

Enhanced Commodity Fund Fund Profile

December



Investment Rationale

Commodities as an Inflation Hedge

Ultimately, investors focus on the real purchasing power of their returns, which means that the threat of inflation is always a concern. Real assets, like commodities, are linked to inflation's key components—the cost of the raw goods themselves and commodity prices have usually risen along with increasing inflation.

Diversification

The historical characteristics of the commodity and stock markets show very low correlations. Current global supply and demand for raw materials is the main driver of commodity prices, rather than their value being tied to expected future cash flows as with financial assets. Because of this, commodities have offered significant diversification benefits, historically reducing the overall risk of a well-diversified portfolio, while adding a new source of potential return.

Globalisation Play

Commodities introduce what we believe is a valuable global element into portfolios. For example, the global forces of demand and supply can combine in constantly shifting proportions, disrupted by discrete and largely unpredictable geopolitical events, (including work-stoppages, weather and war), thereby affecting the local production of commodities. A commodities allocation is often included in a portfolio as a hedge against macro and political risks.

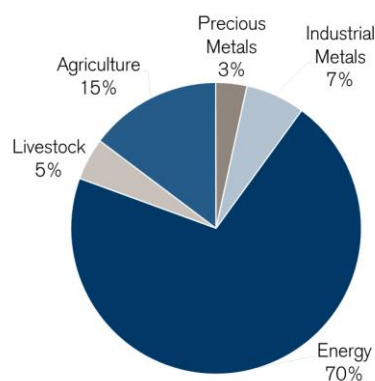
Fund facts

Suggested investment time frame	Medium to long term – 3 years plus
Return potential	High
Volatility/risk level	High
Income distribution frequency	Quarterly

Fund details

Inception date	October 2006
APIR code	CSA0063AU
Fund size	AUD 375.88 million as at 31 December 2011
Initial investment	AUD 25,000
Additional investments	AUD 10,000
Withdrawals	AUD 10,000
Management costs	0.66% p.a.
Buy/sell spreads	Nil

Asset allocation as at 31 December 2011



Investment Objective

To provide a total return in excess of the Goldman Sachs Commodity Index (GSCI) hedged in AUD.

The Fund will have exposure to the GSCI through the purchase of commodity linked derivative instruments. The Fund aims to generate a total return derived from three sources.

1. Spot return – performance will largely result from the change in prices of commodities within the GSCI
2. Roll return is captured by rolling the expired derivative contracts forward which is the difference between entry and exit prices, and
3. Collateral return or cash rate is the return on investing in cash and cash like securities. The Fund assets are posted as collateral for the derivatives contracts.

An enhanced index approach is used to manage the Fund. The strategy is designed to outperform the GSCI by actively managing two components of the strategy – the roll yield and the collateral yield, while the spot return is managed neutral to the GSCI.

Credit Suisse Investment Services (Australia) Limited is the Investment Manager of the Fund and has formally appointed Credit Suisse Asset Management, LLC, based in New York, as sub manager to the Fund. The Fund will be as close to fully currency hedged into Australian dollars as is practicable.

CREDIT SUISSE INVESTMENT SERVICES (AUSTRALIA) LIMITED

PO Box R1474 Royal Exchange NSW 1225

Adviser Services 1800 621 009

8:30am to 5:30pm Monday to Friday (EST)

www.credit-suisse.com/au

Helping Clients Thrive.

Issued by Credit Suisse Investment Services (Australia) Limited (CSISAL), ABN 26 144 592 183, AFSL 370450. CSISAL has used its best endeavours to ensure the accuracy, reliability and completeness of the information contained in this Report. Subject to law, CSISAL, its directors, employees, affiliates and consultants do not provide any warranty or accept any liability for errors or omissions or any losses or damages suffered by the recipient of this Report or any other person. This Report has been prepared for general information only for the use of Advisers, consultants, researchers as well as institutional clients of CSISAL who have been sent this information directly by CSISAL and may not be provided to any other person without written permission from CSISAL. This information does not take into account an individual's objectives, financial situation or needs, which are necessary considerations before making any investment decision. Opinions constitute our judgment at the time of issue and are subject to change. Offers for investments in Funds are made in, or accompanied by a copy of the relevant current Product Disclosure Statement (PDS). You should consider the PDS in deciding whether to acquire or continue to hold the product. If you wish to invest, you will need to complete an application form contained in, or which accompanies the current PDS. Please contact Institutional Client Services on 13 35 66 or Adviser Services on 1800 621 900 should you have any queries relating to the information in this Report, or to obtain a copy of the PDS. Neither money invested in the Fund nor any particular rate of return on any money invested in the Fund is guaranteed by CSISAL, Credit Suisse AG (The 'bank') (ABN 17 061 700 712 and AFS Licence Number 226896), or by any other member of the Credit Suisse AG, CSISAL is not an authorised deposit-taking institution and your investment does not constitute a deposit with or other liability of the bank nor any other member of the Credit Suisse AG.

Challenger Investment Services Limited ABN 44 119 605 373, AFSL 320505(CISL) is the responsible entity for and issuer of interests in the Credit Suisse Enhanced Commodity Fund ARSN 119 714 297. CISL is a member of the Challenger Financial Services Group. Neither CISL nor any member of the Challenger Financial Services Group was involved in the preparation or distribution of this Report, and are not responsible for the provision of or any information in this Report, other than references to its name. CSISAL provides the Report in its own capacity and not as agent or authorised representative of CISL.