

Credit Suisse
Swiss Pension Fund Index
4th Quarter 2012

YTD 2012: 7.21%

4th quarter 2012: 0.98%

- BVG Target Easily Exceeded
- Equity Component Continues to Rise
- Slightly Higher 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.

Best Investment Year Since 2009

The Credit Suisse Swiss Pension Fund Index (blue line in chart 1a), which started with a value of 100 at the beginning of 2000, shows a successful investment year. In the reporting quarter, the index rose by 1.30 points, or 0.98%, to 133.61 points as of December 31, 2012. Both November (0.68%) and December (0.42%) contributed to the positive performance, while a slightly negative trend of 0.13% was observed in October. 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), rose by 0.37% or 0.53 points in the reporting quarter, climbing to 141.54. This once again reduced the difference between the BVG mandatory minimum rate of return and the Credit Suisse Swiss Pension Fund Index. As of December 31, 2012, it stood

at 7.93 points, practically half of its value in the previous year (2011: 14.82 points). In the 2012 investment year, rising share prices, Swiss franc bonds, and real estate generated a handsome return of 7.21%, the best result since 2009 (10.86%). It is also worth noting that all asset categories generated positive returns in 2012 and therefore all made a contribution to this pleasing result.

The BVG target was exceeded by 5.71%. The annualized return (since start of measurement) of the Credit Suisse Swiss Pension Fund Index (table 1d) was 2.25% at the end of the year, compared to the annualized BVG mandatory minimum rate of return of 2.71%.

Chart 1a: Credit Suisse Swiss Pension Fund Index



Table 1a

Credit Suisse Swiss Pension Fund Index 1.1.2000–31.12.2012

	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%

Table 1b

Performance Contribution (Monthly)

Credit Suisse Swiss Pension Fund Index 1.1.2012–31.12.2012

2012	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD
Liquidity	0.09%	0.12%	-0.02%	-0.04%	-0.30%	0.15%	-0.16%	0.10%	0.04%	0.04%	0.03%	0.06%	0.12%
CHF bonds	0.19%	0.13%	-0.02%	0.06%	0.24%	-0.02%	0.26%	0.10%	0.02%	0.07%	0.05%	-0.01%	1.06%
Foreign currency bonds	0.07%	-0.04%	-0.03%	0.09%	0.34%	-0.10%	0.34%	-0.07%	0.03%	-0.04%	0.02%	-0.03%	0.57%
Swiss equities	0.18%	0.39%	0.28%	-0.01%	-0.55%	0.37%	0.54%	-0.02%	0.24%	0.14%	0.36%	0.06%	1.98%
Foreign equities	0.71%	0.46%	0.06%	-0.14%	-0.51%	0.36%	0.68%	-0.01%	0.31%	-0.24%	0.10%	0.20%	1.99%
Alternative investments	0.05%	0.03%	-0.03%	-0.01%	-0.01%	0.00%	0.13%	0.02%	0.04%	-0.08%	-0.01%	-0.05%	0.09%
Real estate	0.10%	0.17%	0.19%	0.15%	0.10%	0.08%	0.26%	-0.04%	0.02%	-0.02%	0.14%	0.21%	1.35%
Mortgages	0.01%	0.00%	-0.01%	0.01%	0.02%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%
Other	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	-0.01%	0.00%	0.00%	0.03%
Total	1.37%	1.24%	0.40%	0.11%	-0.67%	0.81%	2.02%	0.09%	0.67%	-0.13%	0.68%	0.43%	7.21%

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

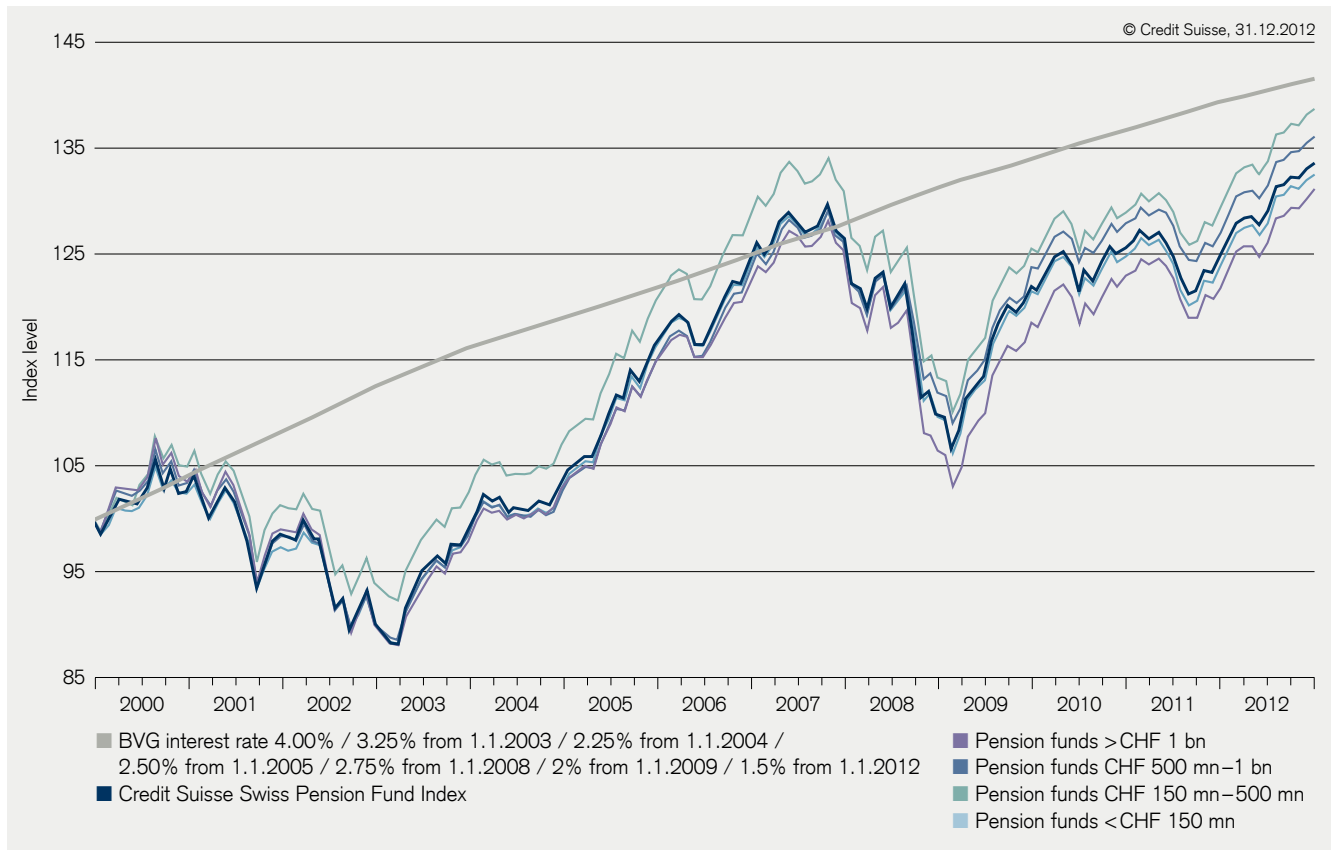


Table 1c

Performance 1.1.2012–31.12.2012

2012	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD
Credit Suisse Swiss Pension Fund Index	1.37%	1.24%	0.40%	0.11%	-0.67%	0.81%	2.02%	0.09%	0.67%	-0.13%	0.68%	0.43%	7.21%
Pension funds > CHF 1 bn	1.45%	1.31%	0.41%	0.03%	-0.74%	0.94%	1.86%	0.18%	0.66%	-0.06%	0.68%	0.74%	7.69%
Pension funds CHF 500 mn–1 bn	1.26%	1.41%	0.35%	0.14%	-0.54%	0.76%	1.80%	0.11%	0.60%	0.05%	0.60%	0.42%	7.16%
Pension funds CHF 150 mn–500 mn	1.34%	1.22%	0.46%	0.14%	-0.65%	0.78%	2.03%	0.13%	0.64%	-0.11%	0.74%	0.39%	7.29%
Pension funds < CHF 150 mn	1.37%	1.20%	0.38%	0.11%	-0.67%	0.78%	2.12%	0.02%	0.69%	-0.20%	0.67%	0.35%	7.00%

Table 1d

Annualized Performance 1.1.2000–31.12.2012

	Annualized performance since 1.1.2000
Credit Suisse Swiss Pension Fund Index	2.25%
BVG interest rate	2.71%
Pension funds > CHF 1 bn	2.11%
Pension funds CHF 500 mn–1 bn	2.40%
Pension funds CHF 150–500 mn	2.55%
Pension funds < CHF 150 mn	2.19%

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, 2009 are

not taken into account in the five-year rolling observation period (1.1.2008–31.12.2012) 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 not changed substantially since the last index publication. As of December 31, 2012, the regressive curve is negative, showing once again 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 1.10% (Q3: 0.69%), while the unweighted average annualized risk (red triangle) fell slightly to 5.67% (Q3: 5.70%). Seven pension funds are in the low-risk investment area (annualized risk of 3 to 4%) as of December 31, 2012, while only two pension funds are in the high-risk area (annualized risk of more than 8%). It is worth noting that in the past quarter only around 5% of the pension funds included in the Pension Fund Index did not report a positive annualized five-year return. This represents a drop of approximately 15% compared to the previous quarter.

Chart 2a: Annualized Risk/Return Comparison; Rolling Five-Year View. Monthly Results from January 2008 to December 2012

Basis of data: Monthly results from January 2008 to December 2012

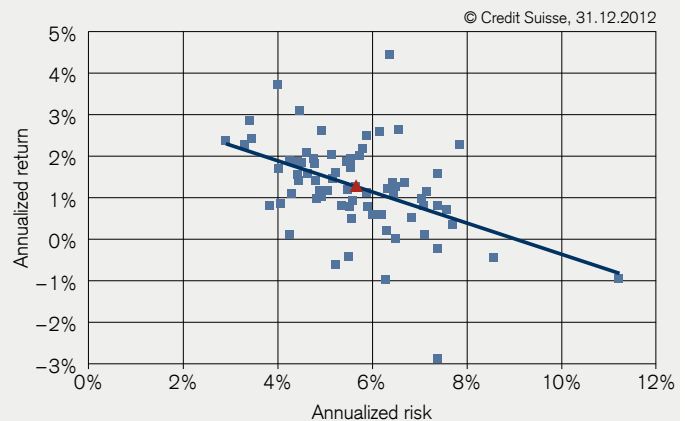


Table 2a

Key Figures

1.1.2008–31.12.2012

	Risk	Return	Sharpe ratio
Credit Suisse Swiss Pension Fund Index	5.67%	1.10%	0.13
Pension funds >CHF 1 bn	5.97%	0.94%	0.07
Pension funds CHF 500 mn–1 bn	5.53%	1.55%	0.27
Pension funds CHF 150–500 mn	5.47%	1.19%	0.16
Pension funds <CHF 150 mn	5.67%	0.99%	0.11

Table 2b

Return Bandwidths

1.1.2008–31.12.2012

	Minimum	1st quartile	Median	3rd quartile	Maximum
Credit Suisse Swiss Pension Fund Index	-2.84%	0.79%	1.25%	1.89%	4.43%
Pension funds >CHF 1 bn	-0.97%	0.00%	0.86%	2.10%	2.58%
Pension funds CHF 500 mn–1 bn	0.10%	1.64%	1.94%	2.03%	4.43%
Pension funds CHF 150–500 mn	0.22%	1.01%	1.38%	1.83%	3.11%
Pension funds <CHF 150 mn	-2.84%	0.81%	1.17%	1.72%	2.86%

Negative Trend of Two-Year Line

The rolling two-year line (chart 2b, 1.1.2011–31.12.2012), 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, how-

ever, as this is a rolling presentation of the past 24 months. The unweighted average annualized return is 3.25%, while the unweighted average risk is 3.57% (red triangle).

Chart 2b: Annualized Risk/Return Comparison; Rolling Two-Year View. Monthly Results from January 2011 to December 2012

Basis of data: Monthly results from January 2011 to December 2012

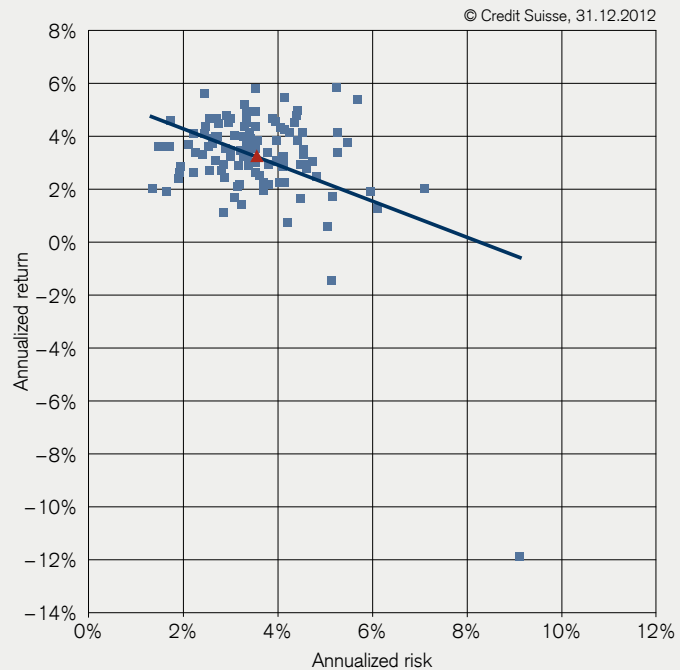


Table 2c

Key Figures

1.1.2011–31.12.2012

	Risk	Return	Sharpe ratio
Credit Suisse Swiss Pension Fund Index	3.57%	3.25%	1.00
Pension funds > CHF 1 bn	3.59%	3.32%	1.02
Pension funds CHF 500 mn–1 bn	3.30%	3.18%	1.07
Pension funds CHF 150–500 mn	3.30%	3.69%	1.14
Pension funds < CHF 150 mn	3.74%	3.01%	0.92

Table 2d

Return Bandwidths

1.1.2011–31.12.2012

	Minimum	1st quartile	Median	3rd quartile	Maximum
Credit Suisse Swiss Pension Fund Index	-11.89%	2.72%	3.45%	4.08%	5.85%
Pension funds > CHF 1 bn	-1.50%	2.20%	3.65%	4.58%	5.85%
Pension funds CHF 500 mn–1 bn	0.78%	2.26%	3.67%	4.35%	4.69%
Pension funds CHF 150–500 mn	2.00%	2.99%	3.85%	4.35%	4.95%
Pension funds < CHF 150 mn	-11.89%	2.73%	3.27%	3.74%	5.78%

Asset Allocation

Growing Equity Component

In terms of asset allocation as of December 31, 2012, the liquidity component has risen by 0.30%.

Swiss and foreign equity exposures also rose by 0.30% each, resulting in a total equity exposure of 29.3% (+0.60%). Expo-

sure to Swiss franc and foreign currency bonds was reduced by 0.20% in each case, resulting in a total bond exposure of 33.7% (-0.40%). The real estate component also fell by 0.20% to 20.70%.

Chart 3: Asset Allocation for the Last Eight Quarters

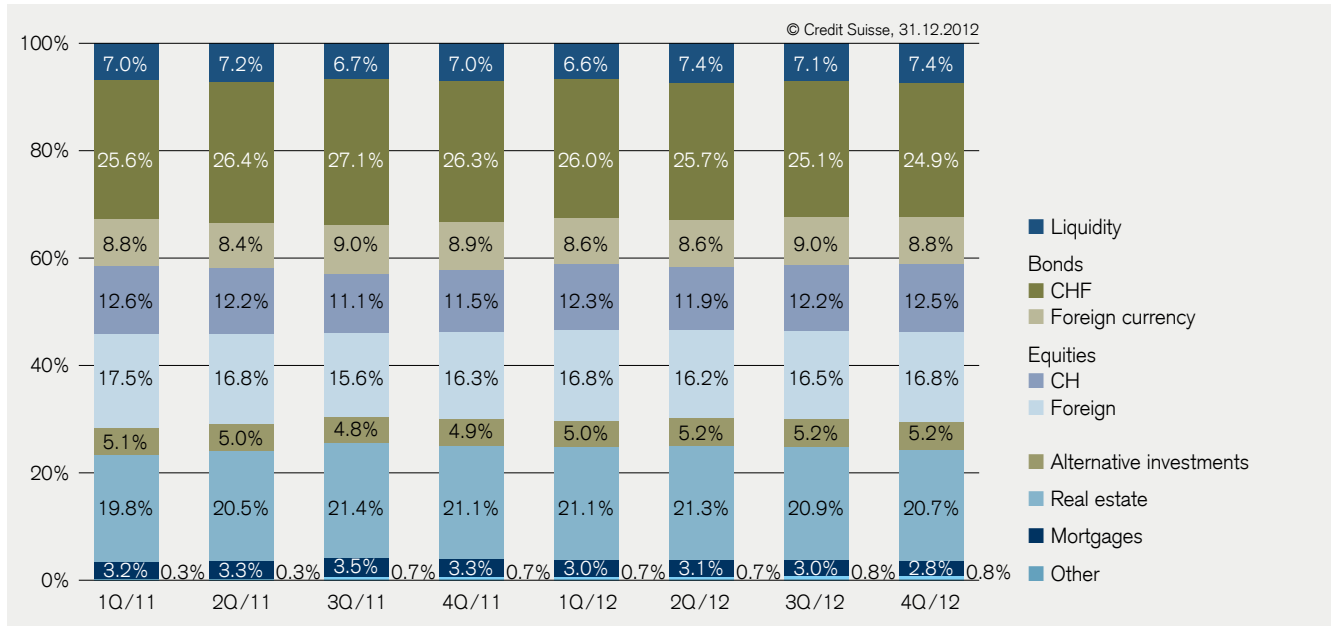
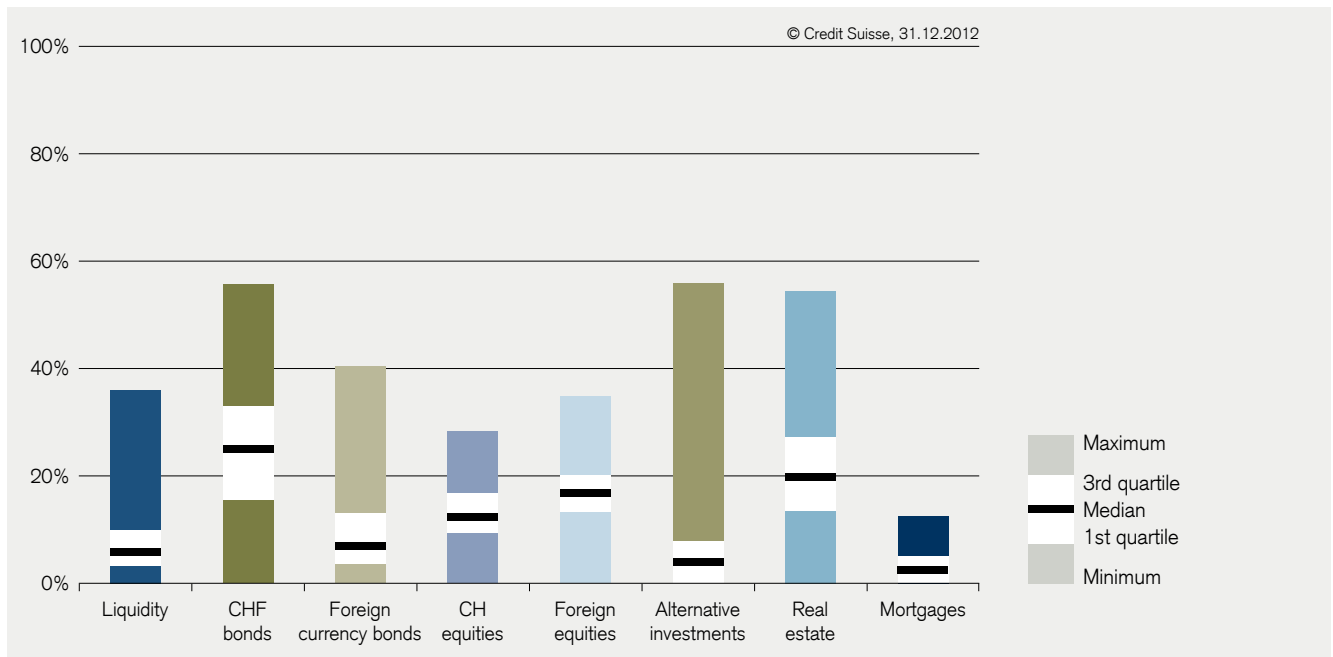


Chart 4: Maximum and Minimum Values for 4th Quarter 2012



Currency Allocation

Slightly Increased Swiss Franc Component

The currency allocation shows that foreign currency exposure versus the Swiss franc fell slightly (by 0.90%) to 21.50% as of December 30, 2012.

Chart 5: Development for the Last Eight Quarters

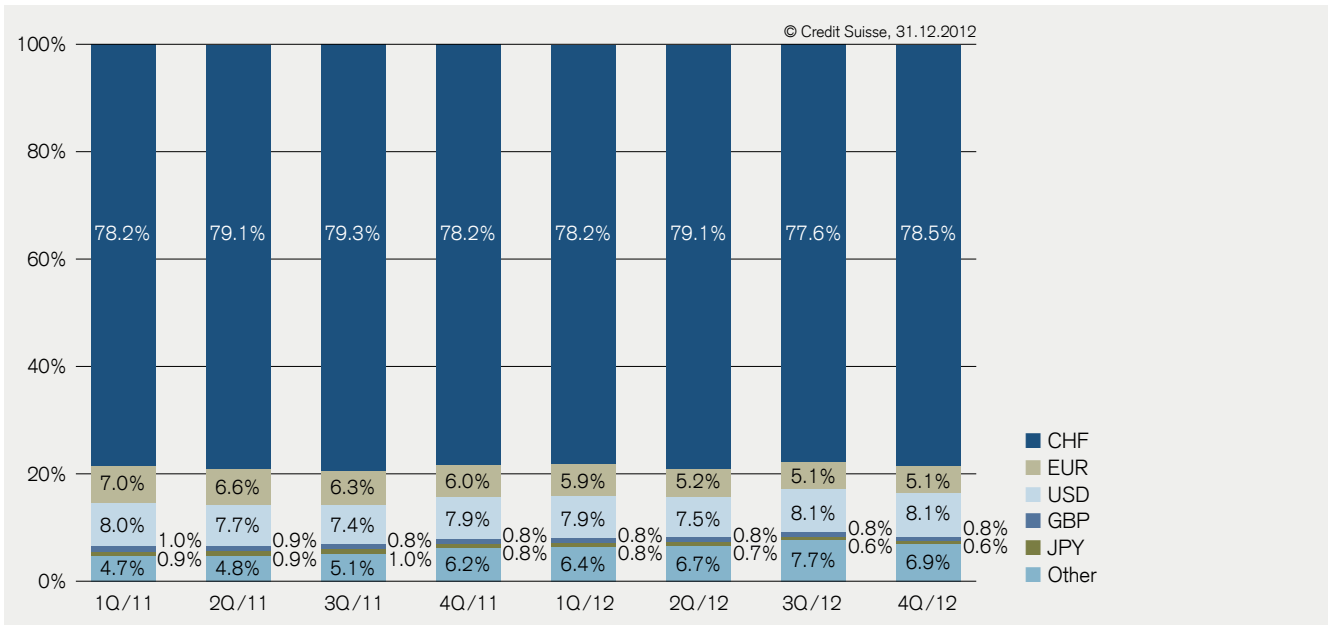
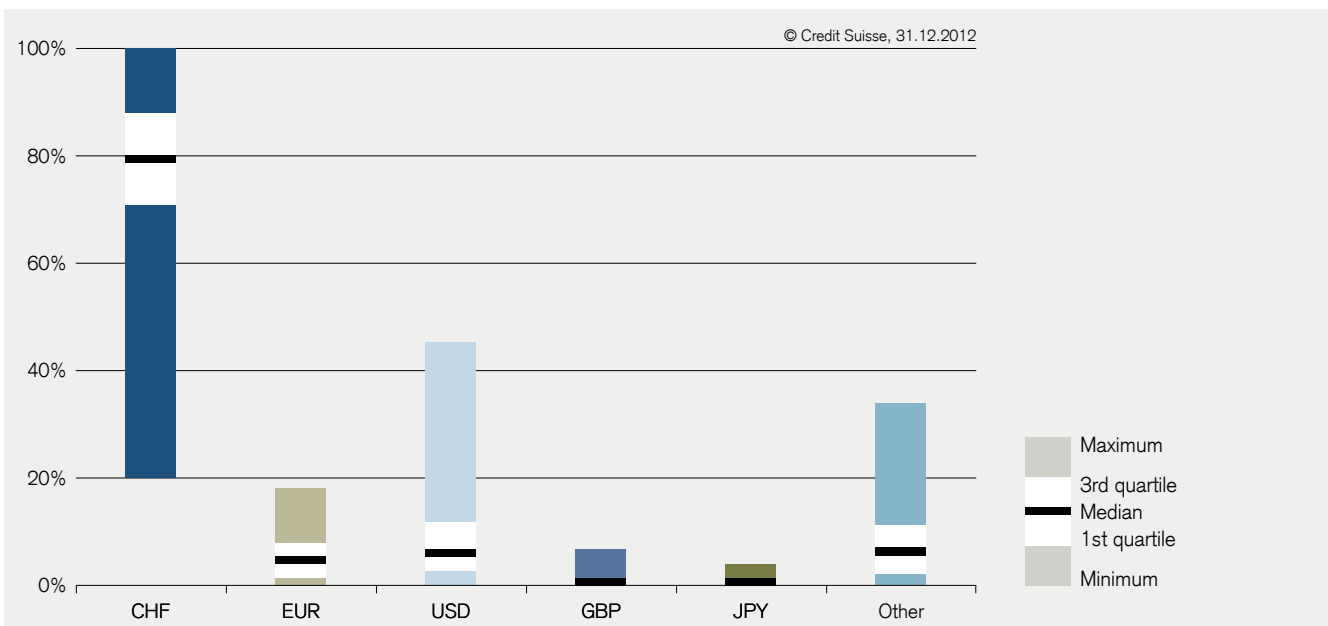


Chart 6: Maximum and Minimum Values for 4th Quarter 2012





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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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