



CITÉ GESTION
PRIVATE BANK

1 Year Anniversary of the Cit  Gestion Swiss Real Estate Basket

THE ESSENCE OF FREEDOM



One year already, and a return of 10% for our investors – who would have believed that back in 2023?

In 2022, the SWIIT index, an index measuring the total return of all exchange listed Swiss real estate funds, had its worst drawdown ever, falling temporarily 24.74%. With interest rates at their highs in the current monetary policy cycle, we began studying the Swiss real estate market and identified an interesting investment opportunity for our clients.

When we launched the Cité Gestion Swiss Real Estate Basket in September 2023, the average premium of Swiss real estate funds was around 5%, well below the historic average of 18%. The SNB policy rate was at 1.75% and the yield on the Swiss 10-year government bond was 1.3%. Since then, the average premium has risen to 23% while the SNB policy rate has fallen to 1.25% and the yield on the Swiss 10-year government bond has fallen to 0.45%.

Our basket has returned 10% for our investors since launch and we are delighted to celebrate the timing and 1-year anniversary of this successful investment.

The three main pillars of our Cité Gestion Swiss Real Estate Basket are 1) Tax-efficiency. In our basket, we have selected only tax-efficient funds. This allows our Swiss-domiciled clients to benefit not only from de-taxed distributions which are accumulating within the basket, but also to reduce their wealth-tax. Indeed, a large part of the NAV of tax-efficient funds can be subtracted from the amount subject to Swiss wealth tax. 2) the partnership with IMvestir Partners SA, a leading independent advisor specialized in indirect Swiss real estate investments. The latter is made up of professionals experienced in the selection of listed and unlisted Swiss real estate funds for 15 years. The first step was to indicate our needs (risk profile, liquidity, sectoral and geographic diversification, taxation, etc.) and IMvestir Partner SA then provided a recommendation list as well as portfolio simulations. Each position is presented with its risks, weaknesses, and opportunities. Active management as well as regular monitoring are carried out with a quarterly update on the market and on each position, and periodic rebalancing proposals with the aim of creating value in the portfolio. 3) Diversification. We have also decided to create a well-diversified basket, giving investors access to all Swiss regions and types of real estate. While we keep at least two thirds of the basket invested in the more defensive residential sector, investors also benefit from exposure to higher-yielding commercial properties. The basket has a bias to the Lake Geneva region but also has significant exposure to other parts of Switzerland like for example Zurich (17%), Mittelland region (15%) and North-West Switzerland (14%).

We believe that the Cité Gestion Swiss Real Estate funds will continue to provide attractive returns over the coming months and would like to thank all our investors for their confidence !



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