

Annual financial statements of the international Credit Suisse Funds AG real estate funds as of December 31, 2019

Zurich, March 19, 2020 – **The Credit Suisse Real Estate Fund International diversified further and the Credit Suisse Real Estate Fund Global generated an attractive distribution yield in 2019. The international real estate funds of Credit Suisse Funds AG delivered good operating results in the previous financial year.**

Credit Suisse Real Estate Fund International substantially expands portfolio

The Credit Suisse Real Estate Fund International (CS REF International, sec. no. 1 968 511) further expanded its portfolio in 2019 and strengthened its international presence by tapping the attractive Polish and South Korean real estate markets. Two acquisitions each in Warsaw (PL) and Seoul (KR), along with transactions in Manchester (UK), Birmingham (UK), Austin (US), and Brisbane (AU), served to further increase diversification. The fund also made strategic sales in Osaka (JP), Adelaide (AU), Montreal (CA), and Hanover (DE).

The market value of all properties as of December 31, 2019, amounted to CHF 4,341.0 mn (previous year: CHF 3,757.2 mn). Vacancies were successfully reduced, bringing the rental loss rate in 2019 down to 8.0% (previous year: 10.7%). Rental income rose to CHF 224.1 mn (previous year: CHF 185.0 mn). Distribution remained stable at CHF 42.00 per unit, and the distribution yield was 3.5% (previous year: 3.7%). The successful issue in June 2019 resulted in an inflow of new money of CHF 196.9 mn, which was invested immediately in properties with attractive income.

Key figures starting on page 2.

Credit Suisse Real Estate Fund Global generates attractive distribution yield of 3.7%

The Credit Suisse Real Estate Fund Global (CS REF Global, sec. no. 13 985 167) again distributed CHF 3.40 per unit for 2019, which corresponds to a distribution yield of 3.7% (previous year: 3.9%). The return on investment amounted to 4.4% (previous year: 5.1%). The performance of 8.9% was considerably above that of the previous year (2.8%). The fund did not carry out any real estate transactions in 2019, instead focusing on managing the existing property portfolio. The rental loss rate rose to 8.8% in 2019 (previous year: 6.6%) due to the insolvency of a tenant. However, the vacant areas have already been relet thanks to the successful solicitation of an established new tenant.

To enable better measurement and comparison of the sustainability criteria of individual properties, all commercial real estate of the CS REF Global will in future be BREEAM In-Use certified. The aim behind this is to lower operating costs for the long term and optimize the overall performance of the buildings. Seven buildings were certified in 2019.

Key figures starting on page 3.

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

Fiscal year ended		31.12.2019	31.12.2018	31.12.2017
Market value of properties	CHF	4,341.0 mn	3,757.2 mn	3,312.9 mn
Debt financing ratio in % of market value ¹		24.41%	18.82%	15.77%
Net asset value per unit (including distribution)	CHF	1,107.93	1,108.32	1,097.42
Closing price	CHF	1,185.00	1,145.00	1,255.00
Premium		6.96%	3.31%	14.36%
Dividend	CHF	42.00 ²	42.00	42.00
Direct yield		3.54%	3.67%	3.35%
Payout ratio		109.04%	110.21%	99.92%
Performance ³		7.35%	-4.89%	11.52%
Investment return		3.87%	4.98%	8.41%
Return on equity (ROE)		4.06%	5.14%	8.15%
Return on invested capital (ROIC)		3.61%	4.47%	6.94%
Operating profit margin (EBIT margin)		67.18%	69.21%	71.75%
Total operating expense ratio GAV (TER _{REF} GAV)		0.88%	0.90%	0.90%
Total operating expense ratio MV (TER _{REF} MV)		1.09%	1.09%	0.97%
Rental income	CHF	224.1 mn	185.0 mn	169.6 mn
Rate of loss of rental income		7.96%	10.72%	6.58%

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

² Value date of distribution: 27.03.2020 (ex-date: 25.03.2020).

³ Historical performance indications and financial market scenarios are not reliable indicators of future performance. The performance data do not take into account the commissions and costs incurred on the issue and redemption of fund units.
Source: Credit Suisse, otherwise specified

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

Fiscal year ended		31.12.2019	31.12.2018	31.12.2017
Market value of properties	CHF	381.4 mn	375.4 mn	380.9 mn
Debt financing ratio in % of market value ¹		23.09%	24.73%	22.03%
Net asset value per unit (including distribution)	CHF	102.25	101.30	99.79
Closing price	CHF	91.00	86.80	87.75
Premium/discount		-11.00%	-14.31%	-12.07%
Dividend	CHF	3.40 ²	3.40 ²	3.40
Direct yield		3.74%	3.92%	3.87%
Payout ratio		102.64%	88.40%	105.33%
Performance ³		8.86%	2.75%	-2.75%
Investment return		4.41%	5.06%	7.07%
Return on equity (ROE)		4.39%	4.59%	6.85%
Return on invested capital (ROIC)		3.87%	3.97%	5.78%
Operating profit margin (EBIT margin)		66.16%	71.60%	63.86%
Total operating expense ratio GAV (TER _{REF} GAV)		1.11%	1.17%	1.25%
Total operating expense ratio MV (TER _{REF} MV)		1.63%	1.79%	1.75%
Rental income	CHF	20.3 mn	20.2 mn	20.4 mn
Rate of loss of rental income		8.84%	6.59%	9.54%

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

² Value date of distribution: 27.03.2020 (ex-date: 25.03.2020).

³ Historical performance indications and financial market scenarios are not reliable indicators of future performance. The performance data do not take into account the commissions and costs incurred on the issue and redemption of fund units.

Source: Credit Suisse, otherwise specified

Further information

- The comprehensive annual reports will be published in mid-April 2020.
- Current annual and semi-annual reports: credit-suisse.com/ch/realestate/download
- Further information: credit-suisse.com/ch/realestate

Contacts

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

Fabian Linke, Business Development, Credit Suisse Asset Management (Switzerland) Ltd.,
telephone +41 44 334 25 74

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 (referred to as "Credit Suisse"). Credit Suisse Asset Management is part of Credit Suisse's International Wealth Management division and manages assets worth over CHF 438 billion worldwide (as at December 31, 2019). Based on the stability and the range of opportunities offered by Credit Suisse's global market presence, the Asset Management area of Credit Suisse offers active and passive solutions for traditional and alternative investments as well as proven 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.

Unless otherwise noted, all figures are unaudited. The information in this document is for the exclusive use of the recipient. Neither this information nor copies of it may be sent to, taken to, or distributed in the United States of America or given to U.S. persons (as defined in Regulation S of the U.S. Securities Act of 1933, as amended).

The tax treatment depends on the individual circumstances of each client and may vary over time. Credit Suisse does not provide tax advice. Tax implications have not been taken into consideration when calculating the returns.

The 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 of June 23, 2006, on Collective Investment Schemes (CISA), for qualified investors, as defined in Article 10(3) and (4) (as amended on July 1, 2016), in conjunction with Article 6 and Article 6a of the Ordinance on Collective Investment Schemes (CISO) (as amended on January 1, 2015). The fund management company is Credit Suisse Funds AG, Zurich. The custodian bank is Credit Suisse (Switzerland) Ltd., Zurich. Subscriptions are only valid if made on the basis of the current sales prospectus with integrated fund contract, the simplified prospectus, and the most recent annual report (or semiannual report, if this is more recent). The sales prospectus with integrated fund contract, the simplified prospectus, and the annual and semiannual reports may be obtained free of charge from the fund management company or from any branch of Credit Suisse (Switzerland) Ltd. in Switzerland.

The 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. Subscriptions are only valid if made on the basis of the current sales prospectus with integrated fund contract, the simplified prospectus, and the most recent annual report (or semiannual report, if this is more recent). The sales prospectus with integrated fund contract, the simplified prospectus and/or Key Investor Information Document (KIID), and the annual and semiannual 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 © 2020 CREDIT SUISSE GROUP AG and/or its affiliates. All rights reserved.