



EDMOND DE ROTHSCHILD REIM CONTINUES TO GROW ITS REAL ESTATE DEBT PLATFORM BY CLOSING ITS FIRST LOAN IN SPAIN AND LAUNCHING ITS NEW FUND

Edmond de Rothschild's REIM Real Estate Debt team recently closed its first loan investment in Barcelona through its co-mingled pan-European High Yield I real estate debt fund. Furthermore, the team is in marketing process for its new real estate debt fund with a target size of more than EUR 500m.

In December 2023, the EdR REIM Estate Debt team successfully closed its first financing transaction in Barcelona, Spain. The EUR 20m senior loan is funding a modern life-science development project in a highly attractive sub-market of the Catalan capital. After the closing of the Barcelona loan, the deployment rate of Edmond de Rothschild's pan-European High Yield Real Estate Debt Fund I is well above 80% with seven deals closed in Germany, Netherlands, France, Italy, the UK and Spain, across the logistics/industrial, office, hospitality, residential and life science property sectors.

This transaction allowed EdR REIM Real Estate Debt team to support an experienced and well-capitalised sponsor in Spain with a defensive loan structure on an advanced project with regard to the underlying development, leasing and market related risks.

With the first debt fund having reached the end of its Investment Period REIM's debt team has started the marketing process for the successor fund with a target size of more than EUR 500m. The investment strategy aims to generate attractive returns from defensive debt investments secured against a strong real estate portfolio across Western Europe with a focus on Whole Loan transactions. The target portfolio loan-to-value (LTV) of the new fund will be around 70%. Target return of c10-11% gross asset IRR (unlevered) and a target return of c9%¹ net IRR (unlevered) including cash distribution of around 5-6% p.a.. The new fund is structured in accordance with art. 8 of SFDR.

Ralf Kind, Head of Real Estate Debt at EdR REIM and Head of EdR REIM Germany, explains: "We want to further grow our real estate debt business capitalizing on the structural changes and attractive lending opportunities in the European real estate financing markets. Through our first two debt vehicles we have raised over EUR 350m between 2020-2022 of which we have invested most of the capital by now. Fundraising for the new fund has started and we are keen to deliver on the attractive investment pipeline which the team has already built up for the new fund."

¹. The targeted return is based on the achievement of market assumptions made by Edmond de Rothschild REIM and does not constitute a promise of return.

The Edmond de Rothschild Real Estate Debt platform offers a comprehensive and flexible range of debt products for borrowers across the capital stack including whole loans, mezzanine debt, preferred equity, bridge and term facilities for existing properties and development projects in the major European markets. The lending strategies focus on all major and alternative property sectors in the European real estate markets, including Germany, France, Benelux, Nordics, Spain, Italy and the UK, leveraging off Edmond de Rothschild REIM's extensive network and local presence across Europe.

This is a marketing communication. Please refer to the PPM of the AIF before making any final investment decision.

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The Edmond de Rothschild European High Yield I Real Estate Debt Fund is exclusively reserved for professional investors and may be subject to restrictions for certain persons and in certain countries. The Fund does not guarantee or protect the capital invested, so that investors may not get back the full amount of their capital originally invested, even if their units are held for the recommended investment period. Any investment in the Fund is associated with certain risks, not limited to liquidity risk, concentration risk (investments in real estate) and currency risk. Any investment in the Fund may only be made on the basis of documents and information that comply with the applicable regulations. The Management Company may decide to cease marketing this Fund in accordance with Article 32a of Directive 2011/61/EU.

ABOUT EDMOND DE ROTHSCHILD REAL ESTATE INVESTMENT MANAGEMENT

With more than CHF 14 billion in real estate assets, the Edmond de Rothschild real estate investment management platform operates through local operating entities in Switzerland, France, the UK, Benelux and Germany. Backed by strong convictions in responsible investment, active management and close proximity, a vast European network of 120 professionals develops and supports real estate projects in the office, industrial, logistics and residential sectors on behalf of discretionary funds and third-party mandates.

ABOUT THE EDMOND DE ROTHSCHILD GROUP

As a conviction-driven investment house founded upon the belief that wealth should be used to build the world of tomorrow, Edmond de Rothschild specialises in Private Banking and Asset Management and serves an international clientele of families, entrepreneurs and institutional investors. The group is also active in Corporate Finance, Private Equity, Real Estate and Fund Services.

With a resolutely family-run nature, Edmond de Rothschild has the independence necessary to propose bold strategies and long-term investments, rooted in the real economy.

Founded in 1953, the Group had more than CHF 160 billion in assets under management at the end of December 2022, 2,500 employees, and 30 locations worldwide.

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