This is a marketing communication.
Please refer to the prospectus/information document of the fund and to the KIID/KID (as applicable) before making any final investment decisions.

**For professional investors only**

**January 31, 2023**

Spain

Risk profile (SRRI) [1]

| 1 | 2 | 3 | 4 | **5** | 6 | 7 |
|---|---|---|---|---|---|---|

# Credit Suisse (Lux) Small and Mid Cap Alpha Long/Short Fund

**a subfund of CS Investment Funds 2 - Class UBH USD**

## Investment policy

The CS (Lux) Small and Mid Cap Alpha Long/Short Fund aims to generate absolute positive returns by exploiting the inefficiencies of the small and mid-cap markets in Europe with a focus on German speaking countries. The portfolio managers buy the equities they think will perform best, while at the same time selling stocks in companies that, in their views, will underperform the market. The objective is to create a portfolio that has lower volatility, less correlation with the equity markets and a better risk-adjusted performance than a long-only fund.

## Fund facts

| | |
|---|---|
| **Fund manager** | Felix Meier |
| **Fund manager since** | 26.07.2010 |
| **Location** | Zurich |
| **Management company** | Credit Suisse Fund Management S.A. |
| **Fund domicile** | Luxembourg |
| **Fund currency** | EUR |
| **Close of financial year** | 31. May |
| **Total net assets (in millions)** | 240,76 |
| **Inception date** | 30.01.2015 |
| **Management fee p.a.** [2] | 1,30% |
| **Ongoing charge** [2] | 1,63% |
| **Subscription** [3] | Weekly |
| **Redemption** [3] | Weekly |
| **Performance fee in % with Highwatermark** | 20,00 |
| **Benchmark (BM)** | CS AllHedge Index Long/Short Equity |
| **Swinging single pricing (SSP)** [5] | Yes |
| **Unit class** | **Category UBH (capital growth)** |
| **Unit class currency** | USD |
| **ISIN number** | LU1144418727 |
| **Bloomberg ticker** | CSSUBHU LX |
| **Net Asset Value** | 1'385,22 |

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

## Fund statistics

| | 3 years | 5 years |
|---|---|---|
| Annualised volatility in % | 8,37 | 8,92 |
| Sharpe ratio | 0,21 | 0,05 |

## Fund Exposures

| | |
|---|---|
| Total gross exposure | 172,09 |
| Long exposure | 93,08 |
| Short exposure | -79,01 |
| Net exposure | 14,07 |
| Number of long positions | 77,00 |
| Number of short positions | 39,00 |

## Market Cap [4]

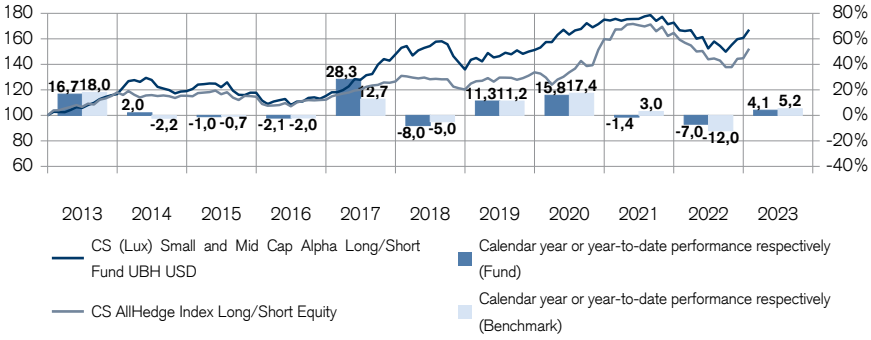
| | Long (%) | Short (%) |
|---|---|---|
| Large Cap | 11,24 | 42,05 |
| Mid Cap | 62,06 | 33,52 |
| Small Cap | 19,77 | 3,44 |

## Top 2 long transactions

| | |
|---|---|
| Buy | REPSOL |
| Buy | HYPOPORT reg |
| Sell | ZALANDO |
| Sell | JUNGHEINRICH pref |

## Net performance in USD (rebased to 100) and yearly performance

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




## Net performance in USD

| | 1 month | 3 months | YTD | 1 year | 3 years | 5 years |
|---|---|---|---|---|---|---|
| Fund | 4,05 | 7,73 | 4,05 | 0,31 | 9,15 | 9,32 |
| Benchmark | 5,18 | 10,47 | 5,18 | -4,43 | 14,69 | 16,24 |

## Historical monthly performance in %

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2023 | 4,05 | - | - | - | - | - | - | - | - | - | - | - | 4,05 |
| 2022 | -3,48 | -0,33 | 0,40 | -4,02 | 0,82 | -5,54 | 3,58 | -2,19 | -2,95 | 3,54 | 2,93 | 0,59 | -6,95 |
| 2021 | -0,41 | 0,74 | -0,84 | 0,70 | 0,08 | 0,05 | 1,11 | 0,59 | -2,55 | 1,83 | -3,28 | 0,72 | -1,36 |
| 2020 | 1,27 | 2,81 | -0,04 | 3,60 | 2,48 | -2,28 | 2,01 | 0,69 | 2,71 | -1,88 | 1,48 | 2,07 | 15,75 |
| 2019 | 5,59 | 1,01 | -1,86 | 4,62 | -2,34 | 0,69 | 1,84 | -0,82 | 2,08 | -1,80 | 1,19 | 0,84 | 11,26 |
| 2018 | 3,46 | 0,93 | -4,81 | 2,72 | 1,29 | 0,93 | 2,24 | 0,20 | -1,46 | -6,00 | -3,54 | -3,74 | -8,03 |
| 2017 | 2,47 | 0,03 | 1,44 | 2,43 | 4,65 | -0,50 | 2,87 | 0,69 | 5,54 | 3,15 | -0,88 | 3,47 | 28,28 |
| 2016 | -5,23 | -2,43 | 1,78 | 0,94 | 0,87 | -4,15 | 2,40 | 0,13 | 2,51 | 0,38 | -0,96 | 1,96 | -2,13 |
| 2015 | - | 2,82 | 0,29 | 0,42 | -0,10 | -2,22 | 3,10 | -5,19 | -2,71 | -0,18 | 1,60 | -0,02 | -1,05 |

## Market commentary

In January, European small caps were up with the MSCI Small Cap Europe Index reporting +7.45%. The fund posted a positive return of +3.63% for the retail B share class net of fees. A positive net exposure overall and the exposure to smaller quality growth stocks were contributing to the result. Some growth stocks that suffered last year performed well in January as long government bond yields in Europe came down. For example, one of our best long book contributors in January included Shop Apotheke Europe (+49.6%). Shop Apotheke Europe is an online pharmacy. Their shares had been down 61% in 2022 due to rising interest rates and the delay of the introduction of e-prescription in Germany. German steel producer Salzgitter (+30.9%) was as well among the best contributors in January. We believe that hopes for better steel demand amid a China reopening as the main reason. Our worst long contributors included Diasorin and Equinor. Diasorin (-8.6%) specializes in immune and molecular diagnostics. We believe their shares were down due to less expected Covid-19 testing. Norvegian state-owned multinational oil and gas company Equinor ASA (-13.8%) saw its shares down on the back of downgraded analyst estimations on gas pricing post the warmer winter development in Europe. Comfortable gas inventory assumptions have been motivating analysts to revise earnings assumptions for Equinor even if production assumptions were slightly increased. Our best short contributors included Darktrace and SOITEC. Darktrace PLC (-18.8%), a UK based IT specialist in cyber-defence software, was hit on quarterly sales results presentation as weakening of new customer additions late in December 2022 meant that the company had to lower its guidance for 2023. Additionally, a US Hedge Fund QCM published a research report alleging incidences of manipulative sales practices they suspect being employed by Darktrace. The French smart cut technology expert in engineering substrates for telecom semiconductors, S.O.I.T.E.C (-9.4%), had investors starting to worry about increasing risk of inventory correction. Analyst started to adopt a more conservative scenario on mobile communication sales and model cycle adoption. Our worst short contributors included Swissquote (+22.8%) and Aroundtown (+16.8%). Swiss online broker Swissquote confirmed a pre-tax profit of at least CHF185m. Aroundtown provides commercial and residential real estate. We believe the shares were up as investors welcomed a lower bond yields environment for the leveraged company.

The environment remains challenging with geopolitical tensions unabated, and discussions about a recession ongoing. However, the energy crunch in Europe has eased due to a mild winter. Natural gas prices in Europe fell from a peak of more than EUR 300/MMh to EUR 59/MWh end of January. Lower energy prices are essential for Europe`s industrial production and also impact the inflation and interest rate outlook. Further, we believe that a reopening of China`s economy improves the growth outlook for exporters and reduce supply chain bottlenecks.

Source: For all price and performance data – Bloomberg data as per end of January 2023

1) The fund's risk and reward profile shows the variations in value an investment in this fund would have undergone over the past five years, whereby simulated performance data is used in the case of missing history. The fund's risk rating may change in the future. Please note, higher possible gains generally also mean higher possible losses. The lowest risk category does not mean that the fund is risk free.
2) 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.
3) Subscription frequency: weekly, 5bd notice, Redemption frequency: weekly, 10bd notice
4) Classification: Small Cap up to EUR 1.5 bn market cap, Mid Cap between EUR 1.5bn and EUR 15bn and the above EUR 15bn Large Cap.

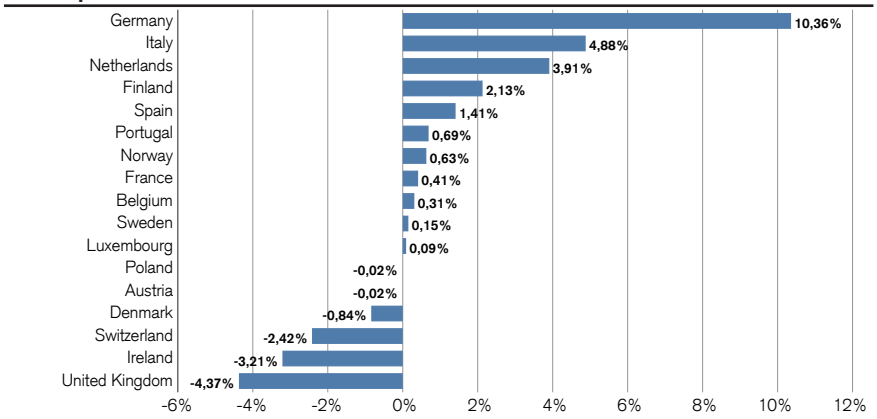
## Top 2 short transactions

| | |
|---|---|
| Short | ESSILORLUXOTTICA |
| Short | AMPLIFON |
| Cover | AROUNDTOWN PROPERTY HOLDINGS |
| Cover | AZIMUT |

## Allocation by Country in %

| | Long | Short | Net |
|---|---|---|---|
| Switzerland | 1,22 | -3,64 | -2,42 |
| Germany | 65,17 | -54,81 | 10,36 |
| Austria | 0,00 | -0,02 | -0,02 |
| Belgium | 0,80 | -0,49 | 0,31 |
| Denmark | 0,00 | -0,84 | -0,84 |
| Spain | 2,11 | -0,70 | 1,41 |
| Finland | 2,23 | -0,10 | 2,13 |
| France | 2,52 | -2,11 | 0,41 |
| United Kingdom | 1,26 | -5,63 | -4,37 |
| Ireland | 0,00 | -3,21 | -3,21 |
| Italy | 8,50 | -3,62 | 4,88 |
| Luxembourg | 1,42 | -1,33 | 0,09 |
| Norway | 0,70 | -0,07 | 0,63 |
| Netherlands | 5,93 | -2,03 | 3,91 |
| Poland | 0,00 | -0,02 | -0,02 |
| Portugal | 0,71 | -0,02 | 0,69 |
| Sweden | 0,52 | -0,37 | 0,15 |

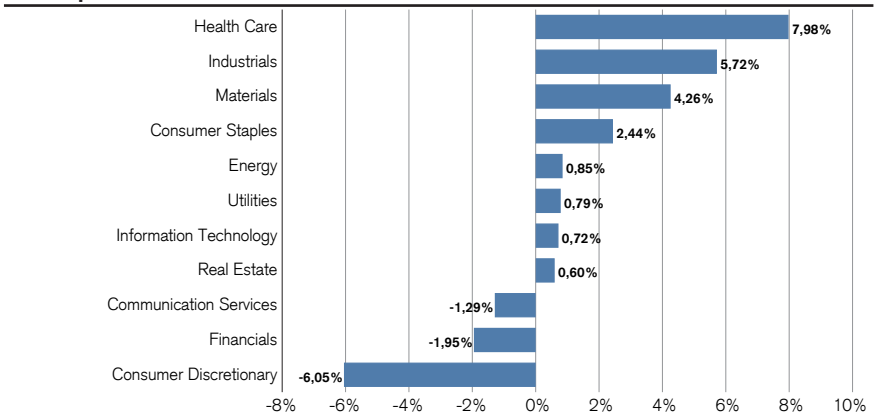
## Net Exposure Countries




## Allocation by Sector in %

| | Long | Short | Net |
|---|---|---|---|
| Communication Services | 5,58 | -6,87 | -1,29 |
| Consumer Discretionary | 5,83 | -11,87 | -6,05 |
| Consumer Staples | 4,95 | -2,50 | 2,44 |
| Energy | 2,51 | -1,67 | 0,85 |
| Financials | 8,94 | -10,89 | -1,95 |
| Health Care | 14,43 | -6,45 | 7,98 |
| Industrials | 22,38 | -16,66 | 5,72 |
| Information Technology | 9,24 | -8,52 | 0,72 |
| Materials | 13,50 | -9,24 | 4,26 |
| Real Estate | 3,27 | -2,67 | 0,60 |
| Utilities | 2,46 | -1,68 | 0,79 |

## Net Exposure Sectors




## Contact

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## 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. The Fund's investments have low credit risk.
- Liquidity risk: Assets cannot necessarily be sold at limited cost in an adequately short timeframe. 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.
- 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 can have a material negative effect on the return, depending on the relevant sector, industry and company exposure.
- The Fund's use of leverage may lead to an amplified reaction to market movements, i.e. increase the volatility of the Fund and may amount to a more substantial loss than in unleveraged products.

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.

**The full offering documentations including complete information on risks may be obtained free of charge from a Credit Suisse representative or where available via FundSearch (credit-suisse.com/fundsearch).**

Data sources as of January 31, 2023: Credit Suisse, otherwise specified.

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