



EDMOND DE ROTHSCHILD REAL ESTATE SICAV (« ERRES ») UPDATE COVID-19

Dear investors,

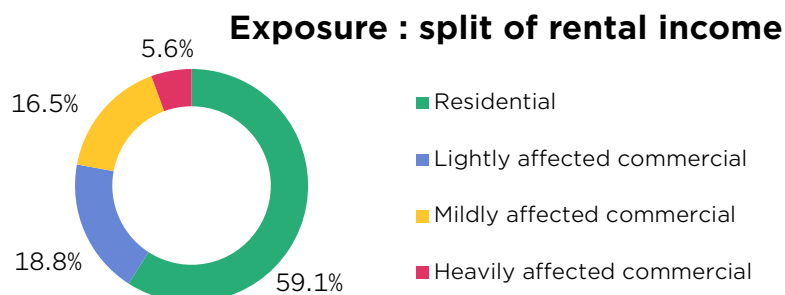
In the context of events related to the coronavirus crisis, we are providing you with some information related to the portfolio of Edmond de Rothschild Real Estate SICAV (ERRES).

Portfolio exposure and diversification

First of all, it seems to us important to recall the predominantly residential positioning of ERRES with 59.1% of the total rental income coming from this sector (including parking lots). Our residential buildings are targeting the majority of the population and should be relatively more resilient to market turbulences.

An in-depth analysis of the potential impact of the health crisis on our commercial tenants also highlights our low exposure to the riskiest sectors. The 40.9% of commercial rental income is distributed as follows (as a percentage of the total rental income):

- 18.8% in the lightly affected commercial sectors: food retail (4.1%), public sector (4.7%), storage (4.4%), healthcare and miscellaneous (5.6%);
- 16.5% in the mildly affected commercial sectors: office (8.7%) and light industrial (7.8%);
- 5.6% in the heavily affected commercial sectors: non-food retail (3.8%) and catering and leisure (1.8%).



In addition, we believe that ERRES' commercial tenant base is solid and well diversified as it is made up of 280 leases. The five and ten largest tenants represent respectively 12.1% and 16.9% of the SICAV's total rental income. The weighted average residual lease terms (WAULT) amounts to 7.26 years on commercial leases.

Formal position and treatment of tenants' requests

In the commercial field, the real estate sector is facing tenants' requests for rent deferrals and rent discounts, as well as late payments. In accordance with the positions of the professional associations such as SVIT, FRI or the AIS, Edmond de Rothschild REIM (Suisse), investment manager of ERRES, currently estimates that the rents of the commercial surfaces remain due, and even more so for residential rents. However, we will grant, upon formal request by the tenant, a period of at least 90 days to pay the rent and costs, in accordance with article 2 of "Ordonnance Fédérale COVID-19" in relation to leases dated from March 27, 2020.

We nevertheless carefully follow our tenants' requests and maintain dialogue in order to best help those who need it most. An ad hoc internal committee has been set up to deal with all requests on a case-by-case basis. We consider that each situation deserves special attention and that the solution chosen will depend on objective and individualized criteria.

Faithful to our mandate with ERRES, we strive at all times to find the best solution to protect the interests of the SICAV and its investors. We will keep you informed of further developments.

For any question you might have, please contact :

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