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Please refer to the prospectus/information document of the fund and to the KIID/KID (as applicable) before making any final investment decisions.

For professional investors only

December 30, 2022

Spain

Risk profile (SRR1) <sup>1)</sup>

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## Credit Suisse (Lux) Small and Mid Cap Alpha Long/Short Fund a subfund of CS Investment Funds 2 - Class BH 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

<b>Fund manager</b>	Felix Meier
<b>Fund manager since</b>	26.07.2010
<b>Location</b>	Zurich
<b>Management company</b>	Credit Suisse Fund Management S.A.
<b>Fund domicile</b>	Luxembourg
<b>Fund currency</b>	EUR
<b>Close of financial year</b>	31. May
<b>Total net assets (in millions)</b>	232,17
<b>Inception date</b>	26.07.2010
<b>Management fee p.a. <sup>2)</sup></b>	1,60%
<b>Ongoing charge <sup>2)</sup></b>	1,93%
<b>Subscription <sup>3)</sup></b>	Weekly
<b>Redemption <sup>3)</sup></b>	Weekly
<b>Performance fee in % with Highwatermark</b>	20,00
<b>Benchmark (BM)</b>	CS AllHedge Long/Short Equity (04/14)
<b>Swinging single pricing (SSP) <sup>5)</sup></b>	Yes
<b>Unit class</b>	Category BH (capital growth)
<b>Unit class currency</b>	USD
<b>ISIN number</b>	LU0526495444
<b>Bloomberg ticker</b>	CSSMLRU LX
<b>Net Asset Value</b>	174,51

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

### Fund statistics

	3 years	5 years
Annualised volatility in %	8,11	8,88
Sharpe ratio	0,09	0,01

### Fund Exposures

Total gross exposure	162,66
Long exposure	91,69
Short exposure	-70,97
Net exposure	20,73
Number of long positions	82,00
Number of short positions	44,00

### Market Cap <sup>4)</sup>

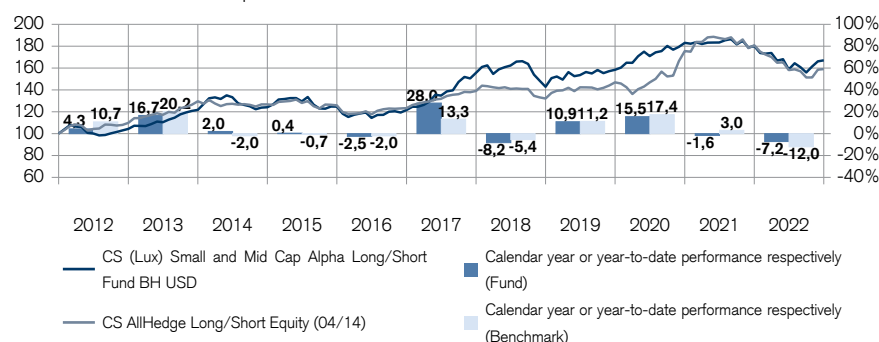
	Long (%)	Short (%)
Large Cap	12,32	4,07
Mid Cap	56,69	59,63
Small Cap	22,68	7,26

### Top 2 long transactions

Buy	PUMA
Buy	VA-Q-TEC reg
Sell	CTS EVENTIM
Sell	SIEMENS ENERGY AG

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

Past performance does not predict future returns. Neither simulated nor historical performance is a reliable indicator for current or future performance.



### Net performance in USD

	1 month	3 months	YTD	1 year	3 years	5 years
Fund	0,56	7,12	-7,22	-7,22	5,45	7,31
Benchmark	0,33	5,07	-12,05	-12,05	8,26	14,40

### Historical monthly performance in %

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	-3,51	-0,35	0,37	-4,04	0,79	-5,56	3,55	-2,21	-2,97	3,51	2,91	0,56	-7,22
2021	-0,43	0,72	-0,87	0,68	0,05	0,02	1,11	0,57	-2,57	1,81	-3,30	0,70	-1,63
2020	1,24	2,79	-0,07	3,68	2,44	-2,31	1,99	0,66	2,69	-1,91	1,46	2,05	15,54
2019	5,54	1,00	-1,88	4,59	-2,37	0,65	1,83	-0,85	2,06	-1,83	1,16	0,82	10,90
2018	3,41	0,90	-4,82	2,72	1,25	0,92	2,22	0,23	-1,48	-5,99	-3,61	-3,76	-8,24
2017	2,43	-0,01	1,38	2,40	4,82	-0,56	2,85	0,66	5,52	3,13	-0,92	3,45	28,00
2016	-5,25	-2,46	1,76	0,94	0,83	-4,18	2,37	0,08	2,48	0,33	-0,96	1,93	-2,46
2015	2,18	3,43	0,35	0,62	0,03	-2,28	3,10	-5,27	-2,72	-0,19	1,61	-0,06	0,44
2014	4,51	4,03	0,64	-1,11	2,53	-1,27	-4,24	-1,09	-0,99	-2,15	1,20	0,29	2,00
2013	2,76	-0,14	-0,13	1,67	2,13	-0,54	2,15	1,58	2,66	1,53	1,15	0,77	16,66
2012	4,05	3,61	-1,24	-0,48	-4,95	-0,58	-1,72	0,36	1,51	1,30	1,38	1,36	4,35
2011	2,19	1,19	-1,67	-1,34	-1,93	0,42	-0,75	-3,74	-2,95	2,18	1,34	0,97	-4,23

### Market commentary

In December, European small and mid caps were down with the MSCI Small Cap Europe Index reporting -2.52%. The fund posted a positive return of +0.27% for the retail B share class net of fees in a negative market environment thanks to positive stock picking effects in December. Analyzing the full-year 2022, the fund was down -9.49% for the above-mentioned share class, which compares to -13.77% for the benchmark CS AllHedge Long/Short Index. Given the highly negative environment for small caps and growth-oriented stocks, 2022 can be seen as a good relative year for the strategy. The MSCI Europe Small Cap Index reported -22.5% and the German MDAX index -28.49% for the year 2022. The full year was characterized by the Russian war in Ukraine, which led to a sudden European energy crisis, rampant inflation, and a rising interest rates. In December Va-Q-Tec and Commerzbank were our best long contributors. K+S and Eckert&Ziegler were our worst long contributors. Va-Q-Tec shares were subject of a takeover offer by EQT Private Equity at EUR 26 per share, a 98% premium to its volume-weighted average share price of the last 90 days before the bid. Commerzbank has been benefiting from the higher interest rates environment, which supports the net interest income generation of the bank. Recent potash price weakness weighed on the fertilizer manufacturer K+S. No material news was recorded for Eckert, whose shares technically crawled back after a strong November. Artificial intelligence company Darktrace and electrical products retailer Currys were our best shorts. Fears of lower-than-expected improvements in profitability weighed on Darktrace's shares, whose long-duration characteristics suffered the current environment of higher interest rates. Currys' business environment in retailing is challenged by a spending squeeze faced by its customers due to rampant inflation. Italian asset gatherer Azimut and mining equipment supplier FLSmidth were our worst shorts. Azimut announced a partnership with one of Italy's main lenders, Unicredit, to develop an asset management business, which was taken positively by the market. FLSmidth reported better-than-expected Q3 results with orders, sales, and margins ahead of expectations. The environment remains challenging with geopolitical tensions unabated. In Europe, the energy crunch has eased somewhat due to a mild winter but inflation, interest rate policies, and the impact on consumer sentiment and growth prospect remain uncertain and center stage. Our net exposure as of end of year was at around 22%, below our long-term average.

<sup>1)</sup> The fund's risk and reward profile shows the variations in value an investment in this fund would have undergone over the past five years, whereby simulated performance data is used in the case of missing history. The fund's risk rating may change in the future. Please note, higher possible gains generally also mean higher possible losses. The lowest risk category does not mean that the fund is risk free.

<sup>2)</sup> If the currency of a financial product and/or its costs is different from your reference currency, the return and cost may increase or decrease as a result of currency fluctuations.

<sup>3)</sup> Subscription frequency: weekly, 5bd notice, Redemption frequency: weekly, 10bd notice

<sup>4)</sup> 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.

## Top 2 short transactions

Short	BANCA GENERALI
Short	AROUNDTOWN PROPERTY HOLDINGS
Cover	BRUNELLO CUCINELLI
Cover	SCHOELLER-BLECKMANN OILFIELD EQUIPMENT

## Allocation by Country in %

	Long	Short	Net
Switzerland	1,16	-3,54	-2,38
Germany	63,42	-47,43	15,99
Austria	0,00	-0,02	-0,02
Belgium	0,84	-0,49	0,35
Denmark	0,00	-0,87	-0,87
Spain	0,89	-0,93	-0,03
Finland	2,78	-0,11	2,67
France	3,63	-1,79	1,84
United Kingdom	1,29	-5,85	-4,56
Ireland	0,00	-0,73	-0,73
Italy	8,53	-5,59	2,94
Luxembourg	1,50	-2,48	-0,98
Norway	1,06	-0,09	0,97
Netherlands	4,71	-0,40	4,31
Poland	0,00	-0,02	-0,02
Portugal	0,74	-0,02	0,72
Sweden	1,15	-0,58	0,57

## Allocation by Sector in %

	Long	Short	Net
Communication Services	5,71	-8,20	-2,49
Consumer Discretionary	7,15	-10,11	-2,96
Consumer Staples	4,04	-2,64	1,40
Energy	2,59	-2,18	0,41
Financials	7,26	-9,01	-1,76
Health Care	16,03	-3,59	12,43
Industrials	23,03	-16,23	6,80
Information Technology	8,17	-6,84	1,33
Materials	12,42	-7,02	5,40
Real Estate	3,21	-4,17	-0,96
Utilities	2,11	-0,99	1,12

## Contact

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## Potential risks

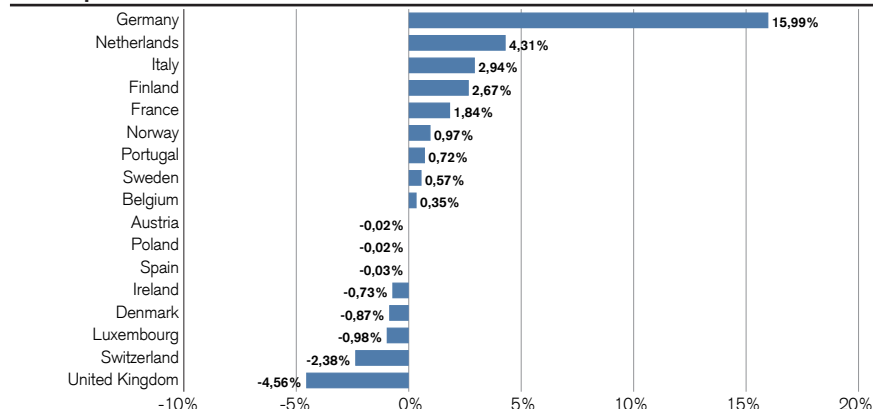
The Fund's risk and reward profile does not reflect the risk inherent in future circumstances that differ from what the Fund has experienced in the recent past. This includes the following events which are rare but can have a large impact.

- **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.

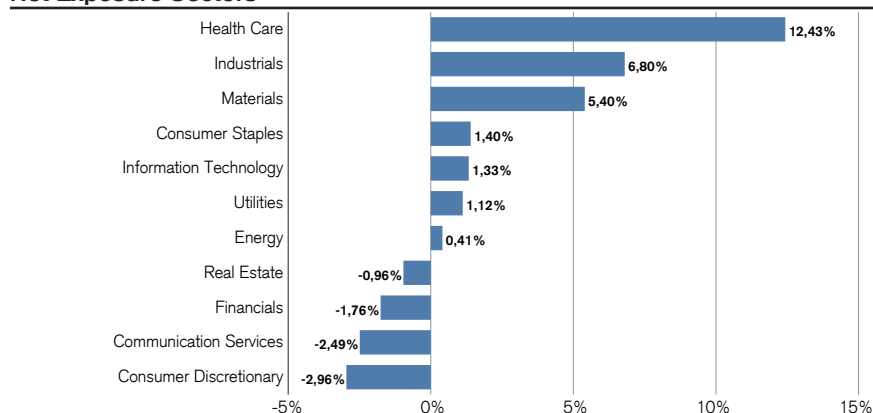
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**The full offering documentations including complete information on risks may be obtained free of charge from a Credit Suisse representative or where available via FundSearch ([credit-suisse.com/fundsearch](http://credit-suisse.com/fundsearch)).**

## Net Exposure Countries



## Net Exposure Sectors



Data sources as of December 30, 2022: Credit Suisse, otherwise specified.

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