

# Credit Suisse Real Estate Fund LogisticsPlus 2020 capital increase

Switzerland: Only for qualified investors in accordance with the Federal Act on Collective Investment Schemes (CISA)



CREDIT SUISSE ASSET MANAGEMENT (Switzerland) Ltd.  
Real Estate Switzerland

February 2020

CREDIT SUISSE 

# Summary

**1** Key facts, profile, and strategy

**2** Logistics market

**3** Issue 2020

**4** Key figures

**5** Properties in the fund's net assets

**6** Reasons to invest

# Credit Suisse Real Estate Fund LogisticsPlus

## Key facts about the planned issue

### Planned issue

- Credit Suisse Asset Management Global Real Estate is carrying out a share issue for Credit Suisse Real Estate Fund LogisticsPlus (CS REF LogisticsPlus, 24 563 395) with a volume of CHF 107.1 mn.
- The issue will take place between February 24, 2020 and March 6, 2020.
- The capital increase will preserve the subscription rights of existing shareholders.
- The proceeds of the issue will be used to grow the high-quality real estate portfolio.
- There are existing projects and intended purchases amounting to CHF 345 mn and a gross yield of around 5.0%.
- Credit Suisse Funds AG checks for CS REF LogisticsPlus in the second quarter of 2020 the listing on the Swiss Exchange. The planned listing on the SIX Swiss Exchange opens the fund for the audience and makes it therefore also accessible to retail investors.



Source: Credit Suisse Asset Management (Switzerland) Ltd. | Historical performance data and financial market scenarios are not reliable indicators of future performance

# Credit Suisse Real Estate Fund LogisticsPlus

## Profile and investment strategy

### Profile

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- First logistics real estate fund in Switzerland for qualified investors – launched September 2014
- As of September 30, 2019, the fund comprises a portfolio with a market value of CHF 444.6 mn, or currently 13 properties, including one project development
- The fund will be traded over the counter by Credit Suisse (Switzerland) Ltd., Zurich
- The fund currency is the Swiss franc (CHF)
- The fund holds the real estate directly

### Investment policy

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- Investment strategy
- Investments are diversified in logistics facilities and logistics-related real estate investments, as well as production properties in light industry and other commercial properties
- The fund invests in properties in urban centers and traffic hubs as well as properties close to the border
- The focus is on long-term asset maintenance as well as distributing attractive returns
- A focus on properties with long-term rental agreements and high-quality tenants



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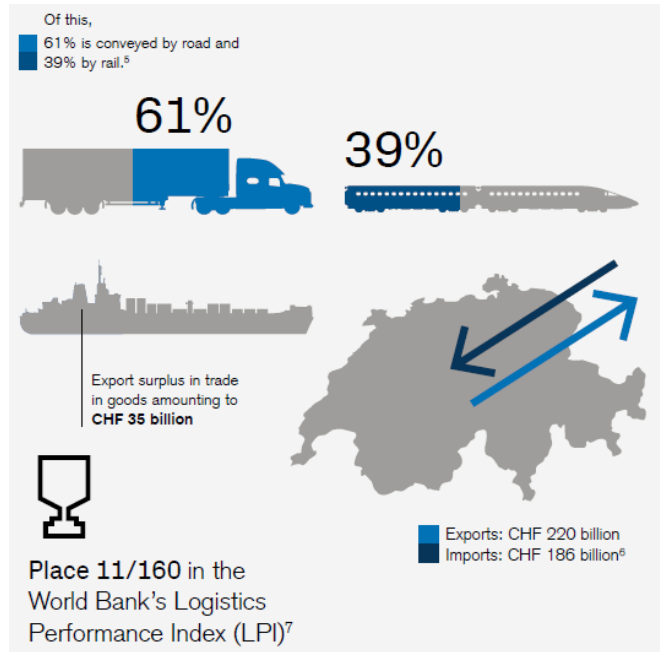
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# Credit Suisse Real Estate Fund LogisticsPlus

## The logistics market at a glance



- Economic upturn is spurring foreign trade
- Globalization and division of labor have steadily increased the flow of goods across Switzerland's borders since 1990, by 3.2% p.a. in value and 1.1% in volume
- Exports/imports expected to have grown by 3.5–4.0% in 2018

Sources (year of collection in brackets):

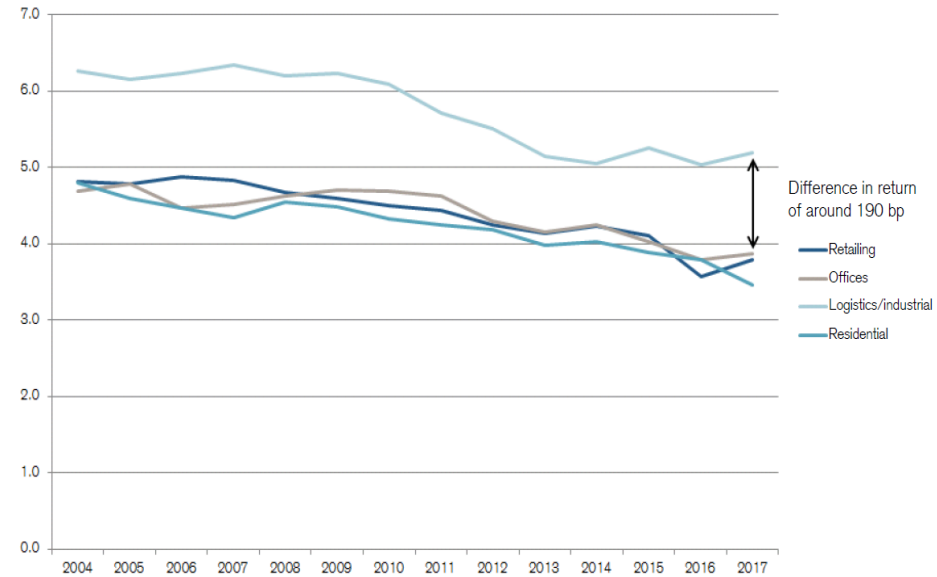
5 Swiss Federal Statistical Office (2016)

6 Credit Suisse estimate, based on data from the Swiss Post (2017)

7 Swiss Federal Statistical Office (2015)

8 Quelle: Bloomberg, MSCI, Credit Suisse (2018)

### Logistics market – return comparison of asset classes in Switzerland



- Online business is growing at 7–8% p.a.
- Logistics real estate is the cornerstone of modern supply chain processes. Accordingly, there is huge demand for logistics real estate. New locations are taking center stage
- Yields are coming under increasing pressure, but remain attractive compared to other types of use

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## Key figures on capital increase

Type of issue	Best-effort issue with subscription rights trading
Subscription period	Mon 24.2. – Fri 6.3.2020, 12:00 (CET)
<b>Subscription rights trading</b>	<b>Mon 24.2. – Wed 4.3.2020</b>
Issue date	13.3.2020
Issue price	CHF 102.00 net per share certificate
Subscription ratio	4:1 (4 previous to 1 new share certificate)
Target volume	CHF 107.1 mn
Issuing commission	1.50% of NAV (included in the issue price)
Fund unit identifier	Swiss security number: 24 563 395 ISIN: CH024 563 395 0
Subscription rights identifier	Swiss security number: 52 004 453 ISIN: CH052 004 453 5

Source: Credit Suisse Asset Management (Switzerland) Ltd.



# Credit Suisse Real Estate Fund LogisticsPlus Pipeline

## Ongoing projects

Region	Use	Total volume	Residual volume (CHF 70 mn)	Expected gross return	Acquisition	Probability
Basel "Kunstmuseum"	Parking	approx. CHF 60 mn	CHF 34 mn	6.0%	2018–2021	100%
Zell, AFAG Automation	Production	approx. CHF 15 mn	CHF 15 mn	5.2%	2019–2021	100%
Bülach, UPS	Logistics	approx. CHF 28 mn	CHF 20 mn	5.0%	2019–2020	100%

## Intended projects

Region	Use	Total volume				
Bülach, Schützenmattstrasse West	Logistics	approx. CHF 30 mn		5.5%	2020–2021	75%
Zurich	Logistics	approx. CHF 82 mn		4.2%	2021	75%
Basel, zoo parking	Parking	approx. CHF 16 mn		4.3%	2020–2021	50%

## Intended purchases

Region	Use	Total volume				
Thurgau	Logistics	approx. CHF 42 mn		4.0%	2020	25%
Bern	Production	approx. CHF 22 mn		5.0%	2020	50%
Central Switzerland	Logistics	approx. CHF 50 mn		5.1%	2020	50%

## Total ongoing projects, intended projects, and intended purchases

CHF 345 mn

CHF 311 mn

5.0%

The expected yield does not constitute a projection, forecast, or guarantee of future performance or achievement thereof. The expected yield is based on the manager's analyses and ratings during the evaluation of the investment opportunity and on various investment-specific assumptions, which could deviate from future market conditions and thus significantly influence the investment result.

# Credit Suisse Real Estate Fund LogisticsPlus

## Ongoing projects



Key information: Basel, Kunstmuseum parking

Key information: Bülach, UPS

Key information: Zell, AFAG

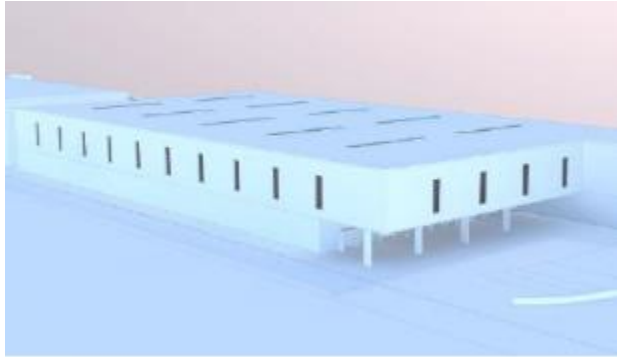
Building type	Parking
Property/project	Project
(Planned) year of construction	2022
Parking garage	350 spcs
WAULT	N/A
Net rent target/vacancy	N/A /0%
Project costs	approx. CHF 60 mn
Expected gross yield on project costs	6.0%

Building type	Package distribution center
Property/project	Project
(Planned) year of construction	2020
Total NRA	6,878 m2
WAULT	15 years
Net rent target/vacancy	CHF 1,420,000/0%
Project costs	approx. CHF 28 mn
Expected gross yield on project costs	5.0%

Building type	Office, production, warehouse
Property/project	Project
(Planned) year of construction	2021
Total NRA/PG	8,687 m2/119 spcs
WAULT	15 years
Net rent target/vacancy	CHF 836,000/0%
Project costs	approx. CHF 15 mn
Expected gross yield on project costs	5.50%

# Credit Suisse Real Estate Fund LogisticsPlus

## Planned projects



Key information: Fiege logistics center

Building type	Logistics
Property/project	Project
(Planned) year of construction	2022
Total NRA/PG	Open
Tenant/WAULT	Fiege/10 years
Net rent target/vacancy	N/A /0%
Project costs	approx. CHF 30 mn
Expected gross yield on project costs	5.5%

Key information: Distribution center for retail

Building type	Logistics
Property/project	Project
(Planned) year of construction	2021
Total NRA/PG	30,700 m <sup>2</sup> /162 spcs
WAULT	15 years
Net rent target/vacancy	N/A /0%
Project costs	approx. CHF 82 mn
Expected gross yield on project costs	4.2%

Key information: Basel, zoo parking

Building type	Parking
Property/project	Project
(Planned) year of construction	2021
Total NRA/PG	300 spcs
Tenant/WAULT	AMAG/10 years
Net rent target/vacancy	CHF 550,000 plus turnover rent/0%
Project costs	approx. CHF 16 mn.
Expected gross yield on project costs	4.3%

# Credit Suisse Real Estate Fund LogisticsPlus

## Intended purchases



Key information: Distribution center

Building type	Logistics
Property/project	Property
Built	1995/2004/2019
Total NRA/PG/PS	25,000 m2
WAULT	15 years
Net rent target/vacancy	CHF 1.7 mn/0%
Expected purchase price	CHF 42 mn
Expected gross yield	4.0%
Status	Non-binding offer



Key information: Production/storage

Building type	Production
Property/project	Property
Built	1919/1959/1965/ 1983/2010
Total NRA/PG/PS	17,950 m2
WAULT	10 years
Net rent target/vacancy	CHF 1.1 mn/0%
Expected purchase price	CHF 22 mn
Expected gross yield	5.0%
Status	Binding offer



Key information: Logistics Center

Building type	Logistics
Property/project	Property
Built	1993/1997/2000
Total NRA/PG/PS	27,800 m2
WAULT	10 years
Net rent target/vacancy	CHF 2.55 mn/0%
Expected purchase price	CHF 50 mn
Expected gross yield	5.1%
Status	Binding offer

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# Credit Suisse Real Estate Fund LogisticsPlus

## Financial highlights

<b>Annual reports</b>	Sept. 30, 2017	Sept. 30, 2018	<b>Sept. 30, 2019</b>
Fund's net assets in CHF million	311.9	438.7	<b>436.4</b>
Market value of properties in CHF million	321.0	401.9	<b>444.6</b>
Premium/debt discount	14.93%	8.18%	<b>21,26%</b>
Distribution per unit in CHF	3.90	3.90	<b>3.90</b>
Direct yield	3.26%	3.45%	<b>3,10%</b>
Payout ratio	95.95%	89.01%	<b>112,51%</b>
Investment return	4.41%	4.34%	<b>3,31%</b>
Debt financing ratio (in % of market value)	1.90%	0.00%	<b>2,65%</b>
Total expense ratio (TER <sub>REF</sub> GAV)	0.64%	0.68%	<b>0,67%</b>
Total expense ratio (TER <sub>REF</sub> MV)	0.65%	0.64%	<b>0,60%</b>
Rental default rate	2.35%	2.48%	<b>6,54%</b>

Calculated for twelve (Oct. 1, 2018 – Sept. 30, 2019)

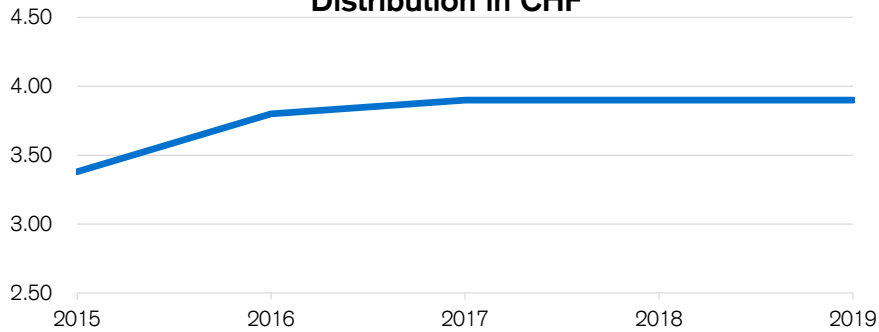
Past performance and financial market scenarios are not reliable indicators of future results.

Source: Annual and semi-annual reports for CS REF LogisticsPlus | Last data point: Sept. 30, 2019

# Credit Suisse Real Estate Fund LogisticsPlus

## Key figures (1/3)

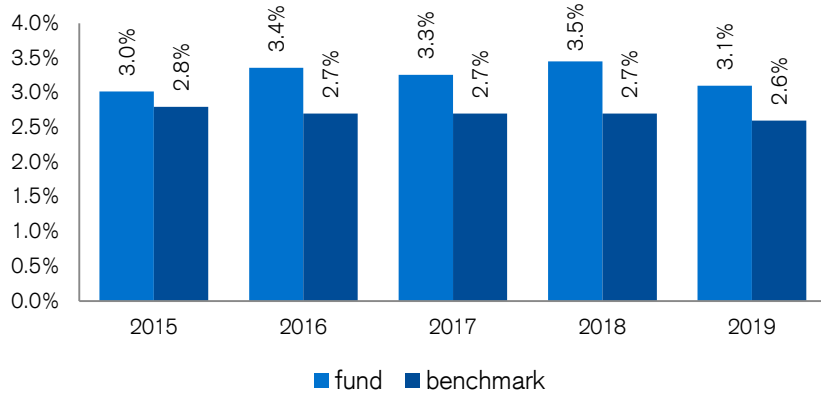
**Distribution in CHF**



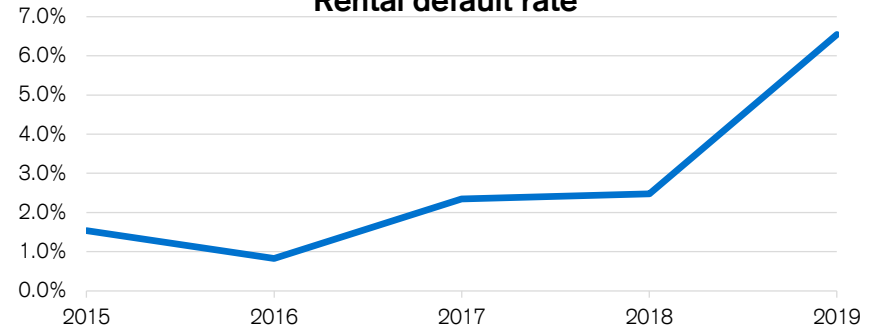
### Key takeaways

- Stable annual distribution
- Attractive direct yield

**Direct yield**



**Rental default rate**

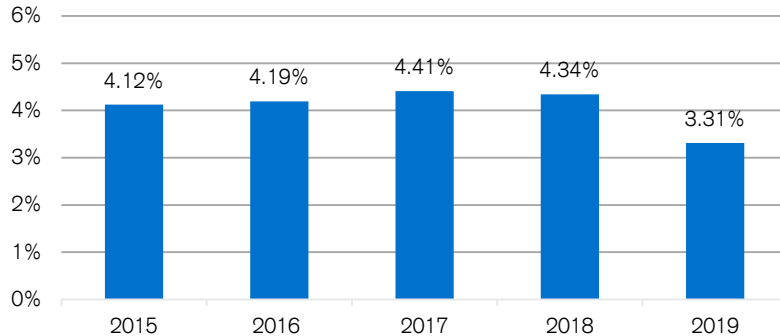


Source: Credit Suisse Asset Management (Switzerland) Ltd.  
Last data point: Sept. 30, 2019

# Credit Suisse Real Estate Fund LogisticsPlus

## Key figures (2/3)

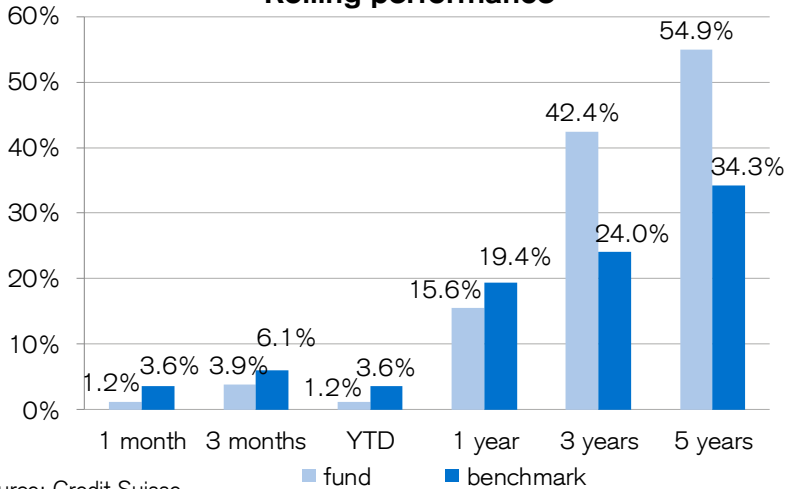
### Investment return



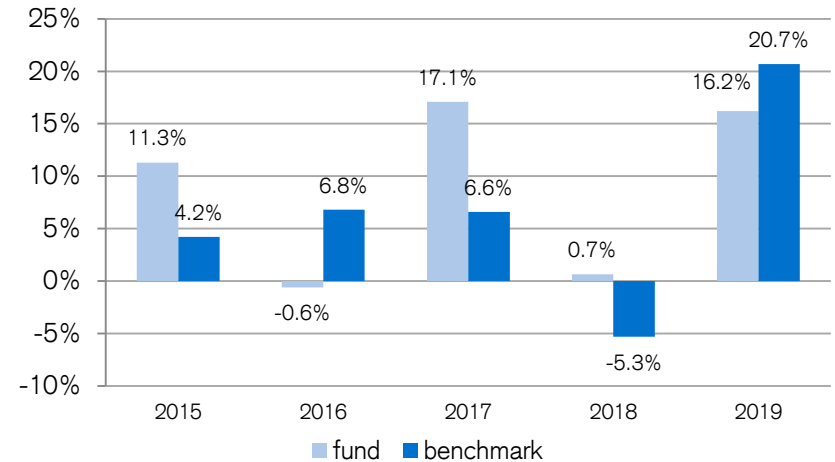
### Key takeaways

- Attractive investment return
- Performance is above the benchmark

### Rolling performance



### Annual performance



Source: Credit Suisse

Last data point: Investment return: Sept. 30, 2019 / Performance: January 31, 2020

For quarterly returns over the last five years, see slide 23 – Past performance and financial market scenarios are not reliable indicators of future results.

The fund was launched in September 2014, and accordingly has no five-year quarterly returns.



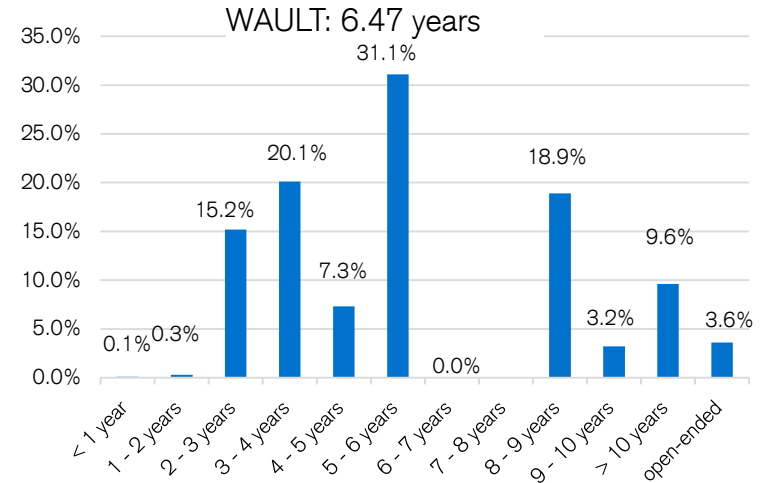
# Credit Suisse Real Estate Fund LogisticsPlus

## Key figures (3/3)

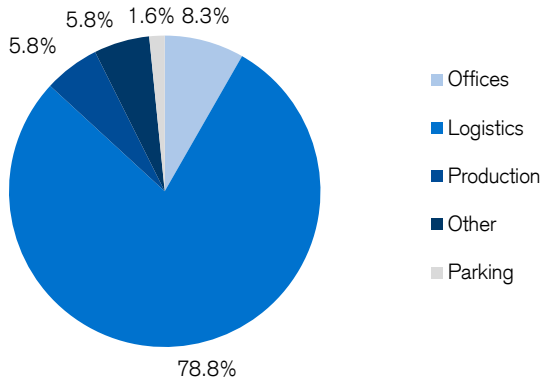
### Ten largest tenants

DHL Logistics (Schweiz) AG	17.30%
Orior AG	14.64%
Coop – Gruppe Genossenschaft	13.38%
Swiss Post	6.61%
Fiege Logistik (Schweiz) AG	6.52%
Office Depot GmbH	6.32%
SF-Filter AG	6.12%
Sihl AG	5.12%
Asyl-Organisation Zürich Immobilien	5.00%
Spirella AG	3.90%

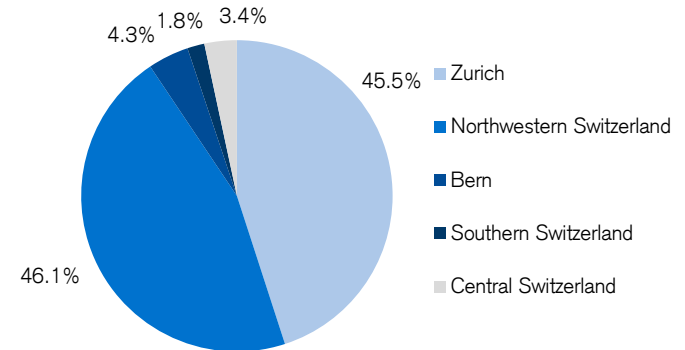
### Remaining life of rental agreements



### Structural allocation by actual net rental income



### Geographical distribution



Source: Credit Suisse

Last data point: Sept. 30, 2019

<sup>1</sup> Weighted data based on annual rent

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# Credit Suisse Real Estate Fund LogisticsPlus

## Properties in the fund's net assets (excerpt)



**Derendingen,  
Luterbachstrasse 1**

Commercial property  
 Purchase date: 01.10.2014  
 Construction year: 1992/2017  
 Market value: CHF 87.3 Mio.  
 Gross Yield: 6,02%  
 19.6% of the portfolio



**Bülach,  
Schützenmattstrase**

Commercial property  
 Purchase date: 01.10.2014  
 Construction year: 1963/66/80/93  
 Market value: CHF 78.5 Mio.  
 Gross Yield: 6,05%  
 17.7% of the portfolio



**Zürich,  
Eduard-Imhof-Strasse 6, 8**

Commercial property  
 Purchase date: 15.09.2018  
 Construction year: 1965/2009  
 Market value: CHF 63.9 Mio.  
 Gross Yield: 5.36%  
 14.4% of the portfolio

Data point as at 30.9.2019 | Historical performance indications and financial market scenarios are not reliable indicators of future performance

Source: Credit Suisse Asset Management (Switzerland) Ltd.

# Credit Suisse Real Estate Fund LogisticsPlus

## Properties in the fund's net assets (excerpt)



**Rapperswil,  
Industriestrasse 16-18**

Commercial property  
Purchase date: 29.09.2015  
Construction year: 1972/1998  
Market value: CHF 54 Mio.  
Gross Yield: 5.90%  
12.1% of the portfolio



**Bachenbülach,  
Kasernenstrasse 6**

Commercial property  
Purchase date: 16.10.2018  
Construction year: 2008  
Market value: CHF 30.6 Mio.  
Gross Yield: 4.70%  
6.8% of the portfolio



**Lenzburg,  
Sägestrasse 50, 52**

Commercial property  
Purchase date: 31.03.2017  
Construction year: 2002, 2004  
Market value: CHF 30 Mio.  
Gross Yield: 5.85%  
6.7% of the portfolio

Data point as at 30.9.2019 | Historical performance indications and financial market scenarios are not reliable indicators of future performance

Source: Credit Suisse Asset Management (Switzerland) Ltd.

# Credit Suisse Real Estate Fund LogisticsPlus

## Properties in the fund's net assets (excerpt)



**Bern,  
Bolligenstrasse 93**

Commercial property  
Purchase date: 19.04.2017  
Construction year: 2002/2008  
Market Value: CHF 21.1 Mio.  
Gross Yield: 5.58%  
4.7% of the portfolio



**Böckten,  
Rohrmattstrasse 1**

Commercial property  
Purchase date : 14.10.2014  
Construction year: 1988  
Market Value: CHF 18.9 Mio.  
Gross Yield : 6.12%  
4.2% of the portfolio



**Root,  
Oberfeld 7**

Commercial property  
Purchase date : 14.10.2014  
Construction year: : 1991/2006  
Market Value: CHF 14.2 Mio.  
Gross Yield : 6.12%  
3.2% of the portfolio

Data point as at 30.9.2019 | Historical performance indications and financial market scenarios are not reliable indicators of future performance

Source: Credit Suisse Asset Management (Switzerland) Ltd.

# Credit Suisse Real Estate Fund LogisticsPlus

## Properties in the fund's net assets (excerpt)



**Oberentfelden,  
Industriestrasse 40**

Commercial property  
Purchase date: 14.10.2014  
Construction year: 1995/2002  
Market value: CHF 13.1 mn  
Gross yield: 6.06%  
2.9% of the portfolio



**Uetendorf,  
Zelgstrasse 79**

Commercial property  
Purchase date: 14.10.2014  
Construction year: 1987  
Market value: CHF 3.4 mn  
Gross yield: 8.52%  
0.77% of the portfolio



**Stabio,  
Via Lische 11, 13**

Commercial property  
Purchase date: 14.10.2014  
Construction year: 1977  
Market value: CHF 3.4 mn  
Gross yield: 10.05%  
0.77% of the portfolio

Data point as at 30.9.2019 | Historical performance indications and financial market scenarios are not reliable indicators of future performance

Source: Credit Suisse Asset Management (Switzerland) Ltd.

# Credit Suisse Real Estate Fund LogisticsPlus

## Reasons to invest

First fund for **logistics real estate** in Switzerland

**Tax advantages** due to direct ownership of real estate

Investments along **transportation arteries** and in metropolitan areas

Market value of all properties totals **CHF 444.6 million**

Focus on long-term **preservation of asset value**

Gross yield of **5.0%** for ongoing and planned projects

Focus on **creditworthy** tenants and long-term rental agreements

Ongoing and planned projects amounting to **CHF 345 mn**

**Diversified** with production facilities, commercial properties, and parking garages

Data point as of Sept. 30, 2018

Source: Credit Suisse Asset Management (Switzerland) Ltd.

# Credit Suisse Real Estate Fund LogisticsPlus

## Your contacts



### Portfolio manager

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Phone +41 44 333 44 00\*

### Fund details

Fund domicile	Switzerland
Fund currency	CHF
End of financial year	Sept. 30
Inception	Sept. 24, 2014
Management fee	0.50% p.a.
TER <sub>REF</sub> GAV	0.67%
Fund's net assets (in CHF mn)	436.4
Total fund assets (in CHF mn)	459.8
Number of properties	13 properties (including one development project)
Distribution as of Dec. 12, 2018 (CHF)	3.90
Direct yield	3.10%
Rental default rate	6.54%
Debt financing ratio	2.65%
Security number	24563395
ISIN	CH0245633950

Source: Credit Suisse Asset Management (Switzerland) Ltd.

\* Please note that telephone conversations may be recorded. By making a call, you acknowledge your agreement with this business practice.

Key figures as of semi-annual and annual financial statements

Past performance and financial market scenarios are not reliable indicators of future results.



# Credit Suisse Real Estate Fund LogisticsPlus

## Key figures – quarterly returns

quarterly returns	Q1			Q2			Q3			Q4		
	net	BM	rel.	net	BM	rel.	net	BM	rel.	net	BM	rel.
2015	12.74%	8.16%	4.58%	-4.18%	-4.86%	0.68%	-1.75%	-1.52%	-0.22%	4.83%	2.80%	2.03%
2016	0.87%	3.79%	-2.92%	0.87%	2.57%	-1.70%	-3.00%	0.88%	-3.88%	0.71%	-0.50%	1.21%
2017	6.73%	4.57%	2.16%	9.09%	2.49%	6.60%	-0.42%	-2.82%	2.40%	3.26%	2.35%	0.91%
2018	1.25%	-1.86%	3.11%	-2.06%	-0.76%	-1.30%	-2.35%	-1.82%	-0.53%	3.94%	-0.99%	4.93%
2019	3.96%	8.46%	-4.50%	2.97%	4.15%	-1.19%	3.71%	1.03%	2.68%	4.72%	5.73%	-1.01%
2020	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

	1 month			3 months			YTD		
	net	BM	rel.	net	BM	rel.	net	BM	rel.
2020	1.17%	3.64%	-2.47%	3.88%	6.05%	-2.17%	1.17%	3.64%	-2.47%

Source: Credit Suisse / Datastream

Last data point: January 31, 2020

Past performance and financial market scenarios are not reliable indicators of future results.

# Credit Suisse Real Estate Fund LogisticsPlus

## Risks and risk mitigation

### Risk

Limited liquidity compared with larger listed investment products

The values of properties may fluctuate, for example due to the following factors:

- Unfavorable changes in supply or demand that negatively impact the acquisition/sale or rental of properties
- Development of interest rates and/or currencies
- Taxes or changed regulatory conditions in the respective markets
- Environmental risks
- Disasters
- Force majeure and terrorism

### Mitigation

- Thorough due diligence prior to purchase of any property
- Continuous monitoring of individual investments, rental markets, and the macroeconomic environment by our Global Real Estate Strategy team
- Local internal and external experts on regulatory framework conditions and taxes
- Broad portfolio diversification through carefully selected properties
- Investments primarily through equity and a carefully selected level of debt capital absorb negative interest rate developments

The product's investment objectives, risks, charges, and expenses, as well as more complete information about the product are provided in the prospectus (or relevant offering document) which should be read carefully before investing.

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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 LogisticsPlus is an investment fund governed by Swiss law in the "Real Estate Funds" category in accordance with the Swiss Federal Act on Collective Investment Schemes of June 23, 2006 (CISA) for qualified investors as defined in Art. 10, paras. 3 to 4 CISA in conjunction with Art. 6 and 6a CISO. The fund management company is Credit Suisse Funds AG, Zurich. The custodian bank is Credit Suisse (Switzerland) 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, 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.

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