

Performance report 2021

Private pension – 3rd pillar

Review of 2021

Despite COVID-19, 2021 was an exceptionally good year for the financial markets.

Some sectors experienced a dramatic collapse in sales in 2021. Fortunately, however, there was no repeat of the complete lockdown seen in the previous year, when production had to be partially shut down due to the pandemic. Credit Suisse Research anticipates that global gross domestic product (GDP) for 2021 will be up by 5.7%.

The People's Republic of China has been a major growth driver in recent years, yet this is precisely where a key sector of the economy, the real estate market, came under pressure in 2021. Evergrande, one of China's largest real estate developers, was no longer able to meet its financial commitments in full, with the company facing bankruptcy. This dire situation was likely fueled in part by the intervention of the Chinese government, which wanted to curb the construction boom.

The big issue on the financial markets last year, however, was inflation and its consequences. It became clear exactly how vulnerable global supply chains are, and that production is no longer able to keep pace with the rising demand. Things came to a head at the end of March, when the Suez Canal was blocked for days by the "Ever Given," a container ship owned by Chinese shipping company Evergreen.

The crucial question now is whether the price increases triggered by the supply difficulties will be a temporary feature or a lasting consequence. The central banks, most notably the Bank of England (BoE), are responding. Liquidity packages are being scaled back and interest rate adjustments beckon. Global inflation for last year is set to reach an estimated 3.5%. We expect the inflation situation to be temporary, and to start easing again as early as 2022.



Performance data as of Dec. 31, 2021¹

Actively managed investment groups	Avg. equity component	2021 return
CSA Mixta-BVG Basic	0%	0.19%
CSA Mixta-BVG Defensiv	25%	4.70%
CSA Mixta-BVG	35%	6.61%
CSA Mixta-BVG Maxi	45%	8.78%
CSA Mixta-BVG Equity 75 (equity component pursuant to BVV 2 exceeded) ²	75%	16.18%

Indexed investment groups	Avg. equity component	2021 return
CSA Mixta-BVG Index 25	25%	4.15%
CSA Mixta-BVG Index 35	35%	6.63%
CSA Mixta-BVG Index 45	45%	9.08%
CSA Mixta-BVG Index 75 (equity component pursuant to BVV 2 exceeded) ²	75%	13.34%

¹ Performance figures are shown on a net basis, meaning the all-in fee is already included in the performance. Source: Credit Suisse Investment Foundation. Historical performance indications and financial market scenarios are not reliable indicators of future performance.

² 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 whole economic situation presents a logistical challenge for companies. Demand consistently recovered over the course of 2021. Not only were those companies that were actually in a position to make deliveries able to pass on the higher raw materials prices to customers, but the price adjustment even had a positive effect on margins in many cases. This gave the capital markets cause to be positive about the future, the primary effect of which was to drive up equity prices.

The pandemic is not yet over and will continue to make its presence felt during this new year. Economic stability is once again clearly at the forefront. Inflation is back, and the central banks are doing everything they can to keep it under control. The recent tensions between China, Russia, and the West present an additional risk that we will need to monitor. The green shoots of post-pandemic economic recovery are very fragile.

Performance in 2021

Private pension – 3rd pillar is becoming increasingly important as a means of securing our financial situation in old age. Regularly paying into Pillar 3a from as early a stage as possible is a good way to ensure that the same standard of living into old age can be maintained and that any pension gaps are closed.

The Pillar 3a account – a solid foundation

Safety-conscious Pillar 3a account holders benefited from interest³ and from tax benefits in 2021, thus safeguarding their financial future.

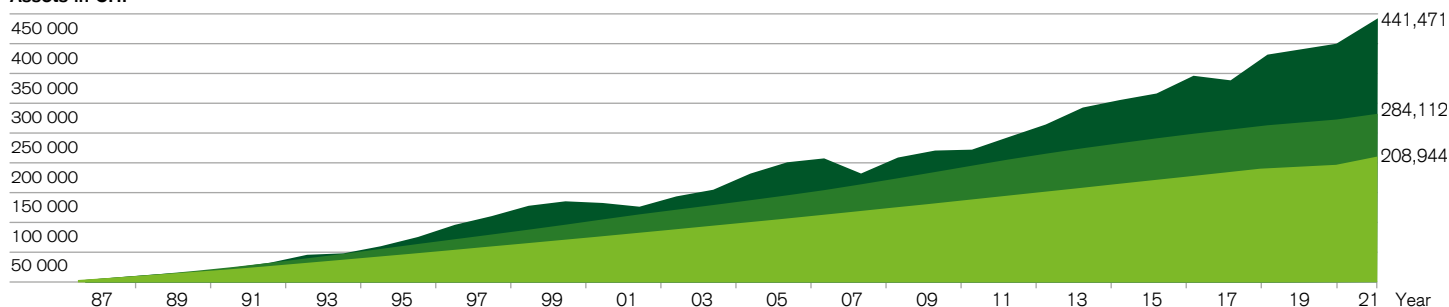
Saving with securities – 3rd pillar: Attractive returns

In recent years account holders have benefited from positive trends on the financial markets with our securities solutions. In 2021, all nine CSA Mixta-BVG investment groups generated pleasing returns. In particular, investment products with a higher share of equities performed strongly. Performance in 2021 thus clearly demonstrated once again that it pays to invest in one of the broadly diversified investment groups. Our securities solutions are also sustainable and meet ESG criteria (with the exception of the CSA Mixta-BVG Basic investment group).

Example based on CSA Mixta-BVG investment group (net performance)

Assumption: Between January 1, 1987, and December 31, 2021, the highest possible amount allowed by law was paid in at the beginning of every year, which comes to a total of CHF 208,944. The additional income from the CSA Mixta-BVG investment group versus the Pension account – 3rd pillar was CHF 157,349.

Assets in CHF



Contributions	Total	CHF	208,944
Pension account – 3rd pillar	Average interest rate 1.58% p.a. Final net worth	CHF	284,112
Saving with securities – 3rd pillar (CSA Mixta-BVG investment group)	Average rate of return 3.86% p.a. Final net worth	CHF	441,471
Additional income from CSA Mixta-BVG compared with Pension account – 3rd pillar		CHF	157,349

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

Easily optimize your Pillar 3a via smartphone – CSX Pension

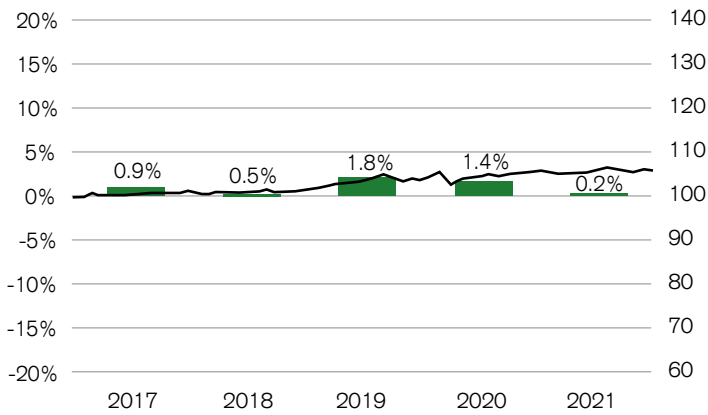
Profit from all that CSX Pension has to offer you. With CSX Pension, your retirement planning can be completely digital and uncomplicated. Invest your pension capital in our investment products directly via your smartphone and take advantage of attractive yield opportunities. With CSX Pension, you can open a Pillar 3a account and set up a securities solution quickly and simply via your smartphone.

³ The interest rate is variable. Interest rate January 1 to June 30, 2021 = 0.1%; July 1 to December 31, 2021 = 0.05%.

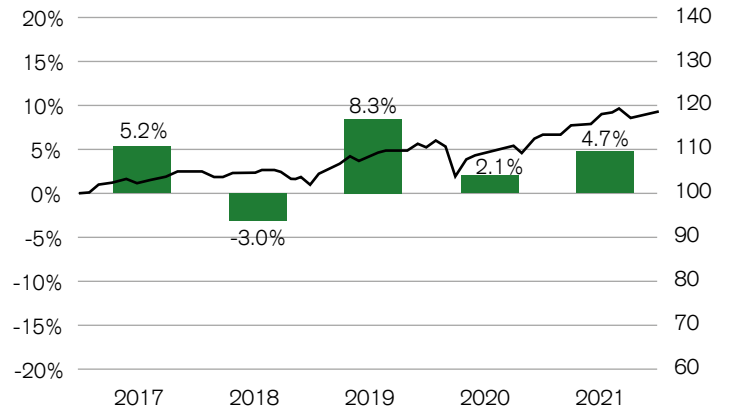
Performance overview for the last five years

Actively managed investment groups

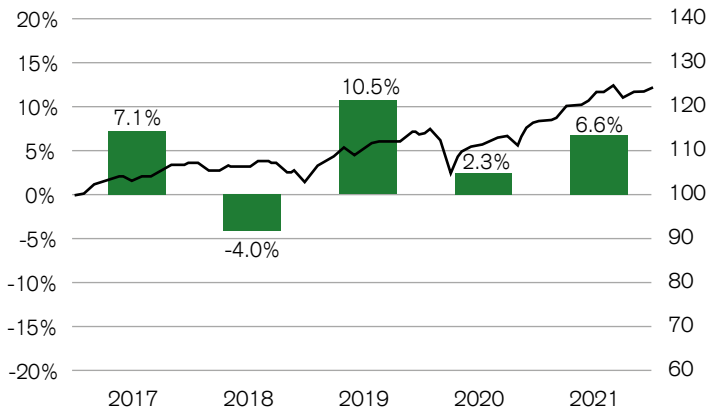
CSA Mixta-BVG Basic



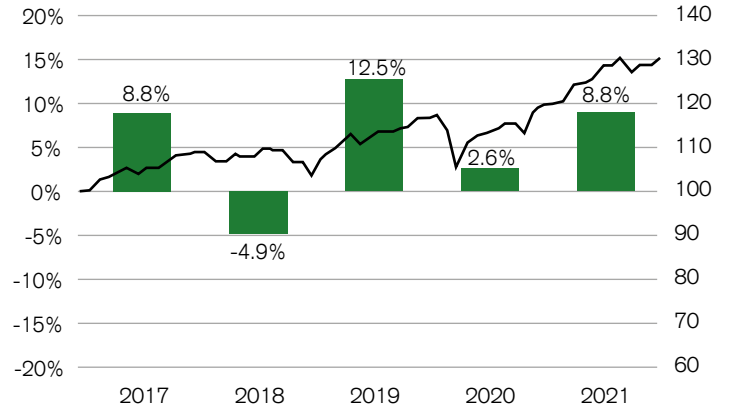
CSA Mixta-BVG Defensiv



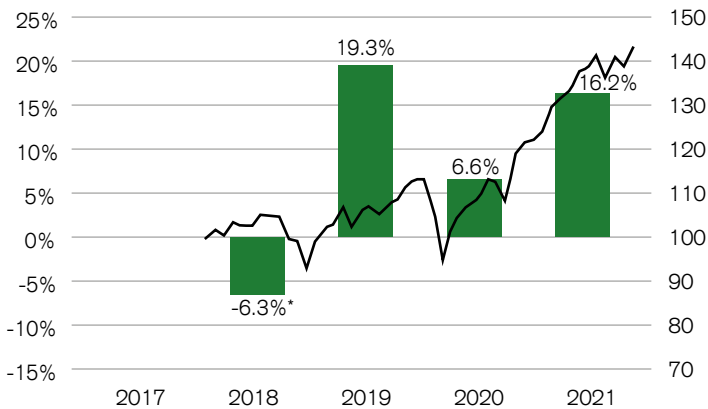
CSA Mixta-BVG



CSA Mixta-BVG Maxi



CSA Mixta-BVG Equity 75⁴



* from February 12, 2018

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

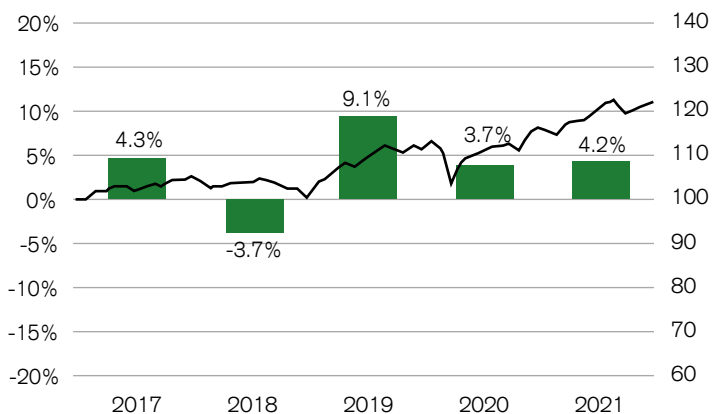
Source: Credit Suisse Investment Foundation.

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

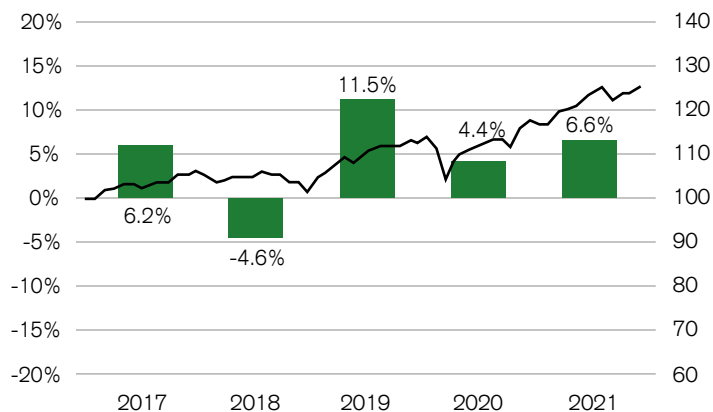
⁴ These products have an average equity component of 75% and thus exceed the prescribed category limit for equities pursuant to Art. 55 BVW 2. Due to the large equity component, these products involve a higher risk than pension solutions with a maximum equity holding of 50%.

Indexed investment groups

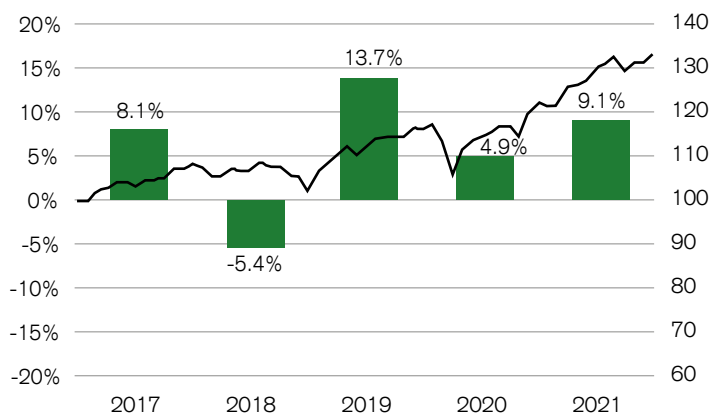
CSA Mixta-BVG Index 25



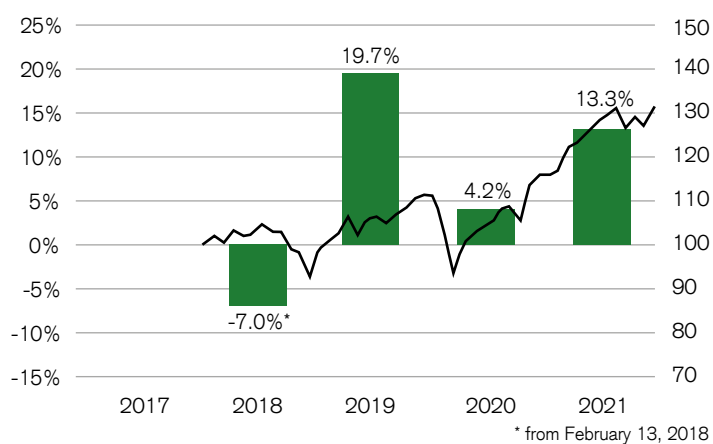
CSA Mixta-BVG Index 35



CSA Mixta-BVG Index 45



CSA Mixta-BVG Index 75⁵



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

Source: Credit Suisse Investment Foundation.

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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%.

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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