

**Commentary
on the Portfolio**

As at reporting date the Group's portfolio comprises of 17 investment properties, of which five are located in Switzerland and twelve in Germany.

The overall value of the portfolio amounts to CHF 338.0 million as of 30 September 2016. This represents an increase of CHF 6.8 million compared with 31 March 2016. The positive market developments in Züblin's investment markets Switzerland and Germany led to a positive value adjustment of CHF 6.3 million. CHF 2.8 million relate to Germany where prices for office properties in good locations with low vacancy rates are at high levels at the moment. The portfolio value was also increased by investments of CHF 1.2 million, whereas currency movements of CHF 0.7 million had a negative effect.

Annual rental income was CHF 18.9 million as of 30 September 2016. The vacancy rate for the Swiss portfolio improved from 12.4% to 11.7% during the reporting period. In the German portfolio the vacancy rate increased from 6.4% to 8.6%. The overall vacancy rate of the portfolio remains below 10% at currently 9.9% compared to 9.0% as of 31 March 2016.