CS Momentum Index

The CS Momentum Index

A rules-based approach that relies on four popular financial concepts

The CS Momentum Index is a rules-based **global multi-asset** index that implements a unique and flexible momentum-driven strategy.

Index Features

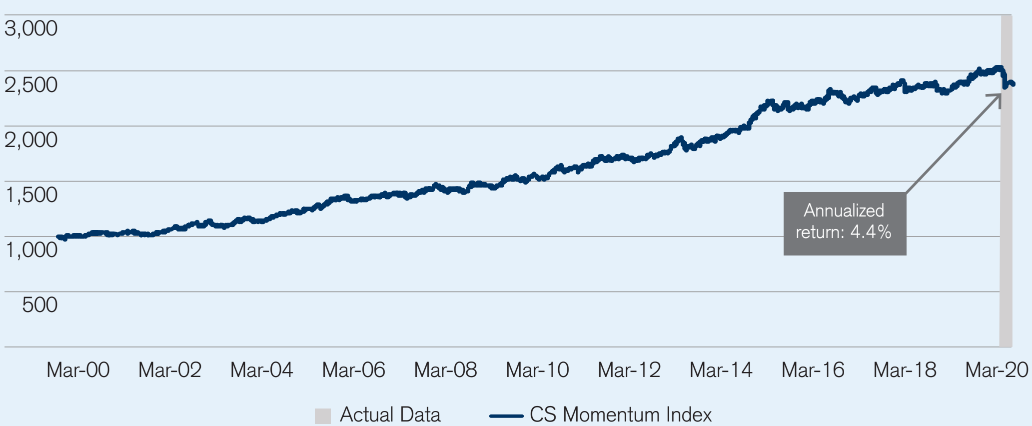
- **Diversification:** the Index's underlying components are diversified across four regions and three asset classes in an effort to generate consistent returns over time.
- **Momentum:** the trend following strategy of the Index is intended to gain exposure to components that exhibit the strongest trends while reducing exposure to components with weaker trends.
- **Risk-Adjusted Weightings:** Index components are weighted inversely to their risk in an attempt to build a risk-balanced allocation.
- **Risk Control:** the Index targets an annualized volatility of 5% or less to help stabilize returns.

Index at a glance

- **A diversified range of components** affording exposure to multi-asset and global opportunities.
- An **innovative momentum strategy** applied monthly that **dynamically allocates** across its components to adapt to various market conditions.
- **A monthly and daily rebalancing** with the goal of maintaining volatility near 5% and stabilize the overall level of risk of the Index.

Historical Index Performance

Actual and simulated performances for the CS Momentum Index



Source: Credit Suisse. Bloomberg. Data collected from March 31, 2000 to May 21, 2020. The CS Momentum Index went live on February 12, 2020. Any data shown prior to the live date is simulated. Past performance is no indication or guarantee of future performance. The return results provided herein are illustrative only and were derived by means of a retroactive application of a back-casted model designed with the benefit of hindsight. These back-casted, hypothetical, historical annualized Index returns have inherent limitations. No representation is made that in the future the Index will have the returns shown. Alternative modeling techniques or assumptions might produce significantly different results and may prove to be more appropriate. Actual annualized returns may vary materially from this analysis. The Index returns are net a 0.5% p.a. index calculation fee. The Index also contains embedded transaction costs and holding costs. The Index could underperform relative to other indices, including equity indices. In addition, the Index is an excess return index: it reflects the return of components net of the cost of funding a hypothetical investment in them.

Diversification: Seeking opportunities in different market cycles

Different asset classes often behave differently in various market environments. Diversification can mitigate the risk exposure to any particular asset class or region.

The CS Momentum Index offers exposure to ten liquid underlyings across four regions and three asset classes to try to protect against market unpredictability as well as benefit from growth opportunities in different market cycles.

The Index is rules-based and cannot be invested in directly. Diversification does not guarantee positive performances nor prevent negative performances.

A 3-step rebalancing process built upon key financial concepts

Each month, two different mechanisms are implemented:

- The exposure to the components is adjusted based on a momentum strategy ("Momentum")
- Weights are allocated to each component based on their volatility ("Risk-Adjusted Weights")

Each day, a further mechanism is implemented:

- The Index is monitored with the goal of maintaining volatility near 5%

Momentum: Seeking to benefit from trends in various market environments

The concept of momentum in finance is based on the observation that the recent past performance of an asset tends to predict its short-term future performance.

1. In order to identify upward and downward trends, the Index will calculate a momentum signal for each component by observing its price over short-term and long-term horizons.

   The components are then ranked in the descending order of their momentum signal: the larger the momentum signal, the stronger the trend.

2. The Index is designed to strengthen its exposure to components which have the best performances. It takes long positions (i.e. buys) in the top eight components and short positions (i.e. sells) in the bottom two components. This provides opportunities to benefit from both rising and falling market conditions.

This process is repeated on a monthly basis.

Risk-Adjusted Weights: Balancing risk contribution from all components

Volatility is the amount of variation in a component's price over time. It can also be a risk indicator: in most cases the higher the volatility of a component, the higher the perceived risk on the component.

The CS Momentum Index is rebalanced on a monthly basis to ensure that more weight is allocated to components with perceived lower risk, while mitigating the volatility of the Index.

1. The weight allocated to each component, whether long or short, is proportional to the inverse of its risk (measured as its realized volatility). The higher the risk, the lower the weight.

2. Weights are then adjusted monthly to target 5% volatility for the weighted long/short allocation. This is called the Risk-Adjusted Momentum Allocation.

Risk Control: Aiming for stability[1]

The volatility of the Index is monitored on a daily basis in order to maintain volatility near 5%.

The Index's exposure to the Risk-Adjusted Momentum Allocation is systematically adjusted based on its realized volatility:

- If the realized volatility of the Risk-Adjusted Momentum Allocation is lower than 5%, the Index will be fully allocated to the Risk-Adjusted Momentum Allocation.
- However, if the realized volatility of the Risk-Adjusted Momentum Allocation is greater than 5%, the Index will decrease its exposure to the Allocation and allocate exposure instead to non-remunerating cash[2].

The 5% volatility (risk) control mechanism intends to stabilize the performance of the Index and seeks to avoid very large positive or negative returns.

1 Although the Index employs a mechanism designed to limit its volatility, no assurance can be given that it will achieve its volatility target. The actual realized volatility may differ from the Index's volatility target, which could negatively impact the performance of the Index, and the volatility-limiting mechanism may reduce the performance of the Index in rising markets.
2 Any exposure to cash is non-remunerating, meaning it does not earn interest. The greater the exposure to cash, the smaller the impact on the Index from market fluctuations and, consequently, the lower the potential for gains or losses. In addition, the Index is an excess return index: it reflects the return of components net of the cost of funding a hypothetical investment in them. As such, the Index returns could be negatively affected if this cost of funding were to increase. The Index also has a 0.5% p.a. index calculation fee deducted on a daily basis and contains embedded transaction costs and holding costs.

About the Index

Index Key Characteristics

Bloomberg Ticker	CSEAMTM5 Index
Asset Class	Multi-Asset
Geographical Focus	Global
Currency	USD
Launch Date	February 12, 2020
Type of Return	Excess Return (it reflects the return of components net of the cost of funding)
Index Sponsor	Credit Suisse International
Calculation Agent	Credit Suisse International
Index Fees	0.5% p.a. deducted daily (the Index also contains embedded transaction costs and holding costs)

For more information about the Index, please visit: https://indices.credit-suisse.com/CSEAMTM5

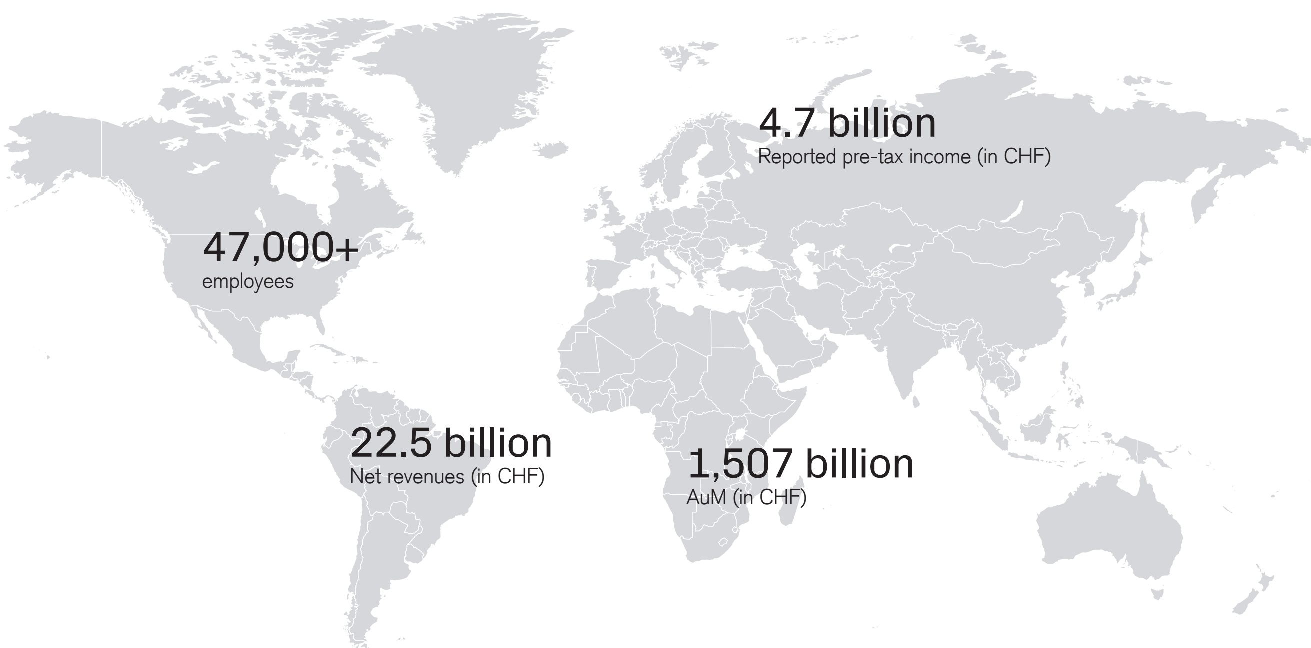
About Credit Suisse

Credit Suisse Group is a leading financial services company, advising clients in all aspects of finance, across the globe and around the clock.

Since it was founded in 1856, Credit Suisse has expanded to be a global force in world finance, employing more than 47,000 people in 50 countries. Our broad footprint helps us to generate a geographically balanced stream of revenues and net new assets and allows us to capture growth opportunities around the world.

For more information about Credit Suisse, please visit www.credit-suisse.com

Credit Suisse as of year-end 2019



Structured Products House of the Year
GlobalCapital Global Derivatives Awards, 2019

Americas Structured Note Awards (US Investor Solutions) for Credit Suisse Ravenpack AIS Index
mtn-i, 2019

Americas Derivatives House of the Year
Structured Products House of the Year
GlobalCapital Americas Derivatives Awards, 2018

Insurer Deal of the Year
Risk Awards, 2017

Source: Credit Suisse. Full Year 2019 Financial Results (2019 Annual Report published in March 2020).

Key considerations related to the Index

- The Index is rules-based and cannot be invested in directly.
- There is no assurance that the strategy on which the Index is based will be successful in producing positive returns. The Index may not rise in value and may not outperform any alternative portfolio or strategy that tracks the reference assets. The Index utilizes components that reference futures contracts. The Index may underperform a similar investment linked to the spot prices or current levels of the underlying assets tracked by the futures contracts included in the components.
- The Index has a limited operating history and may perform in unanticipated ways. Past performance is no indication or guarantee of future performance. No actual investment which allowed tracking of the performance of the Index was possible before February 12, 2020. The return results provided herein are illustrative only and were derived by means of a retroactive application of a back-casted model designed with the benefit of hindsight. These back-casted, hypothetical, historical annualized Index returns have inherent limitations. No representation is made that the Index will have such returns in the future. Alternative modeling techniques or assumptions might produce significantly different results and may prove to be more appropriate. Actual annualized returns may vary materially from this analysis.
- The Index involves risks associated with equity markets, sovereign bonds, national markets, crude oil and precious metals markets, among others. The Index also bears the risk of currency fluctuations.
- The aggregate Index components weights may be higher or lower than 100%. Weights higher than 100% may increase risk and magnify gains or losses. Weights less than 100% may underperform a fully invested strategy in some circumstances.
- The Index is an excess return index (it reflects the return of components net of the cost of funding a hypothetical investment in them) and has a 0.5% p.a. index calculation fee deducted on a daily basis.
- The Index contains embedded transaction costs and holding costs. The impact of these costs will vary through time. Higher turnover among the Index components will result in larger transaction costs and lower Index returns. Larger exposures (whether positive or negative) to the Index components will result in larger holding costs and lower Index returns.
- Although the Index employs a mechanism designed to limit its volatility, no assurance can be given that it will achieve its volatility target. The actual realized volatility may differ from the Index's volatility target, which could negatively impact the performance of the Index, and the volatility-limiting mechanism may reduce the performance of the Index in rising markets.
- Credit Suisse is the Index's Sponsor and it (or affiliates) plays a variety of roles in connection to the Index, including acting as calculation agent and overseeing the rulebook that governs the operations of the Index. In addition, Credit Suisse would be expected to hedge any financial instruments and obligations linked to the Index. In such circumstances the economic interests of Credit Suisse and its affiliates are potentially adverse to the interests of a purchaser of any such instrument or obligation linked to the Index.
- The Index has short exposure to two components at any given time. If these components exhibit positive returns, this will have a negative impact on the Index returns. As such, the Index returns may be negative even when all the Index components have positive returns.

Attributions and Disclaimers with Respect to Credit Suisse

The "CS Momentum Index", "Credit Suisse", and any trademarks, service marks and logos related thereto are service marks of Credit Suisse Group AG, Credit Suisse International, or one of their affiliates (collectively, "Credit Suisse"). Credit Suisse has no role in the issuance of any insurance product, other than certain hedging arrangements and the licensing of the CS Momentum Index ("the Index") and its service marks for use in connection with insurance products and is not a party to any transaction contemplated hereby.

The rules of the Index may be amended by Credit Suisse International (the "Index Creator"). An amendment to the rules may result from, without limitation, a change to the construction or calculation rules for the Index or from the Index Creator determining that a change to the rules is required or desirable in order to update them or to address an error, omission or ambiguity. No assurance can be given that any such amendment would not affect parties to this document.

The Index is an excess return index, which means that it reflects the return of components net of the cost of funding a hypothetical investment in them. The Index returns are likely to be negatively affected by such costs of funding. The Index has a 0.5% per annum index calculation fee deducted on a daily basis. The index fee will negatively affect the performance of the Index, offsetting any appreciation of its value, exacerbating any depreciation of its value and causing the level of the Index to decline steadily if its value remains relatively constant.

While volatility controls may result in less fluctuation in rates of return as compared to indices without volatility controls, they may also reduce the overall rate of return as compared to products not subject to volatility controls.

The end-of-day value of the Index is published subject to the provisions in the rules of the Index. Neither the Index Creator nor any of its affiliates is obliged to publish any information regarding the Index other than as stipulated in the rules of the Index.

No actual investment which allowed tracking of the performance of the Index was possible before February 12, 2020. The return results provided herein are illustrative only and were derived by means of a retroactive application of a back-casted model designed with the benefit of hindsight. These back-casted, hypothetical, historical annualized index returns have inherent limitations. No representation is made that in the future the Index will have the returns shown. Alternative modelling techniques or assumptions might produce significantly different results and may prove to be more appropriate. Actual annualized returns may vary materially from this analysis. Any effective volatility controls may reduce the overall rate of return.

No insurance product linked to the Index is in any way sponsored, endorsed, sold or promoted by Credit Suisse and Credit Suisse does not make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the Index, the figure at which the Index stands at any particular time on any particular day or otherwise, or the advisability of or results to be obtained by using, investing in, or trading insurance products linked to the Index. The selection of the Index as a crediting option under an insurance product does not obligate the issuer of any such insurance product or Credit Suisse to invest annuity or premium payments in the components of the Index or in other products linked to the Index. Credit Suisse shall not be liable for the results obtained by using, investing in, or trading insurance products. The Index is compiled, maintained and calculated by Credit Suisse. However, Credit Suisse shall not be liable (whether in negligence or otherwise) to any person for any error in the Index and Credit Suisse shall not be under any obligation to advise any person of any error therein.

Prior to purchasing any insurance product linked to (or based on) the Index, retail clients should refer to the corresponding consumer product brochure for more information about additional risks involved when the Index is used within an insurance product.

Obligations to make payments under insurance products linked to the Index are solely the obligation of the issuer of any such insurance product and are not the responsibility of Credit Suisse.

The Index is the exclusive property of and currently sponsored by the Index Creator. Any insurance products linked to the Index are not in any way sponsored, endorsed or promoted by Credit Suisse. Credit Suisse has no obligation to take the needs of any person into consideration in composing, determining or calculating the Index (or causing the Index to be calculated). In addition, Credit Suisse makes no warranty or representation whatsoever, express or implied, as to the results to be obtained from the use of the Index and/or the level at which the Index stands at any particular time on any particular day or otherwise, and Credit Suisse shall not be liable, whether in negligence or otherwise, to any person for any errors or omissions in the Index or in the calculation of the Index or under any obligation to advise any person of any errors or omissions therein. Credit Suisse shall not be liable for the results obtained by using, investing in, or trading in any insurance products linked to the Index.

This material has been prepared by Credit Suisse and not by the Credit Suisse research department. It is not investment research or a research recommendation, as it does not constitute substantive research or analysis. It is provided for informational purposes, is intended for your use only and does not constitute an invitation or offer to subscribe for or purchase any of the products or services mentioned. The information provided is not intended to provide a sufficient basis on which to make an investment decision. It is intended only to provide observations and views of certain Credit Suisse personnel, which may be different from, or inconsistent with, the observations and views of Credit Suisse research department analysts, other Credit Suisse personnel, or the proprietary positions of Credit Suisse. Observations and views expressed herein may be changed by Credit Suisse personnel at any time without notice. You should assume that the trading desk makes markets and/or currently maintains positions in any of the securities mentioned above.

Tax Disclaimer: Credit Suisse does not provide any tax advice. Any tax statement herein regarding any US federal tax is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding any penalties. Any such statement herein was written to support the marketing or promotion of the transaction(s) or matter(s) to which the statement relates. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor. Notwithstanding anything to the contrary herein, each party (and each of their employees, representatives, or other agents) may disclose to any and all persons, without limitation of any kind, the U.S. tax treatment and U.S. tax structure of any transaction that may described or included within the information contained herein relating to such U.S. tax treatment and U.S. tax structure. For this purpose, the tax treatment of a transaction is the purported or claimed U.S. federal income tax treatment of the transaction, and the tax structure of a transaction is any fact that may be relevant to understanding the purported or claimed U.S. federal income tax treatment of any transaction.

ERISA: You understand that (i) Credit Suisse neither has nor exercises investment discretion with respect to any assets on behalf of any employee benefit plans or individual retirement accounts (collectively, "Plans") that may be involved with the purchase, holding, or redemption of a security, (ii) Credit Suisse is not undertaking to provide impartial investment advice or give advice in a fiduciary capacity on behalf of such Plans within the meaning of the U.S. Department of Labor's final regulation defining "investment advice" for purposes of the Employee Retirement Income Security Act of 1974, as amended and Section 4975 of the Internal Revenue Code of 1986, as amended, and (iii) the information or communication provided herein or otherwise to the Plans or a fiduciary on behalf of any of the Plans is intended to be, and should be construed as, general information, and it does not and will not take into account your legal, regulatory, tax, business, investment, financial, accounting or other needs or priorities with respect to any Plans.

CREDIT SUISSE

CREDIT SUISSE INTERNATIONAL
credit-suisse.com

Credit Suisse International ("CSI") which is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.