



CREDIT SUISSE 

Event Report

CSA Insurance Linked Strategies CSA Insurance Linked Strategies Fixed

Performance and market update post Hurricane Ian

Dear Investor,

We would like to provide you a performance and market update as we are now nine months after Hurricane Ian made landfall in Florida in September 2022. Overall, the investment group has experienced a very positive combined* return of +6.82% (net, CHF, A class) since 30 September 2022 (up to 31 May 2023), resulting in the strongest eight-month period since inception of the investment group. The performance can mainly be attributed to the following factors:

1. Significantly increased yields (i.e., risk premia) in the ILS market after Hurricane Ian
2. Significantly increased short-term interest rates resulting in higher return contribution from collateral
3. Recovery from Hurricane Ian due to lower-than-expected insured losses

Hurricane Ian marked the beginning of a sharp increase in risk premia in the ILS market, with new ILS private transactions and Cat Bond issuances offering significantly higher risk premia/coupons across different perils, not limited to US wind risks. The dislocation resulting from the imbalance of capital supply and demand in the natural catastrophe market causing these significant increases in premium levels have resulted in the highest yields in the ILS market since 2006. Additionally, the increase in short-term interest rates has contributed to a further improvement of the overall return potential of ILS while preserving the low correlation to other asset classes.

The insured losses from Hurricane Ian are currently expected to be closer to USD 50 billion, compared to the estimated insured losses shortly after the event of up to USD 70 billion. Based on the reduced level of expected insured losses, the positions in the latest side pocket have positively contributed to a significant recovery from the negative return immediately following Hurricane Ian in September 2022. Although Hurricane Ian is expected to be the second most costly natural catastrophe in history, the recovery and

For invested clients use only

Only tax-exempt pension funds domiciled in Switzerland are permitted as direct investors in accordance with the Investment Foundation's Articles of Incorporation.



consequently the relatively limited impact on performance is a good indication that we have managed to improve the resilience of the portfolio by reducing the risks (i.e., by increasing the retention levels of our counterparties). Also, we have already been able to substantially reduce the size of the side pocket created on 1 October 2022.

We will keep you updated on any further significant development. In the meantime, please do not hesitate to contact us if you have any questions.

Kind regards,

Credit Suisse Insurance Linked Strategies Ltd

Sources: Credit Suisse, statista.com

For invested clients use only
Only tax-exempt pension funds domiciled in Switzerland are permitted as direct investors in accordance with the Investment Foundation's Articles of Incorporation.



Important Information:

This material has been prepared by CREDIT SUISSE AG and/or its affiliates ("Credit Suisse") with the greatest of care and to the best of its knowledge and belief. It is provided for informational and illustrative purposes only, does not constitute an advertisement, appraisal, investment research, research recommendations, investment recommendations or information recommending or suggesting an investment strategy, and it does not contain financial analysis. Moreover it does not constitute an invitation or an offer to the public or on a private basis to subscribe for or purchase products or services.

Benchmarks, to the extent mentioned, are used solely for purposes of comparison. The information contained in this document has been provided as a general commentary only and does not constitute any form of personal recommendation, investment advice, legal, tax, accounting or other advice or recommendation or any other financial service. It does not take into account the investment objectives, financial situation or needs, or knowledge and experience of any persons. The information provided is not intended to constitute any kind of basis on which to make an investment, divestment or retention decision. Credit Suisse recommends that any person potentially interested in the elements described in this document shall seek to obtain relevant information and advice (including but not limited to risks) prior to taking any investment decision.

The information contained herein was provided as at the date of writing, and may no longer be up to date on the date on which the reader may receive or access the information. It may change at any time without notice and with no obligation to update. To the extent that this material contains statements about future performance, such statements are forward looking and subject to a number of risks and uncertainties. It should be noted that historical returns, past performance and financial market scenarios are no reliable indicator of future performance. Significant losses are always possible.

This material is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of, or is located in, any jurisdiction where such distribution, publication, availability or use would be contrary to applicable law or regulation, or which would subject Credit Suisse to any registration or licensing requirement within such jurisdiction. The recipient is informed that a possible business connection may exist between a legal entity referenced in the present document and an entity part of Credit Suisse and that it may not be excluded that potential conflict of interests may result from such connection.

This document has been prepared from sources Credit Suisse believes to be reliable but does not guarantee its accuracy or completeness. Credit Suisse may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to any company or issuer mentioned.

This document may provide the addresses of, or contain hyperlinks to, websites. Credit Suisse has not reviewed the linked site and takes no responsibility for the content contained therein. Such address or hyperlink (including addresses or hyperlinks to Credit Suisse's own website material) is provided solely for your convenience and information and the content of the linked site does not in any way form part of this document. Accessing such website or following such link through this document or Credit Suisse's website shall be at your own risk. This document is intended only for the person to whom it is issued by Credit Suisse. It may not be reproduced either in whole, or in part, without Credit Suisse's prior written permission.

The information and views expressed herein are those of Credit Suisse at the time of writing and are subject to change at any time without notice. They are derived from sources believed to be reliable. Credit Suisse provides no guarantee with regard to the content and completeness of the information and does not accept any liability for losses that might arise from making use of the information. If nothing is indicated to the contrary, all figures are unaudited. The information provided herein may not be reproduced, neither in part nor in full, without the written permission of Credit Suisse.

Certain information contained in this document constitutes "Forward-Looking Statements" (including observations about markets and industry and regulatory trends as of the original date of this document), which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue" or "believe", or the negatives thereof or other variations thereon or comparable terminology but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections, results or performance and other outcomes described or implied in forward-looking statements will not be achieved. We caution you that a number of important factors also beyond our control could cause results to differ materially from the plans, targets, goals, expectations, estimates and intentions expressed in such forward-looking statements and Credit Suisse has no obligation or intention to update any of the forward-looking statements in this document.

Some of the figures rely on licensed and/or proprietary models, methods, assumptions and predictions which involve the exercise of judgment. They may not be accurate because of uncertainties, imperfections, deterioration over time, or other factors, such as, but not limited to, the quality of the data. Accordingly, actual and/or effective impacts and results may differ from those reflected or contemplated herein. Credit Suisse is under no obligation to update any figures or opinions, or to correct any inaccuracies which may become apparent in this document.

This message may contain confidential, proprietary or legally privileged information and is intended only for the use of the addressee named above. No confidentiality or privilege is waived or lost by any mistransmission. If you are not the intended recipient of this message, you are hereby notified that you must not use, disseminate, copy it in any form or take any action in reliance on it. If you have received this message in error, please delete it and any copies of it and notify the sender immediately.

The information provided herein constitutes marketing material. It is not investment advice or otherwise based on a consideration of the personal circumstances of the addressee nor is it the result of objective or independent research. The information provided herein is not legally binding and it does not constitute an offer or invitation to enter into any type of financial transaction.

For invested clients use only

Only tax-exempt pension funds domiciled in Switzerland are permitted as direct investors in accordance with the Investment Foundation's Articles of Incorporation.

Investment involves risks, namely the risk of fluctuations in value and yield as well as many others, including unforeseeable risks. The risks are described in detail in the prospectus for the investment group.

The information provided herein was produced by Credit Suisse Group AG and/or its affiliates (hereafter "CS") with the greatest of care and to the best of its knowledge and belief. The information and views expressed herein are those of CS at the time of writing and are subject to change at any time without notice. They are derived from sources believed to be reliable.

CS provides no guarantee with regard to the content and completeness of the information and where legally possible does not accept any liability for losses that might arise from making use of the information. If nothing is indicated to the contrary, all figures are unaudited. The information provided herein is for the exclusive use of the recipient. Neither this information nor any copy thereof may be sent, taken into or distributed in the United States or to any U. S. person (within the meaning of Regulation S under the US Securities Act of 1933, as amended). It may not be reproduced, neither in part nor in full, without the written permission of CS.

Credit Suisse Investment Foundation, Zurich, is the issuer and manager of CSA products. Credit Suisse (Switzerland) Ltd., Zurich, is the custodian bank. The articles of incorporation, regulations, and prospectus, as well as the most up-to-date annual report and fact sheets, may be obtained free of charge from the Credit Suisse Investment Foundation. Only pension funds domiciled in Switzerland that are not subject to tax are permitted as direct investors.

The TER KGAST ratio expresses the total of those commissions and costs that are charged on an ongoing basis to the assets of the investment group (operating expenses). It is presented as a percentage of the average net assets of the investment group. TER KGAST is calculated at the end of each financial year for the past twelve months (except for the first financial year, for which a projected TER (ex-ante TER) is quoted at the start).

Copyright © 2023 Credit Suisse. All rights reserved.