



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

The Swiss real estate investments lost a bit of its grip last month, performing -1.78% (SXI Real Estate Broad Total Return Index (SREAL)). The SXI Real Estate Funds Total Return Index (SWIIT) lost also, indicating a -2.47% performance over the same period. The SXI Real Estate Shares Total Return Index (REAL) achieved a positive investment performance of 0.33%. The AMC lost -2.11% last month. On a year to month basis, the AMC achieved a performance of 1.44%, compared to the benchmark of 2.66%. As at the end of April, the AMC is slightly underperforming the benchmark by 122 bps. Since last year end, we do not observe a clear trend in listed Swiss property investments. However, a short-term effect we do see in the recovery of last year's underperforming property funds, which recovered and reached a level like in previous years. Otherwise, the market is waiting new catalysts like a further interest rate cut by the Swiss National Bank. That would put real estate investments in a favour of fixed income investments, thanks to its higher return compared to fixed income bonds. Lower yields might also push pension funds to invest in real estate like during the period of 2013 to 2021.

This graphic from NZZ-Folio highlights the importance of the Helvetic Midlands strip from St Gallen to Geneva. The whole business activity attracts labour and universities. All of them are demanding for housing and commercial locations. Our challenge will be, to learn to construct in a more efficient way of using limited landscape for construction.

Since the takeover of Fundamenta by Swiss Prime Site at the end of March 2024, we decided to sell the entire position of Fundamenta on April 12th. The position was replaced by Immofonds, which has a similar investment profile and a higher market liquidity.

In the month April, our AMC investments performed as follows: Swisscanto-Ifca 3.41%, Allreal 0.44%, Swiss Prime Site 0.06%, Schroder ImmoPLUS 0.00%, PSP Swiss Property -0.41%, Mobimo -0.77%, Immofonds -1.77%*, La Foncière -1.83%, UBS-Anfos -3.19%, CS-Siat -3.96%, Swiss Life REF CH ESG Swiss Properties -6.53%, UBS-Sima -6.54%, SXI Real Estate Total Return Index -1.78%. On a 12 months basis, the AMC investments performed as follows: Schroder ImmoPLUS 18.22%, PSP Swiss Property Swisscanto-Ifca 15.84%, UBS-Anfos 14.07%, PSP Swiss Property 12.00%, CS-Siat 11.93%, Mobimo 11.68%, Swiss Prime Site 9.45%, La Foncière 6.29%, Fundamenta 6.29%, UBS-Sima 2.62%, Swiss Life REF CH ESG Swiss Properties -0.42%, Allreal -1.71%, SXI Real Estate Total Return Index 7.21%.

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