

## Credit Suisse Funds AG and ETH Board agree to transfer ownership of SwissTech Convention Center at EPFL

### **Subject: Credit Suisse Real Estate Fund Hospitality (security no. 11876805) and Credit Suisse Real Estate Fund LivingPlus (security no. 3106932)**

Zurich, June 29, 2022 – **The SwissTech Convention Center (STCC) has been used and operated by the Ecole Polytechnique Fédérale de Lausanne (EPFL) at its Ecublens campus since 2014. Credit Suisse Funds AG and the Board of the Swiss Federal Institute of Technology (ETH Board) have agreed to transfer ownership of the SwissTech Convention Center as part of an early reversion to the Swiss Confederation. Both sides view the agreement as beneficial. The transfer requires the approval of the Federal Council and the Federal Assembly.**

Credit Suisse Funds AG built the SwissTech Convention Center (STCC), along with the neighboring Centre de Logement, in Ecublens in 2010 on behalf of the Credit Suisse Real Estate Fund LivingPlus and the Credit Suisse Real Estate Fund Hospitality, which each hold a 50% stake in the properties. The EPFL is the sole tenant and its lease for both buildings originally ran until 2044. The STCC proved to be a key strategic element for effective instruction and research at the EPFL. Since it has not been possible to run the convention center profitably so far – a situation further exacerbated by the pandemic – the parties have been in talks for some time about the early reversion of the property.

#### **Transfer of ownership between 2024 and 2026**

The agreement now reached will split the existing ground-lease property into two plots, one for the STCC and one for the Centre de Logement. This allows the possibility of reverting the plot on which the STCC is located to the Confederation ahead of time. The transaction amount is CHF 139.5 million, which is based on the market value as of the end of 2021. Subject to the approval of the Federal Council and the Federal Assembly, the transfer of ownership of the convention center is planned from 2024 until 2026 at the latest. This window will allow the two real estate funds to make suitable replacement investments. The STCC makes up 2.3% of the total assets of the Credit Suisse Real Estate Fund LivingPlus and 9.0% of the total assets of the Credit Suisse Real Estate Fund Hospitality (as of December 31, 2021).

The two Credit Suisse Funds AG funds will continue to own the ground-lease property on which the Centre de Logement is located – which includes student housing, shops, a hotel, and a parking garage. The lease agreement with the EPFL was extended for a further ten years as part of the new arrangement, and will now run until 2054.

#### **Approval from the Federal Council and the Federal Parliament**

The reversion of the STCC plot to the Confederation needs the approval of the Federal Council, which must also submit it for approval to the Federal Assembly.

Filippo Rima, CEO of Credit Suisse Asset Management (Switzerland) Ltd., notes: "We welcome this solution, which allows the participating real estate funds to receive attractive compensation for the SwissTech Convention Center and, in addition, extends the lease term for the Centre de Logement by a further ten years. We intend to invest the proceeds from the STCC into other properties. We will carefully select these by drawing on our strong roots and considerable experience in the Swiss real estate sector so that we can continue to provide investors with opportunities to invest in residential and commercial properties."

## Ad hoc announcement pursuant to Art. 53 LR

EPFL Vice President for Operations, Matthias Gäumann, adds: "This solution has many benefits. It will significantly reduce the operating costs for the convention center, which is currently running at a loss. This improves EPFL's framework to fully exploit the potential of this strategic infrastructure, whether for scientific conferences or for other academic purposes."

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