

# Annual financial statements of Credit Suisse real estate funds as of September 30, 2021

Zurich, December 8, 2021 – **The real estate funds of Credit Suisse Funds AG had a successful financial year to September 30, 2021, thanks to the purchase and sale of a number of properties as well as the completion of various construction projects. The COVID-19 pandemic had only a negligible impact on the results. The performance of the funds was between 8.4% and 19.8% in the financial year 2020/21.**

The key results for each fund are summarized below.

## **Credit Suisse 1a Immo PK with strong performance increase**

Credit Suisse 1a Immo PK (CS 1a Immo PK, security no. 844 303) ended the financial year to September 30, 2021, with a return on investment of 5.1% (previous year: 5.2%). The market value of the properties increased to CHF 4,799.4 million (previous year: CHF 4,481.2 million). The loss-of-rent rate fell to 7.8% (previous year: 8.4%). The COVID-19 pandemic affected the fund's rental income to only a limited extent. Rent reductions amounted to 1.4% of target rental income in the 2020/21 financial year (previous year: 1.7%). As communicated in June 2021, the fund's distribution ratio is set at 100% in the interests of a sustainable distribution policy. This reduces the distribution to CHF 45.00 per unit (previous year: CHF 50.00). The premium in the past financial year rose to 16.4% (previous year: 2.2%). Accordingly, the fund showed a performance from secondary market trading of 19.4% (previous year: -1.0%) in the 2020/21 financial year.

The increase in the market value of the portfolio was attributable to three factors: First, the existing portfolio was revalued to reflect a lowering of the discount rate from 3.28% to 3.14%. Second, the purchase and sale of existing properties resulted in a net increase in market values of around CHF 139.4 million. The third driver was further investment in construction projects, which led to an increase in market values of approximately CHF 53.8 million. In connection with the expansion of the portfolio, the leverage ratio rose to 21.9% (previous year: 16.9%). CS 1a Immo PK participated in GRESB global sustainability benchmarking, achieving three out of a possible five stars.

As already communicated in June 2021, the fund management conducted an in-depth review of the future positioning of CS 1a Immo PK and decided to open up investor eligibility and therefore seek a listing of the real estate fund on SIX Swiss Exchange. Following extensive discussions with the cantonal tax authorities, the planned listing date has been pushed back to Q4 2022 from Q2 2022 subject to all necessary approvals.

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## **Successful capital increase for Credit Suisse Real Estate Fund Interswiss**

Credit Suisse Real Estate Fund Interswiss (CS REF Interswiss, security no. 276 935) ended the financial year to September 30, 2021, with a return on investment of 4.0% (previous year: 8.6%). The market value of the properties fell slightly to CHF 2,381.7 million (previous year: CHF 2,418.1 million). The loss-of-rent rate was 9.8% (previous year: 9.9%). The COVID-19 pandemic affected the fund's rental income to only a limited extent. Rent reductions amounted to 1.9% of target rental income in the 2020/21 financial year (previous year: 2.0%). The distribution will be reduced to CHF 7.40 per unit (previous year: CHF 7.60). The performance was 8.4% in 2020/21 (previous year: -3.9%). The premium rose from 0.7% to 4.6%.

Through the successful capital increase in September 2021, CS REF Interswiss attracted new assets in the amount of CHF 138.9 million. The fund used these proceeds to acquire two fully leased properties in Aigle and Etoy; it also secured two additional properties in Bern and Geneva, ownership of which was transferred on October 1, 2021. In addition, the redevelopment of Rue du Bourg 17 in Lausanne was concluded, as were the gutting and conversion of the Blumenbergstrasse 39 residential property in Bern. The leverage ratio as of the end of the 2020/21 financial year was 18.5% (previous year: 24.2%). CS REF Interswiss participated in GRESB global sustainability benchmarking, achieving three out of a possible five stars.

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### **Credit Suisse Real Estate Fund LogisticsPlus increases market values through new properties and completed construction projects**

Credit Suisse Real Estate Fund LogisticsPlus (CS REF LogisticsPlus, security no. 24 563 395) continued to diversify its portfolio in the 2020/2021 financial year. The market value increased to CHF 813.4 million (previous year: CHF 643.9 million). The return on investment was 5.2% (previous year: 4.2%). The successful capital increase in March 2021 contributed to an expansion of the portfolio by increasing the fund's equity capital by CHF 185.5 million. The leverage ratio was 8.5% (previous year: 15.1%). The loss-of-rent rate amounted to 3.0% (previous year: 1.8%). The COVID-19 pandemic affected the fund's rental income to only a very limited extent. Rent reductions amounted to 0.1% of target rental income in the 2020/21 financial year (previous year: 0.0%). The distribution remains unchanged at CHF 3.90 per unit. The performance of CS REF LogisticsPlus was 10.0% in the 2020/21 financial year (previous year: 24.2%). The premium fell slightly from 39.1% to 36.2%.

The increase in the portfolio's market values was mainly due to the purchase of existing properties as well as the completion of two construction projects. The fund acquired properties in Pfäffikon (Canton of Zurich), Hunzenschwil, Villars-sur-Glâne, and Pratteln in the 2020/21 financial year. Two construction projects were completed in the past financial year, in Zell (Canton of Lucerne) and in Schützenmattstrasse 65 in Bülach – both of which are fully leased. The Parking Kunstmuseum in Basel is due for completion in mid-December 2021, while another construction project for a logistics property is under preparation at Schützenmattstrasse 133/137 in Bülach. CS REF LogisticsPlus participated in GRESB global sustainability benchmarking, achieving three out of a possible five stars.

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### **Credit Suisse Real Estate Fund Siat benefits from high residential ratio**

As of September 30, 2021, the market value of the properties of Credit Suisse Real Estate Fund Siat (CS REF Siat, security no. 1 291 370) rose to CHF 3,674.5 million (previous year: CHF 3,475.5 million). This appreciation was mainly driven by the fund's high residential ratio and the growing demand for residential property. In addition, the fund again achieved a good return on investment of 6.4% (previous year: 6.0%). The loss-of-rent rate fell significantly to 4.1% (previous year: 5.4%). The COVID-19 pandemic affected the fund's rental income to only a limited extent. The fund's rent reductions amounted to 0.8% of target rental income in the 2020/21 financial year (previous year: 0.5%). The distribution remains unchanged at CHF 5.20 per unit. The performance of CS REF Siat in the 2020/21 financial year was 19.8% (previous year: 10.3%). The premium consequently rose to 54.1% (previous year: 35.3%). The leverage ratio was at 18.8% (previous year: 16.9%).

CS REF Siat sold two smaller properties in Lucens in the last financial year. A residential construction project that was already at a relatively advanced stage was acquired in Prangins. Furthermore, the fund

completed additional construction projects in Dübendorf and Spreitenbach. CS REF Siat participated in GRESB global sustainability benchmarking, achieving three out of a possible five stars.

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**Key figures for CS 1a Immo PK (security no. 844 303)**

Financial statements as of		Sept. 30, 2021	Sept. 30, 2020	Sept. 30, 2019
Market value of properties	CHF	<b>4,799.4 mn</b>	4,481.2 mn	4,158.8 mn
Leverage ratio as % of market values <sup>1</sup>		<b>21.91%</b>	16.93%	11.42%
Net asset value per unit (including distribution)	CHF	<b>1,280.25</b>	1,267.51	1,254.78
Closing price (bid price)	CHF	<b>1,490.00</b>	1,295.00	1,335.00
Premium		<b>16.38%</b>	2.17%	7.99%
Distribution	CHF	<b>45.00<sup>2</sup></b>	50.00	50.00
Distribution yield		<b>3.02%</b>	3.86%	3.69%
Distribution ratio		<b>100.35%</b>	118.18%	110.56%
Performance <sup>3</sup>		<b>19.35%</b>	-0.97%	5.33%
Return on investment		<b>5.12%</b>	5.18%	5.30%
Return on equity (ROE)		<b>4.98%</b>	5.59%	5.50%
Return on invested capital (ROIC)		<b>3.93%</b>	4.65%	4.93%
Operating profit margin (EBIT margin)		<b>73.55%</b>	73.28%	75.80%
Fund operating expense ratio GAV (TER <sub>REF</sub> GAV)		<b>0.52%</b>	0.52%	0.53%
Fund operating expense ratio MV (TER <sub>REF</sub> MV)		<b>0.61%</b>	0.59%	0.56%
Rental income	CHF	<b>183.8 mn<sup>4</sup></b>	175.9 mn <sup>5</sup>	178.3 mn
Loss-of-rent rate		<b>7.77%<sup>4</sup></b>	8.37% <sup>5</sup>	5.93%

<sup>1</sup> Maximum permitted encumbrance 30% of the market values (fund contract § 14 prov. 2)

<sup>2</sup> Dividend settlement date: December 14, 2021 (ex-date: December 10, 2021).

<sup>3</sup> 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.

<sup>4</sup> Due to the COVID-19 pandemic, rent reductions of CHF 2.80 million (1.39% of the target rental income) were granted and deducted from rental income. Waived rents were not taken into consideration when calculating the loss-of-rent rate.

<sup>5</sup> Due to the COVID-19 pandemic, rent reductions of CHF 3.28 million (1.68% of the target rental income) were granted and deducted from rental income. Waived rents were not taken into consideration when calculating the loss-of-rent rate.

Data source: Credit Suisse, unless otherwise specified.

**Key figures for CS REF Interswiss (security no. 276 935)**

<b>Financial statements as of</b>		<b>Sept. 30, 2021</b>	<b>Sept. 30, 2020</b>	<b>Sept. 30, 2019</b>
Market value of properties	CHF	<b>2,381.7 mn</b>	2,418.1 mn	2,416.6 mn
Leverage ratio as % of market values <sup>1</sup>		<b>18.48%</b>	24.21%	26.87%
Net asset value per unit (including distribution)	CHF	<b>196.95</b>	196.89	189.72
Closing price	CHF	<b>206.00</b>	198.20	214.20
Premium		<b>4.60%</b>	0.67%	12.90%
Distribution	CHF	<b>7.40<sup>2</sup></b>	7.60	8.40
Distribution yield		<b>3.59%</b>	3.83%	3.92%
Distribution ratio		<b>113.50%</b>	97.22%	113.66%
Performance <sup>3</sup>		<b>8.36%</b>	-3.89%	17.93%
Return on investment		<b>4.02%</b>	8.55%	5.89%
Return on equity (ROE)		<b>4.29%</b>	8.09%	6.19%
Return on invested capital (ROIC)		<b>3.27%</b>	5.48%	4.34%
Operating profit margin (EBIT margin)		<b>73.93%</b>	74.49%	77.02%
Fund operating expense ratio GAV (TER <sub>REF</sub> GAV)		<b>0.68%</b>	0.68%	0.68%
Fund operating expense ratio (TER <sub>REF</sub> MV)		<b>0.93%</b>	0.98%	0.96%
Rental income	CHF	<b>98.6 mn<sup>4</sup></b>	107.1 mn <sup>5</sup>	109.1 mn
Loss-of-rent rate		<b>9.83%<sup>4</sup></b>	9.87% <sup>5</sup>	6.94%

<sup>1</sup> Maximum permitted encumbrance: one-third of market value (CISA Art. 65 (2)/CISO Art. 96 (1)).

<sup>2</sup> Dividend settlement date: December 14, 2021 (ex-date: December 10, 2021).

<sup>3</sup> 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.

<sup>4</sup> Due to the COVID-19 pandemic, rent reductions of CHF 2.13 million (1.91% of the target rental income) were granted and deducted from rental income. Waived rents were not taken into consideration when calculating the loss-of-rent rate.

<sup>5</sup> Due to the COVID-19 pandemic, rent reductions of CHF 2.38 million (1.96% of the target rental income) were granted and deducted from rental income. Waived rents were not taken into consideration when calculating the loss-of-rent rate. Data source: Credit Suisse, unless otherwise specified.

**Key figures for CS REF LogisticsPlus (security no. 24 563 395)**

<b>Financial statements as of</b>		<b>Sept. 30, 2021</b>	<b>Sept. 30, 2020</b>	<b>Sept. 30, 2019</b>
Market value of properties	CHF	<b>813.4 mn</b>	643.9 mn	444.6 mn
Leverage ratio as % of market values <sup>1</sup>		<b>8.52%</b>	15.14%	2.65%
Net asset value per unit (including distribution)	CHF	<b>105.65</b>	104.26	103.91
Closing price	CHF	<b>143.90</b>	145.00	126.00
Premium		<b>36.20%</b>	39.08%	21.26%
Distribution	CHF	<b>3.90<sup>2</sup></b>	3.90	3.90
Distribution yield		<b>2.71%</b>	2.69%	3.10%
Distribution ratio		<b>99.57%</b>	107.48%	112.51%
Performance <sup>3</sup>		<b>9.96%</b>	24.21%	15.39%
Return on investment		<b>5.24%</b>	4.22%	3.31%
Return on equity (ROE)		<b>4.79%</b>	4.53%	3.18%
Return on invested capital (ROIC)		<b>4.12%</b>	4.22%	3.11%
Operating profit margin (EBIT margin)		<b>82.72%</b>	84.23%	81.77%
Fund operating expense ratio GAV (TER <sub>REF</sub> GAV)		<b>0.59%</b>	0.60%	0.67%
Fund operating expense ratio MV (TER <sub>REF</sub> MV)		<b>0.49%</b>	0.51%	0.60%
Rental income	CHF	<b>33.8 mn<sup>4</sup></b>	25.4 mn <sup>5</sup>	22.8 mn
Loss-of-rent rate		<b>3.02%<sup>4</sup></b>	1.78% <sup>5</sup>	6.54%

<sup>1</sup> Maximum permitted encumbrance: one-third of market value (CISA Art. 65 (2)/CISO Art. 96 (1)).

<sup>2</sup> Dividend settlement date: December 14, 2021 (ex-date: December 10, 2021).

<sup>3</sup> 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

<sup>4</sup> Due to the COVID-19 pandemic, rent reductions of CHF 24'863 (0.07% of the target rental income) were granted and deducted from rental income. Waived rents were not taken into consideration when calculating the loss-of-rent rate.

<sup>5</sup> Due to the COVID-19 pandemic, rent reductions of CHF 5'000 (0.02% of the target rental income) were granted and deducted from rental income. Waived rents were not taken into consideration when calculating the loss-of-rent rate.

Data source: Credit Suisse, unless otherwise specified.

**Key figures for CS REF Siat (security no. 1 291 370)**

<b>Financial statements as of</b>		<b>Sept. 30, 2021</b>	<b>Sept. 30, 2020</b>	<b>Sept. 30, 2019</b>
Market value of properties	CHF	<b>3,674.5 mn</b>	3,475.5 mn	3,304.7 mn
Leverage ratio as % of market values <sup>1</sup>		<b>18.82%</b>	16.89%	18.71%
Net asset value per unit (including distribution)	CHF	<b>161.95</b>	157.40	153.89
Closing price	CHF	<b>249.50</b>	213.00	201.00
Premium		<b>54.06%</b>	35.32%	30.61%
Distribution	CHF	<b>5.20<sup>2</sup></b>	5.20	5.40
Distribution yield		<b>2.08%</b>	2.44%	2.69%
Distribution ratio		<b>96.97%</b>	95.07%	103.94%
Performance <sup>3</sup>		<b>19.83%</b>	10.30%	10.74%
Return on investment		<b>6.38%</b>	5.98%	7.63%
Return on equity (ROE)		<b>6.09%</b>	5.49%	7.51%
Return on invested capital (ROIC)		<b>4.49%</b>	4.03%	5.57%
Operating profit margin (EBIT margin)		<b>71.57%</b>	71.72%	73.07%
Fund operating expense ratio GAV (TER <sub>REF</sub> GAV)		<b>0.67%</b>	0.67%	0.67%
Fund operating expense ratio MV (TER <sub>REF</sub> MV)		<b>0.62%</b>	0.71%	0.71%
Rental income	CHF	<b>149.5 mn<sup>4</sup></b>	145.1 mn <sup>5</sup>	140.7 mn
Loss-of-rent rate		<b>4.06%<sup>4</sup></b>	5.42% <sup>5</sup>	4.94%

<sup>1</sup> Maximum permitted encumbrance: one-third of market value (CISA Art. 65 (2)/CISO Art. 96 (1)).

<sup>2</sup> Dividend settlement date: December 14, 2021 (ex-date: December 10, 2021).

<sup>3</sup> 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.

<sup>4</sup> Due to the COVID-19 pandemic, rent reductions of CHF 1.30 million (0.83% of the target rental income) were granted and deducted from rental income. Waived rents were not taken into consideration when calculating the loss-of-rent rate.

<sup>5</sup> Due to the COVID-19 pandemic, rent reductions of CHF 0.71 million (0.46% of the target rental income) were granted and deducted from rental income. Waived rents were not taken into consideration when calculating the loss-of-rent rate.

Data source: Credit Suisse, unless otherwise specified.

**Further information**

- The complete annual reports will be published in electronic form at the end of December 2021.
- Current annual and semi-annual reports: <https://amfunds.credit-suisse.com/ch/de/retail/fund/Search>
- More information: <https://am.credit-suisse.com/ch/de/asset-management/investment-solutions/real-estate.html>

**Further information**

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**Credit Suisse Asset Management (Switzerland) Ltd.**

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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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