

# Semiannual financial statements of the international Credit Suisse Funds AG real estate funds as of June 30, 2020

Zurich, August 28, 2020 – **The two international real estate funds of Credit Suisse Funds AG reported fundamentally attractive results in the first six months of the 2020 financial year – loss-of-rent rates, for example, were reduced considerably. Real estate portfolio valuations remained stable despite the COVID-19 pandemic.**

In general, COVID-19 is increasingly leaving its mark on the real estate fund business, although it is still too early to draw definitive conclusions as to the impact on rental income and property market values. Key factors will be the duration of the economic slowdown and the political measures taken, in particular.

## **Credit Suisse Real Estate Fund International buys property in Krakow**

The Credit Suisse Real Estate Fund International (CS REF International, valor no. 1 968 511) diversified its portfolio further in the first six months of the 2020 financial year, acquiring a property in Krakow (PL). The High Five building, completed in the first quarter of 2020, is located right next to the city's central station, with the historical center easy to reach on foot. A property in Dublin (IRL) was sold. CS REF International acquired La Touche House in May 2013 at the beginning of Ireland's economic boom. The property has established an ideal market position in recent years and has now been sold at a considerable profit in a strong Irish real estate market.

The diversification of the portfolio has proved relatively robust even during the COVID-19 pandemic. The measures imposed by government authorities vary considerably from market to market. The fund had suspended rent payments worth CHF 0.1 mn (0.05% of rental income) as of June 30, 2020. It also received requests to defer rent payments, which were assessed in detail and, in some cases, approved.

The total net return achieved by CS REF International in the first six months of the 2020 financial year rose to CHF 60.2 mn (previous year: CHF 56.6 mn). In addition to the broadly diversified portfolio, this can also be attributed to the marked reduction in the loss-of-rent rate to 4.93% (previous year: 9.42%). The CS REF International properties are also revalued by accredited valuation experts at the mid-point of the year. As of June 30, 2020, the market value of the portfolio, excluding currency effects, was down slightly, by 0.37%, as against the value reported in the annual financial statements as of December 31, 2019. The values of the individual properties both increased and fell depending on their use type, tenants and location. The Swiss franc, however, which has gained ground as a result of the COVID-19 pandemic, had a negative impact on the fundamentally positive development of the real estate portfolio. This means that, despite foreign currency hedges of 95% in the Statement of Assets, the investment yield came to only 0.06% (previous year: 1.63%).

For further key figures and details, please refer to the unaudited semiannual report as of June 30, 2020, which is available at [credit-suisse.com/ch/real-estate/download](https://credit-suisse.com/ch/real-estate/download)

**No suspensions of rent payments at Credit Suisse Real Estate Fund Global as of the reporting date**

The Credit Suisse Real Estate Fund Global (CS REF Global, valor no. 13 985 167) reduced its loss-of-rent rate to 4.82% in the first six months of the 2020 financial year (previous year: 7.19%). The diversification of the CS REF Global portfolio has proved relatively robust even during the COVID-19 pandemic. The measures imposed by government authorities vary considerably from market to market. No rent payments had to be suspended in the portfolio as of June 30, 2020. Requests to defer rent payments were assessed in detail and, in some cases, approved.

The CS REF Global properties are also revalued by accredited valuation experts at the mid-point of the year. As of June 30, 2020, the market value of the portfolio, excluding currency effects, was down slightly, by 0.24%, as against the value reported in the annual financial statements as of December 31, 2019. The values of the individual properties both increased and fell depending on their use type, tenants and location. The Swiss franc, however, which has gained ground as a result of the COVID-19 pandemic, had a negative impact on the fundamentally attractive development of the real estate portfolio. This means that, despite foreign currency hedges of 95% in the Statement of Assets, the investment yield came to only 0.76% (previous year: 1.41%).

For further key figures and details, please refer to the unaudited semiannual report as of June 30, 2020, which is available at [credit-suisse.com/ch/real-estate/download](https://credit-suisse.com/ch/real-estate/download)

**Further information**

- Semiannual reports available for download in German as of today: [credit-suisse.com/ch/real-estate/download](https://credit-suisse.com/ch/real-estate/download)
- Semiannual reports in French available as of late September 2020
- The latest annual and semiannual reports: [credit-suisse.com/ch/real-estate/download](https://credit-suisse.com/ch/real-estate/download)
- Further information: [credit-suisse.com/ch/real-estate](https://credit-suisse.com/ch/real-estate)

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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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