

Risk profile (SRRI) <sup>1)</sup>

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## Credit Suisse (Lux) Financial Bond Fund

a subfund of CS Investment Funds 1 - Class IA EUR

### 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 3 for full details).

### Fund facts

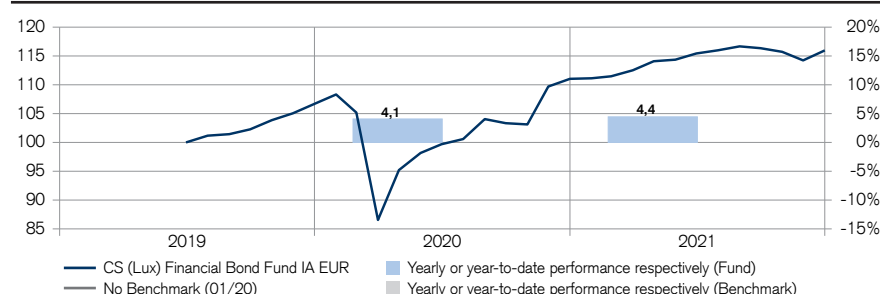
<b>Fund manager</b>	Harald Kloos, Roger Wyss
<b>Fund manager since</b>	01.10.2020, 05.01.2015
<b>Location</b>	Zurich, Zurich
<b>Management company</b>	Credit Suisse Fund Management S.A.
<b>Fund domicile</b>	Luxembourg
<b>Fund currency</b>	EUR
<b>Close of financial year</b>	31. Oct
<b>Total net assets (in millions)</b>	1'041,93
<b>Inception date</b>	11.06.2019
<b>Management fee p.a.</b>	0,50%
<b>Ongoing charge</b>	0,70%
<b>Benchmark (BM)</b>	No Benchmark (01/20)
<b>Swinging single pricing (SSP) <sup>4)</sup></b>	Yes
<b>Unit class</b>	<b>Category IA (distribution)</b>
<b>Unit class currency</b>	EUR
<b>ISIN number</b>	LU2001706444
<b>Bloomberg ticker</b>	CLCEIAE LX
<b>Net Asset Value</b>	1'066,17
<b>Last distribution</b>	07.12.2021
<b>Distribution value</b>	10,88
<b>Redemptions</b>	Daily

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

### Number of holdings

<b>Fund</b>	99
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### Net performance in EUR (rebased to 100) and yearly performance <sup>2)</sup>



### Net performance in EUR <sup>2)</sup>

	1 month	3 months	YTD	1 year	3 years	5 years
Fund	1,51	-0,33	4,44	4,44	-	-

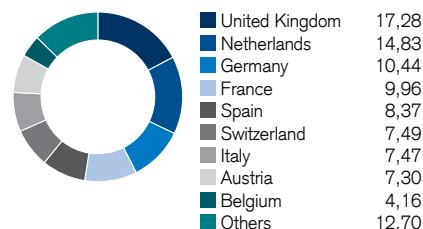
### Currencies in %

	before hedging	after hedging
EUR	60,63	99,41
USD	23,63	0,36
GBP	14,31	0,22
CHF	1,43	0,01

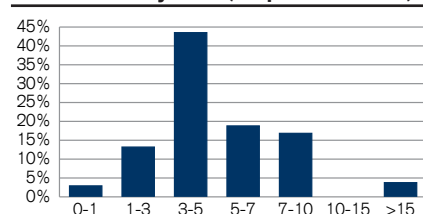
### Duration and yield

	Fund
Yield to Worst in % (gross) <sup>3)</sup>	3,12
Average remaining term to maturity in years	5,63
Modified duration in years	3,35

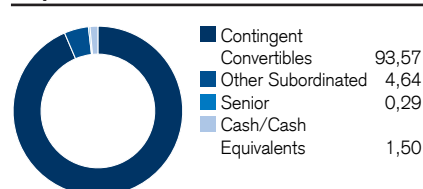
### Countries in %



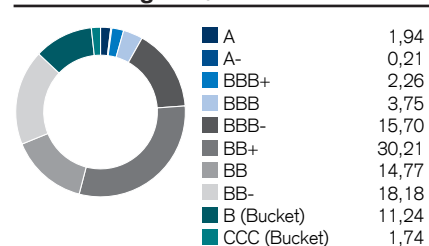
### Maturities in years (as per call date)



### Capital Structure in %



### Credit ratings in %



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
BNP Paribas	7,000	16.08.28	3,05
ABN AMRO	4,750	22.09.27	2,44
HSBC Holdings	4,750	04.07.29	2,38
Unicredit	5,375	03.06.25	2,27
Lloyds Banking	7,875	27.06.29	2,16
Svenska	4,750	01.03.31	2,11
Handelsbank			
Nationwide	5,875	20.12.24	2,11
Building			
KBC Group	4,250	24.10.25	2,05
ING Group	5,750	16.11.26	2,03
ASR Nederland	4,625	19.10.27	2,02
<b>Total</b>			<b>22,61</b>

### Fund statistics

	1 year	3 years
Annualized volatility in %	2,80	-
Maximum drawdown in % <sup>5)</sup>	-2,08	-

5) Maximum drawdown is the most negative cumulative return over a given time period.

ESG Integration (ESG aware): This product undertakes investments that explicitly assess and integrate the sustainability characteristics of companies in the investment process.

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.

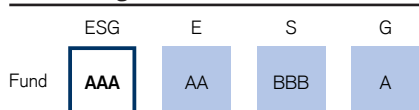
Asset Allocation presented on this page may change over time.

3) Yield to Worst calculated in share class currency.

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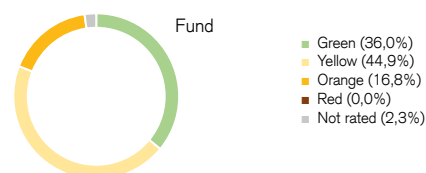
### ESG Rating <sup>6)</sup>



### ESG Breakdown <sup>9)</sup>

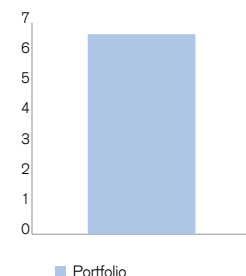
	Score
<b>Overall Score</b>	<b>10,0</b>
<b>Environment</b>	<b>7,5</b>
Climate Change	7,5
Env. Opportunities	0,0
Natural Capital	0,0
Pollution & Waste	0,0
<b>Social</b>	<b>5,0</b>
Human Capital	5,5
Product Liability	5,0
Social Opportunities	4,2
Stakeholder Opposition	0,0
<b>Governance</b>	<b>6,0</b>

### ESG Controversies Flag <sup>10)</sup>



### Low Carbon Transition Score <sup>12)</sup>

Portfolio: **6,6**



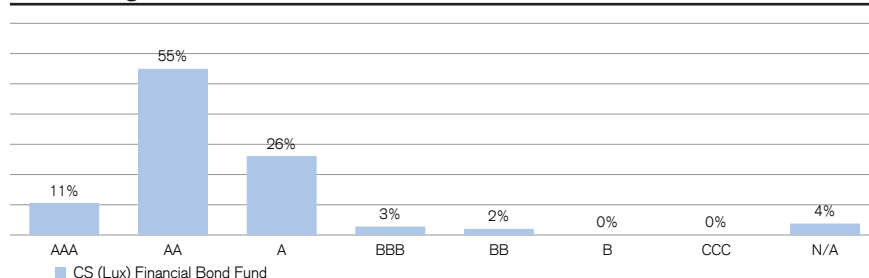
### Portfolio Summary <sup>7)</sup>

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)) to combine the most material ESG factors with traditional financial analysis to calculate an ESG integrated credit rating, which serves as the basis for a bottom-up security selection process.

### Applied ESG Characteristics <sup>8)</sup>

- ☐ ESG Benchmark  
☒ Exclusion Criteria  
☒ ESG Integration  
☐ Proxy Voting  
☒ Engagement

### ESG Rating in Percent <sup>11)</sup>



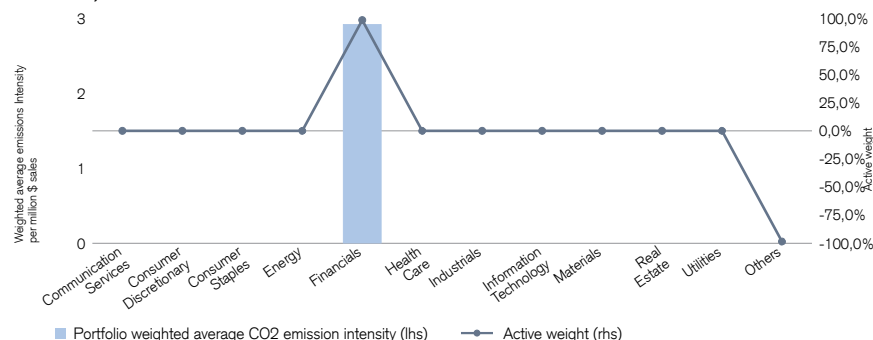
### Top 10 Holdings

Holding Name	Weight	ESG Rating	Cont.Flag	E	S	G
BNP Paribas S.A.	3,0%	AA				
ABN AMRO Bank N.V.	2,4%	A				
HSBC Holdings Plc	2,4%	AA				
UniCredit S.p.A.	2,3%	A				
Lloyds Banking Group plc	2,2%	AA				
Svenska Handelsbanken AB	2,1%	AA				
Nationwide Building Society	2,1%	A				
KBC Group N.V.	2,1%	AAA				
ING Groep N.V.	2,0%	AA				
ASR Nederland NV	2,0%	A				

### Carbon Emission Intensity <sup>13)</sup>

Tons CO2-equivalent emissions per \$m revenues

Portfolio: **2,9**



### Legend

- 6) ESG Rating which is provided by MSCI ESG, is measured on a scale from AAA (highest rating) to CCC (lowest rating). The rating is based on the underlying company's exposure to industry specific sustainability risks and their ability to mitigate those risks relative to their peers. The overall portfolio rating is calculated on an industry relative basis while the underlying individual E, S and G ratings are absolute. Hence, the overall rating cannot be seen as an average of the individual E, S and G ratings.
- 7) For more information on the applied norms-based exclusions please refer to: [www.svk-asir.ch](http://www.svk-asir.ch) © In the absence of suitable and/or liquid equity index futures on ESG indices, the Sub-Fund / Fund may use equity index futures, which refer to traditional indices (non-ESG) in order to reduce various risks, for efficient portfolio management and as a way to gain or reduce market exposure.
- 8) For further information on the methodology applied to assess the ESG characteristics of the investments, please refer to [www.msci.com/our-solutions/esg-investing/](http://www.msci.com/our-solutions/esg-investing/)
- 9) The Overall ESG Quality Score does not correspond directly to the presented underlying Environment, Social and Governance Pillar scores. The Pillar scores are derived on an absolute basis, while the Overall ESG Quality Score is adjusted to reflect the industry-specific level of sustainability risk exposure. Since Pillar scores are absolute, and Overall scores are relative, the first cannot be averaged to derive the latter. ESG Themes represent a break-down of individual E, S and G scores. All scores and its' components are rated on a scale of 0-10 (provided by MSCI), where 0 is very poor and 10 is very good.
- 10) ESG Controversies 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. The colour indicator, which spans from red to green, indicates the most severe involvement (red) to the least involved (green) in any controversies. The grey colour indicates where data is unavailable.
- 11) ESG Ratings represents the ESG Rating breakdown in percentage in an absolute view or relative to a benchmark.
- 12) Low Carbon Transition Score is based on a multi-dimensional risks and opportunities assessment and considers both predominant and secondary risks a company faces. The scale ranges from 0-10 (with 10 representing a potential leader) and is industry agnostic and represents an absolute assessment of a company's position vis-à-vis the transition. On a portfolio level, individual scores are aggregated and compared to the benchmark (if existent).
- 13) Carbon Intensities compares the weighted average emissions intensity per million \$ sales (broken down by GICS sector) between the portfolio and the benchmark. It also displays active GICS sector weights.

## 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.

### 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.

Data sources as of December 31, 2021: Credit Suisse, otherwise specified.

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\*Legal entity, from which the full offering documentation, the key investor information document (KIID), the fund rules, as well as the annual and bi-annual reports, if any, may be obtained free of charge.