

## **HSO Fund reports 11.8% return on investment in financial year 2020**

Zurich, 8 April 2021 – The Helvetica Swiss Opportunity Fund (HSO Fund) has built an excellent specialized real estate portfolio with a market value of CHF 110.3 million in its first financial year 2020. The portfolio has a high occupancy rate of 99% and currently generates CHF 6.1 million in target rental income.

- **Successful build-up of the specialized real estate portfolio consisting of five properties with a market value of CHF 110.3 million as of 31 December 2020**
- **Total fund assets of CHF 111.6 million**
- **Target rental income p.a. of CHF 6.1 million as of 31 December 2020**
- **Portfolio virtually fully let with occupancy rate of 99%**
- **Long-term leases; portfolio with WAULT of 8.3 years**
- **Return on investment 11.8% for 2020**
- **Net asset value per share at CHF 111.82 per 31 December 2020**
- **Distribution of CHF 6.00 per share in April 2021**

### **Specialized properties with long-term, attractive cash flows and returns**

The Helvetica Swiss Opportunity Fund (HSO Fund) focuses on special purpose properties that have a good risk/return ratio. In its first extended financial year 2020 (29 November 2019 to 31 December 2020), the fund management company Helvetica Property Investors AG established a portfolio of specialized properties in interesting sectors with a market value of CHF 110.3 million as of 31 December 2020 and this despite the COVID-19 pandemic and the economic weakness that arose as a result.

The portfolio currently comprises a property with school use (Wädenswil/ZH), a pharmaceutical logistics property (Schaffhausen/ZH), a city center property with food sales, department store and restaurant (Sion/VS), a property shell use "Lipo Park" (Schaffhausen/SH) and a commercial property with fruit juice production and other commercial tenants (Rümlang/ZH).

The annual target rental income of these portfolio properties amounts to CHF 6.1 million. The portfolio is characterized by long-term leases with a WAULT of 8.3 years per year-end 2020 and by tenants with a high credit rating. The largest tenant, Manor AG, represents around 35% of the target rental income, followed by the Canton of Zurich with 15%, NextPharma Logistics GmbH with 12%, Lipo Einrichtungsmärkte AG with 11% and Zamba Fruchtsäfte with 7%.

#### Income statement financial year 2020

In the financial year 2020, the rental income of the portfolio amounted to CHF 5.7 million. It should be noted that the Pharma logistics property was only added to the portfolio per 1 July 2020 and therefore did not yet contribute its full rental income potential in the 2020 reporting year. The occupancy rate as of 31 December 2020 was a very high 99.0%.

The impact of the COVID-19 pandemic on the HSO Fund's rental income amounted to CHF 0.3 million, representing 4.6% of the Fund's target rental income. This concerned mainly larger tenants, with whom, however, amicable solutions were reached.

Net income reached CHF 5.1 million in the financial year 2020. The fund's operating profit margin was 74.2%, and the average interest rate on debt financing was 0.5%. The valuation of the property portfolio by the independent valuation expert Wüest Partner AG resulted in an unrealized gain of CHF 4.5 million. Total income amounted to CHF 8.3 million.

#### Balance Sheet per 31 December 2020

Total fund assets as of 31 December 2020 amounted to CHF 111.6 million, of which CHF 110.3 million is attributable to properties. The debt financing ratio was 21.3%. The net asset value amounted to CHF 83.9 million as of 31 December 2020. The net asset value per share reached CHF 111.82, which corresponds to an increase in value of 11.8% since the fund's initial issue in November 2019.

#### **CHF 6.00 per share will be distributed in April 2021**

The distribution for the financial year 2020 amounts to a total of CHF 4.5 million, with a payout ratio of 87.7%. The distribution per share amounts to CHF 6.00. The ex-date for the distribution is 27 April 2021 and the distribution will be paid out on 29 April 2021.

#### **Outlook**

The HSO Fund has a substantial investment pipeline and the fund management company Helvetica Property Investors AG is convinced of the long-term attractiveness of the Swiss real estate market. Properties with special uses, such as logistics, data centers, specialty markets and industry with long leases in good locations are the focus for the HSO Fund. The fund management company plans another capital increase in the course of 2021 in order to further expand and diversify the portfolio in line with the investment strategy.

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| <b>KEY FINANCIAL FIGURES HSO FUND FINANCIAL YEAR 2020 (29.11.2019 – 31.12.2020) *</b> |        |                              |
|---|--------|------------------------------|
| <b>Balance sheet</b>  |        | <b>31.12.2020</b>            |
| Market value of the properties  | CHF    | 110 262 000                  |
| Weighted real discount rate   | %      | 3.64                         |
| Gross asset value (GAV)   | CHF    | 111 559 116                  |
| Net asset value (NAV)   | CHF    | 83 863 093                   |
| Debt financing ratio  | %      | 21.29                        |
| Debt ratio  | %      | 24.82                        |
| Interest rate debt financing  | %      | 0.50                         |
| Residual term debt financing  | Years  | 0.54                         |
| Net asset value per share   | CHF    | 111.82                       |
| Outstanding shares  | Number | 750 000                      |
| <b>Income Statement</b>   |        | <b>29.11.2019-31.12.2020</b> |
| Rental income   | CHF    | 5 694 800                    |
| Vacancy rate  | %      | 7.43                         |
| Net income  | CHF    | 5 133 391                    |
| Total income  | CHF    | 8 265 593                    |
| Weighted average unexpired lease term (WAULT)   | Years  | 8.30                         |
| Operating profit margin   | %      | 74.22                        |
| <b>Distribution and return</b>  |        | <b>31.12.2020</b>            |
| Distribution  | CHF    | 4 500 000                    |
| Distribution per share  | CHF    | 6.00                         |
| Distribution yield  | %      | 5.37                         |
| Payout ratio  | %      | 87.66                        |
| Return on equity (ROE)  | %      | 10.93                        |
| Return on investment  | %      | 11.82                        |

\* Extended financial year 2020 since initial fund issuance on 29 November 2019.

The audited annual report 2020 of the HSO Fund is available on the fund management company's website at <https://www.helvetica.com/en/products/helvetica-swiss-opportunity-fund/publications> or also under [www.swissfunddata.ch](http://www.swissfunddata.ch)

All press releases can be found under [www.Helvetica.com](http://www.Helvetica.com)

### **About Helvetica**

Helvetica Property Investors AG is a leading real estate fund management company and asset management firm. We deliver sustainable value to our clients through active, long-term ownership of safe and stable real estate investments. With a fully integrated real estate investment platform, we are able to provide both standardized investment products and customized investment plans. We are proud of our longstanding reputation for outstanding client service and dedication to responsible ownership. Our firm is approved and regulated by the Swiss Financial Market Supervisory Authority FINMA.

### **About Helvetica Swiss Opportunity Fund**

The HSO Fund is a Swiss real estate fund **open exclusively to qualified investors**. The HSO Fund invests in special purpose properties in the Swiss economic centers. The focus is on fully let properties with long-term leases and few tenants generating stable income. The investment objective is mainly the long-term preservation of value and the distribution of reasonable profits. The fund share units can be traded over-the-counter. The HSO Fund is approved by the Swiss Financial Market Supervisory Authority, FINMA.

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