



Edmond de Rothschild Real Estate SICAV – Swiss

MANAGER'S REPORT

Geneva, 5 June 2012

Dear investors,

Banque Privée Edmond de Rothschild S.A., the investment manager of Edmond de Rothschild Real Estate SICAV, is delighted to give you a progress report on the Swiss sub-fund's investments.

Since our latest report dated 31 January 2012, Edmond de Rothschild Real Estate SICAV-Swiss (ERRES-Swiss) has completed a capital increase which raised a total of CHF 102.8 million. All the subscription rights were exercised by the end of the scheduled period, demonstrating once again the appeal that the real estate sector holds for investors.

The capital increase was naturally accompanied by a higher trading volume, which peaked during March 2012 with 10% of units traded.

LATEST INVESTMENTS

▶ **MEYRIN (GE) – RUE DE VEYROT 11**

As announced in the most recent report, we became owner of this building in April. The office building is located in the industrial zone in Meyrin-Satigny (Zimeysa), close to Geneva Airport. The tenant occupying the entire space (3,947m²) moved in under a new 12-year lease. The building is in very good state of repair and will require little maintenance work.

▶ **VERSOIX (GE) – ADRIEN LACHENAL 21-23**

We have acquired a building comprising 22 apartments located just a few minutes' walk from Versoix station. The building is due to exit the HLM subsidised housing regime on 31 December 2012 and lies at the heart of a new "PLQ" neighbourhood development plan.

▶ **EPALINGES (VD) – Biopole IV**

Construction work began recently on this building that will ultimately have more than 6'000m² in office space and laboratory facilities. Half the property has already been let and negotiations concerning the rest of the space are at an advanced stage. The building will stand next to Biopole III, a unit that has already been completed and fully let for 20 years in a complex with direct access to Lausanne metro line M2 and located close to the motorway.

▶ **VILLARS-SUR GLÂNE (FR) – BELVÉDÈRE 2-4**

The acquisition of this residential building was completed during April. Renovated a few years ago, the complex has 48 apartments and lies in the heights of Fribourg close to the Cantonal hospital.

With these recent acquisitions, the ERRES-Swiss portfolio now comprises 21 buildings with a total value of over CHF 380 million (CHF 410 million taking into account the total cost of construction budgeted for Biopole IV).



FOCUS

The Agora project in Fribourg reached a key milestone during March 2012, with the reception of the finished building. It commenced in July 2010 with the acquisition of the land at the same time as the signature of the builder's contract and principal lease.

The complex is located at the TPF bus station and has a direct link to the CFF rail station and neighbouring stores. It has around 15'000m² in total space, which has several uses:

- 12'600 m² in office space
- 800 m² in retail space
- 15 duplex apartments
- 150 parking spaces

The office and retail space was let in parallel with the monitoring of the construction, with four leases signed with prime tenants for periods of between 10 and 15 years. To date, 800m² in office space remains available, and letting of the apartments has got off to a successful start.

Agora is the 25'000th building to have been awarded the Minergie® quality standard.

By September, all the tenants will have moved in, and the flagship building in our portfolio will start delivering its full yield.

LATEST ACQUISITIONS

Other negotiations are currently underway, as we seek to continue investing the capital raised during March.

More than one year after its launch and ahead of the publication of the audited report at 31 March 2012, we wish to thank the Board of Directors and the SICAV's partners again for their work during this very active and busy period.

Banque Privée Edmond de Rothschild S.A.,
Geneva
Investment Manager



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