

## Annual financial statements of the Credit Suisse Real Estate Fund International as of December 31, 2023

Zurich, March 20, 2024 – **The Credit Suisse Real Estate Fund International (CS REF International, security number 1968511) recorded a significant valuation adjustment against the background of developments on the global target markets. As of December 31, 2023, the net asset value decreased to CHF 727.16 (CHF 961.39 as of December 31, 2022). The distribution will be reduced to CHF 27.00. In November 2023, the fund was converted into a NAV-based product.**

The Credit Suisse Real Estate Fund International (CS REF International, security number 1968511) was unable to escape the developments on the global real estate markets in the 2023 financial year. It recorded an investment return of -21.5% (previous year: -6.8%). The market value of the properties amounted to CHF 2,521.5 million (previous year: CHF 3,675.0 million), with the decline being attributable to two factors: significant devaluations in the existing portfolio, as well as the sale of several properties. The average real discount rate rose very significantly from 4.51% to 5.39%. The rate of loss of rental income increased to 8.7% (8.5%), with properties in Seattle and Frankfurt already rented but the tenants have not yet moved in. Rental income fell by CHF 20.4 million (9.6%) to CHF 191.6 million, which can be explained in particular by currency effects and the sale of properties. By contrast, total expenses rose by CHF 13.2 million to CHF 120.0 million, particularly as a result of higher maintenance costs, higher corporate income tax and tax on capital, and higher mortgage interest rates. The distribution per unit correspondingly fell to CHF 27.00 (previous year: CHF 35.00). The debt financing ratio amounted to 31.4%. Due to the switch to a NAV-based product in November 2023, the fund no longer has a premium or discount (previous year: discount of 18.9%). The provision of an option to broker fund units will continue to be examined.

As of December 31, 2023, redemptions were received for 687,228 units, corresponding to 22.5% of the units in circulation. The redeemed units are expected to be repaid in April 2025, subject to the standard notice period. The redemptions received for 407,787 units as of the end of the 2022 financial year will be repaid on April 24, 2024. As such, the number of units in circulation will decrease as of April 24, 2024, from 3,057,409 to 2,649,622.

This investment solution is designed to provide investors with access to a global core portfolio that is directly invested in real estate. The strategy is to further optimize the allocation to sectors with strong earnings growth forecasts and more attractive risk-adjusted returns.

CS REF International reduced its real estate portfolio by seven to 47 properties in the 2023 financial year. One property each was sold in Rotterdam, Arnheim, Cardiff, Brisbane, and Tokyo, and two properties were sold in Yokohama. Only properties were sold that no longer matched the core of the property portfolio from a future risk/return perspective. CS REF International participated in the GRESB global sustainability benchmarking, achieving four out of a possible five stars. In doing so, it outperformed both the benchmark group and the GRESB average.

Key figures on page 2

**Key figures for CS REF International (security number 1968511)**

<b>Financial statements as of</b>	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
Market value of properties	CHF 2,521.5 million	3,675.0 million	4,205.5 million
Debt financing ratio as % of market values <sup>1</sup>	31.44%	26.70%	25.69%
Net asset value per unit (including distribution)	CHF 727.16	961.39	1,070.72
Closing price (bid)	CHF n/a <sup>2</sup>	780.00	1,055.00
Premium/discount	n/a <sup>2</sup>	-18.87%	-1.47%
Distribution	CHF 27.00 <sup>3</sup>	35.00	40.00
Distribution yield	3.71% <sup>4</sup>	4.49% <sup>4</sup>	3.79% <sup>4</sup>
Distribution ratio	100.52%	103.97%	102.74%
Performance <sup>4</sup>	n/a <sup>2</sup>	-23.09%	5.34%
Investment return	-21.53%	-6.76%	3.46%
Return on equity (ROE)	-20.72%	-6.35%	3.37%
Return on invested capital (ROIC)	-15.55%	-4.19%	2.98%
Operating profit margin (EBIT margin)	63.96%	65.53%	68.74%
Total operating expense ratio GAV (TER <sub>REF</sub> GAV)	0.99%	0.90%	0.84%
Total operating expense ratio NAV (TER <sub>REF</sub> NAV)	1.36% <sup>4</sup>	1.44% <sup>4</sup>	1.16% <sup>4</sup>
Rental income	CHF 191.6 million	212.1 million	229.7 million
Rate of loss of rental income	8.73%	8.54%	7.95%

<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> Conversion to a NAV-based product as of November 30, 2023.

<sup>3</sup> Value date of distribution: March 28, 2024 (ex-date: March 26, 2024).

<sup>4</sup> Now calculated on the basis of NAV (historical figures continue to be calculated on the basis of the market price)

<sup>5</sup> Historical performance and financial market scenarios are not reliable indicators of future results. The performance figures do not take into account the commissions and costs charged on the issue and redemption of fund units.

Data source: Credit Suisse, unless otherwise specified.

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

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

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The Credit Suisse Real Estate Fund International is an investment fund established under Swiss law in the category of "real estate funds," in accordance with the Swiss Federal Act of June 23, 2006, on Collective Investment Schemes (CISA), for qualified investors, as defined in Article 10(3) and (4), in conjunction with Article 4(3–5) and Article 5(1) and (4) of the Swiss Federal Act on Financial Services of June 15, 2018 (FinSA), as well as for qualified investors within the meaning of Article 10(3ter) CISA. The fund management company is Credit Suisse Funds AG, Zurich. Credit Suisse (Switzerland) Ltd., Zurich, is the custodian bank. Subscriptions are only valid on the basis of the current sales prospectus with integrated fund contract, the Key Information Document, and the most recent annual report (or semi-annual report if more recent). The sales prospectus with integrated fund contract, the Key Information Document, and the annual and semiannual reports may be obtained free of charge from the fund management company or from any branch of Credit Suisse (Switzerland) Ltd. in Switzerland.

The primary risks associated with real estate investments include the limited liquidity in the real estate market, fluctuations in mortgage interest rates, subjective valuation of properties, and inherent risks relating to the construction of buildings as well as environmental risks (e.g. ground contamination).

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