

Media Release

Credit Suisse Real Estate Fund Green Property with Above-Average Performance of 9.6%

Zurich, March 8, 2017 **The Credit Suisse Real Estate Fund Green Property is reporting above-average performance of 9.6% for the 2016 fiscal year. Taking into account the distribution already paid for the first half of 2016 as a result of the merger with the Credit Suisse Real Estate Fund PropertyPlus, the overall distribution has risen from CHF 3.50 last year to a new total of CHF 3.75 per unit.**

Following completion of the merger of the Credit Suisse Real Estate Fund Green Property (CS REF Green Property, sec. no. 10 077 844, acquiring real estate fund) with the Credit Suisse Real Estate Fund PropertyPlus (CS REF PropertyPlus, sec. no. 4 515 984, real estate fund being acquired) as of August 31, 2016 – with retroactive effect as of July 1, 2016 – the CS REF Green Property further consolidated its leading position as the largest Swiss real estate fund for sustainable property investments. The aim of the merger was to streamline the product spectrum and the clear positioning, and to increase product transparency for investors. On the basis of market capitalizations as at December 31, 2016, the resulting fund is the fifth-largest real estate fund in the Swiss market.

The CS REF Green Property performed well in the fiscal year ended December 31, 2016, and reports another solid result. Rental income rose to CHF 70.9 mn (previous year CHF 34.3 mn, prior to merger), while at the same time the rent default rate declined to 8.0% (previous year 9.8%, prior to merger). As per the end of the 2016 fiscal year, the borrowing ratio stood at 17.0% of the portfolio's market value. As a result of the successfully completed issue in the last quarter of 2016, the fund received an inflow of new assets to the maximum amount of CHF 173.0 mn. The issue proceeds were used to drive forward the growth of the high-quality real estate portfolio.

At the start of October 2016, the portfolio of the CS REF Green Property was enhanced by the addition of a recently completed office property on the Riehenring in Basel's Erlenmattquartier. The Minergie-P certified property, which is situated right next to the Messe Basel exhibition area, is let on a long-term basis to a fashion accessory and lifestyle company, which has chosen the building as its new European headquarters. Two construction projects with an investment volume amounting to approximately CHF 133 mn are currently being implemented. The project Gleis 0 in Aarau, which is scheduled for completion in the summer of 2018, involves the construction of 91 apartments, 285 public and private parking spaces, and an array of varied retail and commercial space that will be rented and operated by the Migros Aare Cooperative Association. In addition, a sustainably conceived development involving 73 apartments is being implemented on the Altstattwiese in the center of Wil (St. Gallen).

Tax-Optimized Distribution for Investors Increased

The fund itself is essentially liable for the tax on income and capital gains from direct property ownership, they are therefore tax-free for investors (both natural persons and legal entities) domiciled in Switzerland. The distribution for the 2016 fiscal year, which will be free of withholding tax, increases to CHF 3.75 per unit (previous year CHF 3.50, prior to merger). As a result of the merger of the CS REF Green Property with the CS REF PropertyPlus, a one-off audited semi-annual report was drawn up as per June 30, 2016, following which a distribution was paid to investors for the first half of 2016. For the reporting period January 1 to June 30, 2016, the distribution paid to investors of CS REF Green Property amounted to

CHF 2.05 per unit, while the distribution for the reporting period July 1 to December 31, 2016, amounted to CHF 1.70 per unit. On the basis of the closing exchange price of CHF 129.60 as at December 31, 2016, this results in a dividend yield for the full year of 2016 of 2.9% (previous year 2.8%, prior to merger).

The taxable value per unit as per December 31, 2016, amounts to CHF 0.01. Accordingly, almost the entire capital as measured against the closing exchange price at the end of the accounting year is exempt from wealth tax for Swiss investors.

Details per Unit

The net asset value per unit (including distribution) rose from CHF 109.71 in the previous fiscal year 2016 (prior to merger) to CHF 110.18. Together with the distribution, this resulted in a total investment yield for the 2016 fiscal year of 5.7% (previous year 4.2%, prior to merger). The performance amounted to 9.6%⁴ and was therefore superior to that of the SXI Real Estate Funds benchmark index (6.9%). The premium rose from 13.7% (previous year, prior to merger) to 17.6%, and was therefore 9.9 percentage points below the average value of the funds represented in the SXI Real Estate Funds index (27.5%).

The CS REF Green Property was launched in 2009 and is the largest Swiss real estate fund for sustainable real estate investments. It invests in high-quality newbuild projects located in strong economic regions of Switzerland. During the selection of newbuild projects, the focus lies on their sustainability. The aim is to ensure that properties and projects fulfill the rigorous requirements of greenproperty, the quality seal for sustainable real estate.

Key figures for CS REF Green Property (sec. no. 10 077 844)

Fiscal year ended		31.12.2016	31.12.2015 ¹	31.12.2014 ¹
Market value of properties	CHF	2 343.0 mn	865.1 mn	789.3 mn
Borrowing ratio as % of market values ²		16.96%	21.21%	15.04%
Net asset value per unit (incl. distribution)	CHF	110.18	109.71	108.65
Closing price	CHF	129.60	124.70	118.50
Taxable value	CHF	0.010	0.010	0.004
Premium		17.63%	13.66%	9.07%
Distribution 30.6.2016	CHF	2.05		
Distribution 31.12.2016	CHF	1.70 ³	3.50 ³	3.40
Dividend yield		2.89%	2.81%	2.87%
Payout ratio		97.09%	98.08%	99.00%
Performance ⁴		9.58%	8.04%	9.44%
Investment yield		5.68%	4.22%	3.80%
Return on equity (ROE)		3.16%	4.11%	3.72%
Return on invested capital (ROIC)		3.71%	3.37%	3.33%
Operating profit margin (EBIT margin)		74.50%	79.02%	76.26%
Total operating expense ratio GAV (TER _{REF} GAV)		0.67%	0.64%	0.67%
Total operating expense ratio MV (TER _{REF} MV)		0.75%	0.70%	0.72%
Rental income	CHF	70.9 mn	34.3 mn	33.6 mn
Rent default rate		8.01%	9.83%	11.20%

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

² Maximum permitted borrowing: one-third of the market value (CISA Art. 65 (2) / CISO Art. 96 (1)).

³ The distribution of CHF 1.70 for the reporting period from 1.7. to 31.12.2016, was paid with a value date of 14.3.2017 (ex-date 10.3.2017). The distribution of CHF 2.05 for the reporting period from 1.1. to 30.6.2016, was paid with a value date of 15.8.2016 (ex-date 11.8.2016).

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/realestate/download

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