

A Flexible Solution with Above-Average Payouts. Credit Suisse (Lux) Global High Income Fund USD



Our Solution

The Credit Suisse (Lux) Global High Income Fund USD is designed to generate a high and regular income stream and represents a genuine alternative to traditional fixed-income solutions in the persistent low-yield environment.

Yields in developed markets have suffered through a three-decade downtrend. While we have since seen signs of a reversal, especially in US Treasuries, global yields overall continue to languish at near-record lows. At the same time, inflation rates in most developed countries are slightly above the yields of government bonds and

are starting to trend higher. Investors are therefore well advised to widen their investment spectrum. The Credit Suisse (Lux) Global High Income Fund USD is a global multi-asset-class fund that invests flexibly in high-yielding securities as they become available across the various asset classes.

Income is important

Average inflation in developed countries has eaten up 1.8% of your wealth each year over the last two decades.

Source: imf.org

Income diversification

Combining different income sources in all regions can yield diversification benefits and increase your portfolio's risk/return characteristics.

Source: Credit Suisse

Dividends play a substantial part in stock return

Over the last ten years, more than 40% of the total return of the S&P 500 Index came from dividends.

Source: Bloomberg, 31.12.2007 until 29.12.2017

Why global high income?

Government bonds are considered the standard instrument for income-oriented investors, but they are by no means the only or currently even the most attractive proposition. Credit strategies offer a yield pickup relative to first-class government bonds. High-yield and emerging-market bonds, in turn, offer a higher coupon as well as a corresponding loss buffer against rising interest rates.

A further recurring income flow comes from equities with high dividends. Typically, high-quality companies with relatively low-risk business models are able to pay decent and sustainable dividends. In addition, in the past, their shares corrected less sharply than the overall market during market dips.

With this expanded opportunity set, the chances of attaining an attractive level of income rise substantially while, in a global and well-diversified portfolio, risks increase only moderately.

5%¹ annual payouts
have been realized
since inception of the
Credit Suisse (Lux) Global
High Income Fund USD.

Why now?

In today's persistent low-yield environment, various asset classes and segments offer more attractive income than government bonds. In particular, equity dividend yields are notably higher than the yields available on fixed-income assets, partly as a result of dividend yields having

held fairly steady over the past decades, while bond yields are hovering near a thirty-year low. However, a look at the risk/return statistics of alternative income sources makes it clear that it remains crucial to diversify return drivers across asset classes.

¹ The annual (gross) payout of 5% is based on the unswung net asset value (NAV) of the respective share classes at the end of the previous calendar year.

Source: Credit Suisse

How do we invest?

The Credit Suisse (Lux) Global High Income Fund USD aims for a regular annual distribution of 5%². To achieve this objective, it seeks out investment opportunities with high and regular yields and combines traditional with liquid nontraditional income sources. Portfolio composition may vary over time, depending on the portfolio managers' market assessment, whereby they always keep a close eye on diversification and risk mitigation.

Selection is based on quantitative screening criteria that go hand in hand with a qualitative overlay to ensure sustainable income flows and sector and country diversification. The fund is managed by our Income team, a specialized investment team within Balanced Solutions, in close collaboration with our in-house fixed-income and equity experts.

Our global approach, combining traditional and liquid nontraditional sources of income



Typically
40%–60%
of portfolio



Typically
40%–60%
of portfolio

Traditional income

Fixed income

Sovereign debt
Investment-grade bonds

Equities

Stocks paying high dividends
Short puts and calls (covered)

Nontraditional income

Fixed income

High-yield bonds
Mortgage-backed securities
Covered bonds
Convertible bonds
Insurance-linked bonds
Floating-rate bonds
Emerging-market bonds

Alternative investments

Real Estate
Investment Trusts (REITs)
Master Limited Partnerships (MLPs)
Preferred stocks

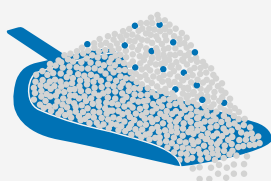
² The annual distribution is a target and there is no guarantee that it will be achieved. Target returns are based on historical data. They are not a projection, prediction, or guarantee of future performance, and there is no certainty that the target returns will be reached.

Our investment process

1

Global bond, equity, and liquid real estate universe

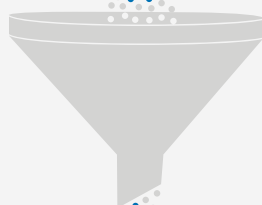
Listed and/or liquid securities worldwide



2

Broad universe

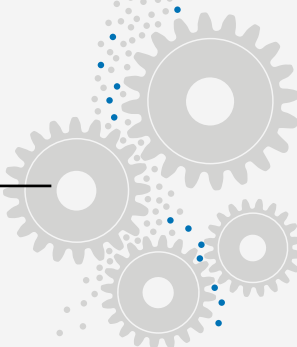
Securities with attractive payouts and risk/return characteristics



3

Investable universe

Securities that fit the fund's investment philosophy



4

Portfolio construction

~ 800 securities are combined to achieve a balanced risk profile for the fund



As a first step, we carry out a **quantitative screen** to select the most promising investments based on hard-coded criteria (e.g. within equities: dividend yield, dividend sustainability, payout ratios, exclusion of potential dividend cutters).

We use a **sophisticated ranking** methodology to rank the remaining investments and select the most promising yield contributors.

We apply a **qualitative overlay** to avoid sector and/or country concentration and check for risk.

Finally, we use **derivative overlay** strategies on single positions to further enhance the payout profile.

For illustrative purposes only.
Source: Credit Suisse

Fund Details

The Credit Suisse (Lux) Global High Income Fund USD offers investors access to an actively managed, global multi-asset fund that aims to achieve a regular annual distribution of 5%³ (quarterly payouts).

Key facts

Fund domicile	Luxembourg
Legal structure	SICAV
Fund management	Credit Suisse Fund Management S.A.
Portfolio managers	Sacha Widin, Christopher Schütz
Fund currency	USD
Benchmark	None
Subscriptions/redemptions	Daily, with cutoff at 13:00 CET

Share class	Valor no.	ISIN	Management fee p.a.	Minimum investment	Distribution
USD B	25142036	LU1097743592	1.10%	None	Accumulating
USD A	25142035	LU1097743329	1.10%	None	Distributing
USD IA	25142037	LU1097743758	0.50%	USD 3 mn	Distributing
USD UB	27227823	LU1195447187	0.90%	None	Accumulating
USD UA	26358924	LU1144419535	0.90%	None	Distributing
EUR BH	25508534	LU1114186759	1.10%	None	Accumulating
EUR AH	25407890	LU1109644804	1.10%	None	Distributing
EUR UBH	26362609	LU1144419881	0.90%	None	Accumulating
EUR UAH	26362608	LU1144419709	0.90%	None	Distributing
EUR EBH	39343073	LU1727734359	0.50%	None	Accumulating
CHF BH	25508532	LU1114186320	1.10%	None	Accumulating
CHF AH	25407883	LU1109643400	1.10%	None	Distributing
CHF UBH	27227824	LU1195451379	0.90%	None	Accumulating
CHF UAH	26362606	LU1144419618	0.90%	None	Distributing

Risks

- There is no guarantee that losses can be avoided or that investment objectives can be met.
- Portfolio performance will be dependent in part on investment decisions made by Credit Suisse.
- Foreign exchange risk may have an effect on portfolio performance.
- Some of the fund's assets may display higher volatility.

Want to find out more?

Visit credit-suisse.com/globalhighincome

³ The annual distribution is a target and there is no guarantee that it will be achieved. Target returns are based on historical data. They are not a projection, prediction, or guarantee of future performance, and there is no certainty that the target returns will be reached.

Tax treatment depends on the individual circumstances of each client and may be subject to change in the future.

Credit Suisse does not provide tax advice and it has not been taken into consideration while calculating the returns.

“

Generating a satisfactory income stream requires investors to look beyond traditional investments and tap new income sources. This fund's objective is to create an investment mix that can achieve a high and regular payout while diversifying the sources of risk.

Sacha Widin,
Head of Multi-Asset Funds



Your contact

CREDIT SUISSE ASSET MANAGEMENT (Switzerland) Ltd.

Distribution

Client Service: +41 44 333 40 50

clientservices.amfunds@credit-suisse.com

credit-suisse.com/assetmanagement

Source: Credit Suisse, otherwise specified.

Unless noted otherwise, all illustrations in this document were produced by Credit Suisse Group AG and/or its affiliates with the greatest of care and to the best of its knowledge and belief.

Tax treatment depends on the individual circumstances of each client and may be subject to change in the future. Credit Suisse does not provide tax advice and it has not been taken into consideration while calculating the returns. The information provided herein constitutes marketing material. It is not investment advice or otherwise based on a consideration of the personal circumstances of the addressee nor is it the result of objective or independent research. The information provided herein is not legally binding and it does not constitute an offer or invitation to enter into any type of financial transaction. The information provided herein was produced by Credit Suisse Group AG and/or its affiliates (hereafter "CS") with the greatest of care and to the best of its knowledge and belief. The information and views expressed herein are those of CS at the time of writing and are subject to change at any time without notice. They are derived from sources believed to be reliable. CS provides no guarantee with regard to the content and completeness of the information and does not accept any liability for losses that might arise from making use of the information. If nothing is indicated to the contrary, all figures are unaudited. The information provided herein is for the exclusive use of the recipient. Neither this information nor any copy thereof may be sent, taken into or distributed in the United States or to any U. S. person (within the meaning of Regulation S under the US Securities Act of 1933, as amended). It may not be reproduced, neither in part nor in full, without the written permission of CS. Investment principal on bonds can be eroded depending on sale price, market price or changes in redemption amounts. Care is required when investing in such instruments. Investments in foreign currencies involve the additional risk that the foreign currency might lose value against the investor's reference currency. Equities are subject to market forces and hence fluctuations in value, which are not entirely predictable. The key risks of real estate investments include limited liquidity in the real estate market, changing mortgage interest rates, subjective valuation of real estate, inherent risks with respect to the construction of buildings and environmental risks (e.g., land contamination). Emerging market investments usually result in higher risks such as political, economic, credit, exchange rate, market liquidity, legal, settlement, market, shareholder and creditor risks. Emerging markets are located in countries that possess one or more of the following characteristics: a certain degree of political instability, relatively unpredictable financial markets and economic growth patterns, a financial market that is still at the development stage or a weak economy. CS Investment Funds 4 - Credit Suisse (Lux) Global High Income Fund USD: This fund is domiciled in Luxembourg. The representative in Switzerland is Credit Suisse Funds AG. The paying agent in Switzerland is Credit Suisse (Switzerland) Ltd., Zurich. The prospectus, the simplified prospectus and/or the Key Investor Information Document (KIID) and the annual and half-yearly reports may be obtained free of charge from the representative or from paying agent in Switzerland.

Copyright © 2018 CREDIT SUISSE GROUP AG and/or its affiliates. All rights reserved.