

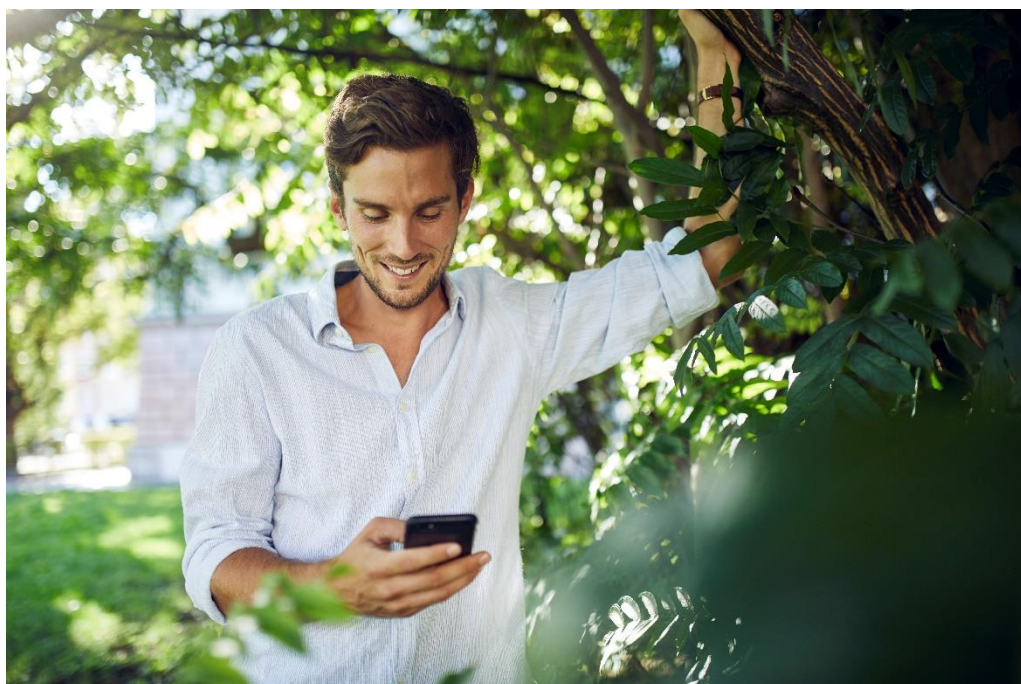
Performance report 2019

Private pension – 3rd pillar

Performance Figures as of December 31, 2019

Actively managed investment groups	Ø equity component	2019 return
CSA Mixta-BVG Basic	0%	1.8%
CSA Mixta-BVG Defensiv	25%	8.3%
CSA Mixta-BVG	35%	10.5%
CSA Mixta-BVG Maxi	45%	12.5%
CSA Mixta-BVG Equity 75 (Equity component exceeded pursuant to BVV2) ¹	75%	19.3%

Indexed investment groups	Ø equity component	2019 return
CSA Mixta-BVG Index 25	25%	9.1%
CSA Mixta-BVG Index 35	35%	11.5%
CSA Mixta-BVG Index 45	45%	13.7%
CSA Mixta-BVG Index 75 (Equity component exceeded pursuant to BVV2) ¹	75%	19.7%



2019 Annual Report - Review

Low interest rates and an easing of the trade war between the US and China led to strong performance on the equity markets.

Early in 2019, the US Federal Reserve (Fed) took the markets by surprise by announcing that it would not raise interest rates again for the foreseeable future. The European Central Bank (ECB) also did an about-face and abandoned moves towards a more restrictive monetary policy. The pivot by the two biggest central banks was greeted with general amazement on the global financial markets, with many left wondering what had happened.

The change of heart by the central banks was prompted by concerns about economic growth, in part as a result of the simmering trade dispute between the US and China. Business investment in particular was faltering. Many investors had become more pessimistic about the outlook for the world economy, which led to sharp falls on stock markets in the fourth quarter of 2018.

¹ 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%.

The Fed shifted to a path of monetary easing at the beginning of 2019, which led central banks worldwide to reassess their policy stance. Since then, the central banks have pumped large volumes of additional liquidity into the financial markets.

The Fed made three interest rate cuts of 0.25% last year, while the ECB restarted its asset purchase program and is buying EUR 20 billion of bonds monthly. The former crisis-hit countries in the euro zone periphery, which can now refinance their borrowing on capital markets at very low yields, are among the main beneficiaries of the ECB's policies. Yields on 10-year Italian government bonds temporarily fell below 1% and Greek sovereign bond yields were lower than their US counterparts at times.

Equity markets received a huge boost from looser monetary policy and hit new all-time highs in a number of countries, including the US and Switzerland. The Swiss Market Index rose by over 30%, while the NASDAQ Composite, which is led by tech giants such as Apple, Microsoft, Google, and Amazon, climbed over 37%.

This bull market was only briefly halted around mid-year, when the trade war between the US and China threatened to escalate and Germany stood on the brink of a recession. But investors' buying enthusiasm quickly recovered as soon as signs emerged that the two sides would strike an initial deal in the trade dispute. In the final analysis, 2019 is likely to be a year that will be fondly remembered by many investors.

Performance in 2019

Given the steadily increasing pressure on the Swiss pension system, the Private pension – 3rd pillar is becoming ever more important as a means to greater financial security in retirement. It is designed to maintain the standard of living in retirement as close to current levels as possible and to close any pension gaps. According to the Credit Suisse report "[Mind the gap: Part time, Time out, Pension Shortfalls](#)", women are less likely to pay into Pillar 3a and therefore often face a bigger pension shortfall during retirement. You can read about the reasons for this and much more in our report.

The Pension account – 3rd pillar: For maximum security

A Pension account – 3rd pillar remains a dependable solution for safety-conscious account holders. In 2019, our account holders benefited from a preferential interest rate² of 0.2%.

Saving with securities – 3rd pillar: Higher returns

Benefiting from the favorable trends on the financial markets, both the actively managed and indexed CSA Mixta BVG investment groups posted excellent performance in 2019. All nine securities solutions enjoyed strong returns in 2019, with six solutions exceeding 10%. Performance in 2019 demonstrated once again that it pays to invest in one of the broadly diversified investment groups. Third pillar security solutions remain a much more effective way of building up retirement savings than with a Pension account – 3rd pillar.

Sustainable pension provision with attractive potential returns

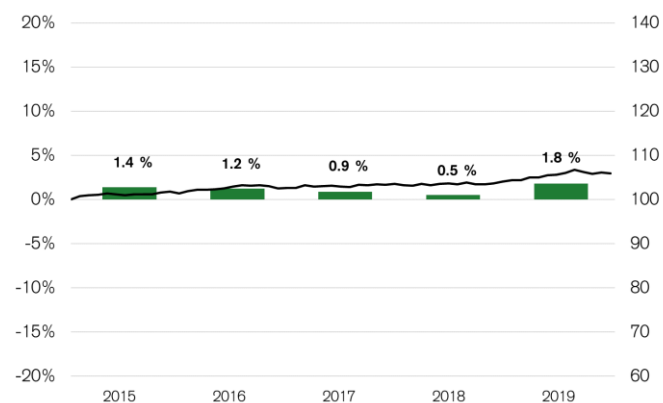
As in the investment world generally, sustainability is gaining increasing importance in pension provision. Our actively managed securities solutions (except for the investment group CSA Mixta-BVG Basic) have had a sustainability focus since October 2019. We apply the ESG criteria widely used in the financial sector to determine the sustainability of an investment. ESG stands for environmental, social, and governance. ESG criteria have been shown to be a key indicator of a company's long-term quality in practice. By choosing the ESG-aligned CSA Mixta-BVG investment groups for your pension provision, you are contributing to the well-being of future generations.

² This is a preferential interest rate compared with the standard savings rates currently available from Credit Suisse (Switzerland) Ltd. The interest rate is variable and not guaranteed. Interest rate for January 1, 2019 to December 31, 2019 = 0.2%.

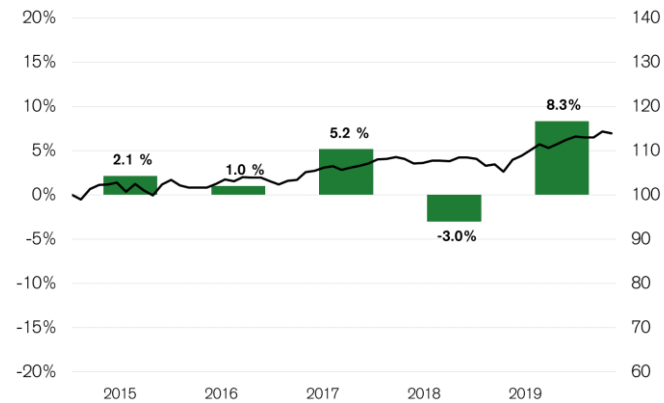
Five-year performance history

Actively managed investment groups³

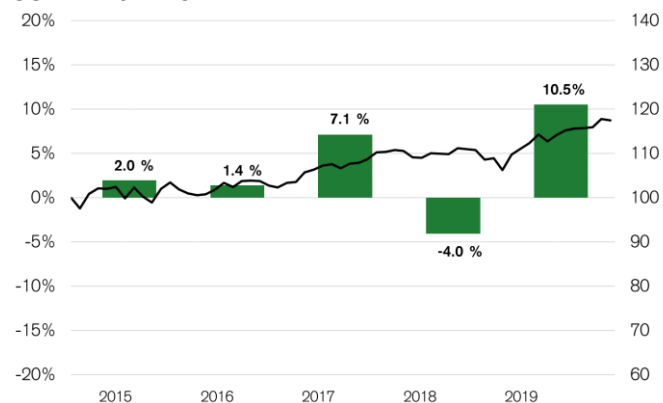
CSA Mixta-BVG Basic



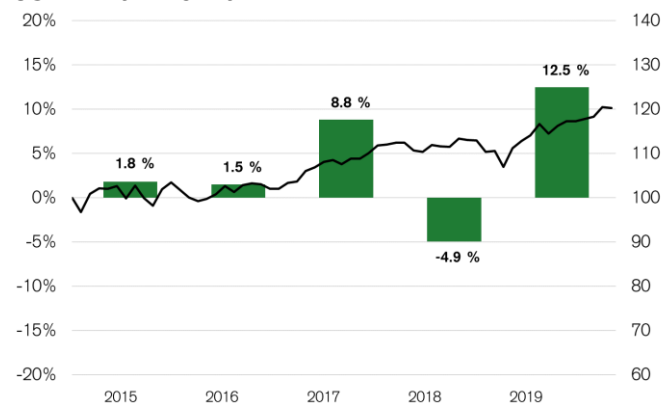
CSA Mixta-BVG Defensiv⁴



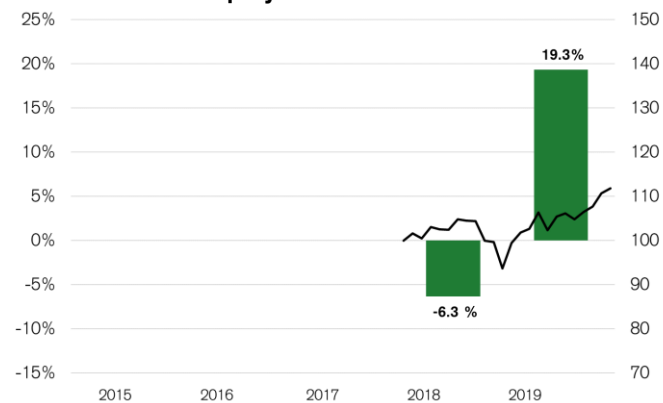
CSA Mixta-BVG⁴



CSA Mixta-BVG Maxi⁴



CSA Mixta-BVG Equity 75^{4, 5}



■ Annual performance in % (left-hand scale)

— Net asset value (indexed)

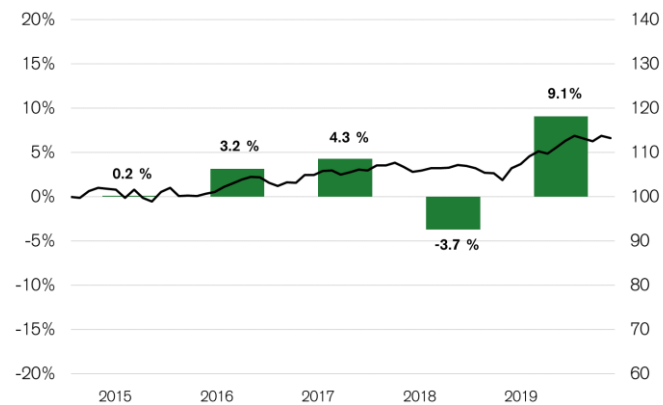
³ Source: Credit Suisse Investment Foundation. Positive performance in the past is no guarantee of positive performance in the future.

⁴ This investment group considers ESG aspects.

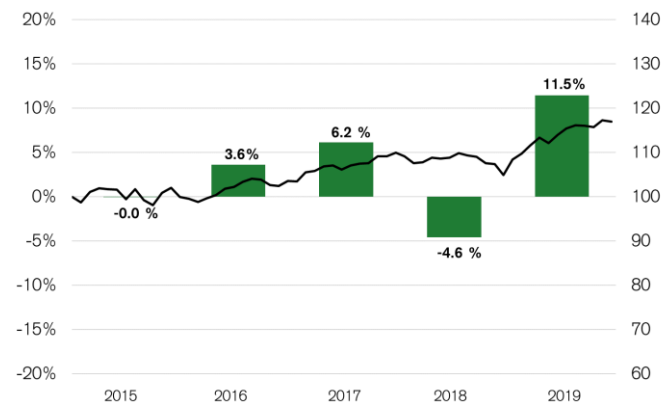
⁵ These products have an average equity component of 75% and thus exceed the prescribed category limit for equities pursuant to Art. 55 BVV 2. Due to the large equity component, these products involve a higher risk than pension solutions with a maximum equity holding of 50%.

Indexed investment groups⁶

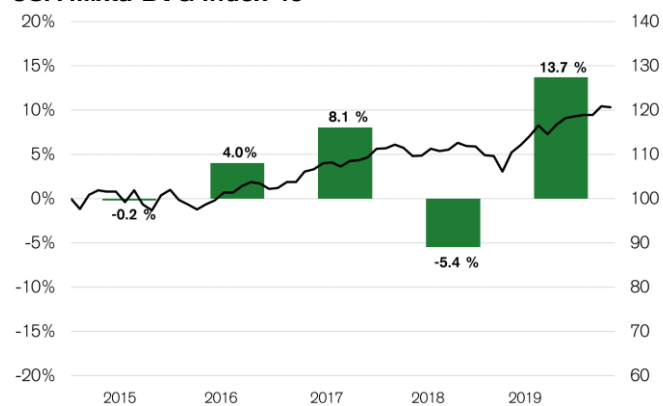
CSA Mixta-BVG Index 25



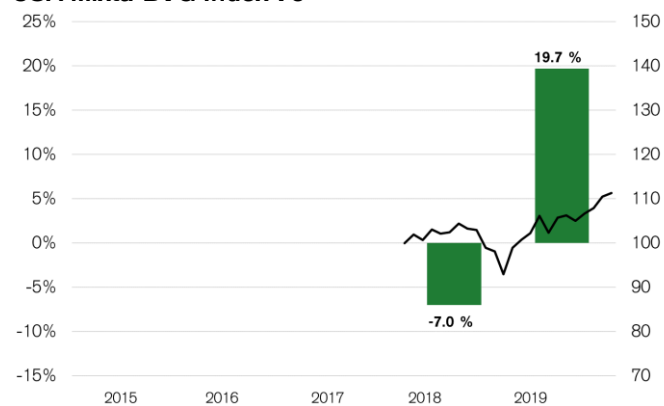
CSA Mixta-BVG Index 35



CSA Mixta-BVG Index 45



CSA Mixta-BVG Index 75⁷



■ Annual performance in % (left-hand scale)
 — Net asset value (indexed)

⁶ Source: Credit Suisse Investment Foundation. Positive performance in the past is no guarantee of positive performance in the future.

⁷ 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%.



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