

Credit Suisse Swiss Pension Fund Index 1st Quarter 2013

YTD 2013: 3.50%

Q1 2013: 3.50%

- BVG Target Clearly Exceeded Once Again
- Equity Component Continues to Rise
- Slightly Reduced Swiss Franc Component



Index versus Mandatory Minimum Rate of Return since January 2000

The Credit Suisse Swiss Pension Fund Index is calculated on the basis of the returns realized by the Swiss pension funds (prior to deducting management costs) whose assets are held by Credit Suisse under a global custody arrangement. Asset management and advisory tasks, however, are per-

formed 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.

Gratifying Start to 2013

The Credit Suisse Swiss Pension Fund Index (blue line in chart 1a), which began with a baseline of 100 at the beginning of 2000, made a very successful start to 2013, rising by 4.68 points (3.50%) to a total of 138.29 points on March 31, 2013. All three months of the first quarter contributed to this positive result, with the highlights coming in January (1.46%) and March (1.15%). February lagged behind somewhat (0.85%) but still delivered a solid performance.

The main reason for the pension funds' positive start to the year was the rise in equity prices: Swiss equities (1.75%), foreign equities (1.46%), foreign currency bonds (0.18%), and real estate (0.17%).

In the reporting quarter, the BVG mandatory minimum rate of return rose by 0.53 points (0.37%) to 142.07, also from a baseline of 100 at the beginning of 2000. This meant that the difference between the BVG mandatory minimum rate of return and the Credit Suisse Swiss Pension Fund Index halved once again compared to the previous quarter and stood at just 3.78 points on March 31, 2013 (Q4 2012: 7.93 points).

In the first quarter of 2013 the return on the Credit Suisse Swiss Pension Fund Index was 3.05% and therefore above the BVG target. At the end of the quarter, the annualized return on the Credit Suisse Swiss Pension Fund Index (since January 1, 2000) was 2.48%, compared to the annualized BVG mandatory minimum rate of return of 2.69%.

Chart 1a: Credit Suisse Swiss Pension Fund Index



Table 1a

Credit Suisse Swiss Pension Fund Index 1.1.2000–31.3.2013

	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Annual return
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%
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%
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%
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%
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%
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%
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%
2007	125.74	124.83	125.95	127.98	128.79	128.08	127.04	127.22	127.83	129.40	127.28	126.52	2.04%
2008	122.25	121.64	119.45	122.61	123.22	119.65	120.65	121.72	117.76	111.35	111.77	109.76	-13.25%
2009	109.40	106.38	108.02	111.24	112.43	113.27	116.69	118.21	119.61	119.10	119.84	121.68	10.86%
2010	121.42	122.79	124.59	125.15	124.24	121.57	123.23	122.32	124.06	125.64	124.77	125.33	3.01%
2011	126.09	127.10	126.37	126.95	126.32	124.84	122.56	121.22	121.52	123.47	123.19	124.63	-0.56%
2012	126.33	127.90	128.42	128.55	127.69	128.72	131.33	131.44	132.31	132.13	133.04	133.61	7.21%
2013	135.56	136.71	138.29										3.50%

Table 1b

Performance Contribution (Monthly)

Credit Suisse Swiss Pension Fund Index 1.1.2013–31.3.2013

2013	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD
Liquidity	0.01%	-0.11%	-0.08%										-0.17%
CHF bonds	-0.19%	0.14%	0.05%										0.00%
Foreign currency bonds	-0.02%	0.10%	0.10%										0.18%
Swiss equities	0.90%	0.46%	0.38%										1.75%
Foreign equities	0.63%	0.31%	0.51%										1.46%
Alternative investments	0.06%	-0.01%	0.05%										0.10%
Real estate	0.09%	-0.06%	0.14%										0.17%
Mortgages	-0.01%	0.01%	0.00%										0.00%
Other	0.01%	0.01%	0.01%										0.03%
Total	1.46%	0.85%	1.15%										3.50%

Chart 1b: Credit Suisse Swiss Pension Fund Index Based on Segment Size

Chart 1b shows a breakdown by segment as follows:

< CHF 150 million, CHF 150–500 million, CHF 500 million–1 billion, and > CHF 1 billion

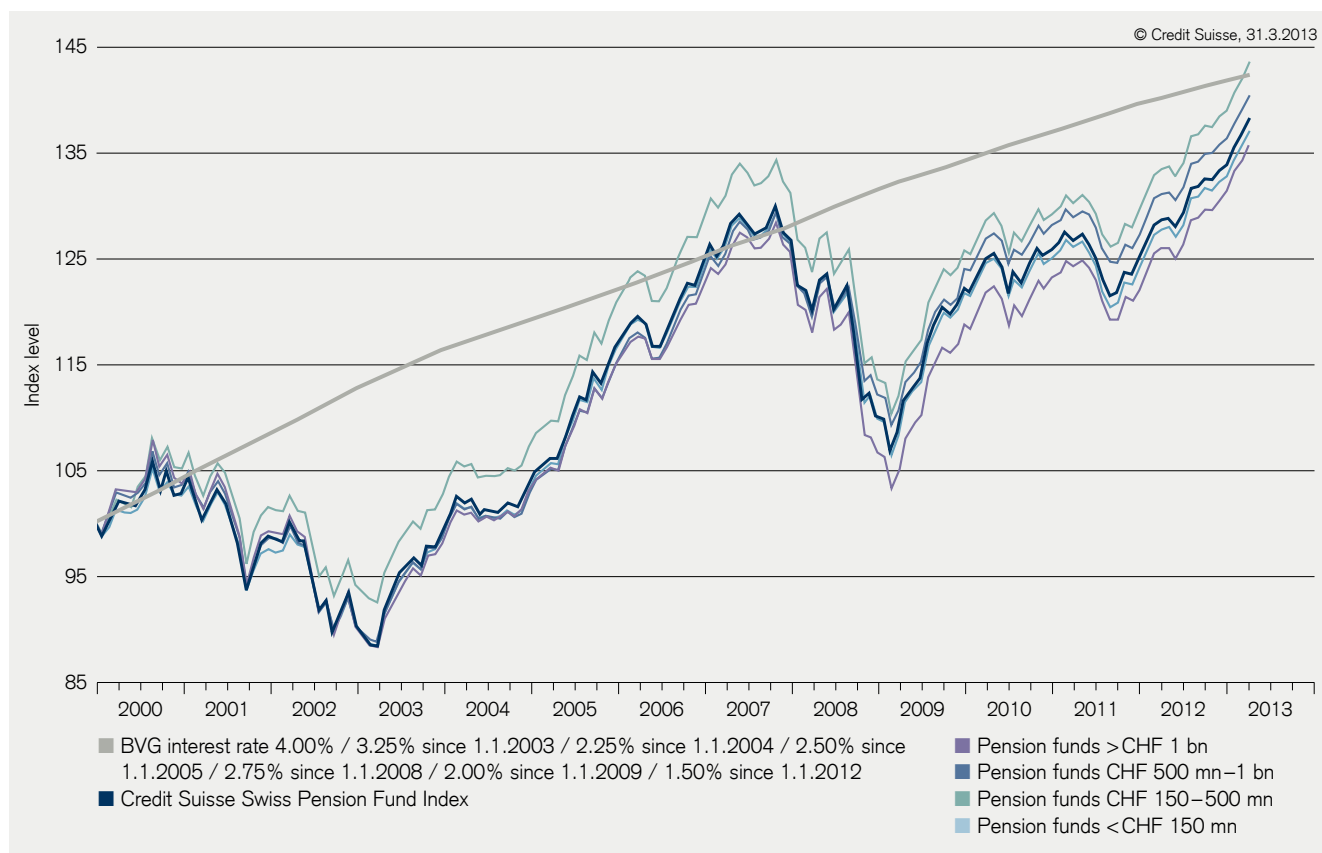


Table 1c

Performance 1.1.2013–31.3.2013

2012	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD
Credit Suisse Swiss Pension Fund Index	1.46%	0.85%	1.15%										3.50%
Pension funds > CHF 1 bn	1.61%	0.76%	1.11%										3.52%
Pension funds CHF 500 mn–1 bn	1.27%	0.90%	1.02%										3.22%
Pension funds CHF 150–500 mn	1.42%	0.91%	1.14%										3.51%
Pension funds < CHF 150 mn	1.45%	0.84%	1.20%										3.54%

Table 1d

Annualized Performance 1.1.2000–31.3.2013

	Annualized performance since 1.1.2000
Credit Suisse Swiss Pension Fund Index	2.48%
BVG interest rate	2.69%
Pension funds > CHF 1 bn	2.33%
Pension funds CHF 500 mn–1 bn	2.60%
Pension funds CHF 150–500 mn	2.77%
Pension funds < CHF 150 mn	2.41%

Risk/Return Positions

Our risk/return overview shows the rolling five-year and two-year lines. It should be noted that only portfolios that were part of the index for the entire observation period are taken into account. For example, portfolios formed on September 1, 2009

are not taken into account in the five-year rolling observation period (1.4.2008–31.3.2013) but they do form part of the rolling two-year observation period.

Negative Trend of Five-Year Line

The curve for the rolling five-year view of the annualized risk-return positions of the individual pension funds (see chart 2a) has flattened slightly since the last index publication. Nevertheless, this trend still tends to indicate that increased risk does not necessarily produce higher returns.

Compared to the previous quarter, the unweighted average annualized return has risen sharply and now stands at 2.97% (Q4 2012: 1.10%), while the unweighted average annualized

risk (red triangle) fell slightly to 5.45% (Q4 2012: 5.67%). Seven pension funds are in the low-risk investment area (annualized risk of 3% to 4%) as of March 31, 2013, while just a single pension fund is in the high-risk area (annualized risk of more than 8%). On a positive note, in the first quarter of 2013 all of the pension funds in the Credit Suisse Swiss Pension Fund Index (with just one exception) reported a positive annualized five-year return.

Chart 2a: Annualized Risk/Return Comparison; Rolling Five-Year View. Monthly Results from April 2008 to March 2013

Basis of data: Monthly results from April 2008 to March 2013

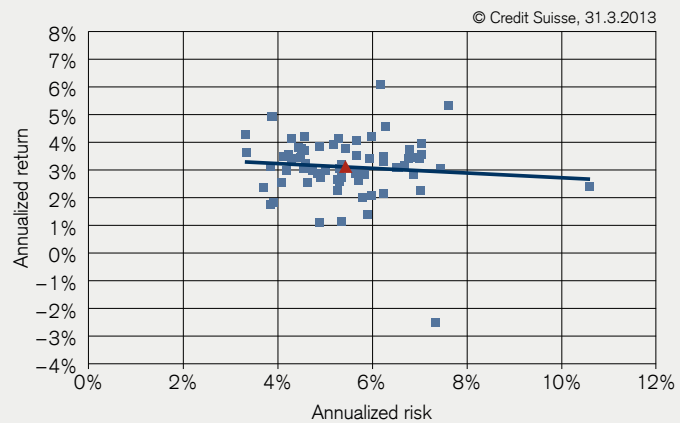


Table 2a

Key Figures

1.4.2008–31.3.2013

	Risk	Return	Sharpe ratio
Credit Suisse Swiss Pension Fund Index	5.45%	2.97%	0.49
Pension funds >CHF 1 bn	5.72%	2.92%	0.44
Pension funds CHF 500 mn–1 bn	5.14%	3.36%	0.63
Pension funds CHF 150–500 mn	5.28%	3.10%	0.55
Pension funds <CHF 150 mn	5.50%	2.83%	0.45

Table 2b

Return Bandwidths

1.4.2008–31.3.2013

	Minimum	1st quartile	Median	3rd quartile	Maximum
Credit Suisse Swiss Pension Fund Index	-2.51%	2.61%	3.14%	3.72%	6.03%
Pension funds >CHF 1 bn	1.40%	1.98%	2.38%	3.76%	5.26%
Pension funds CHF 500 mn–1 bn	2.54%	2.95%	3.51%	3.80%	6.03%
Pension funds CHF 150–500 mn	2.03%	3.05%	3.49%	3.73%	4.51%
Pension funds <CHF 150 mn	-2.51%	2.65%	3.06%	3.46%	4.22%

Negative Trend of Two-Year Line

The two-year line (chart 2b, 1.4.2011–31.03.2013) has flattened relatively sharply compared to the previous quarter. The unweighted average annualized return is 4.61%, while the unweighted average risk is 3.71% (red triangle).

Chart 2b: Annualized Risk/Return Comparison; Rolling Two-Year View. Monthly Results from April 2011 to March 2013

Basis of data: Monthly results from April 2011 to March 2013

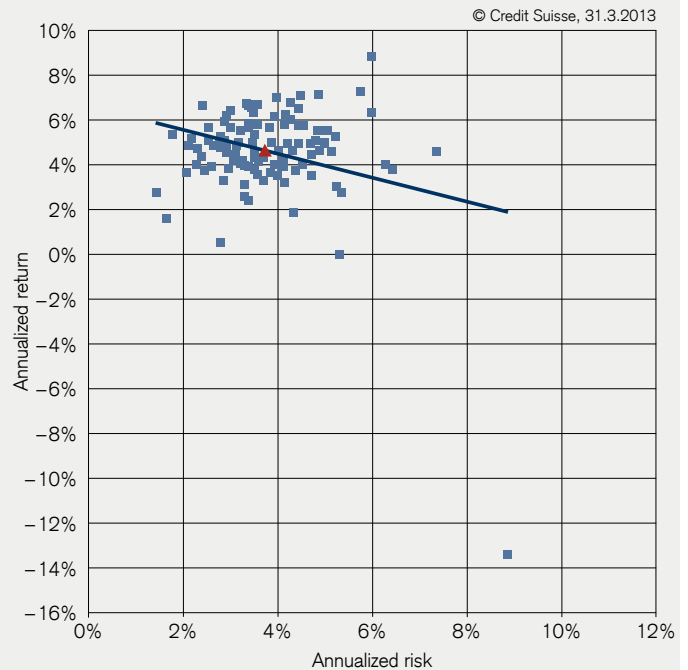


Table 2c

Key Figures

1.4.2011–31.3.2013

	Risk	Return	Sharpe ratio
Credit Suisse Swiss Pension Fund Index	3.71%	4.61%	1.33
Pension funds >CHF 1 bn	3.85%	4.64%	1.31
Pension funds CHF 500 mn–1 bn	3.27%	4.48%	1.49
Pension funds CHF 150–500 mn	3.41%	5.09%	1.52
Pension funds <CHF 150 mn	3.90%	4.37%	1.22

Table 2d

Return Bandwidths

1.4.2011–31.3.2013

	Minimum	1st quartile	Median	3rd quartile	Maximum
Credit Suisse Swiss Pension Fund Index	-13.44%	3.94%	4.82%	5.64%	8.82%
Pension funds >CHF 1 bn	-0.05%	3.90%	4.56%	5.64%	8.82%
Pension funds CHF 500 mn–1 bn	1.88%	3.84%	4.64%	5.51%	6.17%
Pension funds CHF 150–500 mn	2.76%	4.56%	5.03%	5.72%	6.71%
Pension funds <CHF 150 mn	-13.44%	3.92%	4.55%	5.32%	7.19%

Asset Allocation

Equity Component Continues to Rise

The asset allocation as of March 31, 2013 shows that equity components have risen again: Swiss equities (+0.87%), foreign equities (+1.08%). The total equity exposure is therefore 31.24%.

The other asset classes were cut back accordingly, with the biggest falls coming in real estate (-0.49%), alternative investments (-0.25%), and Swiss franc bonds (-0.31%). The liquidity component also fell (-0.76%).

Chart 3: Asset Allocation for the Last Eight Quarters

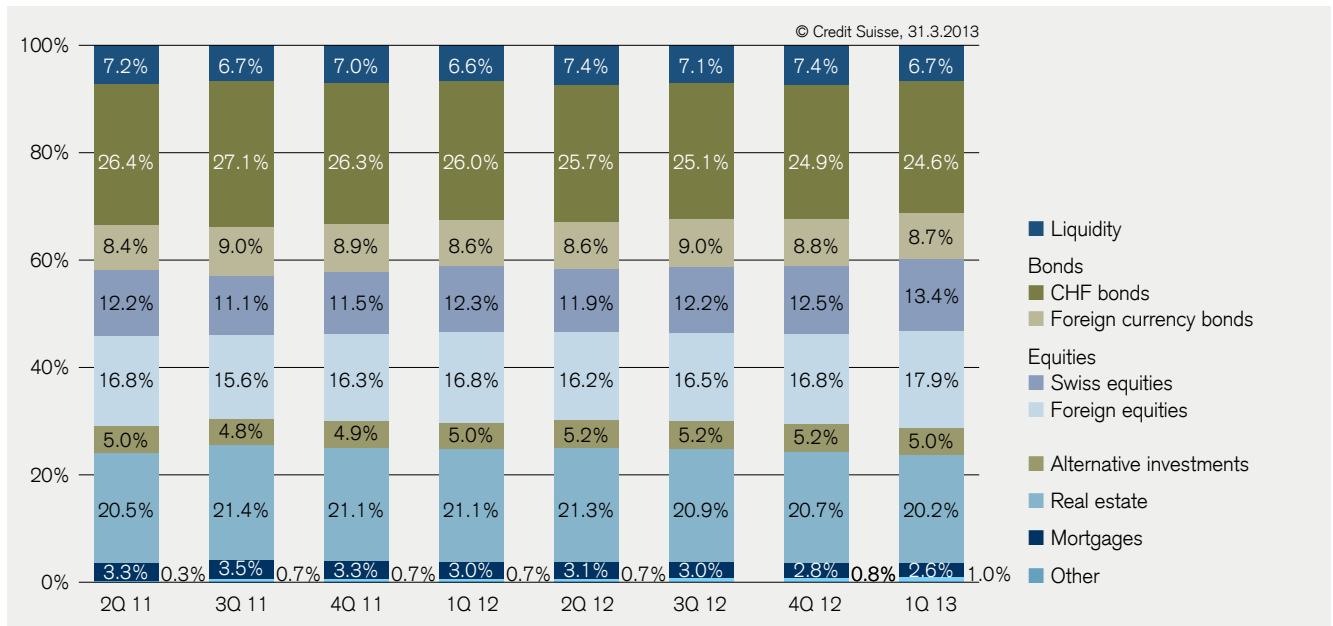
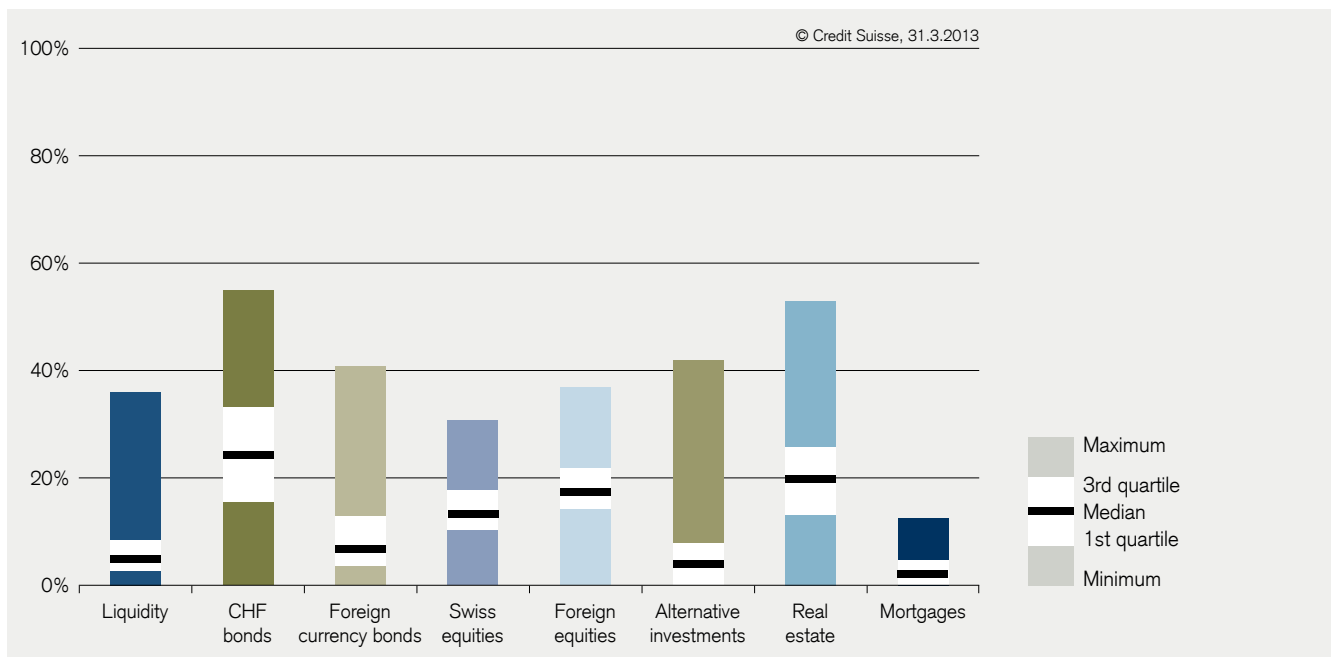


Chart 4: Maximum and Minimum Values for 1st Quarter 2013



Currency Allocation

Reduced Swiss Franc Component

The currency allocation shows that foreign currency exposure versus the Swiss franc rose slightly again (+0.79%) to 22.30% as of March 31, 2013.

Chart 5: Development for the Last Eight Quarters

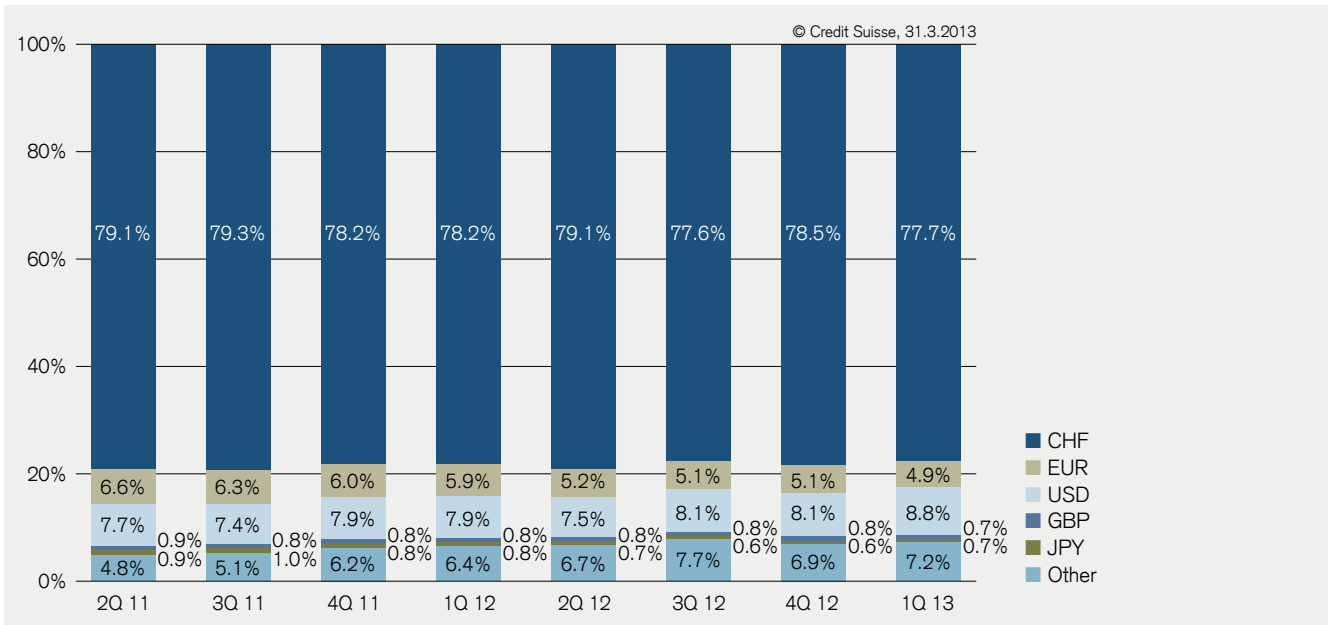
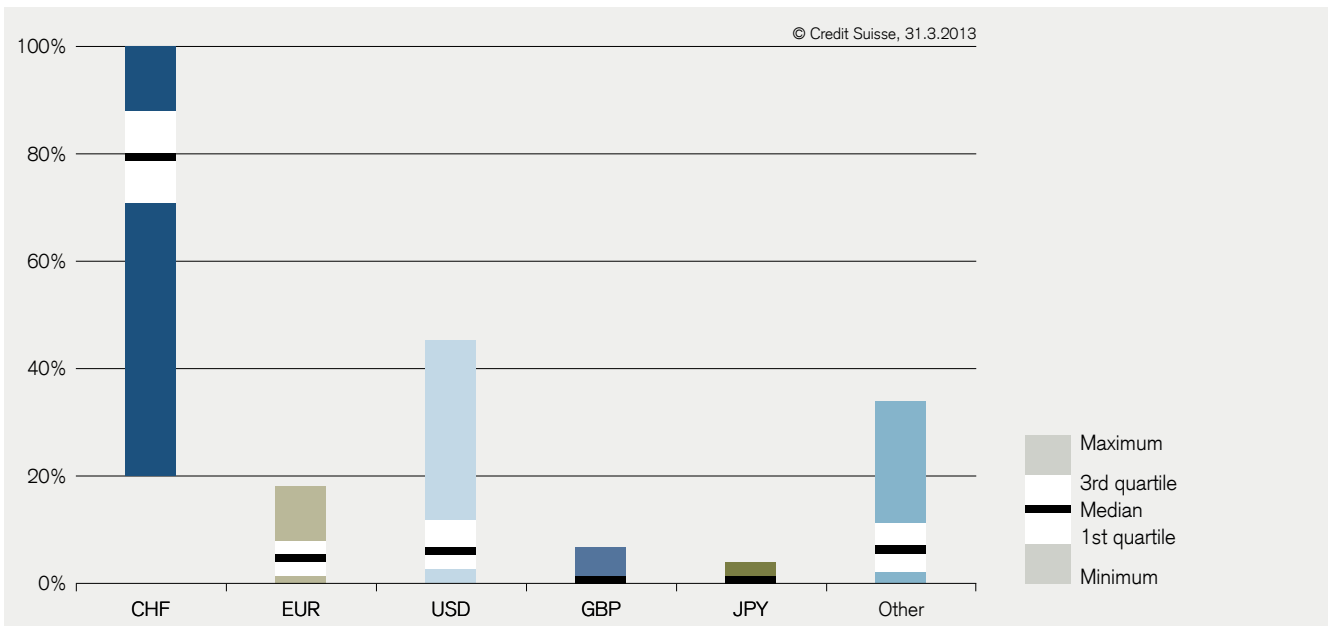


Chart 6: Maximum and Minimum Values for 1st Quarter 2013





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Important Information

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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 based on actual pension fund data. Consequently, 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 highly accurate pension fund data remains difficult to obtain.

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