

PROPERTY ONE

Press release

Zug, January 14, 2021

Property One Investors AG

ONE Real Estate Debt Fund will be launched as the first Swiss fund for private real estate debt investments with a target size of CHF 200 million

- Private real estate debt offers investors yield opportunities of more than 5%
- Opportunity for qualified investors to invest in a broadly diversified real estate loan portfolio (mortgages)
- Investment universe consists of subordinated loans to professional players in the Swiss real estate market
- Real estate developers based in Switzerland have access to transitional and project financing through the ONE Real Estate Debt Fund

Property One Investors AG, the FINMA-regulated real estate investment management arm of the Property One Group, launches the ONE Real Estate Debt Fund (OREDF), thus offering qualified investors the opportunity to invest for the first time in Switzerland in the emerging asset class «Private Real Estate Debt». The existing start-up portfolio, with a volume of around CHF 80 million in current loans is diversified, has a high credit quality, and already generates regular cash flows. The pipeline of further loan requests is already well filled.

Attractive yield and fixed income character

OREDF is a Swiss investment fund for qualified investors of the type «other funds for alternative investments» according to CISA (Swiss Collective Investment Schemes Act) with unlimited duration. Investors gain access to a rolling portfolio of subordinated loans/mortgages that is broadly diversified across different borrowers, types of use, regional distribution as well as different maturities and loan amounts. Real estate debt certificates secure all loans.

Private real estate debt offers investors yield opportunities of more than 5%, which is attractive in the current negative interest rate environment. Moreover, thanks to regular interest payments, the asset class has a fixed-income character and only a low correlation to the equity markets.

Innovative financing solution for real estate professionals

Real estate developers based in Switzerland have access to transitional and project financing through the ONE Real Estate Debt Fund. Only short- to medium-term subordinated mortgages with a maximum term of 36 months, a minimum amount of CHF 1 million, and a maximum loan-to-value ratio of 80% are financed. Loans are granted exclusively for prime residential and commercial real estate in Switzerland, excluding owner-occupied residential property. Lending is based on strict selection criteria and is expected to result in a closing ratio between received inquiries and closed financing of an estimated 15–20%.

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Private real estate debt increasingly popular

Property One has been issuing subordinated mortgages on a private placement basis for several years - with great success: more than 50 loans totaling over CHF 310 million have been structured, with a loan default rate of 0%. Property One Investors AG expects demand for subordinated mortgages to increase in the future as established providers become more restrictive due to regulatory requirements, among other things, creating a growing gap in the professional real estate financing market.

The ONE Real Estate Debt Fund at a glance:

Name	ONE Real Estate Debt Fund (OREDF)		
Currency	CHF		
Legal form	Swiss investment funds in accordance with the Swiss Collective Investment Schemes Act (CISA) of the type other funds for alternative investments. The fund agreement, which has been approved by the FINMA, sets out the necessary information and details, and forms the basis for any subscriptions.		
Asset Manager	Property One Investors AG		
Custodian	Credit Suisse (Switzerland) AG		
Administrator/ fund management	Solufonds AG		
Auditing company	PWC AG		
Share classes	Share classes	Valor	ISIN
	DF (Founder)	53728281	CH0537282813
	DI (Institutional)	53728282	CH0537282821
	DC (Standard)	53728283	CH0537282839
Launch	February 2021		
Term	Open-ended fund with unlimited term		
Investment	Subordinated loans/mortgages for real estate in Switzerland		
Target return (net)	~ 5,00 % p. a.		
Minimum subscription per share class	DF: CHF 2'000'000	DI: CHF 1'000'000	DC: CHF 250'000
Administrative commission	DF: 1,00%	DI: 1,20%	DC: 1,40%
Investors	Qualified investors as per CISA (FINIG/FIDLEG)		

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For further inquiries

Kevin Hinder
Co-Founder, CEO
M +41 79 458 37 72
kevin.hinder@propertyone.ch

Claudio Dalla Corte
Partner, Head of Real Estate Family Office
M +41 79 487 03 31
claudio.dallacorte@propertyone.ch

About Property One

Property One is an independent, owner-run group of companies owned by private shareholders, consisting of the companies Property One Partners AG, Property One Investors AG and Property One Ticino SA. It provides services along the entire real estate value chain. Under one roof, the group unites the four business divisions Investment Management, Development and Planning, Sales & Rentals and Real Estate Family Office. Property One combines expertise in all aspects of real estate with knowledge of financial investments. In total, the Group manages a portfolio of more than CHF 900 million and employs 40 real estate and financial specialists in Zurich, Zug and Ascona.

Property One Investors AG has extensive, long-standing experience in the sourcing, structuring and processing of mortgages. To date, it has placed more than CHF 310 million in private real estate debt in Switzerland.

finance.propertyone.ch

Disclaimer

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