiss business centers. The priority is on properties that offer stable rental income due to high occupancy rates and long-term lease agreements with a small number of tenants. The aim is to achieve a broad diversification in terms of types of use and locations in order to generate a risk-appropriate, long-term increase in value and earnings. The HSO Fund does not invest directly in real estate but holds its properties through individual special-purpose vehicles.

Fund Management Company Portrait

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

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

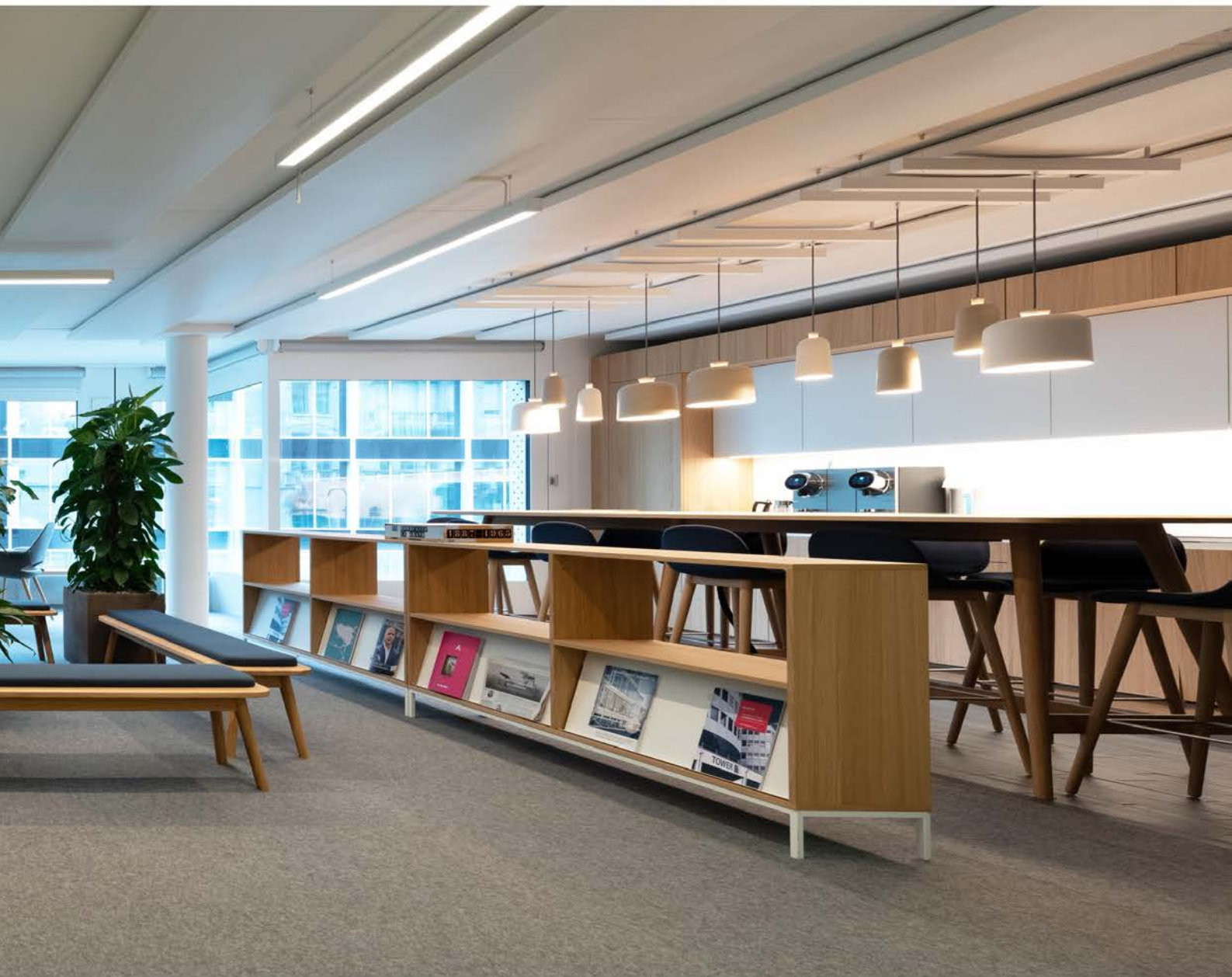
- Honesty and responsibility
- Integrity and passion
- Transparency and longevity
- Independence and ambition

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.

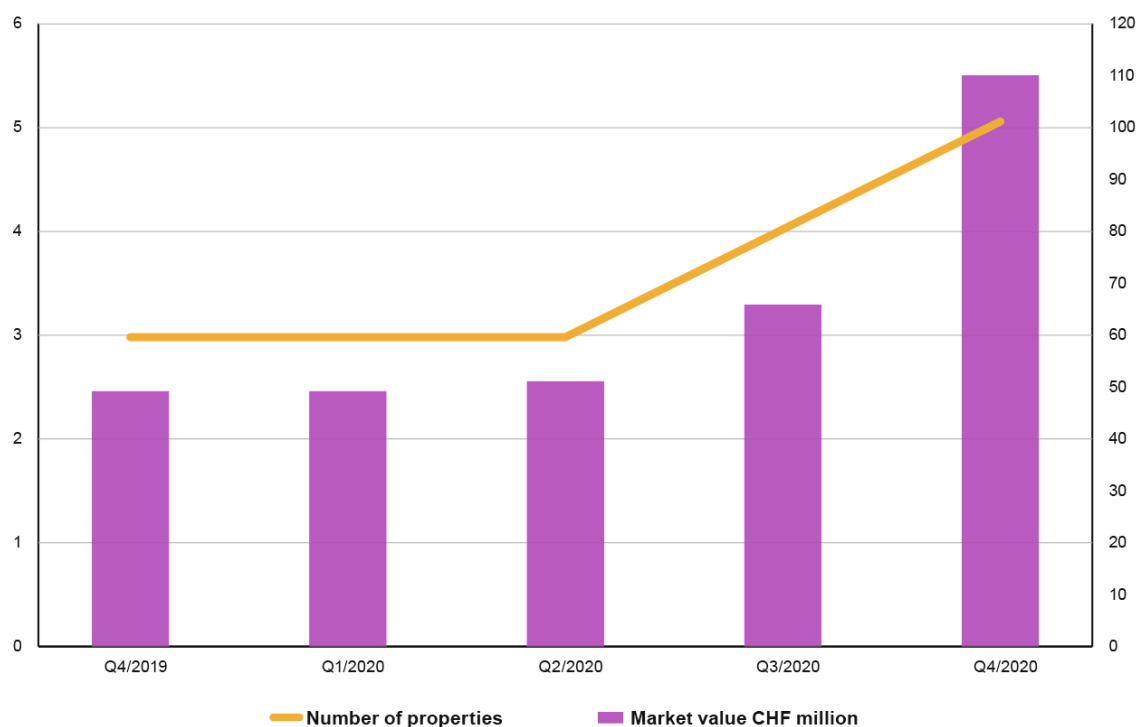




Investment Management Report

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, five properties with a market value of over 110 million Swiss francs on December 31, 2020, were added to the Helvetica Swiss Opportunity Fund's portfolio during the period under review from November 2019 (when the Fund was launched) to December 2020.



Successful Transactions

In November 2019, shortly after the Fund was launched, the HSO Fund acquired a building in Wädenswil ZH that had been constructed in 1989. Our decision to purchase the property hinged largely on its secure long-term cash flow, the very high creditworthiness of the main tenant (the Canton of Zurich) as well as the long-term usability of the rental spaces.

After the rental space had been converted for use as a school, the Zimmerberg cantonal school started teaching classes in the 2020/21 school year as planned on August 17, 2020. Accounting for some 92 percent of rental income, the Canton of Zurich is the property's largest tenant. Other rental space is comprised of apartments, ancillary and storage rooms as well as parking spaces. The Canton of Zurich signed a ten-year lease agreement for the property with a term that expires in 2030. It has "a break option" in 2027, meaning that the building has a lease commitment of least seven years.

This building is on a lot over 7,600 square meters in size and has a rentable space of around 4,440 square meters. The annual rent generated for the Fund in the 2020 reporting year was just over 1 million Swiss francs (rental income only from March 2020 onward). The rent will increase to around 1.4 million Swiss francs per year in 2021. The market value of the property, which was acquired within the scope of a share deal, amounted to 20.2 million Swiss francs on December 31, 2020.

November 2019 also saw the HSO Fund acquire an attractive business property (built in 1999) in Rümlang ZH as part of another share deal. This property's market value amounted to around 5.8 million Swiss francs as of December 31, 2020. It is situated in an extremely well-developed, high-frequency thoroughfare in close proximity to Zurich Airport amid a large number of other businesses. The property has a rentable space of almost 6,000 square meters and generates annual rental income of around 0.7 million Swiss francs.

The HSO Fund acquired a property in Schaffhausen-Herblingen SH that had been built in 2016/17 in December 2019. This concerns the shell and peripheral areas of Schaffhausen Stadium, which account for 71.5 percent of the overall building and were acquired in condominium ownership (only the non-soccer-related portions were purchased).

Bearing the name of "Lipo Park", this property benefits from unbeatable accessibility to both public and private

transport networks. It has its own train station and is less than a one-minute drive from the freeway.

The property has some 9,300 square meters of rentable space. It generates annual rent of nearly 1.6 million Swiss francs per year for the Fund. The building is fully leased and 100 percent of the space is devoted to commercial use. The market value of the property amounted to around 27.2 million Swiss francs on December 31, 2020.

The Fund Management Company also signed a contract in late 2019 to secure another property in Schaffhausen-Herblingen SH. This is a new building that is leased in full to NextPharma. This company operates a pharmaceuticals logistics facility in the building, which was completed in 2020.

The property benefits from unbeatable accessibility to both public and private transport. It is less than a 2-minute drive from the freeway. From there, it only takes around ten minutes to reach the Swiss-German border or 20 minutes to reach the A1 toward Zurich / St. Gallen. That makes the location extremely suitable as a logistics facility – including for other potential tenants at a later point in time, if need be.

This building is on a lot over 10,000 square meters in size and has a rentable space of around 5,900 square meters. It generates annual rent of around 0.7 million Swiss francs per year for the Fund. 100 percent of the space is devoted to commercial use. The market value of the property amounted to over 15.2 million Swiss francs on December 31, 2020.

The HSO Fund additionally acquired an extremely centrally located property in downtown Sion on December 1, 2020. That property, which features more than 10,500 square meters of rental space and had a market value of 41.9 million Swiss francs on December 31, 2020, is leased to a major Swiss department store group under a ten-year lease agreement. The HSO Fund acquired the property in condominium ownership retroactively as of January 1, 2020. It has its own 219-space parking facility that is also leased in full to the department store group. The target rental income for this property amounts to some 2.1 million Swiss francs per year.

Investing in the Current Market Environment

The reporting period got off to an unspectacular start and the beginning of the year was rather quiet, as usual. The value of properties offered to the HSO Fund rose toward the end of January. The trend indicating an attractive first quarter remained intact until late February and early March 2020, when the COVID-19 pandemic took on dramatic proportions. 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 and the value of properties on offer plunged to zero practically overnight.

Both the transaction business and the review processes preceding it came to a complete standstill during the lockdown. While the first few purchase offers from market players started trickling back in once the market had recovered from the initial big shock, they remained more modest than in the past, both in terms of quantity and value. As is often the case during crises triggered by an external shock, potential buyers and sellers disagreed about how market prices would change as a result. It was also impossible to assess the medium and long-term consequences of the crisis at that point in time. This was no different for the HSO Fund and resulted in several planned real estate purchases being temporarily put on hold.

The volume of properties offered rose again in June and the transaction market started to normalize over the next few months. While the international crisis initially had a much smaller impact on deals in the residential sector and nearly none at all later, a certain degree of uncertainty could still be felt in the commercial real estate market. An international comparison, however, made it clear that Switzerland had created promising conditions, both through the measures it had taken to support the economy and as a result of its stable healthcare system.

All asset classes revealed just how much more important security had become. Assets with stable cash flows, long contract terms and at prime locations are in extremely high demand. Investors are often willing to pay a premium for this additional security as a result. Thanks to the broad network of the Fund Management Company and an uncompromising due diligence process, Helvetica succeeded in purchasing extremely attractive premises for the Helvetica Swiss Opportunity Fund, even in the current market environment.

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 transaction market seemed largely prepared for this, however, and the players were able to close most of the deals – without any major uncertainties, unlike in the situation that had prevailed at the start of the first lockdown.

The Fund succeeded in building up an attractive portfolio of special-purpose properties within the first year of its launch. This growth-oriented investment strategy will continue to be pursued in 2021, as well. The Fund Management Company attaches particular importance to cash flow security, good building qualities, long-term lease agreements and flexible spaces that also offer further upside rent potential over the long term. The public health and economic environment, which continues to be impacted by COVID-19, will remain challenging for both real estate markets and our Fund Management Company in 2021. The Fund Management Company is convinced, however, that professional and disciplined transaction management – like that practiced at Helvetica Property Investors AG – will become increasingly important during this phase.

Asset Management Report

As of December 31, 2020, the Asset Management division of the Fund Management Company managed a Helvetica Swiss Opportunity Fund portfolio of five premises with total rental space of around 34,000 square meters and target rental income of 6.1 million Swiss francs. As of the cutoff date of this report, the portfolio's market value was around 110 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 price that can be expected to be realized 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 is 99 percent and has remained stable, thanks in part to the active asset management approach. The unexpired lease term amounted to 8.3 years as of December 31, 2020. The properties' geographical breakdown reveals a focus on Eastern Switzerland, Zurich and Valais. At 5.5 percent, the gross actual return of the portfolio was at an attractive level as of December 31. Overall, the premises have a quality profile score of 3.8 and generate target rental income of 6.1 million Swiss francs.

The achievements of the Asset Management division were pivotal to the results and performance of the Fund.

The strategy of the HSO Fund focuses on special-purpose real estate with special risk/return ratios. When managed with a systematically hands-on approach, all premises 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.

During the reporting period, the following Asset Management achievements made a special contribution to the results of the HSO Fund:

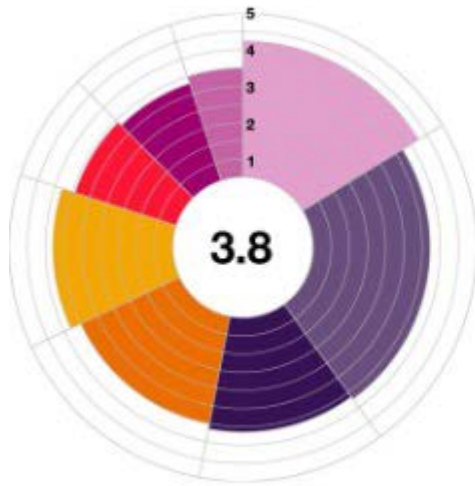
Wädenswil ZH, Steinacherstrasse 101

Renovation work to convert the former office building to a property that can be used as a school proceeded according to plan; the grand opening ceremony was held on August 17, 2020, and the Canton of Zurich set up a high school (Zimmerberg Cantonal School) thereafter. A grand total of around 3.8 million Swiss francs was invested in the property to meet the needs of this tenant (Canton of Zurich) with a strong credit rating. The average lease term for the Wädenswil building is over seven years. From 2021 onward, it will generate rental income of 1.4 million Swiss francs per year.

Schaffhausen SH, Solenbergstrasse 21

The company that built and sold this logistics facility completed the project ahead of schedule. Preliminary checks and preliminary acceptance proceeded without any major issues. The building was completed in July and handed over to the tenant. The HSO Fund included this building in its portfolio with an impact on income on August 10. The current tenant pays 0.7 million Swiss francs per year in rent, which corresponds to 124 Swiss francs per square meter. The lease agreement has a term of 15 years and does not provide an option for early termination.

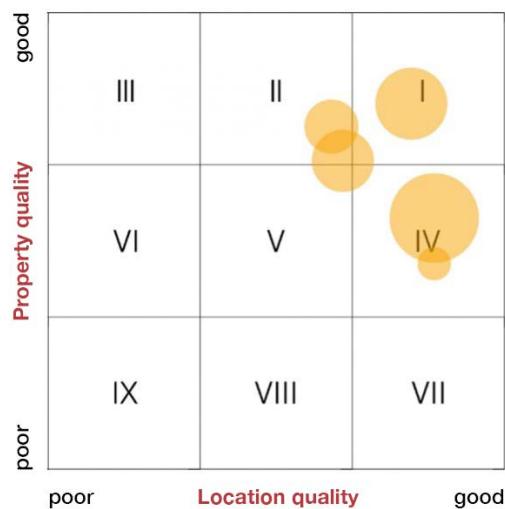
Quality Profile Evaluation



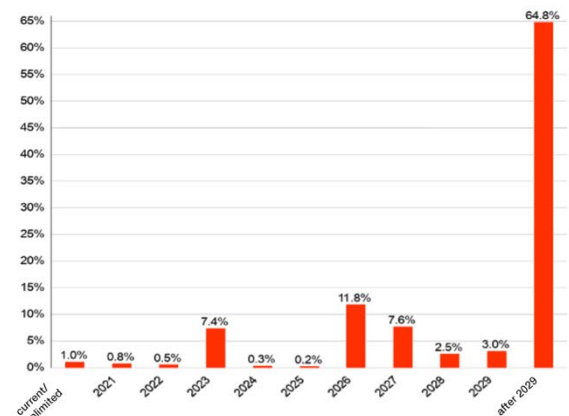
	Score	Weight
Overall score	3.8	
Location	4.1	40
Macro location	4.2	40
Micro location	3.7	58
Property	3.6	40
Use	3.6	32
Standard	3.5	38
Condition	3.8	30
Investment	3.4	20
Rentability	3.4	37
Salability	3.3	37
Income risk	3.5	25

Note: 1 = worst score, 5 = best score

Property Quality / Location Quality

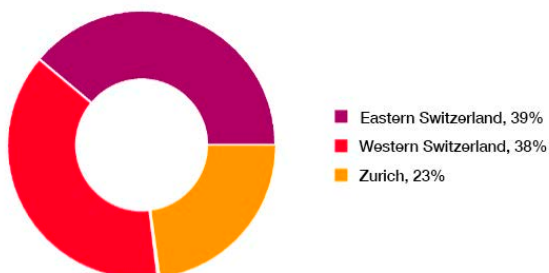


Lease Term



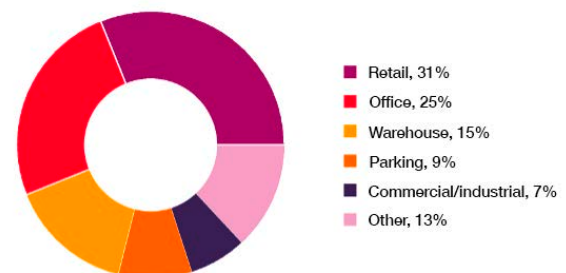
Geographical Distribution

(Market values)



Rental Income According to Main Use

(Target rental income)



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. That puts us in a position to perform targeted, system-appropriate maintenance and modernization for these 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 launched our improvement process last fall on two pilot buildings, with one each from the HSL Fund and the HSC Fund. Both properties were 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 HSO Fund was launched at the end of 2019, the first year is slightly longer than usual and extends from November 29, 2019, to December 31, 2020. Gross asset value grew to 112 million Swiss francs during this time.

The initial issue of the HSO Fund attracted proceeds in the amount of 50 million Swiss francs. Another 250,000 shares were issued nearly a year later, on November 3, 2020, which generated another inflow of 27 million Swiss francs to the Fund.

Five properties were acquired during the period under review.

The Fund reported a net asset value per share of 111.82 Swiss francs on December 31, 2020, which corresponds to a return on investment of 11.8 percent and a return on equity of 10.9 percent for the extra-long financial year.

The fund currently is in the build-up phase which leads to higher TER_{REF} . The TER_{REF} GAV amounts to 1.28 percent and TER_{REF} NAV is 1.67 percent. Calculated on the balance sheet date the TER_{REF} GAV amounts to 0.93 percent and TER_{REF} NAV amounts to 1.23 percent.

Balance Sheet

Gross asset value reflects the acquisitions of the first financial year and amounts to 112 million Swiss francs. At the balance sheet date, the market value of the properties was 110 million Swiss francs, cash and cash equivalents came to 0.6 million Swiss francs, and other assets amounted to 0.7 million Swiss francs.

After deducting liabilities of 25 million Swiss francs and liquidation taxes of 2.6 million Swiss francs, the net fund assets amounted to 84 million Swiss francs on the balance sheet date.

At 21.3 percent, the debt financing ratio is substantially below the limit of 50 percent.

Income Statement

The properties purchased generated rental income of 5.7 million Swiss francs during the period under review. Expenses came to around 2.1 million Swiss francs.

Unrealized gains of 4.5 million Swiss francs were recognized due to remeasurement gains on initial recognition and slight increases in valuation since the date of purchase.

Balance Sheet

in CHF

Assets	Notes	12/31/2020
Cash, post and bank deposits on sight including fiduciary investments with third-party banks		588 615
Properties		
Commercially used properties	1	110 262 000
Total for properties		110 262 000
Other assets		708 501
Gross asset value		111 559 116
Liabilities		
Current liabilities		
Short-term interest-bearing mortgages and other mortgage-backed liabilities	8, 9	-23 480 000
Other current liabilities		-1 589 485
Total current liabilities		-25 096 485
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		-25 096 485
Net fund assets before estimated liquidation taxes		86 489 631
Estimated liquidation taxes		-2 626 538
Net fund assets		83 863 093
Further Information		
Number of shares outstanding		
Number of shares at the start of the reporting period		0
Issued shares		750 000
Redeemed shares		0
Number of shares at the end of the reporting period		750 000
Net asset value per share at the end of the financial year		111.82
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		75 597 500
Total profit		8 265 593
Net fund assets at the end of the financial year		83 863 093
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	1 633 770
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		109 039 246

Income Statement

in CHF

Income	Notes	01/01/ - 12/31/2020
Negative interest rate		-12 559
Rental income	17	5 694 800
Income from leasehold interest		113 750
Other income		617 963
Participation in current income from share issuance		815 000
Total income		7 228 954
Expenses		
Mortgage interest and interest from mortgage-backed liabilities		-88 806
Other interest payable		-996
Leasehold interest		-303 293
Maintenance and repairs		-321 982
Property management		
Property expenses		-111 839
Administrative expenses		-17 723
Taxes		
Property tax		-58 000
Profit and capital tax		-149 502
Evaluation and auditing expenses		-78 451
Regulatory fees		
Fund Management Company	12	-584 464
Custody bank	12	-32 200
Property management	12	-89 727
Market maker		-70 000
Other expenses		
Other expenditures		-188 581
Total expenses		-2 095 563
Profit		
Net income		5 133 391
Realized capital gains		0
Realized profit		5 133 391
Unrealized capital gains		4 470 053
Change in liquidation taxes	17	-1 337 851
Total profit		8 265 593
Profit Appropriation		
Net income for the financial year		5 133 391
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		5 133 391
Profit intended for distribution to investors		4 500 000
Capital gain intended for distribution to investors		0
Income retained for reinvestment		0
Balance to be carried forward		633 391

Notes

1. Inventory of the Properties Held*

Address	Ownership situation	Fair market value	Initial costs	Gross income (rental income)	Occupancy
All amounts stated in CHF					
Commercially used properties					
Wädenswil, Steinacherstrasse 101	Sole ownership	20 170 000	20 641 240	747 042	94.3%
Rümlang, Hofwisenstrasse 48	Sole ownership under leasehold	5 782 000	5 639 340	630 054	100.0%
Schaffhausen, Industriestrasse 2b	Condominium ownership	27 190 000	24 491 401	1 456 508	100.0%
Schaffhausen, Solenbergstrasse 21	Sole ownership	15 240 000	15 199 308	303 750	100.0%
Sion, Avenue du Midi 3	Condominium ownership	41 880 000	39 836 830	2 557 447	100.0%
Total for commercially used properties		110 262 000	105 808 119	5 694 800	
of which, under leasehold		5 782 000	5 639 340	630 054	
of which, condominium ownership		69 070 000	64 328 231	4 013 954	
Total for properties		110 262 000	105 808 119	5 694 800	

*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)
Wädenswil, Steinacherstrasse 101	Zurich	Sole ownership	11/30/2019
Rümlang, Hofwisenstrasse 48	Zurich	Sole ownership under leasehold	11/30/2019
Schaffhausen, Industriestrasse 2b	Schaffhausen	Condominium ownership	12/12/2019
Schaffhausen, Solenbergstrasse 21	Schaffhausen	Sole ownership	7/1/2020
Sion, Avenue du Midi 3	Valais	Condominium ownership	1/1/2020

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 Opportunity AG, headquartered in Zurich. All properties in the HSO Fund are now held by Helvetica Swiss Opportunity AG.

5. Shares in Other Real Estate Funds and Certificates

None

6. Rental Income per Tenant over 5 percent

Tenant	Annual rent in %
Manor AG	35.6
Canton of Zurich	15.3
NextPharma Logistics GmbH	12.2
Lipo Einrichtungsmärkte AG	11.7
Zamba Fruchtsäfte AG	7.4
Clever Sports AG	7.1
Total	89.3

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				
Type	Interest rate	Amount	Date of issue	Maturity
Libor mortgage	0.55%	11'600'000	2/25/2019	12/31/2021
Libor mortgage	0.46%	1'940'000	12/15/2020	1/14/2021
Saron mortgage	0.46%	9'940'000	12/31/2020	1/31/2021
Total		23'480'000		

Current mortgages and fixed advances

All amounts stated in CHF				
Type	Interest rate	Amount	Date of issue	Maturity
Fixed advance	0.09%	2'000'000.00	11/15/2020	12/14/2020
Fixed advance	0.09%	2'000'000.00	10/15/2020	11/14/2020
Fixed advance	0.46%	2'000'000.00	9/15/2020	10/14/2020
Fixed advance	0.46%	2'000'000.00	8/14/2020	9/14/2020

10. Fees and Incidental Costs Charged to the Investors

Remuneration	Maximum rates	Actual rates	Basis
Issuing commission on shares	3.00%	1.50%	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%	0.25%	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%	0.64%*	Gross asset value
Purchase/sales compensation	3.00%	2.07%	Purchase/sale price
Building and renovation fee	4.00%	-	Construction costs
Property management	5.00%	-	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)	CHF 5'000	0	Flat rate CHF 5'000 per year
			Flat rate CHF 12'500 per quarter (plus set up fee for the first year of CHF 20'000)
Market Maker	-	CHF 70'000	
Remuneration to property managers	5.00%	1.58%	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 month). During the slightly longer first financial year (13 months) 0.70% was effectively charged.

13. Distribution of Profits

For the financial year ending December 31, 2020, a total amount of 4.5 million Swiss francs will be distributed, representing 6.00 Swiss francs per share and a distribution yield on the NAV per share of 5.4 percent. The payout ratio is 87.7 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 properties in the HSO Fund proved extremely robust during the COVID-19 crisis. Among tenants in the HSO Fund, which has nearly no exposure in the catering and tourism industry, we estimate that around 41 percent of target rental income was directly impacted by the lockdown in the spring. However, some 87 percent of the directly impacted rental income comes from large tenants with strong credit ratings that were able to cushion the impact of the pandemic.

The valuations of the properties remained stable and the few lockdown-related negotiations with tenants were concluded successfully. Rent defaults related to COVID-19 amounted to 0.29 million Swiss francs or 4.6 percent of the Fund's target rental income; no rents were waived in full. Additionally, there are no tenant bankruptcies or legal disputes related to the COVID-19 pandemic.

The Fund Management Company is making every effort to clarify the situation as quickly as possible for all stakeholders – meaning tenants, investors and all other parties affected – and restore certainty to greatest possible extent.

The long-term effects of the COVID-19 pandemic are not entirely clear at this time and rather difficult to assess.

The HSO Fund benefits here from the fact that it generally and strategically invests in buildings with rather low rents per square meter and that the uses more strongly affected by COVID-19, calculated in terms of rental income, come to around 87% from large and creditworthy tenants.

In the case of the non-food retail space, which was hit particularly hard, the rental income of most affected spaces comes from more corporate-style tenants with good credit ratings and longer lease terms, as already mentioned.

Initially, it was assumed that the COVID-19 crisis would likely have a strong, direct impact on the valuations of commercial real estate funds. Now that the updated valuations for the HSC Fund are available, it can be stated that the valuations have remained stable overall and no increased valuation uncertainties as a result of COVID-19 were disclosed in the report of the independent real estate valuation expert.

Notes

15. Events After the Balance Sheet Date

None

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

The properties are only depreciated at the level of the subsidiaries (Helvetica Swiss Opportunity 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 (Helvetica Swiss Opportunity AG) 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 11/30/2019	Change
1'633'770	703'878*	929'892
Total provisions for R&M at the Fund level as of 12/31/2020	Total provisions for R&M at the Fund level at the time of issue	Change
0	0	0

* The tax-motivated provisions for R&M were taken over as part of the share deal

17. Collected Footnotes

1. The COVID-19-related rent reductions described in Note 14 were recognized under rental income in the 2020 financial year as a reduction in income.
2. COVID-19-related rent reductions and allowances for credit balances from trade receivables (del credere) are not included in the rent default rate.
3. As part of the share deal for the properties in Wädenswil and Rümlang, 1,288,687 Swiss francs in liquidation taxes were assumed with the acquisition balance sheet. In the further course of the reporting period, the liquidation tax changed by 1,337,851 Swiss francs to 2,626,538 Swiss francs as of December 31, 2020 due to changes in value and purchases.

Organization

Fund Management Company	Helvetica Property Investors AG, Brandschenkestrasse 47, 8002 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. 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 Wednesday, March 11, 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 Opportunity 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, amendments were only made in para. 5 sect. 4 and those amendments were purely formal or editorial in nature.

Legal Disputes

There are no pending or threatened legal disputes.

Compliance with Investment Restrictions

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

Information About Related-party Transactions

The Fund Management Company confirms that the transactions mentioned in Note 2, Rümlang and

Wädenswil, took place with related parties. FINMA approved these transactions in August 2018.

Apart from the transactions mentioned, the Fund Management Company confirms that no other properties were transferred to or from related parties and that all other transactions with related parties were concluded at standard market terms (section 18, line 52 of the Guidelines for Real Estate Funds from the Swiss Funds & Asset Management Association SFAMA of April 2, 2008, version dated September 13, 2016).

Change of Custodian Bank

There were no changes in the Fund Management Company or the custodian bank 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.

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 Opportunity Fund
Independent real estate valuer's report
Valuation as at 31 December 2020

To the Executive Board of Helvetica Property Investors AG

Ref.
118584.2010

Commission

Wüest Partner AG (Wüest Partner) was commissioned by the Fund Management to perform a valuation, for accounting purposes, of the five properties held by Helvetica Swiss Opportunity 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 Opportunity Fund's liabilities in respect of taxation (apart from ordinary property taxes) and financing costs.

Valuation method

In valuing Helvetica Swiss Opportunity 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.

Wüest Partner AG
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Bleicherweg 5
8001 Zurich
Switzerland
T +41 44 289 90 00
wuestpartner.com
Regulated by RICS

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 five 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 110,262,000 Swiss Francs.

In the property valuation, real discount rates between 3.45% and 3.90% were applied. Considering an inflation rate of 0.50% the nominal discount rates lie between 3.97% and 4.42%. Over the whole portfolio, the average of the discount rates – weighted by market value – is 3.64% in real terms and 4.16% in nominal terms.

Changes in the real estate portfolio

All five investment properties were acquired during the period 29 November 2019 to 31 December 2020.

Independence and confidentiality

The valuation of Helvetica Swiss Opportunity 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 Opportunity 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 Opportunity 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 Implenja 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 lease agreement 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 lease agreements 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 (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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