Credit Suisse

Global Investment Reporting

Credit Suisse Swiss Pension Fund Index

1st Quarter 2007

Performance of Swiss Pension Funds as at March 31, 2007

- Gap in Performance Closed
- Sustained Real Estate Trend
- Expected Absolute Risk: Lowest Level since September 30, 2003

Index

Performance of Swiss Pension Funds Based on Global Custody Data of Credit Suisse as at March 31, 2007

Index versus Mandatory Minimum Rate of Return Since January 2000

Gap in Performance Closed

Despite a temporary dip in performance at the end of February/beginning of March, the Credit Suisse Swiss Pension Fund Index (blue line in chart 1a) rallied in the first quarter of 2007 and continued on its upward trend. The index, which was launched in early 2000 with a baseline of 100, corresponding to the BVG/LPP target, rose by 1.96 points or 1.58% in the quarter under review to stand at 125.95 points. Thanks to this rise, the 2nd pillar assets managed by Swiss pension funds grew by roughly CHF 9 billion to an extrapolated figure of around CHF 624 billion in the three-month period under review. The minimum rate of return as per BVG/LPP (the red line in chart 1a, also rebased to 100 as at January 2000) rose a further 0.77 points (or 0.62%) during the period under review, climbing from 124.77 to 125.54 points. As the index outperformed the BVG/LPP target by 0.96% or 1.19 points in Q1 07, the performance gap was eliminated for the first time since January 2001. As at end-March 2007, the index had a 0.41 point advantage over the statutory target.

Chart 1a: Credit Suisse Swiss Pension Fund Index

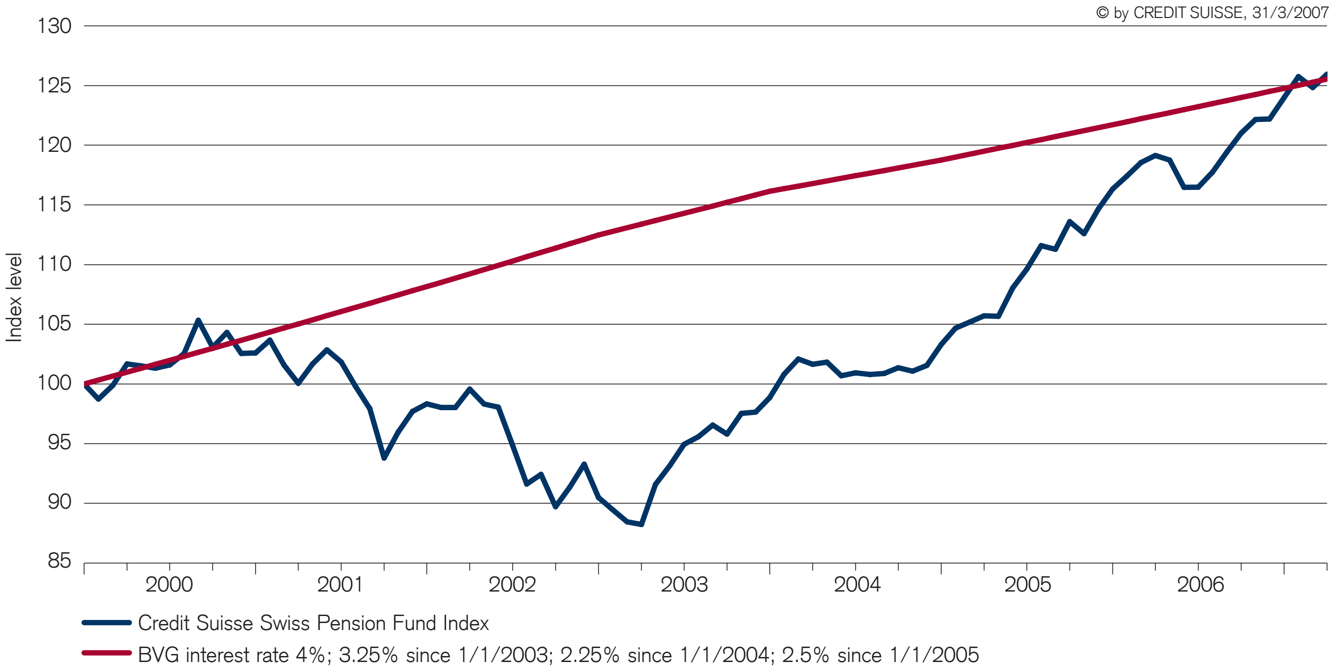


Table 1

	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Annual return	Cumulative return (since 2000)
2000	98.74	99.88	101.68	101.51	101.32	101.59	102.55	105.34	103.07	104.32	102.56	102.60	2.60%	2.60%
2001	103.67	101.59	100.05	101.68	102.86	101.84	99.81	97.94	93.78	95.97	97.71	98.34	–4.15%	–1.66%
2002	98.03	98.04	99.58	98.32	98.06	94.85	91.62	92.43	89.71	91.36	93.28	90.49	–7.98%	–9.51%
2003	89.45	88.45	88.23	91.59	93.15	94.94	95.58	96.56	95.80	97.53	97.65	98.86	9.25%	–1.14%
2004	100.81	102.10	101.65	101.84	100.69	100.94	100.79	100.87	101.36	101.07	101.56	103.30	4.49%	3.30%
2005	104.68	105.18	105.70	105.67	108.04	109.62	111.59	111.29	113.60	112.59	114.66	116.33	12.62%	16.33%
2006	117.42	118.55	119.14	118.75	116.48	116.48	117.75	119.43	121.02	122.17	122.20	123.99	6.58%	23.99%
2007	125.74	124.83	125.95										1.58%	25.95%

Chart 1b: Credit Suisse Swiss Pension Fund Index on the basis of segment size

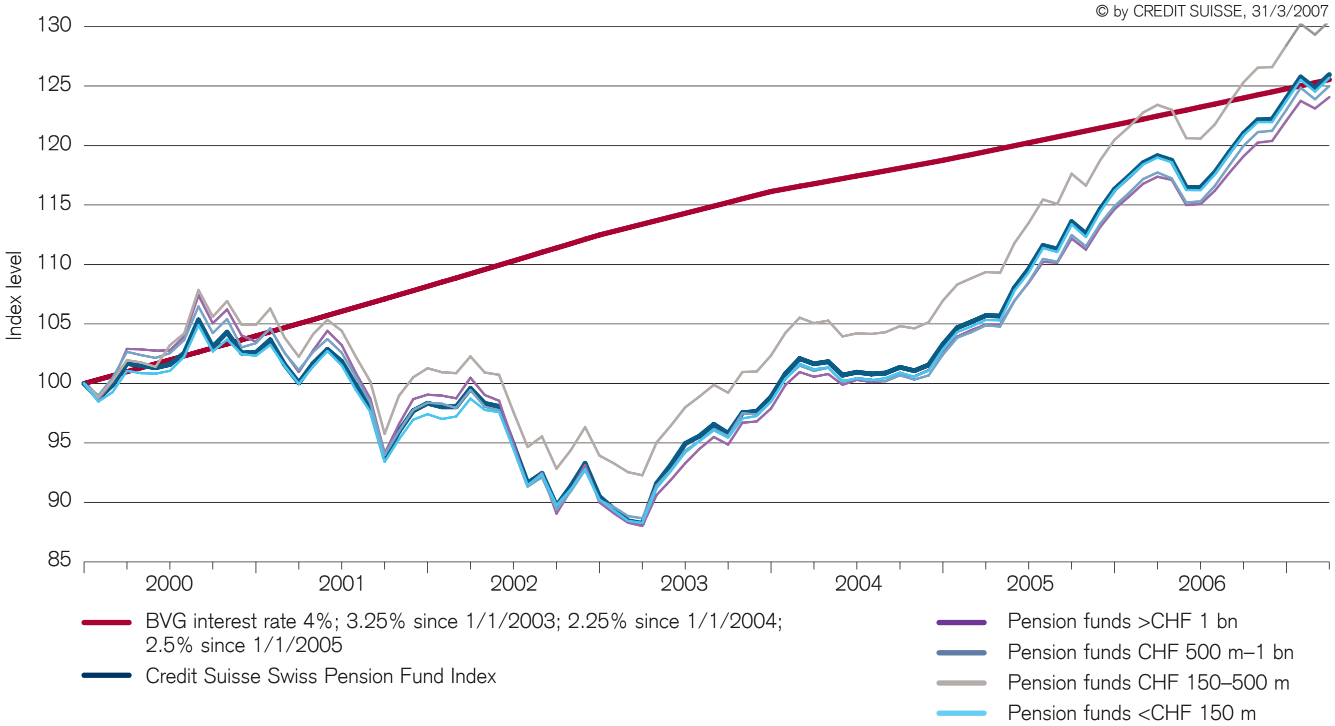


Chart 1b shows a breakdown by segments as follows: <CHF 150 million, CHF 150–500 million, CHF 500 million–1 billion, and >CHF 1 billion.

Performance Gap in Two Segments Only

Once again, the CHF 150–500 million segment made the greatest gains in the quarter under review, both in terms of points and in relative terms (advancing 2.03 points or 1.58%). The clear leader was followed this time by the CHF 500 million–CHF 1 billion segment (up 2.0 points or 1.63%) and the >CHF 1 billion segment (1.98-point or 1.62% rise), both of which delivered very similar results. Although the smallest segment, the category with <CHF 150 million assets under management, lagged slightly behind it nevertheless managed to haul itself just above the BVG/LPP target, with a gain of 1.93 points or 1.56%. This means that as at March 31, 2007 the performance gap in relation to the BVG/LPP benchmark has been closed in two segments.

The comparison for the first quarter of 2007 produces the following figures (change in points / change in percent / gap versus the BVG/LPP target in points as at March 31, 2007):

Category	Change in points	Change in percentage	Gap to the BVG/LPP target as at March 31, 2007
>CHF 1 bn	+1.98 points	+1.62%	–1.47 points
CHF 500 m–1 bn	+2.00 points	+1.63%	–0.53 points
CHF 150 m–500 m	+2.03 points	+1.58%	+4.92 points
<CHF 150 m	+1.93 points	+1.56%	+0.16 point

Risk/Return Positions

In the risk/return overview we show the rolling five-year and two-year overview. It should be noted that only portfolios which were in the index for the entire observation period are taken into account. For example, portfolios formed on June 1, 2003 are not taken into account in the five-year rolling observation period (31.03.2002–31.03.2007), though they do form part of the rolling two-year observation period.

Higher Return for the Same Risk

The distribution plotted for the rolling five-year observation period, which shows the annualized risk/return positions of individual pension funds (see chart 2a), now increasingly reflects the theory that higher risk is rewarded by higher returns in the long term. Thus the risk/return line on the chart is slightly higher than in the previous quarter, while the annualized risk of the individual portfolios remains practically unchanged. The overview also demonstrates that, with one exception, the individual portfolios exhibit the same annualized risk as at the end of 2006, but with higher annualized yields. The one exception is a portfolio that was only added to the index during the period under review, and which has succeeded in generating an annualized return of just over 5.40% with an annualized risk of approximately 2.6%. Were this portfolio to be factored out, the line would become even steeper.

Two-Year Line Slightly Flatter

The overview of the rolling two-year line (chart 2b, 31.03.2005–31.03.2007), which is considerably more sensitive to change, impressively confirms the theory that higher risk is rewarded by higher returns, even though it has become slightly flatter than the previous quarter. In the three-month period under review, we can see that, in general, there has been hardly any change in the annualized risks. However, those portfolios with the lowest risks turned in an annualized return that was only down by around 1% (falling from 7% to 6%), while the annualized yields for the portfolios with a higher amount of risk attached declined by roughly 2% (down from 15% to 13%). As previously mentioned, the variation in risk experienced only marginal change and now stands at 3.63% (from 2.09% to 5.72%).

Chart 2a: Annualized risk/return comparison; rolling five-year review monthly results from March 2002 to March 2007

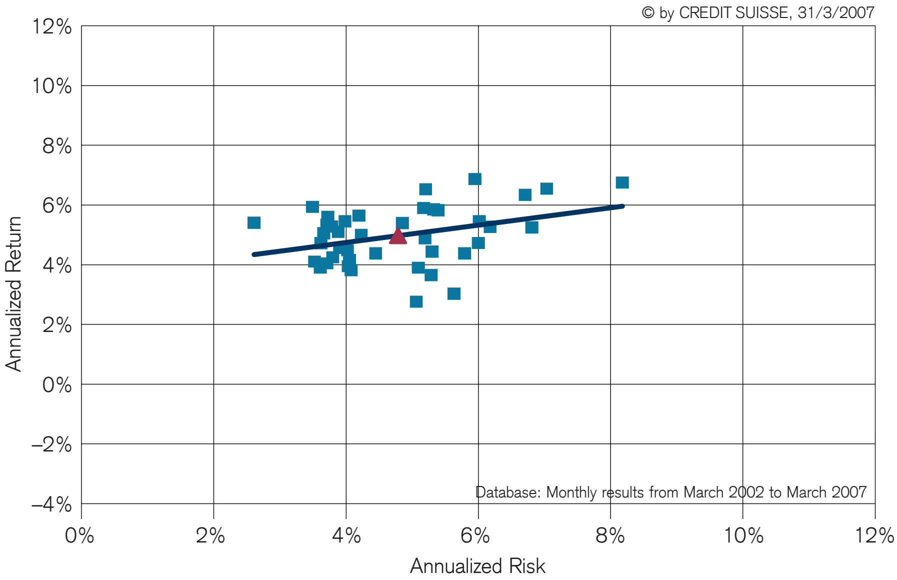
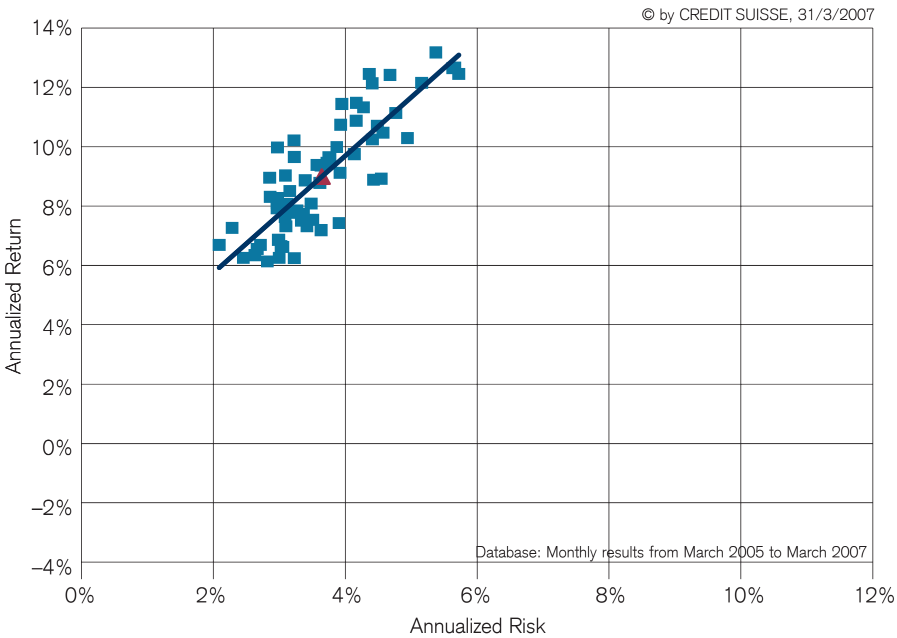


Chart 2b: Annualized risk/return comparison; rolling two-year review monthly results from March 2005 to March 2007



Asset Allocation

In Q1 03, the asset allocation overview illustrates the continuing upward trend in the relative weighting of the real estate exposure. The increase in the period under review comes to 0.8 percent, even though the equity markets in particular recorded a healthy performance. As a result, the real estate allocation in the Credit Suisse Swiss Pension Fund Index rose to 15.0%. The "alternative investment" category also recorded a slight increase, reversing its decline of the preceding quarters. Standing at 3.6% on March 31, 2007. The increases referred to above impacted negatively on the more traditional asset classes of equities and bonds. While Swiss equities now stand at 14.9% (down 0.25%), foreign equities fell by 0.72% to 16.7%. The weighting of CHF bonds has receded by 0.37%, while foreign-currency bonds were just able to maintain their existing level (down by 0.03% to 10.30%).

Sustained Real Estate Trend

The overview of the asset allocation spread reveals a few noteworthy changes. On the one hand, the maximum liquidity holding has fallen from around 36% to 30%. In addition, we note a decline in maximum foreign-currency bond exposures from 42.30% to 37.70%. By contrast, the maximum holding for alternative investments has gone up from 12.20% to 22.55%.

Chart 3: Asset allocation last eight quarters

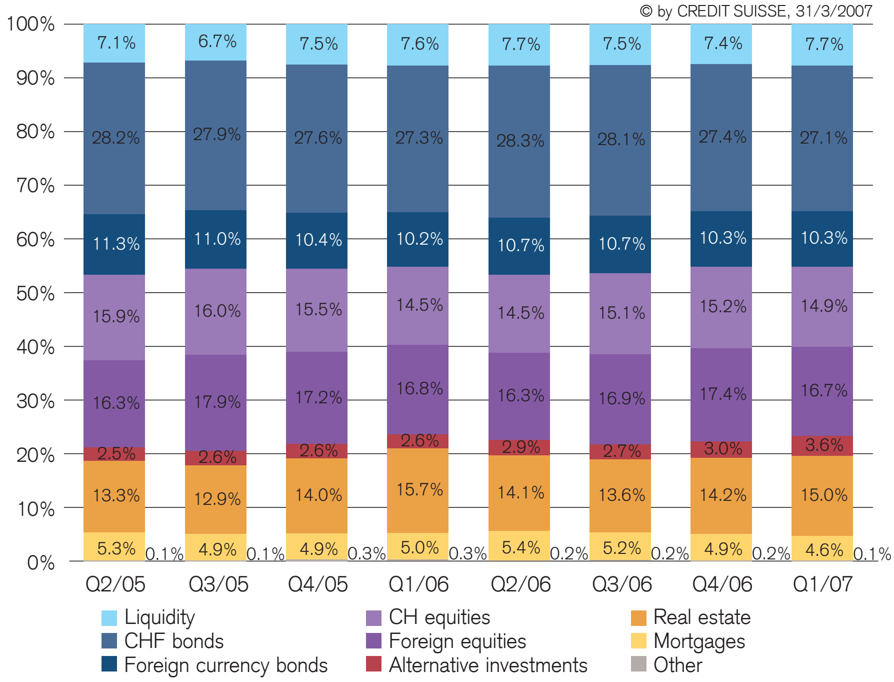
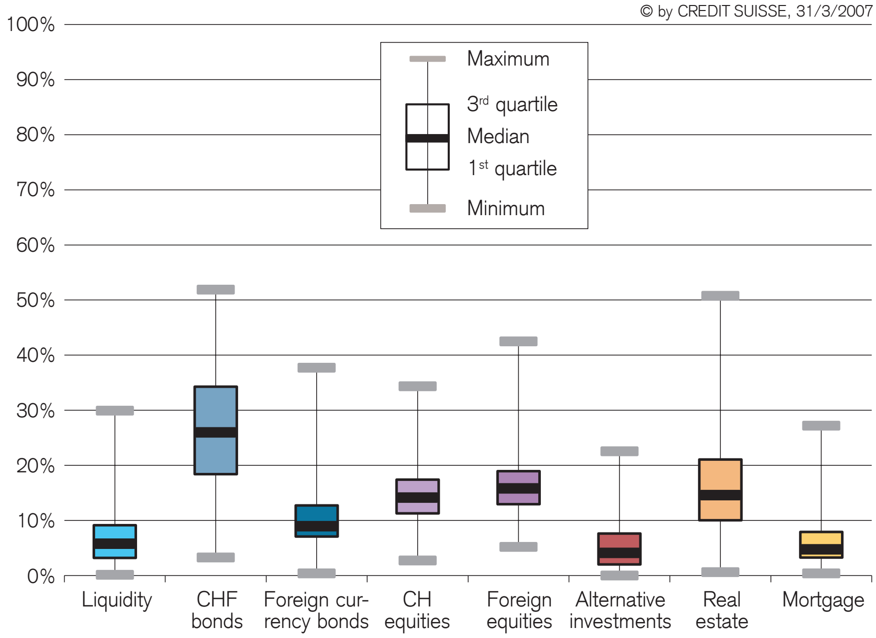


Chart 4: Minimum and maximum values 1st Quarter 2007



Currency Allocation

One change in particular is noticeable in the currency allocation overview: the Swiss franc weighting increased by 2.14% in the period under review and now stands at 72.92%. This increase adversely affected the EUR (down 0.15% to 9.96%), the USD (down 0.33% to 8.32%), the GBP (down 0.12% to 0.91%) and above all the other currencies, which were down 1.51% to 6.47%, a significant reduction.

Chart 6 again shows little significant change from the previous quarter.

Chart 5: Development over the last eight quarters

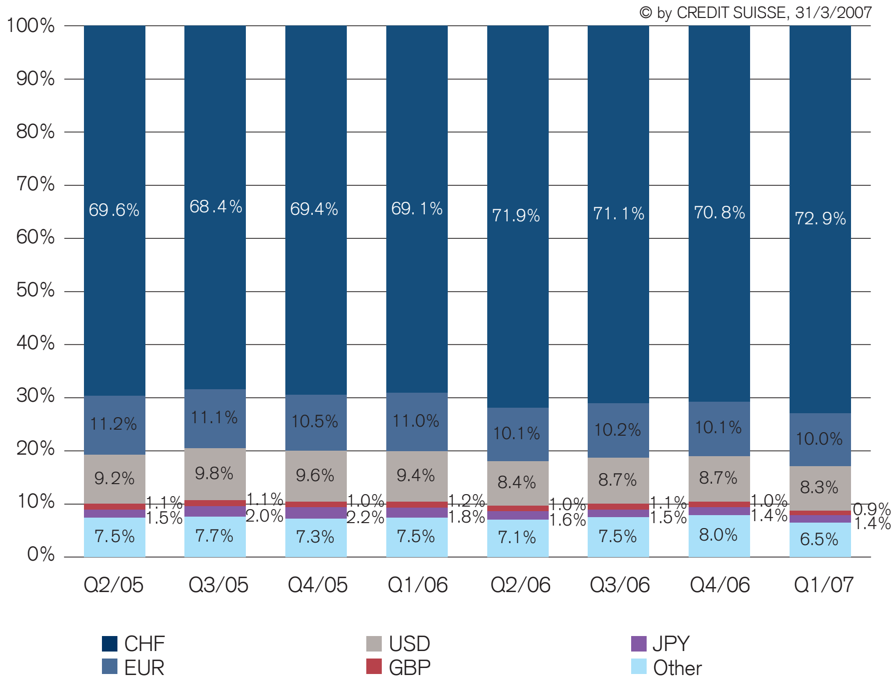
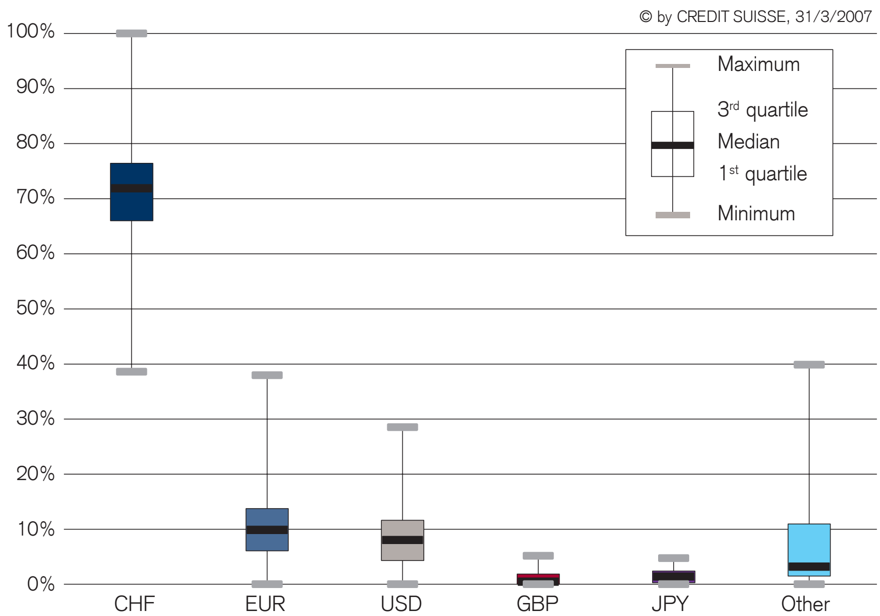


Chart 6: Maximum and minimum values previous quarter



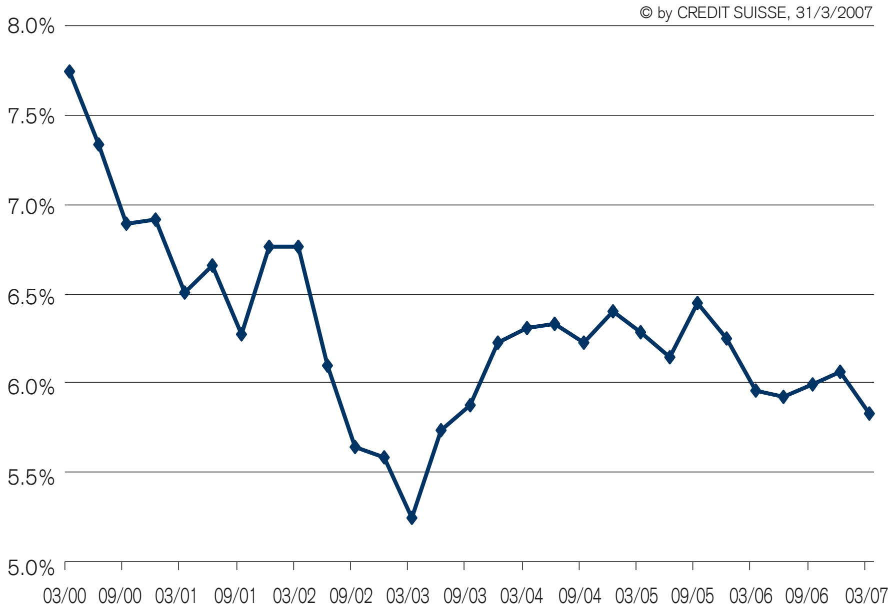
Expected Absolute Risk

From chart 7 it is clear that the expected absolute volatility (i.e. risk) was almost 8% at the beginning of 2000. The figure was then successively reduced to around 5.25% within a period of three years (March 2003). The expected absolute risk for the funds included in the Credit Suisse Swiss Pension Fund Index subsequently climbed from this low (in terms of the observation period), rising continuously to around 6.50% by September 2005. As of the last quarter of 2005, a decrease in risk and volatility became evident – a trend that continued until September 2006. The increase in risk identified in the previous quarter did not last long, even falling back below the level of September 30, 2006 during the three months under review to stand at 5.83% (a decline of 0.23%). This is its lowest showing since September 30, 2003.

Lowest Level since September 30, 2003

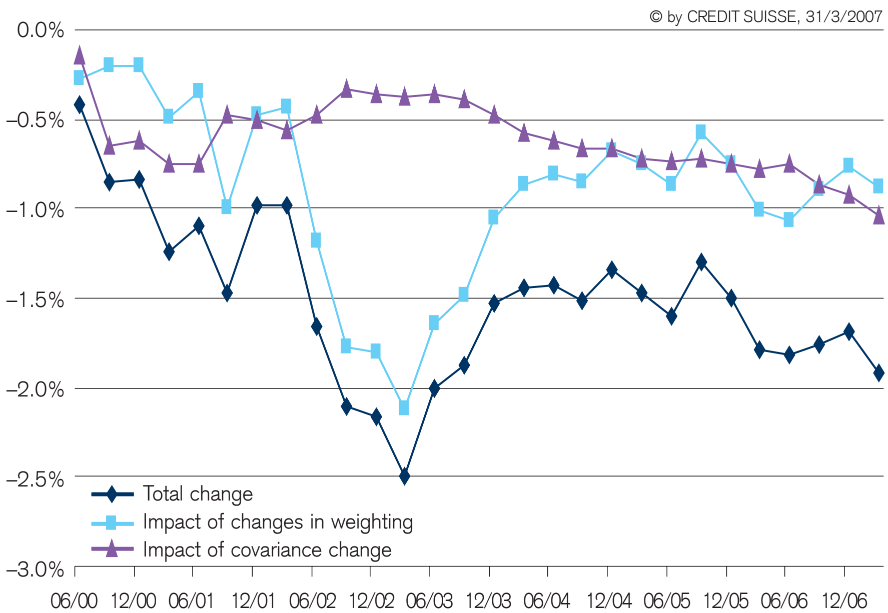
Chart 8 demonstrates that the reduction in risk (March 2000 to March 2003) and subsequent increase (March 2003 to December 2005) cannot be explained merely by the calming of the markets and their dependencies, i.e. a lower level of volatility (and vice versa). Rather, the changes in risk – particularly in the years 2002 and 2003 – were mainly caused by adjustments to asset allocation. The increase in risk witnessed from the middle of 2003 to September 2005 – attenuated slightly by falling covariances – was likewise caused by changes to the weightings of the asset classes. In the period from July 2005 to June 2006 the reduction in risk was caused both by covariance changes and adjustments to weightings. In the period under review, however, the reduction in risk due to covariance changes was partly offset by the increase in risk owing to weighting changes. Upon closer inspection we can detect a persistent decline in volatility since 2003, thus a basic lowering of risk. Whereas in the quarter before this had been more than compensated for by the increased risk resulting from weighting adjustments, during the three months under review we note that the decline in expected volatility coincided with the declining impact of weighting adjustments, ultimately resulting in a level not seen since the end of 2003.

Chart 7: Expected volatility per reference day (annualized)



The expected absolute risk for each reference date corresponds to the anticipated volatility of the index. This was calculated on the basis of the spread of returns of selected indices as well their dependencies over the last 10 years, and on the index's corresponding asset allocation.

Chart 8: Explanation of cumulated change in expected volatility overall Index (annualized)



Important Information

When interpreting these figures, it must be kept in mind that the Credit Suisse Swiss Pension Fund Index is not an artificially constructed performance index but an index that is based on actual pension fund data. The result is that the index is "alive", which significantly increases its informative value regarding the current investment behavior of Swiss pension funds. On the other hand, the fact that it is constantly revised limits the comparability of data over time. The index is nevertheless an up-to-date indicator, especially as very accurate pension fund data remains difficult to obtain.

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