

2021 Annual Report

Helvetica Swiss Living Fund

Real Estate Fund
under Swiss Law



FINMA
approved

Key Figures

516

**Gross asset value
(in CHF million)**

Increase of 129 percent since
12/31/2020

501

**Property portfolio
(CHF million)**

Up 145 percent through acquisitions
since 12/31/2020

19.2

**Target rental income
p. a. (CHF million)**

An increase of 115 percent
compared with 12/31/2020

95.2

Occupancy rate (%)

Up 6 percentage points since
12/31/2020

1,176

**Apartments
(number)**

Increased by around 154 percent
or 713 apartments

38.6

**Debt financing ratio
(%)**

Up slightly by 3.1 percentage points
since 12/31/2020

113.31

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

After adjustment for the distribution
of profits, corresponds to a 7.7
percent increase since 12/31/2020

3.7

**Gross actual return
(%)**

A slight decrease of 0.2 percentage
points through additional acqui-
sitions at attractive locations

7.7

**Return on investment
(%)**

Down slightly by 0.6 percentage
points since the end of 2020

2.9

Distribution yield (%)

Stable yearover-year

3.40

**Distribution per unit
(CHF)**

A substantial year-over-year
increase of around 10 percent

115.50

Price per unit (in CHF)

Taking the distribution of profits
into consideration, corresponds to a
performance of 11.6 percent since
12/31/2020

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Helvetica Swiss Living Fund (HSL Fund)

Real Estate Fund under Swiss Law

Audited Annual Report as of December 31, 2021



Basel, Hegenheimerstrasse 43-49

Key Financial Figures

Key Data		Notes	as of 12/31/2021	as of 12/31/2020
Securities number			49527566	49527566
Initiation date			11/06/2019	11/06/2019
Issued units	Quantity		1 371 155	1 371 155
Outstanding units	Quantity		2 742 310	1 371 155
Redeemed units	Quantity		0	0
Net asset value per unit	CHF		113.31	108.31
Weighted real discount rate	%		2.73	3.03
Balance Sheet			as of 12/31/2021	as of 12/31/2020
Fair market value of the properties	CHF	1	500 787 000	204 347 000
Total fund assets (GAV)	CHF		516 277 921	225 118 403
Debt financing ratio	%		38.60	35.47
Debt ratio	%		39.81	34.02
Residual term debt financing	Years	8	0.10	0.01
Interest rate debt financing	%	8	0.11	0.04
Net fund assets (NAV)	CHF		310 741 745	148 512 490
Income Statement			as of 12/31/2021	as of 12/31/2020
Rental income	CHF		11 370 234	4 609 479
Net income	CHF		11 979 559	4 710 711
Rent default rate*	%	1, 13	7.73	12.17
Maintenance and repairs	CHF		1 063 051	350 540
Operating profit margin*	%		68.41	72.35
Return and Performance			as of 12/31/2021	as of 12/31/2020
Distribution of profits	CHF	12	9 323 854	4 250 581
Distribution per unit	CHF	12	3.40	3.10
Distribution yield*	%	12	2.94	2.86
Payout ratio*	%	12	77.83	90.23
Return on equity (ROE)*	%		6.69	6.48
Return on invested capital (ROIC)*	%		4.19	5.29
Performance*	%		11.59	5.45
Return on investment*	%		7.70	8.31
Price per unit	CHF		115.50	106.50
Premium/discount*	%		1.93	-1.67
Total expense ratio TER _{REF} GAV*	%		0.87	1.16
Total expense ratio TER _{REF} NAV	%		1.48	1.76
Total expense ratio TER _{REF} MV*	%		1.45	1.76

* The figures were calculated according to the SFAMA's specialist information fact sheet "Key Data for Real Estate Funds" dated September 13, 2016, issued by Asset Management Association Switzerland (AMAS). The rent default rate is 7.7 percent as of 12/31/2021. Including the rent reductions, the rent default rate would amount to 7.8 percent. If COVID-19-related rent reductions were also included in this figure, the rent default rate would be 7.9 percent.

The reference period for the key figures shown in the income statement and for return and performance figures extended from 11/06/2019 to 12/31/2020. The key figures were not annualized in the reference period.

Past performance is no guarantee for future results and does not reflect any commissions or costs that arise in connection with subscriptions and redemptions of units.

The Year in Brief

Very successful implementation of the growth strategy at the Helvetica Swiss Living Fund: The portfolio grew by 145 percent to 501 million Swiss francs in the year under review.

Demand remains strong for the real estate asset class, particularly in the residential sector. Accordingly, 2021 proved to be a very high-growth, successful year for the HSL Fund. 19 properties were purchased and integrated into the portfolio and the portfolio of existing properties was upgraded by various means. As a result, the portfolio's market value rose from 204 million Swiss francs (end of 2020) to 501 million Swiss francs at the end of 2021. As of the cut-off date, the Fund comprises 41 properties with 1,176 apartments and a total rental space of 99,135 square meters. The Asset Management team succeeded in boosting the occupancy rate from 89.2 percent (end of 2020) to 95.2 percent.

First Quarter

A property with three residential buildings was acquired in Gerlafingen at the start of the year; the property has a market value of 17.2 million Swiss francs and 54 apartments. The purchase agreement for this property had already been signed at the end of 2020.

Second Quarter

The second quarter featured an extremely large number of acquisitions. In May, the Fund purchased a residential property in Zurich with nine apartments that has a market value of 7 million Swiss francs. The three-story building still has an enormous amount of unutilized space that offers interesting options for the building's further development. If it can be rezoned from residential zone W3 to W5, five floors and an additional attic story would be possible on the lot.

The HSL Fund was able to shine in July. It acquired five residential properties in the cantons of Berne, Neuchâtel, Thurgau, Schaffhausen and Valais with a total market value of 73.3 million Swiss francs and 228 apartments. Another four properties in Zurich, Oberglatt, Frauenfeld

and Schwerzenbach were added to the portfolio as of July 1. They have a market value of 43.1 million Swiss francs and 64 apartments.

Third and fourth quarters

In a veritable end-of-the-year spurt, eight properties with a market value of 151.5 million Swiss francs and 358 apartments were added to the portfolio at the end of the third quarter and in the fourth quarter. The high-quality residential properties are located in the municipalities of Basel, Biel, Derendingen, Frauenfeld, Nidau, St. Gallen and Subingen. Another six properties were bound by contract; these were notarized at the very start of the new year and will contribute to earnings throughout all of 2022. In September, a property in Neuhausen that is not in line with the strategy was sold for 2.9 million Swiss francs.

The numerous transactions meant that the funds raised through the capital increases were fully invested shortly after the issue and in accordance with the investment strategy.

Capital increases

The first capital increase in the year under review was carried out in May and successfully completed with issue proceeds of 37.6 million Swiss francs. A total of 342,789 new units were issued at an issue price of 109.68 Swiss francs per unit. The new units were fully paid up on May 31. A second capital increase was carried out in November, which raised issue proceeds of 117.5 million Swiss francs. 1,028,366 new units were issued at a net issue price of 114.24 Swiss francs per unit. These units were fully paid up on December 6. Since demand from investors was very high, both capital increases were significantly oversubscribed, which resulted in a successful expansion of the investor base. A total of 2,742,310 units were outstanding at the end of the reporting period.

Performance

Net asset value per unit rose from 108.31 Swiss francs to 113.31 Swiss francs in the past year. After adjustment for the distribution of profits for the 2020 financial year, this corresponds to a pleasing 7.7 percent return on investment. Additionally, the market price for the units rose from 106.50 Swiss francs to 115.50 Swiss francs. After adjustment for the distribution of profits of April 2021, this increase corresponds to a performance of 11.6 percent. As the chart below clearly shows, it significantly outperformed the SXI Real Estate Funds Broad benchmark. As a result, the fund is being traded at a slight premium of 1.9 percent (as of December 31, 2021). Based on these good results, the second distribution of profits will be paid out to investors on April 29, 2022. Compared to the previous year, this distribution of profits will be raised from 3.10 to 3.40 Swiss francs per unit, which is equivalent to an increase of around 10 percent. This corresponds to a distribution yield of 2.9 percent.

Outlook

Strong investor demand is testimony to their continued confidence in the Fund's investment strategy. This strategy focuses on geographical diversification as well as the acquisition of properties with attractive earnings potential. It is aimed at generating qualitative growth with a medium-term portfolio size of over 800 million Swiss francs. To further strengthen the portfolio's diversification, the possibility of a capital increase will be examined in the first half of the year. A listing on SIX Swiss Exchange is targeted in 2022/2023, however this will hinge on good market conditions and an adequate portfolio size.

Performance

Performance in CHF (reset to base 100) and annual performance



Performance in %

In %	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
HSL Fund	11.59%	1.32%	2.21%	11.59%	-	-	17.67%
Benchmark	7.32%	3.87%	0.83%	7.32%	-	-	20.44%



Zetzwil, Bohnenackerweg 425

Portfolio Report

Strong growth and above-average performance: The income situation of the Helvetica Swiss Living Fund was improved significantly through a wide range of successful rental activities and the diversification achieved through 19 acquisitions. As of December 31, 2021, the portfolio comprises 41 properties with 1,176 apartments.

Investor demand for properties in the residential segment remains very high, which meant that portfolio expansion efforts could be successfully driven forward in 2021, as well. The Fund purchased 19 properties in the year under review with a total market value of around 291 million Swiss francs. One commercially used property that was not in line with the strategy in Neuhausen am Rheinfall in the Canton of Schaffhausen with a market value of 2.8 million was sold at market conditions in the third quarter. The market value of the existing property portfolio increased by 3.4 percent (around 6.9 million Swiss francs) during the same period. This increase was attributable to a market-induced 0.3 percentage point decrease in discount rates, from 3.0 percent to 2.7 percent. Additionally, successful rental activities were able to substantially reduce vacancies, which had a correspondingly positive impact on the market value. Including the acquisitions, the portfolio's market value rose year over year by around 145 percent or from 204 million Swiss francs to 501 million Swiss francs. The number of apartments increased from 463 to 1,176 as a result.

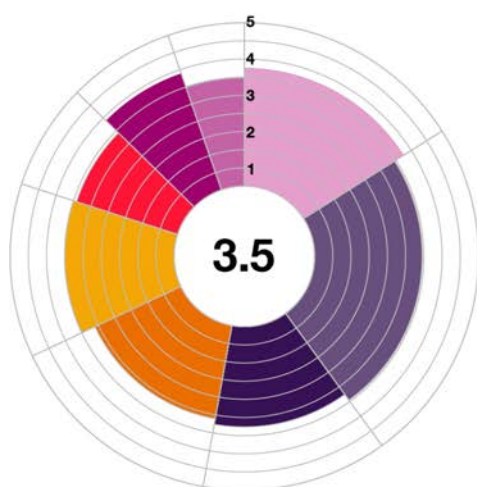
The geographical breakdown of the properties shows a focus on German-speaking Switzerland, which accounts for around 86 percent of the portfolio. The remaining 14 percent are spread out around Southern and Western Switzerland. The residential portion with related ancillary uses and parking spaces accounts for 93 percent of target rental income. For more information, please refer to the charts entitled "Geographical Distribution" and "Rental Income According to Main Use".

On average, the quality profile according to Wüest Partner remained stable year over year at an overall score of 3.5. The acquisitions therefore underpinned the quality of the portfolio.

The portfolio's occupancy rate rose by 6.0 percentage points, from 89.2 percent to 95.2 percent, compared to the end of the previous year. The acquired properties and the sale of the property in Neuhausen am Rheinfall in the Canton of Schaffhausen had a positive impact on the occupancy rate. Likewise, the occupancy rate of the portfolio of existing properties was increased considerably by 5.6 percentage points from 89.2 percent to 94.8 percent. This made it possible to generate another 0.34 million per year in rental income for the Fund.

Actual rental income for the year as of the cut-off date of the report amounted to 18.3 million Swiss francs. This results in a slightly lower gross actual return of 3.7 percent (3.9 percent at the end of the previous year). This was attributable to the generally higher price level for all transactions conducted at more central locations and in locations with high occupancy rates.

Quality Profile



	Grade	Weighting
Overall rating	3.5	
Location	3.6	40
Macro-location	3.8	40
Micro-location	3.5	60
Property	3.3	40
Usability	3.3	32
Standard	3.1	38
Condition	3.5	30
Investment	3.6	20
Lettability	3.4	37
Saleability	3.9	37
Income risk	3.5	26

Note: 1 = lowest score, 5 = best score

Portfolio Outlook

In January, 171 apartments in Wattwil in the Canton of St. Gallen and in Zweideln in the Canton of Zurich with a market value of 74 million Swiss francs were added to the portfolio. The Fund is well diversified in growth regions. Rents are in the affordable mid-price range, which ensures that the apartments are easy to rent. Despite the fact that the occupancy rate is currently at a high level, further rental potential still exists, which means that there are chances to generate additional rental income. For the upcoming year, the focus will be on realizing this potential. Efforts in the future will also include making the best possible use of structural potential, as well. Potential analyses will have been completed by mid-year for all properties in the portfolio to refine the renovation plans. At the properties in Rorschach in the Canton of St. Gallen, in Benglen in the Canton of Zurich and in Grenchen in the Canton of Solothurn, the Asset Management team is in the process of assessing the profitability of total renovations. The basis for decision-making should be available by the end of the year.

The Fund Management Company expects the occupancy rate for the existing property portfolio to increase by a total of 0.5 percentage points to around 95.7 percent for the current year. What's more, since the Fund Management Company also aims to expand the existing residential real estate portfolio in line with the investment strategy, it is convinced that it will be able to pay investors stable and attractive distributions of profits over the long term.

Market Assessment

Demand for Swiss real estate investments remains high for residential uses and interest rates remain at a low level. While these two components should ensure that the transaction market remains competitive, Helvetica has already observed a reduction in related acquisition criteria for individual real estate investors.

The market volume, which has been picking up since the start of 2021, stabilized at an elevated level at the end of the year. This development enabled the Fund Management Company to completely fill the pipeline for upcoming capital increases, meaning the funds raised through the capital increases could be invested in full. The main focus was on strict improvements in the quality of the portfolio.

The Fund Management Company's objective is to continuously improve the portfolio's key indicators. This is done by paying attention to location and floor plan qualities that fit the portfolio as well as properties that are easy to rent.

Acquisitions

The Fund's portfolio was expanded in 2021 with the addition of 19 premium properties and 713 apartments at good locations.

1st quarter

The Fund acquired a property with three residential buildings and a market value of 17.3 million Swiss francs on January 1. The 54 apartments generate target rental income of 0.7 million Swiss francs per year.

2nd quarter

The first acquisition of the second quarter was made on May 1 in Zurich. The 552 square meter residential property has a market value of 7.3 million Swiss francs and the target rental income amounts to 0.2 million Swiss francs per year. The purchase agreement in the amount of 10.7 million Swiss francs for a property under construction in Höri was signed at the end of May. This property, which has around 1,400 square meters of rental space, will be integrated into the portfolio once construction is finished, which is expected to be in April 2022.

With 10 purchases, June was the year's busiest month for acquisitions and brought the first half year to an impressive close. As of June 1, for example, the HSL Fund acquired four residential properties within the scope of a portfolio transaction in the cantons of Neuchâtel, Berne, Thurgau and Schaffhausen. A property with a market value of 6.8 million Swiss francs was acquired in La Chaux-de-Fonds (NE). The 24 apartments generate target rental income of 0.4 million Swiss francs per year. Another residential property was purchased in Weinfelden (TG) with a market value of 12 million Swiss francs. The 36 apartments generate target rental income of 0.5 million Swiss francs per year. A property in Lyss (BE) with a market value of 14.2 million Swiss francs was also added to the portfolio. This 33-apartment building generates target rental income of 0.5 million Swiss francs per year. Finally, the HSL Fund conducted a portfolio transaction for a property in Beringen (SH) with a market value of 16 million Swiss francs. It consists of 40 apartments that generate target rental income of 0.7 million Swiss francs per year.

A property in Sion with a market value of 24.2 million Swiss francs and 95 apartments was integrated into the portfolio with effect on June 1, as well. This will result in target rental income of 1 million Swiss francs per year.

The Fund was able to conclude additional purchase agreements in June by means of a portfolio transaction for a total of four properties in the cantons of Zurich and Thurgau: One residential property in Zurich with 15 apartments and a market value of 14.7 million Swiss francs generates target rental income of 0.3 million Swiss francs per year. Another property with 16 apartments was acquired in Oberglatt. The market value of this property is 8.5 million Swiss francs and the target rental income amounts to 0.2 million Swiss francs per year. The third property in the Canton of Zurich is located in Schwerzenbach. It has a market value of 12.4 million Swiss francs and comprises 19 apartments. The target rental income generated for the Fund amounts to 0.3 million Swiss francs. The portfolio property in the Canton of Thurgau is located in Frauenfeld. It has 15 apartments, a market value of 7.5 million Swiss francs and generates target rental income of 0.2 million Swiss francs per year.

3rd quarter

Two properties were purchased in September and one was sold. The sale relates to a property in Neuhausen (SH) that was used exclusively for commercial purposes; it was sold for 2.9 million Swiss francs since it was not in line with the Fund's investment strategy. This divestment increased the residential share and reduced vacancies. Purchase agreements were signed at the end of September for one property in Subingen (SO) and one property in Derendingen (SO). Both properties contributed to income from October 1 onward. With a market value of 7.6 million Swiss francs, 18 apartments and a target rental income of 0.3 million Swiss francs, the fully leased building in Derendingen is the smaller of the two properties. The building in Subingen is also fully leased and has a market value of 9.8 million Swiss francs, 23 apartments and a target rental income of 0.4 million Swiss francs.

4th quarter

There was an end-of-year spurt in the fourth quarter that was accompanied by many successes. In December, the HSL Fund purchased six premium properties worth 134.1 million Swiss francs that are spread out in the cantons of Basel, Bern, St. Gallen and Thurgau. One of the two properties in Basel supplements the portfolio with a market value of 23 million Swiss francs, 33 apartments and a target rental income of 0.7 million Swiss francs, whereas the second property has a market value of 22.7 million Swiss francs, 42 apartments and a target rental income of 0.7 million Swiss francs. Two properties were also purchased in the Canton of Berne. One is in Nidau

and has a market value of 18.8 million Swiss francs, 60 apartments and a target rental income of 0.7 million Swiss francs along with a very high occupancy rate of 98.8 percent. The second property is in Biel and has a market value of 42.8 million Swiss francs, 141 apartments, target rental income of 1.8 million Swiss francs and also boasts a very high occupancy rate of 98.2 percent. A somewhat smaller property with a market value of 12.4 million Swiss francs was acquired in St. Gallen. This building adds 22 apartments with target rental income of 0.4 million Swiss francs to the portfolio and has an occupancy rate of 93.1 percent. The fully leased building in the Canton of Thurgau is located in the city of Frauenfeld and has a market value of 14.3 million Swiss francs. The 19 apartments generate target rental income of 0.5 million Swiss francs.

Successful Rental Activities

During the past financial year, the following asset management achievements made a special contribution to the results of the Fund:

Grenchen, Viaduktstrasse 9/11

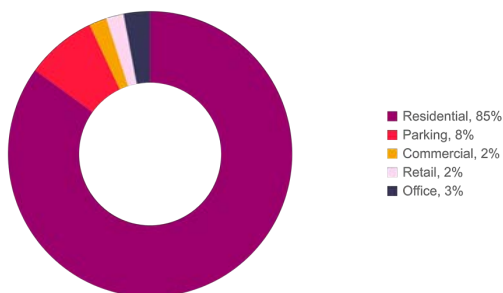
The vacancy rate amounted to just under 25 percent at the start of 2021. Targeted marketing activities succeeded in reducing this figure to 3 percent in the space of six months, meaning the property is fully leased with the exception of a few parking spaces.

Therwil, Vorderbergweg 2–4 / Reinacherstrasse 3–5

A vacancy rate of 18.5 percent was inherited with the purchase of this property at the end of the previous year. It was brought down to 4 percent over the course of the year.

Rental Income According to Main Use

(Target rental income)



Bulle, Rue Nicolas-Glasson 5–7

Targeted marketing activities succeeded in concluding a lease with a fixed term of five years for 200 square meters of office space as of July 2021.

Haag, Thalistrasse 2–8

All vacant apartments were rented out, bringing the vacancy rate down to 2.4 percent.

Erlen, Kummertshauserstrasse 7a–11b

The independent certification process for the recognized Swiss System sustainability label from the DGNB (German Sustainable Building Council), represented in Switzerland by the SGNI (Swiss Sustainable Building Council), was successfully completed with a certificate granted in "Silver".

Fribourg, Avenue du Midi 17/19

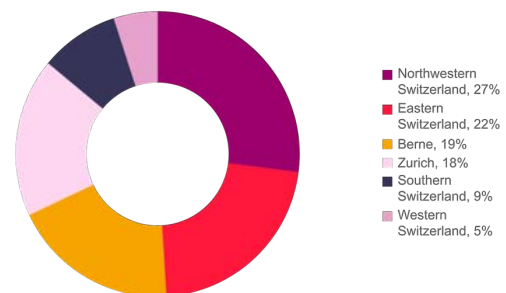
The property had been acquired with a vacancy rate of 17.8 percent at the end of the year. As of September 2021, all apartments had been rented out thanks to dedicated property management activities.

Monthey, Chemin des Semilles 13a/b

The vacancy rate after the property's purchase was just under 14 percent but it reached full occupancy by the end of the year.

Geographical Distribution

(Fair values)





St.Gallen, Zürcherstrasse 84, Schibistrasse 3–5

Sustainability

In its capacity as a real estate investor, Helvetica's Fund Management Company is aware of its responsibility to ensure a sustainable future. Sustainability forms part of its corporate philosophy and sustainability principles are incorporated into every decision. To that end, the Fund Management Company took initial steps in 2020 aimed at supporting sustainable development as well as effective, ongoing improvements in the environment. The measures initiated are aligned with the Paris Agreement and the federal government's current energy and emission reduction targets. Based on clear targets, the steps taken are measured and communicated to stakeholders and investors in transparent reports.

Sustainable portfolio development is a top priority, particularly at the property level. To adequately take this relevance into account, the Fund Management Company assesses various certification systems in terms of effort, costs and acceptance on the market. One of those is the "Buildings in Use" system offered by DGNB/SGNI. DGNB's certification system is specifically designed for properties in use and focuses on becoming climate neutral.

To understand the certification process, evaluation criteria and the main topics examined, Helvetica had one property from both the HSC Fund and the HSL Fund certified. Both were granted Silver certification in February 2021. The use of photovoltaic systems is being reviewed to determine the portfolios' potential for sustainable power generation.

And going forward, only heating systems powered by renewable energies will be used whenever possible if the systems are scheduled for replacement or in the event of an emergency replacement. Additionally, studies were performed to assess the variants for all properties with heating systems in need of upgrading. This was done

with the goal of ensuring that properties undergo maintenance that is compliant with targets and systems and with an eye to modernization.

Helvetica is not only committed to measurably implementing sustainable development at the property level. The Fund Management Company is also a signatory of the PRI (Principles for Responsible Investment). As a signatory, it pledges to integrate its ESG criteria in every aspect of its investment activities and to present these in a transparent manner.

Dedicated information on the topic of sustainability can be found in Helvetica's first ESG report. This report will be published on April 5, 2022, and address the following topics in detail:

- How Helvetica handles ESG
- Materiality matrix – explanation of the main targets with respect to the material issues
- Issues and how Helvetica deals with them
- Planned standards
- Review – measures implemented in 2021
- Article by Helvetica regarding the United Nations Sustainable Development Goals
- Outlook for 2022

Following its initial publication, the overarching ESG report will be prepared once per year in accordance with the Global Reporting Initiative (GRI). The goal is to publish the first full-fledged GRI report in 2023.

To make Helvetica's fund portfolios comparable, the Fund Management Company is also working to prepare the reports in accordance with the GRESB standard. The Funds' specific GRESB scores are to be presented for the first time in 2024.

Signatory of:



Annual financial statements as of December 31, 2021

The past year was dominated by strong growth. Two capital increases resulted in an inflow of more than 150 million Swiss francs to the Fund. 19 new properties were purchased, causing the portfolio to grow to 501 million Swiss francs. Gross asset value rose from 291 million Swiss francs to 516 million Swiss francs.

Strong investor demand made it possible to raise 155 million Swiss francs in additional funds through capital increases in the past financial year. The Fund's third capital increase took place in May and generated 38 million Swiss francs, while the fourth capital increase of more than 117 million Swiss francs was completed in December. Both capital increases were significantly oversubscribed, which once more underscores both the attractiveness of the Fund and the growth strategy embraced by the Fund Management Company. The capital contributions were used for the purchase of 19 properties. One smaller, mainly commercial-use property was sold, meaning that the portfolio grew by a net total of 18 properties to end the period at 41. In addition, purchases have already been notarized for more properties with a market value of around 74 million Swiss francs, which were transferred to ownership in January 2022.

At the end of the year, the fund recorded a net asset value per unit of CHF 113.31, which, taking the distribution of profits for 2020 of CHF 3.10 into account, corresponds to a return on investment of 7.70 percent, 0.6 percentage points lower than the prolonged previous year. The return on equity increased by 0.21 percentage points year over year to 6.69 percent as a result of higher unrealized capital gains on acquisitions.

Strong growth made it possible to reduce TER_{REF}GAV by 0.29 percentage points to 0.87 percent compared to 1.16 percent in the previous year.

Balance Sheet

Gross asset value reflects the acquisitions and capital increases carried out in the past twelve months and amount to 516 million Swiss francs. As of the balance sheet date, the market values of the properties rose by 145 percent year over year, from 204 million Swiss francs to 501 million Swiss francs. Cash and cash equivalents increased by 4 million Swiss francs to over 5 million Swiss francs at the end of the previous year. Other assets declined by 7 million Swiss francs to just under 10 million Swiss francs compared to nearly 17 million Swiss francs in the previous year. The units of other real estate funds in the amount of approximately 3 million Swiss francs that had been held at the end of 2020 were sold.

The 296 million Swiss francs increase in the portfolio is mainly attributable to the property acquisitions with investment costs of 280 million Swiss francs. Appreciation gains of over 9 million Swiss francs were achieved through those acquisitions and both investment costs and investments were capitalized, while a smaller commercial-use property was sold.

After deduction of liabilities of 203 million Swiss francs and liquidation taxes of over 2 million Swiss francs, net fund assets were 162 million Swiss francs higher on the balance sheet date at 311 million Swiss francs compared to 149 million Swiss francs at the end of the previous year.

The debt financing ratio amounts to 38.6 percent, which puts it below the limit of 50 percent stipulated in the fund contract; according to the exemption, this limit applies for the first five years from initiation.

Income Statement

Rental income of 11.4 million Swiss francs was generated through the portfolio. This was 6.8 million Swiss francs more than in the previous year, which amounted to 4.6 million Swiss francs. All in all, expenses of 5.1 million Swiss francs were incurred, which corresponds to an increase of 2.7 million Swiss francs over 2020. The earnings potential of the acquired properties will only fully unfold in 2022 – based on the annual rental income that flows to the Fund.

The item "unrealized capital gains" includes appreciation of 9.1 million Swiss francs across the entire portfolio, which is 3.7 million Swiss francs higher than the 5.4 million Swiss francs reported in the previous year.

Balance Sheet

in CHF

Assets	Notes	12/31/2021	12/31/2020
Cash, post and bank deposits on sight including fiduciary investments with third-party banks		5 499 998	1 187 185
Properties			
Residential buildings	1	486 872 000	187 668 000
Commercially used properties	1	7 990 000	2 920 000
Mixed-use buildings	1	5 925 000	13 759 000
Total properties		500 787 000	204 347 000
Units of other real estate funds and shares in real estate investment companies		0	2 889 000
Other assets		9 990 924	16 695 218
Total fund assets		516 277 921	225 118 403
Liabilities			
Current liabilities			
Short-term interest-bearing mortgages and other mortgage-backed liabilities	8	-193 300 000	-72 485 000
Other current liabilities		-9 809 777	-3 078 154
Total current liabilities		-203 109 777	-75 563 154
Total liabilities		-203 109 777	-75 563 154
Net fund assets before estimated liquidation taxes		313 168 144	149 555 249
Estimated liquidation taxes		-2 426 399	-1 042 759
Net fund assets		310 741 745	148 512 490
Further Information			
Number of outstanding units			
Number of units at the start of the reporting period		1 371 155	0
Issued units		1 371 155	1 371 155
Redeemed units		0	0
Number of units at the end of the reporting period		2 742 310	1 371 155
Net asset value per unit at the end of the reporting period		113.31	108.31
Change in net fund assets			
Net fund assets at the start of the reporting period		148 512 490	0
Distribution of earnings subject to withholding tax	12, 16	-2 276 117	0
Fund capital repayment exempt from withholding tax	12, 16	-1 974 463	0
Balance from trade in units		146 738 998	139 480 869
Total profit		19 740 837	9 031 621
Net fund assets at the end of the reporting period		310 741 745	148 512 490

Income Statement

in CHF

Income	Notes	01/01/ – 12/31/2021	11/06/2019 – 12/31/2020
Negative interest rate		0	-12 174
Rental income		11 370 234	4 609 479
Other income		1 138 059	979 490
Participation in current income from unit issuance		4 593 369	1 548 303
Total income		17 101 661	7 125 098
Expenses			
Mortgage interest and interest from mortgage-backed liabilities		-115 614	-17 203
Maintenance and repairs		-1 063 051	-350 540
Property management			
Property expenses		-208 131	-122 279
Administrative expenses		-153 026	-115 003
Taxes			
Property tax		-115 547	-14 666
Profit and capital tax		-277 128	-142 948
Evaluation and auditing expenses		-228 772	-134 683
Regulatory fees to:			
the Fund Management Company	11	-2 224 229	-975 845
the custodian bank	11	-86 424	-76 700
property management	11	-496 572	-228 872
the market maker	11	-57 500	-12 500
Other expenses			
Other expenses		-96 108	-223 147
Total expenses		-5 122 101	-2 414 387
Profit			
Net income		11 979 559	4 710 711
Realized capital gains		25 999	0
Realized profit		12 005 558	4 710 711
Unrealized capital gains		9 118 920	5 363 669
Change in liquidation taxes		-1 383 640	-1 042 759
Total profit		19 740 837	9 031 621
Profit appropriation			
Net income for the financial year		11 979 559	4 710 711
Capital gains for distribution in the financial year		25 999	0
Capital gains for distribution in previous financial years		0	0
Balance carried forward from previous year	16	460 130	0
Profit available for distribution		12 465 689	4 710 711
Profit intended for distribution to investors	12, 16	6 445 853	2 276 117
Capital gain intended for distribution to investors	12, 16	25 999	0
Transfer to retained earnings	12, 16	2 852 002	1 974 463
Income retained for reinvestment		0	0
Balance to be carried forward		3 141 835	460 130
Fund capital repayment intended for distribution to investors	12, 16	2 852 002	1 974 463
Total distribution to investors		9 323 854	4 250 581

Notes

1. Inventory

Inventories of the properties

City, address	Ownership situation	Total lettable area in square meters	Land/ building area in square meters	Year built	Date of most recent comprehensive renovation	Date of initial ownership
Residential buildings						
Basel, Birsigstrasse 80/82, Bachlettenstrasse 13/15	Sole ownership	2 992	994	1975, 1991		01/01/2022
Basel, Hegenheimerstrasse 43–49	Sole ownership	3 531	1 329	1957	1984	01/01/2022
Benglen, Bodenacherstrasse 16/18	Sole ownership	1 632	1 133	1974	2019	11/22/2019
Benglen, Bodenacherstrasse 79	Sole ownership	1 146	2 117	1973		11/22/2019
Beringen, Bahnhofstrasse 36, 38 / Zelgstrasse 35, 37, 39	Sole ownership	3 857	7 483	1992		06/01/2021
Biel, Poststrasse 32–44	Sole ownership	10 986	7 857	1974		01/01/2022
Derendingen, Schluchtbachstrasse 35–39	Sole ownership	1 919	2 931	2006		10/01/2021
Dottikon, Lindenweg 2/4/6	Sole ownership	1 655	3 982	1981	2019	01/01/2020
Erlen, Kümmertshausenstrasse 7a–11b	Sole ownership	4 576	8 912	2013		07/01/2020
Frauenfeld, Wellhauserweg 56/56a	Sole ownership	2 270	6 837	2007		01/01/2022
Frauenfeld, Zielackerstrasse 28/30/32	Sole ownership	1 189	1 824	1963	2004	07/01/2021
Fribourg, Avenue du Midi 17/19	Sole ownership	1 489	351	1906	1995	12/01/2020
Gerlafingen, Geiselfeldstrasse 11–17, Kriegstettenstrasse 38–46	Sole ownership	3 649	7 859	1964	2015	01/01/2021
Granges VS, Crête Blanche 5a–b / Av. Gare 2	Sole ownership	2 380	3 935	2016		12/01/2020
Grenchen, Kirchstrasse 72	Sole ownership	1 236	519	1972	2016	11/22/2019
Grenchen, Viaduktstrasse 9/11	Sole ownership	1 921	2 393	2015		11/22/2019
Haag, Thalistrasse 2/4/6/8	Sole ownership	3 072	6 454	2009, 2010		11/22/2019
Hirschthal, Zofoldweg 2	Sole ownership	945	2 294	1988	2019	01/01/2020
Kaisten, Weihermatt 1	Sole ownership	729	1 264	1991	2017	01/01/2020
La Chaux-de-Fonds, Rue Fritz-Courvoisier 34c, 34d	Sole ownership	2 368	2 396	1988		06/01/2021
Lufingen, Moosbrunnenstrasse 3/5/7/9	Condominium ownership	2 239	3 638	1994	2019	11/22/2019
Lyss, Birkenweg 16, 18, 22	Sole ownership	2 895	4 885	1986		06/01/2021
Monthey, Chemin des Semilles 13a/b	Sole ownership	2 190	3 413	2008		12/01/2020
Nidau, Lyss-Strasse 51–59	Sole ownership	4 542	4 607	1970		01/01/2022
Oberbuchsiten, Poststrasse 20a/20/22/24	Sole ownership	2 541	4 871	2013		05/01/2020
Oberglatt, Leewinkel 21/23	Sole ownership	1 144	1 764	1970	2005	07/01/2021
Oberkulm, Schrägweg 16/18/20/22	Sole ownership	2 000	4 998	1988	2019	01/01/2020

Initial costs	Market value	Rental income (target), revenue-based rent, ground rent	Rent defaults	Rent defaults	Rental income (actual)	Gross target return	Occupancy rate
in CHF	in CHF	in CHF	in CHF	in percent	in CHF	in percent	in percent
22 403 224	23 020 000	0	0	0.00	0	0.00	97.5
22 072 854	22 730 000	0	0	0.00	0	0.00	97.1
9 989 796	12 280 000	406 799	-1 947	-0.48	404 852	3.31	94.2
6 275 439	7 145 000	248 815	-13 712	-5.51	235 103	3.47	100.0
15 870 746	16 040 000	396 585	-71 135	-17.94	325 450	4.23	82.0
43 674 097	42 800 000	0	0	0.00	0	0.00	98.2
7 185 439	7 647 000	70 770	-2 184	-3.09	68 586	3.70	99.7
6 820 438	7 190 000	299 851	-6 519	-2.17	293 332	4.17	99.4
23 336 271	24 160 000	931 655	-23 623	-2.54	908 032	3.85	98.1
15 217 870	14 300 000	0	0	0.00	0	0.00	99.7
7 427 513	7 539 000	115 356	-8 400	-7.28	106 956	3.06	92.7
8 017 056	8 309 000	352 976	-41 639	-11.80	311 337	4.21	100.0
16 299 603	17 300 000	744 005	-108 304	-14.56	635 701	4.29	86.2
11 325 067	11 460 000	500 589	-4 125	-0.82	496 464	4.36	100.0
3 490 649	3 679 000	191 616	-42 411	-22.13	149 205	5.45	88.8
11 293 332	11 590 000	465 184	-37 824	-8.13	427 359	4.00	92.9
12 563 501	13 290 000	588 790	-47 102	-8.00	541 688	4.42	98.0
4 010 714	4 113 000	179 551	0	0.00	179 551	4.37	100.0
3 069 197	3 209 000	142 296	-4 840	-3.40	137 456	4.43	98.1
7 198 396	6 760 000	212 003	-20 966	-9.89	191 037	5.38	91.1
10 439 545	11 310 000	442 407	-8 185	-1.85	434 222	3.91	100.0
13 845 453	14 210 000	308 046	-6 810	-2.21	301 236	3.72	96.5
10 452 045	11 740 000	463 071	-43 954	-9.49	419 117	3.95	99.4
19 237 608	18 840 000	0	0	0.00	0	0.00	98.8
11 334 227	11 630 000	500 796	-81 689	-16.31	419 108	4.33	91.9
9 120 279	8 477 000	119 136	-5 860	-4.92	113 276	2.81	99.3
7 418 462	8 412 000	332 122	-17 783	-5.35	314 339	3.96	99.0

City, address	Ownership situation	Total rental space	Land/building area	Year built	Date of most recent comprehensive renovation	Date of initial ownership
Rorschach, St. Gallerstrasse 16/16a	Sole ownership	3 626	1 925	1976		11/01/2020
Schwerzenbach, Zielackerstrasse 6a/b	Sole ownership	1 249	1 889	1984	1997, 2009	07/01/2021
Sion, Avenue de Tourbillon 42–50	Sole ownership	4 579	2 649	1945, 1954		06/01/2021
St. Gallen, Zürcherstrasse 84, Schibistrasse 3/5	Sole ownership	2 164	2 085	2010		01/01/2022
Subingen, Winkelweg 16–20	Sole ownership	2 003	3 642	1994, 2017		10/01/2021
Therwil, Vorderbergweg 2–4 / Reinacherst.	Sole ownership	3 041	3 268	2008		12/01/2020
Weinfelden, Amriswilerstrasse 72	Sole ownership	2 781	2 840	1971		06/01/2021
Wittenbach, Arbonerstrasse 4a	Sole ownership	1 590	2 647	2012		12/01/2020
Zetzwil, Bohnenackerweg 425	Sole ownership	842	1 807	1982	2019	01/01/2020
Zurich, Gagliardiweg 9	Sole ownership	552	713	1949	2010	05/01/2021
Zurich, Grubenackerstrasse 73/75/77	Sole ownership	1 104	1 257	1951	1999, 2008, 2019	07/01/2021
Total for residential buildings		94 624	125 762			
of which, condominium ownership		2 239	3 638			
Commercially used properties						
Bulle, Rue Nicolas-Glasson 5/7	Sole ownership	1 874	656	1985		12/01/2020
Total for commercially used properties		1 874	656			
Mixed-use buildings						
Grenchen, Bündengasse 18/20/22	Sole ownership	1 572	1 691	1929, 1945, 1974	2013	11/22/2019
Grenchen, Viaduktstrasse 5	Sole ownership	1 065	967	1916	2016	11/22/2019
Total for mixed-use buildings		2 637	2 658			
COVID-19-related reductions in income						
Subtotal		99 135	129 076			
Secondary rental income						
Grand total for land/buildings		99 135	129 076			

The Fund owns 41 properties. The four properties in Grenchen are adjacent plots and are counted as one plot of land/building on the basis of Art. 87 (1) of the Collective Investment Schemes Ordinance (CISO). As a result, the Fund owns 38 plots of land and buildings as of 12/31/2021 from a regulatory perspective.

Due to the sale of the property in Neuhausen am Rheinflall in September 2021, rental income of 103,567 Swiss francs is included on the income statement but not in the inventory list.

Initial costs	Market value	Rental income (target), revenue-based rent, ground rent	Rent defaults	Rent defaults	Rental income (actual)	Gross target return	Occupancy rate
17 056 897	18 270 000	767 288	-66 502	-8.67	700 786	4.19	79.9
11 775 979	12 400 000	165 004	-2 470	-1.50	162 534	2.67	98.1
23 988 085	24 220 000	623 045	-64 928	-10.42	558 117	4.41	92.3
13 273 835	12 420 000	0	0	0.00	0	0.00	92.6
8 404 238	9 750 000	97 637	-4 965	-5.09	92 672	4.01	99.3
16 255 103	15 890 000	695 618	-68 099	-9.79	627 519	4.31	95.7
11 712 549	12 030 000	276 831	-3 399	-1.23	273 432	3.95	100.0
6 852 426	7 289 000	289 824	-37 418	-12.91	252 406	3.97	93.9
3 392 921	3 426 000	152 975	-12 300	-8.04	140 675	4.43	98.3
7 267 997	7 337 000	135 440	0	0.00	135 440	2.80	100.0
13 927 283	14 660 000	169 574	0	0.00	169 574	2.32	100.0
473 296 130	486 872 000	11 385 653	-859 092	-7.55	10 526 561	3.92	95.3
10 439 545	11 310 000	442 407	-8 185	-1.85	434 222		
7 510 938	7 990 000	453 400	-28 645	-6.32	424 755	5.68	88.0
7 510 938	7 990 000	453 400	-28 645	-6.32	424 755	5.68	88.0
3 388 002	3 820 000	189 614	-3 396	-1.79	186 218	4.96	98.0
1 847 994	2 105 000	129 744	-17 210	-13.26	112 534	6.24	76.6
5 235 995	5 925 000	319 358	-20 606	-6.45	298 752	5.42	89.2
			-12 380	-0.11	-12 380		
486 043 063	500 787 000	12 158 410	-920 723	-7.57	11 237 688		
					28 979		
486 043 063	500 787 000				11 266 667	3.99	95.1

Units of other real estate funds and shares in real estate investment companies

All units of real estate funds were sold over the course of the first half of 2021. No units of real estate funds or shares in real estate investment companies were held as of the balance sheet date.

Investments

Measurement categories (amounts stated in Swiss francs)	12/31/2021	12/31/2020
Investments that are listed on a stock market or traded on another regulated market open to the public: valued at the prices paid in the primary market (Art. 88 para. 1 CISA); in accordance with Art. 84 para. 2a CISO-FINMA	0	2 889 000
Investments for which no prices are available pursuant to letter a: valued based on market-observed parameters; in accordance with Art. 84 para. 2b CISO-FINMA	0	0
Investments whose value is based on parameters that are not observable on the market, valued with suitable valuation models taking account of the current market circumstances; in accordance with Art. 84 para. 2c CISO-FINMA	500 787 000	204 347 000
Total investments	500 787 000	207 236 000

2. Real Estate Purchased and Sold

Purchased

Address	Canton	Ownership situation	Legal transfer of ownership	Start of ownership (transfer of benefits and risks)
Gerlafingen, Geiselfeldstrasse 11/13/15/17 / Kriegsstettenstrasse 38/40/42/44/46	Solothurn	Sole ownership	12/10/2020	01/01/2021
Zurich, Gagliardiweg 9	Zurich	Sole ownership	04/26/2021	05/01/2021
Sion, Avenue de Tourbillon 42–44 / 46–50	Valais	Sole ownership	06/02/2021	06/01/2021
Beringen, Bahnhofstrasse 36/38, Zelgstrasse 35/37/39	Schaffhausen	Sole ownership	06/10/2021	06/01/2021
Weinfelden, Amriswilerstrasse 72	Thurgau	Sole ownership	06/10/2021	06/01/2021
Lyss, Birkenweg 16, 18, 22	Berne	Sole ownership	06/11/2021	06/01/2021
La Chaux-de-Fonds, Rue Fritz-Courvoisier 34 c/d	Neuchâtel	Condominium ownership	06/14/2021	06/01/2021
Frauenfeld, Zielackerstrasse 28/30/32	Thurgau	Sole ownership	06/23/2021	07/01/2021
Oberglatt ZH, Leewinkel 21/23	Zurich	Sole ownership	06/23/2021	07/01/2021
Schwerzenbach, Zielackerstrasse 6a/b	Zurich	Sole ownership	06/23/2021	07/01/2021
Zurich, Grubenackerstrasse 73/75/77	Zurich	Sole ownership	06/23/2021	07/01/2021
Derendingen, Schluchtbachstrasse 35–39	Solothurn	Sole ownership	10/01/2021	10/01/2021
Subingen, Winkelweg 16–20	Solothurn	Sole ownership	10/01/2021	10/01/2021
Nidau, Lyss-Strasse 51–59	Berne	Sole ownership	12/13/2021	01/01/2022
Biel, Poststrasse 32–44	Berne	Sole ownership	12/15/2021	01/01/2022
Frauenfeld, Wellhauserweg 56/56a	Thurgau	Sole ownership	12/15/2021	01/01/2022
St. Gallen, Zürcherstrasse 84, Schibistrasse 3/5	St. Gallen	Sole ownership	12/15/2021	01/01/2022
Basel, Birsigstrasse 80/82, Bachlettenstrasse 13/15	Basel-Stadt	Sole ownership	12/16/2021	01/01/2022
Basel, Hegenheimerstrasse 43–49	Basel-Stadt	Sole ownership	12/16/2021	01/01/2022

The Gerlafingen property at Geiselfeldstrasse 11–17 and Kriegsstettenstrasse 38–46 was acquired shortly before the end of 2020, with the start of ownership indicated as 01/01/2021.

Sold

Address	Canton	Use	Legal transfer of ownership
Neuhausen am Rheinfall, Rundbuckstrasse 6	Schaffhausen	Commercial	09/01/2021

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

An agreement relating to the purchase of a property under construction in Höri (Canton of Zurich) for 10.7 million Swiss francs was notarized in the first half of 2021; of this amount, 1.5 million Swiss francs have already been paid and are recognized under other assets. The legal transfer of ownership and the remaining payment of 9.2 million Swiss francs are scheduled to take place following its completion in 2022.

A purchase agreement for a property in Zweidlen (Canton of Zurich) worth 36.6 million Swiss francs and purchase agreements for properties in Wattwil (Canton of St. Gallen) worth 17.6 million Swiss francs and 16.9 million Swiss francs were notarized in the second half of 2021. Legal ownership of these properties was transferred on January 3, 2022. A down payment of 4 million Swiss francs was made for the properties in Wattwil that is recognized under other assets as of the balance sheet date.

4. Participations in Real Estate Companies

All properties in the Fund are held by Helvetica Swiss Living AG. As of December 31, the Fund holds 100 percent of the share capital of Helvetica Swiss Living AG, headquartered in Zurich.

5. Rental Income per Tenant over 5 Percent

None

6. Information Regarding Derivatives

The Fund does not use derivatives.

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

in CHF	12/31/2021	12/31/2020
1 to 5 years	0	0
> 5 years	0	0

8. Mortgages and Other Mortgage-backed Liabilities

Current Mortgages and Fixed Advances

Type	Interest rate	Amount in Swiss francs	Date of issue	Maturity
Fixed advance	0.03 %	21 000 000	12/16/2021	03/16/2022
Fixed advance	0.31 %	55 700 000	12/31/2021	01/31/2022
Fixed advance	0.03 %	116 600 000	12/01/2021	01/31/2022
Total		193 300 000		

Matured Mortgages and Fixed Advances

Type	Interest rate	Amount in Swiss francs	Date of issue	Maturity
Fixed advance	0.31 %	57 000 000	10/01/2021	12/31/2021
Fixed advance	0.04 %	116 600 000	10/01/2021	11/30/2021
Fixed advance	0.31 %	42 000 000	06/24/2021	09/30/2021
Fixed advance	0.03 %	116 600 000	09/01/2021	09/30/2021
Fixed advance	0.03 %	116 600 000	06/30/2021	08/31/2021
Fixed advance	0.03 %	47 500 000	06/10/2021	06/30/2021
Fixed advance	0.03 %	1 000 000	06/03/2021	06/30/2021
Fixed advance	0.03 %	42 485 000	06/01/2021	06/30/2021
Fixed advance	0.03 %	23 115 000	06/01/2021	06/30/2021

Notes

Fixed advance	0.03 %	1 000 000	05/30/2021	06/30/2021
Fixed advance	0.03 %	1 500 000	05/27/2021	06/30/2021
Fixed advance	0.03 %	37 000 000	05/31/2021	06/01/2021
Fixed advance	0.03 %	7 000 000	04/29/2021	05/31/2021
Fixed advance	0.03 %	1 000 000	04/27/2021	05/31/2021
Fixed advance	0.03 %	72 485 000	04/01/2021	05/31/2021
Fixed advance	0.04 %	72 485 000	03/04/2021	03/31/2021
Fixed advance	0.03 %	72 485 000	02/04/2021	03/03/2021
Fixed advance	0.03 %	72 485 000	01/04/2021	02/03/2021
Fixed advance	0.04 %	26800 000	12/10/2020	01/04/2021
Fixed advance	0.04 %	11 000 000	11/26/2020	01/04/2021
Fixed advance	0.04 %	34 685 000	11/24/2020	01/04/2021

9. Fees and Incidental Costs Charged to the Investors

Remuneration	Maximum rates	Actual rates	Actual rates	Basis
		2021	2020	
Issuing commission on units	3.00 %	1.69 %	1.45 %	Net asset value of units
Redemption commission on units	1.50 %	–	–	Net asset value of units

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

Remuneration	Maximum rates	Actual rates	Actual rates	Basis
		2021	2020	
Premium to NAV	2.50 %	0.75 %	0.72 %	Net asset value of units
Discount to NAV	1.50 %	–	–	Net asset value of units

11. Fees and Incidental Costs Charged to the Fund

Remuneration	Maximum rates	Actual rates	Actual rates	Basis
		2021	2020	
Remuneration to the Fund Management Company				
Management fee	1.00 %	0.70 %	0.63 %*	Total fund assets
Purchase/sales compensation	2.00 %	1.81 %	1.62 %	Purchase/sale price
Building and renovation fee	3.00 %	3.00 %	–	Construction costs
Property management	5.00 %	–	–	Gross rental income
Remuneration to Third Parties				
Remuneration to custodian bank (custodian bank commission)	0.05 %	0.05 %	0.05 %	Net asset value of units
Remuneration to custodian bank (distribution commission)	0.25 %	0.12 %	–	Gross distribution amount
Market Maker	–	CHF 57 500	CHF 12 500	Flat amount of 12,500 Swiss francs per quarter and one-time setup fee of 7,500 Swiss francs
Remuneration to property managers	5.00 %	4.37 %	4.97 %	Gross rental income

* The effective rates were annualized according to the SFAMA's specialist information fact sheet "Key Data for Real Estate Funds" dated September 13, 2016 (calculated for a 12-month period). During the prolonged first financial year (14 months), an effective rate of 0.70 percent was charged.

12. Distribution of Profits

For the financial year ending December 31, 2021, a total amount of 9.3 million Swiss francs will be distributed, representing 3.40 Swiss francs per unit and a distribution yield on the unit price of 2.9 percent per unit. The payout ratio is 77.8 percent. The distribution of earnings comprises a distribution of earnings in the amount of 6.4 million Swiss francs that is subject to withholding tax and a withholding tax-exempt fund capital repayment of 2.9 million Swiss francs. The ex-date is April 27, 2022, and the payout will take place on April 29, 2022.

On April 27, 2021, a distribution of profits was made in the amount of 4.3 million Swiss francs (3.10 Swiss francs per unit), which comprised a distribution of earnings in the amount of 2.3 million Swiss francs that is subject to withholding tax and a withholding tax-exempt fund capital repayment of 2.0 million Swiss francs.

13. Information Regarding the COVID-19 Pandemic

The COVID-19 pandemic has not had any material impact on the Fund's real estate portfolio. More than 90 percent of the target rental income is generated through residential properties and related ancillary uses.

COVID-19-related rent reductions in the amount of 12,380 Swiss francs were recognized as a reduction in income under rental income. What's more, no increase in uncertainties were disclosed in the independent real estate valuer's report.

14. Events After the Balance Sheet Date

None

15. Further Information (Art. 95 CISO-FINMA)

Amounts in Swiss francs	12/31/2021	12/31/2020
Balance of the depreciation account of the land/buildings	0	0
Balance of the provision account for future repairs	0	0
Balance of the account for reinvestment of retained earnings	0	0
Number of units redeemed as of the end of the next period under review	0	0

Land/buildings were only depreciated, and provisions made for repairs and maintenance (R&M) at the level of Helvetica Swiss Living AG. Since this depreciation and these provisions are not in line with the market value principle under CISA, neither of these items is posted at the real estate fund level and they are recognized in neither the balance sheet nor the real estate fund's income statement. The table below shows the balance of the depreciation or provision account for tax purposes at the subsidiary or Fund level:

Amounts in CHF	12/31/2021	12/31/2020	Change
Balance of the depreciation account of the land/buildings (tax-motivated, subsidiary level)	11 274 954	3 223 608	8 051 346
Balance of the depreciation account of the land/buildings (Fund level)	0	0	0
Balance of the provision account for future repairs (tax-motivated, subsidiary level)	2 225 598	918 424	1 307 174
Balance of the provision account for future repairs (Fund level)	0	0	0

16. Clarification of the Distribution of Profit Approach

In accordance with SFTA Circulars 24 and 25, the distributions of profits must now be broken down into and disclosed as distributions of earnings subject to withholding tax and fund capital repayments exempt from withholding tax.

Consequently, these items were added to the change in net fund assets on the balance sheet for both the current and previous year. This matter has no impact on net fund assets. No adjustments were needed for the previous year since the previous year was the first financial year.

As a result, the income statement now shows a distinction between distributions of earnings subject to withholding tax and fund capital repayments exempt from withholding tax.

Impact of these changes on the presentation for the reference period:

Income Statement	Previous presentation	Change	New presentation
Profit appropriation			
Profit available for distribution	4 710 711	–	4 710 711
Profit intended for distribution to investors	4 250 581	–1 974 463	2 276 117
Transfer to retained earning	0	1 974 463	1 974 463
Balance to be carried forward as of 12/31/2020	460 130	–	460 130

On April 27, 2021, a tax-optimized distribution of profits was paid out with one coupon subject to holding tax and one coupon exempt from holding tax. At present, this practice is not expressly provided for in the fund contract. To establish a transparent basis, the fund contract was amended accordingly subject to approval by the supervisory authorities. This does not have any impact on investors.

Limited comparability of the income statement

The period under review on the income statement of the previous year covered a prolonged financial year that extended from the Fund's creation on 11/06/2019 to 12/31/2020.

Principles Used for Valuation and for Calculating Net Asset Value

The net asset value of the real estate fund is calculated at the 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 unit issue.

The Fund Management Company mandates the independent valuation experts to re-evaluate the market value of the Fund's land/buildings at the end of each half-year period, each financial year and at each unit issue. With the supervisory authority's approval, the Fund Management Company mandates at least two natural or one corporate entity as independent valuation experts. Land/building inspections by the valuation experts must be repeated at least every three years. In the case of acquisitions or disposals of land/buildings, the fund management company has the land/buildings 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 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 unit's net value is based on the 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 units. The valuation of the Fund's land/buildings is performed according to the current SFAMA guidelines for real estate funds (AMAS). The valuation of undeveloped land and buildings under construction is based on the fair value principle. If the Fund Management Company has any buildings in progress that are to be reported at market values, it has these appraised at the end of the financial year.

Report of the Valuation Experts



Wüest Partner AG, Bleicherweg 5, 8001 Zurich

Helvetica Property Investors AG
Executive Board
Brandschenkestrasse 47
8002 Zurich

Zurich, 10 January 2022

Helvetica Swiss Living Fund
Independent real estate valuer's report
Valuation as at 31 December 2021

To the Executive Board of Helvetica Property Investors AG

Ref.
118585.2110

Commission

Wüest Partner AG (Wüest Partner) was commissioned by the Fund Management to perform a valuation, for accounting purposes, of the 41 properties held by Helvetica Swiss Living Fund as at 31 December 2021 (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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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 to 2021.

Results

A total of 41 investment properties were valued as at 31 December 2021. The market value of these properties on the valuation date is estimated by Wüest Partner to total 500,787,000 Swiss Francs.

In the property valuation, real discount rates between 2.10% and 3.30% were applied. Considering an inflation rate of 0.50% the nominal discount rates lie between 2.61% and 3.82%. Over the whole portfolio, the average of the discount rates – weighted by market value – is 2.73% in real terms and 3.24% in nominal terms.

Changes in the real estate portfolio

Within the review period from 1st January 2021 to 31 December 2021, the following changes occurred:

Acquired:

- 4054 Basel, Birsigstrasse 80/82, Bachlettenstrasse 13/15;
- 4055 Basel, Hegenheimerstrasse 43-49;
- 8222 Beringen, Bahnhofstrasse 36/38, Zelgstrasse 35/37/39;
- 2504 Biel, Poststrasse 32-44b;
- 4552 Derendingen, Schluchtbachstrasse 35/37/39;
- 8500 Frauenfeld, Zielackerstrasse 28/30/32;
- 8500 Frauenfeld, Wellhauserweg 56/56a;
- 4563 Gerlafingen, Geiselfeldstrasse 11/13/15/17, Kriegstettenstrasse 38/40/42/44/46;
- 2300 La Chaux-de-Fonds, Rue Fritz-Courvoisier 35 c/d;
- 3250 Lyss, Birkenweg 16/18/22;
- 2560 Nidau, Lyss-Strasse 51-59;
- 8154 Oberglatt ZH, Leewinkel 21/23;
- 8603 Schwerzenbach, Zielackerstrasse 6a/b;
- 1950 Sion, Avenue du Tourbillon 42-44 / 46-50;
- 9000 St. Gallen, Zürcher Strasse 84, Schibistrasse 3/5;
- 4553 Subingen, Winkelweg 16/18/20;
- 8570 Weinfelden, Amriswilerstrasse 72;
- 8050 Zürich, Gagliardiweg 9;
- 8052 Zürich, Grubenackerstrasse 73/75/77.

Sold:

- 8212 Neuhausen am Rheinfall, Rundbuckstrasse 6.

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, 10 January 2022

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 2021.
- 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

Short form report of the audit company

to the Board of Directors of the fund management company
Helvetica Property Investors AG, Zürich

Short form report on the financial statements

As audit company for collective investment schemes, we have audited the financial statements of the investment fund Helvetica Swiss Living Fund, which comprise the statement of net assets and the income statement, the statement on the appropriation of available earnings and the disclosure of the total costs as well as the supplemental disclosures in accordance with art. 89 para. 1 lit. b–h and art. 90 of the Swiss Collective Investment Schemes Act (CISA) (pages 5, 16–27 and 34–35 of the annual report) for the year ended 31 December 2021.

Responsibility of the fund management company's Board of Directors

The Board of Directors of the fund management company is responsible for the preparation of the financial statements in accordance with the requirements of the Swiss Collective Investment Schemes Act, the related ordinances as well as the investment fund agreement 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 of the fund management company is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Responsibility of the audit company for collective investment schemes

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 existence and 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 2021 comply with the Swiss Collective Investment Schemes Act, the related ordinances as well as the investment fund agreement and the prospectus.

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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. 11 AOA) and that there are no circumstances incompatible with our independence.

PricewaterhouseCoopers AG

Raffael Simone
Audit expert
Auditor in charge

Erik Ganz
Audit expert

Zürich, 14 March 2022



2 Helvetica Property Investors AG | Short form report of the audit company to the Board of Directors

Organization of the Fund Management Company

Fund Management Company	Helvetica Property Investors AG, Brandschenkestrasse 47, Zurich
Executive Board	Hans R. Holdener, CEO and CIO a. i. Peter R. Vogel, CFO, Head of Finance and Corporate Services Salman Baday, Head Sales and Marketing Lucas Schlageter, Head Portfolio Management
Extended Management Board	Peer Kocur, Head Investment Management
Board of Directors	Dr. Hans Ueli Keller, Chairman Peter E. Bodmer, Deputy Chairman Herbert Kahlich, Member Theodor Härtsch, Member Dr. Franziska Blindow-Prettl, Member
Asset Manager	Helvetica Property Investors AG, Brandschenkestrasse 47, Zurich
Custodian Bank and Paying Agency	Bank J. Safra Sarasin, Elisabethenstrasse 62, Basel
Auditors	PricewaterhouseCoopers AG, Birchstrasse 160, Zurich
Market Maker	Bank J. Safra Sarasin, Elisabethenstrasse 62, Basel
Accredited Valuation Experts	With the approval of the supervisory authority, the Fund Management Company has commissioned Wüest Partner AG in Zurich as the independent and permanent valuation expert. The main persons responsible are: Ivan Anton, Valuation Expert, 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 and Privera AG. The precise duties to be performed are set out in separate agreements.

Further Information for Investors

Legal Disputes

There are no legal disputes of a material nature.

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 real estate 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 Asset Management Association Switzerland AMAS (SFAMA Guidelines for Real Estate Funds) of April 2, 2008, version dated August 5, 2021).

Change in the Board of Directors

Franziska Blindow-Prettl joined the Board of Directors on November 1, 2021.

Hans R. Holdener stepped down from the Board of Directors on October 31, 2021.

Changes in Management

Hans R. Holdener took over as CEO on November 1, 2021; he simultaneously serves as CIO ad interim. He replaces Michael Müller, the previous CEO, who left the Management Board and the company on October 31, 2021.

The Management Board was expanded on November 1, 2021, and now includes Lucas Schlageter, Head Portfolio Management, and Salman Baday, Head Marketing and Sales, from the Extended Management Board.

Glossary

Premium

Difference between the current price of a fund unit and the net asset value (NAV), expressed as a percent.

Distribution yield

Gross income as a percentage of the price or, in the case of unlisted funds, as a percentage of the net asset value per fund unit.

Payout ratio

The payout ratio shows whether the distributions were generated through operations. Total payout is expressed as a percentage of net income.

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.

Debt financing ratio

The debt financing ratio corresponds to the percentage of the borrowed capital measured against the market value of the land/buildings.

Debt ratio

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

Weighted average unexpired lease term

The 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 weighted average unexpired lease term is reported in years. The following uses must be considered: office, hotel, retail, medical practices, restaurants and catering, warehouse, and other commercially used properties. Rental agreements with an indefinite term 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.

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.

Rental space

The rental space is the sum of leased and rental spaces.

Rental income

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

Net asset value per unit

Value of fund properties plus other assets less debt financing and liquidation taxes, divided by the number of outstanding fund units.

Performance

The total return of a fund unit within a specific period of time, expressed as a percentage of the unit price at the start of the period under review.

Redemption price

This is equal to the net asset value calculated less expenses, deferred taxes, redemption-related commissions and liquidation costs, where applicable.

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 Expense Ratio Real Estate Fund (TER_{REF})

Fund operating expenses as a percentage of 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.

Total net income

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

Market value

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.

Imprint

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Do you have any questions? Please contact us.

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Authorized and regulated by the Swiss Financial Market Supervisory Authority FINMA.