CREDIT SUISSE

CS (Lux) Financial Bond Fund

a subfund of CS Investment Funds 1 - Class IA EUR

February 28, 2020
Luxembourg

Risk profile (SRRI) [1]

1	2	3	4	5	6	7

Investment policy

The fund aims to generate both income and capital growth, while seeking to preserve capital through adequate diversification. To achieve this objective the fund invests at least two-thirds of its assets in contingent capital securities and other hybrid, subordinated financial instruments issued by financial institutions. These securities are predominantly rated below investment grade. The main focus is on banks and insurance companies with solid capitalization, where the additional risk of this lower credit segment is expected to be compensated with higher returns. In order to manage risk and liquidity the fund maintains flexibility to invest across the capital structure (eg. adding senior bonds) and may use financial derivative instruments to hedge existing positions.

Repositioning as per 9.12.2019. (Old Fund name: CS (Lux) Contingent Capital Euro Fund)

Risks

CoCos represent an attractive investment, provided the associated risks are properly assessed. However, investors must be prepared and be in a position to accept substantial losses. (see Page 2 for full details).

Fund facts

Fund manager	Pieter Fyfer, Roger Wyss
Fund manager since	01/04/2019, 05/01/2015
Location	Zurich, Zurich
Management company	Credit Suisse Fund Management S.A.
Fund domicile	Luxembourg
Fund currency	EUR
Close of financial year	31. Oct
Total net assets (in millions)	770.16
Inception date	11/06/2019
Management fee in % p.a.	0.50
Benchmark (BM)	No Benchmark (01/20)
Swinging single pricing (SSP) [4]	Yes

Unit Class	**Category IA (distribution)**
Unit class currency	EUR
ISIN number	LU2001706444
Bloomberg ticker	CLCEIAE LX
Net Asset Value	1,051.74
Last distribution	03/12/2019
Distribution value	11.09
Redemptions	Daily

4) For more details, please refer to the relevant chapter "Net Asset Value" of the Fund's prospectus.

Net performance in EUR (rebased to 100) [2]

According to MiFID standards (Markets in Financial Instruments Directive) no performance figures shall be made available to investors if the product was launched less than twelve months ago.

Currencies in %

	before hedging	after hedging
EUR	73.06	99.54
USD	12.87	0.29
GBP	11.38	0.13
CHF	2.69	0.04

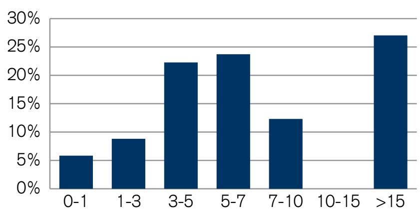
Duration and Yield

	Fund
Yield to Worst in % (gross) [3]	3.49
Average remaining term to maturity in years	11.56
Modified duration in years	3.05

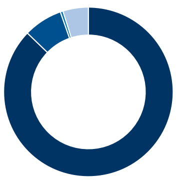
Countries in %

Netherlands	16.59
United Kingdom	13.36
Spain	12.01
Italy	10.03
Germany	8.12
Austria	8.04
France	7.18
Belgium	6.94
Switzerland	5.97
Others	11.77

Maturities in years (as per call date)

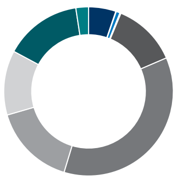


Capital Structure in %



Contingent Convertibles	87.21
Other Subordinated	7.42
Senior	0.51
Cash/Cash Equivalents	4.86

Credit Ratings in %



A	5.22
A-	0.09
BBB+	0.73
BBB	0.20
BBB-	12.28
BB+	36.15
BB	15.82
BB-	12.36
B (Bucket)	14.74
CCC (Bucket)	2.41

Default Probability Weighted Average Credit Rating = BB-
Linear Weighted Average Credit Rating = BB

Top 10 holdings in %

Position	**Coupon %**	**Next Call Date**	**as % of assets**
ABN AMRO	4.750	22/09/27	3.02
Lb Baden-Wuertt	4.000	15/04/25	2.84
Banco Santander	4.375	14/01/26	2.79
Credit Agricole	7.500	23/06/26	2.68
ECP Commerzbank AG	7.000	09/04/25	2.68
CaixaBank	6.750	13/06/24	2.66
BAWAG	5.000	14/05/25	2.65
Barclays	7.125	15/06/25	2.55
Cooperatieve Rabobank	4.625	29/12/25	2.55
Bankia	6.375	19/09/23	2.49
Total			**26.90**

Number of holdings

Fund	96

1) The calculation of the risk indicator is based on the CESR/10-673 Directive. The risk indicator is based on historic and partly simulated data; it cannot be used to predict future developments. The classification of the Fund may change in future and does not represent a guarantee. A classification into category 1 is not a risk-free investment either.
2) Historical performance indications and financial market scenarios are not reliable indicators of current or future performance. The performance data does not take into account the commissions and costs incurred on the issue and redemption of fund units.
3) Yield to Worst calculated in share class currency.

Potential risks

The Fund’s risk and reward profile does not reflect the risk inherent in future circumstances that differ from what the Fund has experienced in the recent past. This includes the following events which are rare but can have a large impact.

- Credit risk: Issuers of assets held by the Fund may not pay income or repay capital when due. Part of the Fund's investments may have considerable credit risk.
- Liquidity risk: Assets cannot necessarily be sold at limited cost in an adequately short timeframe. Part of the Fund's investments may be prone to limited liquidity. The Fund will endeavor to mitigate this risk by various measures.
- Counterparty risk: Bankruptcy or insolvency of the Fund’s derivative counterparties may lead to payment or delivery default. The Subfund will endeavor to mitigate this risk by the receipt of financial collateral given as guarantees.
- Event risk: In the case a trigger event occurs contingent capital is converted into equity or written down and thus may loose substantially in value. In addition, the Fund being predominantly exposed to financial institutions, adverse circumstances affecting this sector may cause material losses.
- Operational risk: Deficient processes, technical failures or catastrophic events may cause losses.
- Political and Legal risks: Investments are exposed to changes of rules and standards applied by a specific country. This includes restrictions on currency convertibility, the imposing of taxes or controls on transactions, the limitations of property rights or other legal risks.

This section is not exhaustive, for more risks, please refer to the Prospectus.

Risks associated with CoCo’s

Potential capital loss: If the capital ratio of an issuing bank drops below a predetermined trigger, the CoCo bond will automatically be converted into equity or its nominal value will be written down in full or in part. In the event of a conversion to equity, investors may have to purchase the shares at a much lower price than when the CoCo bond was purchased. In the event of a writedown of the nominal value, investors may suffer the complete loss of their invested capital.

Forced conversion or writedown by the regulator: The regulatory authority may, at its own discretion, trigger a mandatory conversion or mandatory writedown even if the capital ratio is above the trigger level. The potential influence of the regulator introduces an additional uncertainty for investors in terms of the exact timing of the conversion or writedown of the CoCo bond.

High default risk: CoCos are subordinated bonds mostly with a noninvestment grade rating. A security of this type carries a higher default risk than a senior bond even if both are issued by the same issuer.

Full or partial coupon cancellation: Annual coupon payments on AT1 CoCos are discretionary, i.e. the bank may under certain conditions suspend interest payments in full or in part. This may lead to a partial or full cancellation of the coupon.

Liquidity risk: CoCos might exhibit low liquidity, particularly during stress phases. This can have negative implications for the fund, particularly if redemptions require securities to be sold during periods when demand is insufficient and the fund is consequently forced to sell at a significant discount.

Concentration on few securities: The fund invests in roughly 40 selected securities, thereby accepting a certain degree of concentration risk. If one of the securities defaults, investors may correspondingly suffer a relatively large loss.

High sector specific concentration risk: The fund focuses on issuers from the financial sector. This leads to a concentrated risk within a single sector, with the fund exposed to elevated systematic risks as a result. A high correlation may emerge among individual CoCos in the event of a new bank crisis, with the risk that the valuation of many CoCos may thus come under significant pressure and result in a substantial capital loss to investors.

Call risk: Future changes in legislation could lead to issuers no longer being able to count their CoCo bonds toward regulatory equity and consequently calling them early.

Risk of a rating downgrade: Since the fund invests mostly in noninvestment grade securities, it is subject to a higher risk of a rating downgrade and to an elevated default risk compared to investments in investment grade bonds.

Unrated bonds: Unrated bonds do not carry a rating from an independent rating agency. The fund may invest in unrated bonds.

Data sources: Credit Suisse, otherwise specified.

Investment principal on bonds can be eroded depending on sale price, market price or changes in redemption amounts. Care is required when investing in such instruments. The investment fund mentioned in this publication has been established under Luxembourg law in accordance with the Luxembourg law of 13 February 2007 on specialised investment funds. It may engage in alternative investments and use investment techniques involving risks that are not comparable to those of traditional investment funds which invest in securities. The attention of investors is specifically drawn to the “Risk Factors” section in the sales prospectus and although high priority is given to risk control and monitoring, it cannot be ruled out that in exceptional cases a significant loss on individual investments may occur. The investment fund is only suitable for those investors who are prepared and able to absorb significant losses. Subscriptions are only valid on the basis of the investment fund’s current legal documents, i.e. the sales prospectus and the most recent annual report (or, if applicable half-yearly report, if this is more recent). If there is an inconsistency between this marketing document and the above mentioned legal documents, the provisions in the legal documents shall prevail. Investors should read the legal documents carefully before investing in the investment fund. These legal documents and the investment fund’s constitutional documents may be obtained free of charge from Credit Suisse Fund Management S.A., P.O. Box 369, L-2013 Luxembourg.

* “US Person” shall be defined as and include (i) a “United States person" as described in section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), (ii) a “U.S. person” as such term is defined in Regulation S of the Securities Act of 1933, as amended, (iii) a person that is “in the United States” as defined in Rule 202(a)(30)-1 under the U.S. Investment Advisers Act of 1940, as amended, or (iv) a person that does not qualify as a “Non-United States Person” as such term is defined in U.S. Commodities Futures Trading Commission Rule 4.7.