STRUCTURED PRODUCT RESEARCH

Credit Suisse Performance Plus Series
September 2009

Adviser Edge

For Financial Advisers Only

Class A Adviser Edge Rating

Class B Adviser Edge Rating

Class C Adviser Edge Rating

CONTENTS

Product Summary 1
Pros & Cons 4
Rating Category Details 5
Technical Appendix 11

PRODUCT SUMMARY

The Credit Suisse Performance Plus Series is an open-ended equity linked investment product where investors can choose from three unit classes, all of which have an Australian equities focus. The product provides full capital protection for investors willing to hold the investment until the relevant capital protection date. Classes A & B are protected after five years, whereas Class C is protected after seven years. Investors who do not hold the product until the relevant capital protection date will not obtain the benefits of capital protection. The product is suited to a range of investors: those that want exposure to Australian equities, partial exposure to the Hang Seng China Enterprise Index and exposure to the resources sector with the investment protection offered. Due to the investment strategy used and the product's Volatility Feature, the product should be viewed as an alternative investment rather than a direct substitute for Australian equities. However, investors should keep in mind that the product is highly correlated to Australian equities when developing an investment portfolio.

Investor Suitability

Credit Suisse Performance Plus Series – Product Characteristics

Asset Class	Australian Equity[1]		International Equity[2]		Commodity	Hedge Fund
	Foreign Exchange		Volatility	Property	Fixed income	
Borrowing	No	Partial	Full	Choice	Internal Only	
Investment Horizon	< 1yr	1–3 yrs	3–5 yrs	5–7 yrs	> 7 yrs	
Market Outlook	Short term bullish	Short term bearish	Short term neutral	Long term bullish	Long term bearish	Long term neutral
Interim Cashflow	Net cash outflow[3]		No cashflow[4]		Net cash inflow[5]	
Counterparty Risk	Low		Medium		High	
Market Risk Appetite	Low growth – low risk		Medium growth – medium risk		High growth – high risk	

[1] All Classes

[2] Class B only

[3] Only for Class C, if the market does **not** rise enough to produce variable coupons

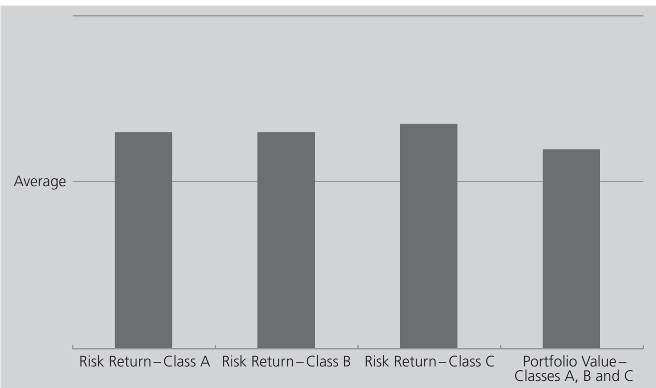
[4] For Classes A & B, if the market does **not** rise enough to produce variable coupons

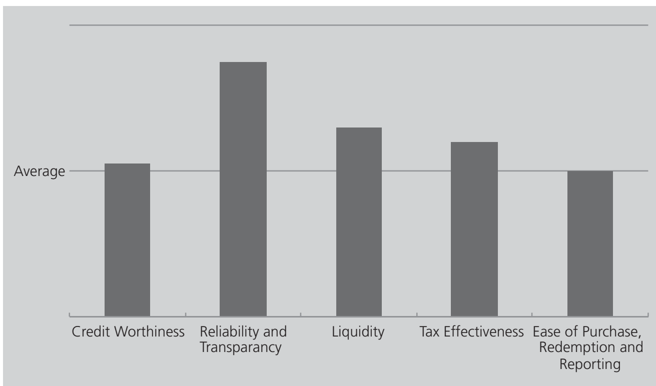
[5] For all classes, if the market rises to produce variable coupons

[6] Without borrowing to invest

[7] If borrowed to invest

Rating Snapshots





Adviser Edge provides this report only under the conditions explained in "Important Information" at the end of this report.

Product Details

Legal Structure	
Issuer/Responsible Entity:	Credit Suisse Investments (Australia) Limited
Investment type:	Registered managed investment scheme
Credit parties:	Credit Suisse (the banking subsidiary of Credit Suisse Group AG) as Credit Suisse Sydney Branch is the DPA Issuer
Offer Close Date:	12 November 2009
Term to Maturity:	The Funds are open ended. The DPAs for Unit Classes A & B have a term of five years, terminating on 27 November 2014. The DPA for Unit Class C terminates in seven years on 28 November 2016. On the capital protection date, a parcel of 20 of the largest ASX listed stocks will be delivered to the Fund.
Liquidity:	Credit Suisse expects to process redemption applications on a monthly basis prior to the capital protection date. Costs will be incurred for every redemption including those associated with unwinding the DPA and loan break costs for geared investors.
Minimum Investment:	The minimum investment is $20,000 per Unit Class.

Economic Features	
Investment structure:	Investors purchase units in an Australian managed investment scheme. These Units then invest in a series of Deferred Purchase Agreements (DPAs) that provide exposure to a range of underlying assets. The DPAs provide the investment with a Volatility Feature (or Volatility Targeting Strategy) as well as variable coupons for all Unit Classes and fixed coupons for Class C.
Investment Strategy:	The exposure to the underlying investments is evaluated daily and rebalanced as required through the Volatility Feature. This feature ensures that exposure to the underlying investment is reduced when volatility increases and vice versa. It relies on the negative correlation between market performance and realised volatility.
Underlying funds:	There are three Unit Classes on offer. Class A contains an equally weighted group of 10 Australian equities. Class B contains a 70% weighting to nine Australian companies with a commodities focus and a 30% weighting to the Hang Seng China Enterprise Index. Class C contains the S&P/ASX 200 Index.
Capital protection:	100% at maturity for Classes A & B, 121% at maturity for Class C
Profit Lock-in:	None
Distributions:	Distributions are determined annually on each Coupon Valuation Date and equal 50% of the gains above the high water mark subject to a 5% hurdle rate. Class C also pays a non-contingent 3% annual coupon that is required to be re-invested.

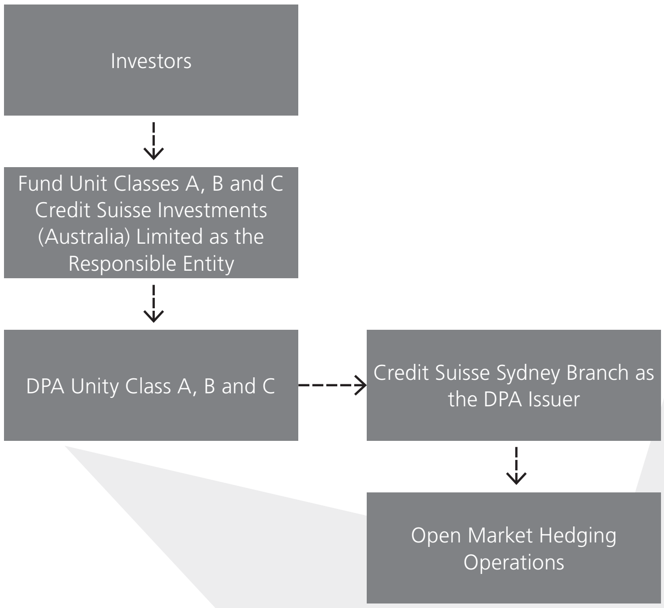
Fees	
Ongoing Fees:	***Management Fee:*** For each Unit Class, 0.65% pa of the value of the Reference Portfolio for that Class.[1] ***Expenses:*** Nil ***Protection Fee***: Nil The Responsible Entity is not permitted to charge more than the maximum fees allowed under the Constitution.
Early Redemption Fee:	If investors redeem their units before maturity they will be required to pay costs associated with unwinding the DPA and for geared investors, loan break costs.
Underlying Managed Fund Fees:	Nil
Investment Loan costs and interest rates:	Macquarie 100% Investment Loan. The loan is full recourse with four interest payment options: variable, fixed in advance for one year, fixed in advance for the term of the loan, and fixed in arrears for the term of the loan.

[1] Note that option-based products charge an implicit premium from the option valuation at inception. As result, the fee structure is different to a managed funds product.

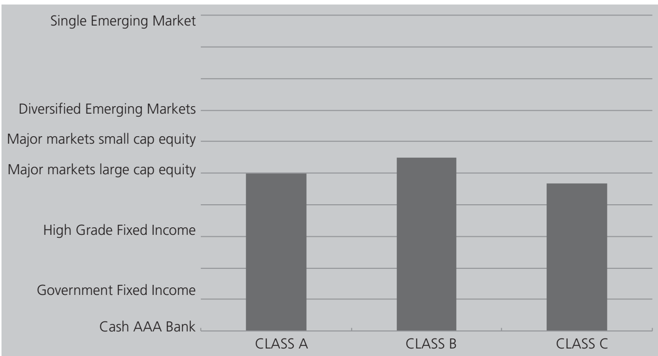
Investment Highlights

- Investors may choose from three underlying asset streams providing increased diversification.
- The product's performance is based on underlying assets that are either a price index or share prices, thus excluding dividend accumulation. Class A is based on the price return of a basket of 10 large cap stocks; Class B is based on the price return of a basket of nine resources related stocks and the Hang Seng China Enterprise Index; and Class C is based on the price return of the S&P/ASX 200 Index.
- The product enables access to an innovative volatility targeting strategy, the Volatility Feature.
- The product is similar to a bond-and-call option structure, however the call is a non-standard option and involves dynamic allocation with a minimum level of exposure.
- The product provides monthly redemptions at reasonable costs.
- Class C units provide a guaranteed final return of at least 21%.
- Investors are provided up to 150% exposure to the underlying assets. In periods of high volatility this exposure falls to 25%.
- The product has unique characteristics in a portfolio. Due to its features and its volatility targeting strategy, the product should be considered within the alternative asset allocation of an investor's portfolio rather than as a substitute for direct exposure to the underlying assets. However, investors must be aware of the high correlation to Australian equities.
- Investors have full exposure to Credit Suisse during the term of the investment. Although the product is a trust structure, the trust invests in DPAs with Credit Suisse.
- The current high 100 days realised volatility means the starting exposure to the underlying assets will be less than 100% for all three classes. However, should volatility return to historical averages, the product will provide exposure of more than 100% in the future.

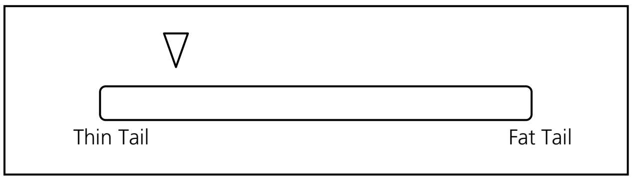
Transaction Flow Diagram



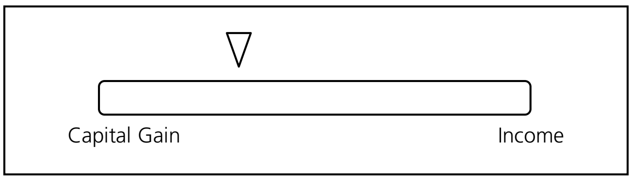
Risk return spectrum



Fat tail view



Capital gain vs income



PROS

Risk & Return

- The volatility targeting strategy is a well-known trading strategy to many advisers and investors.
- Scenario-testing of shows a high probability of income during the term of the product, enabling the investor to cover loan costs.
- The product, with its three classes, provides diversification benefits even though the underlying assets are predominantly traditional Australian equities.
- The high probability that the product will outperform direct investments into the underlying assets or a simple vanilla bond and call product implies there is real value in the volatility targeting strategy.
- The product's strategy increases exposure to the underlying assets when markets are calm and most likely to outperform.
- For Class B, the Hang Seng equity exposure is hedged, thereby eliminating currency risk. This means that the product is not exposed to Hong Kong / Australia exchange rates.

Portfolio Value

- Class C has a low correlation with the MSCI World Index.
- Class B has a 30% strategy exposure (the actual exposure varies over time in accordance with the volatility targeting algorithm) to the Hang Seng China Enterprise Index providing some diversification benefits.

Tax Features

- There is a strong expectation of income returns during the life of the product, particularly for Class C. Therefore, the tax deductibility of interest payments (up to the ATO's benchmark interest rate, which is currently expected to be the RBA's indicator variable rate for standard housing loans) is likely. Investors should however seek their own tax advice before investing.

Credit Exposure

- Performance Plus is a simple structure with a single counterparty.

Reliability and transparency

- The system used to determine the underlying strategy exposure is simple and returns can therefore be easily verified.

Liquidity

- Credit Suisse will publish monthly prices on their website.

CONS

Risk & Return

- Returns are based on price and not total return values. This means that investors will not enjoy pass through dividends in the product. Returns based on price mean that positive performance for high dividend yielding stocks (such as Class A) is harder to achieve. Positive performance will therefore vary depending on the exposure to these stocks when dividends are paid out. In a worst case scenario, the product may have its highest exposure of 150% to stocks that have high dividend payouts, the price index will fail and fees will still be charged.

Tax Features

- The product requires the 3% non-contingent coupon to be re-invested. The investor is therefore responsible for tax on income.
- The timing of capital gains is not possible. Investors must realise a capital gain at the capital protection date even though they are delivered a parcel of securities which they can hold indefinitely.

Credit Worthiness

- Investors have full exposure to Credit Suisse for the term of the investment due to the trust investing in DPAs with the bank. Some structured products use trust structures or collateral to minimise the product's exposure to the issuer.

Reliability and transparency

- The responsible entity for the product is an internal entity within Credit Suisse. Though the risk is not significant, if there any operational issues within the bank these issues are likely to have an impact on the responsible entity.

RATING CATEGORY DETAILS

Stand-Alone Risk-Return

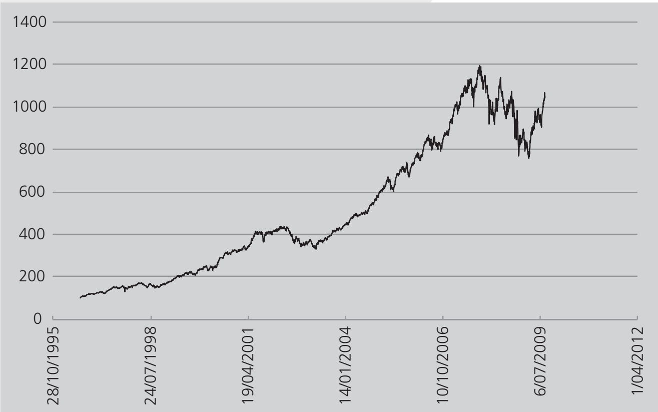
Outperformance between the strategy and the underlying assets is obtained from the increased exposure in rising markets and the decreased exposure in downward markets. The strategy, over the recent five year time period (or seven years for Class C), was able to effectively time the markets in order to increase value. The volatility targeting strategy is built on a well-tested correlation between volatility and market returns.

Underlying Assets

Class A

The underlying asset or the basket portfolio includes ten equally weighed ASX listed large cap stocks. The stocks are selected from various sectors including utilities, media, insurance, banking and energy.

Unit Class A Basket Portfolio

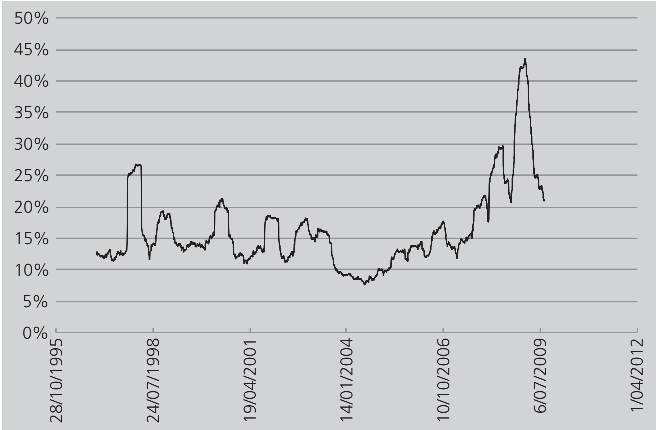


In the graph above, the basket portfolio's performance from 07/08/2000 to 18/09/2008 is constructed using the 10 stocks stated in the PDS. Prior to that, the share price of IAG was unavailable so the performance was constructed using the remaining nine stocks assuming equal weights. The basket portfolio only takes into account the price return without dividends.

The basket portfolio shows strong performance since 1996. Since then, the portfolio has increased its value over 10 times. Prior to the global financial crisis, the portfolio reached its highest point, returning almost 12 times its value in 1996. Some of the biggest movers in the portfolio were CSL (increasing from 1.665 on 29/07/1996 to 33.54 on 18/08/2009), TOL (increasing from 0.169 on 29/07/1996 to 7 on 18/08/2009) and WOW (from 2.8 on 29/07/2009 to 27.16 on 18/08/2009).

Over the entire period, the basket portfolio had a volatility of 18% per annum, with a spike in realised volatility at the beginning of 2008 due to the global economic crisis.

100 trading day realised volatility



Historically the basket portfolio's 100 trading day volatility tended to be below 20% pa. However, since January 2008, volatility increased to above 20% and reached the height of 44% in January 2009. Since then, volatility has remained above 20%, although trending downwards. For the period, the average 100 trading day volatility was 16%.

Class B

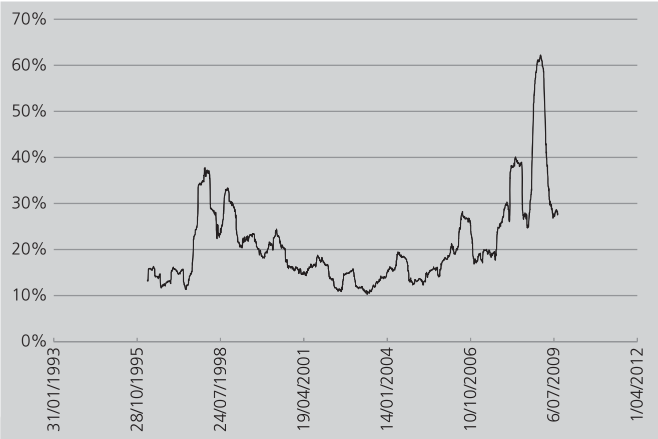
The basket portfolio composes of a 70% weighting to nine large cap Australian listed resources companies chosen by the Credit Suisse Research Team. The remaining 30% is weighted to the Hang Seng China Enterprise Index.

The resources stocks are selected from a range of sub-sectors including gold mining, oil exploration and diversified metals.

Unit Class B Basket Portfolio

After a subdued period from 1995 to 2000, the basket portfolio grew rapidly as a result of the resources boom. Since 2000, it has generated a total return of 540%. In May 2008, the portfolio reached its high water mark of 784. Some of the biggest movers in the basket portfolio include WPL (increasing from 5.634 on 9/10/1995 to 42.68 on 18/08/2009), NCM (increasing from 5.24 on 09/10/1995 to 29.66 on 18/08/2009) and OSH (increasing from 1.095 on 09/10/1995 to 5.61 on 19/08/2009). Over the entire period, the basket portfolio had a volatility of 23% pa.

100 trading day realised volatility



Class B's basket portfolio is more volatile than Class A. Historically, the 100 trading date volatility ranged from a low of 10% pa to a high of 62% pa. Volatility has stayed above 30% for the majority of time since January 2008. Recently, the 100 trading day realised volatility fell below 30%. The average 100 trading day realised volatility from 1995 to 2009 is approximately 21%.

Class C

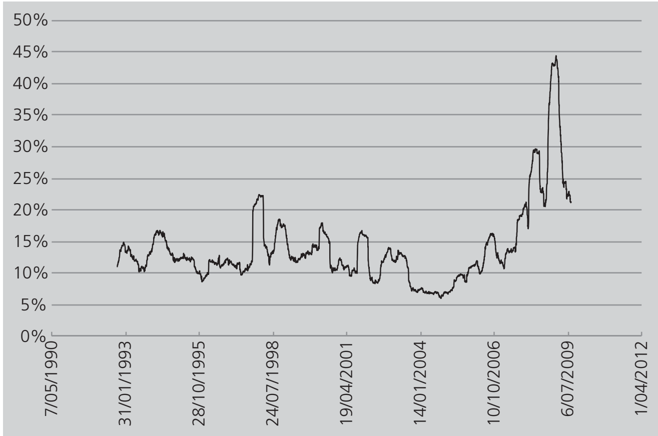
The underlying asset is the S&P/ASX 200 Index.

Unit Class C Basket Portfolio

Since 1992, the index grew from 100% to a high of 400% in November 2007. Since that time, the global economic crisis eroded half of the index's market capitalisation of the index prior to the recovery which began in March 2009.

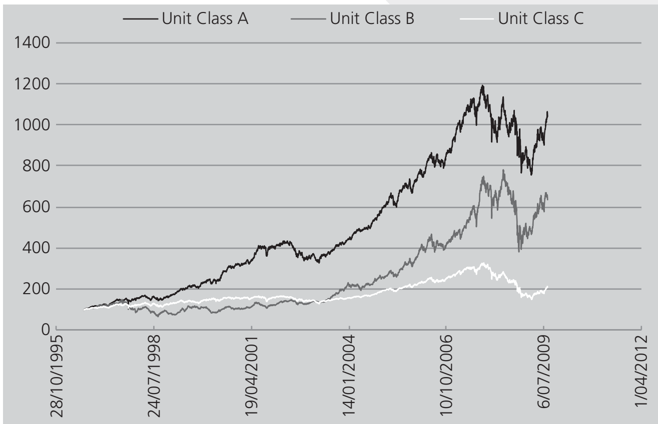
Over the entire period, the index experienced the lowest volatility of the three underlying assets, averaging 15% pa.

100 trading day realised volatility

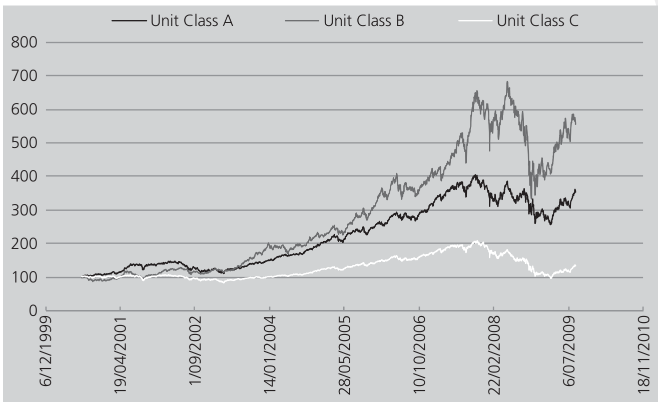


As demonstrated by the graph, the index has historically maintained its 100 trading day realised volatility of between 10% and 15%. Between 2003 and 2005, the index experienced low volatility of less than 10% pa. Since January 2008, falling stock prices have coincided with rising volatility. Over this period, the index's volatility spiked above 20% to a high of 44% pa before falling to the current level of 22%. The average 100 trading day realised volatility from 1992 to 2009 was approximately 14%.

Underlying Basket Portfolio performance since 1996



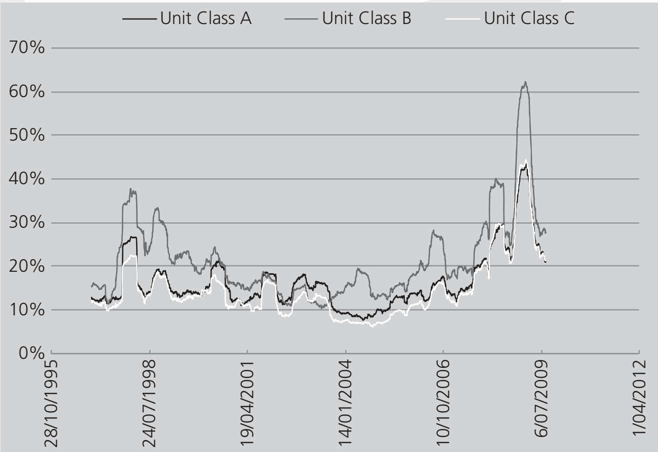
Underlying Basket Portfolio performance since 2000



From 1996 to 2000, Class A was the best performer due to major positive contributions from stocks such as NWS, TOL, CSL and MQG. Since 2000, Class B was the best performer due to a combination of positive factors including resource booms and a growing Chinese economy. During the entire period, both Classes A and B have outperformed the S&P/ASX 200 index although with higher realised volatility.

One of the most important characteristics shown by the preceding graphs was that Classes A and B basket portfolios demonstrated a faster ability to recover from losses during the economic crisis compared to the overall market. This may be driven by the basket concentration as well as the higher composite beta for these unit classes.

100 trading day realised volatility



As shown in the graph above, all three underlying volatilities are correlated, with the ASX 200 index experiencing the lowest volatility overall. From 1996, Class B's basket portfolio showed the highest overall 100 trading day volatility. Classes A and C's basket portfolios demonstrated similar volatility levels, particularly in the last two years. In previous periods, the Class A basket portfolio usually exhibited a volatility 2% to 3% higher than that of the Class C index portfolio.

Backtesting and Scenario Analysis

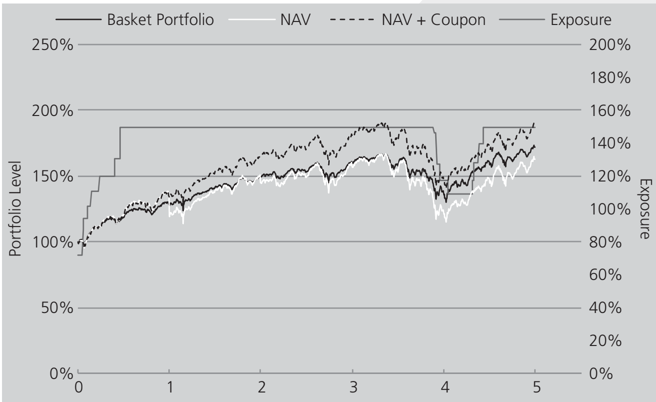
Volatility targeting techniques rely on the trading of call options on the underlying basket portfolio in relation to realised volatility. From time to time, the price of call options varies according to various market conditions. These conditions can include implied volatility, interest rates and underlying basket portfolio levels. It is because of these factors that Adviser Edge believes that if the product has been issued in the past, the payoff and structure of the product would have been different. That is, the product would have been issued with different volatility targets and/or fixed coupons. Therefore, to apply the current product payoff and structure on past market scenarios would be unrealistic and biased.

Adviser Edge has instead selected a number of market scenarios that display similar characteristics to today's market environment. In particular, periods in which the 100 trading day realised volatility at the beginning of each scenario period is similar to the current level of the underlying asset. We then applied the current product's structure with the indicated volatility targets on these scenarios to analyse how the product would perform. Importantly, a product's performance is path dependent. An investor's total return is dependent on both the basket performance as well as the realised volatility that led to a particular terminal value. The scenario chosen aims to highlight the overall product's performance in different market regimes. Adviser Edge looked beyond the ASX to various markets in order to find real examples of various market scenarios with similar long term historical volatility. This scenario analysis is designed to exhibit the product's features and the impact of the overall structure and volatility targeting strategy on a range of underlying market conditions.

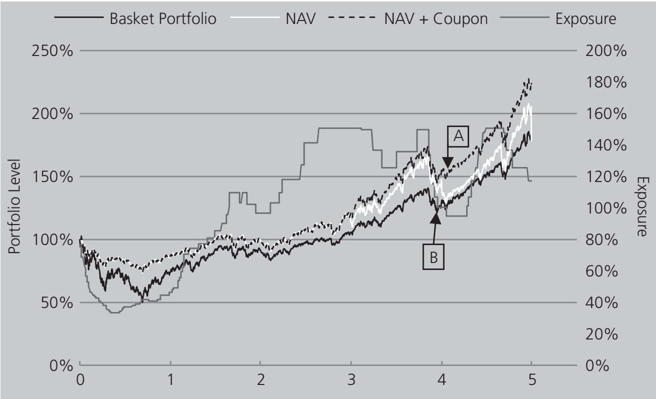
In this section, we will examine the product's performance in both favourable and adverse scenarios.

Favourable Scenario 1: slow upward trend followed by a sharp fall.

The volatility targeting strategy performs best in a situation where the basket portfolio experiences a gradual increase in the bull market and a sharp fall in the bear market.



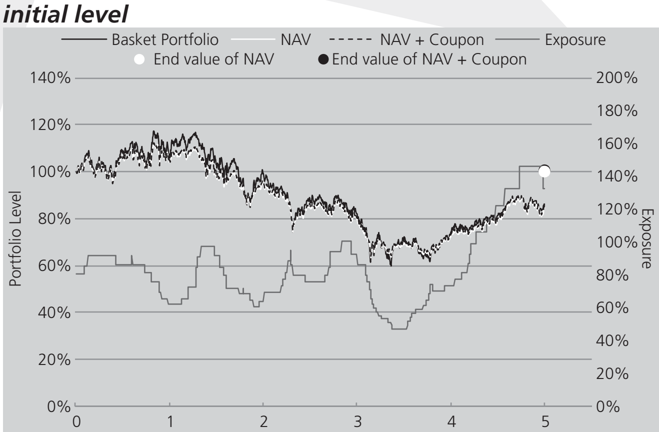
When the basket portfolio increases gradually, its 100 trading day realised volatility will fall. This in turn will increase the exposure over time. During a consistent uptrend market, the basket can attain an exposure of up to 150%, magnifying any upside gains.



When the market experiences a sharp fall, as demonstrated in the early period of the above graph, the 100 trading day volatility will increase dramatically, forcing the strategy to rebalance and lower its exposure. This allows the strategy to avoid further falls in the basket portfolio. A key feature of the drop is that it must begin with a sharp movement downward in order for the 100 day volatility to spike upward and cause exposure to be quickly reduced in order to avoid subsequent falls. However, if the sharp drop follows a period of relative calm, as seen in the pre-October 2006 time period, high exposure will also magnify the downward drop.

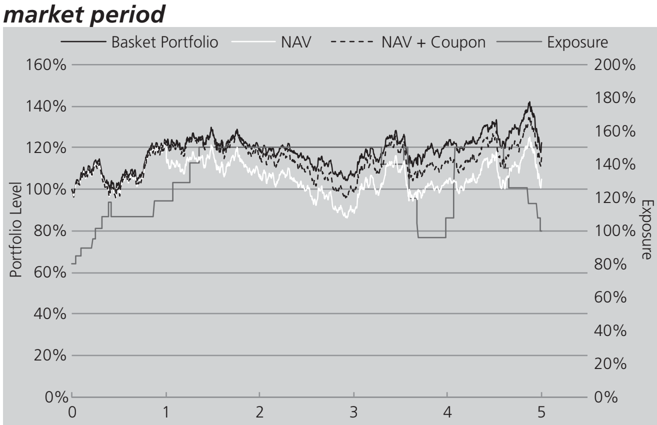
The drop of the index, indicated by A, is greater than the drop of the basket portfolio, indicated with B. As the strategy adjusts based on the 100 day average, a sharp drop is needed to lead to a timely decrease in exposure. The lag caused by averaging can be beneficial or detrimental. A beneficial case is where the drop is a singular event and followed by a calm increase in prices. A detrimental situation arises where the sharp drop is followed by continued downward markets. The slow increase in the moving average of volatility causes the strategy to maintain exposure for too long during the falling market.

Favourable Scenario 2: Basket Portfolio ending below the initial level

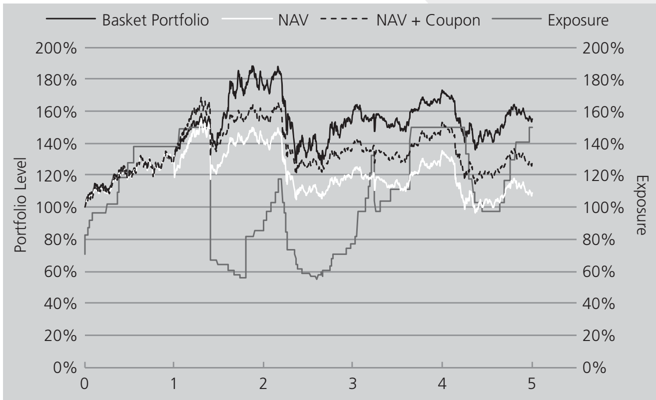


In the event that the basket portfolio falls below its initial level after five years, the product will perform significantly better. This is due to the product's capital protection at maturity as well as any variable coupons delivered as a result of any rises in the basket portfolio during the term of the investment.

Adverse Scenario 1: Non directional and highly volatile market period

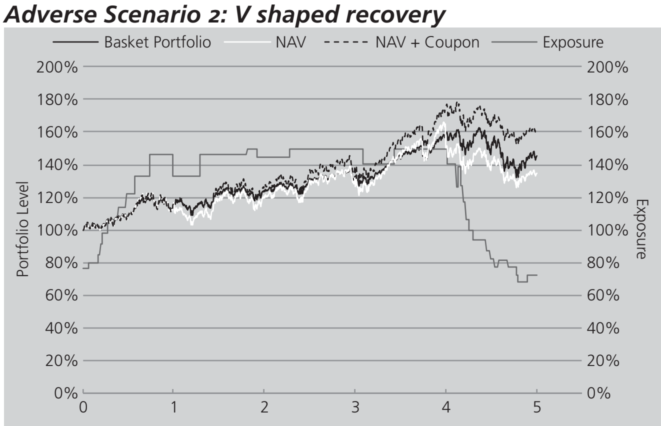


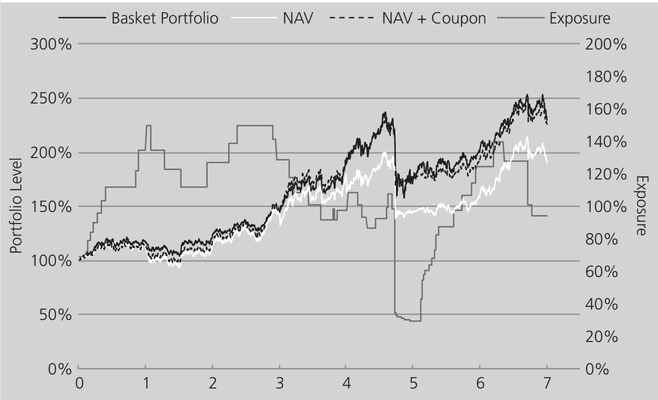
In a non-directional market, the performance of the strategy may be eroded by management fees causing it to perform worse than the basket portfolio. Although the exposure level remains high, the underlying is not creating any upside movement thus the strategy gains little. In this scenario, direct investment in the underlying assets as opposed to a price index would have yielded better results as dividends and franking credits would have been paid through the life of the investment.



If the basket portfolio maintains a high level of volatility during the investment period, the average exposure may be well below 100%. In the above case, although the basket portfolio has increased from 100% to 150% over the five year period, the strategy maintained a relatively low level of exposure due to the high level of volatility. As a result, the performance of the strategy was well below the performance of the basket portfolio.

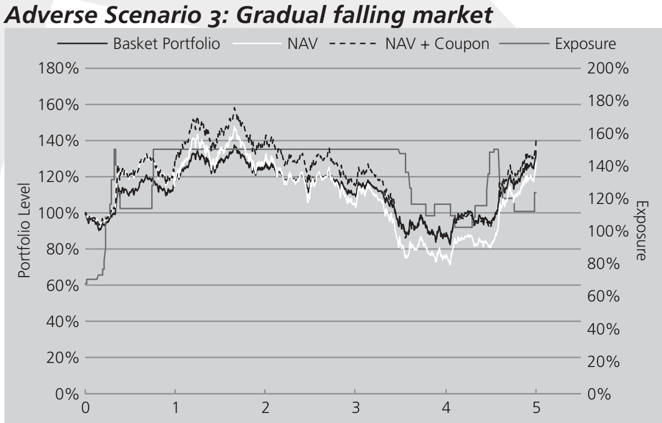
Adverse Scenario 2: V shaped recovery





As indicated by the final period in the preceding two graphs, the product will perform badly in the event where the basket portfolio experiences a sharp recovery following an intense downturn. This is because exposure would usually be very low, or even at the minimum level of 25%, after a major market crisis. If the market rebounds sharply, the product will miss out initially on the upside as a result of the low participation. The product would perform better in gradual u-shaped recovery.

Adverse Scenario 3: Gradual falling market



In the case of a gradual downtrend market, the product will perform poorly. If there is a sustained period of slow bearish markets, similar to the middle period in the above graph, the product will maintain a high or even leveraged exposure to the falling basket portfolio. In that case, the product will fall faster than the basket portfolio. Investors should fully understand that empirically, volatility tends to have a negative correlation with performance but this is not always the case in all scenarios. There are cases where the underlying may fall with low volatility.

Relative Performance between Classes A, B and C

The favourable and adverse scenarios mentioned above will affect all three Unit Classes since they are all based on the volatility targeting technique. After running different scenarios on each Unit Class, we have come up with the following views about the relative performance between each unit class.

In terms of the basket portfolios of Classes A and B, both classes' final payoffs are based on superior basket portfolios which have shown a relatively long history of outperforming the overall ASX market.

Although the performance of Class B's basket portfolio has outperformed the Class A basket portfolio in recent years, we consider that the overall payoff from the Class A strategy no worse than that of the Class B strategy for the following reasons:

- The current 100 trading day realised volatility is around 20% for Class A and 28% for Class B. Based on these volatility levels, Class A would have a starting exposure of 80% while Class B only has an exposure of 64%. Assuming the market will continue to recover in the following months, according to general market expectations, Class B may deliver lower initial returns due to low exposure.
- According to historical numbers, Class A's basket portfolio has an average 100 trading day realised volatility of 16% while Class B's basket portfolio has an average 100 trading day realised volatility of 21%. Although Class B has a higher target volatility of 18% (versus 16% for Class A), if it is assumed the market will gradually return to its long term average, this means that Class A has an average exposure of 100% over time while Class B only has 86%. Since both classes have capital protection, Class B would be at a disadvantage.
- Class A's basket portfolio has more diversification by sector than Class B. It also includes a number of material and energy companies, enabling the Class to benefit from the resources boom while not at a disadvantage if the resources boom and growth in the Chinese economy diminishes in future years.

* These conclusions are supported by the scenario analysis statistics in the Technical Appendix.

Class C is different from the other two unit classes as it offers a seven year investment period rather than five years. Additionally, the Class offers an additional 21% capital protection at maturity. This means the product will provide investors with a minimum return of 3% per annum even if the basket portfolio falls below the initial level. This Unit Class offers good investment opportunities for investors seeking a longer-term investment. As indicated in the previous section, Class C's basket portfolio, the ASX 200 index, historically does not perform as well as the other two classes as it represents the overall market's movements tempered by internal diversification. However, Class C tends to have lower volatility than Classes A and B over time with an average long term 100 trading day realised volatility of 14%. Therefore, even though Class C has a lower target volatility level of 15%, the class may have higher participation in the upside gain.

Portfolio Value

There is limited diversification between the three strategies. Except for the 30% Hang Seng exposure in Class B, the underlying basket portfolios are all Australian based. Additionally, the Hang Seng index is highly correlated with the ASX, with approximately a 50% correlation between the two. Class A has a banking and resources concentration, while Class B has a clear Resources concentration. These industry sectors are the two largest in the S&P/ASX 200, which in turn is the basis for Class C. Additionally, although the exposure to the underlying equities may drop at all times, the strategy is positively correlated to the ASX index.

Adviser Edge expects the product would perform similar to the Australian equity market and offers average diversification benefits. Class B may offer slightly better diversification benefits as it also includes international exposure. The diversification benefits result from the following three observations:

- When the equity market is experiencing negative returns, Classes A and B offer capital protection at 100% of the initial level while Class C returns the initial capital investment with 21% of additional returns.
- The volatility targeting technique aims to amplify volatility on the upside and minimise volatility on the downside. The product will move slightly differently to a direct investment in the basket portfolio due to the varying exposure. Although the magnitude of the market's movement is different, the product will still follow the trend of the underlying basket portfolio, making money on the upside and losing it on the downside.
- On annual observation dates, if the NAV is above the high water mark, then part of the NAV's increase will be distributed as variable coupons. The variable coupon can be much bigger than dividends from normal stocks and reduces the total amount of money in the strategy. This feature can be viewed as a form of profit lock-in.

Credit Worthiness

The product rated about average in this category.

- Full principal and potential gains are exposed to the credit worthiness of Credit Suisse. This arises from the DPA structure of the asset.
- Credit Suisse is currently rated A+ stable by S&P, while Fitch gives a AA- with negative outlook and Moody's an Aa2 with negative outlook. With the global financial markets stabilising, CDS spreads have substantially decreased. Credit Suisse's spread is in the lower range amongst European banks, reflecting a good perception in the market.

Reliability and Transparency

- Credit Suisse is currently managing six closed-end structure products and there have been no known operation issues or freeze of redemptions in those funds currently managed.
- Credit Suisse is an investment bank that manages strategies for a number of other live structured products.
- The product investment strategy follows a clear formula and has no discretionary element.
- The issuer is responsible to provide performance regardless of how they actually are able to do it. In that sense there is no operational risk.

Liquidity/Secondary Market

- The product scored slightly above average in this category.
- The issuer has been in discussions to place the product on platform, in which case both the handling and liquidity would be much improved, however there is no guarantee that the discussions will come to fruition.

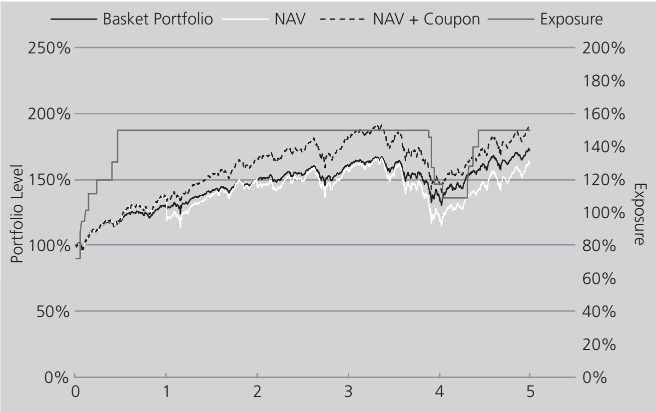
Tax Features

- Investors can time losses or gains by redeeming the investment prior to maturity.
- At maturity the investor must realise the capital gain but will likely enjoy the discounted capital gain rate. Any pass-through cash flow is taxed as income during the life.
- Back testing reveals that the product has a good balance between capital gains and income through the life.
- For geared investors there is a probability of pass-through income to cover the pre-tax costs of interest.
- For all investors the bulk of the expected gain would come through as a capital gain at maturity.

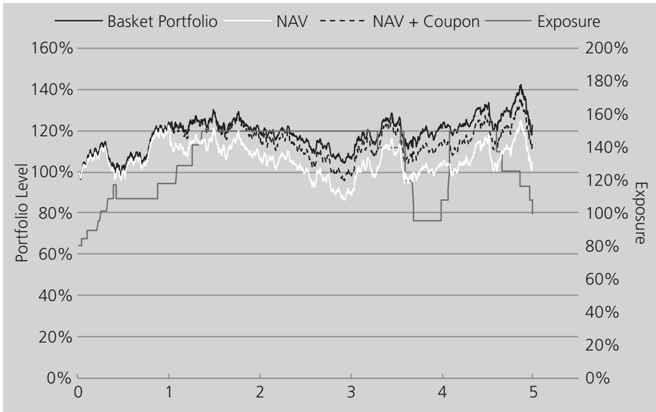
TECHNICAL APPENDIX

Class A

A1

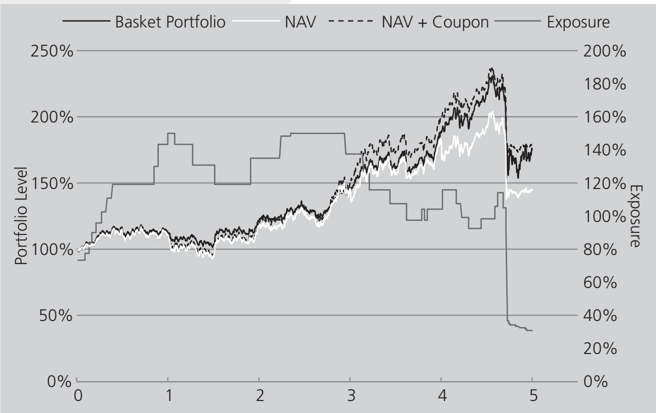


A2

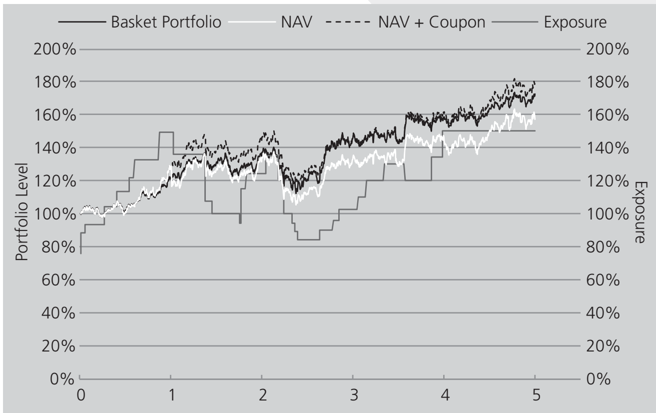


- In graph A1, up until about year 3 the relative calm upward moving market led to an average of over 100% exposure. This resulted in the slope of increase of the NAV + Coupon being significantly greater than the underlying.
- A2 shows during periods of steadily dropping markets, realised volatility remains low and exposure high to the downside. The strategy trends down faster than the underlying in the period up to year 3.

A3

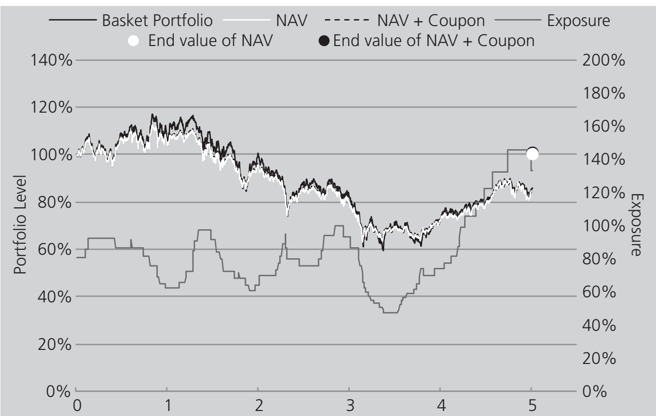


A4

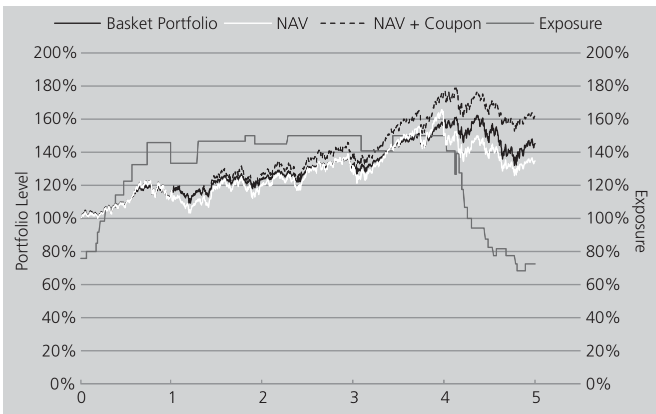


In extreme market collapses, such as in graph A3, markets fall so quickly and realised volatility increases to such a level leading to a very quick de-allocation from the 120% to 30% exposure level.

A5



A6



Graph A5 shows that in downward trending markets, the capital protection feature has much value.

Scenario	Basket Portfolio Final Value	Basket Portfolio Volatility	Final High Water Mark	Product Maturity Value	Product Volatility	Total Value (No interest)	Total Value (coupon accrued interest)
A1	172.01%	8.88%	159.53%	162.45%	10.89%	184.71%	189.06%
A2	122.47%	12.27%	121.93%	105.02%	14.79%	113.49%	115.37%
A3	175.53%	19.26%	183.76%	145.03%	16.87%	176.91%	179.79%
A4	173.11%	13.21%	147.67%	157.21%	14.50%	177.64%	180.51%
A5	86.08%	20.72%	106.39%	84.84%	16.30%	85.54%	85.69%
A6	145.33%	13.22%	166.74%	134.71%	14.73%	159.07%	161.42%

Scenario	Average Exposure	% of time with exposure more than 100%
A1	143%	98%
A2	132%	89%
A3	117%	77%
A4	122%	84%
A5	84%	17%
A6	130%	80%

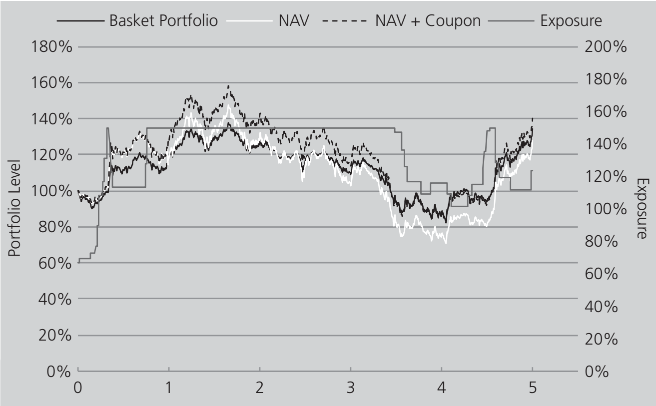
A5 highlights the relationship between realised volatility and market performance. The scenario exhibits the highest realised volatility and in turn, the worst underlying basket performance. In this case, Credit Suisse will provide capital protection at 100%. So the total payoff will be $100 plus 85 cents variable coupon.

Scenario	Product Annualised Return	Product Volatility	Product Sharpe Ratio	Basket Portfolio Annualised Return	Basket Portfolio Volatility	Basket Portfolio Sharpe Ratio	Information Ratio*	Sortino Ratio*
A1	13.58%	10.89%	0.79	11.46%	8.88%	0.73	0.86	1.21
A2	2.90%	14.79%	(0.14)	4.14%	12.27%	(0.07)	(0.38)	(0.52)
A3	12.45%	16.87%	0.44	11.91%	19.26%	0.36	0.07	0.10
A4	12.54%	14.50%	0.52	11.60%	13.21%	0.50	0.33	0.46
A5	0.17%	16.30%	(0.30)	-2.95%	20.72%	(0.38)	0.50	0.69
A6	10.05%	14.73%	0.34	7.76%	13.22%	0.21	0.52	0.72

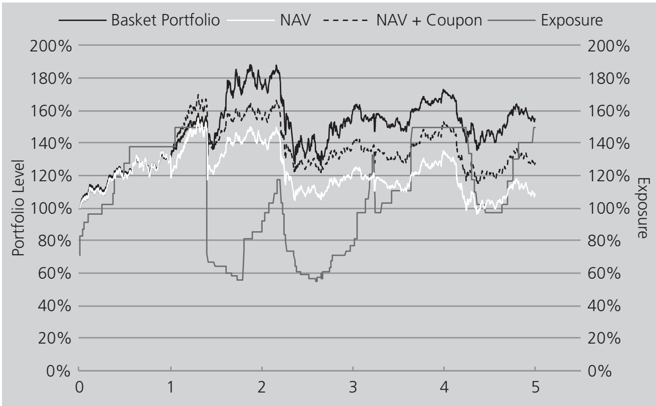
* Information ratio and Sortino ratio are calculating by comparing the product performance to the underlying basket portfolio performance.

Class B

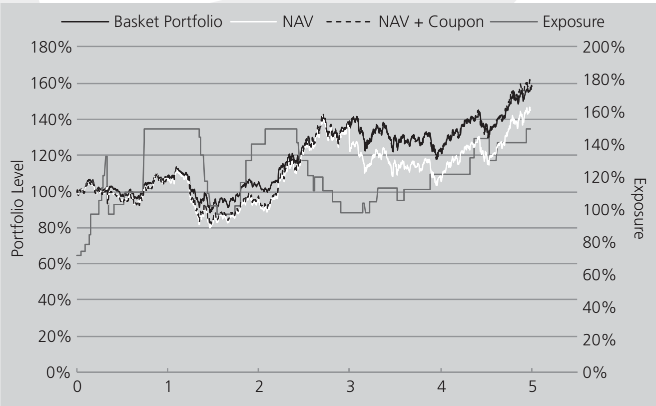
B1



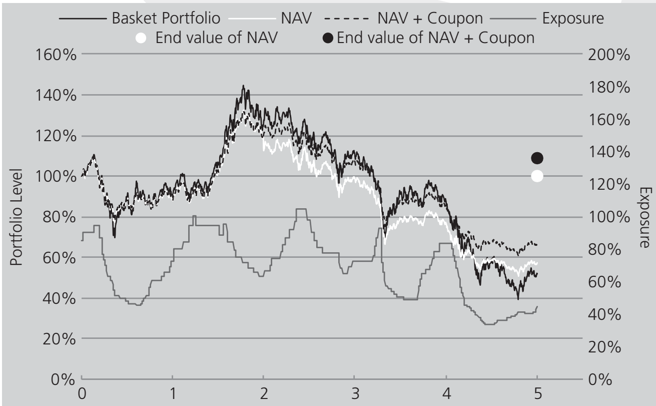
B2



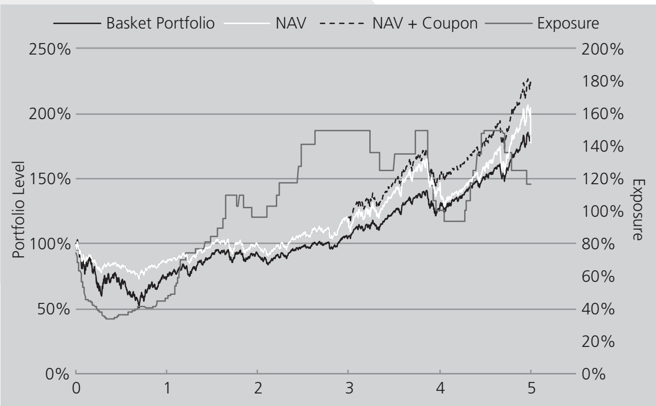
B3



B4



B5



Scenario	Basket Portfolio Final Value	Basket Portfolio Volatility	Final High Water Mark	Product Maturity Value	Product Volatility	Total Value (No interest)	Total Value (coupon accrued interest)
B1	134.21%	12.96%	129.11%	128.07%	16.03%	137.79%	139.94%
B2	155.21%	18.90%	141.00%	108.95%	18.00%	124.45%	127.78%
B3	158.32%	14.61%	137.56%	145.00%	17.04%	161.22%	162.85%
B4	52.19%	31.23%	120.64%	57.54%	18.46%	65.36%	66.63%
B5	182.24%	24.65%	147.90%	177.96%	17.61%	221.84%	223.22%

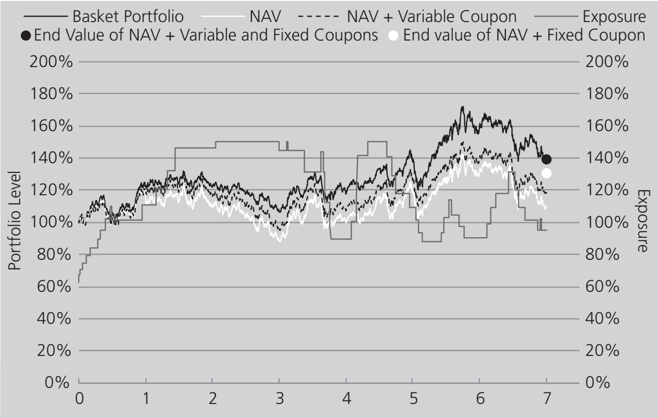
Scenario	Average Exposure	% of time with exposure more than 100%
B1	133%	95%
B2	108%	58%
B3	123%	84%
B4	68%	3%
B5	103%	59%

Scenario B4 demonstrates the highest volatility and poorest performance. As the product is 100% capital protected, the total payoff is $100 plus a $9.09 variable coupon.

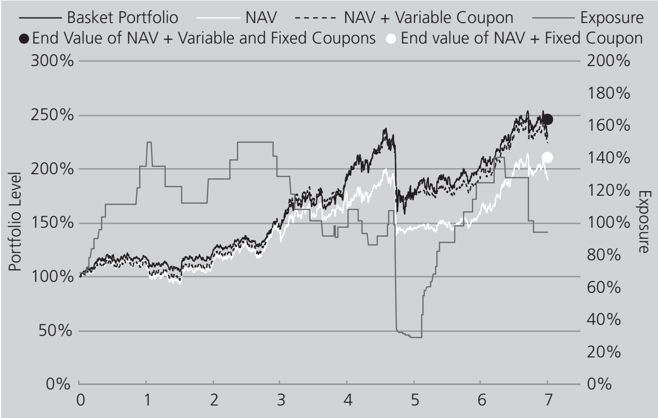
Scenario	Product Annualised Return	Product Volatility	Product Sharpe Ratio	Basket Portfolio Annualised Return	Basket Portfolio Volatility	Basket Portfolio Sharpe Ratio	Information Ratio*	Sortino Ratio*
B1	6.95%	16.03%	0.12	6.06%	12.96%	0.08	0.23	0.36
B2	5.03%	18.00%	0.00	9.19%	18.90%	0.22	(0.65)	(0.81)
B3	10.24%	17.04%	0.31	9.62%	14.61%	0.32	0.17	0.24
B4	1.75%	18.46%	(0.18)	-12.19%	31.23%	(0.55)	0.92	1.32
B5	17.42%	17.61%	0.70	12.75%	24.65%	0.31	0.38	0.54

Class C

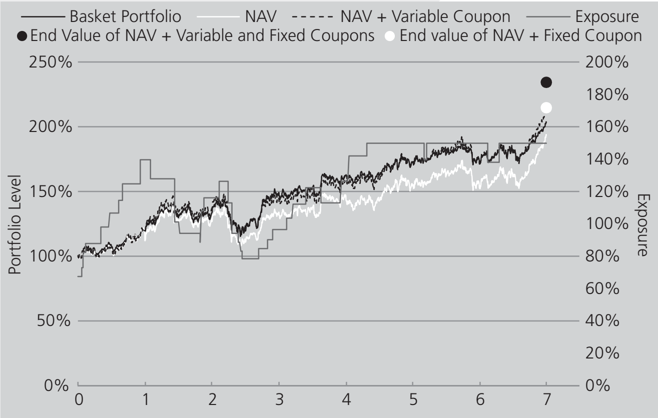
C1



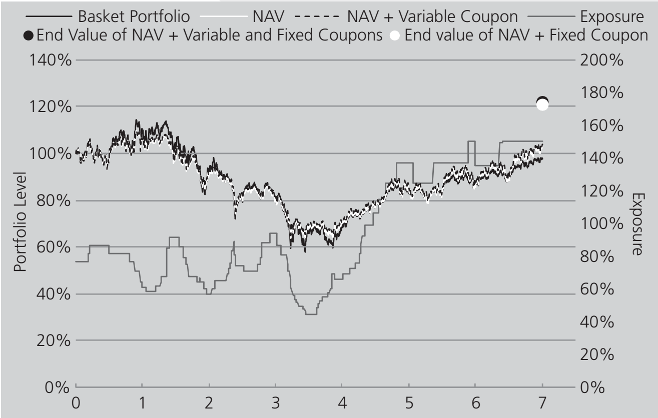
C2



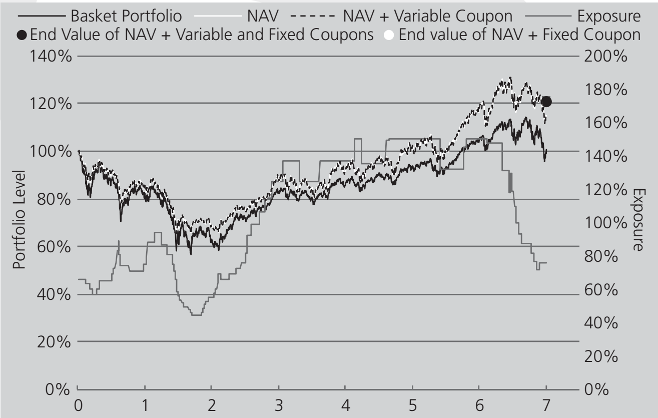
C3



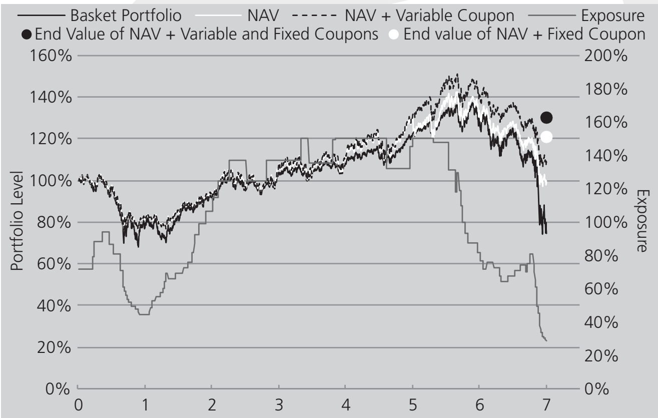
C4



C5



C6



Scenario	Basket Portfolio Final Value	Basket Portfolio Volatility	Final High Water Mark	Product Maturity Value	Product Volatility	Total Value (No interest)	Total Value (coupon accrued interest)
C1	138.88%	13.08%	118.54%	109.52%	14.35%	116.29%	118.66%
C2	230.04%	17.95%	176.78%	190.10%	15.05%	218.73%	224.67%
C3	204.09%	12.18%	155.80%	194.37%	13.34%	209.82%	213.96%
C4	97.75%	18.42%	106.24%	102.41%	15.00%	103.03%	103.24%
C5	100.92%	16.96%	101.98%	116.19%	15.31%	116.19%	116.19%
C6	74.72%	20.30%	131.53%	97.77%	15.57%	106.22%	107.20%

Scenario	Average Exposure	% of time with exposure more than 100%
C1	120%	76%
C2	108%	66%
C3	125%	77%
C4	96%	36%
C5	108%	55%
C6	108%	55%

In scenarios C1 to C5 as the product finishes with final maturity values above 100%, the final payoff to the investors will consist of the final maturity value and 21% additional capital protection.

For scenario C6, since the product's maturity value finishes below 100%, the final payoff will be 100% plus the 21% additional capital protection.

Scenario	Product Annualised Return	Product Volatility	Product Sharpe Ratio	Basket Portfolio Annualised Return	Basket Portfolio Volatility	Basket Portfolio Sharpe Ratio	Information Ratio*	Sortino Ratio*
C1	4.89%	14.35%	(0.01)	4.80%	13.08%	(0.02)	0.03	0.04
C2	13.70%	15.05%	0.58	12.64%	17.95%	0.42	0.13	0.20
C3	12.98%	13.34%	0.60	10.73%	12.18%	0.47	0.84	1.14
C4	3.15%	15.00%	(0.12)	-0.32%	18.42%	(0.29)	0.51	0.70
C5	4.62%	15.31%	(0.02)	0.13%	16.96%	(0.29)	0.68	0.94
C6	3.87%	15.57%	(0.07)	-4.08%	20.30%	(0.45)	1.28	1.78

Adviser Edge

For Financial Advisers Only

Important Information

Although all reasonable care has been taken to ensure that the information contained in this document is accurate, neither Adviser Edge nor its respective officers, advisers or agents makes any representation or warranty, express or implied as to the accuracy, completeness, currency or reliability of such information or any other information provided whether in writing or orally to any recipient or its officers, advisers or agents.

Adviser Edge and its respective officers, advisers, or agents do not accept:

– any responsibility arising in any way for any errors in or omissions from any information contained in this document or for any lack of accuracy, completeness, currency or reliability of any information made available to any recipient, its officers, advisers, or agents; or
– any liability for any direct or consequential loss, damage or injury suffered or incurred by the recipient, or any other person as a result of or arising out of that person placing any reliance on the information or its accuracy, completeness, currency or reliability.

This document contains statements which reflect current views and opinions of management and information which is current at the time of its release but which may relate to intended or anticipated future performance or activities. Such statements and financial information provided have been estimated only and are based on certain assumptions and management's analysis of the information available at the time this document was prepared and are subject to risk and uncertainties given their anticipatory nature. Actual results may differ materially from current indications due to the variety of factors. Accordingly, nothing in the document is or should be relied upon as a promise or representation as to the future or any event or activity in the future and there is no representation, warranty or other assurance that any projections or estimations will be realised.

By accepting the opportunity to review this document the recipient of this information acknowledges that:

– it will conduct its own investigation and analysis regarding any information, representation or statement contained in this or any other written or oral information made available to it and will rely on its own inquiries and seek appropriate professional advice in deciding whether to further investigate the business, operations and assets of the business; and
– to the extent that this document includes forecasts, qualitative statements and associated commentary, including estimates in relation to future or anticipated performance, no representation is made that any forecast, statement or estimate will be achieved or is accurate, and it is acknowledged that actual future operations may vary significantly from the estimates and forecasts and accordingly, all recipients will make their own investigations and inquiries regarding all assumptions, uncertainties and contingencies which may effect the future operations of the business.

In providing this document, Adviser Edge reserves the right to amend, replace or withdraw the document at any time. Adviser Edge has no obligation to provide the recipient with any access to additional information or to release the results of or update any information or opinion contained in this document.

Performance Calculations

All tables and graphs in this report use calculations by Adviser Edge. The product issuer has not provided or checked any of our quantitative results.

Licensed Investment Adviser

Barik Pty Ltd trading as Adviser Edge Investment Research is licensed as an Australian Financial Services Licensee, Licence No. 236783, pursuant to section 913B of the Corporations Act 2001. The licence authorises Barik Ptd Ltd, trading as Adviser Edge Investment Research to carry on a financial services business to provide financial product advice.

Privacy Policy

Adviser Edge collects only a limited amount of personal information from its clients. Our privacy policy can be viewed at www.adviseredge.com.au. This will enable you to understand your rights, our obligations and what Adviser Edge does with any information it collects about you.

General Financial Product Advice

This advice will not take into account your, or your clients, objectives, financial situation or needs and will not be provided in respect of any other financial products. Accordingly, it is up to you and your clients to consider whether specific financial products are suitable for your objectives, financial situation or needs.

Reproduction

Disclosure

Adviser Edge has no involvement in this Product or any of the organisations contained in the product disclosure statement. This assessment has been undertaken by Adviser Edge on an independent basis and does not constitute an investment recommendation. It is designed to provide investment advisers with a third party view of the quality of this product as an investment option. Adviser Edge charge a standard and fixed fee for the third party review. This fee has been paid under the normal commercial terms of Adviser Edge.

Report Date

14 September 2009