

Annual reports of international real estate funds as of December 31, 2020

Zurich, March 24, 2021 – **The international real estate funds of Credit Suisse Funds AG posted a robust operating performance during the COVID-19 pandemic. Unlike fundamental real estate performance, the funds' secondary market performance was negative. Credit Suisse Real Estate Fund Global has been in liquidation since January 1, 2021.**

Credit Suisse Real Estate Fund International with stable real estate values

Credit Suisse Real Estate Fund International (CS REF International, sec. no. 1968511) further optimized its portfolio in the 2020 financial year. The recently completed and fully rented office complex High5ive was acquired in Krakow (PL). It is located just 500 meters from the central train station. The new construction project Jubilee Place in Brisbane (AU) is making excellent progress and will be completed during this financial year. Five properties in the Netherlands, Ireland, Australia and Japan (two) that were no longer in line with strategy were sold.

The market value of all properties as of December 31, 2020 amounted to CHF 4,033.8 million (previous year: CHF 4,341.0 million). While the real estate values in local currency remained virtually unchanged, the market value was down year-on-year due to the strong Swiss franc. The currencies in the capital account are hedged 95% through forward exchange transactions in order to mitigate currency fluctuation risks. Vacancies were successfully reduced, bringing the loss-of-rent rate in 2020 down to 6.0% (previous year: 8.0%). Rental income rose to CHF 227.5 million (previous year: CHF 224.1 million). The COVID-19 pandemic dented rental income by just 0.2%. The distribution was reduced to CHF 40.00 per unit, while the distribution yield was 3.9% (previous year: 3.5%). In secondary market trading, the premium slid further, settling at –3.2% as of December 31, 2020 (previous year: 7.0%). The fund management company checks on an ongoing basis whether the positioning of the fund as regards the OTC tradability offered corresponds to the current client requirements.

Key figures on page 2.

Credit Suisse Real Estate Fund Global (in liquidation since January 1, 2021) with unchanged distribution

Credit Suisse Real Estate Fund Global (CS REF Global (in liquidation), sec. no. 13985167) closed the 2020 financial year in good shape. The market value of the properties fell slightly to CHF 377.8 million (previous year: CHF 381.4 million). The change in value was very different among the individual properties: while the property at Karlstrasse in Munich (DE) posted strong gains on the back of positive developments on the real estate market and due to a new rental agreement, the market values of the properties in Houston (US) and Leeds (UK) contracted sharply due to local market trends. The loss-of-rent rate was reduced significantly and amounts to 4.7% (previous year: 8.8%). Net income fell slightly to CHF 10.0 million (previous year: CHF 10.2 million). The distribution was accordingly kept constant at CHF 3.40 per unit.

Given the low trading volume, a discount of over 20% developed in the fund's secondary market trading over the course of the 2020 financial year within the scope of the market corrections due to COVID-19.

This development is no longer consistent with the fundamentally good location and asset quality of the underlying real estate portfolio. In November 2020, the fund management company therefore decided to terminate the fund contract effective December 31, 2020 and to set in motion the fund's liquidation. The process of selling off the properties will begin in mid-April 2021. The market values of the properties were verified by a second, completely independent valuation expert. The audited market values can be found on page 3.

Investors will be notified in due course about the progress of the liquidation and the payout of the liquidation dividends, which is envisioned in multiple steps.

Key figures on page 3.

Key figures for CS REF International (sec. no. 1968511)

Financial year ended on		31.12.2020	31.12.2019	31.12.2018
Market value of properties	CHF	4,033.8 mn	4,341.0 mn	3,757.2 mn
Leverage ratio as % of market values ¹		23.72%	24.41%	18.82%
Net asset value per unit (incl. distribution)	CHF	1,074.56	1,107.93	1,108.32
Closing price (bid price)	CHF	1,040.00	1,185.00	1,145.00
Premium		-3.22%	6.96%	3.31%
Distribution	CHF	40.00 ²	42.00	42.00
Distribution yield		3.85%	3.54%	3.67%
Distribution ratio		98.70%	109.04%	110.21%
Performance ³		-8.85%	7.35%	-4.89%
Return on investment		0.78%	3.87%	4.98%
Return on equity (ROE)		0.78%	4.06%	5.14%
Return on invested capital (ROIC)		1.14%	3.61%	4.47%
Operating profit margin (EBIT margin)		69.39%	67.18%	69.21%
Fund operating expense ratio GAV (TER _{REF} GAV)		0.87%	0.88%	0.90%
Fund operating expense ratio MV (TER _{REF} MV)		1.15%	1.09%	1.09%
Rental income	CHF	227.5 mn ⁴	224.1 mn	185.0 mn
Loss-of-rent rate		6.01% ⁴	7.96%	10.72%

¹ Maximum permitted encumbrance: one third of market values (Art. 65(2) CISA/Art. 96(1) CISO).

² Value date of distribution 31.03.2021 (ex-date: 29.03.2021).

³ Past performance and financial market scenarios are not reliable indicators of future performance. The commissions and costs charged on the issue and redemption of fund units are not included in the performance calculation.

⁴ Due to the COVID-19 pandemic, rents were waived in the amount of CHF 0.51 mn (0.21% of target rental income); this amount was charged against rental income. Waived rents were not taken into consideration when calculating the loss-of-rent rate.

Source: Credit Suisse, unless specified otherwise

Annual and semi-annual reports available at credit-suisse.com/amfunds/csrefinternational.

Key figures for CS REF Global (sec. no. 13985167)

Financial year ended on		31.12.2020	31.12.2019	31.12.2018
Market value of properties	CHF	377.8 mn	CHF 381.4 mn	375.4 mn
Leverage ratio as % of market values ¹		22.09%	23.09%	24.73%
Net asset value per unit (incl. distribution)	CHF	99.98	102.25	101.30
Closing price	CHF	76.00 ²	91.00	86.80
Premium/discount		-23.98% ²	-11.00%	-14.31%
Distribution	CHF	3.40 ³	3.40	3.40
Distribution yield		4.47% ²	3.74%	3.92%
Distribution ratio		101.36%	102.64%	88.40%
Performance ⁴		-12.98% ²	8.86%	2.75%
Return on investment		1.11%	4.41%	5.06%
Return on equity (ROE)		1.10%	4.39%	4.59%
Return on invested capital (ROIC)		1.34%	3.87%	3.97%
Operating profit margin (EBIT margin)		67.10%	66.16%	71.60%
Fund operating expense ratio GAV (TER _{REF} GAV)		1.04%	1.11%	1.17%
Fund operating expense ratio MV (TER _{REF} MV)		1.74%	1.63%	1.79%
Rental income	CHF	19.6 mn ⁵	20.3 mn	20.2 mn
Loss-of-rent rate		4.70% ⁵	8.84%	6.59%

¹ Maximum permitted encumbrance: one third of market values (Art. 65(2) CISA/ Art. 96(1) CISO).

² On the basis of the last trading day on 27.11.2020.

³ Value date of distribution: 31.3.2021 (ex-date: 29.3.2021).

⁴ Past performance and financial market scenarios are not reliable indicators of future performance. The commissions and costs charged on the issue and redemption of fund units are not included in the performance calculation.

⁵ No rent waivers had to be granted in connection with the COVID-19 pandemic.

Source: Credit Suisse, unless specified otherwise

Market values of CS REF Global (sec. no. 13985167)

Valuation as of		31.12.2020	31.12.2019
Denver (US), Airport Way 4555	CHF	21,656,775	23,482,488
Houston (US), Post Oak Boulevard 777	CHF	34,739,235	42,607,400
Leeds (UK), Whitehall Road East 26	CHF	38,086,120	44,004,430
Munich (DE), Karlstrasse 35	CHF	87,822,428	68,959,320
Rotterdam (NL), Waalhaven Zuidzijde 11	CHF	17,240,019	17,992,697
Santiago de Chile (CL), Andrés Bello 2115	CHF	11,016,189	11,327,622
Seattle (US), Elliott Avenue West 101	CHF	44,639,475	46,480,800
Stuttgart (DE), Marienstrasse 50	CHF	12,978,684	12,067,609
Stuttgart (DE), Reinsburgstrasse 17	CHF	1,440,634	1,278,514
Stuttgart (DE), Silberburgstrasse 175/1	CHF	10,599,259	10,336,831
Tokyo (JP), 5-5-2 Jingu-mae 4 chome	CHF	66,695,409	70,566,329
Yokohama (JP), Yamashitacho, 89-6	CHF	30,907,629	32,342,901
Total (12 properties)	CHF	377,821,856	381,446,941

Source: Credit Suisse, unless specified otherwise

Annual and semi-annual reports available at credit-suisse.com/amfunds/csrefglobal.

Further information

- The comprehensive annual reports will be published at the beginning of April 2021.
- Current annual and semi-annual reports: credit-suisse.com/fundprices.
- Further information: credit-suisse.com/ch/realestate.

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