

Monthly Commentary September 2020

Insurance Linked Strategies

For further information please contact your Relationship Manager or visit [credit-suisse.com](https://www.credit-suisse.com)

CSA Insurance Linked Strategies*

CSA Insurance Linked Strategies Fixed*

September, like August is traditionally a rather quiet period for ILS primary market activity. Similarly to August, there were no new public primary Cat Bond issuances during September.

The secondary Cat Bond market showed ongoing marginal positive pricing development during September, in line with July and August performance. In particular pricing on occurrence structures was positive as probabilities of bonds triggering is reducing as we are reaching the end of the hurricane season. Cat Bonds with aggregate structures covering all natural perils have shown less liquidity, in particular from short maturity bonds, due to high frequency of small to mid-size losses in the US this year to date. The Fund was active in the secondary Cat Bond market.

Several major events occurred during September including Hurricane Sally, Hurricane Laura and the US West Coast Wildfires. We have sent a separate event report explaining these events and their likely impact on the Fund's performance. We will continue to monitor the impact of these events on the Fund and will send appropriate updates as new information becomes available.

At the time of writing, the Fund is expected to have a positive performance for the month. In addition to the expected regular premium income and coupon payments, the Fund's performance is positively impacted by an increase in overall mark-to-market valuation in the Cat Bond market as well as a positive pricing development on a securitized Quota Share position.

Looking ahead, the next major renewal is the January 2021, and although we expect rather low trading activity in the next couple of months, the team will focus on planning and preparations for this important renewal. We will also continue to focus on secondary markets while paying close attention to weather developments.

* based on underlying CS IRIS C Fund Limited

Historical performance indications and financial market scenarios are no reliable indicators of future performance.

The performance data do not take into account the commissions and costs incurred on the issue and redemption of fund units.

Important Information:

The information herein is intended for reporting purposes only and does not constitute an offer. This document is not suitable for tax purposes. The information provided herein has been produced by Credit Suisse Insurance Linked Strategies Ltd and/or its affiliates (hereafter "CSILS") with the greatest of care and to the best of its knowledge and belief. The information contained herein is in summary form for convenience of this report. The information and views expressed herein are those of CSILS at the time of writing and are subject to change at any time without notice. All data contained herein has been obtained from publicly available information, internally developed data and other third-party sources believed to be reliable. CSILS assumes no responsibility for the accuracy or for the independent verification of such information and has relied on such information being complete and accurate in all material respects. 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 document 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 U.S. Securities Act of 1933, as amended). The information provided herein may not be reproduced, neither in part nor in full, without the written permission of CSILS. Investments in insurance-linked strategies, including the investment opportunity described herein, are speculative and risks include, among other things: (i) loss of all or a substantial portion of the investment due to leveraging, short-selling, use of derivatives or other speculative practices, (ii) incentives to make investments that are riskier or more speculative due to performance based compensation, (iii) lack of liquidity as there may be no secondary market for insurance-linked interests and none is expected to develop, (iv) volatility of returns, (v) the possibility that hedging arrangements may not be effective; (vi) restrictions on transfer, (vii) potential lack of diversification and resulting higher risk due to concentration, (viii) higher fees and expenses associated that may offset profits, (ix) no requirement to provide periodic pricing or valuation information to investors, (x) complex tax structures and delays in distributing important tax information and (xi) fewer regulatory requirements than registered funds. Investing in such instruments also include i) underwriting risk resp. the risk of insured losses being higher than our expectations, ii) premium risk resp. the risk of future claims payment relating to insured losses that have not yet occurred being higher than expected and ii) reserve risk resp. the risk of technical provisions established to cover losses that have already been incurred being insufficient. Certain statements and illustrations contained herein are forward-looking. These statements (including as to objectives, targets and trends), figures and illustrations provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact. These forward-looking statements involve known and unknown risks, uncertainties and other factors, Some of the figures rely on licensed and/or proprietary models, methods, assumptions, predictions and internal calculations which involve the exercise of judgment. They may not be accurate because of uncertainties, imperfections, deterioration over time, or other factors, such as, but not limited to, the quality of the data. The assumptions and methodologies used are not factual and do not predict future events and as a result thereof, actual loss experience can differ materially. These assumptions and methodologies may not constitute the exclusive set of reasonable assumptions and the use of alternative assumptions and methodologies could yield materially different results. Accordingly, actual and/or effective impacts and results may differ from those reflected or contemplated herein. Past performance provides no guarantee for future returns. CSILS is under no obligation to update any figures or opinions, or to correct any inaccuracies which may become apparent in this document.

General Data Protection Regulation (GDPR): Your Personal Data will be processed in accordance with the Credit Suisse privacy statement accessible at your domicile through the official Credit Suisse website <https://www.credit-suisse.com>. In order to provide you with marketing materials concerning our products and services, Credit Suisse Group AG and its subsidiaries may process your basic Personal Data (i.e. contact details such as name, e-mail address) until you notify us that you no longer wish to receive them. You can opt-out from receiving these materials at any time by informing your Relationship Manager.

Copyright © 2020 Credit Suisse Group AG and/or its affiliates. All rights reserved.