

ASSET MANAGEMENT

# Security Investing in Its Purest Form

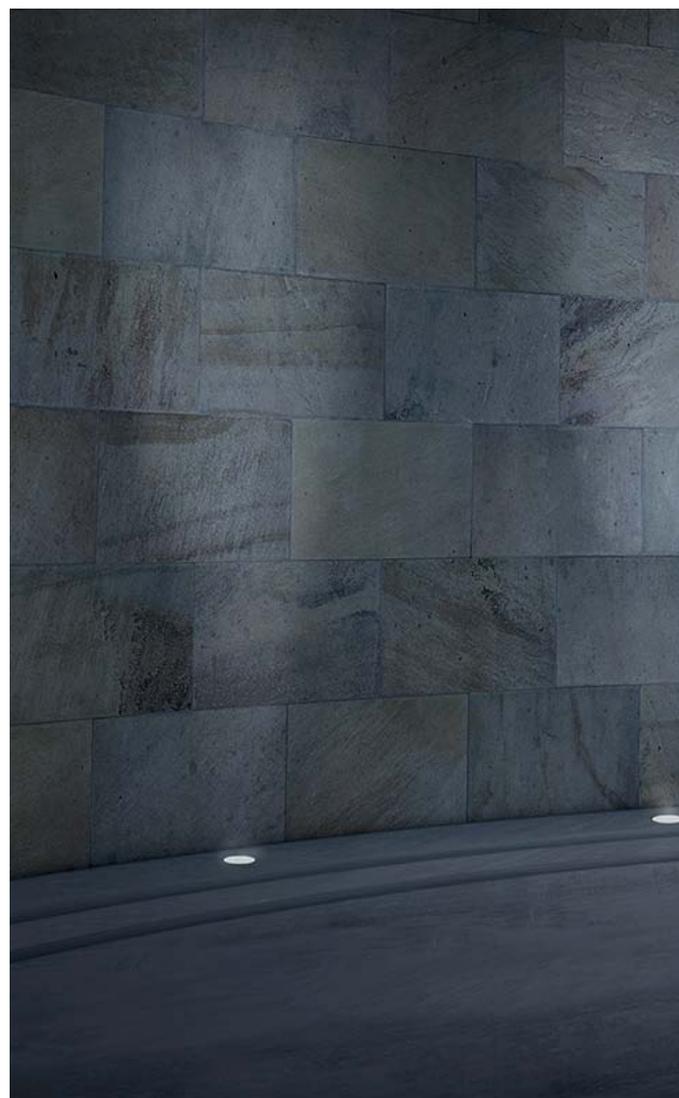
Credit Suisse (Lux) Global Security  
Equity Fund



# Security and Safety – Investments That Will Continue to Pay Off

Security is a basic human need. Technological innovation is omnipresent in the world today. The digitalization of society and of critical infrastructure creates an increasing need for security and safety against unauthorized access. The importance of security is a constant in today's ever-changing world.

The Credit Suisse (Lux) Global Security Equity Fund invests in the long-term structural growth theme of security and safety. It seeks out pure-play companies that stand to benefit most from this powerful theme.



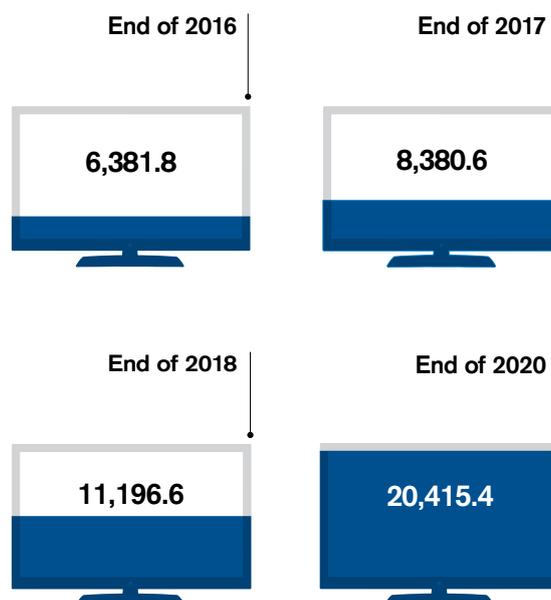
## Why security and safety?

Security and safety affect us all – from governments and companies to private individuals. Our modern-day life is increasingly built around sophisticated security and safety systems. Industrial manufacturing as well as the transportation of people and goods relies on sensor-controlled monitoring and controls, for example in the form of airbags. Smart electronic aids and digital assistants check and steer our activities – via computers and smart phones, in production and manufacturing, or even in monitoring our own bodies.

The massive data volumes created by these technologies must not fall into the wrong hands. Today, smart systems are able to select information to match our personal preferences from the never-ending flood of data. Higher quality standards and stricter regulations required by governments demand ever-greater investment into checks and surveillance systems.

In turn, measures needed to protect critical infrastructure such as power and water supplies will continue to increase. These structural trends combined are opening up a large number of lucrative investment opportunities across the theme of security and safety.

## Number of installed Internet of Things devices (millions of units)



Source: Gartner Inc., January 2017  
<http://www.gartner.com/newsroom/id/3598917>



### **Why now?**

The high structural growth potential of the security and safety theme is not adequately reflected in current equity valuations. The industry will likely see more dynamic development in the coming years than we can even imagine today. People who invest now stand to benefit from this attractive and long-term growth opportunity.

The key long-term drivers behind the security and safety theme are technology innovations, the ongoing digitalization of society, growing concerns about our own health and environment, more stringent regulation, and an increased emphasis on personal security in the wake of population growth and migration.

Concrete demand for innovative security solutions can be seen, for instance, across the following five areas:

- IT security: antivirus software, network security, big data, and electronic payment authentication
- Crime prevention: access control, surveillance systems, and electronic identity protection
- Traffic safety: airbags, inspection and scanning systems at airports, and signal and brake technology
- Health protection: food safety and water purity controls, vaccines, and rapid diagnostics
- Environmental protection: inspections and certifications, waste management and recycling

“ Digitalization without cyber security is doomed to fail. The modern world is still in the development phase when it comes to the security of systems and the protection of data.”

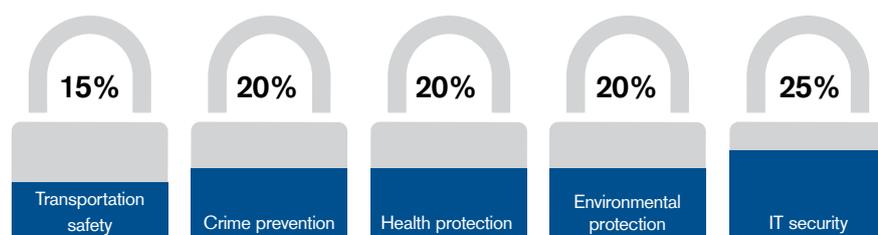
Dr. Patrick Kolb,  
Senior Portfolio Manager

### How do we invest?

The Credit Suisse (Lux) Global Security Equity Fund invests globally in a portfolio of 40 to 60 pure-play small- and mid-cap companies that generate at least 50% of their revenues from security-and-safety-related products and services. The focus is placed on companies that are technology or product leaders in their respective niches. They typically display higher growth rates than the market because their technology acts as a market barrier for their competitors.

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### Our global approach, with a focus on five high-growth areas



Source: Credit Suisse

The fund invests in 40 to 60 top-tier companies that are selected through an in-depth bottom-up research process from a universe of approximately 220 companies. The maximum allocation per stock is 3% to 4% and selection is made on a benchmark-agnostic basis.

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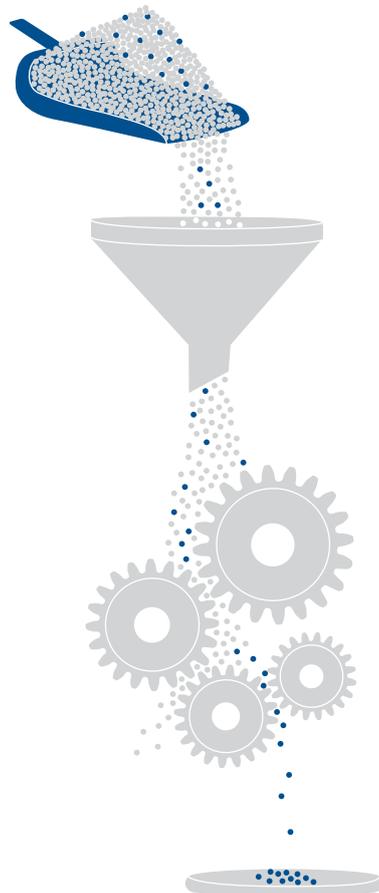
## Our investment universe

**Global equity universe**  
~ **40,000**  
listed companies worldwide

**Broad universe**  
~ **350** companies  
with material revenues  
attributable to the safety  
and security sector

**Investable universe**  
~ **220** stocks

**Portfolio construction**  
**40–60** stocks



**1** In the first step, we screen the global equity universe of around **40,000** listed companies worldwide to identify those active in the security and safety sector.

**2** Based on careful analysis, supported by internal and external research, discussion with analysts and regular company visits, the broad universe of around **350** stocks is quantitatively and qualitatively screened.

**3** When defining the investable universe of around **220** stocks, the strict criterion that at least 50% of the companies' revenues must be related to security and safety is implemented.

**4** A high-conviction concentrated portfolio of **40 to 60** stocks is arranged on a bottom-up basis driven by fundamental research.

For illustrative purposes only.  
Source: Credit Suisse

# Fund Details

The Credit Suisse (Lux) Global Security Equity Fund offers investors targeted access to specialized companies at the cutting edge of technology in the fast-growing sector of security and safety. Digitalization, big data, and regulation are the major drivers of growth.

## Key facts

Fund domicile	Luxembourg
Legal structure	SICAV
Portfolio manager	Dr. Patrick Kolb
Fund currency	USD
Benchmark	MSCI World (NR)
Subscriptions/redemptions	Daily, with cutoff at 15:00 CET

Share class	Valor no.	ISIN	Management fee p.a.	Minimum investment	Distribution
USD B	21007211	LU0909471251	1.60%	None	Accumulating
USD IB	22331370	LU0971623524	0.90%	USD 500,000	Accumulating
USD UB	26377044	LU1144416432	1.00%	None	Accumulating
USD UA	35537817	LU1557207195	1.00%	None	Distributing
USD EB	23899296	LU1042675485	0.90%	None	Accumulating
EUR BH	21007214	LU0909472069	1.60%	None	Accumulating
EUR AH	36100119	LU1584043118	1.60%	None	Distributing
EUR IBH	37394161	LU1644458793	0.90%	EUR 500,000	Accumulating
EUR UBH	26377058	LU1144416606	1.00%	None	Accumulating
EUR EBH	35916500	LU1575200081	0.90%	None	Accumulating
CHF BH	21007212	LU0909471681	1.60%	None	Accumulating
CHF IBH	33386661	LU1457602594	0.90%	CHF 500,000	Accumulating
CHF UBH	26377045	LU1144416515	1.00%	None	Accumulating

## Risks

- The investor may lose part or all of the invested amount.
- Focus on security and safety companies can lead to significant sector/regional exposure.
- A slowdown in the global economy might impact the security and safety sector.
- Liquidity risk (exposure to small caps).
- Equity markets can be volatile in the short term.
- Due to the possibility of increased exposure to emerging markets, the fund may be affected by political and economic risks in these countries.

Want to find out more?

Visit [credit-suisse.com/thematicequities](https://credit-suisse.com/thematicequities)

**There are on average  
1.5 million hacker attacks  
per week.**

# “ Big data is the crude oil of the 21st century.”

Source: Martin Vetterli, President of EPFL Lausanne, on the occasion of opening the new research center for data sciences at ETH Zurich/EPFL



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## Your contact

Asset Management Fund Distribution will be pleased to answer any questions you may have.

## **CREDIT SUISSE ASSET MANAGEMENT (Switzerland) Ltd.**

Fund Distribution

Client Service: +41 44 333 40 50

[distribution.amfund@credit-suisse.com](mailto:distribution.amfund@credit-suisse.com)

[credit-suisse.com](http://credit-suisse.com)

Source: Credit Suisse, unless otherwise specified

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