

Risk profile (SRRRI) ¹⁾

1	2	3	4	5	6	7
---	---	---	---	---	---	---

Credit Suisse (Lux) Small and Mid Cap Alpha Long/Short Fund

a subfund of CS Investment Funds 2 - Class IBH USD

Investment policy

The CS (Lux) Small and Mid Cap Alpha Long/Short Fund aims to generate absolute positive returns by exploiting the inefficiencies of the small and mid-cap markets in Europe with a focus on German speaking countries. The portfolio managers buy the equities they think will perform best, while at the same time selling stocks in companies that, in their views, will underperform the market. The objective is to create a portfolio that has lower volatility, less correlation with the equity markets and a better risk-adjusted performance than a long-only fund.

Fund facts

Fund manager

Credit Suisse Asset Management (Schweiz) AG

Fund manager since 26.07.2010

Location Zurich

Management company Credit Suisse Fund Management S.A.

Fund domicile Luxembourg

Fund currency EUR

Close of financial year 31. May

Total net assets (in millions) 283,20

Inception date 29.09.2017

Management fee p.a. 1,00%

Ongoing charge 1,35%

Subscription ³⁾ WeeklyRedemption ³⁾ Weekly

Performance fee in % with Highwatermark 20,00

Swinging single pricing (SSP) ⁵⁾ Yes

Unit class Category IBH

(capital growth)

Unit class currency USD

ISIN number LU0525286158

Bloomberg ticker CSSMLSU LX

Net Asset Value 1'203,90

5) For more details, please refer to the relevant chapter "Net Asset Value" of the Fund's prospectus.

Fund statistics

	1 year	3 years
Annualized volatility in %	6,17	6,74

Fund Exposures

Total gross exposure	177,83
Long exposure	89,45
Short exposure	-88,38
Net exposure	1,07
Number of long positions	89,00
Number of short positions	63,00

Market Cap ⁴⁾

	Long (%)	Short (%)
Large Cap	16,13	33,83
Mid Cap	52,86	48,20
Small Cap	20,45	6,34

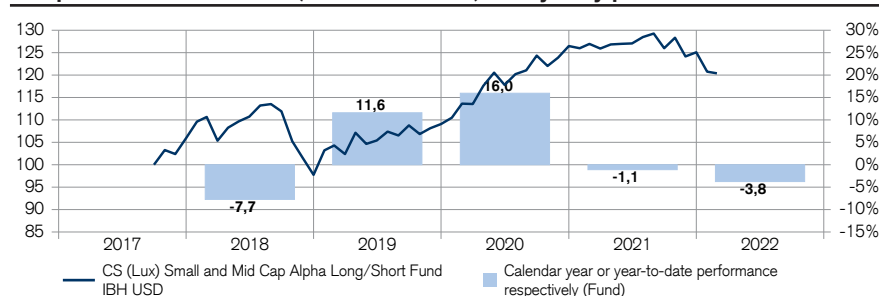
Top 2 long transactions

Buy	DAIMLER TRUCK HOLDING i 21
Buy	COMPUGROUP MEDICAL SE
Sell	K & S
Sell	CANCOM IT SYSTEME

Top 2 short transactions

Short	UNICREDIT reg
Short	BARRY CALLEBAUT reg
Cover	HENKEL pref
Cover	NOVARTIS reg

Net performance in USD (rebased to 100) and yearly performance ²⁾



Net performance in USD ²⁾

	1 month	3 months	YTD	1 year	3 years	5 years
Fund	-0,31	-3,03	-3,75	-5,17	15,43	-
Benchmark	-1,52	-3,31	-4,70	-6,27	23,78	-

Historical monthly performance in % ²⁾

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	-3,46	-0,31	-	-	-	-	-	-	-	-	-	-	-3,75
2021	-0,39	0,77	-0,81	0,73	0,11	0,07	1,12	0,61	-2,53	1,86	-3,25	0,75	-1,10
2020	1,30	2,84	-0,07	3,57	2,50	-2,27	2,04	0,71	2,72	-1,86	1,51	2,10	15,95
2019	5,59	1,05	-1,83	4,65	-2,32	0,73	1,87	-0,80	2,11	-1,77	1,21	0,87	11,59
2018	3,47	0,95	-4,79	2,75	1,32	0,96	2,24	0,28	-1,43	-5,96	-3,54	-3,71	-7,73
2017	-	-	-	-	-	-	-	-	-	-	-0,86	3,47	2,58

Market commentary ²⁾

In February, European small- and mid-caps continued their correction due to the military operations in Ukraine. Russian troops invaded Ukraine on February 24, and the Western world imposed sanctions on Russia as a result. Investors already had already disliked the high inflation figures in Europe before the recent rise of energy prices. Sanctions and possible supply interruptions further increased the risk for an energy-driven economic crisis in Europe. On a sector level, financials suffered most, in particular stocks with Russian exposure. The fund was able to avoid bigger losses due to its lowered net exposure. We lowered the net exposure even further to close to zero percent at the end of the month.

In terms of stock picking, the best contributors included potash producer K+S as well as the two renewable-energy-related stocks ITM Power and Encavis. The latter were both up as the replacement of fossil energy became more urgent with sanctions looming on Russian energy. ITM Power develops materials and technology to reduce the cost of hydrogen production, a clean alternative to fossil energy. Encavis produces power from solar and wind. K+S was up on sanctions looming on Belarussian competitor Belaruskali and ongoing high prices for potash. The worst contributors included Daimler Truck and Evotec. Commercial truck and bus manufacturer Daimler Truck entered the MDAX recently and we bought it ahead of a likely imminent entry into the DAX Index. Evotec provides drug discovery services. Its shares continued to slide after the failure of one of its pipeline candidates.

The best contributors in our short book included Azimut Holdings and Alstom. Azimut is an Italian asset gatherer, which we shorted as a beta (i.e. market) hedge, given that its earnings profile is highly dependent on performance fee driven revenues. When presenting its results at the end of January, French rail equipment provider Alstom saw its shares tumble on analysts' worries about higher financial leverage after the deal with Bombardier. Sustained cash flow generation is the key indicator for Alstom keeping its credit rating. Margins, leverage and current liquidity of the group makes us deem this a risky ride, which is why we stay cautious on the stock for the near future. The worst contributors included online broker Flatexdegiro and Vestas Wind. Flatexdegiro was up due to takeover rumors, which we find hard to believe. We rather fear a worsening number of trades in a negative market environment. Vestas's wind turbine orderbook came under investor scrutiny on discussions about the profitability of new wind projects. Increased discussion in German politics on accelerating the path of decarbonization has re-ignited investor interest in Vestas as a proxy for investing in conversion into low CO2 emission technologies, whereby Germany has extended the number of potential sites eligible for the construction of onshore wind. As this discussion hit the market, the stock rallied sharply from February 23 on, which pushed us to close the short even if worries about profitability of the orderbook persist. We expected 2022 to be the year of normalization. However, the war in Ukraine has changed a lot. Growth expectations came down and inflation expectations went up due to higher energy prices. Both is negative for equities. We decreased the net exposure further by increasing our short book and focus on capital preservation for the moment.

1) The calculation of the risk indicator is based on the CESR/10-673 Directive. The risk indicator is based on historic and partly simulated data; it cannot be used to predict future developments. The classification of the Fund may change in future and does not represent a guarantee. A classification into category 1 is not a risk-free investment either.

2) Historical performance indications and financial market scenarios are not reliable indicators of current or future performance. The performance data does not take into account the commissions and costs incurred on the issue and redemption of fund units.

3) Subscription frequency: weekly, 5bd notice, Redemption frequency: weekly, 10bd notice

4) Classification: Small Cap up to EUR 1.5 bn market cap, Mid Cap between EUR 1.5bn and EUR 15bn and the above EUR 15bn Large Cap.

Asset Allocation presented on this page may change over time.

Allocation by Country in %

	Long	Short	Net
Switzerland	1,55	-5,22	-3,66
Germany	60,41	-59,61	0,81
Austria	0,24	-0,51	-0,27
Belgium	1,48	-0,13	1,35
Denmark	0,49	-0,74	-0,25
Spain	0,94	-1,36	-0,42
Finland	2,80	-0,14	2,66
France	3,47	-3,72	-0,26
United Kingdom	2,97	-4,28	-1,31
Ireland	-	-1,56	-1,56
Italy	8,30	-5,73	2,56
Luxembourg	2,28	-2,43	-0,15
Norway	-	-0,23	-0,23
Netherlands	3,60	-2,05	1,55
Poland	-	-0,03	-0,03
Portugal	0,91	-0,02	0,89
Sweden	0,01	-0,62	-0,61

Allocation by Sector in %

	Long	Short	Net
Communication Services	7,65	-7,91	-0,27
Consumer Discretionary	8,54	-6,79	1,75
Consumer Staples	1,61	-3,62	-2,00
Energy	1,42	-0,62	0,79
Financials	8,76	-15,34	-6,58
Health Care	12,79	-5,92	6,87
Industrials	26,78	-20,85	5,93
Information Technology	9,77	-8,39	1,37
Materials	6,39	-9,82	-3,43
Real Estate	3,45	-7,48	-4,03
Utilities	2,29	-1,63	0,66

Contact

CREDIT SUISSE AG
Sucursal en España
Calle Ayala 42
28001 Madrid/Spain
Tel +34 91 791 60 00 Fax +34 91 791 60 10

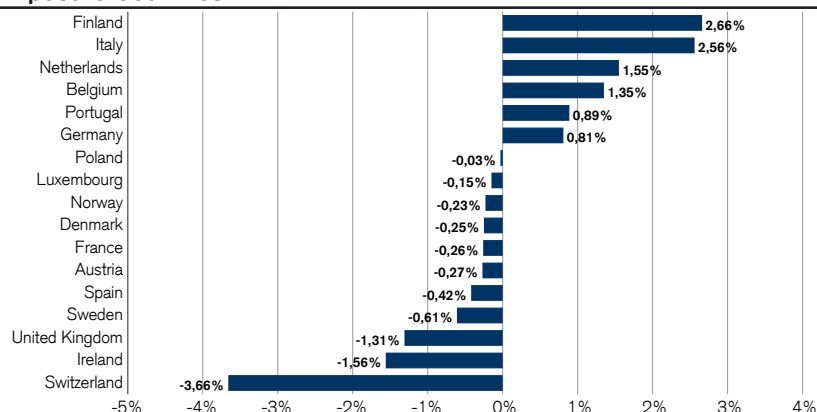
Potential risks

The Fund's risk and reward profile does not reflect the risk inherent in future circumstances that differ from what the Fund has experienced in the recent past. This includes the following events which are rare but can have a large impact.

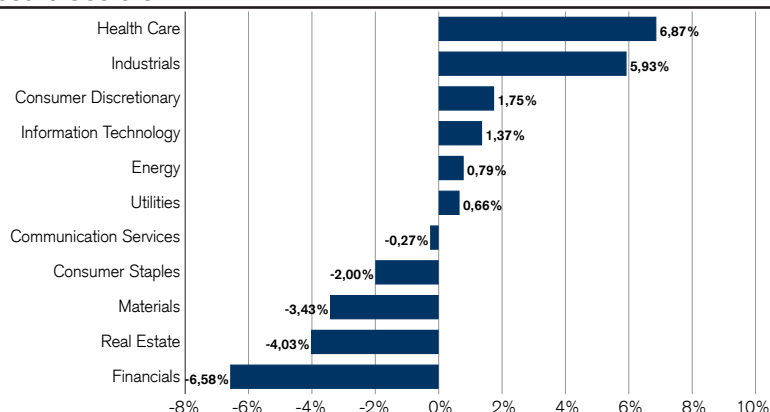
- Credit risk: Issuers of assets held by the Fund may not pay income or repay capital when due. The Fund's investments have low credit risk.
- Liquidity risk: Assets cannot necessarily be sold at limited cost in an adequately short timeframe. The Fund's investments may be prone to limited liquidity. The Fund will endeavor to mitigate this risk by various measures.
- Counterparty risk: Bankruptcy or insolvency of the Fund's derivative counterparties may lead to payment or delivery default. The Subfund will endeavor to mitigate this risk by the receipt of financial collateral given as guarantees.
- Operational risk: Deficient processes, technical failures or catastrophic events may cause losses.
- Political and Legal risks: Investments are exposed to changes of rules and standards applied by a specific country. This includes restrictions on currency convertibility, the imposing of taxes or controls on transactions, the limitations of property rights or other legal risks.
- Sustainability risks: Sustainability risks are environmental, social or governance events or conditions can have a material negative effect on the return, depending on the relevant sector, industry and company exposure.
- The Fund's use of leverage may lead to an amplified reaction to market movements, i.e. increase the volatility of the Fund and may amount to a more substantial loss than in unleveraged products.

The product's investment objectives, risks, charges and expenses, as well as more complete information about the product, are provided in the prospectus (or relevant offering document), which should be read carefully before investing.

Net Exposure Countries



Net Exposure Sectors



Data sources as of February 28, 2022: Credit Suisse, otherwise specified.

This material constitutes marketing material of Credit Suisse Group AG and/or its affiliates (hereafter "CS"). This material does not constitute or form part of an offer or invitation to issue or sell, or of a solicitation of an offer to subscribe or buy, any securities or other financial instruments, or enter into any other financial transaction, nor does it constitute an inducement or incitement to participate in any product, offering or investment. Nothing in this material constitutes investment research or investment advice and may not be relied upon. It is not tailored to your individual circumstances, or otherwise constitutes a personal recommendation. 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 where legally possible 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. The information provided in this material may change after the date of this material without notice and CS has no obligation to update the information. This material may contain information that is licensed and/or protected under intellectual property rights of the licensors and property right holders. Nothing in this material shall be construed to impose any liability on the licensors or property right holders. Unauthorised copying of the information of the licensors or property right holders is strictly prohibited. The full offering documentation including, the prospectus or offering memorandum, the key investor information document (KIID), the basic information document (Basisinformationsblatt) for Swiss products, the fund rules, as well as the annual and bi-annual reports ("Full offering documentation"), as the case may be, may be obtained free of charge in the languages listed below from the legal entity/entities indicated below or where available via FundSearch (credit-suisse.com/fundsearch). Information on your local distributors, representatives, information agent, paying agent, if any, and your local contacts in respect of the investment product(s) can be found below. The only legally binding terms of any investment product described in this material, including risk considerations, objectives, charges and expenses are set forth in the prospectus, offering memorandum, subscription documents, fund contract and/or any other fund governing documents. For a full description of the features of the products mentioned in this material as well as a full description of the opportunities, risks, and costs associated with the respective products, please refer to the relevant underlying securities prospectuses, sales prospectuses, or other additional product documents, which we will be pleased to provide to you at any time upon request. Some of the product(s) included in this material may not be registered and/or available for purchase in your country of domicile. If in doubt whether the product(s) is/are registered for distribution in your country, please consult your relationship manager or locally registered distributor. If investment products have not been registered with, or authorized by a supervisory authority, certain investor protections provided under supervisory laws and regulations may not be provided. This material may not be forwarded or distributed to any other person and may not be reproduced. Any forwarding, distribution or reproduction is unauthorized and may result in a violation of the U.S. Securities Act of 1933, as amended (the "Securities Act"). The securities referred to herein have not been, and will not be, registered under the Securities Act, or the securities laws of any states of the United States and, subject to certain exceptions, the securities may not be offered, pledged, sold or otherwise transferred within the United States or to, or for the benefit or account of, U.S. persons.

In addition, there may be conflicts of interest with regard to the investment. In connection with the provision of services, Credit Suisse AG and/or its affiliates may pay third parties or receive from third parties, as part of their fee or otherwise, a one-time or recurring fee (e.g., issuing commissions, placement commissions or trailer fees). Prospective investors should independently and carefully assess (with their tax, legal and financial advisers) the specific risks described in available materials, and applicable legal, regulatory, credit, tax and accounting consequences prior to making any investment decision. The alternative investment fund manager or the management company, as applicable, may decide to terminate local arrangements for the marketing of the shares/units of a fund, including terminating registrations or notifications with the local supervisory authority. A summary of investor rights for investing in Luxembourg can be obtained via www.cssf.lu/en/consumer/, local laws relating to investor rights may apply.

Copyright © 2022 Credit Suisse Group AG and/or its affiliates. All rights reserved.

Spain : Distributor - if this material is distributed by: Credit Suisse AG, Sucursal en España*, Calle Ayala 42, 28001 Madrid, España

Regulator / Supervisor legal entity: Comisión Nacional del Mercado de Valores ("CNMV"), Edison, 4, 28006 Madrid, Spain, Tel: 34 91 585 15 00, Website:

<https://www.cnmv.es/>

*Legal entity, from which the full offering documentation, the key investor information document (KIID), the fund rules, as well as the annual and bi-annual reports, if any, may be obtained free of charge.