

Swiss Re Fund Management Co. Ltd.

17 Nov 1997 Press Release

On 1 December 1997, Swiss Re Fund Management Co. Ltd. is to launch the real estate fund «Swiss Re ImmoPLUS». The concept for this innovative fund was worked out in co-operation with the Credit Suisse Group. In contrast to traditional real estate funds, the payout ratio of this new fund is deliberately kept low. In this way, the major part of operating income can be used for investments which maintain or increase the value of the fund assets.

The launch of Swiss Re ImmoPLUS takes place during a trend towards consolidation within the Swiss real estate market. Considerably lower price levels mean that attractive returns can again be obtained on real estate. The fund is aimed at all investors who wish to diversify their portfolio and profit from the favourable conditions in the real estate sector without being burdened with the costly and time-consuming management of real estate.

At the time of the launch, the fund will control a pool of real estate worth CHF 300 million, the majority of which will be residential and commercial properties belonging to the Credit Suisse Group. These will be purchased at market prices determined by independent real estate experts. The individual items are promising properties at well-developed locations in Switzerland. In a second phase, properties belonging to other organisations will be added to the fund's assets.

In contrast to traditional real estate funds, the payout ratio of Swiss Re ImmoPLUS will be kept deliberately low, at about 30% of its revenues. This will allow the major part of the profit to be reinvested and used for investments which maintain or increase the value of the fund assets. High payout ratios are in any case of little benefit to private investors, since such distributions have to be declared as taxable income. For an investor with a marginal tax rate of 35%, for instance, a dividend yield of 5% will result in a net yield of only 3.25%. In the case of Swiss Re ImmoPLUS, the dividend yield will be approximately 1.5%.

Swiss Re Fund Management Co. Ltd., a wholly owned subsidiary of the Swiss Reinsurance Company, is responsible for the management of the Swiss Re ImmoPLUS fund. Credit Suisse Asset Management Fund Service in Olten, which has many years of experience in the real estate sector, will assist in the fields of administration, maintenance and construction management. The Zürcher Kantonalbank will assume the function of independent custodian bank.

Swiss Re ImmoPLUS is an addition to the fund already offered by Swiss Re Fund Management AG, the Swiss Re Global Fund, a strategic fund with investments around the world.

The subscription period for the first issue is from 1 to 12 December 1997.

The following institutions will accept subscriptions to Swiss Re ImmoPLUS: All branches of the Credit Suisse Group banks in Switzerland, the Zürcher Kantonalbank or the Swiss Re Fund Management Co. Ltd. Mythenquai 50/60, 8022 Zurich, tel. +41 1 285 2783, fax +41 1 285 6434.