

Credit Suisse Swiss Pension Fund Index Q3 2021



Credit Suisse Swiss Pension Fund Index

Comparison of Swiss pension funds

Q3 2021: -0.16%

YTD 2021: 6.02%

- Increased volatility
- Yield curves rising slightly
- USD strongest leading currency

Market review

While service sector activity returned to normal during the third quarter, the goods sector was hit by supply-chain issues. Global equity markets were unchanged, although volatility increased toward the end of the three-month period. Major government bond yields remained low. The US dollar strengthened against the other leading currencies in the third quarter of 2021.

- Rising vaccination rates led to a further normalization of service sector activity in the key industrialized countries in the July to September period. Supply-chain issues – especially in Asia – nevertheless tempered the growth in manufacturing. Inflation remained at a high level in the major economies on account of upward pressure on prices due to global supply bottlenecks, higher shipping costs, and the rapid reopening of businesses in the service sector. Consumer spending remained strong in the US, although it lost a little momentum as fiscal incentives faded and the rise in COVID-19 infections in states with low vaccination rates dampened the recovery in the service sector. In Europe, mobility picked up as COVID-19 cases were contained. China's economic growth slowed as retail sales, car sales, infrastructure, and residential construction investment tapered off and the real-estate sector dominated the headlines. Economic activity fell in some Asian emerging markets as restrictions were placed on mobility following outbreaks of the pandemic and businesses were shut down.
- The US Federal Reserve (Fed) kept rates close to zero and continued large-scale asset purchases, but signaled that a reduction in purchases could be announced in the fourth quarter. The European Central Bank (ECB) and the Bank of Japan (BoJ) likewise continued their asset purchases and kept rates unchanged. The Bank of England (BoE) left interest rates unchanged and continued its asset purchase program, although it held out the prospect of a rate hike. The Swiss National Bank (SNB) left its key interest rates unchanged.
- Growing concerns about supply-chain disruption and its negative implications for economic growth, ongoing inflationary pressures, as well as negative headlines on the Chinese market, had a negative effect on global equity market prices in the third quarter of 2021. The US equity market advanced by more than 0.4% from its Q2 level, while equity markets in Europe outperformed their US counterpart to end the quarter with gains of 0.6%. The Swiss equity market was one of the poorer performers, shedding 2.4%. As for the emerging markets, Asia retreated by 8.7% – with Chinese stocks the key factor here. The Latin America region lost 7.3%, while emerging markets in Europe, the Middle East, and Africa ended the quarter on a positive note with a gain of 8.2%. Financials, energy, and IT stocks outperformed equities from the materials, industrials, and consumer staples sectors, which delivered the poorest performance. The Chicago Board Options Exchange Market Volatility Index (VIX) made gains during the third quarter.
- Global bank stocks outperformed global equity markets, with European bank stocks outperforming their global peers. At the end of the quarter, global bank stocks were trading 4.1% higher than their Q2 2021 level.
- In fixed income, yield curves showed a slight rise overall. Credit spreads remained at a tight level. Investment-grade bonds delivered a slightly positive return in the reporting quarter, while emerging-market government bonds performed negatively. Shorter-duration segments such as high-yield continued to be resilient. Corporate default rates remained low in the US and Europe, but came under pressure in the emerging economies – particularly in China.
- The US dollar was the strongest leading currency in the third quarter of 2021, with the Japanese yen and Swiss franc losing a little ground against the greenback (0.3% and 0.9%, respectively). The euro and the British pound, on the other hand, lost more than 2% against the US currency. The Australian dollar suffered a loss of 3.8% in the third quarter of 2021. Falling iron ore prices, weaker demand from China, and strict lockdowns following the outbreak of the Delta variant in July contributed to this development. Emerging-market currencies likewise weakened against the US dollar, with the Brazilian real showing the most pronounced fall at 8.7%.

The Credit Suisse Swiss Pension Fund Index is calculated on the basis of the equally weighted gross returns (prior to deducting management costs) realized by Swiss pension funds whose assets are held at Credit Suisse under a global custody arrangement. Asset management and advisory tasks, however, are performed by the pension funds themselves or by third parties. In its role as global custodian, Credit Suisse has no influence on the performance of individual pension funds.

- Commodity markets were relatively stable at the beginning of the quarter, although volatility in the energy markets increased in late August and throughout September. The CS Commodity Benchmark ended the third quarter of 2021 with a gain of 5.5%, although the various sectors showed a sharp divergence. The energy sector, for example, performed significantly better due to tight natural gas markets around the world. Precious

metals declined, on the other hand; one exception was gold, the price of which remained stable. The downturn in Chinese industrial activity curbed the rise in prices for industrial metals. Agricultural prices showed a mixed performance, but rose overall during the period under review as weather concerns helped drive an increase in some agricultural commodities.

Credit Suisse Swiss Pension Fund Index: Modest losses

- The Pension Fund Index fell by –0.32 points, or –0.16%, in the quarter under review; this gives a change of 6.02% since the start of the year. The index stood at 205.45 points as of September 30, 2021, having risen from a baseline of 100 at the beginning of 2000. The momentum seen in the second quarter continued into August. July (+0.43%) was surpassed by a strong August (+1.03%), while September saw significant losses (–1.60%).

- The lion's share of the slightly negative overall performance in the third quarter was attributable to equities (–0.35%). Swiss equities made a return contribution of –0.24%, while foreign equities contributed –0.11%. Bonds (including convertible bonds) reduced the return further with a contribution of –0.09%, with liquidity likewise slightly negative (–0.02%). By contrast, the real estate (+0.21%) and alternative investments (+0.10%) asset classes generated a positive contribution to performance. The other asset categories were fairly unremarkable, but nonetheless ended in slightly positive territory.

Table 1: Performance contribution (quarterly)

Credit Suisse Swiss Pension Fund Index (1.1.2021–31.12.2021)

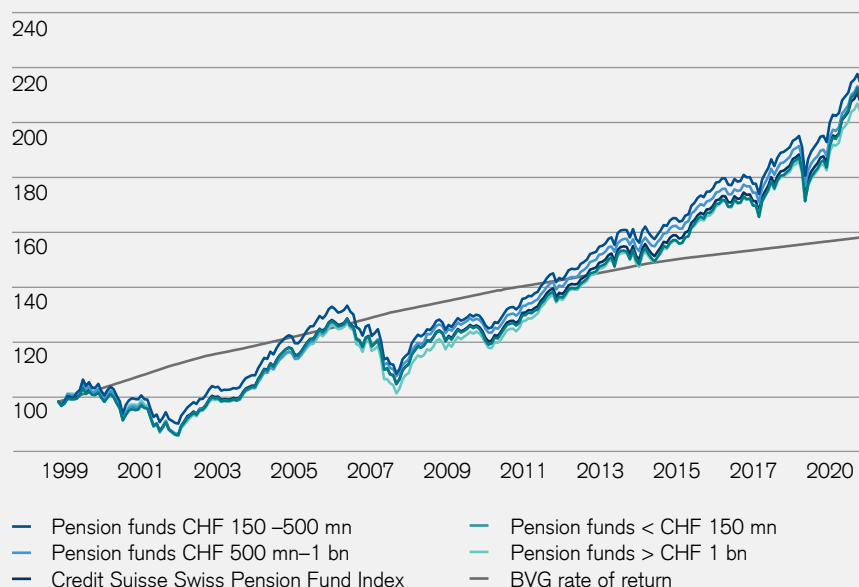
	Q1 21	Q2 21	Q3 21	Q4 21	YTD
Liquidity	–0.30%	0.07%	–0.02%		–0.26%
CHF bonds	–0.39%	0.09%	–0.08%		–0.39%
Foreign currency bonds	0.10%	0.01%	–0.01%		0.11%
Convertible bonds	0.01%	0.00%	0.00%		0.01%
Swiss equities	0.79%	1.24%	–0.24%		1.81%
Foreign equities	2.04%	1.02%	–0.11%		2.99%
Alternative investments	0.21%	0.16%	0.10%		0.48%
Real estate	0.31%	0.68%	0.21%		1.22%
Mortgages	0.00%	0.00%	0.00%		0.01%
Other	0.02%	0.01%	0.00%		0.03%
Total	2.79%	3.30%	–0.16%		6.02%

Credit Suisse Swiss Pension Fund Index above BVG mandatory minimum rate of return over long term

■ The index of the BVG mandatory minimum rate of return (1% p.a. since January 1, 2017) rose by 0.39 points (0.25%) to 157.88 points in the reporting quarter from a baseline of 100 in January 2000. The return of the Credit Suisse Swiss Pension Fund Index was therefore -0.41% below the BVG requirement in the third quarter of 2021.

■ The annualized return on the Credit Suisse Swiss Pension Fund Index (since January 1, 2000) amounted to 3.36% as of September 30, 2021. This contrasts with an annualized BVG mandatory minimum rate of return of 2.12%.

Chart 1:
Performance by pension fund segment size



Scale: Index level

BVG rate of return

until 31.12.2002	4.00%
from 1.1.2003	3.25%
from 1.1.2004	2.25%
from 1.1.2005	2.50%
from 1.1.2008	2.75%
from 1.1.2009	2.00%
from 1.1.2012	1.50%
from 1.1.2014	1.75%
from 1.1.2016	1.25%
since 1.1.2017	1.00%

Table 2: Index level 2015–2021

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
2015	149.45	153.54	154.53	154.71	154.51	151.98	154.82	151.40	149.99	154.04	155.54	153.67
2016	152.24	151.26	152.92	154.35	156.35	155.97	157.73	158.65	158.62	157.48	157.73	159.63
2017	160.03	162.97	164.03	165.65	166.57	165.92	167.78	167.87	168.95	170.97	171.22	172.48
2018	172.42	170.25	170.20	172.40	171.44	171.65	173.73	172.82	173.03	170.69	170.63	166.96
2019	172.06	174.21	176.13	179.15	176.66	179.49	181.14	181.37	182.27	183.16	185.49	186.14
2020	187.09	182.86	172.81	178.56	181.12	182.65	184.03	185.99	186.43	184.18	191.06	193.79
2021	193.32	194.54	199.21	200.58	202.01	205.78	206.66	208.79	205.45			

Table 3: Monthly returns 2015–2021

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
2015	–1.83%	2.74%	0.64%	0.12%	–0.13%	–1.64%	1.87%	–2.21%	–0.93%	2.70%	0.97%	–1.20%	0.95%
2016	–0.94%	–0.64%	1.10%	0.94%	1.29%	–0.24%	1.13%	0.58%	–0.01%	–0.72%	0.16%	1.20%	3.87%
2017	0.26%	1.83%	0.65%	0.99%	0.55%	–0.39%	1.12%	0.06%	0.64%	1.20%	0.14%	0.74%	8.05%
2018	–0.04%	–1.26%	–0.03%	1.29%	–0.55%	0.12%	1.21%	–0.52%	0.12%	–1.35%	–0.04%	–2.15%	–3.20%
2019	3.05%	1.25%	1.10%	1.71%	–1.39%	1.60%	0.92%	0.13%	0.49%	0.49%	1.27%	0.35%	11.48%
2020	0.51%	–2.26%	–5.49%	3.33%	1.43%	0.84%	0.76%	1.07%	0.23%	–1.21%	3.73%	1.43%	4.11%
2021	–0.24%	0.63%	2.40%	0.69%	0.72%	1.86%	0.43%	1.03%	–1.60%				6.02%

Table 4: Monthly returns 2021 by pension fund segment size

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
Credit Suisse Swiss Pension Fund Index	–0.24%	0.63%	2.40%	0.69%	0.72%	1.86%	0.43%	1.03%	–1.60%				6.02%
Pension funds > CHF 1 bn	–0.20%	0.55%	2.39%	0.67%	0.70%	1.79%	0.40%	1.05%	–1.51%				5.94%
Pension funds CHF 500 mn–1 bn	–0.23%	0.65%	2.48%	0.65%	0.78%	1.81%	0.43%	1.02%	–1.51%				6.19%
Pension funds CHF 150–500 mn	–0.24%	0.53%	2.21%	0.68%	0.65%	1.73%	0.45%	0.95%	–1.57%				5.45%
Pension funds < CHF 150 mn	–0.29%	0.92%	2.69%	0.75%	0.81%	2.22%	0.42%	1.15%	–1.79%				7.03%

Table 5: Annualized returns

1.1.2000–30.09.2021

	Annualized performance since January 1, 2000
Credit Suisse Swiss Pension Fund Index	3.36%
BVG rate of return	2.12%
Pension funds > CHF 1 bn	3.28%
Pension funds CHF 500 mn–1 bn	3.42%
Pension funds CHF 150–500 mn	3.51%
Pension funds < CHF 150 mn	3.39%

Performance by asset class

Monthly returns

Table 6: Credit Suisse Swiss Pension Fund Index in 2021

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
Liquidity	−0.66%	−2.56%	−4.42%	3.30%	1.07%	−2.57%	2.39%	−1.25%	−1.68%				−6.43%
CHF bonds	−0.38%	−1.32%	0.13%	0.03%	−0.05%	0.39%	1.01%	−0.19%	−1.13%				−1.51%
Foreign currency bonds	−0.18%	0.22%	2.05%	−1.55%	−0.19%	2.05%	−1.08%	0.95%	−0.01%				2.21%
Convertible bonds	0.86%	2.29%	−0.60%	0.74%	−0.91%	1.56%	−1.04%	0.95%	−1.18%				2.63%
Swiss equities	−0.84%	0.12%	6.62%	1.07%	3.51%	4.17%	1.72%	2.31%	−5.62%				13.32%
Foreign equities	0.52%	3.83%	5.97%	1.44%	0.36%	3.36%	−1.22%	3.28%	−2.55%				15.71%
Alternative investments	0.50%	0.97%	1.67%	0.61%	0.85%	0.93%	−0.15%	0.87%	0.88%				7.34%
Real estate	−0.59%	0.86%	1.01%	0.61%	0.32%	1.83%	0.61%	0.18%	0.08%				5.00%
Mortgages	0.06%	0.07%	0.11%	0.10%	0.06%	0.05%	0.07%	0.05%	−0.01%				0.56%
Other	−0.21%	0.91%	3.29%	0.46%	1.15%	1.05%	−0.08%	1.30%	−1.39%				6.62%
Total	−0.24%	0.63%	2.40%	0.69%	0.72%	1.86%	0.43%	1.03%	−1.60%				6.02%

Note: In addition to cash, the liquidity asset class includes money market investments and FX forwards for currency hedging purposes.

Table 7: Benchmark indices in 2021

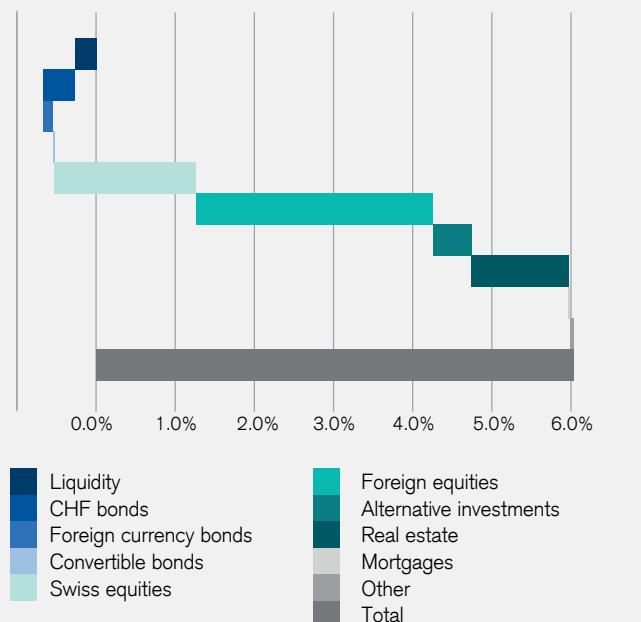
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
CHF bonds SBI AAA-BBB 1-15Y (TR)	−0.07%	−0.86%	0.39%	−0.11%	−0.10%	0.20%	0.70%	−0.15%	−0.97%				−0.97%
Foreign currency bonds Bloomberg Barclays Global Aggr. (TR)	−0.25%	0.01%	1.96%	−1.87%	−0.47%	1.87%	−0.65%	0.66%	0.02%				1.25%
Swiss equities SPI (TR)	−1.01%	−0.44%	6.70%	1.17%	3.45%	4.62%	1.51%	2.37%	−5.66%				12.88%
Foreign equities MSCI AC World ex Switzerland (NR)	0.22%	4.25%	6.74%	1.15%	0.06%	4.12%	−1.34%	3.64%	−2.28%				17.42%
Real estate direct/ investment foundations KGAST Immo-Index (Switzerland) (TR)	0.39%	0.28%	0.46%	0.29%	0.42%	0.44%	0.45%	0.42%	0.60%				3.82%
Real estate funds SXI Real Estate Funds Broad (TR)	−3.45%	1.56%	2.43%	0.96%	−0.43%	5.73%	0.94%	−0.92%	−0.28%				6.44%

Negative third-quarter return heavily affected by Swiss equities

- Swiss equities were negative in the quarter under review (–1.78%), but outperformed the SPI (TR) (–1.97%).
- Foreign equities were slightly negative (–0.58%) and lagged behind the benchmark MSCI AC World ex Switzerland (NR) (–0.08%).
- Foreign currency bonds were slightly negative (–0.15%) and underperformed the Bloomberg Barclays Global Aggr. (TR) (0.03%).
- CHF bonds were negative (–0.33%), but ahead of the SBI AAA-BBB 1–15Y (TR) (–0.43%).
- Real estate was positive (0.87%) and ahead of the benchmark (50% KGAST and 50% SXI Real Estate Funds Broad [TR]) (0.60%).
- Liquidity (cash, FX forwards for currency hedging) posted a negative return (–0.58%).

Chart 2:

Contribution waterfall YTD 2021



Scale: Return in percent (%)

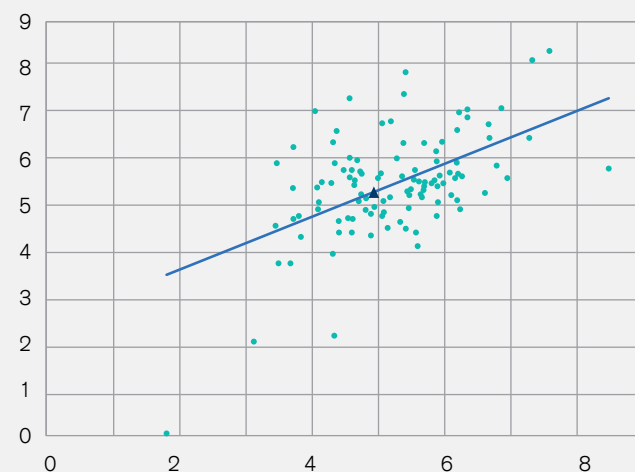
Risk/return positions

Five-year review: Falling annualized return in the reporting quarter, as annualized risk increases slightly

- The unweighted average annualized return in Q3 2021 fell by –0.39 percentage points compared with the second quarter of 2021 to 5.31% amid slightly rising risk (+0.08% to 4.92%).
- The Sharpe ratio therefore deteriorated from 1.30 to 1.20.
- Pensions funds from the size segments with an investment volume of CHF 150 to CHF 500 million and CHF 500 million–CHF 1 billion both exhibited the best risk/return ratio (Sharpe ratio of 1.22).
- Pension funds with an investment volume of between CHF 500 million and CHF 1 billion showed the highest median return (5.57%).
- Pension funds with an investment volume of above CHF 1 billion showed the lowest median return (5.34%).
- Pension funds with an investment volume of less than CHF 150 million showed the lowest Sharpe ratio (1.17).

Chart 3:

Annualized risk/return comparison; five-year view, monthly values from October 2016 to September 2021



X-axis: annualized risk in percent (%)

Y-axis: annualized return in percent (%)

▲ : Credit Suisse Swiss Pension Fund Index

Table 8: Risk/return ratios

01.10.2016–30.09.2021

	Risk	Return	Sharpe ratio
Credit Suisse Swiss Pension Fund Index	4.92%	5.31%	1.20%
Pension funds > CHF 1 bn	4.80%	5.21%	1.21%
Pension funds CHF 500 mn–1 bn	4.69%	5.12%	1.22%
Pension funds CHF 150–500 mn	4.76%	5.19%	1.22%
Pension funds < CHF 150 mn	5.35%	5.66%	1.17%

Table 9: Return bandwidths

01.10.2016–30.09.2021

	Minimum	1st quartile	Median	3rd quartile	Maximum
Credit Suisse Swiss Pension Fund Index	0.03%	4.94%	5.47%	5.94%	8.37%
Pension funds > CHF 1 bn	4.16%	4.85%	5.34%	5.97%	6.91%
Pension funds CHF 500 mn–1 bn	3.77%	4.95%	5.57%	5.79%	7.10%
Pension funds CHF 150–500 mn	0.03%	4.95%	5.53%	5.73%	7.43%
Pension funds < CHF 150 mn	3.97%	5.18%	5.49%	6.65%	8.37%

Note: The Sharpe ratio shows the return in excess of the risk-free interest rate divided by the volatility, which is a measure of its risk.

The risk/return figures in Table 8 are annualized values for the past five years. A portfolio only contributes to the return and risk of the index during the periods in which this portfolio is included in the index. The data points in Chart 3, by contrast, show the figures for the portfolios that were part of the index at the end of the reference quarter, regardless of the date they joined the index, as well as the figures for the index itself. The data points of recently added portfolios may have been removed if the annualization led to meaningless outliers.

Asset allocation

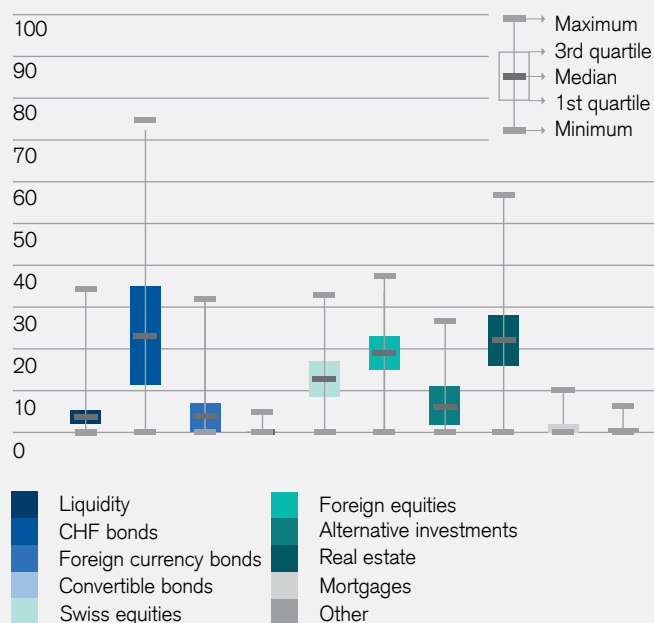
Rise in CHF bonds and liquidity, declines in real estate and equities

■ A marked increase in CHF bonds and liquidity was offset by a decline in equities and real estate. In addition, a modest increase in mortgages, convertible bonds, and alternative investments contrasted with a reduction in foreign currency bonds.

- CHF bonds +0.81% to 24.84%
- Liquidity +0.52% to 4.12%
- Mortgages +0.08% to 1.50%
- Convertible bonds +0.04% to 0.36%
- Alternative investments +0.03% to 6.74%
- Foreign currency bonds –0.11% to 4.60%
- Foreign equities –0.29% to 19.59%
- Swiss equities –0.44% to 13.76%
- Real estate –0.52% to 24.15%

Chart 4:

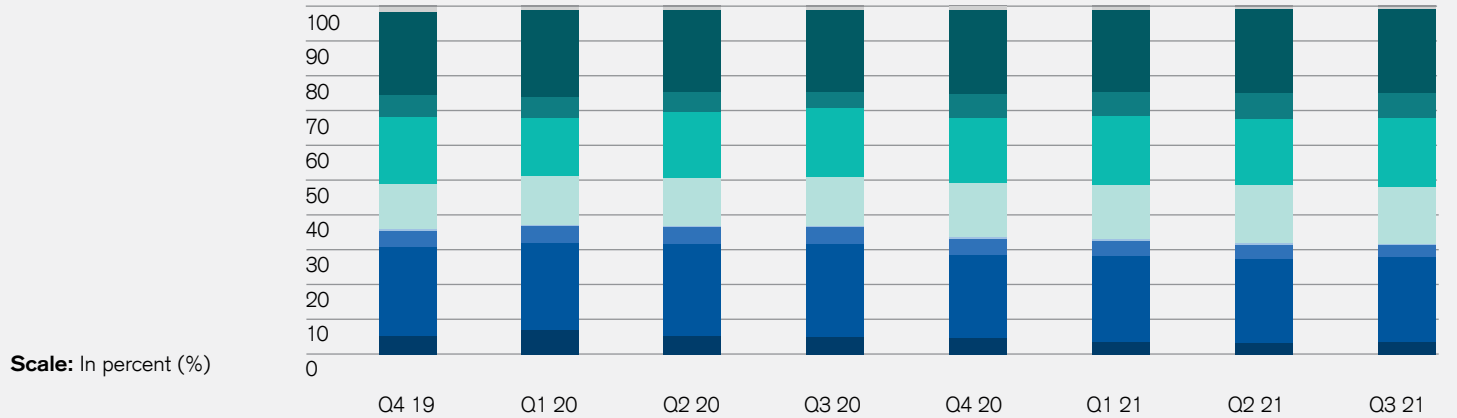
Asset allocation



Scale: In percent (%)

Chart 5:

Asset allocation at the end of the quarter for the last eight quarters (start of new analysis method at the end of Q4 2019)



■ Liquidity	5.55%	6.00%	5.21%	4.86%	4.71%	3.84%	3.59%	4.12%
■ CHF bonds	25.60%	26.40%	26.14%	26.03%	24.73%	24.44%	24.03%	24.84%
■ Foreign currency bonds	5.23%	5.15%	5.25%	5.22%	5.10%	4.98%	4.71%	4.60%
■ Convertible bonds	0.37%	0.34%	0.37%	0.37%	0.38%	0.33%	0.32%	0.36%
■ Swiss equities	13.28%	12.55%	12.89%	12.97%	13.26%	13.83%	14.21%	13.76%
■ Foreign equities	18.53%	16.23%	17.56%	18.13%	19.03%	20.10%	19.88%	19.59%
■ Alternative investments	6.20%	6.69%	6.52%	6.46%	6.60%	6.69%	6.71%	6.74%
■ Real estate	23.46%	24.74%	24.15%	24.08%	24.16%	23.87%	24.66%	24.15%
■ Mortgages	1.36%	1.44%	1.35%	1.35%	1.33%	1.46%	1.42%	1.50%
■ Other	0.43%	0.46%	0.58%	0.53%	0.69%	0.45%	0.46%	0.36%

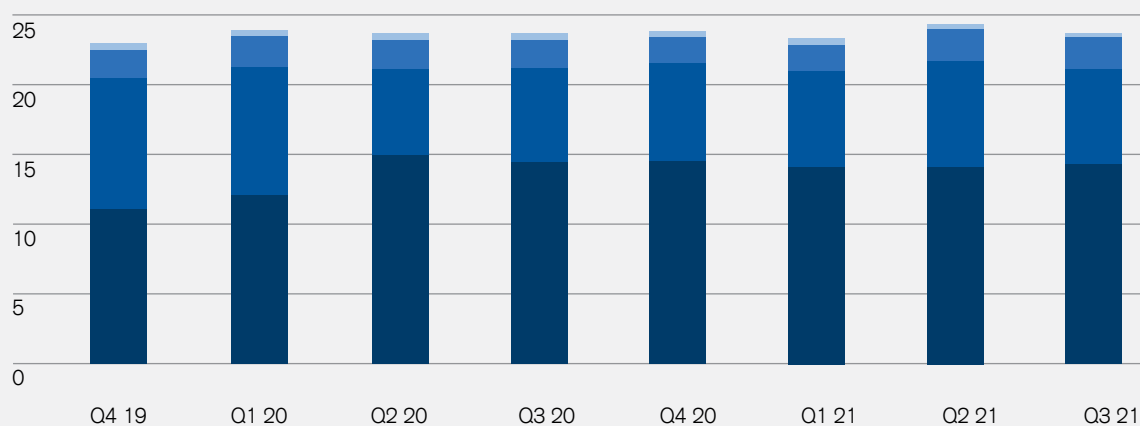
Decline in real estate

- The overall share of real estate fell at the end of the third quarter of 2021 (−0.52% to 24.15%).

- Swiss real estate decreased overall (−0.47% to 21.20%), (direct +0.08% to 14.42%; indirect −0.54% to 6.78%).
- Foreign real estate decreased slightly (−0.05% to 2.95%).

Chart 6:

Real estate allocation at the end of the quarter for the last eight quarters (start of new analysis method at the end of Q4 2019)



Swiss direct investments / investment foundations	11.20%	12.07%	14.97%	14.78%	14.77%	14.46%	14.35%	14.42%
Swiss investment funds	9.26%	9.62%	6.14%	6.30%	6.53%	6.44%	7.32%	6.78%
Foreign hedged	2.03%	2.13%	2.12%	2.07%	1.98%	1.99%	2.04%	1.97%
Foreign unhedged	0.97%	0.92%	0.92%	0.93%	0.89%	0.98%	0.96%	0.98%
Total	23.46%	24.74%	24.15%	24.08%	24.16%	23.87%	24.66%	24.15%

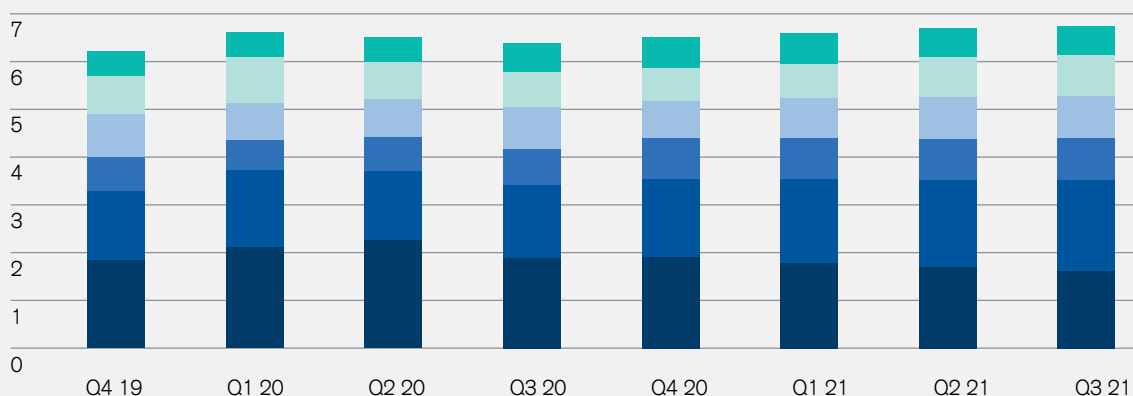
Increase in private equity component

- The alternative investments component increased slightly compared with the previous quarter (+0.03% to 6.74%).
- Private equity showed the biggest increase (+0.10% to 1.84%).

- The infrastructure component increased very slightly (+0.01% to 0.97%).
- The insurance-linked (+0.01% to 0.75%) and commodities (+0.04% to 0.79%) components likewise increased slightly.
- Hedge funds (−0.14% to 1.76%) decreased, while senior loans (+0.00% to 0.64%) were unchanged.

Chart 7:

Allocation of alternative investments at the end of the quarter for the last eight quarters (start of new analysis method at the end of Q4 2019)



Scale: In percent (%)

Hedge funds	1.87%	2.01%	2.02%	1.96%	1.96%	1.91%	1.89%	1.76%
Private equity	1.38%	1.54%	1.45%	1.49%	1.51%	1.63%	1.74%	1.84%
Commodities	0.60%	0.66%	0.66%	0.68%	0.76%	0.77%	0.75%	0.79%
Insurance-linked	0.92%	0.98%	0.89%	0.83%	0.82%	0.79%	0.73%	0.75%
Infrastructure	0.86%	0.92%	0.92%	0.89%	0.87%	0.90%	0.96%	0.97%
Senior loans	0.58%	0.58%	0.58%	0.60%	0.69%	0.69%	0.64%	0.64%
Total	6.20%	6.69%	6.52%	6.46%	6.60%	6.69%	6.71%	6.74%

Modified duration

- The modified duration for the overall index increased slightly to 5.28 as of September 30, 2021.
- Pension funds with assets between CHF 500 million and CHF 1 billion exhibited the highest modified duration (6.80) as of the end of September 2021.
- The lowest modified duration as of the end of September 2021 (4.14) was observed in pension funds with investment assets of below CHF 150 million.

Table 10: Modified duration in 2021 (at month-end)

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Credit Suisse Swiss Pension Fund Index	5.25	5.27	5.30	5.25	5.22	5.19	5.29	5.27	5.28			
Pension funds > CHF 1 bn	5.91	5.91	5.77	5.51	5.37	5.35	5.54	5.48	5.45			
Pension funds CHF 500 mn–1 bn	6.07	5.96	6.18	6.01	6.29	6.04	6.58	6.62	6.80			
Pension funds CHF 150–500 mn	4.97	5.10	5.23	5.35	5.26	5.31	5.03	5.02	4.95			
Pension funds < CHF 150 mn	4.09	4.01	4.00	4.00	4.10	4.03	4.12	4.12	4.14			

Note: The modified duration indicates the direct sensitivity of the bond price (in percentage terms) to a 1% change in the market interest rate. Only direct bond investments are used in calculating the modified duration; collective investments are excluded.

Currency allocation

Increase in Swiss franc component in third quarter of 2021

- The current reporting quarter saw a shift from the USD component to the CHF component, the share of which rose to 81.30% (+0.80%).

- The USD component decreased (−0.31% to 8.05%). The JPY component (−0.04% to 0.81%), GBP component (−0.01% to 0.72%), and the other currencies (−0.43% to 6.60%) also showed a decrease.

- The EUR component (+0.00% to 2.53%) was unchanged.

Chart 8:
Currency allocation for the last eight quarters

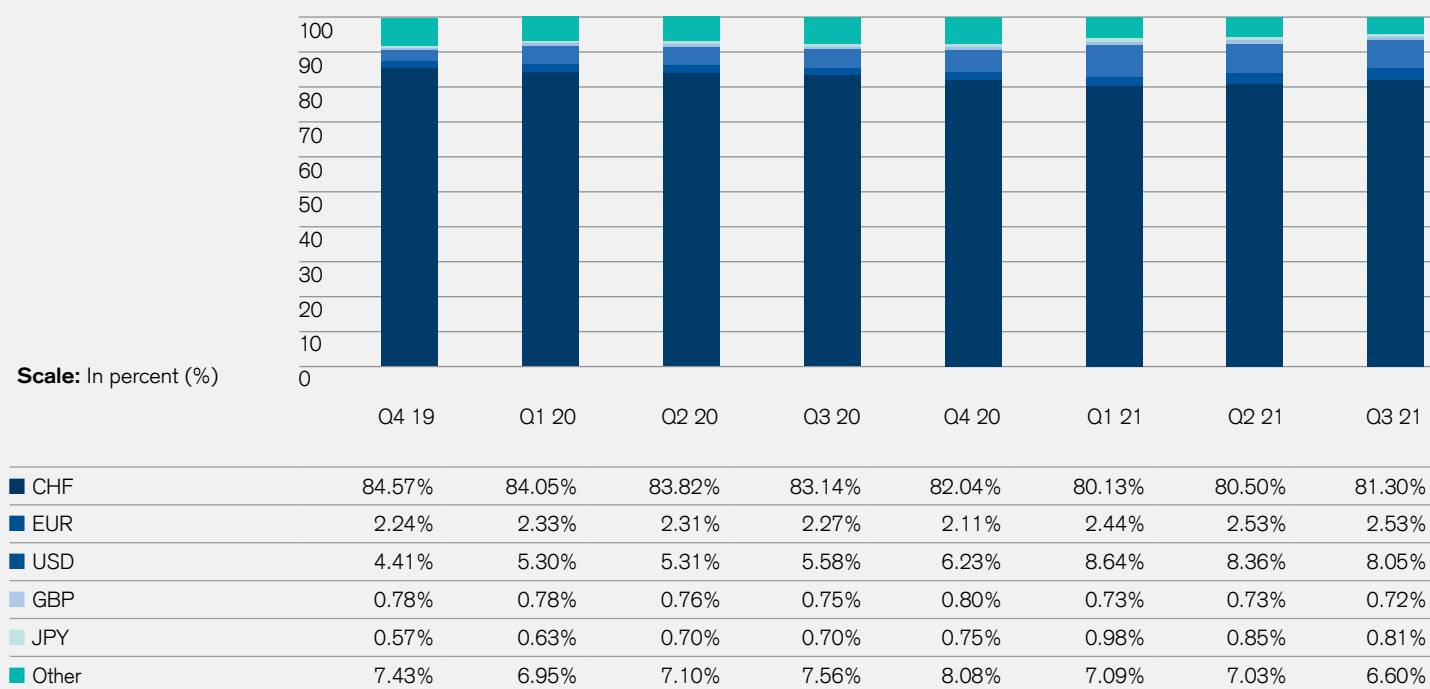


Table 11: Foreign exchange rates against the CHF in 2021

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
EUR	−0.07%	1.67%	0.66%	−0.74%	0.15%	−0.31%	−1.96%	0.62%	−0.02%				−0.04%
USD	0.64%	1.76%	3.96%	−3.09%	−1.39%	2.78%	−1.95%	1.08%	1.83%				5.53%
GBP	1.10%	3.61%	2.59%	−2.75%	1.24%	−0.12%	−1.32%	0.05%	−0.23%				4.10%
JPY	−0.75%	0.00%	0.24%	−2.04%	−1.47%	1.30%	−0.84%	0.97%	0.27%				−2.35%

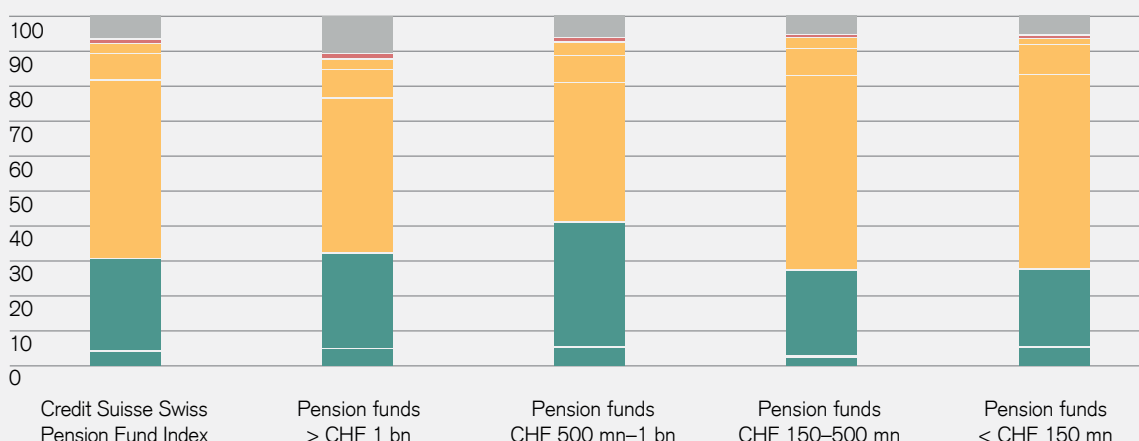
Data source: Credit Suisse, unless otherwise specified.

Sustainability analysis

Asset allocation by MSCI ESG rating

- The independent MSCI ESG rating is based on the MSCI ESG score (0–10). The “leader” category for the respective sector is shown in green (AAA & AA), while yellow depicts “average” (A–BB) and red is for “laggard” (B–CCC).
- An MSCI ESG A rating accounts for the biggest share of the overall index of all pension funds at 49.80%.
- The leader category is very strongly represented in the Credit Suisse Swiss Pension Fund Index at 32.08%.
- The laggards – MSCI ESG ratings of B and CCC – account for by far the smallest share in all subindices.

Chart 9:
Asset allocation by MSCI ESG rating



AAA	2.50%	2.95%	3.17%	1.36%	3.54%
AA	29.58%	31.18%	37.70%	27.32%	26.14%
A	49.80%	43.50%	40.90%	54.74%	54.39%
BBB	8.20%	8.05%	9.26%	7.86%	8.22%
BB	2.42%	3.10%	2.33%	2.53%	1.52%
B	0.62%	1.02%	0.84%	0.30%	0.58%
CCC	0.04%	0.05%	0.00%	0.03%	0.07%
Not Rated	6.85%	10.16%	5.81%	5.86%	5.55%

Note: All sustainability analyses relate exclusively to the asset classes of equities and bonds.

Data source: MSCI, Credit Suisse

Distribution of average MSCI ESG ratings

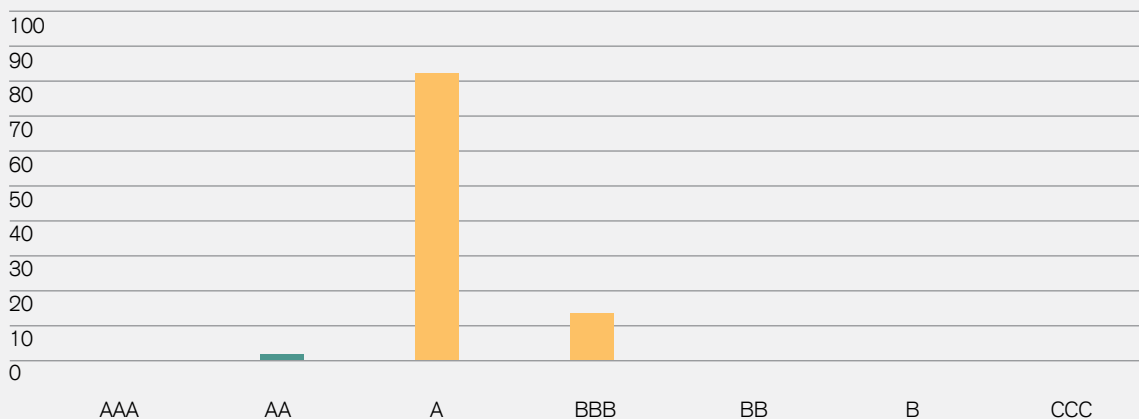
■ 2.70% of pension funds achieved an average MSCI ESG rating of AA as of September 30, 2021.

■ At 82.88%, the vast majority of participating pension funds had an MSCI ESG rating of A.

■ 14.41% were assigned an average MSCI ESG rating of BBB.

Chart 10:

Relative number of average ESG ratings



Scale: In percent (%)

Note: All sustainability analyses relate exclusively to the asset classes of equities and bonds.

Data source: MSCI, Credit Suisse

Asset allocation by weighted average carbon intensity category (MSCI WACI)

- The weighted average carbon intensity is expressed in tons of carbon emissions per USD million sales. This metric allows the carbon risk of equities and bonds to be measured.
- 33.78% of the overall index falls into the “very low” or “low” carbon intensity categories.

- The largest part of the investments is allocated to the “moderate” category. The allocation to the “very high” and “high” categories is relatively small in every segment size of the pension funds.

Chart 11:
Weighted average carbon intensity category according to MSCI

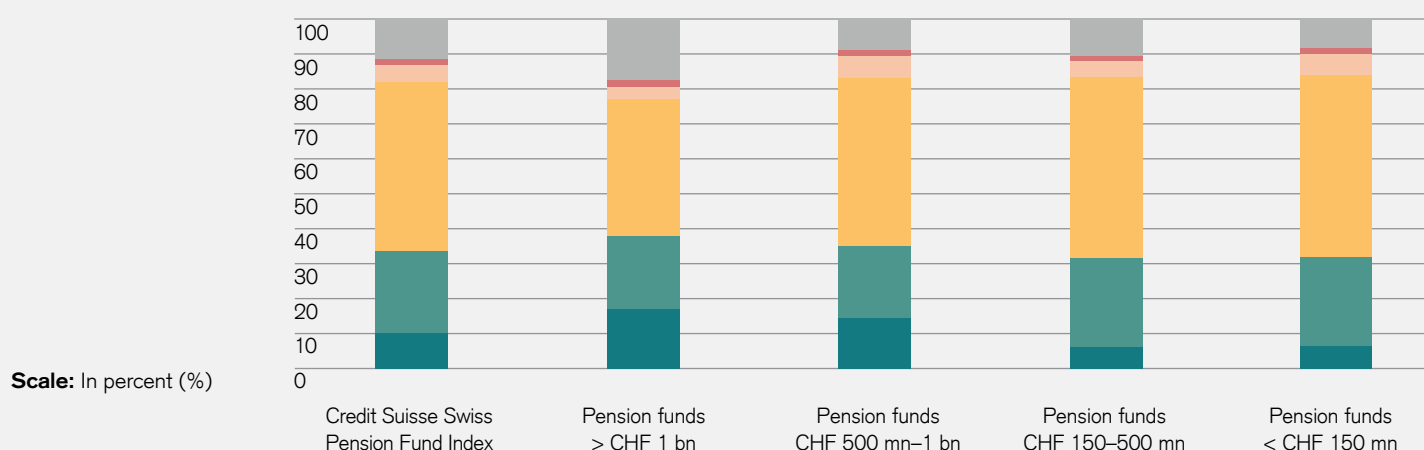


Table 12: Asset allocation by weighted average carbon intensity category as of September 30, 2021

Very low	10.22%	16.89%	14.37%	6.30%	6.68%
Low	23.56%	21.07%	20.71%	25.38%	25.13%
Moderate	47.98%	39.01%	47.82%	51.45%	52.15%
High	4.76%	3.33%	6.21%	4.48%	5.85%
Very high	1.90%	2.25%	1.93%	1.69%	1.87%
Not rated	11.58%	17.44%	8.96%	10.70%	8.32%

Note: All sustainability analyses relate exclusively to the asset classes of equities and bonds.

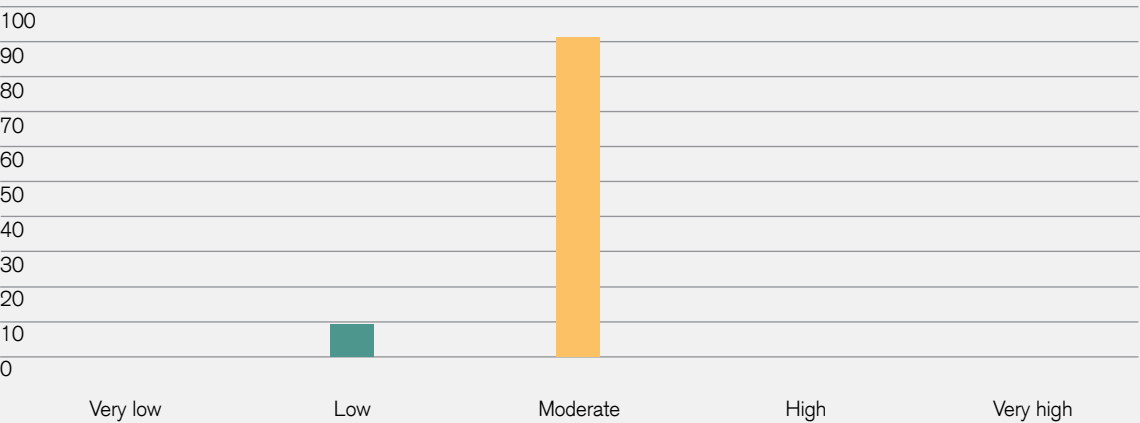
Data source: MSCI, Credit Suisse

Distribution of weighted average carbon intensity category according to MSCI

■ 9.26% of pension funds are in the “low” average carbon intensity category.

■ The vast majority of pension funds (90.74%) were assigned to the “moderate” category as of September 30, 2021.

Chart 12:
Relative number of average MSCI carbon intensity category



Scale: In percent (%)

Note: All sustainability analyses relate exclusively to the asset classes of equities and bonds.
Data source: MSCI, Credit Suisse

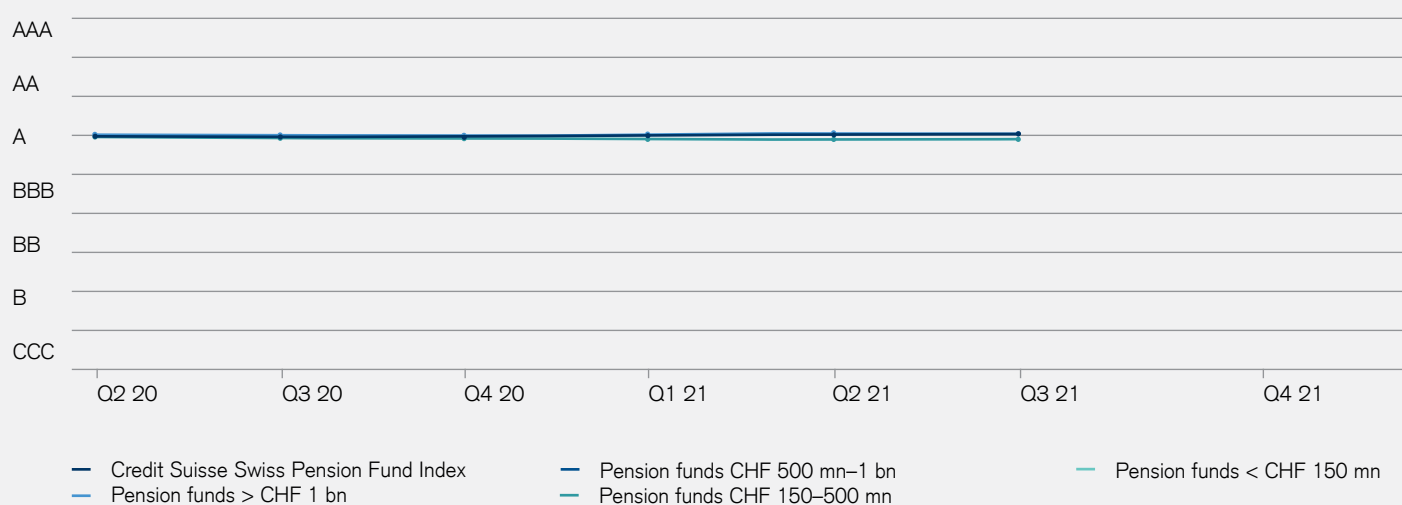
Average MSCI ESG rating in last eight quarters

- In the relatively short observation period since the beginning of our sustainability analysis for the Credit Suisse Swiss Pension

Fund Index, we have seen that the average MSCI ESG rating has maintained a very stable course. (We expect this to emerge as a trend over the long run.)

Chart 13:

Average ESG rating at end of quarter



Average MSCI ESG score at end of quarter in last eight quarters (start of new analysis as of Q2 2020).

	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22
■ Credit Suisse Swiss Pension Fund Index	6.94	6.93	6.92	6.92	6.94	6.95		
■ Pension funds > CHF 1 bn	6.94	6.95	6.93	6.92	6.97	6.97		
■ Pension funds CHF 500 mn-1 bn	7.03	7.02	7.01	7.05	7.05	7.03		
■ Pension funds CHF 150-500 mn	6.90	6.88	6.87	6.85	6.86	6.88		
■ Pension funds < CHF 150 mn	6.94	6.93	6.94	6.96	6.97	6.98		

Note: All sustainability analyses relate exclusively to the asset classes of equities and bonds.

Data source: MSCI, Credit Suisse

One analysis tool for all your invest- ments? Why not.

Up-to-date and comprehensive information, always accessible in Portfolio Radar. Absolute transparency, variable levels of detail in investment reporting and a direct line to your personal investment analytics consultant: That's how investments are managed professionally today.

Find out more at:
credit-suisse.com/investmentanalytics



CREDIT SUISSE (Switzerland) Ltd.

Global Custody Solutions
Uetlibergstrasse 231
CH-8045 Zurich
global.custody@credit-suisse.com
credit-suisse.com/globalcustody

Although Credit Suisse (Switzerland) Ltd. information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Your Personal Data will be processed in accordance with the Credit Suisse privacy statement accessible at your domicile through the official Credit Suisse website <https://www.credit-suisse.com>. In order to provide you with marketing materials concerning our products and services, Credit Suisse Group AG and its subsidiaries may process your basic Personal Data (i.e. contact details such as name, e-mail address) until you notify us that you no longer wish to receive them. You can opt-out from receiving these materials at any time by informing your Relationship Manager. 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 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. 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). Commodity investments and derivatives or indices thereof are subject to particular risks and high volatility. The performance of such investments depends on unpredictable factors such as natural catastrophes, climate influences, hauling capacities, political unrest, seasonal fluctuations and strong influences of rolling-forward, particularly in futures and indices. Emerging market investments usually result in higher risks such as political, economic, credit, exchange rate, market liquidity, legal, settlement, market, shareholder and creditor risks. Emerging markets are located in countries that possess one or more of the following characteristics: a certain degree of political instability, relatively unpredictable financial markets and economic growth patterns, a financial market that is still at the development stage or a weak economy. Investments in hedge funds may involve significant risks, including the loss of the entire investment. The funds may be illiquid, as there is no secondary market for interests in the funds and none is expected to develop. There may be restrictions on transferring interests in the funds, investments may be highly leveraged and the investment performance may be volatile. Private equity is private equity capital investment in companies that are not traded publicly (i.e., are not listed on a stock exchange). Private equity investments are generally illiquid and are seen as a long-term investment. Private equity investments, including the investment opportunity described herein, may include the following additional risks: (i) loss of all or a substantial portion of the investor's investment, (ii) investment managers may have incentives to make investments that are riskier or more speculative due to performance-based compensation, (iii) lack of liquidity as there may be no secondary market, (iv) volatility of returns, (v) restrictions on transfer, (vi) potential lack of diversification, (vii) high fees and expenses, (viii) little or no requirement to provide periodic pricing and (ix) complex tax structures and delays in distributing important tax information to investors. Your Personal Data will be processed in accordance with the Credit Suisse privacy statement accessible at your domicile through the official Credit Suisse website <https://www.credit-suisse.com>. In order to provide you with marketing materials concerning our products and services, Credit Suisse Group AG and its subsidiaries may process your basic Personal Data (i.e. contact details such as name, e-mail address) until you notify us that you no longer wish to receive them. You can opt-out from receiving these materials at any time by informing your Relationship Manager.

Copyright © 2021 Credit Suisse Group AG and/or its affiliates. All rights reserved.