

Direct Investments: Money Market Product Class Documentation

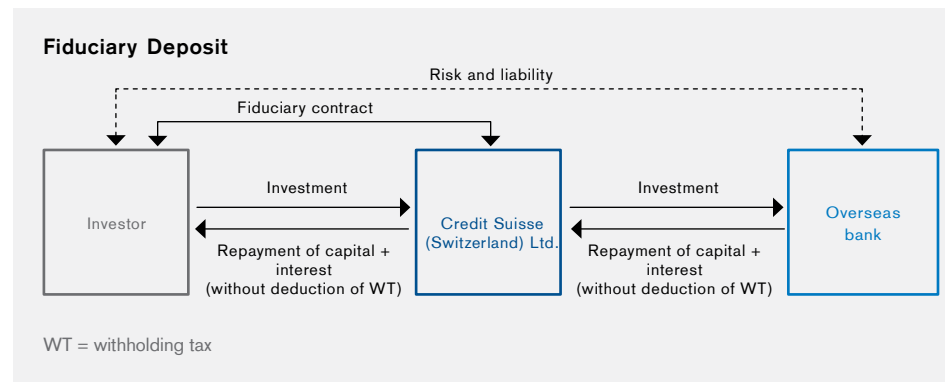
This document explains the characteristics, benefits and risks of money market products. The knowledge acquired should help you when making investment decisions. If you have any further questions, please contact your client advisor.

Characteristics

Direct money market investments are short-term investments with a freely selectable term of up to one year and an agreed interest rate¹. A general distinction is made between **money market investments** and **fiduciary deposits**:

- **Money market investments** can be made both in your own name (unsecuritized money market investments) and in the form of debt obligations (securitized money market investments).
- **Fiduciary deposits** are managed in the name of Credit Suisse (Switzerland) Ltd., but they are placed with overseas banks for the account of and at the risk of the client (basis: fiduciary contract).

These investments are generally available over a certain minimum amount (cf. product documentation).



Possible Benefits

- Availability at short notice
- Tradability of the securitized money market investments
- Term can be chosen freely
- Agreed interest rate¹
- Deposit protection for money market investments in Switzerland

Possible Risks

- Credit risk: creditworthiness of the counterparty (other domestic or foreign counterparty or Credit Suisse (Switzerland) Ltd.)
- Market risk (interest rate risk)
- Liquidity risk
- Foreign-exchange risk

Typical Direct Money Market Investments

Unsecuritized money market investments: fixed-term deposits, fiduciary fixed-term deposits, and call money; securitized money market investments: treasury bills (T-bills), certificates of deposit (CDs), and commercial papers (CPs).

¹ In the case of call money, the interest rate agreed for a day applies. See details on the next page.

Other Features

Contracting Parties

In the case of **money market investments**, another counterparty or Credit Suisse (Switzerland) Ltd. is your contracting party. In the case of **fiduciary deposits**, you assign

Credit Suisse (Switzerland) Ltd. the mandate to invest the capital on your behalf as a fiduciary with an overseas bank. This is generally the CS Deposit Center Guernsey. Credit Suisse (Switzerland) Ltd. assumes no guarantee for interest payments or repayment of the investment for **fiduciary deposits**.

Special Characteristics of Fiduciary Deposits

Yields from foreign **fiduciary deposits** are not subject to withholding tax in Switzerland.

Yields from foreign **fiduciary deposits** may be subject to EU taxation depending on your personal circumstances.

Possible Benefits

Availability at Short Notice

Direct money market investments (**money market investments/fiduciary deposits**) are classified on the basis of availability into call money and fixed-term deposits:

- **Call money** has an unspecified term. It remains invested until you give notice on the investment (notice period generally 48 hours).
- **Fixed-term deposits** have a specified term and cannot be terminated prematurely. They automatically mature at the end of the term and may then be reinvested.

Tradability of the Securitized Money Market Investments

Securitized money market investments are traded in an organized capital market (stock exchange with or without a central counterparty) or over-the-counter between trading houses. Provided there is a counterparty, the investments can be bought or sold prior to the maturity date.

Term

The term of direct money market investments is generally between one day and one year.

Agreed Interest Rate

The interest rate is agreed when a direct money market investment is placed. It applies for the entire term of the investment. In the case of call money, the interest rate is generally agreed daily. If call money is held over a longer period, the interest rate may vary from day to day.

Deposit Protection

Money market investments in Switzerland are subject to deposit protection up to a maximum amount of CHF 100,000 per client.

This does not generally apply to securitized money market investments and fiduciary deposits.

Possible Risks

Potential Loss

In the case of direct money market investments, the investor can suffer a partial or total loss if the counterparty (other domestic or foreign counterparty or Credit Suisse (Switzerland) Ltd.) becomes insolvent.

Market Risk (Interest Rate Risk)

The investor runs the risk that fluctuations in the interest rate will have a negative effect on the value of the securitized money market products (e.g. T-bills, CDs, etc.) during the term.

Credit Risk

The investor bears the credit risk of the counterparty (other domestic or foreign counterparty or Credit Suisse (Switzerland) Ltd.). Credit risk is the risk of the counterparty becoming insolvent (cf. page 2 for details on deposit protection).

Liquidity Risk

The tradability of securitized money market investments depends on whether there is a price for such in the market. In an illiquid market, investors run the risk of either having to hold the securitized money market investment until the end of the term or selling it before maturity at an unfavorable price. Determining a fair value and comparing the price may also be difficult, if not impossible, as there are sometimes no counterparties on the market.

Foreign Currency Risk

Investors may be exposed to foreign currency risk if the direct money market investment is placed in a currency different to the investor's home currency. Further information can be found in the risk aspect documentation for foreign currency risk issued by Credit Suisse (Switzerland) Ltd.

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This document cannot provide information on all risks associated with financial instruments. The investor should therefore also consult the specific product documentation and the brochure issued by the Swiss Bankers Association on the "Risks of Securities Transactions (2008)" (available from the website of the Swiss Bankers Association: www.swissbanking.org/en/home/shop.htm). The specific product documentation can be ordered upon request from your relationship manager.