

Risk profile (SRRI) ¹⁾

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

CS (Lux) Absolute Return Bond Fund

a subfund of CS Investment Funds 1 - Class SBH CHF

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

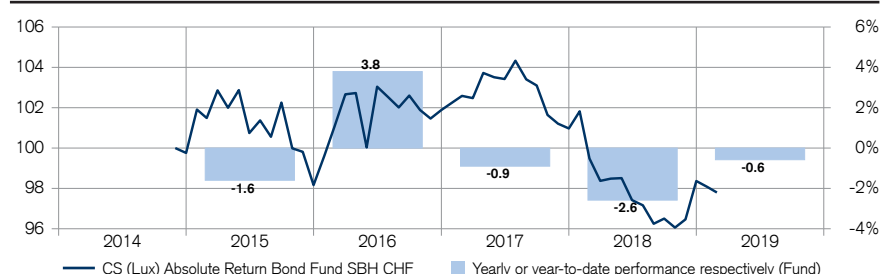
| | |
|--|------------------------------------|
| Fund manager | Massimiliano Gnesi, Dennis Essrich |
| Fund manager since | 01.12.2018 |
| Location | Zürich |
| Fund domicile | Luxembourg |
| Fund currency | USD |
| Close of financial year | 31. Oct |
| Total net assets (in millions) | 116.23 |
| Inception date | 12.11.2014 |
| Management fee in % p.a. | 0.30 |
| TER without performance fee in % | 0.51 |
| Performance fee in % with Highwatermark | 15.00 |
| TER with performance fee in % | 0.51 |
| Hurdle Rate | LIBOR |
| Benchmark (BM) | LIBOR CHF 3M |
| Swinging single pricing (SSP) ³⁾ | Yes |
| Unit Class | Category SBH (capital growth) |
| Unit class currency | CHF |
| ISIN number | LU1120824849 |
| Bloomberg ticker | CSASBHC LX |
| Net Asset Value | 985.59 |
| 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 % | 5.08 |
| Portfolio Yield (Cash Bonds) | 3.10 |
| Modified Duration (Total) | 3.20 |
| Value at Risk in % | 2.40 |

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



Net performance in CHF ²⁾

| | 1 month | 3 months | YTD | 1 year | 3 years | 5 years |
|------|---------|----------|-------|--------|---------|---------|
| Fund | -0.29 | 1.38 | -0.58 | -1.70 | -3.24 | - |

Portfolio commentary

Market Review

Risky assets continued to rally in February, further recovering from the drop in the fourth quarter of 2018. Equities rallied, credit spreads tightened and volatility decreased despite the global economic data backdrop still looking bleak. European risk assets slightly outperformed their US counterparts. Global government bond markets ended the month slightly lower after trading remained range-bound for most of the February. Interest rate curves did not show significant changes throughout the month. The US dollar partly recouped January's depreciation. It appreciated against its G10 peers with the exception of the British pound. Emerging market currencies experienced a mixed performance. While the majority of currencies from the region depreciated against the US dollar, the Colombian peso and the Indian rupee ended the month with a slight appreciation.

Fund performance

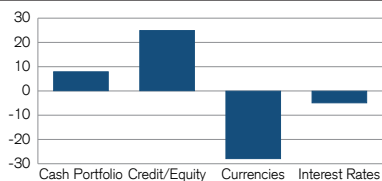
Systematic momentum-driven positions had a negative performance impact in February. Range-bound currency markets led to a number of false signals, which resulted in a negative impact on performance. Long positions in bonds suffered from the late-in-the-month increase in interest rates. Systematic long exposures to risk assets had a positive performance impact, which partly offset the negative impacts from currency and rates positions. Tactical investments had a positive performance impact, resulting from relative value positions in interest rates (long US / short EU front end rates). The fund's cash bond portfolio had a small positive performance contribution.

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.

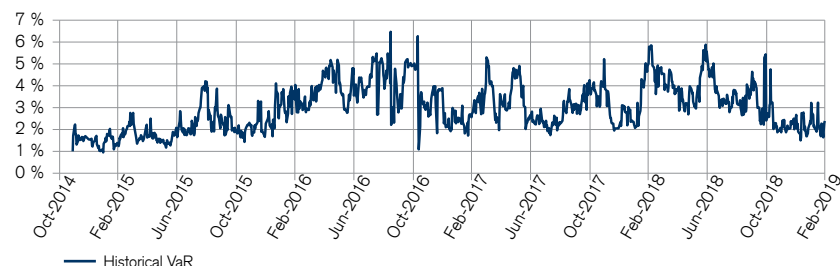
Value at Risk

Value at Risk*



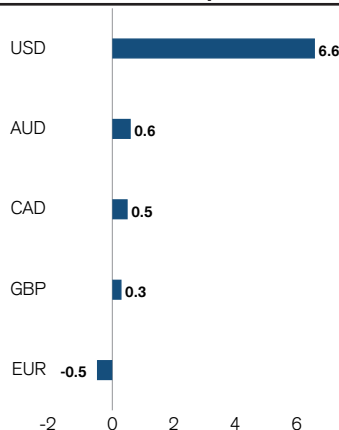
*by total 20 day VaR, historical simulation, 99% confidence level

Historical VaR

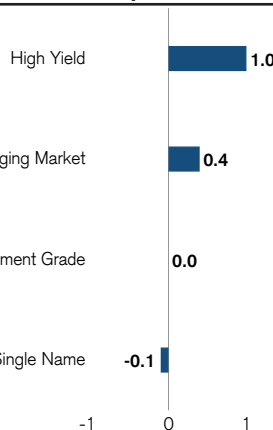


Derivatives Portfolio

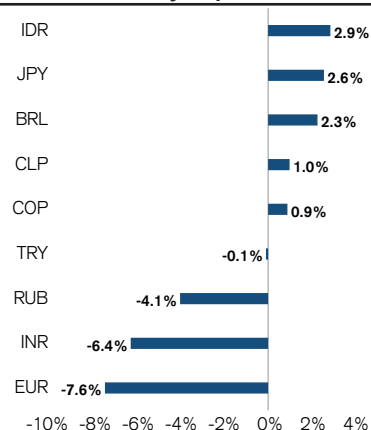
Interest Rate Exposure*



Credit Exposure**



Currency Exposure***



*by net DV01

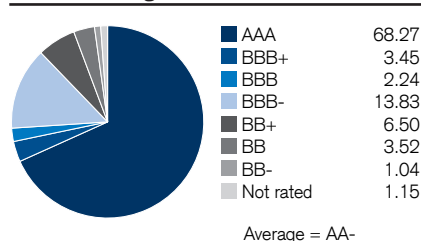
**by net CS01

***by net exposure

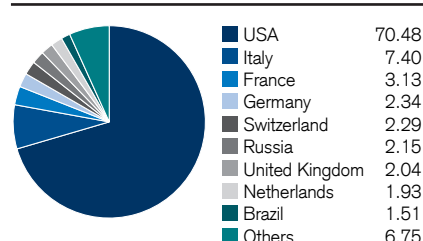
Bond Portfolio 4)

4) breakdowns by market value

Credit Ratings in %



Countries in %



Top Holdings

| Position | Maturity | as % of assets |
|--------------|----------|----------------|
| US Treasury | 30.06.22 | 10.12 |
| US Treasury | 31.01.23 | 10.06 |
| US Treasury | 30.11.23 | 8.81 |
| US Treasury | 15.02.24 | 7.84 |
| US Treasury | 31.12.23 | 7.82 |
| US Treasury | 15.07.21 | 6.93 |
| US Treasury | 31.03.22 | 5.09 |
| Italy | 27.09.23 | 4.84 |
| US Treasury | 31.12.22 | 4.26 |
| Vale | 10.01.23 | 1.35 |
| Total | | 67.12 |

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