

Index Solutions – Newsletter No. 9

Credit Suisse Institutional Funds - Gold Bar(gain)



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We are very pleased to inform you about our new funds in this newsletter.

The **Credit Suisse Institutional Fund II (CSIF II) Gold Blue** enables institutional investors to invest in gold efficiently. Our new fund offers an investment opportunity with several advantages compared to other existing solutions.

In addition, we have launched three further **Credit Suisse Institutional Funds (CSIF)** replicating global equity indices, also available with **currency-hedged share classes**.

CSIF II Gold Blue

Investors can buy gold in a wide variety of ways. Besides having the gold physically stored in a vault, there is the option to invest in gold by opening a precious metals account. Exchange traded funds (ETFs) provide the opportunity to hold an indirect and liquid investment in physical gold. Also liquid are exchange traded commodities (ETCs), but they come with a counterparty risk. Futures are also liquid, but they need to be rolled over periodically.

What's new – a summary

- New Fund: CSIF II Gold Blue
- Other CSIF funds of funds launched
 - CSIF World ex CH Index Blue
 - CSIF World ex CH Index Blue – Pension Fund
 - CSIF World ex CH Real Estate Index – Pension Fund
- New currency-hedged share classes
- Lower spreads for CSIF replicating equity and real estate indices

With the new Credit Suisse Institutional Fund II Gold Blue, institutional investors now have an extremely cost-efficient, secure, and flexible way to invest in gold. The fund's net assets consist of standard gold bars that are stored in individual custody.

This new fund is open daily for subscription and redemption. Valuation takes place each day at London PM fixing time, 4:00 p.m. Swiss time. Unlike an ETF or ETC, there is no

CSIF II Gold Blue – facts at a glance

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|-----------------------|---|
| ▪ Gold bond: | Lending of gold reserves not permitted |
| ▪ Replication method: | Physical replication (standard bars at roughly 12.5 kg each, approx. 400 ounces) |
| ▪ Custody: | Individual custody with Credit Suisse |
| ▪ Stamp tax: | No stamp tax on subscription or redemption |
| ▪ Spread: | 0.05% subscription / 0.02% redemption |
| ▪ Costs: | Class F: TER 0.22% / Class D: TER 0.084% for administration and custody; plus a mandate fee based on volume |
| ▪ Delivery: | Gold can be delivered physically |
| ▪ Receipt: | Gold can be received physically |
| ▪ Subscription ends: | Daily by 2:00 p.m. |
| ▪ Valuation: | London PM fixing, 3:00 p.m. London time (4:00 p.m. Swiss time) |

stamp tax at subscription or redemption, which makes the fund extremely cost-efficient.

Since the fund invests in physical gold and is not allowed to lend its gold inventory, there is no counterparty risk.

Added security is provided by the option to redeem the investment by asking the gold to be physically delivered in exchange for fund units.

The features described make the CSIF II Gold Blue an ideal gold investment for institutional investors.

Standard bars

Trade in physical precious metals is carried out by Credit Suisse in standard bars. This guarantees precious metal certification from the LBMA (London Bullion Market Association). One standard bar meets the following specifications:

- Gross weight of approximately 400 troy ounces (roughly 12.5 kilograms)
- Purity (minimum) of 995.0/1000

Gold fixing: twice daily

For more than 80 years, the price of gold has been set by five market makers (members of the London Bullion Market Association) at an auction in London. This takes place twice a day in the morning and the afternoon. The reference price used is the gold price fixed at 3:00 in the afternoon local time (4:00 p.m. Swiss time). This is because the European, US, and Middle East markets are still open at that time, thus ensuring the greatest liquidity.

New fund of funds

In addition to our new gold fund, we have further expanded our palette of index funds for institutional investors.

Until now, investors who wanted to put money into funds without securities lending were able to replicate the MSCI World ex CH Index only through our regional funds. Our two new funds, the **CSIF World ex CH Index Blue** and the **CSIF World ex CH Index Blue – Pension Fund**, make it possible to invest in this widespread index using a single fund. Of course, our regional funds are still available to investors who wish to continue focusing on individual regions within the MSCI World ex CH Index.

With the **CSIF World ex CH Real Estate Index – Pension Fund**, we have launched a fund that invests in the global FTSE EPRA/NAREIT Developed ex CH Index. This asset class also still includes the regional funds previously available.

The three above mentioned new funds offer share classes with and without currency hedging.

Lower spreads for CSIF replicating equity and real estate indices

The spreads on our CSIF are regularly reviewed and adjusted to market circumstances as required.

Credit Suisse now benefits of more favorable conditions from external brokers due to a significant increase in assets under management in indexed portfolios over time. This development allowed us to decrease the subscription and redemption fees for equity and indirect real estate funds significantly.

You will find the new issue and redemption spreads in the enclosed overview.

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