CREDIT SUISSE

Liquidity
Transparency
Diversification

Liquid Alternative Beta (LAB)
Credit Suisse Long/Short Equity Liquid Index

December 2009   **Bloomberg: ILAB<GO>**

Index Overview

■ The Credit Suisse Long/Short Equity Liquid Index (the "LAB L/S Equity Index" or the "Index") reflects the return of a dynamic basket of liquid, investable market factors selected and weighted in accordance with an algorithm that aims to track the performance of the Credit Suisse Tremont Long/Short Equity Hedge Fund Index (the "CS Tremont L/S Index") by allocating weights to non-hedge fund, transparent market factors

■ The algorithm has been determined by an Index Committee taking into consideration extensive quantitative research into systematic ways of achieving certain risk return profiles by using alternative investing techniques

■ The Index is calculated daily by Credit Suisse Alternative Capital, Inc. and benefits from objective and transparent rules-based construction

Long/Short Equity Sector Focus

■ As of October 31, 2009, the Long/Short Equity sector represented 23.21% of the Credit Suisse Tremont Hedge Fund Index

■ Long/Short Equity is the strategy with the largest allocation in many investors' hedge fund portfolios and as such, is the area where they can benefit most from the ability to create additional liquidity

■ Long/Short Equity is one of the most established and well understood hedge fund strategies with managers having similar investment universe and investment objectives

Risks

■ While the underlying components of the LAB L/S Equity Index are generally liquid, the liquidity of your investment linked to the Index is dependent on the specific terms of your investment. Furthermore, even if there is a secondary market for your investment, it may not provide enough liquidity to allow you to trade or sell your investment easily or at a price advantageous to you.

■ While the LAB L/S Equity Index aims to replicate the performance of the CS Tremont L/S Index by tracking the performance of non-hedge fund, transparent market measures, the CS Tremont L/S Index tracks a variety of investments many of which are not transparent.

■ The performance of the LAB L/S Equity Index may not correlate with the performance of the CS Tremont L/S Index and there is no assurance that the strategy on which the Index is based will be successful.

■ Investments linked to the LAB L/S Equity Index are exposed to different fees which may negatively impact the return on such investments.

■ Each investment has unique risks and you should become familiar with these risks prior to making your investment decision.

Index Performance (Including Simulated Performance) (Jan 1, 1998 – Oct 31, 2009)

Simulated LAB L/S Equity Index (Net)
Simulated LAB L/S Equity Index (Excess Net)
CS/Tremont L/S Index
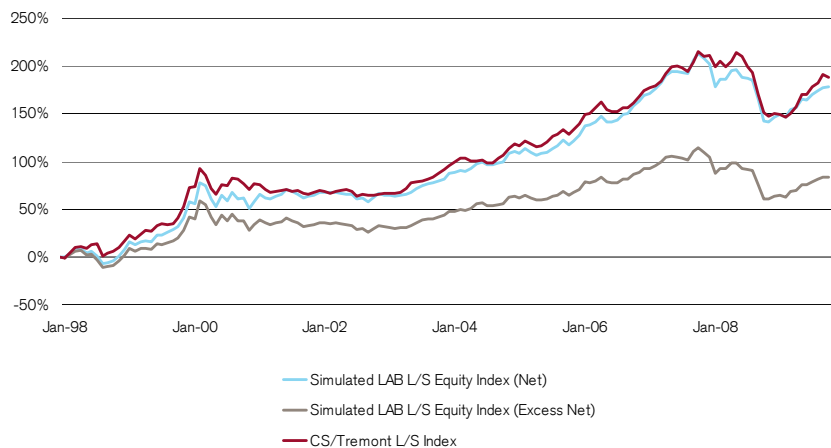
The above chart represents the cumulative returns of the net and excess net versions of the LAB L/S Equity Index compared to the performance of the CS Tremont L/S Index. The chart sets forth the hypothetical performance of the net and excess net versions of the Index from January 1, 1998 through October 16, 2009 and actual historical performance of these versions of the Index from October 17, 2009 through October 30, 2009. Historical performance is not indicative of future performance. The excess return version of the Index represents the return of the LAB L/S Equity Index in excess of the risk-free rate (in this case the one-month USD British Bankers Association London Interbank Offer Rate "US 1M LIBOR" was used as a proxy for the risk-free rate). Both versions of the LAB L/S Equity Index include 0.5% p.a. of index calculation fees.

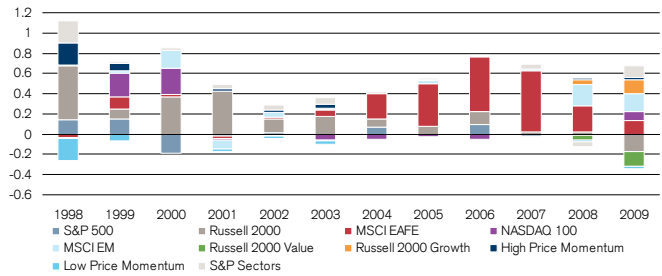### Risk/Return Comparison (Including Simulated Performance) (Jan 1, 1998 – Oct 31, 2009)
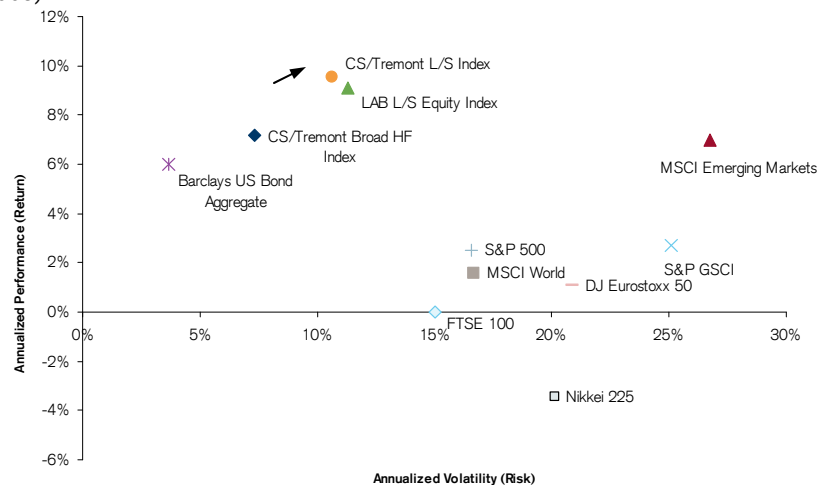
The above chart compares the risk/return profile of a number of different indices representing regional exposures to various asset classes. Returns are plotted on the y-axis with the corresponding historical volatility of those returns on the x-axis. Volatility is used as a proxy for the riskiness of those returns. Investors ideally want to achieve returns in the top left quadrant of this chart (i.e. high returns with low risk).

Performance Characteristics (Jan 1, 1998 – Oct 31, 2009)

	Simulated LAB L/S Equity Index (Net)	Simulated LAB L/S Equity Index (Excess Net)	CS/Tremont L/S Index
Annualized Return	9.02%	5.27%	9.35%
1 Month	0.15%	0.14%	-1.21%
1 Year rolling	14.87%	14.46%	14.83%
3 Year rolling (Annualized)	2.50%	-0.45%	3.26%
5 Year rolling (Annualized)	6.82%	3.36%	6.91%
10 Year rolling (Annualized)	7.72%	4.36%	7.41%
YTD	12.63%	12.41%	15.26%
Annualized Volatility	11.28%	11.24%	10.61%
Sharpe Ratio*	0.50	0.48**	0.56
Cumulative Return	177.93%	83.70%	188.08%
Correlation to CS/ Tremont L/S Index	0.87	0.87	1.00

Simulated Index Yearly Average Market Factor Exposures
(Jan 1, 1998 – Oct 31, 2009)

- S&P 500
- Russell 2000
- MSCI EAFE
- NASDAQ 100
- MSCI EM
- Russell 2000 Value
- Russell 2000 Growth
- High Price Momentum
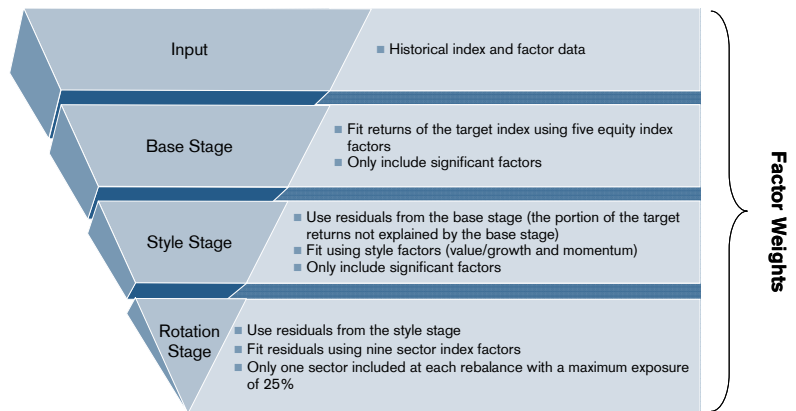- Low Price Momentum
- S&P Sectors

The above chart shows the monthly factor exposures of the LAB L/S Equity Index aggregated to an annual summary level. Bars represented above zero on the y-axis indicate a long exposure to those factors and bars below zero represent aggregate short exposure to the factors.

Index Characteristics

- Index targets risk/return characteristics of the long/short equity manager universe represented by the CS Tremont L/S Index
- Includes only liquid, investable market factors
- Stepwise regression ensures that only relevant factors are included which ensures model stability
- Simple and intuitive construction implemented in stages incorporates asset allocation decisions as well as long term and dynamic thematic exposures to relative value and directional trades
- Factor exposures can be long or short
- Index is rebalanced monthly using current monthly Index performance information

Multi-Stage LAB L/S Equity Index Rebalance/Construction Process

Input
- Historical index and factor data

Base Stage
- Fit returns of the target index using five equity index factors
- Only include significant factors

Style Stage
- Use residuals from the base stage (the portion of the target returns not explained by the base stage)
- Fit using style factors (value/growth and momentum)
- Only include significant factors

Rotation Stage
- Use residuals from the style stage
- Fit residuals using nine sector index factors
- Only one sector included at each rebalance with a maximum exposure of 25%

Factor Weights

For Additional Information

Americas	Philippe Schenk	+1 212 538 5738
	Nadya Prashad	+1 212 538 0859
	Christine Gaelzer	+1 212 538 6259
EMEA	Michelle Dunne	+44 20 7883 0296
Germany/Austria	Christian Hoffman	+1 212 538 8616
Japan	Akira Takahashi	+81 3 4550 9232
Australia and Non-Japan Asia	Kate Wilkie	+61 2 8205 4159
Email	ir.betastrategies@credit-suisse.com	
Website	www.credit-suisse.com/notes	
Bloomberg	ILAB<Go>	

* The sharpe ratio calculation assumes no need to remove the risk free rate because the LAB L/S Index (Excess Net) is already calculated net of US LIBOR. The sharpe ratio is calculated using U.S. 90 day Treasury Bills.