

**Credit Suisse**  
**Swiss Pension Fund Index**  
2nd Quarter 2011

**Return in 2nd Quarter 2011: -1.22%**

- Return Far Below BVG Target
- Falling Equity Component
- Swiss Franc at a Steady High



## Index versus Mandatory Minimum Rate of Return since January 2000

The Credit Suisse Swiss Pension Fund Index is calculated on the basis of the stated performance of the Swiss pension funds whose assets are held by 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 does not have any influence over the performance of the individual pension funds.

### Very Rainy Summer

The Credit Suisse Swiss Pension Fund Index (blue line in chart 1a), which started with a value of 100 at the beginning of 2000, is seeing a rainy summer. In the reporting quarter, the index fell by 1.54 points, or 1.22%, to 124.84 points as of June 30. Both June (-1.18%) and May (-0.50%) contributed to the negative result, while April posted a slight plus of 0.46%. The BVG mandatory minimum rate of return (the gray line in chart 1a,

which also started with a baseline of 100 as of January 2000), improved by another 0.5% or 0.68 points in the reporting quarter, climbing to 138.07 and increasing the difference to 13.23 points as of June 30. The annualized return of the Credit Suisse Swiss Pension Fund Index (table 1d) was 1.95% at the end of the quarter, compared to the annualized BVG mandatory minimum rate of return, which was 2.85%.

Chart 1a: Credit Suisse Swiss Pension Fund Index

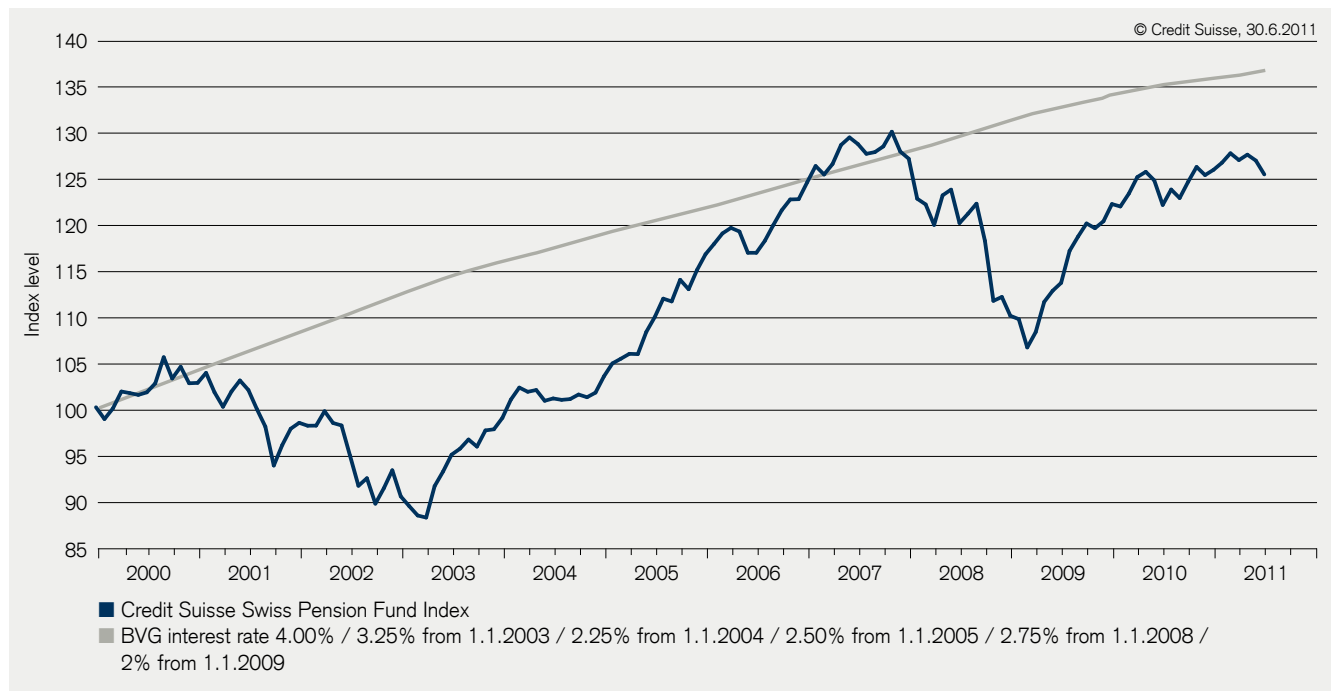


Table 1a

Credit Suisse Swiss Pension Fund Index 1.1.2000–30.6.2011

	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	124.05	125.64	124.77	125.33	3.01%
2011	126.09	127.10	126.37	126.95	126.32	124.84							-0.40%

**Table 1b**

**Performance Contribution (Monthly)**

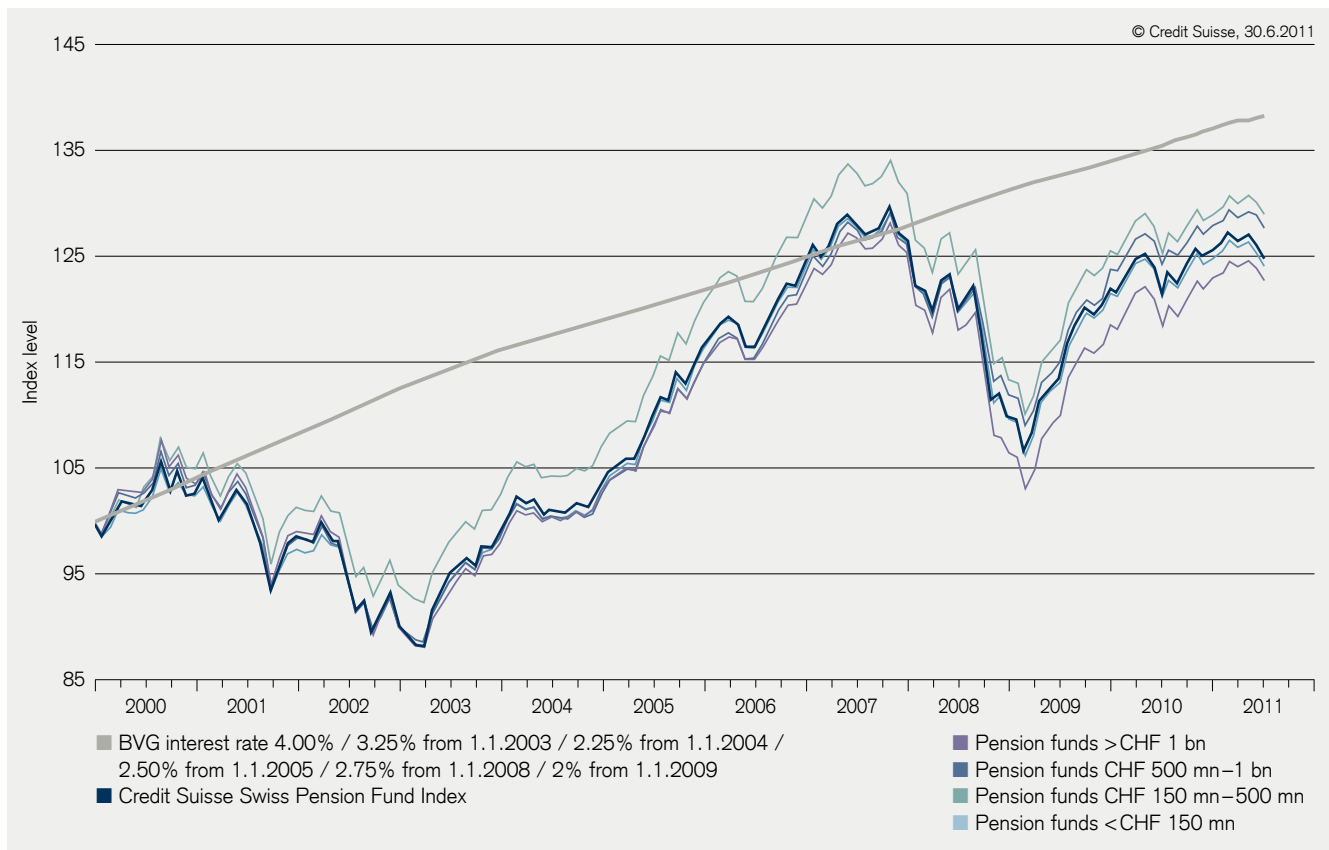
**Credit Suisse Swiss Pension Fund Index 1.1.2011–30.6.2011**

2011	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD
Liquidity	-0.11%	0.05%	-0.01%	0.20%	0.13%	0.01%							0.28%
CHF bonds	-0.03%	0.01%	-0.06%	-0.01%	0.28%	0.11%							0.31%
Foreign currency bonds	0.13%	0.00%	-0.03%	-0.11%	-0.21%	-0.09%							-0.32%
Swiss equities	0.01%	0.28%	-0.27%	0.47%	0.01%	-0.72%							-0.22%
Foreign equities	0.36%	0.27%	-0.25%	-0.17%	-0.74%	-0.42%							-0.94%
Alternative investments	0.07%	0.05%	0.02%	-0.01%	-0.10%	-0.11%							-0.08%
Real estate	0.18%	0.13%	0.03%	0.08%	0.10%	0.03%							0.55%
Mortgages	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%							0.03%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%							0.00%
Total	0.60%	0.80%	-0.57%	0.46%	-0.50%	-1.18%							-0.40%

**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 1.1.2011–30.6.2011													
2011	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD
Credit Suisse Swiss Pension Fund Index	0.61%	0.80%	-0.57%	0.46%	-0.50%	-1.18%							-0.40%
Pension funds > CHF 1 bn	0.62%	0.81%	-0.50%	0.53%	-0.46%	-1.14%							-0.15%
Pension funds CHF 500 mn–1 bn	0.53%	0.74%	-0.61%	0.46%	-0.30%	-0.94%							-0.13%
Pension funds CHF 150 mn–500 mn	0.57%	0.77%	-0.56%	0.51%	-0.29%	-1.07%							-0.08%
Pension funds < CHF 150 mn	0.63%	0.82%	-0.60%	0.41%	-0.65%	-1.28%							-0.68%

**Table 1d**

Annualized Performance 1.1.2000–30.6.2011		Annualized performance since 1.1.2000
Credit Suisse Swiss Pension Fund Index		1.95 %
BVG interest rate		2.85 %
Pension funds > CHF 1 bn		1.79 %
Pension funds CHF 500 mn–1 bn		2.15 %
Pension funds CHF 150–500 mn		2.23 %
Pension funds < CHF 150 mn		1.89 %

## 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 June 1, 2008, are

not taken into account in the five-year rolling observation period (1.7.2006–30.6.2011), but they do form part of the rolling two-year observation period.

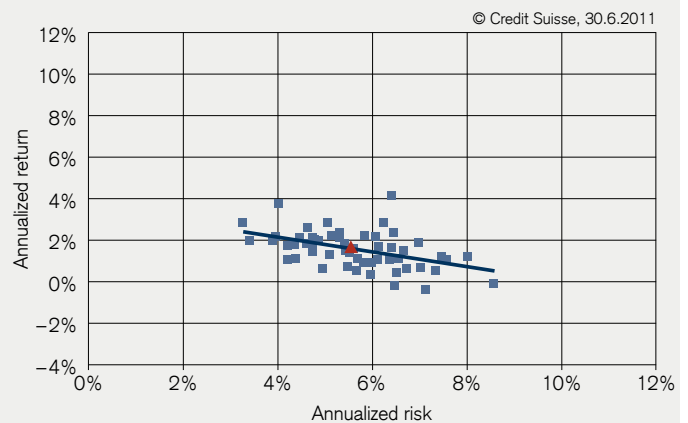
### Negative Trend of Five-Year Line

The presentation of the rolling five-year view on the cut-off date of the annualized risk-return positions of the individual pension funds (see chart 2a) has hardly changed since the last index publication. As at June 30, 2011, the regressive curve is negative, showing that one of the premises of modern portfolio theory, which states that higher (systematic, i.e. market-driven) risk is offset by higher returns, may not prove true, depending on the timing of entry seen over a period of several years.

Compared to the previous quarter, the unweighted average annualized return has increased slightly to 1.39% while the unweighted average annualized risk (red triangle) dropped slightly to 5.56%. Six pension funds are in the low-risk investment area (annualized risk of 3 to 4%) on June 30, 2011, while two pension funds still fall into the high-risk area (annualized risk of more than 8%). In the last quarter, three pension funds failed to report a positive annualized five-year return.

**Chart 2a: Annualized Risk/Return Comparison; Rolling Five-Year View, Monthly Results from July 2006 to June 2011**

Database: Monthly results from July 2006 to June 2011



**Table 2a**

**Key Figures**

1.7.2006–30.6.2011

	Risk	Return	Sharpe ratio
Credit Suisse Swiss Pension Fund Index	5.56%	1.39%	0.05
Pension funds > CHF 1 bn	4.92%	1.29%	0.08
Pension funds CHF 500 mn–1 bn	5.48%	2.06%	0.15
Pension funds CHF 150–500 mn	5.50%	1.35%	0.05
Pension funds < CHF 150 mn	5.72%	1.30%	0.02

**Table 2b**

**Return Bandwidths**

1.7.2006–30.6.2011

	Minimum	1st quartile	Median	3rd quartile	Maximum
Credit Suisse Swiss Pension Fund Index	-0.36%	1.03%	1.56%	2.09%	4.19%
Pension funds > CHF 1 bn	-0.22%	1.72%	1.99%	2.09%	2.16%
Pension funds CHF 500 mn–1 bn	-0.36%	1.07%	2.11%	2.16%	4.19%
Pension funds CHF 150–500 mn	0.88%	1.20%	1.53%	1.70%	2.57%
Pension funds < CHF 150 mn	-0.10%	0.68%	1.45%	1.85%	2.85%

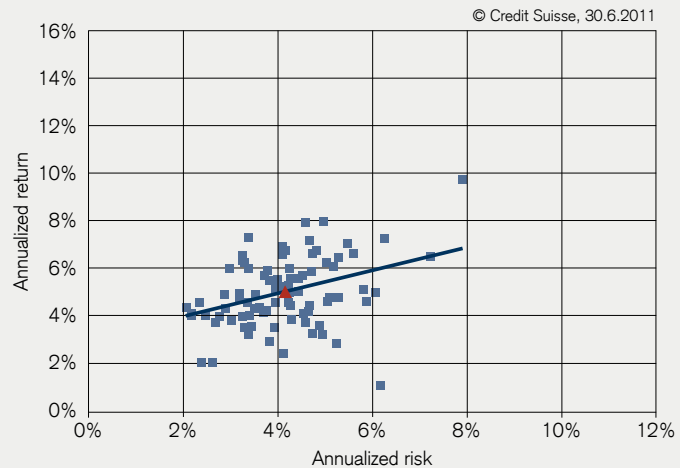
## Positive Trend for Two-Year Line

The rolling two-year line (chart 2b, 1.7.2009–30.6.2011), which has a much stronger reaction to changes, confirms the theory that higher risk is rewarded by higher returns in the long term. This statement must be treated with caution, however, as this

is a rolling presentation of the past 24 months. The unweighted average annualized return is 4.98%, while the unweighted average risk is 4.14% (red triangle).

**Chart 2b: Annualized Risk/Return Comparison; Rolling Two-Year View, Monthly Results from July 2009 to June 2011**

Database: Monthly results from July 2009 to June 2011



**Table 2c**

**Key Figures**

1.7.2009–30.6.2011

	Risk	Return	Sharpe ratio
Credit Suisse Swiss Pension Fund Index	4.14%	4.98%	1.20
Pension funds > CHF 1 bn	4.00%	5.57%	1.32
Pension funds CHF 500 mn–1 bn	4.17%	5.39%	1.37
Pension funds CHF 150–500 mn	3.85%	4.95%	1.26
Pension funds < CHF 150 mn	4.26%	4.73%	1.10

**Table 2d**

**Return Bandwidths**

1.7.2009–30.6.2011

	Minimum	1st quartile	Median	3rd quartile	Maximum
Credit Suisse Swiss Pension Fund Index	1.06%	4.02%	4.87%	6.01%	9.73%
Pension funds > CHF 1 bn	3.29%	4.02%	4.85%	6.25%	6.89%
Pension funds CHF 500 mn–1 bn	3.35%	4.02%	5.31%	7.27%	9.73%
Pension funds CHF 150–500 mn	2.93%	3.98%	4.90%	6.03%	7.97%
Pension funds < CHF 150 mn	1.06%	4.08%	4.75%	5.53%	7.24%

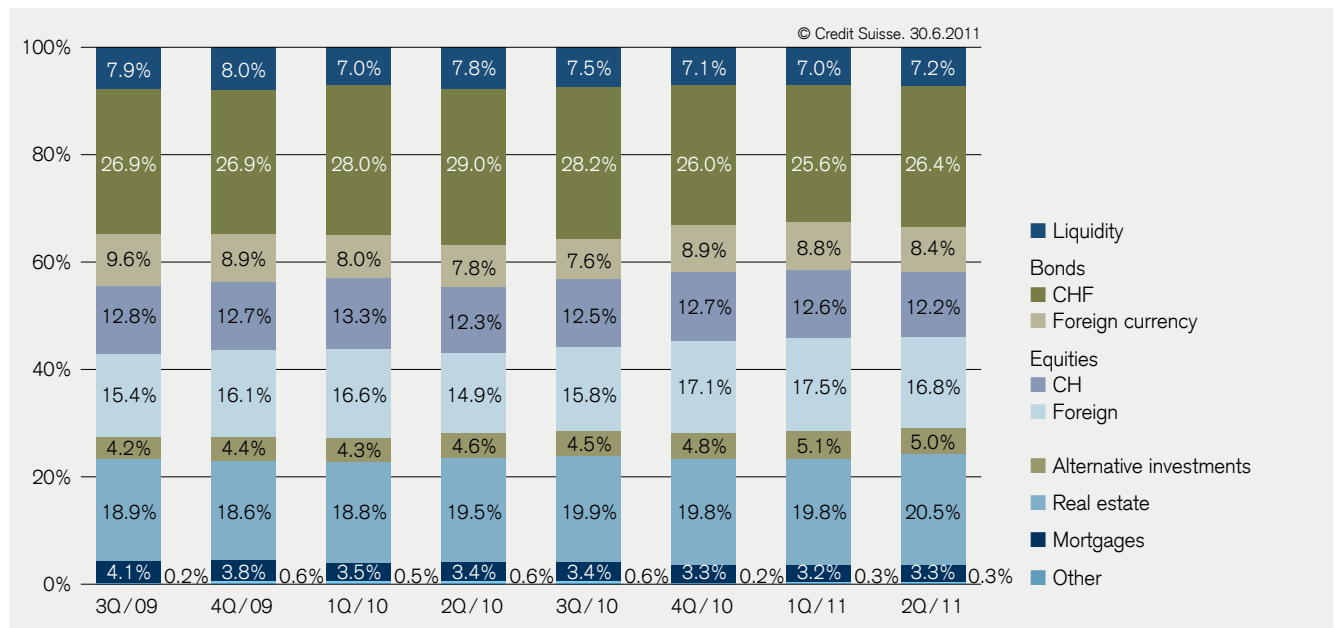
# Asset Allocation

## Falling Equity Component

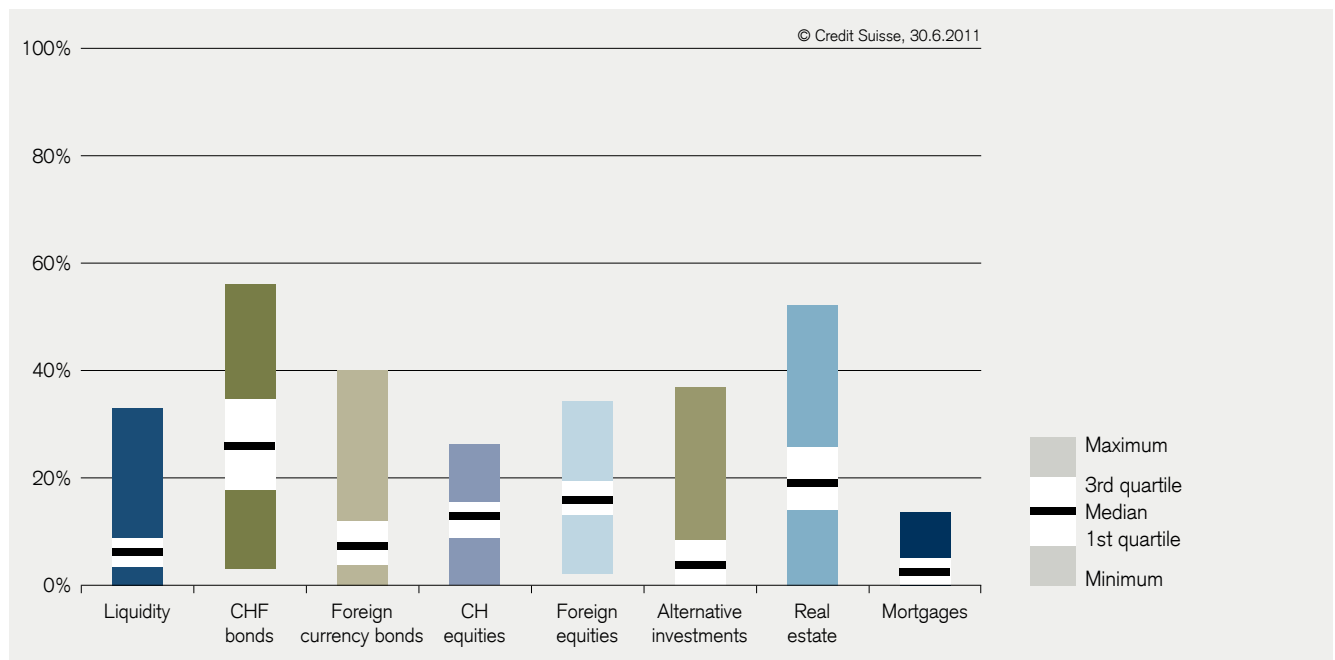
The asset allocation overview shows that the weighting of liquid funds increased (+0.2%). The exposure to Swiss franc bonds (+0.8%) and real estate (+0.7%) was also greater, while

exposure to foreign currency bonds (-0.4%), Swiss equities (-0.4%), foreign equities (-0.7%), and alternative investments (-0.1%) decreased.

**Chart 3: Asset Allocation for the Last Eight Quarters**



**Chart 4: Minimum and Maximum Values 2nd Quarter 2011**

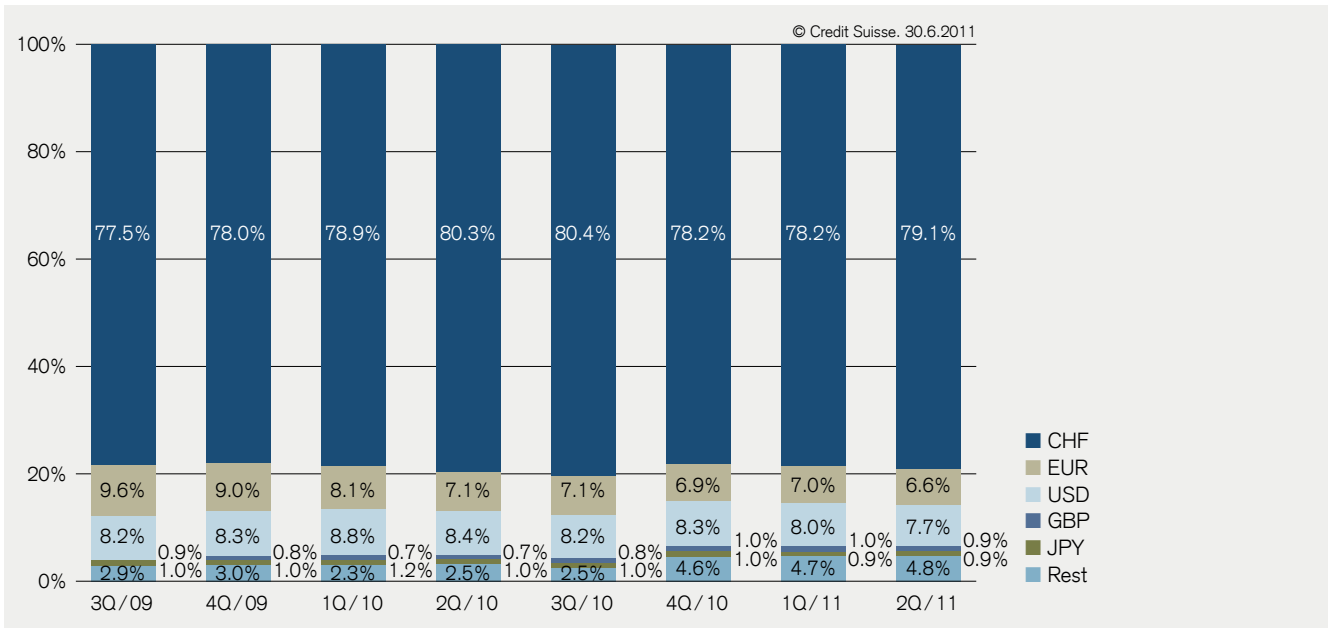


# Currency Allocation

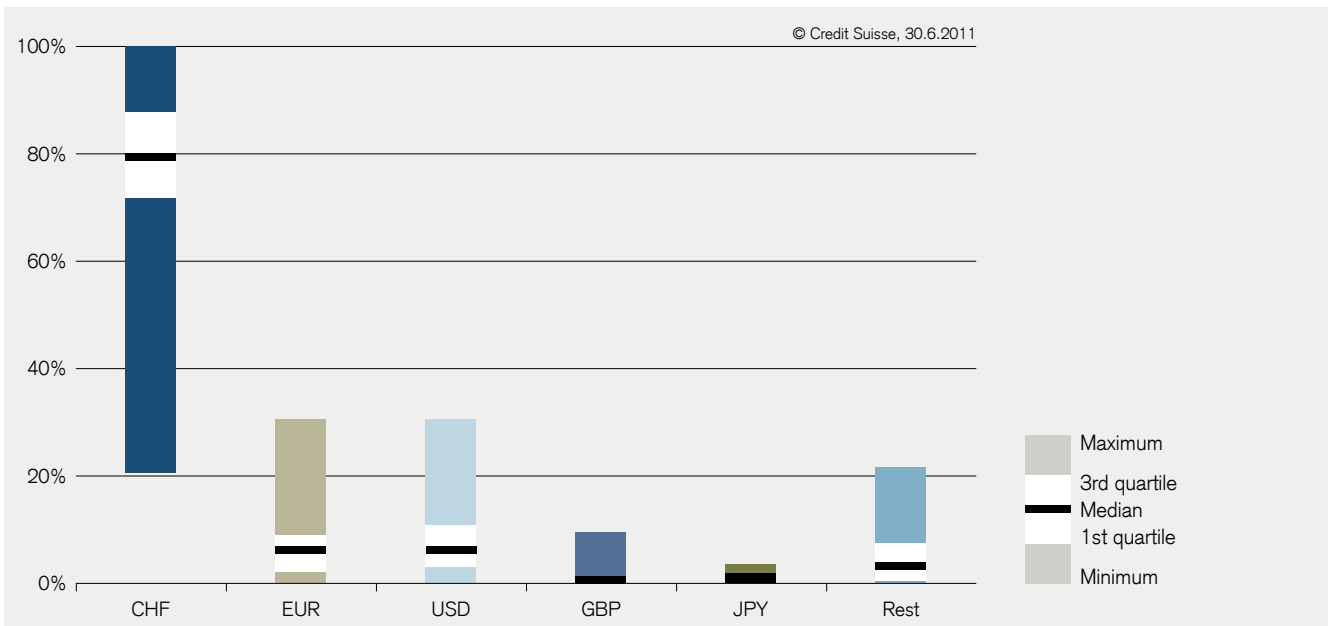
## Swiss Franc at a Steady High

The currency allocation shows that the foreign currency exposure versus the Swiss franc is slightly lower than in the previous quarter (-0.9%).

**Chart 5: Development for the Last Eight Quarters**



**Chart 6: Minimum and Maximum Values 2nd Quarter 2011**





## 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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