

Risk profile (SRRI) ¹⁾

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CS (Lux) Absolute Return Bond Fund

a subfund of CS Investment Funds 1 - Class DB 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

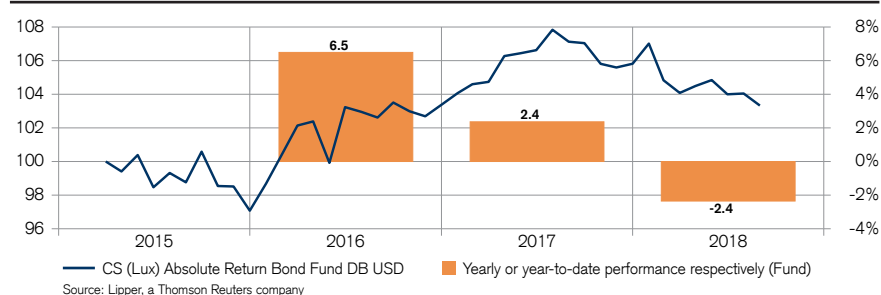
Fund manager	Massimiliano Gnesi, Dennis Essrich
Fund manager since	12.11.2014
Location	Zürich
Fund domicile	Luxembourg
Fund currency	USD
Close of financial year	31. Oct
Total net assets (in millions)	262.93
Inception date	11.03.2015
All-in Fee in % p.a.	0.10
TER without performance fee in %	0.11
Performance fee in % with Highwatermark	
TER with performance fee in %	0.11
Hurdle Rate	LIBOR
Benchmark (BM)	LIBOR USD 3M
Swinging single pricing (SSP) ³⁾	Yes
Unit Class	Category DB (capital growth)
Unit class currency	USD
ISIN number	LU1134019402
Bloomberg ticker	CSARDBU LX
Net Asset Value	1'040.52

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

Key fund statistics

Annualized volatility in %	4.94
Portfolio Yield (Cash Bonds)	3.10
Modified Duration (Total)	3.00
Value at Risk in %	3.20

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	-0.69	-1.45	-2.35	-3.55	4.62	-

Portfolio commentary

Market Review

Risky assets saw a continuation of the divergence between US equities and those in the rest of the world. While US markets reached new highs, European equities ended the month lower, as did emerging market stocks. The same was true for credit markets. US equity volatility as measured by the VIX index decreased. US risky assets therefore continued to shrug off concerns about trade disputes and the growing number of idiosyncratic trouble spots within emerging markets. Bond markets rallied, led by Australian and Canadian government bonds. Italian BTPs sold off as uncertainty around the country's fiscal policy moved back into focus. The US dollar resumed its appreciation, both against G10 and emerging market peers. Especially emerging market currencies were facing pressure. Worst-performing currencies were the Turkish lira and the Argentine peso. Both currencies are facing a severe loss of confidence from investors as the governments struggle to proactively lean against the crisis.

Fund performance

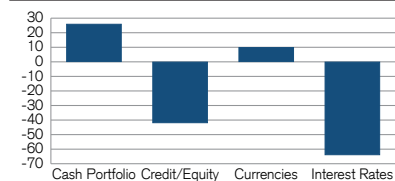
Performance contribution from directional positions was positive in August, as the positive performance impact from long US dollar positions versus G10 and emerging market currencies outweighed the negative performance impact from directional positions in interest rates and credit. This overall positive contribution was offset by the depreciation of the Argentine peso, to which the fund holds a long exposure. Tactical tail hedges in rates and equities implemented with options had a small negative mark-to-market impact as markets stayed range-bound and volatility contained. The bond portfolio had a positive contribution to performance.

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.

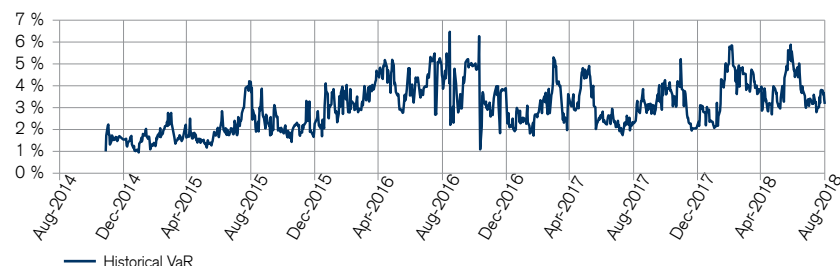
Value at Risk

Value at Risk*



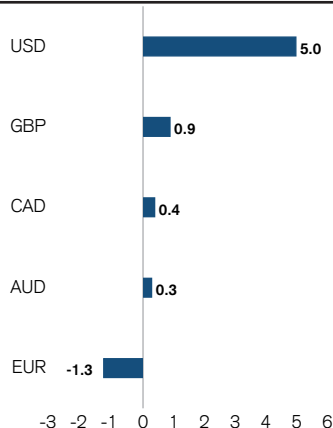
*by total 20 day VaR, historical simulation, 99% confidence level

Historical VaR

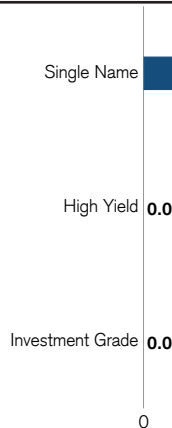


Derivatives Portfolio

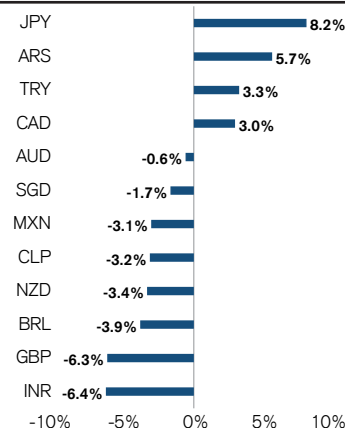
Interest Rate Exposure*



Credit Exposure**



Currency Exposure***



*by net DV01

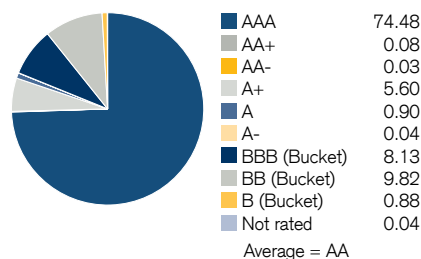
**by net CS01

***by net exposure

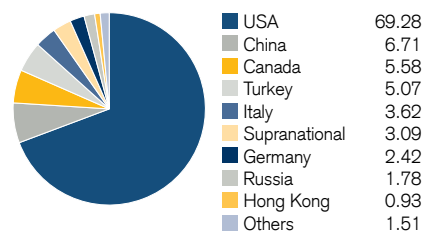
Bond Portfolio 4)

4) breakdowns by market value

Credit Ratings in %



Countries in %



Top Holdings

Position	Maturity	as % of assets
US Treasury	31.01.23	15.86
US Treasury	31.01.22	12.19
US Treasury	30.06.22	8.54
US Treasury	31.12.21	7.53
Ontario	10.09.21	4.78
SELL protection CDX NA HY S29 12/22BUY protection CDX NA HY S29 12/22	20.12.22	4.39
US Treasury	30.11.21	3.74
US Treasury	31.03.22	3.74
US Treasury	31.10.21	3.69
US Treasury	15.07.21	3.46
Total		67.92

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