

# Annual financial statements of Credit Suisse real estate funds as of December 31, 2023

Zurich, March 5, 2024 – **Credit Suisse Funds AG's Swiss real estate funds with reporting dates as of December 31, 2023 can look back on a fundamentally solid fiscal year. In line with developments on the investment market, the external valuation experts have raised the discount rates. This resulted in investment returns of between -0.2% and +1.3%.**

## **Credit Suisse Real Estate Fund Green Property completes four new construction projects**

Credit Suisse Real Estate Fund Green Property (CS REF Green Property, securities no. 10077844) achieved an investment return of 0.6% for fiscal year 2023 (previous year: 5.1%). The fair value of the properties amounted to CHF 3,330.4 million (previous year: CHF 3,236.4 million), with the increase attributable to the completion of new construction projects. The average discount rate rose from 2.78% to 2.89%. The rate of loss of rental income remained constant at 3.8%. Rental income increased by CHF 6.7 million (5.9%) to CHF 119.5 million, while total expenses rose by CHF 7.4 million to CHF 55.5 million, mainly due to higher mortgage interest. The distribution per unit decreased to CHF 3.20 (previous year: CHF 3.40). The debt ratio was 25.5%. The premium declined slightly from 2.7% to 1.4%. This resulted in a performance of -1.0%, which underperformed the benchmark (SXI Real Estate Funds Broad: 5.0%).

In the course of the 2023 fiscal year, CS REF Green Property completed the Allverte in Allschwil, the extension to the Lokwerk in Winterthur, the Parco Brentani in Lugano, and the Cosmos development in Dübendorf and has already largely handed them over to tenants. Breitipark in Schaffhausen is already fully let, with the last building due for completion in August 2024. The Tivoli Garten development in Spreitenbach is expected to be completed in spring 2025. CS REF Green Property participated in the global sustainability benchmarking GRESB and achieved four out of five possible stars (previous year: three).

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## **Credit Suisse Real Estate Fund Hospitality with a performance of 16.1%**

Credit Suisse Real Estate Fund Hospitality (CS REF Hospitality, securities no. 11876805) achieved an investment return of -0.2% for fiscal year 2023 (previous year: 6.4%). The fair value of the properties fell to CHF 836.0 million (previous year: CHF 862.5 million) due to the sale of five properties and portfolio write-downs. The average discount rate rose from 3.07% to 3.16%. The rate of loss of rental income was a low 0.5% (previous year: 0.2%). Rental income increased by CHF 1.2 million (3.9%) to CHF 32.5 million and total expenses fell – despite higher mortgage interest – by CHF 0.7 million to CHF 9.7 million. The distribution per unit remained constant at CHF 2.50 (previous year: CHF 2.50). The debt ratio amounted to 20.6%. The fund recovered in the secondary market on the SIX Swiss Exchange, which was reflected in a reduction of the discount from -20.5% in the previous year to -8.0%. This resulted in a performance of 16.1% for fiscal year 2023. The performance was therefore well above that of the benchmark (SXI Real Estate Funds Broad: 5.0%). As of December 31, 2023, redemptions were received for 513,772 units, representing 6.0% of the units outstanding. The redeemed units are expected to be converted in March 2025, subject to the standard notice period.

The 51,298 units redeemed at the end of fiscal year 2022 will be repaid on March 27, 2024. This will reduce the number of outstanding units from 8,506,403 to 8,455,105 as of March 27, 2024.

CS REF Hospitality sold five properties in Zermatt in fiscal year 2023. The renovation and conversion of the high-rise at Schulstrasse 44 in Zurich-Oerlikon is in full swing. When completed in summer 2025, the building will be a "Mama Shelter"-branded lifestyle hotel with 174 rooms and 124 new apartments. CS REF Hospitality participated in the global sustainability benchmarking GRESB and achieved three out of five possible stars (previous year: two).

Key figures on page 4.

**Credit Suisse Real Estate Fund LivingPlus reduces vacancy rate to 2.2%**

Credit Suisse Real Estate Fund LivingPlus (CS REF LivingPlus, securities no. 3106932) achieved an investment return of 1.3% in fiscal year 2023 (previous year: 4.0%). The fair value of the properties fell to CHF 3,105.2 million (previous year: CHF 3,123.9 million). The average discount rate rose from 2.98% to 3.05%. The rate of loss of rental income decreased to 2.2% (previous year: 2.6%). This reflects the lowest vacancy rate since the fund was launched in December 2007. Rental income increased by CHF 2.3 million (1.7%) to CHF 133.8 million, while total expenses rose by CHF 3.0 million to CHF 59.7 million, mainly due to higher mortgage interest. The distribution per unit remained constant at CHF 3.60 (previous year: CHF 3.60). The debt ratio was 21.9%. The premium of CS REF LivingPlus rose from 20.4% in the previous year to 27.9% as of December 31, 2023, resulting in a performance of 6.9%, which outperformed the benchmark (SXI Real Estate Funds Broad: 5.0%).

In the 2023 fiscal year, new buildings in Bad Zurzach and Lugano Porza were completed and handed over to the tenants - both properties are fully let. A residential construction project in Petit-Lancy with 198 micro-apartments will be completed in spring 2025 and has been let to an operator on a long-term lease. A property in Rorschach was sold. CS REF LivingPlus participated in the global sustainability benchmarking GRESB and achieved four out of five possible stars (previous year: three).

Key figures on page 5.

**Key figures of CS REF Green Property (securities no. 10077844)**

<b>Fiscal year concluded</b>		<b>Dec. 31, 2023</b>	<b>Dec. 31, 2022</b>	<b>Dec. 31, 2021</b>
Fair value of the real estate	CHF	3,300,4 mn	3,236,4 mn	3,045,9 mn
Debt ratio as % of fair values <sup>1</sup>		25.50%	21.63%	18.98%
Net asset value per unit (incl. distribution)	CHF	119.34	122.03	119.48
Closing price	CHF	121.00	125.30	177.00
Taxable value	CHF	0.00	0.15	0.23
Premium		1.39%	2.68%	48.14%
Distribution	CHF	3.20 <sup>2</sup>	3.40	3.40
Distribution yield		2.64%	2.71%	1.92%
Distribution quota		102.44%	107.96%	99.00%
Performance <sup>3</sup>		-1.01%	-27.74%	6.80%
Investment return		0.59%	5.11%	4.63%
Return on equity (ROE)		0.71%	5.12%	4.48%
Return on invested capital (ROIC)		0.89%	3.94%	3.60%
Operating profit margin (EBIT margin)		71.81%	71.63%	73.14%
Total operating expense ratio GAV (TER <sub>REF</sub> GAV)		0.63%	0.66%	0.63%
Total operating expense ratio MV (TER <sub>REF</sub> MV)		0.90%	0.72%	0.54%
Rental income	CHF	119.5 mn	112.7 mn	109.2 mn
Rate of loss of rental income		3.82%	3.76%	4.36%

<sup>1</sup> Maximum permissible borrowing: one-third of the market values (CISA Art. 65 para. 2 / CISO Art. 96 para. 1).

<sup>2</sup> Value date of distribution: March 13, 2024 (ex-date: March 11, 2024).

<sup>3</sup> Historical performance and financial market scenarios are not reliable indicators of future results.

Data source: Credit Suisse, otherwise specified.

**Annual and semiannual reports: Credit Suisse Fundsearch**

**Key figures of CS REF Hospitality (securities no. 11876805)**

<b>Fiscal year concluded</b>		<b>Dec. 31, 2023</b>	<b>Dec. 31, 2022</b>	<b>Dec. 31, 2021</b>
Fair value of the real estate	CHF	836.0 mn	862.5 mn	775.5 mn
Debt ratio as % of fair values <sup>1</sup>		20.62%	21.04%	14.25%
Net asset value per unit (incl. distribution)	CHF	77.40	80.06	77.72
Closing price	CHF	71.20	63.65	79.75
Taxable value	CHF	0.00	0.05	0.09
Premium/discount		-8.01%	-20.50%	2.61%
Distribution	CHF	2.50 <sup>2</sup>	2.50	2.50
Distribution yield		3.51%	3.93%	3.13%
Distribution quota		96.73%	93.03%	103.64%
Performance <sup>3</sup>		16.14%	-17.68%	12.54%
Investment return		-0.22%	6.41%	4.32%
Return on equity (ROE)		-0.04%	5.97%	4.42%
Return on invested capital (ROIC)		0.29%	5.02%	3.72%
Operating profit margin (EBIT margin)		81.74%	81.15%	78.42%
Total operating expense ratio GAV (TER <sub>REF</sub> GAV)		0.36%	0.36%	0.37%
Total operating expense ratio MV (TER <sub>REF</sub> MV)		0.59%	0.49%	0.45%
Rental income	CHF	32.5 mn	31.3 mn	31.1 mn
Rate of loss of rental income		0.45%	0.24%	1.29%

<sup>1</sup> Maximum permissible borrowing: one-third of the market values (CISA Art. 65 para. 2 / CISO Art. 96 para. 1).

<sup>2</sup> Value date of distribution: March 13, 2024 (ex-date: March 11, 2024).

<sup>3</sup> Historical performance and financial market scenarios are not reliable indicators of future results.

Data source: Credit Suisse, otherwise specified.

**Annual and semiannual reports: Credit Suisse Fundsearch**

**Key figures of CS REF LivingPlus (securities no. 3106932)**

<b>Fiscal year concluded</b>		<b>Dec. 31, 2023</b>	<b>Dec. 31, 2022</b>	<b>Dec. 31, 2021</b>
Fair value of the real estate	CHF	3,105.2 mn	3,123.9 mn	3,044.5 mn
Debt ratio as % of fair values <sup>1</sup>		21.88%	20.69%	19.33%
Net asset value per unit (incl. distribution)	CHF	112.19	114.35	113.52
Closing price	CHF	143.50	137.70	182.00
Taxable value	CHF	0.00	0.14	0.22
Premium		27.91%	20.42%	60.32%
Distribution	CHF	3.60 <sup>2</sup>	3.60	3.60
Distribution yield		2.51%	2.61%	1.98%
Distribution quota		98.85%	96.56%	96.61%
Performance <sup>3</sup>		6.90%	-22.77%	8.20%
Investment return		1.28%	4.01%	5.73%
Return on equity (ROE)		1.19%	3.80%	5.45%
Return on invested capital (ROIC)		1.19%	3.04%	4.32%
Operating profit margin (EBIT margin)		74.92%	74.71%	75.13%
Total operating expense ratio GAV (TER <sub>REF</sub> GAV)		0.65%	0.65%	0.64%
Total operating expense ratio MV (TER <sub>REF</sub> MV)		0.73%	0.65%	0.53%
Rental income	CHF	133.8 mn	131.5 mn	127.7 mn
Rate of loss of rental income		2.16%	2.61%	4.38%

<sup>1</sup> Maximum permissible borrowing: one-third of the market values (CISA Art. 65 para. 2 / CISO Art. 96 para. 1).

<sup>2</sup> Value date of distribution: March 13, 2024 (ex-date: March 11, 2024)

<sup>3</sup> Historical performance and financial market scenarios are not reliable indicators of future results.

Data source: Credit Suisse, otherwise specified.

**Annual and semiannual reports: Credit Suisse Fundsearch**

**More information**

- The comprehensive annual reports will be published in electronic form at the end of March 2024.
- Annual and semiannual reports: Credit Suisse Fundsearch
- Further information: [credit-suisse.com/ch/realstate](https://credit-suisse.com/ch/realstate)

**Further information**

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