
EDMOND DE ROTHSCHILD REAL ESTATE SICAV

«Diversify your portfolio with exposure to the **Swiss property market**»

Edmond de Rothschild Real Estate SICAV – Swiss (“ERRES”) invests in property throughout Switzerland. The fund’s investment strategy is geared towards generating a steady rental yield on its buildings, with a supplementary value-added approach focused on capital gains. The portfolio mainly includes properties in the residential segment while the remainder consists of commercial assets (mainly office space). The assets usually range in value from CHF 5m to CHF 60m. To avoid concentration risk, the portfolio is diversified by canton as well as by asset type.

KEY POINTS

- ▶ A SICAV dedicated to the Swiss real-estate market
- ▶ An alternative asset that diversifies risk
- ▶ Tax benefits compared with a direct property purchase
- ▶ A mix of residential and commercial exposure
- ▶ The experience of a leading player in real-estate investment

A RISK-SPREADING ASSET CLASS

Real estate offers attractive returns and is therefore popular among institutional as well as private investors. Great selectiveness and quick responses are needed to take full advantage of this complex investment universe, particularly in view of the current context of rising prices, strong demand, limited supply and fast-paced dealing.

TAX BENEFITS

Unlike the majority of other Swiss property funds that own buildings as companies, ERRES is a SICAV whose income and capital gains on real estate are taxed at the fund level. Thus it is taxed at lower rates than private investors or legal entities that own real estate. As an example ERRES is liable to federal income tax at the rate of 4.25%, compared with 11.5% for individuals and 8.5% for companies. Moreover, shareholders of the fund who reside in Switzerland are exempt from tax on real-estate assets and the income they generate.

A FRONT-RUNNER IN REAL-ESTATE MANAGEMENT

ERRES’ investments are managed by Edmond de Rothschild (Suisse) SA on behalf of the fund’s management company, CACEIS (Switzerland) SA. OROX, regulated by FINMA, is a subsidiary of the Edmond de Rothschild Group. At the crossroads of real estate and finance, OROX mobilizes a team of dynamic and competent professionals to build and value real estate portfolios in Switzerland, on behalf of the collective investments it manages and for, institutional, private and third-party clients. It has a broad network of service providers and partners throughout Switzerland in order to keep informed of all market opportunities.

The Board of Directors of the SICAV is composed of 6 members, who act in a supervisory capacity.

A HIGH VALUE-ADDED INVESTMENT STRATEGY

ERRES invests in three types of properties:

- ▶ **Residential:** The main areas targeted in this segment are the large urban centres or their outlying districts, provided there is easy access to public transport. Preference also goes to blocks of flats with moderate rents that make it possible to find new tenants quickly and with a provision for future rent increases.
- ▶ **Commercial:** The investment managers mainly choose properties with medium-/long-term leases signed by well-established companies which are preferably the only tenants.
- ▶ **Mixed:** The rest of the portfolio is allocated to mixed assets that meet the criteria specific to each category.

Most of the buildings owned by ERRES are either recent or were recently renovated. Older properties are progressively refurbished with a view to reducing their energy consumption and bringing them into line with tenants' current needs.

Between 5% and 15% of the portfolio is given over to new construction projects.

MAIN FEATURES

Legal structure SICAV	Launch date 16.03.2011	Investment Manager OROX Asset Management SA	Custodian Banque Cantonale Vaudoise	Management fee 0.50%	Telekurs No. 12423800
Tax domicile Switzerland	Financial year ends 31 March	Management Company CACEIS (Switzerland) SA	Auditor KPMG SA	Taxation Investors exempt	Ticker symbol ERRES
Share categories A (distribution)	Distribution Annual			ISIN CH0124238004	

December 2017.

Risks that could affect the subfund include: dependence on the economic outlook; changes in supply and demand in the Swiss real-estate market; limited liquidity of the Swiss real-estate market (particularly for large properties); changes in bond yields and mortgage rates; subjective valuation of real estate; risks inherent in construction; environmental risks (inter alia polluted sites); uncertainty regarding competition in the real estate market; amendments to laws or regulations; possible conflicts of interest. Furthermore, a rise in the value of ERRES shares is no guarantee that they will continue to rise in the future.

Edmond de Rothschild Real Estate SICAV (the "SICAV"), Geneva is an externally managed société d'investissement à capital variable incorporated in Switzerland in the "real estate" category, as defined in the Swiss Collective Investment Schemes Act (CISA). The SICAV has delegated administration, management and distribution to its Fund Management Company, CACEIS (Switzerland) SA, Nyon, which has in turn delegated the SICAV's investment management and the exclusive distribution of its shares to OROX Asset Management, in Geneva, which also has sub-distribution authority. OROX Asset Management SA has sub-delegated the distribution, in particular to Edmond de Rothschild Switzerland SA and Edmond de Rothschild Asset Management (Suisse) SA. Banque Cantonale Vaudoise, Lausanne is the SICAV's custodian. Subscriptions shall be valid only on the basis of the current prospectus including the investment regulations and articles of association, together with the simplified prospectus and the latest annual report (or semi-annual report if it is more recent). These documents may be

obtained free of charge from the headquarters of the SICAV, Edmond de Rothschild (Suisse) SA, Rue de Hesse 18, 1204 Geneva, from CACEIS (Switzerland) SA, Route de Signy 35, 1260 Nyon and from any sub-distributors.

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The main investment objective of each subfund shall be to preserve the substance of capital invested long term and to distribute appropriate income. To the extent possible

the SICAV's Board of Directors and Investment Manager shall strive to pursue the specific investment strategy drawn up for each subfund as set out in the SICAV's Term Sheets relating to the investment regulations. The implementation of said strategies may nevertheless be subject to constraints and to regulatory and legal procedures such as the Swiss rules on purchasing property for residential purposes. No assurance can be given by the SICAV, the Board of Directors, the Fund Management Company or the Investment Manager that residential property contemplated for purchase by the SICAV will be confirmed by the relevant federal and/or cantonal authorities as not being subject to said constraints and procedures.

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