



## AMC - ZKB / RESCAD Swiss Real Estate Investments – Market comment March 2024:

The Swiss real estate investments advanced last month, performing 3.21% (SXI Real Estate Broad Total Return Index (SREAL)). The SXI Real Estate Funds Total Return Index (SWIIT) performance (3.04%) was close to the broad real estate index. A notch better was the performance of the SXI Real Estate Shares Total Return Index (REAL), increasing by 3.70%. In the Q1 2024, listed real estate companies progressed 4.52% and achieved a solid market performance. Looking at the RESCAD AMC Swiss Real Estate investment, march performance stands at 2.84%, which represents a slight under-performance of 37 bps to the benchmark SREAL Index. In the first quarter 2024, the AMC increased by 3.63%, representing an under-performance of 89 bps to the benchmark. We are observing a decent performance of a broad range of Swiss real estate investments.



This property market recovery in Switzerland is based on solid ground. First of all, good support is coming from the interest rate environment. In March, the Swiss National Bank (SNB) decided to cut interest rates by 25 bps and there is still room for more interest rate cuts, if we look at economic data (for ex. PMI and inflation data). After good 2023 company numbers of Mobimo and PSP Swiss Property, Swiss Prime Site released compelling 2024 guidance. The company expects significant higher rental income, with the completion of the Pont-Rouge buildings in Geneva, the building in Müllerstrasse in Zurich and a building in Lugano-Paradiso. However, cashflow from operations (FFO) is going to be flat in 2024. A dividend increase, up to CHF 3.45 for the full year 2024 is expected by the market. The company expects also an increase in asset management activities up to CHF 9 bn in 2024 and CHF 10 bn in 2025. In order to achieve these targets, the company announced last month, the acquisition of Fundamenta for CHF 4.2 bn. No transactions have been carried out last month.

During the month March, our AMC investments performed as follows: PSP Swiss Property 5.07%, UBS-Sima 4.74%, Swiss Prime Site 4.66%, UBS-Anfo 4.28%, Mobimo 3.86%, CS-Siat 3.65%, Schroder ImmoPLUS 3.24%, Swisscanto-Ifca 2.40%, La Foncière 1.87%, Allreal 1.84%, Swiss Life REF CH ESG Swiss Properties 0.82%, Fundamenta -6.82%, SXI Real Estate Total Return Index 3.21%.

On a 12 months basis, the AMC investments performed as follows: Schroder ImmoPLUS 20.03%, PSP Swiss Property 17.87%, Mobimo 17.73%, UBS-Anfos 17.29%, Swiss Prime Site 16.29%, CS-Siat 15.86%, Swisscanto-Ifca 15.84%, UBS-Sima 11.61%, La Foncière 8.10%, Swiss Life REF CH ESG Swiss Properties 5.38%, Allreal 4.88%, Fundamenta -0.09%, SXI Real Estate Total Return Index 11.92%.

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