

Media Release

Merger of Credit Suisse Real Estate Fund Green Property and Credit Suisse Real Estate Fund PropertyPlus

Zurich, August 11, 2016 **Credit Suisse Funds AG will complete the merger of the two real estate funds Credit Suisse Real Estate Fund Green Property (acquiring fund) and Credit Suisse Real Estate Fund PropertyPlus (fund being acquired) on August 31, 2016, retroactive to July 1, 2016. Credit Suisse Real Estate Fund Green Property is thereby further consolidating its leading position as the largest Swiss real estate fund for sustainable real estate investments.**

The Credit Suisse Real Estate Fund PropertyPlus (CS REF PropertyPlus, security no. 4 515 984) was launched in 2004 as a fund for new construction projects. It invested in commercial properties, mixed-use buildings, and residential buildings at economically attractive locations in Switzerland. The Credit Suisse Real Estate Fund Green Property (CS REF Green Property, security no. 10 077 844) was launched in 2009. It invests in high-quality new construction projects located in strong economic regions in Switzerland. Sustainability is the main focus in the selection of new construction projects. The properties and projects must meet the strict requirements of greenproperty, the seal of quality for sustainable real estate. CS REF PropertyPlus has similarly pursued the same aim since 2010 of compliance with the greenproperty quality seal.

The merger will streamline the range of products and clear positioning, thereby increasing product transparency for investors. Measured by market value as at June 30, 2016, the new size of CS REF Green Property is CHF 2 256,3 million. This will create greater liquidity on the stock market and improve tradeability of the units for investors. Measured by market capitalization as at June 30, 2016, it will be the fifth largest real estate fund on the Swiss market.

Maintaining the Strict Sustainability Requirements

One important condition for the merger of the two funds was the maintenance of CS REF Green Property's strict sustainability requirements. For this reason, all CS REF PropertyPlus properties were checked for their sustainability by independent experts in spring 2015. This ensured that the portfolio met the strict sustainability requirements. The CS REF PropertyPlus fund contract was subsequently amended in summer 2015 and the sustainability provisions of CS REF Green Property were adopted.

Distribution and Conversion Ratio

The supervisory authority FINMA approved the merger of the two real estate funds on June 22, 2016. Audited interim financial statements were produced for both funds, resulting in a distribution of CHF 2.05 per unit for CS REF Green Property and CHF 2.51 per unit for CS REF PropertyPlus. Both payments will be made without deduction of federal withholding tax. Income and capital gains from direct property holdings are generally subject to taxation for the funds themselves, and tax-free for investors (natural persons and legal entities) domiciled in Switzerland. The calculation of the conversion ratio for the merger was based on the net asset values of both funds as at June 30, 2016, after deduction of the distribution for the first half of 2016. Unitholders in CS REF PropertyPlus (security no. 4 515 984) will receive 1.10787 new CS REF Green Property units (security no. 10 077 844) for one old unit on September 1st, 2016. Only whole units will be converted – remaining fractions will be paid out in cash.

Last trading day of the CS REF PropertyPlus is August 31, 2016. The old and new units of CS REF Green Property will be traded on the SIX Swiss Exchange under security number 10 077 844 from September 1, 2016.

Key figures CS REF Green Property (security no. 10 077 844) and CS REF PropertyPlus (security no. 4 515 984)

		CS REF Green Property	CS REF PropertyPlus
Reporting period ending		30.06.2016	30.06.2016
Market value of properties	CHF	895.1 mio.	1 361.1 mio.
Debt financing ratio as % of market value ¹		24.35%	20.04%
Net asset value per unit (including distribution)	CHF	109.88	121.97
Closing price	CHF	132.00	144.20
Premium		20.13%	18.23%
Distribution (tax-free) ²	CHF	2.05	2.51
Distribution yield (for six months)		1.55%	1.74%
Distribution rate		132.14%	113.87%
Performance ³		8.64%	6.48%
Investment return		3.43%	1.75%
Return on equity (ROE)		3.34%	1.78%
Operating profit margin (EBIT margin)		70.30%	77.48%
Total expense ratio GAV (TER _{REF} GAV) ⁴		0.66%	0.69%
Total expense ratio NAV (TER _{REF} NAV) ⁴		0.89%	0.90%
Rental income	CHF	18.3 mio.	32.4 mio.
Rate of loss of rental income		9.85%	5.85%

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

² Distribution value date August 15, 2016 (ex-date August 11, 2016)

³ Historical performance and financial market scenarios are no guarantee of future results. The performance data takes no account of the commissions and costs charged on the issue and redemption of fund units.

⁴ The operating costs used to calculate the total expense ratio GAV relate to gross assets. The total expense ratio NAV expresses these costs as a ratio of the fund's net assets (gross assets minus debt capital). Net assets as at June 30, 2016 were 27,14% lower than gross assets in the case of CS REF Green Property, and 24,39% lower in the case of CS REF PropertyPlus.

Data source: Credit Suisse AG, unless otherwise specified.

Information

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The key risks of real estate investments include limited liquidity in the real estate market, changing mortgage interest rates, subjective valuation of real estate, inherent risks with respect to the construction of buildings and environmental risks (e.g., land contamination).

Credit Suisse Real Estate Fund Green Property, Credit Suisse Real Estate Fund PropertyPlus are investment funds established under Swiss law in the category of "real estate funds," in accordance with the Swiss Federal Act on Collective Investment Schemes (CISA) of 23 June 2006. The fund management company is Credit Suisse Funds AG, Zurich. The custodian bank is Credit Suisse AG, Zurich. Subscriptions are only valid on the basis of the current sales prospectus with the integrated fund contract, the simplified prospectus, and the most recent annual report (or semi-annual report, if more recent). The prospectus with integrated fund contract, the simplified prospectus, and the annual and semi-annual reports are available free of charge from Credit Suisse Funds AG, Zurich, or from any branch of Credit Suisse AG in Switzerland.

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