



EDMOND DE ROTHSCHILD REAL ESTATE SICAV (ERRES) HIGH-PERFORMANCE PORTFOLIO AND ORGANIC GROWTH

The 2023/24 financial year ended 31 March 2024, with results set to be published on 20 June 2024.

- **Portfolio news:** low vacancy rate (< 2%), acceleration in rental growth (> 2% like-for-like), strategic disposals generating distributable capital gains and commercial acquisitions improving distribution yield
- **Self-funded growth:** internal growth strategy without use of capital increases during the 2024/25 financial year thanks to the solid capital base (approx. CHF 2bn) and debt secured over a nearly 5-year period for a weighted average rate of less than 1.4%

Portfolio News

The portfolio boasts excellent fundamentals thanks to its predominantly residential positioning in Geneva: the vacancy rate is low at slightly below 2%, rent roll is growing at a rate of more than 2% at constant scope and valuations are robust.

The construction and renovation business is strong, with 8 projects under way monitored by our teams, which will contribute CHF 10 million in additional rental income by end-2025.

We continued to sell off assets, both in terms of non-strategic assets purchased as part of portfolio acquisition and in terms of assets whose enhancement in previous years resulted in gains that contributed significantly to distributable realised income. The Fund Manager also seized three commercial acquisition opportunities on properties offering excellent locations and contributing positively to the portfolio's profitability thanks to gross returns above 6%.

Self-funded growth

With a real estate value of CHF 2.8 billion (as at 30/09/2023), the ERRES-Swiss portfolio has reached critical mass. The Board of Directors and the Fund Manager have decided to focus the strategic objectives on the following internal growth drivers:

- Continued development of rental income while offering quality properties to tenants
- Rigorous monitoring of construction sites with a view to delivering multiple new construction projects representing future rental income of more than CHF 10 million
- Obtaining permits to expand the existing portfolio while generating returns of more than 5%
- Implementation of energy renovations actively contributing to the reduction of CO₂ emissions and enhancement of buildings

To fund this internal growth, and with regard to external financing secured over a nearly 5-year period with a weighted average rate of less than 1.4%, the Board of Directors and the Fund Manager aim to recycle capital through strategic disposals. **Accordingly, no capital increases are planned for the 2024/25 financial year.**

If you have any questions, please contact:

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