



# Edmond de Rothschild Real Estate SICAV – Swiss

## MANAGER'S REPORT

Geneva, 9 November 2011

Dear investors,

Banque Privée Edmond de Rothschild S.A, as Investment Manager of Edmond de Rothschild Real Estate SICAV, has pleasure in informing you on how the investments in the Swiss subfund of our product have performed to 1 November 2011.

### LISTING AND MARKET PRICE

The share price rose during the reporting period, from CHF 107.3 at end-June to CHF 111.8 at end-October. Since our listing, monthly trading volume has averaged roughly 4.5% of the stockmarket capitalisation.

### PORTFOLIO

For the record, in our previous notice we announced the purchase of two new buildings for a total of CHF 74 million, namely:

- ▶ **BASEL (BS) - Margarethenstrasse 87**  
Mixed residential/office building with a rental surface of 6,498 m<sup>2</sup> located near the central railway station.
- ▶ **GENEVA (GE) - Philosophes 20 and Ecole de Chimie 2-4**  
Set of two office buildings with a rental surface of 3,584 m<sup>2</sup> in downtown Geneva with a 10-year lease.

Management and follow-up have begun since these properties were included in the fund's portfolio.

### NEW ACQUISITIONS

In the meantime we have been able to finalise a number of previously secured opportunities. Four additional properties have been added to the SICAV's portfolio:

- ▶ **DIETIKON (ZH) - Baumgarten**  
Set of 70 residential apartments spread across five blocks with a total surface area of 4,208 m<sup>2</sup>. The facades and windows have been renovated in recent years.
- ▶ **BASEL (BS) - St Galler Ring**  
Set of 30 residential apartments with a total surface area of 2,175 m<sup>2</sup>. These blocks are located in a quiet residential neighbourhood close to public transport, shops and schools. The lot also possesses an additional building entitlement that the authorities are currently studying.



▶ **FRIBOURG (FR) - Route de la Pisciculture 4-6**

Two brand-new blocks with 17 apartments and a surface area of 1,373 m<sup>2</sup> near the Plateau de Pérolles schools. The flats have an unobstructed view of the Sarine valley and the Fribourg Alps.

▶ **FRIBOURG (FR) - Rue Gachoud 4**

Residential building that is currently being completed with 21 apartments scheduled for delivery at end-December 2011. Near the downtown area and the central railway station.

The following additional properties will be transferred during the last quarter of 2011:

▶ **EPALINGES s/ LAUSANNE (VD) - Route de la Corniche 9**

The purchase of this building with 7,105 m<sup>2</sup> of commercial space is now secured. It is a brand-new building with a Minergie® endorsement, located close to the M2 underground and the motorway. It houses laboratories and teaching facilities under a long-term lease.

▶ **GLAND (VD) - Cité Centre**

Mixed retail/office building with a surface area of 2,688 m<sup>2</sup> that was fully renovated in 2010 and has a diversified mix of tenants with recently signed leases.

All these new acquisitions together represent an outlay of CHF 90 million, bringing the value of the portfolio to nearly CHF 165 million.

## NEXT ACQUISITIONS

A process of due diligence with exclusivity is under way on other properties representing a total of CHF 180 million. They will probably be added to the portfolio by end-December 2011:

- ▶ **Property portfolio:** nine buildings (including two under construction) located throughout Switzerland, with a tilt towards commercial space.
- ▶ **Zurich canton:** two brand-new mixed residential/retail buildings.
- ▶ **Geneva canton:** one brand-new block of flats and one office building.



## FINANCING STRATEGY

In view of the satisfactory progress we have made in our schedule of acquisitions, the fund should be totally invested by January 2012.

As a consequence we are preparing to lay out our mortgage strategy in relation to the assets and take advantage of present long-term borrowing rates.

## WEBSITE

The SICAV's website, [www.edr-realestatesicav.ch](http://www.edr-realestatesicav.ch), is now up and running. Information on the property portfolio will be updated gradually, and you will be able to sign up to receive important notices.

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