

Annual financial statements of the international Credit Suisse real estate funds as of December 31, 2018

Zurich, March 21, 2019 – **In financial year 2018, the Credit Suisse Real Estate Fund International further expanded its real estate portfolio and the Credit Suisse Real Estate Fund Global achieved an attractive dividend yield. The internationally investing Credit Suisse real estate funds recorded good operating results in the past financial year.**

Credit Suisse Real Estate Fund International further diversified its portfolio

The Credit Suisse Real Estate Fund International (CS REF International, sec. no. 1 968 511) once again expanded its portfolio in financial year 2018. The acquisitions in Frankfurt (DE), London (GB), Dublin (IE), Tokyo (JP), Yokohama (JP), and Wellington (NZ) served to further increase diversification. The fund also made strategic sales in Sydney (AU) and Amsterdam (NL). The market value of all properties as of December 31, 2018 amounted to CHF 3,757.2 million (2017: CHF 3,312.9 million). Construction of The Exchange in Vancouver (CA) was completed in fall 2018, with all units having since been let to renowned companies with good credit ratings. The rental loss rate in financial year 2018 was 10.7%, with the vacancy rate of 49% at The Exchange as of September 1, 2018 being particularly significant. Rental income rose from CHF 169.6 million to CHF 185.0 million. The distribution remained stable at CHF 42.00 per unit, while the distribution yield increased from 3.4% to 3.7%.

The fund management company and Credit Suisse Asset Management Global Real Estate are assessing the possibility of increasing the capital of the CS REF International fund during the second quarter of 2019. If a positive decision is made in this regard, detailed information on the transaction, such as the volume, issue price, and subscription rate, will be published shortly before the capital is increased.

Key figures starting on page 2.

Credit Suisse Real Estate Fund Global achieved an attractive distribution yield of 3.9%

As of December 31, 2018 the Credit Suisse Real Estate Fund Global (CS REF Global, sec. no. 13 985 167) had achieved a slightly higher distribution yield of 3.9%. Its return on investment amounted to 5.1%. With a performance of 2.8%, it exceeded the benchmark – the SXI Real Estate Funds Broad (TR), which posted a performance of –5.3% over the same period – by around 800 basis points. The sale of a property in Perth (AU) contributed to lowering the rental loss rate from 9.5% to 6.6%. Office premises were acquired in Kannai, the traditional business district of Yokohama (JP).

Key figures starting on page 3.

Historical performance and financial market scenarios are not reliable indicators of future performance. The performance data takes no account of the commissions and costs charged on the issue and redemption of fund units.

Key Figures

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

Fiscal year ended		31.12.2018	31.12.2017	31.12.2016
Market value of properties	CHF	3,757.2 mn	3,312.9 mn	2,837.0 mn
Debt financing ratio in % of market value ¹		18.82%	15.77%	13.81%
Net asset value per unit (including distribution)	CHF	1,108.32	1,097.42	1,053.89
Closing price (bid)	CHF	1,145.00	1,255.00	1,180.00
Premium		3.31%	14.36%	11.97%
Dividend	CHF	42.00 ²	42.00	42.00
Direct yield		3.67%	3.35%	3.56%
Payout ratio		110.21%	99.92%	95.38%
Performance ³		-4.89%	11.52%	9.02%
Investment return		4.98%	8.41%	5.14%
Return on equity (ROE)		5.14%	8.15%	4.80%
Return on invested capital (ROIC)		4.47%	6.94%	4.32%
Operating profit margin (EBIT margin)		69.21%	71.75%	72.73%
Total operating expense ratio GAV (TER _{REF} GAV)		0.90%	0.90%	0.85%
Total operating expense ratio MV (TER _{REF} MV)		1.09%	0.97%	0.92%
Rental income	CHF	185.0 mn	169.6 mn	163.0 mn
Rate of loss of rental income		10.72%	6.58%	4.50%

¹ Maximum permissible charge: one third of the market value (CISA Art. 65 (2) / CISO Art. 96 (1)).

² Value date of distribution 29.3.2019 (ex-date 27.3.2019).

³ Historical performance and financial market scenarios are not reliable indicators of future performance. The performance data takes no account of the commissions and costs charged on the issue and redemption of fund units.

Source: Credit Suisse AG, unless specified otherwise

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

Fiscal year ended		31.12.2018	31.12.2017	31.12.2016
Market value of properties	CHF	375.4 mn	380.9 mn	358.9 mn
Debt financing ratio in % of market value ¹		24.73%	22.03%	23.94%
Net asset value per unit (including distribution)	CHF	101.30	99.79	96.57
Closing price	CHF	86.80	87.75	93.50
Premium/discount		-14.31%	-12.07%	-3.18%
Dividend	CHF	3.40 ²	3.40	3.40
Direct yield		3.92%	3.87%	3.64%
Payout ratio		88.40%	105.33%	97.04%
Performance ³		2.75%	-2.75%	0.12%
Investment return		5.06%	7.07%	1.41%
Return on equity (ROE)		4.59%	6.85%	1.39%
Return on invested capital (ROIC)		3.97%	5.78%	1.77%
Operating profit margin (EBIT margin)		71.60%	63.86%	67.16%
Total operating expense ratio GAV (TER _{REF} GAV)		1.17%	1.25%	1.13%
Total operating expense ratio MV (TER _{REF} MV)		1.79%	1.75%	1.47%
Rental income	CHF	20.2 mn	20.4 mn	20.7 mn
Rate of loss of rental income		6.59%	9.54%	7.97%

¹ Maximum permissible charge: one third of the market value (CISA Art. 65 (2) / CISO Art. 96 (1)).

² Value date of distribution 29.3.2019 (ex-date 27.3.2019).

³ Historical performance and financial market scenarios are not reliable indicators of future performance. The performance data takes no account of the commissions and costs charged on the issue and redemption of fund units.

Source: Credit Suisse AG, unless specified otherwise.

Further information

- The comprehensive annual reports will be published in mid-April 2019.
- Current annual and semi-annual reports at credit-suisse.com/ch/realstate/download
- Further information at credit-suisse.com/ch/realstate

Contacts

Thomas Vonaesch, Head of Real Estate Fund Management, Credit Suisse Funds AG,
telephone +41 44 334 43 30

Ulrich Braun, Head Product and Business Development, Credit Suisse Asset Management
(Switzerland) Ltd., telephone +41 44 332 58 08

Marc-Oliver Tschabold, Fund Manager CS REF International, Credit Suisse Asset Management
(Switzerland) Ltd., telephone +41 44 333 11 35

Ruth Schmeing, Fund Manager CS REF Global, Credit Suisse Asset Management (Switzerland)
Ltd., telephone +41 44 333 09 34

Credit Suisse Asset Management (Switzerland) Ltd.

Credit Suisse Asset Management (Switzerland) Ltd. belongs to the Asset Management business area of Credit Suisse Group (hereinafter to as "Credit Suisse"). Credit Suisse Asset Management is part of Credit Suisse's International Wealth Management division and manages assets worth over CHF 389 billion worldwide (as at December 31, 2018). Based on first-class institutional governance and the stability and range of opportunities offered by Credit Suisse's global market presence, Asset Management offers active and passive solutions for traditional and alternative investments as well as outstanding product expertise in Switzerland, EMEA, APAC and America.

Disclaimer

This document was produced by and the opinions expressed are those of Credit Suisse as of the date of writing and are subject to change. It has been prepared solely for information purposes and for the use of the recipient. It does not constitute an offer or an invitation by or on behalf of Credit Suisse to any person to buy or sell any security. Any reference to past performance is not necessarily a guide to the future. The information and analysis contained in this publication have been compiled or arrived at from sources believed to be reliable but Credit Suisse does not make any representation as to their accuracy or completeness and does not accept liability for any loss arising from the use hereof.

Credit Suisse Real Estate Fund International is an investment fund 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, for qualified investors as defined in art. 10, para. 3 and 4. The fund management company is Credit Suisse Funds AG, Zurich. The custodian bank is Credit Suisse (Switzerland) Ltd., Zurich. The sales prospectus with the integrated fund contract, the simplified prospectus, as well as the annual and half-yearly reports may be obtained free of charge from the fund management company or from any branch of Credit Suisse (Switzerland) Ltd. in Switzerland.

Credit Suisse Real Estate Fund Global is an investment fund established under Swiss law in the category of "real estate funds," in accordance with the Swiss Federal Act on Collective Investment Schemes. The fund management company is Credit Suisse Funds AG, Zurich. The custodian bank is Credit Suisse (Switzerland) Ltd., Zurich. The sales prospectus with the integrated fund contract, the simplified prospectus and/or the Key Investor Information Document (KIID) and the annual and half-yearly reports may be obtained free of charge from the fund management company or from any branch of Credit Suisse (Switzerland) Ltd. in Switzerland.

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).

Copyright © 2019 CREDIT SUISSE GROUP AG and/or its affiliates. All rights reserved.