



EDMOND DE ROTHSCHILD REAL ESTATE SICAV – COMMERCIAL INCOME (“ERRES-CI”) PUBLICATION OF THE SEMI-ANNUAL REPORT AS AT 30 SEPTEMBER 2024

The first half-year results of ERRES, at 30 September 2024, reflect the deployment of the initial funds raised in July 2024.

- The fund was launched in July 2024 with an **initial equity raise of CHF 54.4m**
- **The first two acquisitions had been made** at 30 September 2024 and **two new acquisitions were completed** after the end of the half-year
- Portfolio returns and financing conditions are **more favourable than the business plan** presented at launch

Launch

Boasting recognised experience in commercial real estate since the launch of the OROX Capital Investment fund in 2007 and convinced of the attractive opportunities available under current market conditions, Edmond de Rothschild REIM Suisse launched a new Core/Core+ fund in spring 2024 dedicated to Swiss commercial real estate. In a macroeconomic environment that is stabilising after a period of a sustained increase in inflation and interest rates, Edmond de Rothschild REIM Suisse is seeking to offer its investors a strategy focused on generating stable income with a distribution of around 4.5% per year (target investment return of 6.0% per year).

Thanks to the support of the company's strong long-standing investor base, an initial fundraising generated CHF 54.4m in early July 2024.

Deployment of capital

In the first three months of its existence, ERRES-Commercial Income completed its first two acquisitions:

- CRISSIER (VD) - Morges 22-24: two office buildings/Core+ activity located in the Crisser business area, in the immediate vicinity of the motorway interchange. This complex was acquired as part of a share deal and offers excellent profitability (with a gross yield on purchase price of 7.0%) on a well-diversified multi-tenant site (12 tenants).

- GLAND (VD) – Fontenailles 23: Core+ industrial building located in the Gland business area, offering excellent profitability (6.3% gross yield on purchase price) secured over the long term (13 years) with a single tenant operating a fitness centre.

The manager has also made the following transactions since the end of the half-year:

- LAUSANNE (VD) – Cour 61: acquisition of a core office building ideally located in the city of Lausanne, acquired via sales and leaseback, offering a good initial yield (5.0% gross yield on purchase price) and attractive repositioning potential on the departure of the single tenant.
- MEYRIN (GE) – Meyrin 214: acquisition, subject to the exercise of pre-emptive rights, of a core-business building ideally located on the Meyrin-Geneva road, benefiting from building rights and offering a guaranteed gross return on purchase price of 5.6% secured over the long term (8.9 years on average) with a car garage as the main tenant.

Finance

The first two acquisitions generated an unrealised capital gain after the deduction of liquidation tax of CHF 0.94m, or CHF 1.75/unit, bringing net asset value to CHF 101.96/unit.

Debt reversals totalling CHF 6.9m were carried out at a weighted average interest rate of 1.51% and an average residual maturity of 1.73 years.

Outlook

With a high-quality deal flow and advanced negotiations on several items, the manager aims to fully deploy the initial fundraising by January 2025 and create a secure pipeline to further develop and diversify the portfolio.

If you have any questions, please contact:

Edmond de Rothschild REIM (Suisse) SA

Arnaud Andrieu

a.andrieu@reim-edr.ch

Jonathan Martin

j.martin@reim-edr.ch

www.edr-realestatesicav.ch

Link to the unaudited semi-annual report

<https://www.edr-realestatesicav.ch/erres-commercial-income/publications>