

Event Report



CSA Insurance Linked Strategies

CSA Insurance Linked Strategies Fixed

Australia Bushfires – January 2020

The 2019–20 Australian bushfire season is an ongoing event since last June involving numerous bushfires that are currently burning across vast areas across Australia, mostly in the southeastern coastal regions in the states of New South Wales (NSW), Victoria and South Australia. In NSW, the country's most densely populated state, the government has declared a state of emergency last month, as record-high temperatures and strong winds further expanded and intensified the fires.

Australian bushfires are an annual recurring event, which typically peaks during the dry summer months of January and February. As Australia is just entering its warmest period and with containment of the fires partially depending on weather conditions, fire containment is still uncertain. With the scale of the fires stretching fire suppression resources, the government has called up military reserves to support firefighting units in addition to assistance from foreign nations.

The current fire season is considered the worst in decades, with approximately 10.3 million hectares of land to have been burned nationwide in recent weeks. At the time of writing, the nationwide damage from the fires numbers 2'500 structures destroyed with current insurance claims reported totaling A\$ 700m (US\$ 485m).

Given the increase in the severity of the fires in NSW, which has drastically increased the total number of properties damaged over the past week, the portfolio manager has decided to issue this preliminary event report. They now expect that the risk of further property damage increases considering the number of active fire grounds that remain out of control coupled with a worsening in weather conditions in the coming weeks.

In addition to the ongoing character of this event, insurance loss assessment is further complicated at this stage by the large amount and diverse duration of fires. This increases the variety of potential outcomes in insurance losses, in particular with respect to the bespoke aggregate structures of insurance contracts covering these events.

Based on currently available information and estimated insurance loss levels, the portfolio manager does not expect a significant impact on fund performance from this event on a standalone basis. However, as the event is still ongoing, this may likely change over the next weeks. Therefore, we continue to monitor the situation and are in contact with our counterparties and market experts to assess a potential impact on our transactions and will keep you updated on significant developments.

In the meantime, please do not hesitate to contact us if you have any questions.

Contact Credit Suisse Anlagestiftungen
Tel. +41 44 333 48 48
E-Mail csa.info@credit-suisse.com
Internet www.credit-suisse.com/anlagestiftung

8 January 2020

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.

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 makes no representation as to the content or completeness of the information and disclaims, to the extent permitted by law, all liability for any loss arising from the use of the information. Unless otherwise stated, all figures are unaudited. The information in this document 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 investment guidelines, 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 issuer and manager of CSA 2 products is the Credit Suisse Investment Foundation, Pillar 2, Zurich. The custodian bank is Credit Suisse (Switzerland) Ltd., Zurich. The articles of incorporation, the regulations and the investment guidelines as well as the latest annual reports and fact sheets can be obtained free of charge from the Credit Suisse Investment Foundation, Pillar 2. This foundation is open only to a restricted group of tax-exempt pension funds domiciled in Switzerland (article 3 of the articles of incorporation).

Copyright © 2020 Credit Suisse Group AG and/or its affiliates. All rights reserved.