

Media Release

Credit Suisse Real Estate Fund International Increases Its Distribution to CHF 42.00

Zurich, March 23, 2017 **The Credit Suisse Real Estate Fund International is increasing its distribution for the 2016 fiscal year to CHF 42.00 and is reporting above-average performance of 9.0%.**

The Credit Suisse Real Estate Fund International (CS REF International, security no. 1 968 511) completed the fiscal year successfully on December 31, 2016. The fund increased its distribution to CHF 42.00 (previous year: CHF 41.00), thereby raising its investment return to 5.1% (5.0%). Just as impressive was the above-average performance of 9.0% and a consistently low rental default rate of 4.5%.

The portfolio of CS REF International was further expanded in the 2016 fiscal year; with 39 properties, its market value is CHF 2 837.0 mn (CHF 2 479.6 mn). The investment focus was on the Asia Pacific region. In 2016, the fund acquired two commercial properties in Osaka (Japan) and an office building in Perth (Australia). One property was sold in Canberra (Australia). After completion of the 2016 fiscal year, a commercial property in a prime location was purchased: the Grenfell Center at 25 Grenfell Street in Adelaide (Australia). As the city's third-largest building, the property is considered an architectural landmark. The Grenfell Center is easily reached by public and private transportation, and has its own parking garage. Tenants primarily comprise private companies, such as a renowned international law firm, various commonwealth and government agencies, and exclusive retail and food shops.

New Fund Manager as of April 1, 2017

For health reasons, Rainer Scherwey will hand over management of CS REF International to Marc-Oliver Tschabold, effective April 1, 2017. Marc-Oliver Tschabold has been working in Real Estate Investment Management at Credit Suisse since 2008 and has many years of international experience in asset management and real estate acquisition. Since July 2015, he has successfully managed the CSA Real Estate Germany investment group (security no. 23 547 751). Thanks to his extensive knowledge and vast network in Switzerland and other countries, he is the ideal match for the position of fund manager with CS REF International.

Capital Increase Planned

Real Estate Investment Management of Credit Suisse AG is planning an issue for CS REF International in the second quarter of 2017. Detailed information about the transaction, including volume, issue price, and subscription ratio, will be announced shortly before the capital increase. The capital increase will preserve the pre-emptive rights of existing shareholders. The proceeds of the issue will be used to further expand the real estate portfolio.

Details per Unit

The net asset value per unit (including distribution) rose in the last fiscal year from CHF 1 042.96 to CHF 1 053.89 as of December 31, 2016, which is an investment return of 5.1% (5.0%). Distribution rose in the 2016 fiscal year to CHF 42.00 per unit (CHF 41.00). Based on the closing price on December 31, 2016 of CHF 1 180.00 the direct yield was 3.6% (3.7%). Performance in the 2016 fiscal year was an above-average rate of 9.0% and exceeded the benchmark SXI Real Estate Funds, which had a value of 6.9% in the same time period. The premium on the CS REF International was 12.0% at the end of the 2016 fiscal year, and was therefore 15.5 percentage points below the average value of the funds represented in the SXI Real Estate Funds (27.5%).

CS REF International is the first Swiss real estate fund to invest directly in real estate all over the world. The fund is addressed exclusively to qualified investors, offers access to an international portfolio, and enables even greater diversification of total assets. The investment focus is on high-quality commercial real estate in attractive locations in Europe, Asia Pacific, and North, Central, and South America. The currencies in the statement of net assets are largely hedged against the Swiss franc.

Key figures CS REF International (security no. 1 968 511)

Fiscal year ended		31.12.2016	31.12.2015 ¹	31.12.2014 ¹
Market value of properties	CHF	2 837.0 mn	2 479.6 mn	2 431.7 mn
Debt financing ratio in % of market value ²		13.81%	12.76%	13.74%
Net asset value per unit (including distribution)	CHF	1 053.89	1 042.96	1 034.42
Closing price (bid)	CHF	1 180.00	1 120.00	1 075.00
Premium		11.97%	7.39%	3.92%
Distribution	CHF	42.00 ³	41.00	41.00
Direct yield		3.56%	3.66%	3.81%
Payout ratio		95.38%	99.42%	92.87%
Performance ⁴		9.02%	8.05%	11.35%
Investment return		5.14%	4.95%	5.92%
Return on equity (ROE)		4.80%	4.38%	5.42%
Return on invested capital (ROIC)		4.32%	4.17%	5.00%
Operating profit margin (EBIT margin)		72.73%	72.89%	74.03%
Total operating expense ratio GAV (TER _{REF} GAV)		0.85%	0.86%	0.85%
Total operating expense ratio MV (TER _{REF} MV)		0.92%	0.90%	0.97%
Rental income	CHF	163.0 mn.	144.6 mn	139.9 mn
Rent default rate		4.50%	4.50%	5.92%

¹ Key figures have been adjusted to the new CISO-FINMA calculation and the new SFAMA specialist information fact sheet for real estate funds dated 13.9.2016.

² Maximum allowable limits: one-third of market value (CISA Art. 65 (2) / CISO Art. 96 (1)).

³ Distribution on value date 31.3.2017 (ex-date 29.3.2017).

⁴ Historical performance data and financial market scenarios are no reliable indicator of future results. The commissions and costs levied upon issuance and redemption of fund units are not included in the performance data.

Data source: Credit Suisse AG, unless otherwise specified.

Information

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The annual report will be published in May 2017.

Current annual and semi-annual reports at www.credit-suisse.com/ch/realstate/download

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