

Asset Management  
**August 31, 2023**

# CS (Lux) Financial Bond Fund MB EUR



## Fund information

Fixed income

**357'344'356**

Fund total net assets in EUR

Share class TNA, EUR  
**57'539'530**

Share class NAV, EUR  
**943.44**

Management fee p.a.<sup>1</sup>  
**0.25%**

MTD (net) return  
**-0.82%**

QTD (net) return  
**1.82%**

YTD (net) return  
**-0.12%**

## Fund details

Morningstar rating	★★★★☆ (31.08.2023)
Investment Manager	Harald Kloos
Fund launch date	05.01.2015
Share class launch date	21.02.2020
Share class	MB
Share class currency	EUR
Distribution policy	Accumulating
Fund domicile	Luxembourg
ISIN	LU1348933547
Benchmark	No benchmark

## 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.

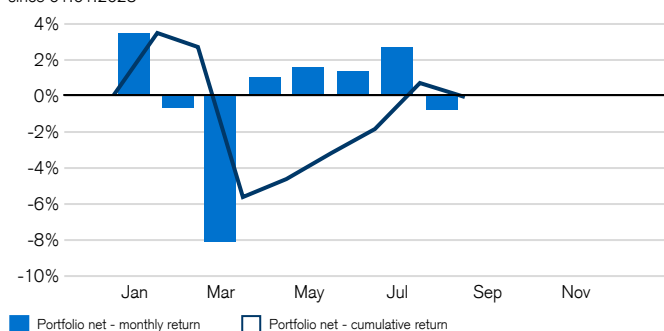
## Risks

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 section "Risks associated with contingent capital securities" for full details).

Investing involves risk including the risk of loss of capital. Past performance does not predict future returns. Neither simulated nor historical performance is a reliable indicator for current or future performance.

## Performance overview - monthly & cumulative

since 01.01.2023



## Performance overview - cumulative

since 01.03.2020



## Performance overview - monthly & YTD

since 01.01.2023, in %

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Portfolio net	3.43	-0.71	-8.15	1.04	1.60	1.30	2.67	-0.82					-0.12

<sup>1</sup> If the currency of a financial product and/or its costs is different from your reference currency, the return and cost may increase or decrease as a result of currency fluctuations.

The individuals mentioned above only conduct regulated activities in the jurisdiction(s) where they are properly licensed, where relevant.

ESG stands for environmental (E), social (S), and governance (G).

Please find the definition of all the acronyms/terms used in this document in the Glossary. Additional important information can be found at the end of the document.

## Performance overview

since 01.03.2020, in %

	Rolling Returns			Annualized Returns			
	1 months	3 months	1 year	3 years	5 years	ITD	
Portfolio net	-0.82	3.14	1.93	-0.07	n/a	-0.32	

## Risk overview - ex post

since 01.03.2020, in %

	Annualized risk, in %			
	1 year	3 years	5 years	ITD
Portfolio volatility	13.05	10.15	n/a	14.70

## Performance overview - yearly

since 01.03.2020, in %

	2020	2021	2022	2023
Portfolio net	5.84	4.74	-10.69	-0.12

## Key risk figures

	Portfolio		Portfolio
Modified duration	2.74	Linear weighted average credit rating	BB+
Yield to worst	8.30%	Number of securities	72
Average maturity in years	36.53		

## 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 lose 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.
- Sustainability risks: Sustainability risks are environmental, social or governance events or conditions that can have a material negative effect on the return, depending on the relevant sector, industry and company exposure.

The product's investment objectives, risks, charges and expenses, as well as more complete information about the product, are provided in the prospectus (or relevant offering document), which should be read carefully before investing.

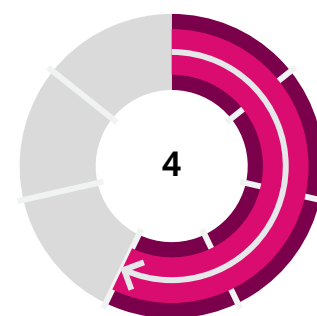
**Investors may lose part or all of their invested amount.**

**The full offering documentation including complete information on risks may be obtained free of charge from a Credit Suisse client advisor, representative, or, where applicable, via Fundsearch ([credit-suisse.com/fundsearch](https://credit-suisse.com/fundsearch)).**

**The investment promoted in this marketing material concerns the acquisition of units or shares in a fund and not of any underlying assets. The underlying assets are owned by the fund only.**

## Risk profile<sup>2</sup>

PRIIP SRI



## Asset breakdown by risk country

In % of total economic exposure

	in %	Portfolio
United Kingdom	17.33	
Netherlands	13.54	
France	11.34	
Spain	9.87	
Germany	9.56	
Italy	7.05	
Austria	6.51	
Switzerland	6.28	
Ireland	5.40	
Belgium	3.61	
Denmark	3.35	
Others	6.15	

## Asset breakdown by risk currency (before hedging)

In % of total economic exposure

	in %	Portfolio
EUR	68.14	
GBP	17.02	
USD	12.78	
CHF	2.06	

## Asset breakdown by risk currency (after hedging)

In % of total economic exposure

	in %	Portfolio
EUR	100.13	
USD	0.08	
CHF	0.02	
GBP	-0.22	

<sup>2</sup> The actual risk can vary significantly if you redeem at an early stage and you may get back less. The Summary Risk Indicator is a guide to the level of risk of this Product compared to other products. It shows how likely it is that the Product will lose money because of movements in the markets. Be aware of currency risk if your reference currency differs from the currency of the Product. You may receive payments in a different currency, so the final return you will get depends on the exchange rate between the two currencies. Investors shall note that the Product may be exposed to further risks such as operational, counterparty, political, sustainability and legal risks that are not included in the Summary Risk Indicator. This Product does not include any protection from future market performance so you could lose some or all of your investment.

## Asset breakdown by combined rating

In % of total economic exposure

	in %	Portfolio
A	0.62	
BBB+	0.80	
BBB	4.40	
BBB-	16.69	
BB+	32.18	
BB	16.07	
BB-	25.43	
B+	2.12	
Cash and Cash Equivalents	1.29	
Swap	0.41	

## Asset breakdown by WAL bucket

In % of total economic exposure

	in %	Portfolio
< 1yr	4.30	
1-3 yrs	13.91	
3-5 yrs	9.22	
5-7 yrs	6.02	
7-10 yrs	3.75	
>15 yrs	62.79	

## Asset breakdown by IBOXX sector

In % of total economic exposure

	in %	Portfolio
Banks	88.46	
Insurance	9.93	
Swap	0.41	
Financial Services	0.36	
Cash and Cash Equivalents	0.85	
Others	0.00	

## Asset breakdown by Capital structure

In % of total economic exposure

	in %	Portfolio
Senior unsecured	1.23	
Tier 2	3.70	
Add Tier 1	83.70	
Restricted Tier 1	9.31	
Other subordinate	0.36	
Derivatives	0.41	
Cash and Cash Equivalents	1.29	

## Top 10 positions

In % of total economic exposure

Instrument Name <sup>3</sup>	ISIN	Coupon p.a.	Weight
BARCLAYS PLC	XS1998799792	7.12%	3.08%
LLOYDS BANKING GROUP PLC	XS1043552261	7.88%	2.70%
CREDIT AGRICOLE SA	XS2353099638	7.50%	2.53%
NATWEST GROUP PLC PERP	XS2258827034	5.13%	2.48%
ABN AMRO BANK NV	XS1693822634	4.75%	2.45%
HSBC HOLDINGS PLC	XS1640903701	4.75%	2.39%
ING GROEP NV	US456837AR44	5.75%	2.36%
COMMERZBANK AG AT1 PERP	XS2189784288	6.13%	2.35%
NYKREDIT REALKREDIT A/S PERP NC5.5	DK0030352471	4.13%	2.35%
RABOBANK AT1 PERPNC7.5	XS2202900424	4.38%	2.26%

## Fund Statistics - ex post

	3 years
	Portfolio
Maximum drawdown, in %	-18.20

Past performance does not predict future returns. Neither simulated nor historical performance is a reliable indicator for current or future performance.

## Performance review

In August, most subordinated financial bank bonds scored slightly negative total returns. Spreads widened and pulled total returns of Additional Tier 1 bonds to -0.83% while Tier 2 ended the month at +0.26%. Similarly, subordinated insurance bond spreads widened with Restricted Tier 1 bonds ending the month at -0.37%. Bank senior non-preferred bonds returned +0.28% and insurance senior bonds ended the month flat. The fund's performance was predominantly driven by spread change (-169 bps) and spread carry (+34 bps). The contribution from the interest-rate overlay was negative at -2 bps. Geographically, Swiss issuers were the best contributor to performance, followed by Finnish and Italian issuers, while UK and French issuers were the weakest performers.

<sup>3</sup> The individual entities and/or instruments mentioned on this page are meant for illustration purposes only and are not intended as a solicitation or an offer to buy or sell any interest or any investment.

## Market Review

In August, the 10-year US Treasury yield reached its highest level in the current cycle at 4.36%, a level last seen in 2007. In parallel, real yields moved higher to a peak of 2%. The moves came days after Fitch Ratings downgraded the US credit rating from AAA to AA+. Moreover, other catalysts were growing skepticism that the Fed was about to cut rates soon and an increased focus on budget deficits. In Europe, renewed concerns about the economy grew on the back of flash PMIs for August falling back to 47, worse than expected and the lowest since late 2020, and resilient CPI readings for the euro zone that came in at +5.3% for August. Lastly, concerns about China's economic outlook continued to grow amid the difficulties in the property sector, and industrial production growth and retail sales growth falling significantly. Overall, the sentiment towards subordinated bond structures continued to be more positive as most issuers called and/or replaced their upcoming call structures. The Q2 reporting season for financials finished strongly with credit quality trends being reassuring and income beats mostly driven by net interest income growth and BNP, KBC, and Intesa tapping the market with new AT1 bonds. AT1 spreads widened by 24 bps with a large part of the universe still priced to perpetuity, Restricted Tier 1 (RT1) widened by 11 bps, Bank Tier 2 spreads ended 10 bps higher, and bank senior non-preferred bonds widened by 6 bps (Sources: Credit Suisse Contingent Convertible Euro Index, Credit Suisse Insurance Capital EUR Restricted Tier 1 Index, Credit Suisse Bank Capital Euro Lower Tier 2 Index; Credit Suisse Bank Capital Euro Senior Preferred Index, data as of 31.08.2023). In the current volatile environment, we retain our overall defensive positioning. Issuer and bond selection remains key, and we continue to keep our preference for shorter non-call structures from systemically important European issuers with healthy balance sheets and significant backend spread cushions.

## Key identifiers

Instrument Name	Credit Suisse (Lux) Financial Bond Fund MB EUR
Bloomberg ticker	CRLFBMB LX
ISIN	LU1348933547
Valor no.	31143113
Benchmark	No benchmark

## Key facts

Fund management company	Credit Suisse Fund Management S.A.
UCITS	Yes
SFDR Classification	Article 8
Accounting year end	31. October
Securities lending	Yes
Ongoing charges <sup>4</sup>	0.41%
Subscription notice period	daily
Subscription settlement period	T + 2
Redemption notice period	daily
Redemption settlement period	T + 2
Cut-off time	15:00 CET
Swinging single pricing (SSP <sup>5</sup> )	partial swing NAV

## ESG Approach

This fund promotes environmental, social and governance (ESG) characteristics (within the meaning of Art. 8 of Regulation (EU) 2019/2088). It applies the CSAM Sustainable Investing Policy ([www.credit-suisse.com/esg](http://www.credit-suisse.com/esg)), including norms-based, values-based and business conduct exclusions, to combine ESG factors with traditional financial analysis to calculate a CSAM ESG signal, which serves as the basis for a bottom-up security selection process. For further information about the ESG investment criteria and the sustainability-related aspects of the fund please consider the legal and regulatory documents of the fund (such as, e.g., the prospectus) and visit [www.credit-suisse.com/esg](http://www.credit-suisse.com/esg). In addition to sustainability-related aspects, the decision to invest in the fund should take into account all objectives and characteristics of the fund as described in its prospectus, or in the information which is to be disclosed to investors in accordance with applicable regulations.

Certain data points are provided for mere transparency purposes and are not linked to a specific ESG investment process, nor to CSAM ESG methodology. For details about the fund's ESG decision-making process, please refer to the fund's prospectus.

## ESG Characteristics

ESG Benchmark	Exclusion Criteria	ESG Integration	Active Ownership	Sustainable Investment Objective
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## ESG Overview

According to MSCI methodology.

	Portfolio
ESG Rating	AA
ESG Quality score	7.73
Environmental score	8.05
Social score	4.74
Governance score	6.14
Coverage for Rating/Scoring	96.98%
Weighted Average Carbon Intensity (Tons of CO2e/\$M sales)	2.57
Coverage for Carbon Intensity	98.31%

Note: The total carbon intensity figure shown in this section may be higher than the total in the breakdown graph. This is because the figure is normalized, and actual weights are inflated because of limited data coverage. For further information on the MSCI methodology for the above listed ESG data points, please refer to the glossary.

<sup>4</sup> If the currency of a financial product and/or its costs is different from your reference currency, the return and cost may increase or decrease as a result of currency fluctuations.

## Top 10 issuers

In terms of the fund's total economic exposure. Certain data points disclosed in this table are provided for mere transparency purposes and are not linked to a specific ESG investment process, nor to CSAM ESG methodology. For details about the fund's ESG decision-making process, please refer to the fund's prospectus. Sources: MSCI and proprietary fixed income ESG signal

Issuer short name <sup>5</sup>	Weight in portfolio	IBOXX sector	MSCI ESG Rating	Fixed income ESG Signal	Controversy flag	Carbon intensity (tCO2e / \$M sales)
CREDIT AGRICOLE SA	3.76%	Financials	AA	Positive	Yellow	0.90
BNP PARIBAS SA	3.63%	Financials	AA	Positive	Orange	3.20
COOPERATIEVE RABOBANK UA	3.56%	Financials	A	Neutral	Yellow	2.50
UBS GROUP AG	3.56%	Financials	AA	Positive	Orange	3.40
LLOYDS BANKING GROUP PLC	3.50%	Financials	AA	Positive	Yellow	6.40
HSBC HOLDINGS PLC	3.30%	Financials	AA	Positive	Orange	4.20
INTESA SANPAOLO SPA	3.13%	Financials	AA	Positive	Yellow	2.50
BARCLAYS PLC	3.08%	Financials	AA	Positive	Orange	2.80
NATWEST GROUP PLC	3.00%	Financials	AA	Positive	Orange	3.90
SOCIETE GENERALE SA	2.96%	Financials	AAA	Positive	Orange	2.80

Note: For further information on the methodology for the above listed ESG data points, please refer to the glossary.

## Asset breakdown by proprietary fixed income ESG Signal

According to CSAM's proprietary methodology in % of fund total economic exposure from fixed income investments.

	in %	Portfolio
Positive	76.56	<div></div>
Neutral	22.16	<div></div>
Negative	-	<div></div>

Note: Exposure to fixed income investments represents 98.71% of portfolio weight for this share class. For further information on the fixed income ESG Signal, please refer to the glossary.

## Asset breakdown by ESG rating

In % of total economic exposure. Source: MSCI ESG rating

	in %	Portfolio
AAA	14.88	<div></div>
AA	60.35	<div></div>
A	12.49	<div></div>
BBB	9.27	<div></div>
BB	-	<div></div>
B	-	<div></div>
CCC	-	<div></div>
Not ratable	1.69	<div></div>
No data coverage	1.33	<div></div>

Note: For further information on MSCI's ESG rating methodology and the difference between categories "not ratable" and "no data coverage", please refer to the glossary.

## Asset breakdown by ESG controversy flag

In % of fund total economic exposure to investee companies. Source: MSCI

	in %	Portfolio
Green	32.64	<div></div>
Yellow	33.92	<div></div>
Orange	30.42	<div></div>
Red	-	<div></div>
No data coverage	1.33	<div></div>

Note: Exposure to investee companies represents 98.31% of portfolio weight for this share class. MSCI only provides data on ESG controversies for corporate issuers. Any remaining instruments (e.g., government bonds) are excluded from this breakdown. For further information on MSCI's ESG controversy flag methodology, please refer to the glossary.

## Carbon emission intensity contribution by IBOXX sector

Tons of CO2 equivalent emission intensity (GHG scopes 1 & 2) per \$m sales, weighted by portfolio exposure to sectors according to the IBOXX sector split. Source: MSCI

	Portfolio	Portfolio
Banks	2.41	<div></div>
Insurance	0.11	<div></div>
Financial Services	0.01	<div></div>
<b>Total</b>	<b>2.52</b>	

Note: Security weighted data coverage is 98.31% for the portfolio. The total shown in this section may be lower than the one in the 'ESG Overview' section. This is because the figures in this breakdown are not normalized and use the actual weights. For further information on the Carbon emission intensity, please refer to the glossary.

<sup>5</sup> The individual entities and/or instruments mentioned on this page are meant for illustration purposes only and are not intended as a solicitation or an offer to buy or sell any interest or any investment.

## Glossary

Accumulating	Indicates a regular reinvestment of the dividends received in the portfolio itself
Carbon emission intensity	The weighted average emissions intensity, which is provided by MSCI ESG, divides the Scopes 1 & 2 emissions in tons of CO2-equivalent by million \$ sales. Intensities are broken down by IBOXX sector and are security weighted.
ESG aware	This product undertakes investments that explicitly assess and integrate the sustainability characteristics of companies in the investment process.
ESG benchmark	A ticked 'ESG benchmark' box reflects that the ESG section in this document compares the ESG performance of the portfolio with an ESG index. In case the box is not ticked, this means that the ESG section in this document compares the ESG performance of the portfolio with a non-ESG index. The investor shall read the legal documentation of the Fund to understand how the benchmark is used. In any case, a ticked 'ESG benchmark' box does not mean that the ESG benchmark is used to attain the ESG strategy of the fund.
ESG Controversy Flag	ESG Controversy Flag is designed to provide timely and consistent assessments of ESG controversies involving publicly traded companies and fixed income issuers. A controversy case is typically a one-off event such as an environmental oil spill, an accident, or allegations such as safety issues in a production facility. Controversy flags can be red, orange, yellow or green. Red indicates that a company is involved in one or more very severe controversies. Orange indicates that a company has been involved in one or more recent severe structural controversies that are ongoing. Yellow indicates that the company is involved in severe-to-moderate level controversies. Green indicates that the company is not involved in any major controversies. For further information on the methodology, please refer to <a href="http://www.msci.com/our-solutions/esg-investing/">www.msci.com/our-solutions/esg-investing/</a> .
ESG Quality score	The ESG Quality score, based on MSCI ESG scores of underlyings, is measured on a scale from 0 (very poor) to 10 (very good). It does not correspond directly to the underlying Environment, Social and Governance Pillar scores. The Pillar scores are derived on an absolute basis, while the portfolio ESG Quality score is adjusted by MSCI ESG to reflect the industry-specific level of ESG risk exposure. As Pillar scores are absolute, and the portfolio ESG Quality score is relative, the first cannot be averaged to derive the latter. The coverage rate is security weighted.
Issuer ESG Rating	Company and Government ESG Ratings, which are provided by MSCI ESG, are measured on a scale from AAA (highest rating) to CCC (lowest rating). Company ESG Ratings are based on the issuer's exposure to industry specific ESG risks and its ability to mitigate those risks relative to peers. Company ESG Ratings are calculated on an industry relative basis while the underlying individual E, S and G Ratings are absolute. Hence, the ESG Rating cannot be seen as an average of the individual E, S and G Ratings. Government ESG Ratings identify a country's exposure to and management of ESG risk factors and explain how these factors might impact the long-term sustainability of its economy. They are derived from 0-10 scores on underlying factors in the E, S and G pillars. For further information on the MSCI methodology, please refer to <a href="http://www.msci.com/our-solutions/esg-investing/">www.msci.com/our-solutions/esg-investing/</a> .
Ex post	Refers to metrics based on historical data
ITD	Inception-to-date
Maximum drawdown	Represents the worst possible result (in percentage terms) that occurred during the period being analyzed.
MTD	Month-to-date
MSCI ESG Methodology	For further information on the methodology applied to assess the ESG characteristics of the investments, please refer to <a href="http://www.msci.com/our-solutions/esg-investing/">www.msci.com/our-solutions/esg-investing/</a>
NAV	Net Asset Value
Not ratable / No data coverage	Where MSCI considers an asset type for ESG analysis but data on an economic exposure is unavailable due to a lack of data from the data vendor, the investment falls under the category "No data coverage". Where MSCI considers an asset type out of scope for ESG analysis (e.g. Cash, Currency), the economic exposure falls under the category "Not ratable". For further information regarding excluded asset types, please refer to <a href="http://www.msci.com/our-solutions/esg-investing/">www.msci.com/our-solutions/esg-investing/</a> .
Ongoing Charges	The calculation of the ongoing charge is based on the Committee of European Securities Regulators/10-674 Directive. For a maximum of 12 months from fund fiscal year end and since inception, the ongoing charges figure is based on estimated expenses. After that, the ongoing charges correspond to the TER of the last annual report. It excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the fund when buying or selling shares/units in another collective investment undertaking.
Portfolio ESG Rating	Discrepancies may exist between the portfolio-level ESG Rating calculated by CSAM applying the MSCI methodology (provided in this factsheet) and the ESG Ratings displayed by other providers (e.g., MSCI ESG fund ratings). There are two main reasons for these potential deviations: (1) CSAM uses updated month-end holdings data as basis for its calculation, and (2) CSAM uses the underlying security data (e.g., exposures to target funds or to convertible bonds), thus applying a look-through approach where possible. The coverage rate is security weighted. For further information on the MSCI methodology, please refer to <a href="http://www.msci.com/our-solutions/esg-investing/">www.msci.com/our-solutions/esg-investing/</a> .
Proprietary fixed income ESG Signal	For risk management purposes, the investment manager integrates ESG factors into the security analysis to develop a proprietary waterfall combining ESG ratings of multiple data providers. External data sources considered are Lucror, MSCI, Sustainabilitys, Inrate, Clarity AI and Refinitiv. The rating can yield a "positive", "neutral" or "negative" ESG signal. Where the external providers do not make the necessary data on the issuer available, the ESG signal cannot be computed, and these investments fall into the category "not rated". The proprietary methodology applied by the investment manager is not subject to third party assurance.
QTD	Quarter-to-date
Rating	A measure of creditworthiness of a financial instrument (e.g. bond) or their issuer (e.g. corporate or sovereign). They are published by credit rating agencies and can be combined into a single representative metric.
Sustainable investment objective	Where the 'sustainable investment objective' box is ticked, this means that the product implements CSAM investment strategies that allocate capital into companies that offer solutions to society's challenges and meet a sustainable investment objective. The sustainable investment objective is achieved through a dedicated investment process focusing on investments in themes and sectors whose economic activities address specific ESG challenges. An unticked box reflects that the product does not aim to meet a sustainable investment objective.
TNA	Total Net Assets
WAL	Weighted Average Life: the average length of time that each unit of unpaid principal is expected to remain outstanding.
YTD	Year-to-date

## Warning statements

Asset breakdown	Indicative allocation may change over time. All holdings are shown strictly for information purposes only and do not constitute investment recommendations of Credit Suisse. Please note that this does not constitute an offer or a solicitation to buy or sell any interest or any investment.
Swinging Single Pricing	For more details, please refer to the relevant chapter "Net Asset Value" of the fund's prospectus
Performance start date	Performance calculation and presentation start with the first full month of an invested strategy. This can lead to a difference in launch and performance start dates.
PRIIP SRI	The Summary Risk Indicator is a guide to the level of risk of this Product compared to other products. It shows how likely it is that the Product will lose money because of movements in the markets.
Yield to maturity/Yield to worst	The shown yield to maturity/yield to worst is calculated as of 31.08.2023 and does not take into account costs, changes in the portfolio, market fluctuations and potential defaults. The yield to maturity / yield to worst is an indication only and is subject to change.

## ESG Notes

The figures contained in this section are not audited. Where ESG related information, statements and scorings are made in this document, CS may have, partially or entirely, relied on publicly available information, internally developed data and/or information obtained from other third-party sources which CS believes to be reliable. CS' ability to verify such ESG objectives may be limited by the reliability of the data available in respect of the underlying assets and the status of the regulations in relation to tracking and providing such data. CS has not independently verified any information obtained from these public and third-party sources and cannot make any representations or warranties as to its accuracy, completeness or reliability. It is possible that the data from ESG data providers may be incorrect, unavailable, or not fully updated. This is especially true where CS has limited access to data from external parties regarding the underlying elements of an investment, for example due to a lack of look-through data. Such data gaps could result in an incorrect assessment of a sustainability practice and/or related sustainability risks and opportunities. Investors shall not use the ESG data provided in this document for the sake of meeting their own regulatory disclosure or reporting requirements. CS cannot make any guarantee about the content or completeness of such ESG disclosures, which remain subject to change and cannot be relied upon. In particular, CS shall not be liable for any errors or omissions in connection with any ESG data herein, or for any direct, indirect, special, punitive, consequential or any other damages (including lost profits). In the absence of a standardized, industry-wide ESG classification system, CS has developed its own ESG framework (the "CS Sustainable Investment Framework"). Therefore, investors should note that the ESG classification of the fund reflects CS' opinion and is based on the CS Sustainable Investment Framework which classification may vary from the classification made by third parties. The fact that a fund follows the CS Sustainable Investment Framework does not necessarily mean that it meets the investors overall investment objectives, nor their sustainability preferences. Given that sustainability regulations and guidelines are still developing, CS may need to review certain ESG classifications/descriptions as industry practices change and as more regulatory guidance becomes available. The ESG-performance of a portfolio might also differ from its financial performance and CS cannot make any representation as to the correlation between financial and ESG performance. Sustainability-related practices also differ by region, industry and ESG issue and are continually evolving. Consequently, sustainability-related practices may change over time. Similarly, new local sustainability requirements may result in additional compliance costs, disclosure obligations or other restrictions on the fund. CS' view on the appropriate classification may also evolve over time, including in response to regulatory guidance or changes in industry approach to classification.

## Risks associated with contingent capital securities

**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 70 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.



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