

Risk profile (SRRI) ¹⁾

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CS (Lux) Absolute Return Bond Fund

a subfund of CS Investment Funds 1 - Class SB USD

Investment policy

The fund combines alternative fixed income strategies to achieve positive absolute returns which are uncorrelated to traditional long-only investments. The strategy takes long or short positions in interest rates, credit and currencies in both developed and emerging markets. Directional strategies are employed to benefit in risk-on markets while providing downside protection in falling markets. Yield enhancement strategies provide a diversified income stream across rates, credit and currencies.

Fund facts

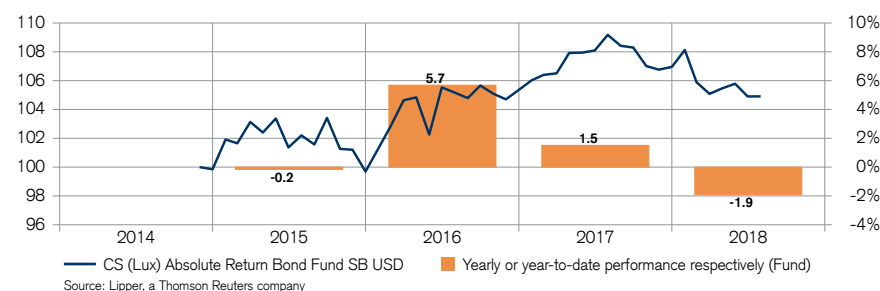
Fund manager	Massimiliano Gnesi, Dennis Essrich
Fund manager since	12.11.2014
Location	Zürich
Fund domicile	Luxembourg
Fund currency	USD
Close of financial year	31. Oct
Total net assets (in millions)	311.32
Inception date	12.11.2014
Management fee in % p.a.	0.30
TER without performance fee in %	1.00
Performance fee in % with Highwatermark	15.00
TER with performance fee in %	1.00
Hurdle Rate	LIBOR
Benchmark (BM)	LIBOR USD 3M
Swinging single pricing (SSP) ³⁾	Yes
Unit Class	Category SB (capital growth)
Unit class currency	USD
ISIN number	LU1120824765
Bloomberg ticker	CSARSBU LX
Net Asset Value	1'057.57
Min. Init. Investm. Amount (in mill.)	1

³⁾ For more details, please refer to the relevant chapter "Net Asset Value" of the Fund's prospectus.

Key fund statistics

Annualized volatility in %	4.72
Portfolio Yield (Cash Bonds)	3.00
Modified Duration (Total)	3.00
Value at Risk in %	3.12

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	0.01	-0.53	-1.91	-3.91	2.65	-

Portfolio commentary

Market Review

Risky assets traded well in July as China eased monetary policy and the US earnings season turned out strong. Equity volatility decreased and credit spreads tightened strongly both in Europe and the US. Global economic data improved further which led to higher rates. The worst-performing government bond market was Canada, where data such as inflation and retail sales surprised on the upside. US Treasuries underperformed European Bunds, driving the US versus Germany 10-year yield spread back to the widest levels. G10 currency performance was mixed and driven by headlines surrounding President Trump's dislike of USD strength. Emerging market currencies performed well on the back of improved sentiment resulting from Chinese monetary easing. The Argentine peso appreciated 9.5% as the local situation started to stabilize. The Turkish lira stood out. It depreciated over 5% as investors started to lose confidence in coordinated measures to stabilize the economic and political situation.

Fund performance

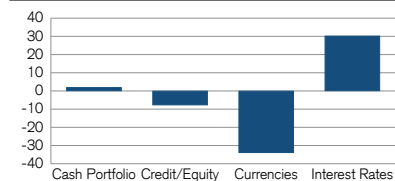
The positive performance contributions from carry trades in July were balanced by negative contributions from trend positions. The Argentine peso stabilized and returned over 9.5% in July, which had a positive impact through the fund's long position. The long exposure to European and US credit benefited as spreads tightened again. Markets have shown high volatility within existing trading ranges, which resulted in a difficult environment for trend strategies, particularly in currencies and credit. Negative contributions from currencies and credit could only be partly offset by positive contributions of long trend positions in equity.

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

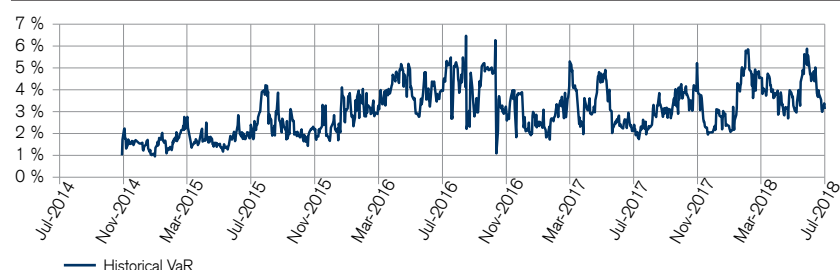
Value at Risk

Value at Risk*



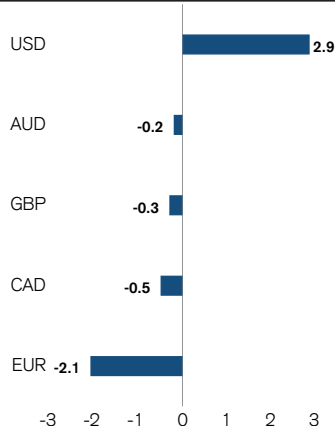
*by total 20 day VaR, historical simulation, 99% confidence level

Historical VaR

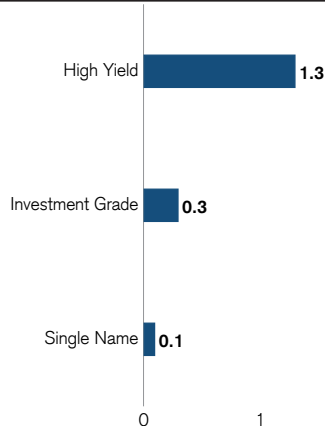


Derivatives Portfolio

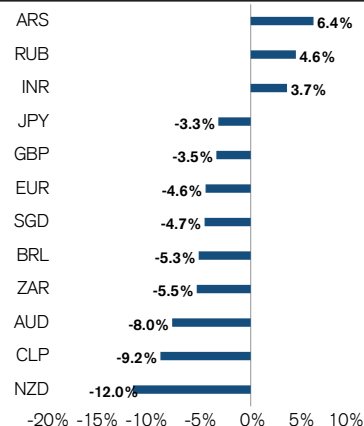
Interest Rate Exposure*



Credit Exposure**



Currency Exposure***



*by net DV01

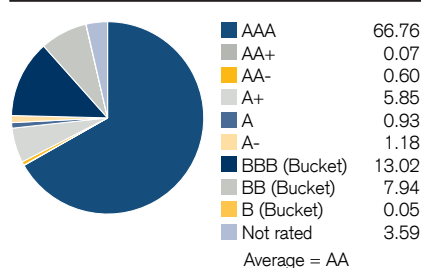
**by net CS01

***by net exposure

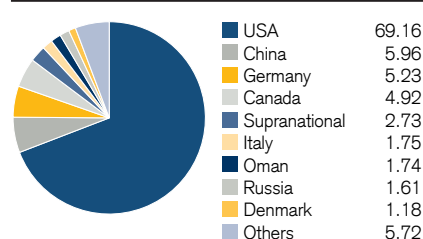
Bond Portfolio 4)

4) breakdowns by market value

Credit Ratings in %



Countries in %



Top Holdings

Position	Maturity	as % of assets
US Treasury	31.01.22	12.45
US Treasury	31.01.23	12.42
US Treasury	30.06.22	6.70
US Treasury	31.12.21	5.90
US Treasury	31.10.21	5.78
Ontario	10.09.21	3.75
SELL protection CDX NA HY S29 12/22BUY protection CDX NA HY S29 12/22	20.12.22	3.32
US Treasury	30.11.21	2.93
SELL protection ITRAXX EUR XO S29 06/23BUY protection ITRAXX EUR XO S29 06/23	20.06.23	2.82
US Treasury	15.07.21	2.72
Total		58.79

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