

Media Release

Annual Financial Statements of the International Credit Suisse Real Estate Funds as of December 31, 2017

Zurich, March 21, 2018 **The international real estate funds of Credit Suisse recorded a strong operating result last year. The Credit Suisse Real Estate Fund Global generated a high investment return of 7.1% in 2017. The Credit Suisse Real Estate Fund International had a high investment return of 8.4% and a strong performance of 11.5%.**

Credit Suisse Real Estate Fund Global increased its investment return to 7.1%

The Credit Suisse Real Estate Fund Global (CS REF Global, sec. no. 13 985 167) increased its investment return in 2017 to 7.1%. Distribution amounts to CHF 3.40 per unit. With a dividend ratio of 3.9%, the fund again ranked among Switzerland's best-placed real estate funds.

As of December 31, 2017, the portfolio included twelve properties in seven countries. The market value of the properties, taking account of foreign currency translation effects, rose year on year by 6.1% to CHF 380.9 million. In the new 2018 financial year, CS REF Global sold a property in Perth (AU). This sale, and the active asset management, will have a positive effect on the current financial year. Currency fluctuations remain largely hedged against the Swiss franc.

Key figures starting on page 2.

Credit Suisse Real Estate Fund International with a strong performance

The Credit Suisse Real Estate Fund International (CS REF International, sec. no. 1 968 511) had a strong performance of 11.5% in 2017, thus exceeding the benchmark SXI Real Estate Funds Broad, which had a performance of 6.6%. The stable distribution amounts to CHF 42.00 per unit. The fund has also increased its investment return to 8.4%. The market value of the properties, taking account of the portfolio transactions and foreign currency translation impacts, rose by 16.8% to CHF 3,312.9 million.

Thanks to the successful issue in the second quarter of 2017, the fund generated new assets of CHF 239.2 million. The proceeds were invested in high quality properties with very good locations in Adelaide (AU), Cardiff (GB), Osaka (JP), Chicago, Glendale, and Portland (USA).

Due to the globally attractive real estate investment markets, fund management and Credit Suisse Asset Management Global Real Estate are considering a capital increase for the CS REF International in the second quarter of 2018. Detailed information on the transaction, such as volume, issue price, and subscription ratio will be announced shortly before the capital increase if one is decided. The capital increase will preserve the pre-emptive rights of existing shareholders. The proceeds of the issue will be used to further expand the high-quality real estate portfolio.

Key figures starting on page 2.

Key Figures

Key figures CS REF Global (sec. no. 13 985 167)

Fiscal year ended		31.12.2017	31.12.2016	31.12.2015
Market value of properties	CHF	380.9 mn	358.9 mn	308.3 mn
Debt financing ratio in % of market value ¹		22.03%	23.94%	25.23%
Net asset value per unit (including distribution)	CHF	99.79	96.57	98.80
Closing price	CHF	87.75	93.50	96.65
Premium/discount		-12.07%	-3.18%	-2.18%
Dividend	CHF	3.40 ²	3.40	3.60
Direct yield		3.87%	3.64%	3.72%
Payout ratio		105.33%	97.04%	111.77%
Performance ³		-2.75%	0.12%	3.65%
Investment return		7.07%	1.41%	1.79%
Return on equity (ROE)		6.85%	1.39%	0.82%
Return on invested capital (ROIC)		5.78%	1.77%	1.68%
Operating profit margin (EBIT margin)		63.86%	67.16%	70.23%
Total operating expense ratio GAV (TER _{REF} GAV)		1.25%	1.13%	0.98%
Total operating expense ratio MV (TER _{REF} MV)		1.75%	1.47%	1.31%
Rental Income	CHF	20.4 mn	20.7 mn	17.8 mn
Rate of loss of rental income		9.54%	7.97%	7.69%

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

² Distribution on value date 29.3.2018 (ex-date 27.3.2018).

³ Historical performance data and financial market scenarios are not reliable indicators 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.

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

Fiscal year ended		31.12.2017	31.12.2016	31.12.2015
Market value of properties	CHF	3,312.9 mn	2,837.0 mn	2,479.6 mn
Debt financing ratio in % of market value ¹		15.77%	13.81%	12.76%
Net asset value per unit (including distribution)	CHF	1,097.42	1,053.89	1,042.96
Closing price (bid)	CHF	1,255.00	1,180.00	1,120.00
Premium		14.36%	11.97%	7.39%
Dividend	CHF	42.00 ²	42.00	41.00
Direct yield		3.35%	3.56%	3.66%
Payout ratio		99.92%	95.38%	99.42%
Performance ³		11.52%	9.02%	8.05%
Investment return		8.41%	5.14%	4.95%
Return on equity (ROE)		8.15%	4.80%	4.38%
Return on invested capital (ROIC)		6.94%	4.32%	4.17%
Operating profit margin (EBIT margin)		71.75%	72.73%	72.89%
Total operating expense ratio GAV (TER _{REF} GAV)		0.90%	0.85%	0.86%
Total operating expense ratio MV (TER _{REF} MV)		0.97%	0.92%	0.90%
Rental Income	CHF	169.6 mn.	163.0 mn	144.6 mn
Rate of loss of rental income		6.58%	4.50%	4.50%

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

² Distribution on value date 29.3.2018 (ex-date 27.3.2018).

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The annual report will be published at the end of May 2018.

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

Further information at www.credit-suisse.com/ch/realestate

Images from the real estate portfolios available at www.repictures.ch/medien/abschluesse_international

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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).

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