

# Private pension – 3rd pillar

## Plan your retirement flexibly and save taxes.

### Useful facts about the private pension – 3rd pillar

The Private pension – 3rd pillar augments the state (1st pillar) and occupational (2nd pillar) pensions, which together only cover part of the income you were receiving immediately prior to retirement. The Private pension – 3rd pillar helps you to close any gap in your pension provision and to maintain your standard of living after retirement. But you also derive numerous benefits straight away.

### Flexible investment options

- Preferential interest rate on Pension account – 3rd pillar.
- Higher potential returns from Saving with securities – 3rd pillar.
- Flexible contribution options (without any commitment to pay regular amounts) up to the statutory maximum.  
Maximum amounts in 2019:
  - CHF 6,826 for those with a Pillar 2 occupational pension plan;
  - Plan 20% of net income up to a maximum of CHF 34,128 for those without a Pillar 2 occupational pension plan.
- Easy payment option with the Standing order – 3rd pillar, free of charge: option to change the amount automatically whenever the Pillar 3a maximum amount changes.
- Automatic investment of your retirement savings of more than CHF 200 in a selected investment group with the Investment plan – 3rd pillar.

### Optimize taxes

- Pillar 3a contributions can be deducted in full from your taxable income.
- No wealth, income, or withholding tax for the entire duration of the investment.
- The payout is taxed at a reduced rate, separately from your other income.
- Opening two or three Pension accounts – 3rd pillar gives you more flexibility at the time of payout and generally reduces your overall tax burden.



### Example 1<sup>1</sup>

(single person, Protestant, taxable income: CHF 60,000)

	without Pillar 3a (in CHF)	Part payment	with Pillar 3a (in CHF)	Maximum contribution
Annual payment		3,000		6,826
Total tax	7,220	6,579		5,825
<b>Annual tax saving<sup>2</sup></b>		<b>641</b>		<b>1,395</b>

### Example 2<sup>1</sup>

(married couple, Protestant, taxable income: CHF 120,000)

	without Pillar 3a (in CHF)	Part payment	with Pillar 3a (in CHF)	Maximum contribution
Annual payment		3,000		6,826
Total tax	18,088	17,326		16,355
<b>Annual tax saving<sup>2</sup></b>		<b>762</b>		<b>1,733</b>

Source: Product Management Pensions

Tax treatment depends on the individual circumstances of each client and may be subject to change in the future.

<sup>1</sup> The examples in this brochure are based on the income tax rates of the City of Zurich for 2018 and the maximum permitted contribution for 2019.

<sup>2</sup> The payout is taxed at a reduced rate, separately from your other income.

## Flexible withdrawals

- You withdraw your retirement savings as soon as you reach normal AHV retirement age. However, if you remain in work, you can continue your Private pension – 3rd pillar for a further five years.
- Early payout is possible in the following cases:
  - at the earliest, five years before you reach the regular AHV retirement age;
  - if you become self-employed;
  - if you leave Switzerland permanently (i.e. emigrate);
  - to purchase benefits in your pension fund;
  - if you are in receipt of a full disability pension from the Federal Disability Insurance (IV) scheme.
- Should you die before withdrawing your retirement savings, they will be paid out to your beneficiaries.

## Financing your own home

You can also request an early payout<sup>2</sup> to finance your own home:

- Direct repayment (advance withdrawal): Accrued retirement capital (or a portion thereof) can be used as a down payment.
- Indirect repayment (pledging): Instead of paying your mortgage off directly, you can pay your mortgage installments into your Private pension – 3rd pillar.

## Your needs

You would like to accrue retirement savings and, at the same time:

- invest your pension capital on attractive terms;
- save on taxes;
- realize your dream of owning your own home;
- have the option of making flexible payments;
- close coverage gaps;
- seize opportunities to earn good returns.

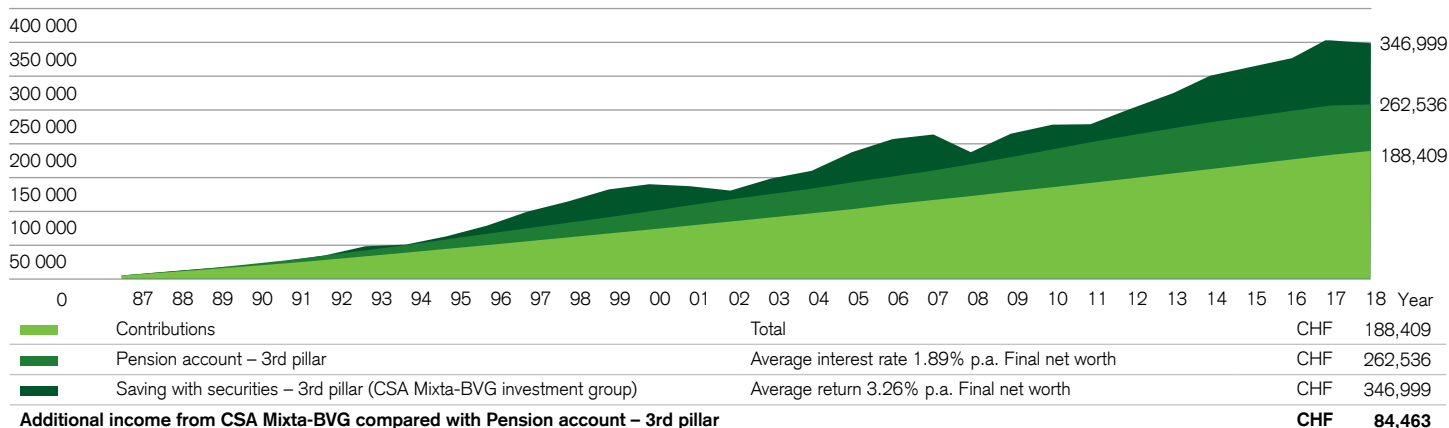
## Your benefits

- Attractive tax benefits.
- Preferential interest rate on the Pension account – 3rd pillar.
- Higher long-term potential for returns with Saving with securities – 3rd pillar.
- Attractive selection of actively managed or indexed securities solutions with broad diversification.
- Flexible contribution options with no savings obligation.
- Apart from the all-in fee, no additional safekeeping fees, issuing commissions, or redemption commissions are levied.

## Comparison between the CSA Mixta-BVG investment group and a pension account – 3rd pillar (net performance)

Between January 1, 1987, and December 31, 2018, the highest possible amount allowed by law was paid in at the beginning of every year, which comes to a total of CHF 188,409. The additional income from the CSA Mixta-BVG investment group versus the Pension account – 3rd pillar was CHF 84,463.

### Assets in CHF



Historical performance indications and financial market scenarios are not reliable indicators of current or future performance.

Source: Product Management Pensions

<sup>2</sup> The payout is taxed at a reduced rate, separately from your other income.

- High level of investor protection with Saving with securities – 3rd pillar (separate assets, regulation).
- Retirement savings can be used for home financing.

## Potential risks

- Market risk
- Management risk
- Foreign exchange risk

Please note the detailed information and other risks listed on page 4.

## Private pension – 3rd pillar products

### Pension account – 3rd pillar

With a Pension account – 3rd pillar you benefit from a preferential interest rate – free of withholding tax – which is higher than the interest you can earn on a Credit Suisse (Switzerland) Ltd. savings account. The Pension account – 3rd pillar lays the foundations for good pension provision.

### Saving with securities – 3rd pillar

Saving with securities – 3rd pillar offers you a long-term opportunity to generate returns that exceed the interest on a Pension account – 3rd pillar. Depending on your investor profile and the investment period, you select one of several investment groups that differ mainly in terms of equity exposure and the investment horizon. You can choose between actively managed and indexed investment groups.

### Actively managed investment groups:

These investment groups feature active management by specialist portfolio managers. The objective is to maximize long-term performance.

### Indexed investment groups:

These groups invest in funds which precisely replicate the indices and hence the performance of various markets. Indexed investment groups are not actively managed and have low overheads, which has a positive impact on their long-term returns.

You can switch within investment groups as well as between a Pension account – 3rd pillar and Saving with securities – 3rd pillar at any time.

## Finding the right solution for you

To help you find the right pension product for you, the various pension solutions offered by the Credit Suisse Privilegia Pillar 3 Pension Foundation are set out in detail below.

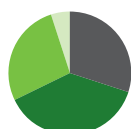
### An overview of pension solutions

<b>Your preferred asset categories for your retirement capital</b>	<ul style="list-style-type: none"> <li>Savings account</li> <li>No securities</li> </ul>	<ul style="list-style-type: none"> <li>Real estate/ mortgages in CHF</li> <li>CHF bonds</li> </ul>	Securities in CHF and foreign currencies (mainly bonds and equities)	Securities in CHF and foreign currencies (mainly bonds and equities)	Securities in CHF and foreign currencies (mainly bonds and equities)	Securities in CHF and foreign currencies (mainly bonds and equities)
<b>Average equity component<sup>3</sup></b>	No equities	No equities	25%	35%	45%	75%
<b>Your knowledge of this type of investment</b>	–	Adequate	Adequate	Adequate	Adequate	Advanced
<b>Your experience with this type of investment</b>	–	Once	More than once	More than once	Frequent	Frequent
<b>Potential returns</b>	Preferential interest rate	Low to moderate	Moderate	Moderate to high	High	High
<b>Risk (fluctuations in value)</b>	None	Low	Low to moderate	Moderate	Moderate to high	High
<b>Investment horizon</b>	Up to 5 years or more	3 years or more	5 years or more	5 years or more	8 years or more	10 years or more
<b>Potential needs</b>	You are very security-conscious and want to avoid risks of any kind when saving for your retirement. Security is more important to you than potentially higher returns.	You prefer an investment group with no exposure to equities or foreign currencies as your need for security is great and you want stable performance.	In order to take advantage of potential price rises on the equity markets, you are prepared to accept low-to-moderate fluctuations in value.	You prefer a larger equity component and expect moderate-to-high returns, for which you are prepared to accept a certain amount of fluctuation.	You prefer a high equity component and would like a high return, for which you are prepared to accept a medium to high level of fluctuation.	You want to participate to an even greater degree in the future development of the equity markets and expect a high return, for which you are prepared to accept a high level of fluctuation.

<b>Possible solution (incl. portfolio composition)<sup>3</sup></b>	<b>Account</b>	<b>Actively managed</b>				
	Pension account – 3rd pillar (savings deposit with preferential interest rate)	CSA Mixta-BVG Basic (security no. 1486149)	CSA Mixta-BVG Defensiv (security no. 788833)	CSA Mixta-BVG (security no. 287570)	CSA Mixta-BVG Maxi (security no. 888066)	CSA Mixta-BVG Equity 75 (Equity component exceeded pursuant to BVV 2) <sup>4</sup> (security no. 38261482)



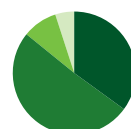
100% savings deposit



30% mortgages  
38% bonds  
27% real estate  
5% money market instruments



25% equities  
59% bonds  
11% real estate  
5% money market instruments



35% equities  
51% bonds  
9% real estate  
5% money market instruments



45% equities  
43% bonds  
7% real estate  
5% money market instruments



75% equities  
10% bonds  
10% real estate  
5% money market instruments

#### Indexed

CSA Mixta-BVG Index 25 (security no. 11520271)



25% equities  
70% bond  
5% real estate

CSA Mixta-BVG Index 35 (security no. 11520273)



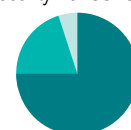
35% equities  
60% bonds  
5% real estate

CSA Mixta-BVG Index 45 (security no. 10382676)



45% equities  
50% bonds  
5% real estate

CSA Mixta-BVG Index 75 (Equity component exceeded pursuant to BVV 2)<sup>4</sup> (security no. 38261472)



75% equities  
20% bonds  
5% real estate

You can find current statistics on returns for the individual investment groups and further information on saving with securities at [credit-suisse.com/pensions](https://credit-suisse.com/pensions).

<sup>3</sup> These are indicative values which, depending on the market situation, may fluctuate within the bandwidths defined in the investment guidelines.

<sup>4</sup> These products have an average equity component of 75% and thus exceed the prescribed category limit for equities pursuant to Art. 55 BVV 2.

Due to the large equity component, these products involve a higher risk than pension solutions with a maximum equity holding of 50%.

# Potential risks

## Potential loss

Under some circumstances investments in CSA Mixta-BVG investment groups may fall in value. Thanks to risk diversification across a variety of collective investments and the underlying assets contained in them, the likelihood of a total loss is very low.

## Market risk

The investor bears the risk that the value of the CSA Mixta-BVG investment groups may fall during the term. This can be the result of fluctuations in the market prices of the underlying securities. Fluctuations result from a range of causes including changes in fundamentals and unforeseeable, sometimes irrational, behavior on the part of market participants.

## Management risk

The portfolio managers of the CSA Mixta-BVG investment groups select the collective investments and determine the weightings within the defined bandwidths. These decisions can also lead to losses.

## Foreign exchange risk

The CSA Mixta-BVG investment groups (with the exception of CSA Mixta-BVG Basic) invest some of their assets in currencies other than the Swiss franc. Exchange-rate fluctuations can therefore have an impact on investment values.

## Liquidity risk

In general, units in CSA Mixta-BVG investment groups can be subscribed and redeemed on a daily basis. In exceptional market situations, the management of CSA can temporarily limit or discontinue the redemption of units. If in a particular investment group the liquid assets for immediate payments are not adequate and if an immediate sale of inherent investments could lead to disproportionately low prices due to a lack of market liquidity, the redemption of units can be postponed for up to three weeks or staggered.

## Tracking risk

The return on a CSA Mixta-BVG investment group can be lower than the return on the underlying benchmark because the investment group is subject to management fees.

## Other risks

The investor may be exposed to other risks associated with the underlying securities in the collective investments. These can relate to counterparty/issuer risk, the use of derivatives, or investments in emerging economies or real estate.

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## Contact us

We will be happy to arrange a personal consultation. Call us at 0844 200 114\*; Mon.–Fri., 08:00–20:00. For more information, visit our website at: [credit-suisse.com/financialplanning](https://credit-suisse.com/financialplanning)

\* Please note that telephone calls to these numbers may be recorded. We assume that by calling us, you accept this business practice.

## CREDIT SUISSE (Switzerland) Ltd.

P.O. Box  
CH-8070 Zurich  
[credit-suisse.com](https://credit-suisse.com)

Investment principal on bonds can be eroded depending on sale price, market price or changes in redemption amounts. Care is required when investing in such instruments. Investments in foreign currencies involve the additional risk that the foreign currency might lose value against the investor's reference currency. Equities are subject to market forces and hence fluctuations in value, which are not entirely predictable. The key risks of real estate investments include limited liquidity in the real estate market, changing mortgage interest rates, subjective valuation of real estate, inherent risks with respect to the construction of buildings and environmental risks (e.g., land contamination).

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