

RESIDENTIA

Investment fund under Swiss law in the "real estate funds" category.

**Non-audited semi-annual report
June 30, 2020**

RESIDENTIA is an investment fund under Swiss law in the "real estate funds" category within the meaning of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 (CISA) (hereinafter referred to as the "fund" or the "real estate fund"). The fund contract was drawn up by FidFund Management SA, as Fund Management Company, with the approval of the custodian bank Cornèr Banca SA. It was submitted to the Swiss Financial Market Supervisory Authority (FINMA), which approved it for the first time on 20 March 2009.

The real estate fund is based on a collective investment agreement (the fund contract) under which the fund management company undertakes to provide investors with a stake in the investment fund in proportion to the fund units they acquire, and to manage the fund at its own discretion and for its own account in accordance with the provisions of the law and the fund contract. The custodian bank is a party to the fund contract in consequence of the tasks conferred upon it by law and the fund contract.

In accordance with the fund contract, the fund management company is entitled to establish, liquidate or merge unit classes at any time, subject to the consent of the custodian bank and the approval of the supervisory authority.

The real estate fund is not divided into unit classes.

Fund management company

FidFund Management SA

Route de Signy 35
CH-1260 Nyon / VD

Custodian bank

Cornèr Banca SA

Via Canova 16
CH – 6900 Lugano

FidFund Management SA

Board of Directors

Jean Berthoud	Chairman (until February, 26 th 2020)
Yves de Montmollin	Chairman (since February, 26 th 2020)
Olivier Vollenweider	Vice Director
Jean-François Abadie	Director
Yves de Coulon	Director
Philippe Bens	Director

Fund Management Company

Selda Karaca	Managing Director
Christophe Audousset	Deputy Director
Lionel Bauer	Deputy Director

Investment committee

(Without decision-making power)

Lorenzo Orsi	Certified architect (ETH Zurich) and member of the REG A, SIA, OTIA and ASIAT
Claudio Genasci	Member of the management team, Banca Dello Stato del Cantone Ticino

Investment committee advisor

(Without decision-making power)

Matteo Pagani	Studio Fiduciario Pagani SA, Lugano
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Valuation experts

Omar Antonelli	Certified architect STS OTIA, Lugano
Mirko Fasola	ES technician, Lugano
Fabio Guerra	MRICS, MSc Real Estate CUREM, Arch. Dipl. EPFL Lausanne

Real estate management

Assofide SA, Locarno
Comafim SA, Lugano
Privera SA, Lugano
Multiresidenza SA, Muralto

Custodian bank

Cornèr Banca SA, Lugano

Auditors

KPMG SA
Esplanade de Pont-Rouge 6, 1211 Genève

Promoters

Studio Fiduciario Pagani SA
Banca dello Stato des Cantone Ticino

Residentia is an investment fund under Swiss in the real estate funds category. The fund invests exclusively in:

- real estate assets located in southern Switzerland (Ticino, Grisons);
- residential properties and mixed-use buildings;
- and to a lesser extent, properties of an exclusively or predominantly commercial nature, including properties used by the manufacturing and hotel industries.

The fund's objective is to preserve the value of its investments and the appropriate distribution of the income earned by them over the long term by creating a stable, actively managed asset portfolio.

Manager's report

The first six months of the new decade have been a big challenge for us all. The news and changes that have emerged (and continue to emerge) are significantly changing the world that lies ahead. The pandemic has hit everyone without distinction, deeply marking every economy it has touched, and so far only massive State aid and action by central banks have been able to mitigate its effects. Ticino was one of the first regions affected. From mid-March to May we were in almost total lockdown, with only essential commercial activity and all social life on hold.

Producing an objective and impartial overview of the first six months of the year for Fondo Residentia has therefore been complicated and it is almost impossible to make any forecasts about the immediate future of our market.

Residentia has been reluctantly drawn into in this scenario, although our involvement has been relatively limited since most of our property is residential. At present under 1/5 of our income is commercial and just three properties are entirely commercial. The team worked to help locked down businesses by temporarily suspending (or reducing) rent payments and then agreeing a 50% cut on two months' rent. At August 2020 Residentia's commercial lessees therefore owed it only around CHF 160,000 as a result of the pandemic, against total annual rents of around CHF 13.2 million. Notably, to date none of the businesses in our properties have had to be wound up as a result of COVID-19.

As a result of the above, in addition to the cost of the slashed rents, various other work has also suffered or been delayed, as the interim figures show.

The number of vacant properties has risen over previous periods, certainly because of the general three-month lockdown imposed within the Canton. The halt on all relocation activity March-June made it impossible to re-rent properties on which notice had been given before the lockdown. Other problems included the freeze on building work, which prevented the restructuring of vacant apartments. We do nevertheless expect business to return to normal in the next few months as vacancies return to their pre-Covid levels and then continue to fall long-term as forecast.

In terms of individual buildings, in addition to a general increase in vacancies due to normal annual churn that was not however followed as usual by new rentals (for the reasons given above), the following buildings in particular require comment:

- Via Besso, Lugano: at the end of December the building was almost entirely let but now resolved noise problems with trade carried out in the property meant that the new tenant was able to cancel its contract with just cause.
- Via Ghiringhelli 18, Bellinzona: the 4 new apartments in the new additional floor have been completed since the end of the year. The apartments - like the rest of the building - are for sale on a condominium ownership basis and since they will not be rented are not recorded as vacant.
- Via Simen 58, Minusio: the first 6 months of the year saw the 3 years since the initial marketing of the property come to a close and a number of 3-year leases have therefore also now ended. The current vacancy rate is the result of our inability to find new tenants immediately.

There has in general been a rise in the number of small apartments and therefore a marked rise in percentage terms (e.g. Via San Gottardo 47, Via Olgiati etc.).

The Fund took a strategic decision with regard to inadequately maintained properties that we believe have become less attractive rentals as the property market has evolved and that now present high vacancy levels which are having a major impact on our bottom line. We have already signed agreements for the sale of one such Fund property and its replacement with an equivalent property (in terms of income and value) in a central residential area of Locarno. We have taken concrete steps towards other similar actions in the next few months.

The Fund's main actions in the first six months of the year, in the light of the above, have focused on four properties:

- Via Franscini, Mendrisio: Work has been delayed following changes to the original design (e.g. the introduction of Minergie) and lockdown. By the start of the 2020 SUPSI (University of Applied Sciences and Arts of Italian Switzerland) academic year in Mendrisio we will be able to offer 42 new furnished rooms to students. Costs have risen around CHF 230,000.
- Via Ghiringhelli 18, Bellinzona: work on this building too is almost complete. All that remain are the finishings needed to promote the marketing of the apartments being sold. All units and apartments in the property are currently for sale. We expect the margin on the operation to be over 20% and the average cost per m2 to be about CHF 5,000 on the residential part of the building.
- Via Quinta, Biasca: the building's heating system was replaced at the start of the year. The old oil-fired system was replaced with a district heating system that will produce a significant saving in management costs for the property. The work cost around CHF 150,000 but has led to an equivalent rise in the value of the building.
- Via Cantonale, Melide: before the start of the pandemic, a decision was taken to restructure the bar and service station. Work had to be stopped immediately and did not resume until June. It will be finished by the end of August and the new, refurbished service station will reopen in September. The total cost should be around CHF 130,000 but when fully operational (fuel pumps + bar) the rent should rise by around CHF 19,000 p.a.

Financially, and despite the extraordinary events that have had such a significant impact on the first half, we are very happy with what we have achieved.

The current portfolio has produced the highest ever rents for any six-month period (over CHF 6 million, +17% on the same period last year). This has been achieved thanks to the purchases made last year and the very good levels of debt. The portfolio also offers a large number of properties to rent thanks to currently vacant apartments and a number of buildings that have not yet been marketed or are only leased in part (Via Franscini in Mendrisio with a rental potential of around CHF 350,000, and Via Besso in Lugano, around CHF 200,000).

We have seen a very moderate rise in total costs (+5%) that were mainly higher financing costs (+20%) and ordinary property management expense (+50%), primarily attributable to the loss resulting from the slash in rents caused by COVID-19 (loss up from CHF 29,255 in June 2019 to CHF 128,567 in June 2020).

The total result has been a net profit of CHF 2.73 million, Residentia's biggest half-year profit and up 35% on last year.

There was also an unrealised loss of around CHF 400,000 caused mainly by the higher costs of the Mendrisio site and the fall in rental income on the Monte Carasso property due to the local property market. These losses will be offset in the next half by the actions we are taking and that we will detail in our next reports.

With regard to indices and in line with the above, TER (vs GAV) has again fallen to 0.81% (-20% since June 2018) and the EBITA margin is now well above 50% - its highest level since 2017.

To conclude, given everything we have gone through, and are still going through, we are moderately satisfied with our first half results. Despite all external factors, the Residentia team is working hard to ensure the best possible management and yield for its portfolio. The next few months will present many new challenges and will offer the possibility of even better profits for our investors.

NAV valuation and calculation principles

The net asset value of the real estate fund is calculated based on the market value at the end of the financial period and for each issue of units in Swiss francs.

The fund management company instructs independent valuation experts to assess the market value of the properties held by the real estate fund at the end of each six-month period and whenever new units are issued. To do this, the fund management company, with the approval of the supervisory authority, appoints at least two individuals or one company as independent valuation experts. The inspection of the properties by the valuation experts should be repeated at least once every three years. Lors de l'acquisition / cession d'immeubles, la direction du fonds doit faire préalablement estimer lesdits immeubles. At the time of sale, a new estimate is not required if the existing estimate is not older than three months and if the conditions have not changed considerably.

The evaluation of undeveloped land is carried out according to the principle of effective costs. This evaluation is subject to an annual depreciation test.

Investments listed on a stock exchange or traded on another regulated market open to the public are valued at their principal market price. Other investments or investments for which no current market value is available are valued at the price that would probably be obtained in a diligent sale at the time of the valuation. In such cases, the fund management company uses appropriate and recognized valuation models and principles to determine the market value.

Open-ended collective investment schemes are valued at their redemption price and/or net asset value. If they are regularly traded on a stock exchange or another regulated market open to the public, the fund management company may value such funds in accordance with the previous paragraph.

The value of short-term fixed-interest securities (money market instruments) that are not traded on a stock exchange or on a regulated market open to the public is calculated as follows: the valuation price of such investments is subsequently adapted to the redemption price, based on the net acquisition price, maintaining the same return on investment calculated as a result. If there are significant changes in market conditions, the valuation basis of the different investments is adjusted in line with the new market returns. If the current market price is not available, reference is normally made to the valuation of money market instruments with the same characteristics (issuer's rating and registered office, issue currency and term).

Bank and postal deposits are valued on the basis of the amount due plus accrued interest. If there are significant changes in market conditions or credit rating, the valuation principles for time deposits will be adjusted in line with the new circumstances.

The properties are valued for the real estate fund in accordance with the SFAMA instruction in force regarding the real estate funds.

The net asset value of a unit is determined by the market value of the fund's assets, less any liabilities of the fund and any taxes levied on the fund's liquidation, divided by the number of units in circulation. Figures are rounded to CHF 0.05.

DCF valuation model

The valuation experts use a DCF valuation model that meets international standards and takes into account the guidelines of the TEGoVA (The European Group of Valuers' Associations) and the RICS (The Royal Institution of Chartered Surveyors), along with those of the IVSC (International Valuation Standards Committee), the SVS (Swiss Valuation Standards), the SEK/SVIT, SIV (Schweizerischer Immobilienschätzer Verband) and the CEI (Chambre suisse d'experts en estimations immobilières).

Market value or fair value is the estimated amount at which a property would be traded at the valuation date between a willing buyer and seller in a normal transaction on the open market where the parties have each acted knowingly, prudently and without constraint.

Market value does not include any transaction financing costs, commissions, taxes or change of ownership costs, or any capital gains tax. Conversely, real estate taxes are taken into account in the valuation.

The discounted cash flow method calculates returns based on future incomings and outgoings. It includes potential future cash flow forecasts in relation to a property's location and use.

Gross annual income (net rental income) is defined based on current income and any market potential. Any loss of income due to vacancy risk is also taken into account. Furthermore, operating costs and maintenance and renovation costs that cannot be passed on to tenants are deducted.

The residual value is obtained by capitalizing the net cash flow from the 11th year and taking into account future unscheduled maintenance costs that cannot be passed on to tenants. The location, use and state of repair of the building at that precise moment are factored into the capitalization. Cyclical renovation costs after a ten-year period are calculated as a percentage of the building's value, adjusted for any increases (CapEx).

The rental income taken into consideration is based on information received from the property owners or management company. The calculation model ignores differences between rental conditions linked to the mortgage rate but does take account of index-linked contracts. In the valuation model, apart from factoring in rent reviews, the predicted growth in rental income is based on the options permitted under tenancy law, while taking into account the maximum market conditions.

The market potential is based on the market rent corresponding to the location parameters, type of property, rental area, number of rooms, fixtures and fittings, services and similar.

The valuation is verified and adjusted where necessary, depending on the property, by market specialists.

Legal basis for the valuation of rental income: Valuations are subject to changes in the IPC index over the next 10 years. For residential properties, rent reviews take into account the increase in the value of the property. In contracts for commercial or office properties, indexing is applied in accordance with the contractual terms.

Market potential is valued based on the provisions of tenancy law and market conditions.

Rental area: The rental area is based on the information provided by management. We operate on the assumption that this information complies with the definitions given in applicable standards. In rare cases where areas are calculated from plans, the net effective surface area is used.

Maintenance and renovation expenses comprise all works carried out, such as repairs that cannot be passed on to tenants. Renovation includes non-recurring investments such as building renovations or improvements, etc. The percentage of these costs that corresponds to an increase in the property value is capitalized and to a certain extent reflected in rents.

The market value of each property represents the price that is likely to be achieved in the presence of a normal deal flow and assuming a diligent purchase and sale transaction. Any opportunities arising, particularly during the purchase and sale of the fund's properties, are exploited on a case-by-case basis in the best interests of the fund. This may lead to differences compared with the valuations.

Capitalisation rate as at June 30,2020

The capitalisation rate is 3.65%. (Average 10-year swap of the last 4 years: 1.50%; debt ratio: 1.15%; inflation rate: 1.00%)
The discount rates varie between 3.30% (minimum) and 4.75% (maximum), with a weighted average of 4.04%.

Information on matters of particular economic or legal significance

1. Update on the Covid-19 health crisis:

At present under 1/5 of our income is commercial and just three properties are entirely commercial. The Fund took prompt action to help locked down businesses by suspending (or reducing) rent payments until they reopened and then agreeing - in line with probable Federal Government policy - a 50% cut on two months' rent.

As of 30th of June 2020, in total the fund's commercial leases account for 28% of our income. The proportion of commercial tenants who risk finding themselves in financial difficulty making it hard to pay their rent is currently estimated at less than 10%.

At August 2020 Residentia's commercial lessees therefore owed it around CHF 160,000 as a result of the pandemic, which given the extent of the current crisis and total annual rents (around CHF 13.2 million) is a limited exposure. Furthermore, to date none of the businesses in our properties have had to be wound up as a result of COVID 19.

As mentioned above, the pandemic has had a wide impact on all business in Ticino. In addition to the direct cost to the Fund of the slashed rents, various other businesses have suffered loss or delay, as the interim figures just published show.

The number of vacant properties has risen considerably over previous periods, certainly because of the general three-month lockdown imposed within the Canton. Between March and June all new rentals were banned, viewings were impossible, property moving activity was halted (unless already organized) and leases could not be terminated. A natural and general sense of uncertainty also had an enormous impact on tenant's desire to look for new homes or to make a major change to their lives by moving house. For these and other reasons - such as the freeze on building work, which prevented or slowed down the restructuring of vacant apartments - in the first six months of the year we saw a rise in the number of vacancies. We do however expect to see a return to normal during the second semester as business fully recovers in Ticino.

We are doing all we can to contain, as far as possible, the impacts of the pandemic on 2020 results.

Summary figures

		30.06.2019	30.06.2020
Total assets	CHF	260'172'214.52	274'755'007.82
Net fund assets	CHF	185'298'260.02	185'364'619.93
Estimated market value of completed properties	CHF	254'275'000.00	268'000'000.00
Estimated market value of properties under construction (including land)	CHF	0.00	0.00

	Units outstanding	Net assets	Net asset value per unit	Net income distribution	Capital gains distribution	Total
		CHF	CHF	CHF	CHF	CHF
31.12.2012	68'388	75'113'699.44	1'098.35	24.42	0.00	24.42
31.12.2013	68'388	76'010'399.74	1'111.45	26.02	8.35	34.37
31.12.2014	68'388	75'712'234.11	1'107.10	29.39	2.28	31.67
31.12.2015	1'000'608	112'957'366.46	112.90	3.28	0.00	3.28
31.12.2016	1'200'713	138'679'280.64	115.50	2.06	0.87	2.93
31.12.2017	1'600'174	186'257'665.38	116.40	2.42	0.58	3.00
31.12.2018	1'600'174	186'288'230.80	116.40	1.65	0.54	2.19
31.12.2019	1'600'174	187'324'066.63	117.05	2.58	0.10	2.68
30.06.2020	1'600'174	185'364'619.93	115.85	0.00	0.00	0.00

Above distributions result from annual and semi-annual distributions

Indices calculated according to SFAMA directive

30.06.2020

Return default rate	12.44 %
Borrowing ratio	31.01 %
Operating profit margin (EBIT)	54.31 %
TER REF GAV	0.81 %
TER REF MV	1.19 %
Return on equity (ROE 01.01.19 - 31.12.2019)	1.24 %
Dividend yield	2.48 %
Premium as at 31.12.2019	6.78 %
Investment return	2.41 %
Return on Invested Capital	1.00 %

Performance of the Résidentia Fund (reinvested dividends)

	2019	2020 ⁽¹⁾	since launch ⁽²⁾	accounting period 31.12.19 - 30.06.20
Residentia	7.56%	-12.00%	35.62%	-12.00%
SXI Real Estate Funds Index*	20.67%	-1.64%	94.46%	-1.64%

* The SXI Real Estate Funds TR benchmark index includes all Swiss real estate funds listed on SIX Swiss Exchange. Their weighting in the index is determined by their market capitalisation. Dividend payments are taken into account when calculating the SWIIT performance index.

Past performance is not an indicator of current or future performance.

Performance figures do not take into account commissions and fees paid when units are issued or redeemed.

¹ until 31.12.2019

² from 1.07.2009 to 31.12.2019 (cumulative performance)

Statement of assets and liabilities	30.06.2019	30.06.2020
Assets	CHF	CHF
Bank assets		
Demand deposits	3'740'319.89	3'907'308.32
Properties		
Residential properties	129'680'000.00	147'455'000.00
Residential properties with floor-by-floor ownership	2'500'000.00	2'500'000.00
Mixed-use properties	57'685'000.00	33'400'000.00
Mixed-use properties with floor-by-floor ownership	0.00	8'450'000.00
Commercial properties	64'410'000.00	76'195'000.00
Building plots, including buildings to be demolished and properties under construction	0.00	0.00
Total properties	254'275'000.00	268'000'000.00
Other assets	2'156'894.63	2'847'699.50
Total assets	260'172'214.52	274'755'007.82
Liabilities		
Commitments		
Short-term commitments		
Short-term mortgage debt	6'500'000.00	64'020'000.00
Short-term other commitments	3'145'237.50	4'469'454.89
Long-term commitments		
Long-term mortgage debt	63'070'000.00	19'090'000.00
Long-term other commitments	0.00	0.00
Total liabilities	72'715'237.50	87'579'454.89
Net assets before estimated taxes due in case of liquidation	187'456'977.02	187'175'552.93
Provisions for taxes on unrealised gains	-2'158'717.00	-1'810'933.00
Net assets	185'298'260.02	185'364'619.93

Change in net assets	30.06.2019	30.06.2020
Change in net fund assets	CHF	CHF
Net fund assets at beginning of accounting period	186'288'230.80	187'324'066.63
Distribution	-3'504'381.06	-4'288'466.32
Balance of unit transactions	0.00	0.00
Total net income	2'514'410.28	2'329'019.62
Net fund assets at end of accounting period	185'298'260.02	185'364'619.93

Number of units redeemed and issued	30.06.2019	30.06.2020
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<u>Change in number of units</u>		
Position at beginning of period	1'600'174.00	1'600'174.00
Units issued	0.00	0.00
Units redeemed	0.00	0.00
Position at end of period	1'600'174.00	1'600'174.00
	CHF	CHF
<u>Net asset value per unit at end of period</u>	<u>115.80</u>	<u>115.85</u>

Additional information (Art. 68 CISO-FINMA)	30.06.2019	30.06.2020
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	CHF	CHF
Balance of property depreciation account	0.00	0.00
Balance of provision account for future repairs	0.00	0.00
Number of units presented for redemption for the end of the following period	0.00	0.00

Income statement

	From 01.01.2019 to 30.06.2019	From 01.01.2020 to 30.06.2020
Income	CHF	CHF
Rental income	5'166'472.53	5'910'592.93
Bank interest	-638.89	30.15
Other income	0.00	92'433.55
Other rental income	46'531.50	89'041.38
Income equalization on units issued	0.00	0.00
Total income	5'212'365.14	6'092'098.01
Expenses		
Mortgage interest	339'988.74	404'618.02
Other interest expense	0.00	0.00
Maintenance and repairs	669'940.64	639'896.36
Property administration:		
a) Property costs (water, electricity, concierge services, cleaning, insurance, etc.)	266'990.78	405'129.33
b) Administration costs (professional fees and management expenses)	244'028.30	238'271.70
Direct taxes	709'406.14	780'267.69
Valuation and audit fees	40'209.55	47'672.17
Bank charges	27'485.51	29'159.50
Other expenses (publication, printing, legal costs, etc.)	9'184.14	36'141.96
Statutory compensation for the fund management company	689'363.40	689'955.69
Statutory compensation for the custodian bank	46'189.27	46'323.26
Allocation(s) to provisions for doubtful debts	148'742.84	43'932.17
Total expenses	3'191'529.31	3'361'367.85
Net income	2'020'835.83	2'730'730.16
Realised gains/losses on investments	150'981.37	0.00
Realised gain/loss	2'171'817.20	2'730'730.16
Unrealised gains/losses on investments (change)	342'593.08	-401'710.54
Profit/loss for the period	2'514'410.28	2'329'019.62
Allocation of net income		
	CHF	CHF
Realised gain/loss	2'171'817.20	2'730'730.16
Intermediary dividend	0.00	0.00
Retained earnings	11'576.46	4'191.14
Income available for distribution	2'183'393.66	2'734'921.30
Income payable to investors	2'183'393.66	2'734'921.30
Capital gains distribution	0.00	0.00
Income distribution	0.00	0.00
Income expected to be paid to investors	0.00	0.00
Carried forward	2'183'393.66	2'734'921.30

RESIDENTIA

Properties inventory

Rental properties

		Cost price	Estimated market value	Rent received ¹	Gross yield ²	Net yield ³
		in CHF	in CHF	in CHF		
Residential Properties						
Tessin	Bellinzona					
	Via San Gottardo 58 a/b/c	8'736'763.38	10'200'000.00	260'218.15	6.18%	2.55%
	Via Ghiringhelli 27	9'767'736.80	9'650'000.00	209'467.00	5.71%	2.17%
	Via San Gottardo 47	4'668'846.95	4'700'000.00	100'505.85	5.51%	2.14%
	Biasca					
	Via Quinta 53 à 59	8'848'220.84	10'070'000.00	247'149.00	5.19%	2.45%
	Via Quinta 45, 47	6'246'809.30	6'085'000.00	137'201.85	4.95%	2.25%
	Giubiasco					
	Viale C. Olgiati 20/1	5'425'352.40	6'450'000.00	140'638.95	5.36%	2.18%
	Via Zorzi 2A	6'577'237.75	6'500'000.00	142'409.30	4.56%	2.19%
	Locarno					
	Via Nessi 38	8'932'413.25	10'550'000.00	267'834.40	5.47%	2.54%
	Via Rovedo 15 - Via P. Romerio 12	9'222'217.93	10'500'000.00	289'051.45	5.86%	2.75%
	Lugano					
	Via Antonio Fusoni 5	7'252'736.45	8'100'000.00	182'680.00	5.21%	2.26%
	Via Beltramina 6 - 8 - 10	11'205'662.40	12'400'000.00	319'730.00	5.40%	2.58%
	Via dei Faggi 23	10'151'303.85	10'900'000.00	216'119.00	5.07%	1.98%
	Monte Carasso					
	Via Mundasc 2	28'997'555.14	28'200'000.00	600'811.70	4.55%	2.13%
	Vacallo					
	Via Bellinzona 10-11 - Via F.Chiesa 11	12'845'282.91	13'150'000.00	313'917.00	5.62%	2.39%
	Totals	138'878'139.35	147'455'000.00	3'427'733.65		

Residential properties with floor-by-floor ownership

	Locarno					
	Via In Selva 17	2'454'473.55	2'500'000.00	0.00	0.00%	0.00%
	Totals	2'454'473.55	2'500'000.00	0.00		

Mixed-use properties

Tessin	Bellinzona					
	Via C. Ghiringhelli 18	6'355'604.86	6'900'000.00	64'080.45	3.32%	0.93%
	Via San Gottardo 41	6'080'294.65	6'050'000.00	160'541.75	5.57%	2.65%
	Lugano					
	Via Bagutti 26	11'583'392.37	11'900'000.00	293'332.00	5.10%	2.46%
	Massagno					
	Via Solaro 1	8'092'338.30	8'550'000.00	186'135.00	4.83%	2.18%
	Totals	32'111'630.18	33'400'000.00	704'089.20		

Mixed-use properties with floor-by-floor ownership

	Minusio					
	Via Rinaldo Simen 58	8'310'055.12	8'450'000.00	176'550.10	4.63%	2.09%
	Totals	8'310'055.12	8'450'000.00	176'550.10		

Commercial properties		Cost price in CHF	Estimated market value in CHF	Rent received ¹ in CHF	Gross yield ²	Net yield ³
Tessin	Gambarogno Via Luserte 2-4	11'613'203.85	13'500'000.00	319'791.50	5.49%	2.37%
	Lugano Via Besso 42	12'132'559.50	12'210'000.00	178'809.00	3.98%	1.46%
	Manno Via Cantonale 27	6'422'166.20	6'050'000.00	184'398.00	5.30%	3.05%
	Melide Via Cantonale 29-31	8'660'992.74	8'850'000.00	189'120.08	5.27%	2.14%
	Mendrisio Via Stefano Franscini 10-12	26'040'740.84	27'025'000.00	531'506.00	3.68%	1.97%
	Monteceneri Via Lagacci 8	8'399'267.85	8'560'000.00	198'595.40	4.86%	2.32%
Totaux		73'268'930.98	76'195'000.00	1'602'219.98		

Summary

	Cost price in CHF	Estimated market value in CHF	Rent received ¹ in CHF
Residential properties	138'878'139.35	147'455'000.00	3'427'733.65
Residential properties with floor-by-floor ownership	2'454'473.55	2'500'000.00	0.00
Mixed-use properties	32'111'630.18	33'400'000.00	704'089.20
Mixed-use properties with floor-by-floor ownership	8'310'055.12	8'450'000.00	176'550.10
Commercial properties	73'268'930.98	76'195'000.00	1'602'219.98
Totals	255'023'229.18	268'000'000.00	5'910'592.93

1. includes rent receivable, excludes prepaid rents

2. ratio between theoretical rental status and market value (for properties comprising a completed building/building in use)

3. ratio between rent received¹ yearly and market value (for properties comprising a completed building/building in use)

Building fire value : 243'062'289.00 CHF

No tenant accounts with more than 5% of the total rental income of the fund (in accordance with paragraph 66 of the SFAMA guidelines on real estate funds)

Information on rate of vacant and building age

	Vacant rate	Building age in years
Bellinzona		
Via San Gottardo 58 a/b/c	23.70%	58
Via San Gottardo 41	4.63%	58
Via San Gottardo 47	21.40%	62
Via C. Ghiringhelli 18	44.00%	43
Via Ghiringhelli 27	24.25%	53
Biasca		
Via Quinta 53 à 59	5.35%	37
Via Quinta 45-47	7.81%	38
Gambarogno		
Via Luserte 2-4	15.76%	31
Giubiasco		
Viale C. Olgiati 20/1	23.04%	30
Via Zorzi 2A	3.40%	30
Locarno		
Via In Selva 17	0.00%	55
Via Nessi 38	5.80%	57
Via Rovedo15 - Via Pietro Romerio 12	6.77%	50
Lugano		
Via Beltramina 6-8-10	6.66%	55
Via Bagutti 26	1.81%	50
Via Besso 42	34.00%	125
Via dei Faggi 23	22.93%	31
Via Antonio Fusoni 5	3.32%	50
Manno		
Via Cantonale 27	10.06%	33
Massagno		
Via Solaro 1	8.28%	100
Melide		
Via Cantonale 29-31	13.87%	29
Mendrisio		
Via Stefano Franscini 10-12	8.77%	27
Minusio		
Via Rinaldo Simen 58	15.18%	25
Monte Carasso		
Via Mundasc 2	18.71%	26
Monteceneri		
Via Lagacci 8	4.76%	33
Vacallo		
Via Bellinzona 10-11 - Via F.Chiesa 11	19.61%	40

List of asset purchases and sales

Purchases

No transaction during the period January 1st, 2020 to June 30th, 2020

Sales

No transaction during the period January 1st, 2020 to June 30th, 2020

Analysis of mortgage debt

	Principal in CHF	Interest rate Annual	Loan date	Maturity	Interest rate basis and frequency
Short-term commitments	7'700'000.00	0.600%	27.06.2020	27.07.2020	FIX
below one year	3'500'000.00	0.600%	18.06.2020	18.07.2020	FIX

	Principal in CHF	Interest rate Annual	Loan date	Maturity	Interest rate basis and frequency
Long-term commitments from one to five years	2'000'000.00	0.600%	22.04.2016	31.12.2021	FIX
	8'520'000.00	0.600%	18.05.2016	31.12.2021	FIX
	9'000'000.00	0.600%	15.10.2019	31.12.2021	FIX
	19'000'000.00	0.600%	25.04.2019	31.12.2021	FIX
	500'000.00	1.310%	20.10.2017	30.04.2023	FIX
	200'000.00	1.310%	20.10.2017	30.04.2023	FIX
	40'000.00	2.400%	20.10.2017	31.12.2023	FIX
	2'420'000.00	2.400%	20.10.2017	31.12.2023	FIX
	2'500'000.00	2.400%	20.10.2017	31.12.2023	FIX
	8'640'000.00	1.850%	30.06.2014	01.07.2024	FIX

	Principal in CHF	Interest rate Annual	Loan date	Maturity	Interest rate basis and frequency
Long-term commitments over five years	3'300'000.00	1.350%	20.10.2017	30.06.2026	FIX
	790'000.00	1.350%	20.10.2017	30.06.2026	FIX
	15'000'000.00	1.300%	31.03.2017	31.03.2027	FIX

83'110'000.00 **1.007%** (weighted average rate)

Analysis of refund mortgage debt

	Principal in CHF	Interest rate Annual	Loan date	Maturity	Interest rate basis and frequency
	3'000'000.00	0.600%	27.04.2017	27.04.2020	FIX

Information on the effective rate of remuneration and ancillary costs

Remuneration of management company		Maximum contractual rate	Rate applied
For management fee	§ 19 of the fund contract	1.00%	0.726%
For issuing commission	§ 18 of the fund contract	5.00%	n/a
For redemption fee	§ 18 of the fund contract	5.00%	n/a
For property purchases or sales	§ 19 of the fund contract	5.00%	1.20% to 4.20%
For property management	§ 19 of the fund contract	6.00%	3.00% to 3.75%
For building conversion/renovation/work projects	§ 19 of the fund contract	3.00%	n/a
Remuneration of custodian bank			
For securities custody, unsecured mortgage certificates and real estate equities	§ 19 of the fund contract	125 CHF	125 CHF
For administration, settlement of payment transactions and supervision of the fund management company	§ 19 of the fund contract	0.05%	0.05%
For annual product paid to investors	§ 19 of the fund contract	0.50%	0.50%

Informations on commitments

Contractual payment undertakings on the day of the closing of the balance sheet for property purchases, construction mandates and investments in properties

On the day of closing of the balance sheet, the ongoing contractual payment undertakings for the construction mandates and the investments in property amounted to a total of almost CHF 189'152.10.