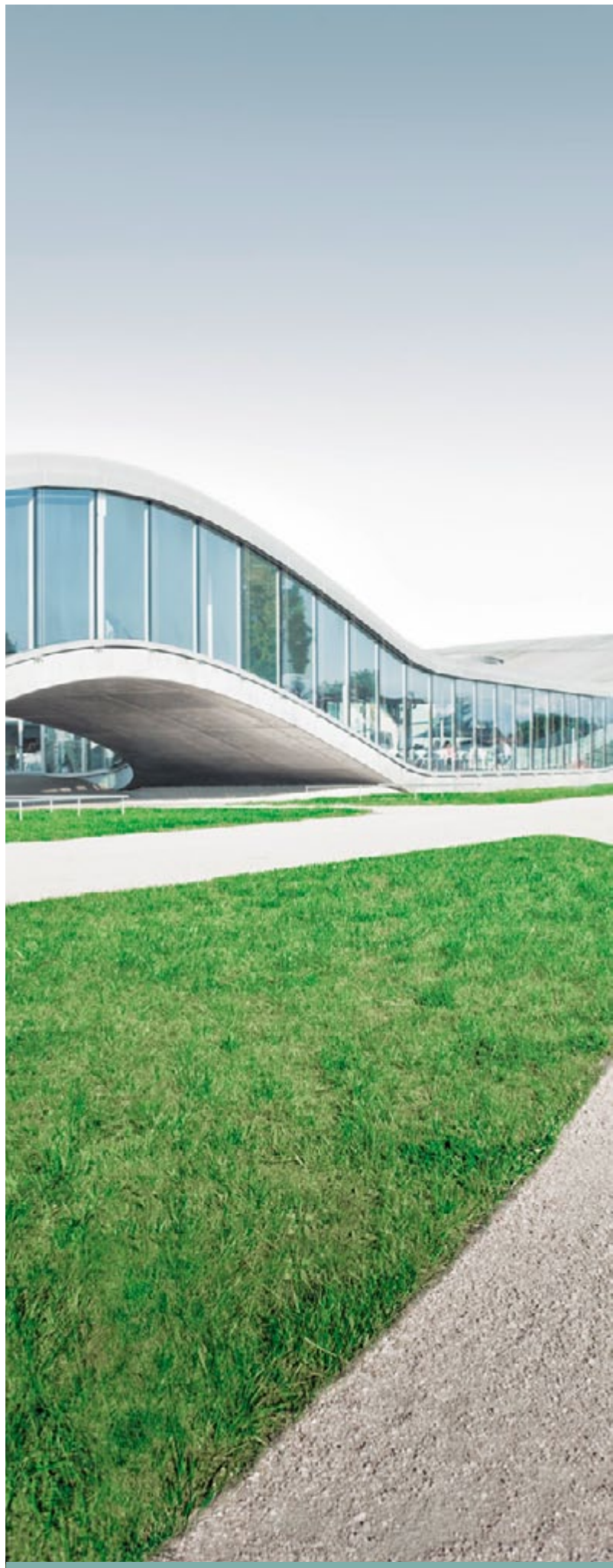


## Credit Suisse Swiss Pension Fund Index 4th Quarter 2011

**Return in 4th Quarter 2011: 2.56%**

Annual return: -0.56%

- Return Far Below BVG Target
- Rising Equity Component
- Falling Level of Swiss Francs



## 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 (prior to deducting management costs) 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.

### A Mixed Year for Investments

The Credit Suisse Swiss Pension Fund Index (blue line in chart 1a), which was launched with a value of 100 at the beginning of 2000, saw a mixed investment year. In the reporting quarter, the index rose by 3.11 points, or 2.56%, to 124.63 points as of December 31, 2011. Both October (1.61%) and December (1.16%) contributed to the positive performance, while a negative trend of -0.23% was observed in November. 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 139.45 and reducing the difference to 14.82 points as of December 31, 2011. The index posted a -0.56% return for the 2011 investment year, thereby underperforming the BVG target by 2.56%. The annualized return (since start of measurement) of the Credit Suisse Swiss Pension Fund Index (table 1d) was 1.85% at the end of the quarter. By contrast, the annualized BVG mandatory minimum rate was 2.81%.

Chart 1a: Credit Suisse Swiss Pension Fund Index

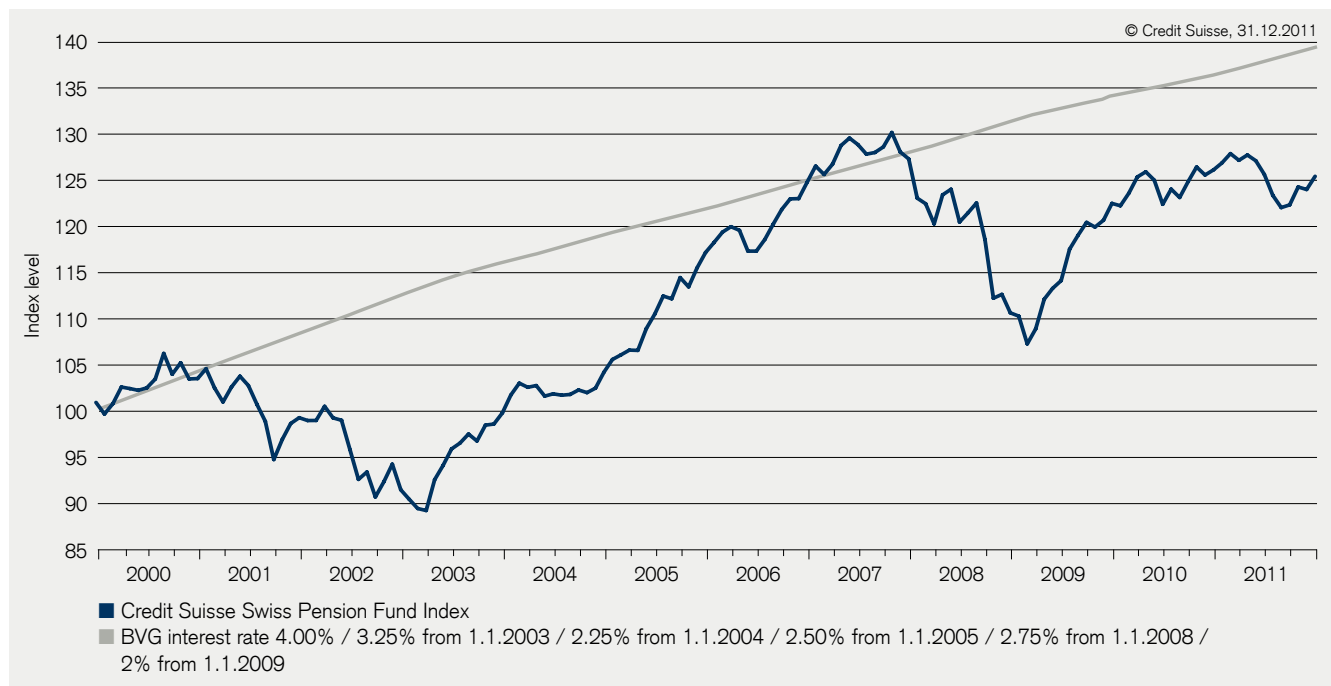


Table 1a

Credit Suisse Swiss Pension Fund Index 1.1.2000–31.12.2011

|      | 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 | 122.56 | 121.22 | 121.52 | 123.47 | 123.19 | 124.63 | -0.56%        |

**Table 1b**

**Performance Contribution (Monthly)**

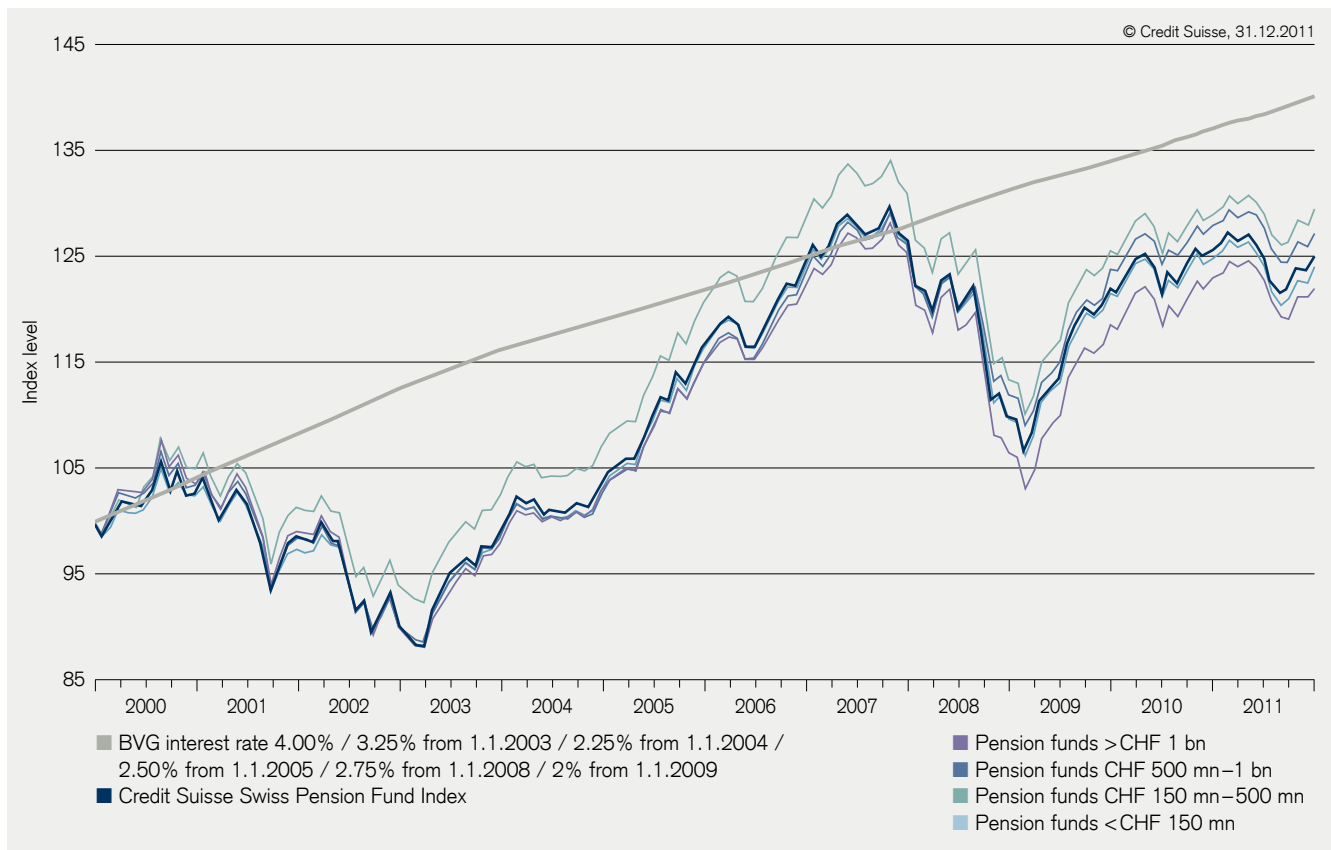
Credit Suisse Swiss Pension Fund Index 1.1.2011–31.12.2011

| 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%  | 0.36%  | -0.20% | -0.64% | 0.16%  | -0.17% | -0.14% | -0.35% |
| CHF bonds               | -0.03% | 0.01% | -0.06% | -0.01% | 0.28%  | 0.11%  | 0.29%  | 0.17%  | 0.18%  | -0.01% | -0.10% | 0.24%  | 1.07%  |
| Foreign currency bonds  | 0.13%  | 0.00% | -0.03% | -0.11% | -0.21% | -0.09% | -0.41% | 0.24%  | 0.60%  | -0.09% | 0.08%  | 0.25%  | 0.34%  |
| Swiss equities          | 0.01%  | 0.28% | -0.27% | 0.47%  | 0.01%  | -0.72% | -0.80% | -0.59% | -0.14% | 0.48%  | -0.18% | 0.45%  | -0.99% |
| Foreign equities        | 0.36%  | 0.27% | -0.25% | -0.17% | -0.74% | -0.43% | -1.28% | -0.82% | 0.21%  | 0.94%  | 0.19%  | 0.27%  | -1.44% |
| Alternative investments | 0.07%  | 0.05% | 0.02%  | -0.01% | -0.10% | -0.11% | -0.08% | 0.06%  | -0.03% | 0.01%  | 0.04%  | -0.05% | -0.12% |
| Real estate             | 0.18%  | 0.13% | 0.03%  | 0.08%  | 0.10%  | 0.04%  | 0.07%  | 0.03%  | 0.05%  | 0.10%  | -0.09% | 0.13%  | 0.84%  |
| Mortgages               | 0.00%  | 0.00% | 0.00%  | 0.00%  | 0.02%  | 0.01%  | 0.02%  | 0.02%  | 0.02%  | 0.00%  | 0.01%  | 0.01%  | 0.11%  |
| Other                   | 0.00%  | 0.00% | 0.00%  | 0.00%  | 0.00%  | 0.00%  | -0.01% | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | -0.02% |
| Total                   | 0.61%  | 0.80% | -0.57% | 0.46%  | -0.50% | -1.18% | -1.83% | -1.09% | 0.25%  | 1.61%  | -0.23% | 1.16%  | -0.56% |

**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**

| <b>Performance 1.1.2011–31.12.2011</b> |            |            |              |              |            |             |             |            |            |            |            |            |            |
|--|------------|------------|--------------|--------------|------------|-------------|-------------|------------|------------|------------|------------|------------|------------|
| <b>2011</b>                            | <b>Jan</b> | <b>Feb</b> | <b>March</b> | <b>April</b> | <b>May</b> | <b>June</b> | <b>July</b> | <b>Aug</b> | <b>Sep</b> | <b>Oct</b> | <b>Nov</b> | <b>Dec</b> | <b>YTD</b> |
| Credit Suisse Swiss Pension Fund Index | 0.61%      | 0.80%      | -0.57%       | 0.46%        | -0.50%     | -1.18%      | -1.83%      | -1.09%     | 0.25%      | 1.61%      | -0.23%     | 1.16%      | -0.56%     |
| Pension funds > CHF 1 bn               | 0.62%      | 0.81%      | -0.50%       | 0.53%        | -0.46%     | -1.14%      | -1.65%      | -1.35%     | -0.11%     | 1.78%      | -0.18%     | 0.83%      | -0.87%     |
| Pension funds CHF 500 mn–1 bn          | 0.53%      | 0.74%      | -0.61%       | 0.46%        | -0.30%     | -0.94%      | -1.55%      | -1.07%     | 0.00%      | 1.44%      | -0.36%     | 1.05%      | -0.66%     |
| Pension funds CHF 150 mn–500 mn        | 0.57%      | 0.77%      | -0.56%       | 0.51%        | -0.29%     | -1.07%      | -1.53%      | -0.89%     | 0.31%      | 1.47%      | -0.27%     | 1.23%      | 0.20%      |
| Pension funds < CHF 150 mn             | 0.63%      | 0.82%      | -0.60%       | 0.41%        | -0.65%     | -1.28%      | -2.09%      | -1.11%     | 0.39%      | 1.65%      | -0.20%     | 1.26%      | -0.84%     |

**Table 1d**

| <b>Annualized Performance 1.1.2000–31.12.2011</b> |  | <b>Annualized performance since 1.1.2000</b> |
|---|--|--|
| Credit Suisse Swiss Pension Fund Index            |  | 1.85%  |
| BVG interest rate                                 |  | 2.81%  |
| Pension funds > CHF 1 bn                          |  | 1.66%  |
| Pension funds CHF 500 mn–1 bn                     |  | 2.01%  |
| Pension funds CHF 150–500 mn                      |  | 2.16%  |
| Pension funds < CHF 150 mn                        |  | 1.80%  |

## 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 (1.1.2007–31.12.2011), but they do form part of the rolling two-year observation period.

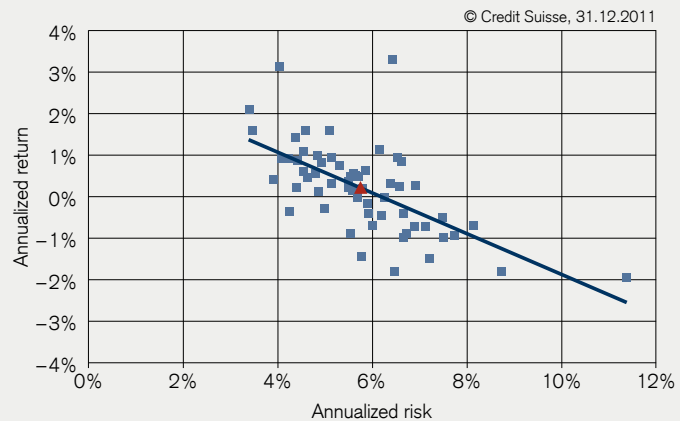
### Negative Trend of Five-Year Line

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 December 31, 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 risen to 0.10%, as did the unweighted average annualized risk (red triangle), which rose to 5.76%. Three pension funds are in the low-risk investment area (annualized risk of 3 to 4%) on December 31, 2011, while three pension funds fall into the high-risk area (annualized risk of more than 8%). In the past quarter, more than one-third of the pension funds included in the Pension Fund Index could not report a positive annualized five-year return.

**Chart 2a: Annualized Risk/Return Comparison; Rolling Five-Year View, Monthly Results from January 2007 to December 2011**

Database: Monthly results from January 2007 to December 2011



**Table 2a**

**Key Figures**

1.1.2007–31.12.2011

|  | Risk  | Return | Sharpe ratio |
|--|-------|--------|--------------|
| Credit Suisse Swiss Pension Fund Index | 5.76% | 0.10%  | -0.15        |
| Pension funds >CHF 1 bn                | 4.97% | -0.05% | -0.14        |
| Pension funds CHF 500 mn–1 bn          | 6.44% | 0.64%  | -0.06        |
| Pension funds CHF 150–500 mn           | 5.54% | 0.13%  | -0.14        |
| Pension funds <CHF 150 mn              | 5.81% | 0.01%  | -0.17        |

**Table 2b**

**Return Bandwidths**

1.1.2007–31.12.2011

|  | Minimum | 1st quartile | Median | 3rd quartile | Maximum |
|--|---------|--------------|--------|--------------|---------|
| Credit Suisse Swiss Pension Fund Index | -1.96%  | -0.44%       | 0.30%  | 0.81%        | 3.33%   |
| Pension funds >CHF 1 bn                | -1.79%  | 0.42%        | 0.86%  | 0.95%        | 1.15%   |
| Pension funds CHF 500 mn–1 bn          | -1.96%  | -0.68%       | 0.18%  | 1.09%        | 3.33%   |
| Pension funds CHF 150–500 mn           | -0.71%  | -0.38%       | 0.31%  | 0.90%        | 1.59%   |
| Pension funds <CHF 150 mn              | -1.78%  | -0.71%       | 0.22%  | 0.60%        | 2.10%   |

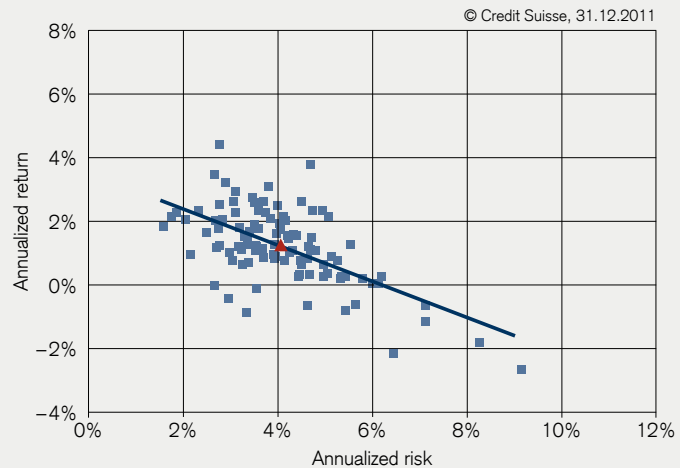
## Negative Trend of Two-Year Line

The rolling two-year line (chart 2b, 1.1.2010–31.12.2011), which has a much stronger reaction to changes, also contradicts 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 un-weighted average annualized return is 1.20%, while the un-weighted average risk is 4.09% (red triangle).

**Chart 2b: Annualized Risk/Return Comparison; Rolling Two-Year View, Monthly Results from January 2010 to December 2011**

Database: Monthly results from January 2010 to December 2011



**Table 2c**

**Key Figures**

1.1.2010–31.12.2011

|  | Risk  | Return | Sharpe ratio |
|--|-------|--------|--------------|
| Credit Suisse Swiss Pension Fund Index | 4.09% | 1.20%  | 0.33         |
| Pension funds > CHF 1 bn               | 3.91% | 1.40%  | 0.42         |
| Pension funds CHF 500 mn–1 bn          | 3.59% | 1.25%  | 0.47         |
| Pension funds CHF 150–500 mn           | 3.68% | 1.50%  | 0.48         |
| Pension funds < CHF 150 mn             | 4.34% | 0.99%  | 0.24         |

**Table 2d**

**Return Bandwidths**

1.1.2010–31.12.2011

|  | Minimum | 1st quartile | Median | 3rd quartile | Maximum |
|--|---------|--------------|--------|--------------|---------|
| Credit Suisse Swiss Pension Fund Index | -2.69%  | 0.65%        | 1.21%  | 1.99%        | 4.39%   |
| Pension funds > CHF 1 bn               | -0.68%  | 0.79%        | 1.53%  | 2.37%        | 3.16%   |
| Pension funds CHF 500 mn–1 bn          | 0.60%   | 0.79%        | 1.55%  | 2.54%        | 3.83%   |
| Pension funds CHF 150–500 mn           | 0.70%   | 1.10%        | 1.83%  | 2.56%        | 3.43%   |
| Pension funds < CHF 150 mn             | -2.69%  | 0.23%        | 1.10%  | 1.63%        | 4.39%   |

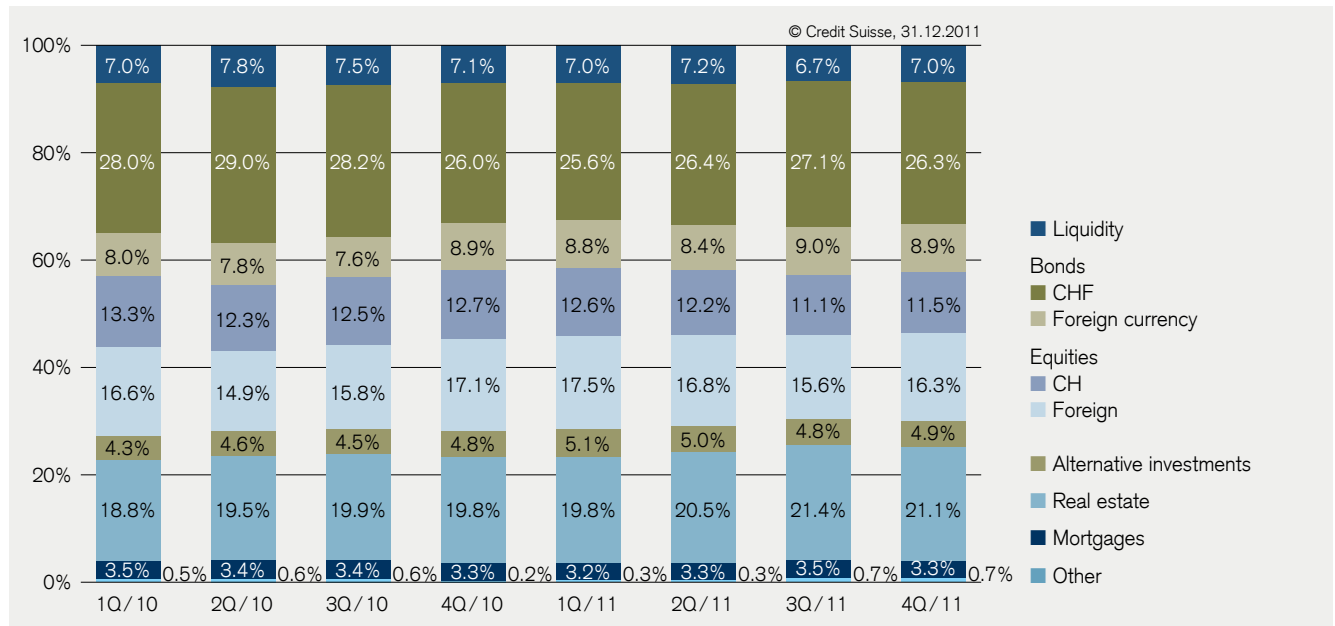
# Asset Allocation

## Rising Equity Component

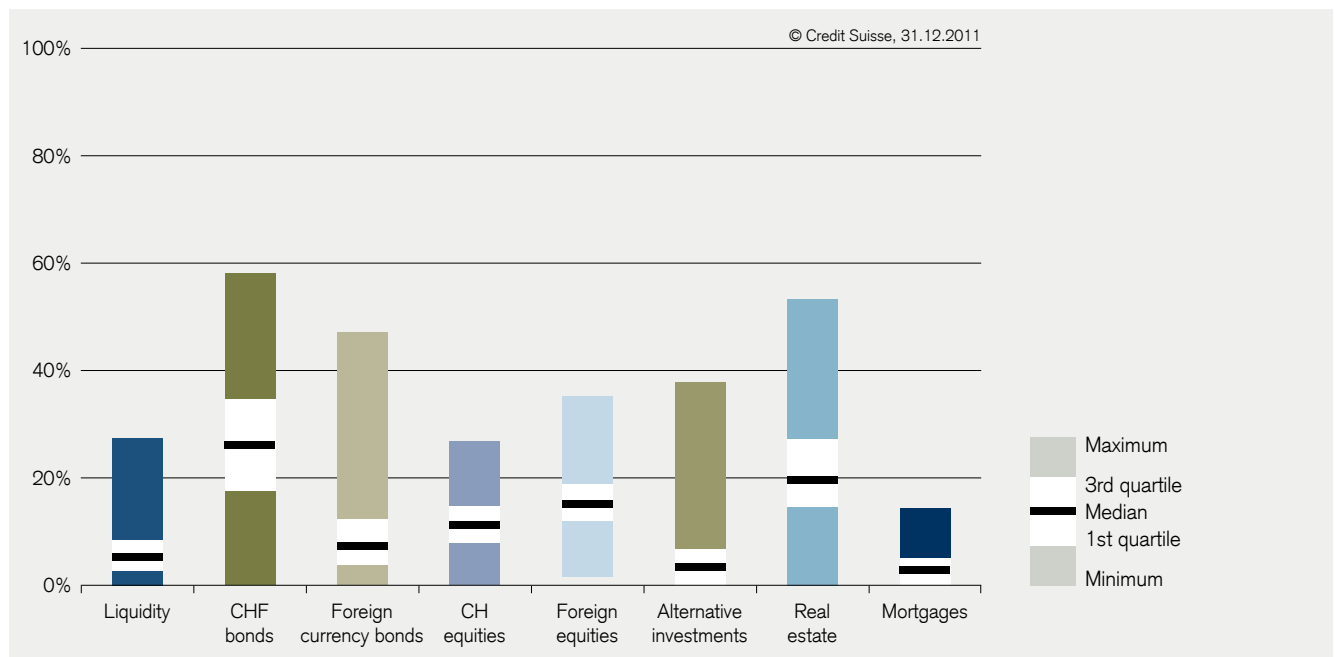
The asset allocation overview shows that the weighting of liquid funds increased (0.30%). Swiss and foreign equity exposure was also increased (0.40% and 0.70%, respectively) and total equity exposure is 27.8%. Exposures in Swiss franc bonds

(−0.8%) and foreign currency bonds (−0.1%) were reduced to a total bond exposure of 35.2%. Real estate commitments also declined by −0.3% to 21.1%.

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



**Chart 4: Minimum and Maximum Values 4th Quarter 2011**

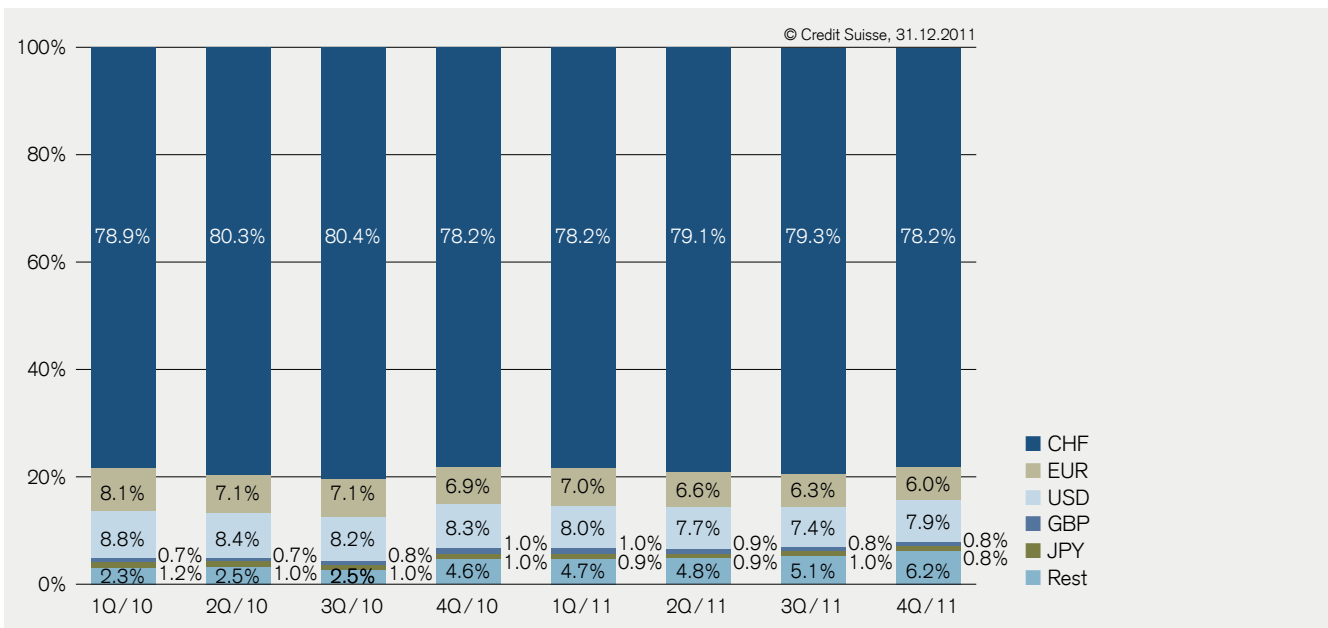


# Currency Allocation

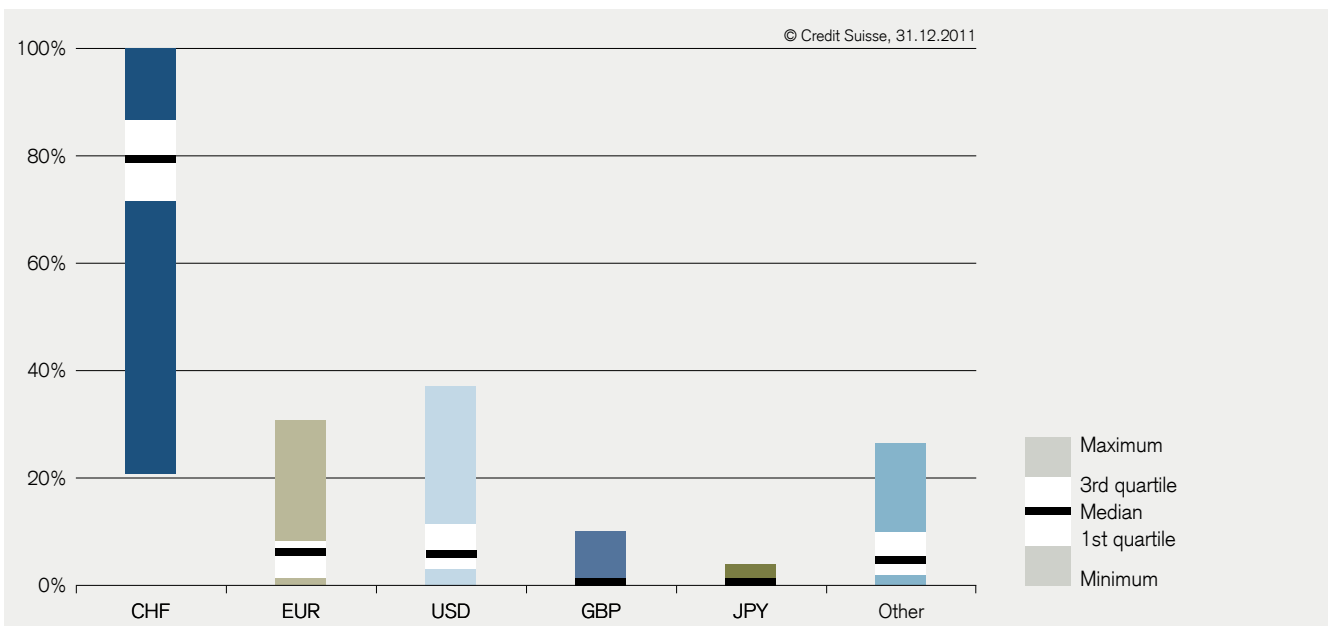
## Falling Level of Swiss Francs

The currency allocation shows that the foreign currency exposure versus the Swiss franc was given more weight compared to the previous quarter (+1.1%).

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



**Chart 6: Minimum and Maximum Values 4th Quarter 2011**





## Important Information

The Credit Suisse Swiss Pension Fund Index is calculated on the basis of the stated performance of 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 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. As a leading provider of global custodian services, Credit Suisse is able to prepare broadly-based and representative analyses of the Swiss pension fund business. At system level the data provides a very up-to-date picture of the current investment activities pertaining to second pillar assets, as the autonomous pension funds manage around 80% of all such assets.

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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