CS Real Estate SICAV - SIF I - Credit Suisse (Lux) European Core Property Fund Plus Feeder

Investment Company with Variable Capital under Luxembourg law – R.C.S. Luxembourg B 178 987

Semi-annual report

at June 30, 2018

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General Administration

The Subfund

CS Real Estate SICAV-SIF I – Credit Suisse (Lux) European Core Property Fund Plus Feeder (the "Subfund"), has been established on July 14, 2015 as an open-ended Alternative Investment Fund for an unlimited period of time.

The Subfund is a subfund of CS Real Estate SICAV-SIF I which has been established on July 12, 2013 in the legal form of an investment company with variable capital (*Société d'investissement à Capital Variable*, SICAV) in accordance with the 2007 Law, for an unlimited period.

The Subfund's strategy is to generate positive total returns by seeking to invest substantially all of its capital directly or indirectly through a master-feeder structure named CS Real Estate SICAV-SIF I – Credit Suisse (Lux) European Climate Value Property Fund ("Master Subfund"), another subfund of CS Real Estate SICAV-SIF I.

The Master Subfund's strategy is to generate positive total returns by seeking to invest in Real Estate opportunities through investment in single Real Estate Assets, portfolios of Real Estate Assets, shares and interest in Real Estate Companies and Real Estate Investment Funds, while paying due attention to risk diversification, security of the capital invested, energy optimization potential and maintenance of a portfolio with a medium to long-term investment horizon.

Board of Directors

Roger Baumann, Director, Credit Suisse Asset Management (Switzerland) Ltd., Zurich
Nina Egelhof, Director, Credit Suisse Fund Management S.A.
Rudolf Kömen, Director, Credit Suisse Fund Management S.A., Luxembourg
Guy Reiter, Director, Credit Suisse Fund Management S.A., Luxembourg
Fernand Schaus, Director, Credit Suisse Fund Management S.A., Luxembourg

Management and Statutory Bodies

Registered Office
5, rue Jean Monnet
L-2180 Luxembourg
Grand Duchy of Luxembourg

AIFM
Credit Suisse Fund Management S.A.
5, rue Jean Monnet
L-2180 Luxembourg
Grand Duchy of Luxembourg

Board of Directors of the AIFM
Gebhard Giselbrecht, Managing Director, Credit Suisse Asset Management (Switzerland) Ltd., Zurich
Thomas Nummer, Independent Director, Luxembourg
Rudolf Kömen, Director, Credit Suisse Fund Management S.A., Luxembourg
Daniel Siepmann, Managing Director, Credit Suisse Fund Services (Luxembourg) S.A., Luxembourg

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Grand Duchy of Luxembourg

Depositary and Paying Agent
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Grand Duchy of Luxembourg

Legal Advisor
Clifford Chance
Société en commandite simple
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Grand Duchy of Luxembourg

Auditor of the Subfund
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Grand Duchy of Luxembourg

Swiss Representative
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Switzerland

Swiss Paying Agent
Credit Suisse AG
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CH-8001 Zurich
Switzerland

Independent External Valuer
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Wilhelm-Leuschner-Strasse 78
D-60329 Frankfurt am Main
Germany

Investment Advisor
Credit Suisse Asset Management Immobilien Kapitalanlagegesellschaft mbH
Taunustor 1
D-60310 Frankfurt am Main
Germany

Letter to investors

Report by Subfund Management

The fund's four properties in Amsterdam, Dublin, Dusseldorf and Stuttgart have performed well in the first six months of 2018. Being nearly fully leased with WALT of almost eight years, the portfolio continues to provide a long-term stable cash flow. The properties' valuations have benefited from positive market developments, resulting in an increase of 1.8% in the portfolio's value.

Mainly driven by rental surplus and the portfolio's appreciation in value, the IRR of 7,38% achieved since the subfunds launch is above the mid- to long-term target yield of 5 % to 6 % p.a. In June 2018, the first semi-annual distribution for 2018 was paid to investors. The distribution of EUR 2.0 million or EUR 20.02 per unit represented an income distribution return of 2.65 % p.a.

New commitments of EUR 16.5 million for the Master fund were raised in the fifth closing in May 2018 bringing total commitments up to EUR 116.5 million. Commitments in the amount of EUR 35.0 million were called shortly thereafter, in May 2018, to provide the equity financing for the next property acquisition. Fund management has agreed with the seller on exclusivity for a newly built and long-term leased office property in Krakow in Poland. Krakow is the second largest city in Poland and a dynamically growing center for business services. In addition, during July 2018 exclusivity has been granted on an office property in the historical center of Dublin, with long-term rental agreements to several government tenants Overall, 88% of the commitments have been called so far.

In addition, the fund was renamed "Credit Suisse (Lux) European Core Property Fund Plus" in June 2018. "Core" was integrated in the name in order to better reflect the conservative nature of the fund's investment strategy. The "Plus" stands for the second innovative part of the investment concept which differentiates it from other core real estate funds in the market, the active, but cost-efficient approach in cooperation with Siemens, to reduce CO_2-emissions and operating costs in order to strengthen the competitiveness of the properties. Additional share classes have been introduced, including institutional share classes with reduced management fees for commitments above EUR10 million. Investors with commitments above EUR 40 million will be given the possibility to join the Investor Committee. Finally, since the beginning of 2018, NAV is now calculated on a quarterly basis starting as of Q1 2018, and distributions are paid on a semi-annual basis.

Subfund management continues to screen the market for new properties to add to the portfolio, in particular in The Netherlands, Spain and Germany in order to be ready for additional investments after the fund's next closing scheduled for October 31, 2018.

Market Evolution

Economy, Inflation and Interest Rates

The economic environment has remained supportive in all global regions in the first half of 2018 backed by solid domestic demand. Employment growth is solid in all global regions, as unemployment rates are grinding lower globally. Since trade disputes between US and other major countries have intensified towards the end of Q2 2018, the outlook is somewhat clouded and price action in financial markets has become more volatile. However, most leading consumer and business surveys have documented that economic confidence remains positive; So Credit Suisse Research only expects some slowdown in economic activity for 2018 and 2019 but not an end of the current economic upturn.
In Europe we observed in H1 2018 some economic slowdown from the very strong 2017 figures especially in the export oriented industries. This is not primarily due to the trade dispute between the EU and US but due to the strengthening Euro. But we believe the slowdown is a healthy one. It not only prevents the economy from overheating but gives the ECB time before the normalization of interest rates, as upward inflationary pressures are still lacking; The continued low interest rate environment allows for a further strengthening of the balance sheets of corporates and private households in Southern Europe. Credit Suisse does not expect the ECB to increase interest rate before mid-2019 following the recent dovish ECB meeting.
After a real GDP growth of 2.6% in 2017 we are looking for a real GDP growth of 2.2% in the Eurozone this year and 2.0% next year. Ireland continues to remain the most dynamic country in the Eurozone with a projected GDP growth of 5.7% in 2018. The 2018 forecasts are pointing to solid growth in the Netherlands (3.0%) Germany (2.1%), France (1.8%) as well. Outside the Eurozone Poland's economy continues grow dynamically with an estimated GDP growth of above 4% in 2018.
The UK however is still bound back by the uncertainties emanating from its decision to leave the EU. While the economy is not in a crisis and the labor market remains in a strong situation, the country continues to underperform vs. the European average. Especially the consumer sector has softened due to the higher inflation.

So we project for the UK an economic growth for the period of 1.3% in 2018 and 1.5% in 2019. As inflationary pressures remain, we also believe that the BoE will increase the key policy rate from 0.5% to 1.0% over the next 12 months.

Real Estate markets

European Real Estate has continued to remain in favor of many investors looking for yield and diversification to their financial portfolios. As bond yields remain historically low (German 10y government bond yielded 30 bps at the end of Q2 2018) real estate investments are still characterized by risk premia that are above their historical average. So for many investors looking for yield real estate remains one of the few games in town.

Pricing has remained competitive during H1 2018 and yields continued to decline in practically all European countries due to the improving rental markets. Rental growth for commercial real estate has accelerated in most cities throughout Europe, as the construction activity is still at historical lows and demand is sanguine. In addition to cyclical trends the office and logistics segments are benefiting from structural trends. In the office market we have seen a strong trend toward flexible office space. Providers such as We Work, Spaces, Regus have been a strong driver of leasing activity and accounted ca. for 6% of office take up in Europe over the last twelve months. The trend towards online shopping continues unabated. While these creates some major challenges for some physical retailers, it also has translated in a higher demand for logistics space.

These shifts are the most pronounced in the UK. In Central London Wework is already the 2nd largest tenant after the British Government and flexible office space providers accounting for over 10% of office space take-up. The market environment for the retail sector has become more challenging, as most retailers using the legal possibility via CVA (company voluntary agreements) to lower their rents and reduce their physical presence. At the same time logistics rents are growing over 5% p.a. in the prime logistics hubs in the UK.
Due to the low construction activity and the positive trend in the economy we believe that rental growth is likely to continue to remain positive in most cities in the Eurozone and to be the primary source of capital growth going forward, as the yield levels are likely to stabilize. German, Dutch and French cities are likely to record strong rental growth over the next two years; we also see appealing entry opportunities in strong economic cities in Poland, such as Warsaw or Krakow as here yield levels are substantially higher.

In London we see some challenges for the rental market in 2018 and 2019, as there is a surge of office projects to be completed in these years. We anticipate the market rents to continue to drop by another 10%; The situation is anticipated to normalize in 2020 and we are positive on London mid-term.
To sum up, we continue to believe that 2018 is likely to be another positive year for real estate investors in Europe, as the economic and interest rates environment continues to remain supportive for the real estate market.

Investment

The Subfund has invested substantially all of its capital directly or indirectly through a master-feeder structure named CS Real Estate SICAV-SIF I – Credit Suisse (Lux) European Core Property Plus, another Subfund of CS Real Estate SICAV-SIF I.

Subfund facts

The following figures are expressed in EUR:

Key data

Location	Luxembourg City, Grand Duchy of Luxembourg
Subfund domicile	Luxembourg
Subfund currency	EUR
Subfund term	Unlimited period
Close of financial year	December 31
Investment period	Open ended
First closing date	April 8, 2016

	June 30, 2018	December 31, 2017
INREV NAV	105,166,250	70,454,094
Management fees in % p.a.	0.5% Class I10, 0.45% Class I50, 0.4% Class I100, 0.6% Class Q, 0,4% Class U, 0.6% Class W, 0.4% Class Y	Up to 0.6% of current appraised gross asset value of Class D of the Master Subfund.

Key figures

	June 30, 2018	December 31, 2017
Total Return	4.63%	7.20%
Income return	6.53%	(1.00)%
Total Expense ratio (TER)	0.52%	1.04%
Total Return of Capital	(1.85)%	8.20%
IRR net of management fees	7.38%	9.35%

As the Subfund Feeder has no investment property, the REER and NOI ratios are not relevant and not disclosed in this Interim Consolidated Report.

	June 30, 2018	December 31, 2017
Distributed income return	2.65%	3.00%
Paid-in capital (PIC) multiple	1.11	0.81
Total value to Paid-in capital (TVPI) multiple	0.81	0.89
Cumulative distributions to Paid-in Capital (DPI) multiple	0.02	0.02
Residual Value to Paid-in Capital (RVPI) multiple	0.81	0.87

Distribution

	June 30, 2018	December 31, 2017
Unit Class currency	EUR	EUR
IFRS Net Asset	105,166,250	70,454,094
INREV NAV	105,166,250	70,454,094
Distribution value	3,300,000	1,300,000
Distribution yield in %	3.14%	1.85%

An amount of EUR 3,300,000 has been distributed during the period ended June 30, 2018 (December 31, 2017: EUR 1,300,000).

Capital and commitments

Key figures

	June 30, 2018	December 31, 2017
Total commitments	116,450,000	100,000,000
Undrawn commitments	14,250,000	32,800,000
Cumulated drawn commitments	115,760,268	80,760,268
Returns of capital	---	---
Cumulated redemptions	(13,560,268)	(13,560,268)
Capital calls recorded subsequent to the year end but before the release of the financial statements	---	---
Details of redemption requests received but not processed	---	---

Capital contribution since inception

	Total Net Assets Contributed (No Shareholder Loans) EUR	Total Net Assets Contributed (Shareholder Loans) EUR	Total Loan Capital Contributed (Shareholder Loans) EUR	Total Capital Contributed by Investors EUR	Total Capital Drawn for Investment EUR
As at July 1, 2016	---	---	---	---	---
Increase	27,000,000	---	---	27,000,000	27,000,000
Decrease	---	---	---	---	---
As at December 31, 2016	**27,000,000**	**---**	**---**	**27,000,000**	**27,000,000**
Increase	53,760,268	---	---	53,760,268	53,760,268
Decrease	(13,560,268)	---	---	(13,560,268)	(13,560,268)
As at December 31, 2017	**67,200,000**	**---**	**---**	**67,200,000**	**67,200,000**
Increase	35,000,000	---	---	35,000,000	35,000,000
Decrease	---	---	---	---	---
As at June 30, 2018	**102,200,000**	**---**	**---**	**102,200,000**	**102,200,000**

Distribution since inception

	Total Capital Distributions (Non-Recallable Capital) EUR	Total Capital Distribution (Recallable Capital) EUR	Total Income/Interest/ Dividend distributions EUR	Total Interest Paid on Shareholders Loans EUR
As at July 1, 2016	---	---	---	---
Increase	---	---	---	---
Decrease	---	---	---	---
As at December 31, 2016	**---**	**---**	**---**	---
Increase	---	---	1,300,000	---
Decrease	---	---	---	---
As at December 31, 2017	**---**	**---**	**1,300,000**	**---**
Increase	---	---	2,000,000	---
Decrease	---	---	---	---
As at June 30, 2018	**---**	**---**	**2,000,000**	**---**

Equity capital commitments since inception

	Total Capital Commitments (By All Investors)	Total Capital Drawn Down	Total Returned Capital Recalled	**Total Capital Commitment Drawn**	% Total Capital Commitments Invested	Total Return Of Capital	**Total Current Outstanding Capital**	Release of commitment	**Remaining Capital Commitment**
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	**EUR**
As at July 1, 2016	**---**	**---**	**---**	**---**	**0%**	**---**	**---**	**---**	**---**
Increase	44,450,000	27,000,000	---	27,000,000	---	---	27,000,000	---	17,450,000
Decrease	---	---	---	---	---	---	---	---	---
As at December 31, 2016	**44,450,000**	**27,000,000**	**---**	**27,000,000**	**61%**	**---**	**27,000,000**	**---**	**17,450,000**
Increase	55,550,000	53,760,268	---	53,760,268	---	---	53,760,268	---	1,789,732
Decrease	---	---	---	---	---	(13,560,268)	(13,560,268)	---	13,560,268
As at December 31, 2017	**100,000,000**	**80,760,268**	**---**	**80,760,268**	**81%**	**(13,560,268)**	**67,200,000**	**---**	**32,800,000**
Increase	**16,450,000**	35,000,000	---	35,000,000	---	---	35,000,000	---	**(18 550 000)**
Decrease	---	---	---	---	---	---	---	---	---
As at June 30, 2018	**116 450 000**	**115 760 268**	**---**	**115 760 268**	**99%**	**(13,560,268)**	**102 200 000**	**---**	**14 250 000**

Management Report

Governance

The Board of Directors is responsible, while observing the principle of risk diversification, for laying down the investment policy and for monitoring the business activity of the Subfund.

It may carry out all acts of management and administration on behalf of the Subfund, in particular purchase, sell, subscribe or exchange any securities and exercise all rights directly or indirectly attached to the Subfund's portfolio of assets.

The Board of Directors may, under its supervision, delegate certain of its functions to one or several agents whom it may consider appropriate.

Investment objective and policy

The objective of CS Real Estate SICAV-SIF I is to achieve an attractive return from capital invested in real estate and/or real estate investment structures, while reducing investment risks through diversification across countries, sectors and investments in the subfund:

- CS Real Estate SICAV-SIF I – Credit Suisse (Lux) European Core Property Fund Plus Feeder, which has been established for unlimited period of time.

The Subfund may invest directly or indirectly through equity or debt instruments of any kind (securitized or not) or combinations thereof in real estate and/or real estate investment structures of any kind and nature, including real estate loans, real estate derivatives and infrastructure assets, in each case as set forth for each Subfund. The underlying investments of the real estate investment structures will mainly consist of real estate.

These investments may be made via one or more subsidiaries through any kind of debt equity or combinations thereof and the subfund may grant financing and give guarantees to its subsidiaries; it may also grant security over its shareholding in the subsidiaries and grant security for any liabilities or contractual obligations of such subsidiaries.

The selection of whether an investment will be made through equity or debt will depend on the legal and tax set-up of the investment.

The Subfund may furthermore hold cash or cash equivalents, including inter alia money market instruments, investments in units of money market funds or units in other real estate funds (including real estate investment trusts) provided they are traded on a stock exchange or another regulated market open to the public, or fixed income securities, for distributions or redemptions and for cash management purposes, or as an intermediary investment prior to the investment of any balance not (yet) invested pursuant to the above.

Material changes disclosure

In accordance with the Law of July 12, 2013 on Alternative Investment Fund Managers, we hereby declare that no material changes occurred during the period to report.

Statement of INREV reporting guidelines and compliance

The Directors of CS Real Estate SICAV-SIF I have made an assessment of its level of compliance with the INREV interim reporting guidelines, principles and best practice requirements as detailed in the INREV guidelines.

Management Report (cont.)

Statement of INREV guidelines and compliance

Guidelines	Level of adoption
Corporate governance	The compliance with the INREV corporate governance module has not been considered by the Subfund manager.
Reporting	The Subfund manager has complied with all requirements and recommendations of the INREV reporting module except for the standard data delivery sheet that has not been completed on a quarterly basis.
Property valuation	The compliance with the INREV property valuation module has not been considered by the Subfund manager.
INREV NAV	The Subfund manager has complied with all requirements and recommendations of the INREV NAV module.
Fee and expense metrics	The compliance with the INREV fee and expense metrics module has not been considered by the Subfund manager.
Liquidity	The compliance with the INREV liquidity module has not been considered by the Subfund manager.
Data delivery	The compliance with the INREV data delivery module has not been considered by the Subfund manager.
Performance measurement	The compliance with the INREV performance measurement module has not been considered by the Subfund manager.
Sustainability	The compliance with the INREV sustainability module has not been considered by the Subfund manager.

Statement of changes in the number of shares issued

As at June 30, 2018

	Class Q shares*	Class I10 shares	Class I50 shares
Number of shares outstanding at incorporation date	**---**	**---**	**---**
Number of shares issued during the period	27,000.01	---	---
Number of shares redeemed during the period	---	---	---
Number of shares converted during the period	---	---	---
Number of shares outstanding at December 31, 2016	**27,000.01**	**---**	**---**
Number of shares issued during the year	39,790.33	---	---
Number of shares redeemed during the year	---	---	---
Number of shares converted during the year	---	---	---
Number of shares outstanding at December 31, 2017	**66,790.34**	**---**	**---**
Number of shares issued during the period	33 104,13	---	---
Number of shares redeemed during the period	---	---	---
Number of shares converted during the period	---	---	---
Number of shares outstanding at June 30, 2018	**99 894,47**	**---**	**---**

	Class I100 shares	Class U shares	Class W shares
Number of shares outstanding at incorporation date	**---**	**---**	**---**
Number of shares issued during the period	---	---	---
Number of shares redeemed during the period	---	---	---
Number of shares converted during the period	---	---	---
Number of shares outstanding at December 31, 2016	**---**	**---**	**---**
Number of shares issued during the year	---	---	---
Number of shares redeemed during the year	---	---	---
Number of shares converted during the year	---	---	---
Number of shares outstanding at December 31, 2017	**---**	**---**	**---**
Number of shares issued during the period	---	---	---
Number of shares redeemed during the period	---	---	---
Number of shares converted during the period	---	---	---
Number of shares outstanding at June 30, 2018	**---**	**---**	**---**

	Class Y shares	Total
Number of shares outstanding at incorporation date	**---**	**---**
Number of shares issued during the period	---	27,000.01
Number of shares redeemed during the period	---	---
Number of shares converted during the period	---	---
Number of shares outstanding at December 31, 2016	**---**	**27,000.01**
Number of shares issued during the year	---	39,790.33
Number of shares redeemed during the year	---	---
Number of shares converted during the year	---	---
Number of shares outstanding at December 31, 2017	**---**	**66,790.34**
Number of shares issued during the period	---	33 104,13
Number of shares redeemed during the period	---	---
Number of shares converted during the period	---	---
Number of shares outstanding at June 30, 2018	**---**	**99 894,47**

*During the period ended June 30, 2018 Class C shares were renamed to Class Q shares.

Risk Management

The risk management of the Subfund is aimed at ensuring the compliance with current and future statutory requirements and the internal investment standards and instructions of the Credit Suisse Group. For the fulfilment of these tasks, risk management is anchored in our organization as an independent, centrally organized unit reporting directly to the Board of Directors of the Subfund. On the basis of risk limits defined by the Board of Directors of the Subfund, the core task of the centralized risk management department is to systematically identify, continuously assess, monitor and control all substantial risks at the level of the Subfund and the managed Subfund's assets. Based on the defined Risk Management Process, the Board of Directors of the Subfund is regularly informed about the current risk situation and the respective risk assessment at the each level of the Subfund (Liquidity Portfolio, Property Portfolio, Overall Fund level).

For the fulfilment of this task, the risk management function uses the many years of experience and the profound knowledge of Credit Suisse Group staff.

Every identified risk is assigned to a specific risk owner, who is responsible for the daily monitoring and control of the risks assigned to him. This includes the continuous optimization of the risk management processes. The centralized risk management department regularly identifies and reports on the risk situation of the individual risks and total risks. Threshold values are set and escalation processes are laid down for risk control. This allows an early recognition of the risks and the implementation of counter-measures. The comprehensive approach, consisting of the decentralized technical competence and centralized organization, chosen by the Subfund allows a complete risk inventory with competent control of the individual risks, and the centralized assessment, control, monitoring and reporting of the risks facilitates the identification of the interdependencies between the different risk areas. Potential undesirable developments can thus be timely countered by adapting the decisive processes.

Main risks and events during the reporting period

An investment in the Subfund involves both opportunities and risks for the fund investor. These risks resulting from the investment are generally called investment risks. There are also additional operational risks that mainly result from the interplay of personnel, services providers, external events as well as systems and processes of the Subfund and can significantly affect the profit result of the Subfund. The investment risks generally describe the potential value fluctuations of an investment, which can under certain circumstances result in losses. These investment risks can be divided into counterparty risks, credit risks, market price risks, liquidity risks, property risks, unit redemption risks and portfolio (strategy) risks. The market price risks can be divided into property market risks, foreign currency risks and interest rate risks. The effect of the aforementioned risk types can differ significantly depending on their extent. The main risk events during the financial period ending June 30, 2018 are described below together with the implemented risk strategy (risk acceptance, risk reduction, risk elimination or risk transfer).

Credit Risks

Counterparty/credit risks:

- on the liquidity side, are the risks arising from business partners such as financial institutions cash deposits, who, after liquid funds were invested with them, do not or cannot make full payment, or payment without causing a loss, when the payment is due (counterparty breakdown risk).

Credit Risks related to financial institutions

These risks are countered by a credit-watchlist[1] of the counterparties and a diversification of the invested liquidity portfolio at different banks. Counterparties are carefully checked and selected after risk assessment in order to minimize default risks. The liquidity portfolio was invested exclusively in cash at bank (Credit Suisse Luxembourg) as at the reporting date June 30, 2018.

The credit risk was continuously monitored and could be assessed as low for the reporting period.

[1] The Subfund keeps its cash only at financial institutions that are pre-approved by Credit Suisse. These financial institutions are well established companies.

Risk Management (cont.)

Market Price Risks

These risks generally result from the danger of detrimental changes in market prices or price-influencing parameters in liquid markets. Market price risks include property price risks, interest rate risks and foreign currency risks.

The Subfund is not directly exposed to market price risks as at June 30, 2018.

Liquidity Risk

Liquidity risk means the risk that taken-on liabilities cannot be fulfilled when they are due because asset items cannot be liquidated or adequate funds cannot be made available. As at June 30, 2018, the Subfund is not exposed to liquidity risk.

Unit Redemption Risks

The unit redemption risk results from the inability to fulfil payment obligations towards unit holders upon unit redemption. This risk can arise from unit redemption by investors to an extent that it causes a shortage in the liquid assets of the Subfund. CS Real Estate SICAV-SIF I – Credit Suisse (Lux) European Core Property Fund Plus Feeder is exposed to this risk as the Subfund is open-ended and unit redemptions are not restricted.

Operational/Other Risks

The Subfund has implemented the measures necessary to reduce the following risks to a reasonable level. The risks enumerated hereafter represent only a selection of the risks of an investment in an open-ended real estate investment fund, like CS Real Estate SICAV-SIF I – Credit Suisse (Lux) European Core Property Fund Plus Feeder, and do not represent a complete enumeration. Generally the Operational/Other Risks can be structured into Human risks, Process Risks, IT/System Risks and external events.

Human Risks:

Under this risk section we subsume the key employee risks. The Subfund is managed by Credit Suisse Asset Management Immobilien Kapitalanlagegesellschaft mbH, being a part of Credit Suisse's Real Estate Asset Management, an international leading organization emplying approximately 170 dedicated in-house real estate professionals. In this content, the key employee risk is remote.

Process Risks:

Under this risk section we subsume especially the outsourcing risks.

The Subfund outsources the following activities to reputable and well known service providers:

- Accounting and reporting
- Valuation of Investment Property
- Tax compliance
- Legal services

The Subfund has implemented and follows a strong, structured process of selection, acceptance and monitoring of service providers:

- Involving appropriate level of management to approve the recommended provider;
- Implementing a service level agreement with key performance indicators (KPIs) to monitor the performance of the supplier;
- Reviewing actual KPIs with service level agreement and deliverables provided by service provider.

Interim condensed statement of financial position

As at June 30, 2018

	Notes	June 30, 2018 EUR	December 31, 2017 EUR
Assets			
Non-current Assets			
Financial assets at fair value through profit or loss	3.2	104,869,613	70,564,383
Total Non-current Assets		**104,869,613**	**70,564,383**
Current Assets			
Other current receivables		10,929	---
Cash and cash equivalents	3.3	937,780	307,160
Total Current Assets		**948,709**	**307,160**
Total Assets		**105,818,322**	**70,871,543**
Total Net Assets attributable to shareholders			
Share capital		102,200,000	67,200,000
Reserves		1,254,094	101,206
Profit/(loss) for the year/period		1,712,156	3,152,888
Total Net Assets		**105,166,250**	**70,454,094**
Liabilities			
Current Liabilities			
Trade and other payables	3.4	652,072	417,449
Total Current Liabilities		**652,072**	**417,449**
Total Liabilities		**652,072**	**417,449**
Total Net Assets & Liabilities		**105,818,322**	**70,871,543**

The notes form an integral part of this semi-annual report.

Interim condensed statement of comprehensive income

For the six month ended June 30, 2018

	Notes	For the period ended June 30, 2018 EUR	For the period ended June 30, 2017 EUR
Other operating expenses		(391,891)	(151,218)
Subfund operating expenses		**(391,891)**	**(151,218)**
Net gain/(loss) on financial assets at fair value through profit or loss	4.1	(694,770)	(108,566)
Result from Investment activities		**(694,770)**	**(108,566)**
Operating profit/(loss)		**(1,086,661)**	**(259,784)**
Finance income		2,800,000	---
Finance costs		(1,183)	---
Finance income – net	4.2	**2,798,817**	**---**
Profit/(loss) before income tax		**1,712,156**	**(259,784)**
Current income tax expense		---	---
Net profit/(loss) for the period		**1,712,156**	**(259,784)**
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss		---	---
Other comprehensive income for the period, net of tax		**---**	**---**
Total comprehensive profit/(loss) for the period, net of tax		**1,712,156**	**(259,784)**
Profit/(loss) attributable to:			
Owners of the Subfund		1,712,156	(259,784)
Non-controlling interests		---	---
Total comprehensive profit/(loss) attributable to:			
Owners of the Subfund		1,712,156	(259,784)
Non-controlling interests		---	---

The notes form an integral part of this semi-annual report.

Interim condensed statement of changes in net assets

For the six month ended June 30, 2018

	Notes	Share capital	Attributable to the Owners of the Subfund		
			Retained earnings	Net profit/(loss) for the year/period	Total equity
		EUR	EUR	EUR	EUR
Balance at December 31, 2016		**27,000,000**	**---**	**1,401,206**	**28,401,206**
Net profit for the period		---	---	(259,784)	(259,784)
Other comprehensive income		---	---	---	---
Total comprehensive income		**---**	**---**	**(259,784)**	**(259,784)**
Prior period profit		---	1,401,206	(1,401,206)	---
Redemptions		---	---	---	---
Issue of share capital		---	---	---	---
Balance at June 30, 2017		**27,000,000**	**1,401,206**	**(259,784)**	**28,141,422**
Net profit/(loss) for the period		---	---	3,412,672	3,412,672
Other comprehensive income		---	---	---	---
Total comprehensive loss		**---**	**---**	**3,412,672**	**3,412,672**
Prior period profit		---	---	---	---
Redemptions		(13,560,268)	---	---	(13,560,268)
Dividends		---	(1,300,000)	---	(1,300,000)
Issue of share capital		53,760,268	---	---	53,760,268
Balance at December 31, 2017		**67,200,000**	**101,206**	**3,152,888**	**70,454,094**
Net profit/(loss) for the period		---	---	1,712,156	1,712,156
Other comprehensive income		---	---	---	---
Total comprehensive loss		**---**	**---**	**1,712,156**	**1,712,156**
Prior period profit		---	3,152,888	(3,152,888)	---
Redemptions		---	---	---	---
Dividends		---	(2,000,000)	---	(2,000,000)
Issue of share capital		35,000,000	---	---	35,000,000
Balance at June 30, 2018		**102,200,000**	**1,254,094**	**1,712,156**	**105,166,250**

The notes form an integral part of this semi-annual report.

Interim condensed statement of cash flows

For the six month ended June 30, 2018

	Notes	For the period ended June 30, 2018 EUR	For the period ended June 30, 2017 EUR
Operating Activities			
Profit/(Loss) before income tax		**1,712,156**	**(259,784)**
Adjustments for:			
Net change in fair value adjustment on financial assets	4.1	694,770	108,566
Finance income		(2,800,000)	---
Changes in working capital:			
(Increase)/decrease in tenants receivables and other receivables		(10,929)	---
Increase/(decrease) in trade and other payables		234,623	113,663
Net cash used in operating activities		**(169,380)**	**(37,555)**
Investing Activities			
Acquisition of investment in subsidiary		(35,000,000)	---
Interest received from investing activities		2,800,000	---
Net cash used in investing activities		**(32,200,000)**	**---**
Financing Activities			
Contributions from unit holders		35,000,000	---
Dividends paid to unit holders		(2,000,000)	---
Net cash generated from financing activities		**33,000,000**	**---**
Net increase/(decrease) in cash and cash equivalents		**630,620**	**(37,555)**
Cash and cash equivalents at beginning of the period		307,160	124,654
Cash and cash equivalents at the end of the period	**3.1**	**937,780**	**87,099**

The notes form an integral part of this semi-annual report.

Supplementary Statement of INREV Net Asset Value

As at June 30, 2018

The Board of Directors has assessed all adjustments required by INREV Guidelines. The adjustments presented below are the ones applicable to the Subfund.

	June 30, 2018 EUR	December 31, 2017 EUR
Net Assets as per IFRS financial statements	**105,166,250**	**70,454,094**
NAV after reclassification of equity-like interests and dividends not yet distributed	**105,166,250**	**70,454,094**
Net Asset Value as per INREV guidelines	**105,166,250**	**70,454,094**

Statement of net asset value per share

	June 30, 2018	December 31, 2017
Net Asset Value as per INREV guidelines	105,166,250	70,454,094.00
Number of Share Outstanding	99,894.47	66,790.34
Net asset value per Class Q share	**1,052.774**	**1,054.855**

The Net asset value per Class Q share decreased by 0.2% between December 31, 2017 (Previously Class C) and June 30, 2018.

Notes to the semi-annual report

For the period ended June 30, 2018

Note 1 – General information

CS Real Estate SICAV-SIF I – Credit Suisse (Lux) European Core Property Fund Plus Feeder (the "Subfund"), has been established on July 14, 2015 as an open-ended Alternative Investment Fund for an unlimited period of time.

The Subfund is a subfund of CS Real Estate SICAV-SIF I which has been established on July 12, 2013 in the legal form of an investment company with variable capital (*Société d'investissement à Capital Variable*, SICAV) in accordance with the 2007 Law, for an unlimited period.

During the year 2018, the sub-fund, previously called CS Real Estate SICAV-SIF I – Credit Suisse (Lux) European Climate Value Property Fund Feeder, was renamed to CS Real Estate SICAV-SIF I – Credit Suisse (Lux) European Core Property Fund Plus Feeder.

The Subfund's strategy is to generate positive total returns by seeking to invest substantially all of its capital directly or indirectly through a master-feeder structure named CS Real Estate SICAV-SIF I – Credit Suisse (Lux) European Climate Value Property Fund (the "Master Subfund"), another subfund of CS Real Estate SICAV-SIF I.

The Master Subfund's strategy is to generate positive total returns by seeking to invest in Real Estate opportunities through investment in single Real Estate Assets, portfolios of Real Estate Assets, shares and interest in Real Estate Companies and Real Estate Investment Funds, while paying due attention to risk diversification, security of the capital invested, energy optimization potential and maintenance of a portfolio with a medium to long-term investment horizon.

This semi-annual report has been authorized for issue by the Board of Directors on August 24, 2018. This semi-annual report will be ratified by the shareholders' meeting.

Note 2 – Summary of significant accounting policies

The principal accounting policies applied in the preparation of this semi-annual report is set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

2.1 Statement of compliance

The semi-annual report of the Subfund has been prepared in accordance with International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standard Board and as adopted by the European Union ("EU").

2.2 Basis of preparation

The semi-annual report has been prepared on a going concern basis, which assumes that the Subfund will continue in operational existence for the foreseeable future.

The Subfund's semi-annual report has been prepared on a historical cost basis, except for financial assets which have been measured at fair value. The semi-annual report is presented in euros and all values are rounded to the nearest euro (EUR), except where otherwise indicated.

New standards, interpretations and amendments

The accounting policies adopted in the preparation of the Interim Condensed Consolidated Financial Statements are consistent with those followed in the preparation of the Subfund's Annual Consolidated Financial Statements for the year ended December 31, 2017, except for the adoption of new standards and interpretations effective as of January 1, 2018.

Although these new standards and amendments apply for the first time in 2018, they do not have a material impact on the Annual Consolidated Financial Statements of the Subfund or the Interim Condensed Consolidated Financial Statements of the Subfund. The nature and the impact of each new standard or amendment are described below:

A. IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after January 1, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Subfund has applied IFRS 9 retrospectively, with the initial application date of January 1, 2018 without adjusting the comparative information.

As required by IAS 34, the nature and effect of these changes are disclosed below:

a) Classification and measurement

The new classification and measurement of the Subfund's debt financial assets are, as follows:

- Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the Solely Payment of Principal and Interest ("SPPI") criterion. This category includes the Subfund's tenants receivables, and other tax receivables included under Prepayments and other current assets.

Other financial assets are classified and subsequently measured, as follows:

- Financial assets at Fair Value through Profit or Loss ("FVTPL") comprise derivative instruments of the Fund. This category would also include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The assessment of the Subfund's business models was made as of the date of initial application, January 1, 2018, and then applied retrospectively to those financial assets that were not derecognised before January 1, 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The accounting for the Subfund's financial liabilities remains largely the same as it was under IAS 39.

b) Impairment

The adoption of IFRS 9 has fundamentally changed the Subfund's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach IFRS 9 requires the Subfund to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Subfund expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For tenants receivables and other current assets receivables, the Subfund has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Subfund has established a provision matrix that is based on the Subfund's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Subfund considers a financial asset in default when contractual payment is 90 days past due. However, in certain cases, the Subfund may also consider a financial asset to be in default when internal or external information indicates that the Subfund is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Subfund.

The adoption of the ECL requirements of IFRS 9 did not result in changes in the impairment allowances of the Subfund's debt financial assets in the opening balances as at January 1, 2018. Therefore no adjustment to retained earnings were necessary.

c) Hedge accounting
The Subfund does not use hedge accounting.

B. IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards.

The standard requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Subfund applies, for the first time, IFRS 15 Revenue from Contracts with Customers using the modified retrospective approach. Therefore the Subfund applied IFRS 15 retrospectively to only the period ended June 30, 2018. The cumulative effect of initially applying IFRS 15 are recognized as an adjustment to the opening balance of retained earnings (or other components of equity) as at January 1, 2018. The policy of the Subfund is to apply IFRS 15, only to contracts that were not completed at January 1, 2018.

In addition to the rental income, the Subfund recharges to tenants maintenance, insurance services and property taxes expenses. The related income is recognized under the service charge income account in the consolidated financial statements. Service charges income is in the scope of IFRS 15. The Subfund recognizes revenue when the services (performance obligation) are transferred over time to the tenants.

The first application impact of IFRS 15 had no impact on opening balances and no cumulative catch-up adjustment to the opening balance of retained earnings was made.

C. IFRIC 22: "Foreign Currency Transactions and Advance Consideration".

The interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration. Entities may apply the amendments on a fully retrospective basis. The interpretation was endorsed by the EU on March 28, 2018.

D. Annual Improvements Cycle - 2014-2016

On December 8, 2016, the IASB issued Annual Improvements 2014 – 2016 to make amendments to the following standards:

- IAS 28 Investments in Associates and Joint Ventures

The amendment to IAS 28 "Investments in Associates and Joint Ventures" clarifies that for an investment in an associate or a joint venture held by a venture capital organization, or other qualifying entity, the measurement at fair value through profit or loss is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

- IFRS 12 Disclosure of Interests in Other Entities

Amendments to IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12.

The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

E. Amendments to IAS 40 Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in Management's intentions for the use of a property does not provide evidence of a change in use. These amendments are effective for annual periods beginning on or after January 1, 2018. The amendment was endorsed by the EU on March 14, 2018.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with IAS 8 is only permitted if that is possible without the use of hindsight. Early application of interpretation is permitted and must be disclosed. However, since the Subfund's current practice is in line with the Interpretation, the Subfund does not expect any material effect on its Interim Condensed Consolidated Financial Statements.

Alternatively, an entity may apply the Interpretation prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the interpretation
or
(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Subfund's semi-annual report are disclosed below. Although these amendments apply for the first time in 2019, they do not have a material impact on the semi-annual report of the Subfund. The Subfund intends to adopt these standards, if applicable, when they become effective.

A. IFRS 16 Leases

Effective for annual periods beginning on or after January 1, 2019.

The scope of IFRS 16 includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. Early application is permitted, but not before an entity applies IFRS 15.

The lease expense recognition pattern for lessees will generally be accelerated as compared to today. Key balance sheet metrics such as leverage and finance ratios, debt covenants and income statement metrics, such as earnings before interest, taxes, depreciation and amortisation (EBITDA), could be impacted. Also, the cash flow statement for lessees could be affected as payments for the principal portion of the lease liability will be presented within financing activities.

B. IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately

- The assumptions an entity makes about the examination of tax treatments by taxation authorities

- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates

- How an entity considers changes in facts and circumstances

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after January 1, 2019, but certain transition reliefs are available. The Subfund will apply interpretation from its effective date. Since the Subfund operates in a complex multinational tax environment, applying the Interpretation may affect its consolidated financial statements and the required disclosures. These amendments have not yet been endorsed by EU.

Note 3 – Notes to the interim condensed statement of financial position

3.1 Fair value

A. Fair values

Set out below is a comparison between the carrying amount and the fair value of the financial instruments held by the Subfund:

	Carrying amount June 30, 2018 EUR	Fair value June 30, 2018 EUR
Financial assets		
Financial assets at fair value through profit or loss	104,869,613	104,869,613
Other current receivables	10,929	10,929
Cash and cash equivalents	937,780	937,780
Financial liabilities		
Trade and other payables	652,072	652,072

	Carrying amount December 31, 2017 EUR	Fair value December 31, 2017 EUR
Financial assets		
Financial assets at fair value through profit or loss	70,564,383	70,564,383
Cash and cash equivalents	307,160	307,160
Financial liabilities		
Trade and other payables	417,449	417,449

The fair value of the financial assets and liabilities are included at an estimate of the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate fair values:

- Financial assets at fair value through profit or loss, i.e. investment in the Master Subfund, amounts to the net assets value of the Master Subfund measured under INREV guidelines at the same reporting period;
- Cash and cash equivalents, trade payables and other payables approximate their carrying amounts due to the short-term maturities of these instruments.

B. Fair value hierarchy

The following table shows an analysis of the fair values of financial assets and liabilities recognised in the statement of financial position by level of the fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Use of a model with inputs (other than quoted prices included in level 1) that are directly or indirectly observable market data

Level 3 – Use of a model with inputs that are not based on observable market data

June 30, 2018	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total Fair value EUR
Financial assets				
Financial assets at fair value through profit or loss	---	---	104,869,613	**104,869,613**
Other current trade and other receivables	---	10,929	---	**10,929**
Cash and cash equivalents	937,780	---	---	**937,780**
Financial liabilities				
Trade and other payables	---	652,072	---	**652,072**

December 31, 2017	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total Fair value EUR
Financial assets				
Financial assets at fair value through profit or loss	---	---	70,564,383	**70,564,383**
Cash and cash equivalents	307,160	---	---	**307,160**
Financial liabilities				
Trade and other payables	---	417,449	---	**417,449**

3.2 Financial assets at fair value through profit or loss

	June 30, 2018 EUR	December 31, 2017 EUR
Investment in the Master Subfund	104,869,613	70,564,383
	104,869,613	**70,564,383**

As of December 31, 2017 the Subfund has invested into the Master Subfund for a total cost of EUR 66,470,000.

The Subfund increased the investment to Master Subfund in current period by total a cost of EUR 35,000,000 (invested on June 20, 2018) to reach a total investment of EUR 101,470,000 as at June 30, 2018.

3.3 Cash and cash equivalents

	June 30, 2018 EUR	December 31, 2017 EUR
Cash at bank	937,780	307,160
	937,780	**307,160**

Cash and cash equivalents are composed of cash at bank, which bears market interests rate. Cash and cash equivalents as disclosed in the statements of financial position equal the cash and cash equivalents presented in the statement of cash flows.

The fair value of cash and cash equivalents equals their carrying amount.

3.4 Trade and other payables

	June 30, 2018 EUR	December 31, 2017 EUR
Accounts payables to related parties	633,442	384,838
Accruals	18,630	32,611
	652,072	**417,449**

The accruals mainly account for accounting and audit fees.

Note 4 – Notes to the interim condensed statement of comprehensive income

The statement of comprehensive income uses a classification of expenses by nature.

4.1 Net changes in fair value of financial assets through profit or loss

	For the period ended June 30, 2018 Net (loss)/gains EUR	For the period ended June 30, 2017 Net (loss)/gains EUR
Investment in the Master Subfund	(694,770)	(108,566)
	(694,770)	**(108,566)**

4.2 Finance income and costs

Finance income and costs for the period ended June 30, 2018 are as follows:

	For the period ended June 30, 2018 EUR	For the period ended June 30, 2017 EUR
Dividend income	2,800,000	---
Finance income	**2,800,000**	**---**
Other financial charges	(1,183)	---
Finance costs	**(1,183)**	**---**

During the period ended June 30, 2018, the Subfund received a dividend from the Master Subfund for an amount of EUR 2,800,000.

Note 5 – Contingencies, commitments and guarantees

There are no commitments or contingencies at the reporting date.

Note 6 – Related parties transactions

The Subfund entered into following transactions with the related parties during the period:

	For the period ended June 30, 2018 EUR	For the period ended June 30, 2017 EUR
Management fees	264,938	86,754
Administration fees	13,854	7,985
Paying agent fees	46,295	13,949
Domiciliation fees	10,270	10,462
	335,357	**119,150**

Management fees
The management company is entitled to a management fee up to 0,50% per annum for Class I10, 0.45% per annum for Class I50, 0.40% per annum for Class I100, 0.60% per annum for Class Q, 0.40% per annum for Class U, 0.60% per annum for Class W and 0.40% per annum for Class Y based on current appraised gross asset value of class D of the Master Subfund, accrued monthly and payable at the end of each six calendar month period with respect to this Class.

Administration fees
The central administration is entitled to a fee paid directly or indirectly out of the Subfund's asset for the services rendered in the context of administrative, registrar and transfer agent of the Subfund.

Domiciliation fees
The AIFM is entitled to domiciliation fees for its services rendered to the Subfund.

As of June 30, 2018 the related parties' transactions are carried in the balance sheet as follow:

	June 30, 2018 EUR	December 31, 2017 EUR
Management fees	477,098	298,913
Administration fees	31,784	17,930
Paying agent fees	93,573	47,278
Domiciliation fees	30,987	20,717
	633,442	**384,838**

The Subfund has designated Credit Suisse Fund Management S.A. to act as its AIFM ("the Fund manager").

In order to cover potential liability risks resulting from professional negligence, the AIFM holds appropriate additional own funds in accordance with the provisions of the Law of July 12, 2013 and the AIFM Regulation to cover any potential professional liability resulting from its activities as AIFM.

The AIFM is subject to the provisions of chapter 15 of the Law of December 17, 2010 and is authorized as alternative investment manager in accordance with Chapter 2 of the Law of July 12, 2013. In addition to the Subfund, the AIFM also manages other undertakings for collective investment including alternative investment funds.

The AIFM may, from time to time, pay some expenses on behalf of the Subfund. These advances do not bear interest and are to be settled within a short term period and is nil as at June 30, 2018.

Note 7 – Events after the reporting period

At the end of March 2018, the Subfund has no subsequent event.

Glossary

CAPEX
Work on a building that leads to value enhancements. Capex can be capitalized and does not impact the statement of comprehensive income.

Debt financing ratio
A measure of a company's financial leverage calculated by dividing its total liabilities by stockholders' equity: Total Liabilities/Shareholders equity.

Debt Service Coverage Ratio (DSCR)
Projected NOI over the following four quarters as a ratio of projected interest and scheduled amortisation payments on bank (not shareholder) loans over the same period. This is a portfolio metric which may not reflect precisely the varying stipulations of each loan facility of the Subfund but aims to give an indication of the Subfund's general ability to service its debt.

Debt yield ratio
The ratio of Net Operating Income (NOI) over the mortgage amount.

Distribution Income Return
Distributions include dividends and interest paid during the period. Returns are calculated on a money weighted basis where weight is put on the size and timing of the cash flows reflecting the manager's control over in- and out-flows of the vehicles.

Distribution yield
The amount of cash flow received or paid out by an annuity. The distribution yield of a security is calculated by dividing the distributions paid (yearly, monthly, etc.) by its cost or net asset value.

Earnings before Interest and Tax (EBIT)
EBIT is a measure of a company's earnings from its ordinary, continuing operations. Earnings from non-recurring, one-off operations or activities are not included. EBIT is the same as operating profit and trading profit.

Estimated Rental Value (ERV)
The open market rent that a property can be reasonably expected to attain given its characteristics, condition, location and local market conditions.

Gearing Ratio
The gearing ratio measures the proportion of a Subfund's principal amount of interest bearing bank loans to its investment properties at fair value.

Gross Asset Value (GAV)
The Gross asset value of a Subfund is the gross property value plus the value of any further assets at market value as per the chosen valuation principles.

Gross IRR Realized
IRR of portion of equity invested that has been achieved from actual divestments (regardless whether the proceeds have been distributed or reinvested), before any Subfund level fees, taxes and carried interest are deducted. It ignores any unrealized returns or distributions not derived from disposals and does not include NAV as an end value.

Income return
Income during the year / weighted average INREV NAV. Income is the net result excluding capital gain/losses.

Internal Rate of Return (IRR)
Annual rate of return based on the present value of a capital investment over a holding period expressed as a percentage of the investment.

Interest service coverage ratio (ISCR)

It calculates the capacity of a borrower to repay the interest on borrowings: Projected NOI over the following four quarters as a ratio of projected interest payments on bank (not shareholder) loans over the same period. This is a portfolio metric which may not reflect precisely the varying stipulations of each loan facility of the Subfund but aims to give an indication of the Subfund's general ability to service its debt (ignores cash in bank). ISCR = projected annual NOI for next four quarters/projected annual interest expense over next four quarters.

Loan to cost (LTC)
A ratio used in commercial real estate construction to compare the amount of the loan used to finance a project to the cost to build the project.

Loan-to-value (LTV)
A lending risk assessment ratio that financial institutions and others lenders examine before approving a mortgage: Mortgage amount/Appraised Value of the Property.

Net Asset Value (NAV)
The NAV of a Subfund is its GAV less all liabilities as per the chosen valuation principles.

Net Initial Yield
The passing rent or net operating income divided by the gross property value plus national acquisition costs.

Net Operating Income (NOI)
Net operating income is the Gross Operating Income of a property for the period less operating expenses. It relates to the operating portfolio of the Subfund and not (re)development assets which are reported under Other net income.

Net Operating Income Yield (NOI Yield)
Net operating Income (NOI)/ Fair value of Investment Portfolio.

Paid In Capital (PIC) multiple
The ratio of cumulative capital contributed to the Subfund over the Commited Capital.

Real Estate Expense Ratio (REER)
This expresses annual Subfund property fees and costs as a percentage of time weighted average INREV NAV.

Recallable Capital
Refers to returned capital that has been distributed that can be recalled by the Subfund Manager. Portion of the capital that is recallable once it has been distributed. It increases investors' Remaining Capital Commitment.

Redemptions
The partial or full return of an investor's equity holdings by the Subfund, at the investor's request, at a pricing as defined in the Subfund documentation.

Residual Value to Paid-In (RVPI) multiple
The ratio of the sum of residual Subfund net assets over the cumulative capital contributed to the Subfund.

Remaining Capital Commitment
This is the Subfund's total remaining capital commitments (including Recallable Capital, where applicable). Remaining Capital Commitment = Total Capital Commitments - Total Capital Commitment Drawn + Recallable Capital since inception

Subfund
Means the Subfund and all the entities owned by the Subfund and its subsidiaries.

Subfund expenses
Subfund expenses presented in the statement of comprehensive income include only expenses directly borne by the Subfund.

Subfund level loan to value
Nominal value of debt excluding shareholders loans/Gross Asset Value of Subfund (incl. pro rata share in joint ventures).

Total Capital Commitment Drawn
Total Capital Commitment Drawn = Total Capital Drawn Down since inception – Total Returned Capital Recalled since inception.
This relates to the amount of actual capital commitment that has currently been drawn, net of any reinvested capital. This amount cannot therefore exceed Total Capital Commitments.

Total Capital Commitments Invested
Total Capital Commitments Invested = Total Capital Commitment Drawn/Total Capital Commitments (By All Investors).
This therefore expresses the amount of the Capital Commitment to the Subfund that are currently invested (allowing for reinvested Returned Capital) as a percentage of the Total Subfund Size in terms of Total Commitments.

Total Capital Commitments (By All Investors)
Total Capital Commitments refers to the total committed capital a Subfund Manager can draw down from all investors with a specified notice as outlined in the constituent Subfund documents.

Total Capital Contributed by Investors
Amount of capital actually contributed by investors during period, either from original capital commitments or from recallable returned capital that has been redrawn. If shareholder loans are in place, this is the aggregate of shareholder loan and shareholder equity capital drawn during the year.

Total Capital Distributions (Non-Recallable Capital)
Return of equity capital or repayment of shareholder loan principal since inception in accordance with the Subfund documentation which cannot be recalled by the Subfund.

Total Capital Distributions (Recallable Capital)
Return of equity capital or repayment of shareholder loan principal since inception that has been distributed which in accordance with the Subfund documentation can be recalled by the Subfund. It increases investors remaining capital commitment.

Total Capital Drawn Down
The capital (including shareholder's loans) injected by investors so far, including any returned capital that has been reinvested. The total can therefore exceed investors' total commitment. This does not reflect any returned capital that has been distributed.

Total Commitment
The total agreed capital a Subfund Manager can draw down from an investor, during the commitment period, with a specified notice as outlined in the constituent Subfund documentation.

Total Current Outstanding Capital
This refers to the total capital drawn (including investment in both shareholder equity and shareholder loans, where applicable) less Total Return of Capital (both recallable and non-recallable.). Return of capital does not include income distributions.

Total Net Assets Contributed (No Shareholders Loan)
The amount of equity capital contributed by Investors since inception. Where there are no shareholder loans in place it relates to contributed equity.

Total Net Assets Contributed (Shareholders Loan)
As per capital structure. Where a shareholder loan is in place, the amount of equity capital contributed by Investors.

Total expense ratio (TER)
A measure of the Subfund fees and costs (including or excluding performance fees) as a percentage of time weighted average INREV NAV.

Total Loan Capital Contributed (Shareholder Loans)
As per capital structure. The total amount of shareholder loan capital drawn down or redrawn from investor loan facility since inception.

Total Returned Capital Recalled
Any Capital subject to recall that has been returned during the investment period and subsequently reinvested.

Total Return
An aggregate of income return and total return of capital.

Total Return of Capital
Total return of capital distributions to date as defined per Subfund distribution waterfall (includes recallable capital distributions).

Total Value To Paid-In (TVPI) multiple
The ratio of the sum of residual Subfund net assets plus aggregate vehicle distributions over the cumulative capital contributed to the Subfund.

Weighted Average Cost of Debt excluding Shareholders Loans
The weighted average cost of debt is the interest rate (base rate and margin) on each external debt instrument in the Subfund weighted by the size of such instruments.

Weighted Average Maturity of Debt excluding Shareholders Loans (years)
The weighted average maturity of debt is the maturity on each external debt instrument in the Subfund weighted by the size of such instruments.

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