

Form ADV Part 2A – Wrap Fee Brochure

March 31, 2015

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This wrap fee brochure provides information about the qualifications and business practices of Credit Suisse Securities (USA) LLC ("CSSU"). If you have any questions about the contents of this brochure, please contact your CSSU registered investment adviser representative ("Relationship Manager").

The information in this brochure has not been approved or verified by the US Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about CSSU also is available on the SEC's website at www.adviserinfo.sec.gov.

Registration with the SEC does not imply a certain level of skill or training.

This wrap fee brochure contains information about CSSU and material changes since its adoption are described below.

Material Changes made since the June 19, 2014 update:

1. Updated in Section I and throughout the names and types of services provided under various investment advisory programs to reflect business reorganization. Program names and services offered that have changed are so identified herein.
2. Updated to reflect that HOLT Custom Solutions, which developed and implements certain proprietary products utilized by our investment advisory business and which formerly resided within CSSU, was moved to our commonly-controlled affiliate, Credit Suisse Asset Management, LLC ("CSAM"). This relationship and the potential conflicts of interest it poses are disclosed within where applicable.
3. Updated that our affiliate, CSAM, launched a new proprietary strategy, the Global Risk Allocation Strategy. As this strategy is offered to our investment advisory clients through several of the investment advisory programs described herein, we provide a description of it and of the potential conflict of interest posed by offering an affiliate's product to our clients.
4. The maximum fee under the Discretionary Managed Portfolios, Credit Suisse Solutions, Advisory Solutions, and Discretionary Portfolio Services Programs increased from 2% to 3%.

I. Services, Fees and Compensation

CSSU's Advisory Business

CSSU is a broker dealer and investment adviser registered with the SEC. It is 100% owned by Credit Suisse (USA), Inc. which is 100% owned by Credit Suisse Holdings (USA), Inc. Credit Suisse Group AG ("Credit Suisse") is the ultimate parent of Credit Suisse Holdings (USA) Inc.

Credit Suisse is a global financial services company providing its clients with investment banking, private banking, and asset management services. In its Investment Banking division, Credit Suisse offers financial products and advisory services, including debt and equity underwriting, sales and trading, mergers and acquisitions, investment research, correspondent and prime brokerage services to corporations, governments and institutional investors. Its Private Banking & Wealth Management division is one of the world's leading integrated wealth management businesses and one of the first global investment banks that operates in alignment with the new regulatory reality. Credit Suisse provides comprehensive advice and a range of investment products and services

tailored to the needs of the high-net-worth and ultra-high-net-worth individual client segment. As well, Credit Suisse manages portfolios, mutual funds, and alternative investment vehicles for governments, institutions, corporations and private individuals, focusing on liquid, scalable alternative investment products and multi-asset class solutions.

CSSU, through its Private Banking North America ("PB North America") business, offers products and services in its capacity as investment adviser, portfolio manager, or sponsor of wrap fee programs. As of December 31, 2014, CSSU managed \$21,582,033,059 of assets on a discretionary basis and \$7,563,095,393 of assets on a non-discretionary basis.

Types of Advisory Services Offered by PB North America

PB North America offers clients a range of investment advisory programs. They differ based on:

- How much discretion you wish to grant to Credit Suisse to manage your assets;
- Whether you prefer to take advantage of Credit Suisse's in-house research and proprietary investment strategies to determine the allocation of securities in your portfolio and have your assets managed by CSSU or, on the other hand, to select independently an unaffiliated portfolio manager to manage your investments; and
- Whether Credit Suisse and/or the third-party portfolio manager if applicable, is compensated pursuant to a wrap fee or an unbundled fee arrangement.

Throughout this Wrap Fee Brochure and depending upon the type of program referenced, the term "Portfolio Manager" shall refer to, as applicable, a) CSSU where it or your Relationship Manager, as agent for CSSU, provides discretionary portfolio management services and/or b) an affiliated or unaffiliated investment manager that either provides model portfolios which CSSU will implement in your account, acts as your direct discretionary portfolio manager, or to whom CSSU has delegated discretionary authority as a sub-advisor ("Sub-Advisor"). References to the singular include the plural and vice versa.

A 'wrap fee' is an annual inclusive fee paid by the client to CSSU. It covers investment advice, execution, custody as well as administrative and account reporting services. CSSU pays third parties for their services in the programs and retains the balance of the wrap fee for its services. For more information about our various non-wrap fee programs, including *Family Wealth Management Services*, *Investment Consulting Solutions*, *Discretionary Portfolio Solutions*, and *Financial Planning Services*, as well as our hedge fund feeder fund platform, *Credit Suisse HedgeFocus*, please refer to the CSSU Disclosure Brochure, which is available upon request. In each program offered by CSSU, clients receive individualized investment advisory services tailored to their particular investment objectives and guidelines. Clients may impose reasonable restrictions on types of investments, asset classes, or specific securities.

CSSU has entered into an agreement with Pershing LLC ("Pershing"), a registered broker dealer, to provide execution, clearing, settlement, and custody services for its investment advisory programs. Pershing also provides account reporting services for certain investment advisory programs of PB North America. Pershing executes all purchase and sale orders directed to it by CSSU and/or your portfolio manager, as applicable, and also performs clearance and settlement services. Unless you have selected a third-party custodian, Pershing maintains custody of your account assets, credits interest and dividends on account assets and principal on called or matured securities in the account, and provides such other custodial functions customarily performed with respect to securities brokerage accounts. Similarly, PB North America has entered into an agreement with Lockwood Advisors Inc. ("Lockwood"), a registered investment adviser, to provide administrative and account reporting services for the *Preferred Advisors*, *Managed Portfolio Alternatives Programs*, and for two investment strategies within the *Credit Suisse Solutions Program* as described in Section III below.

Investment Advisory Wrap Fee Programs:

- **Preferred Advisors Program:** CSSU will assist you in selecting a registered investment adviser from among the portfolio managers who have been approved by CSSU to participate in the Preferred Advisors Program platform to act as your Portfolio Manager. Portfolio Managers must satisfy PB North America's qualitative and quantitative due diligence criteria to participate in this program. PB North America monitors the performance of the Portfolio Managers on a quarterly and as-needed basis to determine if they continue to meet the program's participation criteria.

Under this program, and depending on what investment strategy the you select, you have one of three types of relationships with the Portfolio Manager: (1) a direct contractual relationship, with your Portfolio Manager and CSSU, whereby the Portfolio Manager has discretion to manage your assets in accordance with the investment strategy you select and CSSU acts as sponsor; (2) CSSU is the Portfolio Manager and delegates discretionary authority to a Portfolio Manager to act as Sub-Adviser and manage your assets in accordance with the investment strategy you select; and/or (3) CSSU is your Portfolio Manager and manages you assets in accordance with a model portfolio provided by the Portfolio Manager you select. PB North America has the ability to execute transactions directed by your Portfolio Manager either through CSSU's own facilities as a broker-dealer, through Pershing, or through a third-party broker dealer.

Please refer to Section III for a description of the investment strategies available in the *Preferred Advisors Program*.

The legacy *Global Portfolio Strategies and Sub-Advisory Solutions Programs* have been incorporated into this program.

- **Credit Suisse Solutions Program:** Under this program, CSSU provides discretionary investment advisory services. Based upon your investment objectives and risk budget, CSSU will invest account assets in accordance with one or more of the proprietary guidance strategies and/or model portfolios developed by portfolio management teams that are employed by CSSU or its affiliate, Credit Suisse Asset Management LLC ("CSAM"). The Portfolio Solutions Team within CSSU manages the TGA Strategies. Within CSAM, the Systematic Allocation Strategies team developed and offers the Global Risk Allocation Strategy, and the HOLT Custom Solutions team developed and offers the HOLT Guidance Portfolios (these three sets of strategies collectively, the "CS Solutions Strategies"). See Section III below for a description of the CS Solutions Strategies and the sub-strategies available. CSSU may combine one or more of the CS Solutions Strategies to create an overall portfolio allocation that differs from the allocation offered in any individual CS Solution Strategy. However, your Relationship Manager will generally follow the specific security-level allocations in the individual CS Solutions Strategy selected.

CSSU monitors client accounts to ensure adherence with the selected CS Solutions Strategy. The assets in your account will generally consist of the same securities as those in the CS Solutions Strategy selected. Your account is rebalanced periodically. In certain circumstances, the weightings in your account may differ from the established weighting of the CS Solutions Strategy.

This program incorporates the legacy *Tactical Global Allocations, Tactical Portfolio Solutions, and Guidance Advisory Portfolios Programs*.

- **Discretionary Managed Portfolios Program:** Under this program, your Relationship Manager, as agent for CSSU, provides discretionary investment management services. To implement your investment objectives and risk budget, he or she utilizes fundamental and technical research published by CSSU's research department and may also rely upon certain CS Solutions Strategies. Your Relationship Manager may combine one or more of the CS Solutions Strategies to create an overall portfolio allocation that differs from the allocation offered in any individual CS Solution Strategy. However, your Relationship Manager will generally follow the specific security-level allocations in the individual CS Solutions Strategy selected. Your Relationship Manager may also employ short-term purchases, short sales, margin transactions, and option trading.

Please refer to Section III below for a description of the investment strategies that are available to Relationship Managers under the *Discretionary Managed Portfolios Program*.

Under this program, you have the option of receiving advisory, brokerage, custodial and other services on an 'unbundled' basis, whereby you pay transaction-based compensation instead of a wrap fee.

- **Advisory Solutions Program:** CSSU provides non-discretionary investment advisory services through the *Advisory Solutions Program*. Under this program, your Relationship Manager recommends investments based on his or her evaluation of fundamental and technical research provided by CSSU's research department, in accordance with your investment objectives and risk budget. In formulating a recommendation, your Relationship Manager may also use the valuation advisory services of the CS Solutions Strategies (defined above and described more fully in Section III below). In addition, your Relationship Manager will consider macro-economic factors as part of an overall buy and hold-for-the-long-term strategy.

Under this program, you have the option of receiving advisory, brokerage, custodial and other services 'unbundled' and paying transaction-based compensation instead of a wrap fee.

The name of this program has been changed from *Portfolio Management Services*.

- **Discretionary Portfolio Solutions Program:** CSSU, as your investment adviser, constructs a portfolio and asset allocation based upon your written investment objectives and risk budget and implements the allocation by selecting Portfolio Managers to act as Sub-Advisors and manage your assets on a discretionary basis in accordance with specific investment strategies. CSSU will have discretion to allocate your assets among the Portfolio Managers and to terminate specific Portfolio Managers when it deems appropriate. In some instances, the Sub-Advisor to whom a portion of your assets will be allocated may be an affiliate of CSSU; for example when a portfolio managed by Credit Suisse Asset Management is selected. See below for disclosure regarding the conflicts of interest that may arise in this situation.
- **Managed Portfolio Alternatives Program:** PB North America provides certain limited services to clients who have made their own, independent selection of Portfolio managers to manage their account assets on a discretionary basis. PB North America provides brokerage and administrative services only. It does not have or exercise discretionary authority with respect to such account assets, nor does PB North America identify, recommend or assist clients in the selection of portfolio managers or provide initial or ongoing qualitative assessments of the portfolio manager's capabilities or performance.

Where CSSU is your Portfolio Manager, if we believe it is appropriate based upon the investment strategy you have selected, we may recommend that you allocate, or we may take steps on a discretionary basis to allocate, as applicable, (i) your account assets to investments that meet a lower risk budget than the one applicable to the investment objectives you indicated, and/or (ii) a portion of your assets to cash on a temporary basis.

To participate in any of the programs described above, you must enter into a Client Services Agreement ("CSA") with CSSU. Depending upon the investment strategy you select in the *Preferred Advisors Program*, your Portfolio Manager may also be a party to the CSA. The CSA describes the roles and responsibilities of each party. You may terminate the CSA at any time by written notice to CSSU.

Fees and Compensation

You will pay a wrap fee based upon the total assets you invest in a program. The maximum wrap fee applicable for each program is as follows:

- **Discretionary Managed Portfolios, Credit Suisse Solutions, Advisory Solutions, and Discretionary Portfolio Solutions Programs:** A fee of up to a maximum of 3.00% per annum.
- **Managed Portfolio Alternatives Program:** A blended fee determined at the inception of the account, up to a maximum of 3% per annum. The fee depends on the fee payable to the Portfolio Manager.
- **Preferred Advisors Program:** A blended fee, up to a maximum of 3.0%.

The wrap fee may be negotiable depending on such factors as account size, historical factors, and scope of client relationship and is adjusted for capital flows in your account.

The following represents a typical fee schedule for equity portfolios in the *Preferred Advisors* and the TGA Core-Satellite SMA in the *Credit Suisse Solutions Program*:

Assets Under Management	Fee
First \$1,000,000	2.00%
Next \$1,000,000 to \$2,999,999	1.50%
Next \$3,000,000 to \$9,999,999	1.25%
Next \$10,000,000 to \$24,999,999	1.00%
Next \$25,000,000 to \$49,999,999	0.90%
Next \$50,000,000 to \$74,999,999	0.87%
Next \$75,000,000 to \$99,999,999	0.85%
Next \$100,000,000	0.82%

The following represents a typical fee schedule for taxable fixed income portfolios in the *Preferred Advisors* and the TGA Core-Satellite SMA in the *Credit Suisse Solutions Program*:

Assets Under Management	Fee
First \$1,000,000	1.25%
Next \$2,000,000	1.00%
Next \$2,000,000	0.85%
Next \$5,000,000	0.75%
Next \$10,000,000	0.70%
Above first \$20,000,000	0.65%

- **Discretionary Portfolio Solutions Program:** Depending upon where transactions are executed and assets are in custody, you will pay an annual inclusive fee or you may pay separate fees for the investment advisory services provided by CSSU and the portfolio management services of the third-party portfolio managers who will manage your assets on a discretionary basis, commissions and other charges in connection with transactions effected through third-party broker dealers other than Pershing, as well as fees for custody provided by third-party custodians, other than Pershing. The fee is negotiable depending on such factors as the type and level of service provided and the types of assets managed. Most client accounts are subject to a minimum annual fee. Some accounts are charged a flat fixed fee and others have varying fees applicable to different asset classes or services provided.
- **Discretionary Managed Portfolios, Credit Suisse Solutions and Advisory Solutions Programs:** If CSSU utilizes options to implement your strategy, you may choose to pay the wrap fee based upon an agreed-upon mandate value rather than on the long market value of the securities held in your account. At your request, you may use margin in these programs. Fees are assessed based on the value of your account less the amount of the margin loan. Interest on your margin debt is an expense not included in the wrap fee.

There are certain other fee schedules that are no longer offered to new clients or are only offered to certain specific clients depending on their individual circumstances. Additionally, certain clients pay different fees, which may be higher or lower, than the ones referenced above and that are not currently available to all clients. There are also other fee schedules that may apply to certain specific strategies in the programs referenced above.

A fee schedule different from the one referenced above may apply to CSSU employee and employee-related accounts (including spouse, parents, parents-in-law, children, siblings and dependents) for an account in the *Preferred Advisors*, *Discretionary Managed Portfolios*, *Credit Suisse Solutions* and *Advisory Solutions Programs*. Such fee is not a blended fee.

General:

Accounts in the *Preferred Advisors Program* are charged a blended fee. To calculate a blended fee, the fee percentage specified in the relevant schedule is applied to each incremental breakpoint corresponding to the amount of assets invested in a program. The highest applicable fee percentage is charged on the assets in the first breakpoint. The fee decreases in increments as it is charged on the balance of the assets invested in the next relevant breakpoints. The aggregate blended fee charged is the product of the fee amounts for the breakpoints applicable to the total amount you invest in the program. For example, if you invest \$3,500,000 in a Preferred Advisors Program equity portfolio, the first \$999,999 will be charged a fee of 2.00%, the next \$2,000,000 of the total amount invested will be charged a fee of 1.50%, and the remaining \$500,001 will be charged a fee of 1.25%. Subsequent deposits into and withdrawals from the program will proportionately increase or decrease the blended fee.

The wrap fees described above are charged to your account quarterly, and in most cases is automatically deducted from your account in advance, based upon the market value of account assets as of the last business day of the preceding quarter. If your account is opened on a day other than the first business day of the quarter, the fee is charged at inception on a pro-rata basis that reflects the number of days remaining in the calendar quarter. Upon termination of the Client Services Agreement, you will be entitled to a pro-rata refund of any pre-paid quarterly fee based upon the number of days remaining in the quarter.

Any increase in the fee will be agreed upon, in writing, between you and CSSU. However, CSSU may provide you with prior written notice in any instance where a wrap fee is decreased.

The services provided to you under the wrap fee programs described above can be obtained on an unbundled basis and may result in overall lower costs. You could use a commission-based brokerage account instead of a fee-based investment advisory account. If you selected a brokerage account, CSSU would not provide any investment advisory or portfolio management services and would earn commissions (and their equivalents) for effecting transactions based upon your specific instructions instead of the net asset-based fee it retains in the investment advisory context (after payment is made to your unaffiliated portfolio manager, Pershing and Lockwood, as applicable). If your portfolio manager or Relationship Manager, as applicable, placed few transactions for your account, the revenue from your account would be less profitable to CSSU than the amounts it retains from the wrap fee. As a result, CSSU may have a financial incentive to recommend a wrap fee program to you over other programs or services. You are responsible for determining whether a wrap fee program is appropriate for you. In that regard, you should understand the investment strategy you have selected and how frequently your portfolio manager or Relationship Manager, as applicable, effects and expects to effect transactions in your account. Relative transaction infrequency could have a bearing on whether an wrap, asset-based fee account is more appropriate for you than a commission-based account.

Services included in the wrap fee:

For all programs, the wrap fee includes the investment advisory services or portfolio management services, as applicable, that CSSU provides, the execution, custodial, administrative, and account reporting services provided by Pershing, SEC and exchange fees associated with account activity, as well as any custodial and maintenance fees related to a retirement account, if applicable. For the *Preferred Advisors, Discretionary Portfolio Solutions and Managed Portfolio Alternatives Programs*, the wrap fee also includes all fees and charges for the Portfolio Manager's services, CSSU's services as sponsor, and Lockwood's administrative services. For the *Discretionary Managed Portfolios, Advisory Solutions, and Credit Suisse Solutions Programs*, CSSU will also retain a portion of the wrap fee for the investment advisory services provided by your Relationship Manager. Your Relationship Manager will receive a portion of this fee as described further below.

Fees and expenses not included, and incurred in addition to, the wrap fee:

The wrap fee does not include commissions or other charges incurred in connection with transactions effected through a broker or dealer other than Pershing. The wrap fee also does not include fees, charges or other costs and expenses relating to (i) trading in foreign securities (other than commissions otherwise payable to CSSU), (ii) American Depositary Receipts (ADRs) conversion fees, (iii) collective investment vehicles, such as affiliated and unaffiliated closed-end funds, exchange-traded funds ("ETFs"), index funds, investment trusts and real estate investment trusts, and (iv) for fixed income transactions, mark-ups, mark-downs or spreads on securities purchased from third-party dealers. If applicable, you will be charged said fees, charges and expenses in addition to the wrap fee. Information about these fees, charges, and expenses is set forth in a prospectus or other offering document for the investment. Wire transfer fees, IRA and Qualified Retirement Plan account termination fees, and certain one-time charges related to Pershing-sponsored retirement services (such as the set-up fees for 401(k) plans) are not included in, and will be charged in addition to, the wrap fee.

Fixed income portfolio managers typically execute transactions through dealers other than Pershing. You pay such executing dealers mark-ups / downs that are built into the net price of the security and are in addition to, and do not reduce, the wrap-fee.

Compensation to Relationship Managers, Portfolio Managers and/or other Service Providers:

Your Relationship Manager will generally receive up to 48% of the fee remaining after the Portfolio Manager fee and/or all other related expenses are deducted. Relationship Managers are paid their share of the fee on a quarterly basis.

Portfolio Managers in the *Preferred Advisors Program* generally receive up to fifty five basis points per annum of the wrap fee charged for investment advisory services. Portfolio Managers in the *Managed Portfolio Alternatives Program* generally receive between 25 and 125 basis points per annum of the wrap fee charged for investment advisory services. Compensation to the Portfolio Managers is paid on a quarterly basis.

Certain Compensation in Addition to Wrap Fee

In addition to the wrap fee or transaction-based compensation you pay in the *Preferred Advisors, Discretionary Managed Portfolios, Advisory Solutions, Credit Suisse Solutions, or Discretionary Portfolio Solutions Programs*, you may be charged:

- i. Mark-ups, mark-downs, or spreads on securities purchased or sold for your account in transactions executed by CSSU, or an affiliate, in a principal capacity. Such mark-ups, mark-downs or spreads are included in the purchase or sale price you pay and are not separately stated on trade confirmations or account statements. However, CSSU will provide you with information about such mark-ups, mark-downs or spreads at the time we request your prior consent to the principal transaction.
- ii. Selling concessions or underwriting commissions on any securities purchased or sold for your account in public offerings where CSSU or an affiliate acts as an underwriter, manager, co-manager or placement agent for the securities. We will notify you of such selling concessions or underwriting commissions at the time we request your prior consent for such transactions.
- iii. CSSU may receive compensation from third-party broker-dealers for directing order flow to them in option securities. All such compensation will be retained by CSSU and may be shared with your Relationship Manager. None of this compensation will be credited to you.

See below regarding the potential conflict of interest that this additional compensation may pose.

Exchange Traded Products, Mutual Funds, and Offshore Funds

You may incur indirect fees and expenses for your investments in exchange traded products ("ETPs"), mutual funds, and offshore funds, including money market funds under the automatic cash sweep program described below (together, the "Funds"). These fees and expenses are initially paid by the Fund complex but are passed on to all Fund investors owning the same class of shares (e.g. management fees, portfolio transaction execution costs, custody, administrative services and transfer agency fees and other expenses, including distribution fees and shareholder servicing fees). Such fees and expenses will be included in the price of the Fund and are not separately disclosed.

Cash balances in your account awaiting investment or reinvestment may be invested, as and when they become available ("automatic cash sweep"), in the money market fund you select at the time you open an account. Money market funds managed by affiliates of CSSU or by unaffiliated Portfolio Managers are available for automatic cash sweep. You are prohibited from selecting a CSSU affiliated money market fund for automatic cash sweep if you are a plan as defined in Title I of the Employee Retirement Income Security Act of 1974, as amended, an individual retirement account, or another plan subject to the provisions of Section 4975 of the Internal Revenue Code of 1986, as amended ("ERISA").

ETPs

Except for ERISA accounts, your Portfolio Manager, which in some instances may be CSSU, may receive fees when the Portfolio Manager or one of its affiliates provides investment advisory, distribution, administration, shareholder servicing, or other services to an ETP. The fees the Portfolio Manager or an affiliate receives for those services are based on the total amount of clients' assets invested in the ETP. The Portfolio Manager or an affiliate may also receive a management fee from the ETP based on the total amount of the clients' assets invested in the ETP. This management fee earned by the Portfolio Manager is separate from and in addition to the wrap fee that you pay to CSSU for the program for which the funds are purchased.

Mutual Funds

With regards to mutual funds that CSSU or a Portfolio Manager purchases on a discretionary basis or recommends for purchase in your account, we will not receive any additional compensation.

- i) We do not receive any commissions, sales credits, loads, trailers or similar fees.
- ii) Neither CSSU nor your Relationship Manager receives a fee for the provision of services to such mutual funds. Furthermore, neither CSSU nor your Relationship Manager receives additional compensation for investments in mutual fund shares held in your account where an affiliate acts as an issuer or sponsor.
- iii) Pershing receives revenue sharing payments from money fund providers for making the provider's funds available to clients. CSSU does not share in these fees and neither do CSSU Relationship Managers.

For accounts where CSSU acts as your investment adviser and/or Portfolio Manager, advisory account assets invested in mutual funds shall be limited to non-fee paying share classes, such as institutional share classes, that do not pay any Rule 12b-1 or other fees to CSSU.

Alternative Investment Products in the Advisory Solutions Program

CSSU may recommend that a portion of your account assets be invested in certain affiliated and/or unaffiliated alternative investment products, including but not limited to, hedge funds, private equity funds, and structured products ("Alternative Investment Products"). Such Alternative Investment Products may be advised, sponsored, structured, administered, or distributed by CSSU or an affiliate ("Proprietary Alternative Investment Products").

CSSU will only recommend a Proprietary Alternative Investment Product to you for potential investment after determining that it appears to meet your investment needs and volatility budget. However, the decision to make an investment in an Alternative Investment Product is still ultimately yours and you will remain responsible for reviewing the offering materials and completing the appropriate subscription documentation or other required material.

You will pay two layers of fees on the assets in your account that are invested in Alternative Investment Products. CSSU shall include the value of the assets invested in Alternative Investment Products in calculating the wrap fee described above. In addition to the wrap fee, you will pay your pro-rata share of the fees and other expenses that are borne by all investors in Alternative Investment Products (e.g. placement fees, structuring fees, management fees, performance fees and various forms of servicing fees, all as described in the offering documents for such products). In its capacity as a broker-dealer, CSSU shall receive placement fees for its efforts in selling such Alternative Investment Products. Your Relationship Manager will also receive a portion of these fees and compensation.

This double layer of fees charged on the same assets impacts the performance of your investment and your potential profits.

When you invest in a Proprietary Alternative Investment Product, in addition to the wrap fee described above, you will pay and CSSU or its affiliate will receive:

- i. Fees and other expenses incurred by you and all investors in Alternative Investment Products, which may include placement fees, structuring fees, management fees, performance fees and various forms of servicing fees, all as described in the offering documents for such product.
- ii. Brokerage commissions when CSSU, in its capacity as a broker-dealer, executes transactions for Proprietary Alternative Investment Products.
- iii. Profits by selling securities to or buying them from a Proprietary Alternative Investment Product as principal.

Your Relationship Manager will also receive a portion of these fees and compensation.

See below regarding the potential conflict of interest that this additional compensation may pose.

Conflicts of Interest

The additional compensation associated with the investments described in the preceding three sections, to be paid to and retained by CSSU and/or one or more of its affiliates (and which may be shared with your Relationship Manager), may present a conflict between your interests on the one hand and those of CSSU, its affiliates and your Relationship Manager on the other. This additional compensation provides an incentive to CSSU and/or your Relationship Manager, in exercising discretion or providing recommendations for your account, to choose or recommend investments that result in higher compensation to CSSU, your Relationship Manager and/or affiliates of CSSU. In these circumstances, it is our duty to determine that an investment made in your account or recommended to you that results in such additional compensation is in your best interest based upon the information you have provided to us.

II. Account Requirements and Types of Clients

CSSU provides investment advisory services to high net worth and ultra-high net worth individuals, family offices, trusts, estates, pension and profit sharing plans, banks, investment companies, charitable organizations, municipalities, corporations, and other business entities.

The following minimum account sizes are required in order to open an account in any of the investment advisory programs CSSU offers. Specific minimums depend upon the investment strategy you select and exceptions to the stated minimums can be granted.

- Preferred Advisors Program: Between \$100,000 and \$5,000,000
- Advisory Solutions, Credit Suisse Solutions and Discretionary Managed Portfolios Program: Between \$250,000 and \$500,000
- Managed Portfolio Alternatives Program: Between \$75,000 and \$250,000
- Discretionary Portfolio Solutions Program: \$25 million

The minimum investment amount may be waived at our discretion. If you withdraw assets from an account that results in the value of the account being less than the required minimum, CSSU may elect to terminate the account. We will not knowingly enter into an investment advisory relationship with a current or prospective client whose investment objectives we deem incompatible with those of our programs or those of your Portfolio Manager or whose investment guidelines we deem unduly restrictive.

You are required to enter into a Client Services Agreement with CSSU and your Portfolio Manager, if applicable, in order to open an account. In addition, you will be required to complete a Client Application which will include information about your investment objectives, risk budget, and any reasonable investment restrictions you wish to impose.

III. Portfolio Manager Selection and Evaluation

All investment strategies offered through the various programs described below are reviewed and approved by Credit Suisse's Managed Investment Products Committee.

Participation of Portfolio Managers in the Preferred Advisors and Discretionary Portfolio Solutions Programs

Participation Criteria

Portfolio Managers in the *Preferred Advisors* and *Discretionary Portfolio Solutions Programs* are generally selected from a universe of portfolio managers identified by Credit Suisse's Manager Selection Team, based upon a qualitative and quantitative review. The quantitative review includes an analysis of absolute performance, risk-adjusted performance and performance relative to the investment style of a Portfolio Manager, and on a continuing basis may include a review of a Portfolio Manager's (a) rate of return, (b) downside risk and standard deviation of returns, (c) risk-adjusted rate of return, and (d) consistency of returns. The qualitative review generally includes (a) years in business, (b) assets under management, (c) investment philosophy, (d) adherence to investment philosophy, (e) financial, operational and client servicing resources, (f) education and business background of the individual portfolio manager(s) managing the portfolio and (g) disaster recovery capabilities. An affiliate of CSSU (specifically, one or more Credit Suisse Asset Management LLC portfolio managers), may be selected as a Sub-Advisor in the *Preferred Advisors* and *Discretionary Portfolio Solutions Programs*. Portfolio Managers that are affiliates of CSSU are subject to the same selection, monitoring and review processes, described below, as all other Portfolio Managers.

On-Going Reviews of Portfolio Managers

CSSU monitors the Portfolio Managers on a quarterly and as-needed basis. CSSU may replace existing Portfolio Managers if it determines that such Portfolio Managers have not met one or more of the participation criteria referenced above. In deciding whether or not to replace a Portfolio Manager, CSSU takes all such criteria into consideration; no one criterion is necessarily determinative in the replacement decision. In certain instances, CSSU may first place a Portfolio Manager under review and monitor its performance

to determine whether to later replace that Portfolio Manager. CSSU emphasizes longer-term overall performance from a qualitative and quantitative viewpoint. Short-term developments are monitored but may not necessarily warrant a replacement decision. Managed Accounts periodically monitors certain strategies in the programs to determine whether the relevant Portfolio Managers are investing available cash balances. In cases where the Portfolio Manager chooses not to invest available cash balances, a reason for this decision must be provided. CSSU provides written notification to you when (1) the Manager Selection Team has changed the Portfolio Manager status to "on hold", "closed" or decided to terminate your Portfolio Manager's participation in one of the Programs or (2) when there has been a material change to your Portfolio Manager. Material changes may include changes in the corporate structure of the Portfolio Manager, the investment strategy of the portfolio, or the members of the portfolio management team.

CSSU obtains performance information regarding Portfolio Managers from a number of different sources. For the majority of the Portfolio Managers, on a quarterly basis, CSSU compares the overall composite performance of each Portfolio Manager with the actual performance of the CSSU client accounts invested in the specific Program to identify any dispersion or errors. Performance of each portfolio is also compared to the performance of an appropriate index, agreed upon by the Portfolio Manager and CSSU. Individual Portfolio Managers do not calculate their performance on a uniform and consistent basis and the rate of return performance may not be consistent across Portfolio Managers in the database. CSSU does not independently verify or guarantee that performance information is accurate or complete. Performance information provided by the Portfolio Managers may or may not be calculated in compliance with Global Investment Performance Standards ("GIPS"). The quarterly performance information that CSSU provides to you regarding your account is calculated using industry accepted methodologies. Portfolios are generally valued at least monthly and the monthly returns are geometrically linked for quarterly and annualized results. Performance results are total returns, combining current market values and accrued interest and dividend income.

Selection of Portfolio Managers for your Accounts

Based upon the investment objectives and risk budget you indicated in the Client Services Agreement, your Relationship Manager will assist you in selecting portfolio managers and determining the asset allocation and investment style(s) appropriate for your financial situation and needs.

Selection of PB North America Relationship Managers to Act as Portfolio Managers in the Discretionary Managed Portfolios Program

For Relationship Managers who participate as a discretionary portfolio manager in the *Discretionary Managed Portfolios Program*, managing account assets in accordance with their individual investment strategies or CS Solutions Strategies, the Relationship Manager's Regional Office Manager, Branch Supervisory Manager or Branch Operations Manager must submit a formal recommendation to the Managed Investment Products Committee. The Committee bases its determination to approve the proposed investment strategy and Relationship Manager upon, as applicable, that Relationship Manager's track record, past experience managing client portfolios, registration requirements, compliance record, and the proposal of a well-articulated investment strategy that is within the guidelines of the *Discretionary Managed Portfolios Program* policy manual. Certain Relationship Managers that have acted as discretionary portfolio managers in the *Discretionary Managed Portfolios Program* for a significant period of time prior to the implementation of these approval processes have been exempted from these approvals, provided that they continue to adhere to the guidelines of the *Discretionary Managed Portfolios Program* policy manual and have no compliance violations.

Limited Review of Portfolio Managers in the Managed Portfolio Alternatives Program

Generally, at the request of certain clients or a Relationship Manager, CSSU will contact a Portfolio Manager to determine whether said Portfolio Manager has the operational and technological capabilities to participate in the *Managed Portfolio Alternatives Program*. Prior to participating in the *Managed Portfolio Alternatives Program*, CSSU shall confirm that (A) the Portfolio Manager is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940, (B) no disclosed action, suit or proceeding is pending before or by any court, governmental, quasi-governmental or administrative agency or body, domestic or foreign, now pending, or, to the knowledge of the Portfolio Manager, threatened against or affecting Portfolio Manager which might (i) materially and adversely change the Portfolio Manager's business, (ii) materially and adversely affect Portfolio Manager's properties or assets; or (iii) materially and adversely affect Portfolio Manager's ability to manage client assets and that the 's provision of services in the Client Services Agreement, and (C) its participation in *Managed Portfolio Alternatives Program* does not constitute a material breach

or violation of or default under (i) any agreement by which the Portfolio Manager is bound, or (ii) any order, statute, rule or regulation of any court, government agency or self-regulatory organization, including without limitation any state's blue sky laws, applicable to the Portfolio Manager, its affiliates, and any of their respective property or assets. For purposes of this provision, a breach, violation, or default is material if it would result in any adverse change in the Portfolio Manager's condition, financial or otherwise, that would have a material adverse effect on the Portfolio Manager's power, authority or ability to perform its obligations under the Client Services Agreement.

The information used to screen each Portfolio Manager is generally publicly available from filings made by each Portfolio Manager and is not independently verified by CSSU. If a client's selected Portfolio Manager passes these screens, the Portfolio Manager may participate in the *Managed Portfolio Alternatives Program*. At that point, CSSU will negotiate (if not already negotiated) the portion of the fee the Portfolio Manager will accept, and the Portfolio Manager will be paid from the annual inclusive fee paid by each client to CSSU. The total fee paid by the client will not typically be reduced if a Portfolio Manager agrees to a lower fee to provide services to clients in the *Managed Portfolio Alternatives Program*. For this reason, CSSU has an incentive to negotiate the lowest fees it can from each Portfolio Manager and, by doing so, increase the portion of the fee it can retain.

As noted above, each client is responsible for selecting his/her own Portfolio Manager and ensuring that the selected Portfolio Manager will meet the client's goals, objectives and risk tolerance. This client responsibility arises at the selection process and continues throughout the relationship and it is therefore necessary for each client to engage in a detailed analysis of each prospective Portfolio Manager and, once selected, to monitor his/her own account to ensure that the Portfolio Manager continues to provide appropriate investment advisory services. Neither CSSU nor any of its Relationship Managers assumes this responsibility in the *Managed Portfolio Alternatives Program*.

Methods of Analysis and Investment Strategies in the Preferred Advisors Program

For the *Preferred Advisors Program*, you may select the following investment strategies:

- Global Fixed Income
- International Fixed Income
- Global Equity
- International Equity
- Options Overlay
- U.S. Equity
- U.S. Fixed Income
- Global Balanced

Investment Strategies in the Credit Suisse Solutions Program

The *Credit Suisse Solutions Program* provides clients with access to investment strategies under the Tactical Global Allocations (TGA) name developed by Credit Suisse's Portfolio Solutions Group, based upon the research and recommendations of the Credit Suisse Global Investment Committee ("GIC"). The *Credit Suisse Solutions Program* also provides clients with access to the HOLT Strategies developed by the HOLT Custom Solutions team and the Global Risk Allocation Strategy developed by the Systematic Allocation Strategies team. The HOLT Custom Solutions and Systemic Allocation Strategies portfolio management teams reside within our affiliate, CSAM.

TGA Strategies

These strategies are implemented through one of three different models, depending upon the client's investment objectives and risk budget:

- TGA Core Portfolios are asset allocation portfolios, comprised of ETPs that tactically shift based on the recommendations of the GIC and Private Banking Americas Asset Allocation and Investment Strategy group ("AAIS"). They are designed to take advantage of short-term opportunities between various asset classes and provide access to broad diversification in a

single account. The model portfolios are available for five risk budgets and may be comprised of taxable, tax-exempt or offshore securities

- TGA Core-Satellite Funds Portfolios (Offshore and Domestic) are aligned with the global asset allocation framework and the views of the GIC and the AAIS. They are broadly diversified across sub-asset classes and consist of ETPs and institutional, advisory or non-fee paying share classes of mutual funds. There are model portfolios available for five volatility budgets and may be comprised of taxable, tax-exempt or offshore securities.
- TGA Core-Satellite SMA Portfolios consist of model portfolios developed by third-party Portfolio Managers selected by the Manager Selection Team. These portfolios are broadly diversified across sub-asset classes and consist of individual Portfolio Managers, ETPs and institutional, advisory or other non-fee paying share classes of mutual funds. The Portfolio Managers provide access to model portfolios available for five risk budgets and may be comprised of taxable or tax-exempt securities. An equity-only allocation is available as well. Model portfolios developed by CSAM, an affiliate of CSSU, including GRAS (defined above), may be deployed in implementing this strategy.

For the three *TGA Core Strategies* described above, you may select the following portfolios:

- The *Fixed Income* (Risk Budget 1) portfolio seeks to provide capital preservation and steady income.
- The *Income* portfolio (Risk Budget 2) seeks to provide capital preservation and conservative returns.
- The *Moderate* (Risk Budget 3) portfolio seeks to preserve capital and offer appreciation.
- The *Capital Gains* (Risk Budget 4) portfolio seeks to provide long-term growth and appreciation.
- The *Growth* (Risk Budget 5) portfolio seeks to generate long-term growth through a more aggressive approach towards appreciation.
- The *International* portfolio seeks to generate long-term growth through a tactical approach towards appreciation through investments outside of the US.

There is a Taxable and Tax-Exempt portfolio available for each of the strategies listed above. Offshore versions of the above portfolios are also available for clients who are not U.S. persons and do not have a legal address in the U.S., Canada, or Ireland. The investment objectives of the offshore portfolios are substantially similar to their onshore counterparts; the main difference being that the offshore portfolios have the ability to include fixed income ETFs that trade in U.S. dollars on the London Stock Exchange and offshore mutual funds, thus making taxation on income/distributions potentially more favorable.

Portfolio implementation and coordination services for accounts managed under the TGA Core and TGA Core Satellite SMA investment strategies are provided by NGAM Advisors, L.P. ("Natixis"), a registered investment adviser, as overlay portfolio manager, with whom CSSU has contracted for this purpose. For these two TGA strategies, Lockwood provides administrative and account reporting services.

For the TGA strategies, CSSU's investment selection and on-going monitoring process includes analyzing exchange traded products, closed-end funds, and mutual funds by reviewing the applicable prospectus for liquidity, volatility, costs and tracking error. This can include regional, country and sector exposures as well as how the portfolio is invested. Short-term developments are monitored, as needed. For the TGA Core and TGA Core Satellite SMA strategies, Natixis reviews client accounts periodically to determine whether available cash balances are invested on a timely basis.

Global Risk Allocation Strategy

- The Global Risk Allocation Strategy ("GRAS"), which uses as one of its key components the Global Risk Appetite Index ("GRAI"), is a strategy which seeks to exploit the strong relationship between cycles in global growth and investor risk appetite in order to generate equity-like returns in positive markets and outperform the market in times of downturn. It combines trend-following features with contrarian behaviors at investor risk appetite extremes, as well as a rules-based risk management system. GRAI drives the contrarian timing signals of the GRAS strategy, quantifying risk sentiment by measuring how well investors have been paid for taking risk. Interaction between the components helps the strategy adapt to unexpected events and, over the various market cycles, reduce the volatility of returns, drawdowns and recovery times after a drawdown. GRAS uses a sophisticated series of models designed to recognize equity market turning points, as well

as expanding and contracting economic environments. GRAS invests in a portfolio of global equity and US bond ETFs screened for liquidity, size and expenses. It aims to invest in equities at times when equity risk is judged more likely to pay off, and to increase bond exposure when equity exposure is judged less likely to be profitable. As a flexible quantitative investment strategy, it enables rapid response to changing market environments.

Thematic Portfolios

Thematic Portfolios capture opportunities created by long-term structural trends and the medium-term cyclicalities often associated with these trends and may involve allocations to different types of securities and asset classes. Themes are identified by the Credit Suisse GIC utilizing regional economic, political and social inputs, and then are tailored by the CIO Americas Group to address the investment needs of clients of PB North America. Thematic portfolios are available for so long as the theme reflects an investing opportunity and may be discontinued at any time.

Investment Strategies in the Discretionary Managed Portfolios Program

CSSU offers the following investment strategies managed by select Relationship Manager teams:

- The *High Income Growth Strategy's* objective is to provide investors with a high and rising level of income along with some capital appreciation. The strategy invests in a broad array of potential income-producing asset classes, including Master Limited Partnerships, dividend-paying common stocks, Real Estate Investment Trusts, convertible securities, preferred securities, and closed end funds. The strategy invests primarily but not exclusively in U.S. securities.
- The *MB Strategic Dividend and Income Portfolio Strategy's* objective is to achieve long-term capital appreciation by investing in companies whose dividend is near or in excess of the 10 year Treasury in order to take advantage of the 15% capital gains tax rate on dividends. The strategy seeks to invest primarily in common shares that provide an average dividend income or income generating capabilities (such as master limited partnerships or preferred stock) and includes both domestic and international securities.
- The *MB Value and Growth Portfolio Strategy* is designed to identify companies that are currently out of favor, have strong fundamentals, high barriers to entry in their respective businesses and are dominant leaders in their business sector. The manager seeks to limit risk through diversification and early realization of losses. The portfolio is generally comprised of 60% value and 40% growth securities.
- The *MLP Advantage Strategy's* objective is to realize tax efficient capital appreciation primarily through the purchase and sale of publicly traded master limited partnerships and other high yielding equity securities.
- The *MLP Income and Appreciation Strategy's* objective is to realize capital appreciation primarily through the purchase and sale of publicly traded master limited partnerships ("MLPs") and other high yielding equity securities. The strategy is long only and seeks to generate returns through capital appreciation, MLP distributions and dividends. Each account will hold approximately 90% of the assets in MLPs with cash and other high-yielding securities comprising the balance.
- The *Multi-Strategy Value Portfolio's* objective is long-term growth of principal, with a secondary objective of current income, primarily through a diversified value portfolio which utilizes both equity and fixed income instruments.
- The *Navillus All-Cap Strategy's* objective is to invest in company stocks that the portfolio managers believe have superior earnings and revenue growth that will outperform the market over the long-term by analyzing the economic conditions and secular trends that provide exploitable investment opportunities across the entire market cap spectrum.
- The *Small Mid-Cap and Special Situations Portfolio Strategy* seeks to produce above-market returns by investing in small and midcap company stocks which the portfolio managers believe are undervalued and hold the assets until the market values them correctly.
- The *Tax-Efficient Growth Strategy* focuses on investing in growth securities with high volatility by tracking approximately 10 core indices. The strategy is designed to maximize potential performance given defined risk constraints. The turnover is minimized in order to maximize tax-efficiency. The strategy utilizes quantitative modeling as well as a tactical overlay. Accounts are composed of a mix of 10 core equity sectors.

- The *Tax-Efficient Balanced Strategy* focuses on investing in growth and income securities with moderate volatility. This strategy tracks approximately 17 core indices consisting of historic volatility and high growth potential within the volatility constraints. The turnover is minimized in order to maximize tax-efficiency. The strategy utilizes quantitative modeling as well as a tactical overlay. Accounts are composed of a mix of 17 core global equity and fixed income sectors. This strategy typically holds a 40% fixed income/60% equity allocation.
- The *Yield Enhancement Strategy* is designed to generate a synthetic dividend through the sale and purchase of S&P 500 index options. Clients provide collateral for the options in the form of a 'dormant asset' such as a municipal bond portfolio or a concentrated stock position.

Relationship Managers may develop other strategies, which must be approved by the Managed Investment Products Committee, to manage the investments of his/her clients.

Investment Strategies available in the Advisory Solutions, Credit Suisse Solutions, and/or Discretionary Portfolio Management Programs

Depending upon the program and investment strategy you select, CSSU can utilize the following model and guidance portfolios as a resource when managing your assets and/or making recommendations on your portfolios. Although CSSU may use these portfolios to assist us in managing your assets, your account holdings and performance returns may differ from these guidance portfolios allocations, even significantly.

HOLT Strategies

- The HOLT Global Sustainable Dividend "All World" and "ADR" Guidance Portfolios (the "GSD Portfolios") and the HOLT U.S. Sustainable Dividend Guidance Portfolio (the "USSD Portfolio") use the HOLT valuation framework to identify high-quality, blue chip stocks and construct a portfolio which offers current income and income growth, as well as capital appreciation, with generally less volatility than the broader equity market. The USSD Portfolio is composed of U.S. holdings, the ADR Portfolio of 50% U.S. and 50% ADR/Canadian holdings, and the All World Portfolio of 50% U.S. and 50% non-U.S. holdings, including local shares.
- The HOLT U.S. Large Cap Core Guidance Portfolio (the "LCC Portfolio") seeks to outperform the S&P 500 by using the HOLT Valuation framework to select stocks and construct the LCC Portfolio.
- The HOLT US Small Cap Blue Chip Guidance Portfolio (the "Small Cap Portfolio") seeks to outperform the Russell 2000 on a risk adjusted basis while delivering higher dividend yield than the Russell 2000. This Small Cap Portfolio relies upon the HOLT Valuation framework to select stocks and construct the Portfolio.
- The HOLT Emerging Markets Sustainable Dividend Guidance Portfolio (the "Emerging Markets Portfolio") employs the HOLT valuation framework to select stocks and construct a portfolio which emphasizes Emerging Markets-domiciled equity and select Emerging Markets ETFs. The Emerging Markets Portfolio seeks to deliver higher dividend yield, more capital appreciation potential and lower volatility than the MSCI Emerging Markets Net Dividend Index. .
- The HOLT European Sustainable Dividend Guidance Portfolio (the "European Portfolio") employs the HOLT Valuation framework to select stocks and construct a portfolio which emphasizes European-domiciled equity. The European Portfolio seeks to deliver higher dividend yield, more capital appreciation potential and lower volatility than the MSCI Europe Net Dividend Index.
- The HOLT Canada Portfolio (the "Canada Portfolio") employs the HOLT valuation framework to select stocks and construct a portfolio which emphasizes Canadian-domiciled equity. The Canada Portfolio seeks to delivery more capital appreciation potential and blue chip holdings that the S&P TSX.
- The Credit Suisse LGBT Portfolio, powered by HOLT (the "LGBT Portfolio") employs the HOLT valuation framework to construct a portfolio of companies that have proactive LGBT policies and score above an 80 on the Human Rights Campaign Corporate Equality Index.

Each strategy described above is designed to achieve its performance goals primarily through stock selection, with some allowance for sector allocation, while controlling for size risk, style risk, and turnover. Each portfolio's construction process includes both a systematic process, which generates a prospective portfolio, and a fundamental review, which is designed to ensure the systematic rankings fully reflect known corporate performance, market sentiment, and company valuation issues and that the portfolio follows sound portfolio construction principles. CSSU may substitute or deviate from these recommendations in light of your investment needs, preferences or restrictions.

Conflicts of Interest

Preferred Advisors

From time to time, CSSU may include on this platform CSSU's affiliate, CSAM, as portfolio manager. As of the date of this Wrap Fee Brochure, one CSAM portfolio manager is among the Portfolio Managers available on this platform. CSAM is compensated for its services from the wrap fee that you pay to CSSU, in the same way that unaffiliated Portfolio Managers are compensated; clients are not charged separately for the services of CSAM.

Credit Suisse Solutions

Under this program, you provide CSSU with discretionary authority to invest your account assets in accordance with one or more proprietary guidance strategies and/or model portfolios -- specifically TGA, HOLT, GRAS and the Thematic Portfolios -- which were developed and are managed by portfolio management teams employed by CSSU or its affiliate, CSAM.

- TGA. As described above, among the three TGA strategies, the TGA Core Satellite SMA Portfolio strategy offers a suite of model portfolios developed by various third-party Sub-Advisers for your account. CSSU has discretion to allocate the assets in your account to/among one or more of these Sub-Advisers. From time to time, CSSU may include an affiliate as a Sub-Adviser on the TGA Core Satellite SMA platform. As of the date of this Form ADV, the GRAS strategy described above participates as a Sub-Adviser in this program.
- HOLT and GRAS. CSSU may invest your account assets in accordance with the HOLT Custom Solutions and/or GRAS guidance strategies, both of which are proprietary products of CSSU's affiliate, CSAM.
- Thematic Portfolios. CSSU may invest your account in accordance with the Thematic Portfolios, which are proprietary products of CSSU.

Discretionary Managed Portfolios

In the *Discretionary Managed Portfolios Program*, CSSU acts as discretionary portfolio manager of your account, and delegates discretionary portfolio management authority to your Relationship Manager. Because your Relationship Manager manages your assets, s/he retains a larger portion of the wrap fee than in the programs described above in which a third party serves as Portfolio Manager. Moreover, if the strategy your Relationship Manager selects to manage your account includes one of the HOLT Strategies, CSSU will also share a portion of the wrap fee with our affiliate, CSAM. Therefore, in recommending this program, CSSU, your Relationship Manager and/or CSSU's affiliates receive a larger portion of the fee that you pay for your account than in the *Preferred Advisors*, *Managed Portfolio Alternatives* and *Discretionary Portfolio Solutions Programs*, and thus your Relationship Manager has an incentive to recommend that you select the *Discretionary Managed Portfolios Program*.

Material Risks

For the strategies listed above, equities, ETPs, options, and fixed income securities are the primary investments. Always read the prospectus or other offering documents for a full description of risks associated with the particular investment. Some of the material risks are as follows:

- **Equities:** The price may rise or fall, sometimes rapidly or unpredictably, because of changes in a company's financial condition. These price movements may result from economic changes or macro factors such as the economic performance of a particular country, interest rate movements, and international developments. Sector or industry developments as well as changes in government regulations may affect equity prices.

- **Style-Specific Risk:** Different types of stocks tend to shift in and out of favor depending on market and economic conditions. To the extent a portfolio emphasizes a value or growth style of investing, a portfolio runs the risk that undervalued companies' valuations will never improve or that growth companies may be more volatile than other types of investments, respectively.
- **Common-Stock Risk:** Stocks may decline significantly in price over short or extended periods of time. Price changes may occur in the market as a whole, or they may occur in only a particular country, company, industry, or sector of the market. In addition, the types of stocks in which a particular fund invests, such as value stocks, growth stocks, large-capitalization stocks, mid-capitalization stocks, small-capitalization stocks and/or micro-capitalization stocks, may underperform the market as a whole. In addition, growth stocks can be more volatile than other types of stocks. Value stocks can continue to be undervalued by the market for long periods of time. Additionally, dividends paid on common stocks can vary significantly over the short-term and long-term. Dividends on common stocks are not fixed, but are declared at the discretion of an issuer's board of directors. There is no guarantee that the issuers of common stocks in which a portfolio invests will declare dividends in the future, or that if declared they will remain at current levels or increase over time.
- **Mid-Cap/Small-Cap Stock Risk:** Small-cap companies may lack the management expertise, financial resources, product diversification, and competitive strengths of larger companies. In addition, the frequency and volume of their trading may be less than is typical of larger companies, making them subject to wider price fluctuations. In some cases, there could be difficulties in selling the stocks of small-cap companies at the desired time and price. Mid-cap companies may have limited product lines, markets or financial resources, and they may be dependent on a limited management group. Stocks of small-cap and mid-cap companies may be subject to more abrupt or erratic market movements than those of large, more established companies or the market averages in general.
- **Preferred Securities Risk:** The majority of preferred securities are issued by financial institutions. In addition to the large sector concentration, during times of economic downturns and credit stress, financial institutions can be very negatively impacted. Preferred securities typically have very long maturities and at times may trade like fixed income which can be negatively impacted by movements in the interest rate. Changes in regulations could affect the pricing of preferred/hybrid securities. Recent regulatory sensitivity of hybrid securities has come from decisions around treatment of these securities when considering Tier I capital of financial institutions. Given their place in the capital structure, a large portion of the preferred securities market is rated below investment grade (despite their senior debt still being rated investment grade in many cases). Preferred Securities do experience defaults from time to time and the recovery rate for hybrid paper of bankrupt financial institutions can be lower than other corporations.
- **Structured Products Risk:** The return on these securities is based on or derived from the performance of an underlying asset (or pool of assets), including complex instruments such as derivatives. There are many types of structured products and the risks depend upon the type of product. The following summarizes the risks that apply to the investment in all structured products.
 - *Issuer credit risk.* Because these products are generally the unsecured debt obligation of the issuer, the securities are exposed to the credit risk of the issuer and you risk losing your principal if the issuer fails to meet its obligations.
 - *Regulatory risk.* Structured products are not subject to government regulation and oversight.
 - *Liquidity and pricing risk.* An investor in these securities is subject to liquidity risk, as structured products generally are not listed on an exchange or are thinly traded. As a result, you may not be able to sell the securities prior to maturity and, if successful, you are likely to receive less than your original investment. Similarly, the value of such securities is difficult to determine as there is no market of comparable products.
 - *General market conditions risk.* Economic and financial market conditions that are unforeseen or differ from those projected when the structured product was designed may affect the price or yield of the underlying assets and therefore the value and return of the security.
 - *Complex instrument risk.* Because structured products typically employ leverage, options, futures, swaps and other derivatives, special risks relating to the complexity of the instruments are involved.
- **Short Sales Risk:** When a portfolio sells a stock short, it sells borrowed securities in anticipation that the borrowed securities will underperform the market, thereby enabling the portfolio to replace the borrowed securities at a lower price. Short sales

expose the portfolio to the risk that it will be required to buy the security sold short (also known as “covering” the short position) at a time when the security has appreciated in value, thus resulting in a loss to the portfolio. Short selling is considered “leverage” and may magnify gains or losses for the portfolio. Clients with portfolios that may hold long and short positions should be aware that the value of the stocks held “long” could decline, or could decline at the same time that the value of the stocks held short could increase, resulting in greater losses. The portfolio’s investment adviser may not be able to close out short positions at an advantageous time or at a favorable price. Unlike stocks held long, the potential of loss on stocks sold short is unlimited.

■ **General International/Global Risks:**

- *Correlation Risk:* The U.S. and non-U.S. equity markets often rise and fall at different times or by different amounts due to economic or other developments particular to a given country or region. This phenomenon would tend to lower the overall price volatility of a portfolio that included both U.S. and non-U.S. stocks. Sometimes, however, global trends will cause the U.S. and non-U.S. markets to move in the same direction, reducing or eliminating the risk reduction benefit of international investing.
- *International Investing Risk:* Investing in securities or issuers in markets other than the United States involves risks not typically associated with U.S. investing, such as currency risk, risks of trading in foreign securities markets, and political and economic risks.
- *Currency Risk:* Because the foreign securities in which the portfolios invest, with the exception of depositary receipts, generally trade in currencies other than the U.S. dollar, changes in currency exchange rates will affect the portfolio’s net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of securities. A strong U.S. dollar relative to these other currencies will adversely affect the value of a portfolio. Depositary receipts are also subject to currency risk.
- *Foreign Exchange:* Because foreign currency trading may be conducted by using leverage (which covers only a small percentage of the value of the foreign currency traded), price changes in foreign exchange transactions may result in significant losses, which may under some circumstances substantially exceed the funds held as leverage. Off-exchange or over-the-counter foreign exchange transactions are not traded on a regulated market or investment exchange and therefore have limited regulatory protections. During periods of market volatility, it may be difficult or impossible to liquidate an existing position, to assess the value of open positions, or to determine a fair price or to assess the exposure to risk. Due to these system limitations that are inherent in foreign exchange transactions, a customer that implements said transactions should expect less precise from their Relationship Manager.
- *Foreign Securities Market Risk:* Securities of many non-U.S. companies or U.S. companies with significant non-U.S. operations may be less liquid and their prices more volatile than securities of comparable U.S. companies. Securities of companies traded in many countries outside the U.S., particularly emerging markets countries, may be subject to further risks due to the inexperience of local investment professionals and financial institutions, the possibility of permanent or temporary termination of trading, and greater spreads between bid and asked prices for securities. In addition, non-U.S. stock exchanges and investment professionals are subject to less governmental regulation, and commissions may be higher than in the United States. Also, there may be delays in the settlement of non-U.S. stock exchange transactions.
- *Political and Economic Risks:* International investing is subject to the risk of political, social, or economic instability in the country of the issuer of a security, the difficulty of predicting international trade patterns, the possibility of the imposition of exchange controls, expropriation, limits on removal of currency or other assets, and nationalization of assets. Additionally, a portfolio’s income from foreign issuers may be subject to non-U.S. withholding taxes. Non-U.S. companies generally are not subject to uniform accounting, auditing, and financial reporting standards or to other regulatory requirements that apply to U.S. companies; therefore, less information may be available to investors concerning non-U.S. issuers. In addition, some countries restrict to varying degrees foreign investment in their securities markets. These restrictions may limit or preclude investment in certain countries or may increase the cost of investing.

The above risks may be particularly significant in emerging markets countries. To the extent a portfolio invests in depositary receipts, a portfolio will be subject to the same risks as when investing directly in foreign securities.

■ **International/Global Risks Related to Particular Strategies**

- *Emerging Markets Risk:* Investing in emerging markets generally involves exposure to economic structures that are less diverse and mature, and to political systems that are less stable, than those of developed countries. In addition, issuers in emerging markets typically are subject to a greater degree of change in earnings and business prospects than are companies in developed markets.

- *Foreign Government/Sovereign Debt Risk:* Investment in the debt of foreign governments can involve a high degree of risk. The governmental or non-U.S. sovereign issuer that controls the repayment of debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. An issuer's willingness or ability to repay the principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole and the political constraints to which a governmental entity may be subject. Governmental entities also may be dependent on expected disbursements from other foreign governments, multilateral agencies and others abroad to reduce the principal and interest due on their debt.

- **ETPs:** Depending upon which program and investment strategy you have selected, your account may be invested in different types of exchange traded products ("ETPs"), including ETFs and exchange traded notes ("ETNs"). Depending on the investment objective and investment strategy of a particular ETP: (i) the investment adviser may not achieve the ETP's investment objective or be able to cause the ETP's performance to match that of the ETP's underlying index or other benchmark on either a daily or aggregate basis, (ii) ETPs may be offered at a discount of the value of the underlying holdings, (iii) although an ETP's shares are listed on a national securities exchange, there can be no assurance that an active trading market for the ETP's shares will develop or be maintained, (iv) ETPs that are non-diversified may invest in the securities of a limited number of issuers or concentrated in a particular market, country, industry, sector or asset class and may be more susceptible to adverse economic, market, political or regulatory occurrences, and (v) the risk that changes in an issuer's management performance, financial condition and the supply and demand for the issuer's products or services may adversely affect the value of the securities held by an ETP.

In addition, the value of commodity-linked ETPs may be affected by changes in overall market movements, commodity index volatility as well as changes in interest rates or sectors affecting a particular industry or commodity, such as weather, embargoes, tariffs and international economic, political and regulatory developments. A commodity-linked ETP may compete with other financial investments, including traditional debt and equity securities issued by companies in the commodity's particular industry and other securities backed by or linked to the particular commodity, direct investments in the commodity and investment vehicles similar to an ETP. Market and financial conditions, and other conditions beyond the ETP portfolio manager's control may make it more attractive to invest in other financial vehicles or to invest in such commodity directly, which could limit the market for the ETP shares and reduce the liquidity of the ETP shares. If the commodity ETP is physically backed, such as with gold or silver, there is a risk that some or all of the ETF's supply of the stored commodity could be lost, damaged or stolen. Access to the stored commodity could also be restricted by natural events (such as an earthquake) or human actions (such as a terrorist attack). Any of these events may adversely affect the operations of the ETP and, consequently, an investment in its shares. The ETP may not have adequate sources of recovery if its physical commodity is lost, damaged, stolen or destroyed and recovery may be limited, even in the event of fraud, to the market value of the commodity at the time the fraud is discovered.

ETNs are senior, unsecured, unsubordinated debt securities issued by an underwriting bank. Similar to other debt securities, ETNs have a maturity date and are backed only by the credit of the issuer. When an investor buys an ETN, the underwriting bank promises to pay the amount reflected in the index, minus fees upon maturity. Thus an ETN has an additional risk compared to an ETF: upon any reduction of credit ratings, or if the underwriting bank goes bankrupt, the value of the ETN is adversely eroded and an investor can lose all or most of its investment.

- **Options:** You can lose the entire principal you invested as well as the premium you paid. Options can expire out of the money and be worthless. You can be forced to delivery shares at expiration. Options leverage can work against you as much as it can work for you. Terms, conditions and policies of the specific option contract, options exchanges or options brokers can change at anytime. For further information regarding investing in options and the associated risks, please refer to the Options Clearing Corporation's disclosure document at: <http://www.cboe.com/LearnCenter/pdf/characteristicsandrisks.pdf>.

- **Fixed Income:** The issuer of the fixed income security may be, or become, unable to make coupon and / or principal payments. Fixed income investments typically decline as interest rates rise. Inflation erodes the real value of interest payments. Some fixed income investments are callable forcing early redemption.
- **Master Limited Partnerships:** Master Limited Partnerships ("MLPs") are designed not to be subject to corporate income taxes. Instead, unitholders of an MLP are personally responsible for paying taxes on their individual portions of the MLP's income, gains, losses, and deductions. CSSU does not provide tax or legal advice. Please consult your legal and tax advisers to understand the tax implications of investing in MLPs.
- **Hedge Funds:** Typically, single manager hedge funds are exempt from registration as investment companies with the SEC and do not offer the same investor protections as traditional investments. Single manager hedge funds often use speculative investment and trading strategies. Their structure may raise complex tax issues and they frequently place restrictions on an investor's ability to withdraw funds or resell their investment. Hedge fund investors typically incur higher fees and expenses than other types of investments.
- **Liquidity:** Certain types of investment products held in your account may have restricted liquidity. For example, where a significant number of PB North America clients are invested in an ETF, a small cap stock, or in international or emerging market fixed income securities, the liquidity of that investment product may be impacted where a large number of clients seek to sell at the same time. Additionally, an investment in a Feeder Fund through the Hedge Fund Feeder Platform provides limited liquidity since there are substantial restrictions on the ability of an investor to withdraw capital or transfer its interest.

Investing in securities involves risk of loss that you should be prepared to bear. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Performance-Based Fees and Side-by-Side Management

CSSU does not charge performance-based fees for its investment advisory services, but unaffiliated investment managers may do so. Performance-based fees are fees based on a share of capital gains on or capital appreciation of the assets of a client. An investment adviser charging performance fees to some accounts faces a variety of conflicts because the investment adviser can potentially receive greater fees from its accounts having a performance-based compensation structure than from those accounts it charges a fee unrelated to performance (e.g., an asset-based fee). As a result, the investment adviser may have an incentive to direct the best investment ideas to, or to allocate or sequence trades in favor of, the account that pays a performance fee.

Voting Client Securities

CSSU will not take any action or render any advice with respect to the voting of proxies solicited by or with respect to the issuers of securities in which your account assets may be invested.

For the *Preferred Advisors, Managed Portfolio Alternatives, and Discretionary Portfolio Solutions Programs*, pursuant to the trading authorization you have granted in the Client Services Agreement, your Portfolio Manager may vote proxies on your behalf. Your Portfolio Manager will vote proxies relating to the securities and other property held in your account in accordance with proxy voting guidelines that your Portfolio Manager may establish. You may revoke your Portfolio Manager's proxy voting authority by forwarding written notification to your Relationship Manager. Such revocation will neither impair nor limit any other authority given to your Portfolio Manager. CSSU will not review proxies voted by your Portfolio Manager. CSSU's policies prevent it from requesting that your Portfolio Manager vote a proxy in a certain manner. A copy of your Portfolio Manager's proxy voting policy is available upon request.

IV. Client Information Provided to Portfolio Managers

For your account in the *Preferred Advisors, Managed Portfolio Alternatives, and Discretionary Portfolio Solutions Programs*, your Portfolio Manager will receive a copy of the Client Services Agreement and Client Application referenced in Section II above.

V. Client Contact with Portfolio Managers

For your account in the *Preferred Advisors*, *Managed Portfolio Alternatives*, and *Discretionary Portfolio Solutions Programs*, you may communicate directly with your Portfolio Manager although you are encouraged to facilitate such communications through your Relationship Manager.

VI. Additional Information

Brokerage Practices

CSSU has entered into an exclusive agreement with Pershing to provide execution, custodial, administrative and account reporting services for your accounts. CSSU may effect transactions through Pershing or itself, consistent with our obligation to obtain best execution. CSSU, your Portfolio Manager, or a Sub-Advisor, may effect transactions through other brokers or dealers when it believes, in its sole discretion, that such brokers or dealers may provide better execution than would be the case if Pershing executed the transaction. In such case, you may pay brokerage commissions in addition to the wrap fee for any transactions not effected through Pershing or CSSU.

CSSU may receive compensation from certain third-party broker-dealers or market centers for directing order flow in option and NMS securities. For securities, payment is on a per share basis; for options, payment is on a per contract basis. The market centers that pay for order flow are selected based upon the opportunity they provide for execution of orders at prices better than the National Best Bid or National Best Offer. Absent specific order routing instructions from customers and regardless of whether payment for order flow is received, CSSU transmits customer orders for execution to various exchanges and other market centers based on a number of factors, including: the ability of a market center to execute the orders at or superior to the National Best Bid and National Best Offer, the ability of a market center to provide price improvement opportunities, the speed of execution, the availability of efficient, automated transaction processing, liquidity enhancement opportunities, the speed of displaying better-priced limit orders, trading characteristics of the particular securities and the extent to which different markets may be more suitable for different types of orders or different securities. All such compensation will be retained by CSSU and is not shared with you or your Relationship Manager.

The assets in your account may not be fully invested upon account opening. Rather, assets may be invested over time in accordance with the investment strategy you have selected. If you have selected the Yield Enhancement Strategy in the *Discretionary Portfolio Management Program*, assets may not be fully invested until the next portfolio rebalancing, which occurs monthly.

In general, CSSU's policies do not permit the allocation of shares of initial public offerings ("IPOs") to clients in accounts for which CSSU provides investment advisory services.

Brokerage for Client Referrals

In selecting or recommending broker-dealers CSSU does not consider whether it or any of its affiliates receives client referrals from such broker-dealer or third-party.

Directed Brokerage

You may direct us to utilize brokers and dealers other than those we select to effect transactions for or with your account. In said instances, you will be solely responsible for negotiating the terms and arrangements on which you engage those brokers and dealers and CSSU shall have no responsibility for reviewing those terms and arrangements. CSSU will not seek better execution services or prices from these other brokers and dealers in connection with transactions for your account. CSSU will not be able to "batch" or "aggregate" transactions for your account with transactions for our other clients. CSSU will not monitor the performance of or the services provided by those brokers and dealers you designate. Directing brokerage likely will cost you more money. For example, in a directed brokerage account, you may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case because we may not be able to aggregate orders to reduce transaction costs.

Trade Aggregation

If CSSU is purchasing or selling the same securities for several clients at approximately the same time, we may, to the extent permitted by law, combine or 'batch' such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among our clients' differences in prices and commissions or other transaction costs that might have pertained had such orders been placed independently. In these circumstances, the price and associated costs of such transactions will be averaged and allocated among our clients (which may include persons associated with CSSU or clients in which persons associated with CSSU have invested) in proportion to the purchase and sale of orders placed for each client account on any given day. Said aggregation of orders may, on average, slightly reduce the overall costs of the transaction for you.

Custody

CSSU generally does not maintain physical custody of client assets. Typically, client assets are held by Pershing pursuant to the agreement referenced in Section I above, or another qualified custodian (a "Qualified Custodian") pursuant to a separate custody agreement executed by the Qualified Custodian and the client. Under Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended, which apply to our business, however, we may be deemed to have custody of client assets in certain circumstances.

The determination of whether the custody rules apply to specific circumstances are complex, but generally CSSU is deemed to have custody of your account assets in the following scenarios, as applicable:

- CSSU obtains direct possession of your funds or securities in certain situations where CSSU, without a separate authentication of the instructions and approval from Pershing, (i) upon your specific instructions, withdraws and transfers funds or securities from your account; or (ii) receives from you funds to be deposited in your account;
- When CSSU deducts advisory fees directly from your account; or
- When your assets are custodied with CSSU's affiliate, Credit Suisse AG.

Your Qualified Custodian provides you with monthly statements reflecting positions and trading activity for each month in which such activity occurs in your account. For accounts for which Pershing acts as Qualified Custodian, you may also receive certain customized account statements or performance reports from CSSU relating to your account. CSSU urges you to review your monthly statements from your custodian carefully and compare them to any statements or reports you may receive from us. If there are any discrepancies, your monthly statements from your Qualified Custodian are determinative.

Investment Discretion

When you grant CSSU, your Relationship Manager as agent for CSSU, or a Portfolio Manager discretionary trading authorization over your account, such authorization will be subject to any special instructions or restrictions you may reasonably impose and will take into account your investment objectives and risk tolerance. Generally, you grant such discretionary trading authorization pursuant to the terms of the Client Services Agreement.

Disciplinary Information

Prior to and through in or about 2009, Credit Suisse AG ("CSAG"), including through its subsidiary Clariden Leu, operated a cross-border banking business that aided U.S. clients in opening and maintaining undeclared accounts and concealing foreign assets and income from the U.S. Internal Revenue Service. On May 19, 2014, the U.S. Department of Justice (the "Department of Justice") filed a one-count criminal information (the "Information") in the District Court for the Eastern District of Virginia charging CSAG, the parent company of CSSU, with conspiracy to commit tax fraud related to accounts CSAG established for cross-border clients from 2002 to 2008. The Department of Justice and CSAG entered into a plea agreement (the "Plea Agreement") settling the action pursuant to which CSAG pleaded guilty to the charge set out in the Information. The Plea Agreement required CSAG to pay over \$1.8 billion to the U.S. government, including the U.S. Internal Revenue Service. The Plea Agreement also required CSAG to lawfully undertake certain remedial actions to address the conduct described in the Plea Agreement and attachments to the Plea Agreement (the "Conduct"). CSAG entered into other settlements relating to the Conduct. CSAG and the Board of Governors of the Federal Reserve System (the "Federal Reserve Board") agreed to the issuance of a consent Cease and Desist Order and Civil Money Penalty Assessment against CSAG to resolve certain findings by the Federal Reserve Board relating to the Conduct. In addition, CSAG and the New York State Department of Financial Services (the "DFS") entered into a Consent Order to resolve certain findings by the

DFS relating to the Conduct. The settlement with the Federal Reserve Board required CSAG to pay \$100 million to the Federal Reserve, and the settlement with the DFS required CSAG to pay \$715 million to the DFS. These settlements followed a settlement by Credit Suisse Group AG ("CS Group"), the parent company of CSAG, with the Commission on February 21, 2014 to resolve an investigation by the Commission into solicitation and provision of broker-dealer and investment advisory services to certain U.S. cross-border clients by CS Group while not registered with the Commission as a broker-dealer or investment adviser. As part of the settlement, CS Group paid \$196,511,014, which included \$82,170,990 in disgorgement, \$64,340,024 in interest and a \$50,000,000 penalty. Neither CSSU nor any other affiliate of CSAG registered with the Commission as an investment adviser under the Investment Advisers Act of 1940 or broker-dealer under the Securities Exchange Act of 1934 was named in any of these settlements or involved in the conduct underlying these settlements.

On November 16, 2012, CSSU and certain affiliates (collectively, "Credit Suisse") reached a settlement with the U.S. Securities and Exchange Commission ("SEC") that resolves two investigations relating to residential mortgage-backed securities transactions. More specifically, one investigation concerned Credit Suisse's settlement of claims against mortgage originators involving loans that had been included in a number of Credit Suisse securitizations and its alleged failure to disclose this practice to investors. The second investigation concerned Credit Suisse's obligations to demand repurchase by mortgage originators with respect to certain delinquent loans in two 2006 securitizations. CSSU's investment advisory business was not the subject of either investigation. In a settled administrative proceeding, the SEC charged Credit Suisse with engaging in negligent conduct under Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933 and charged one CSSU affiliate with violations of Section 15(d) of the Securities Exchange Act of 1934 and Rules 12b-20, 15d-1, and 15d-14(d) thereunder. Credit Suisse neither admitted nor denied the SEC's allegations. As part of the settlement of both investigations, Credit Suisse agreed to pay approximately \$120 million, inclusive of \$65,804,330 in disgorgement, \$39,000,000 in civil monetary penalties, and \$15,200,000 in prejudgment interest.

In 2008, CSSU was part of a global settlement reached with a multistate task force composed of members of the North American Securities Administrators Association Inc. ("NASAA") and the New York Attorney General ("NYAG") regarding the marketing and sale of Auction Rate Securities. As part of the global settlement, CSSU agreed to pay a \$15,000,000 fine to be allocated among the NASAA and NYAG members. Payments have been made as each state or jurisdiction entered a formal settlement with CSSU. For more detailed information on the individual state settlements, please refer to CSSU's Form ADV Part 1.

On August 26, 2008, CSSU was censured by the Securities and Exchange Commission ("SEC") and ordered to pay a fine of \$1,000,000. The order stated that Donaldson, Lufkin & Jenrette Securities Corp., predecessor in interest to CSSU, failed reasonably to supervise one of its former registered representatives, R. Christopher Hanna, with a view to preventing and detecting his violations of the Federal Securities laws during a portion of the twelve-year period that it employed him from November 1989 to May 2001.

Other Financial Industry Activities and Affiliations

CSSU is a registered broker-dealer. Each of our management persons is a registered representative of the firm. CSSU is also registered as a futures commission merchant, commodity pool operator and commodity trading adviser.

Relationships with our Affiliates that are Significant to our Investment Advisory Business:

Our affiliate, Credit Suisse Asset Management, LLC, a registered investment adviser, acts as sub-adviser under the *Preferred Advisors Program* and manages client assets on a discretionary basis.

If suitable, we may purchase on a discretionary basis or recommend to a client, as applicable, mutual funds, ETPs, or alternative investments to a client where an affiliate acts as an issuer, investment adviser, sponsor, principal underwriter, distributor, administrator, transfer agent, general partner, managing member or provider of other services. Information about related conflicts is provided in Sections I and III above and, as applicable to your account in a non-wrap fee program, in CSSU's Disclosure Brochure, which is available upon request and also publicly available on the SEC's website at www.sec.gov. Neither CSSU nor your Relationship Manager will receive any additional compensation in instances where we recommend or purchase for your account, as applicable, mutual funds or ETPs issued by one of our affiliates.

CSSU may refer suitable clients to New York Branch of Credit Suisse AG, a bank organized under the laws of Switzerland ("CS NYB") to apply for loans extended to it. Loans are secured by assets in the client's account at CSSU ("Collateral"). Credit Suisse AG is an affiliate and indirect parent of CSSU. CSSU earns a fee for each client it refers to CS NYB to whom a loan is extended, and

may receive other compensation for services provided in connection with the loans. These fees are in addition to any investment management fee which CSSU may earn for providing investment advisory and/or portfolio management services with respect to the Collateral.

Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

Code of Ethics

CSSU has implemented the Private Banking North America Investment Adviser Code of Ethics ("Code of Ethics"). The Code of Ethics sets forth the standards of ethical conduct to which CSSU and its Supervised Persons, as that term is defined in the Code of Ethics, must adhere. Access Persons, as defined by Rule 204A-1 of the Advisers Act, must adhere to certain holdings certification and employee personal trading policies. At the inception of their employment with CSSU, quarterly, and annually thereafter, Access Persons must certify that they have accurately disclosed all of their personal trading accounts. CSSU must receive duplicate copies of all trade confirmations and periodic statements of all transactions in such personal trading accounts. In order to prevent conflicts of interest as a result of securities transactions that an Access Person may place or recommend for your account, CSSU has implemented 'black-out' periods for personal securities transactions. From one day prior through one day after the Access Person places a trade or recommends that a trade be placed in your account, the Access Person is generally prohibited from executing a trade in the same security in his or her personal trading account. A copy of the Code of Ethics is available upon request.

Participation or Interest in Client Transactions

CSSU introduces certain suitable clients to private investment opportunities offered by our affiliates as well as unaffiliated entities. CSSU generally receives compensation from the private investment partnerships for the introduction. Our affiliates may act as general partner of private investment partnerships in which you invest. Generally, these private investment partnerships operate private pooled investment funds that invest in public and private investment vehicles that may include leveraged buyout funds, exchange funds, venture funds, debt funds, fund of funds, and real estate funds as well as portfolios of marketable securities.

CSSU is engaged in many securities-related activities. It is possible that we will recommend to you the purchase or sale of investment products in which we or an affiliate has a financial interest. This financial interest may create an incentive for CSSU to recommend these products to you. CSSU receives underwriting commissions or discounts, retirement account and other account servicing fees and fees paid by investment companies, mutual funds, hedge funds, exchange traded funds, or other investment vehicles. Additionally, our employees may have long or short positions in investment products we recommend to you. Employees who refer clients to other divisions of Credit Suisse for products or services generally are eligible to receive incentive compensation for the referral, which does not increase the fees or expenses that you pay for the product or service.

CSSU maintains a Restricted List to monitor and restrict sales, trading and research activity with respect to the equity securities of any company placed on the list. The Restricted List is used when CSSU may have, or appear to have, inside information about the status of publicly announced but uncompleted transactions or to comply with SEC rules that limit the type of sales, trading and research activity that CSSU may conduct during the preparation for, and execution of, public offerings. When a company's securities are on the Restricted List, CSSU is generally prohibited from soliciting customer orders or effecting transactions for discretionary customer accounts.

CSSU renders investment advice and other investment management and broker-dealer services to many types of clients with respect to, and it may for its own account hold, purchase, sell or otherwise trade in and deal with, securities which are the same as or similar to those recommended to you. Therefore, CSSU may have potentially conflicting loyalties and responsibilities with regard to its various clients. CSSU maintains procedures that are designed not to disfavor any client account over other accounts in the execution and allocation of transactions. CSSU monitors the personal trading activity of its employees. Our Employee Trading Policy is designed to detect and prevent conflicts and violations arising in this area.

CSSU effects transactions as broker or agent for clients and may also act as principal in transactions with advisory clients, but only where CSSU has obtained the advisory client's prior written consent to each such principal transaction.

For the *Discretionary Managed Portfolios*, *Credit Suisse Solutions*, and *Advisory Solutions Program*, CSSU may route orders for execution through its agency algorithmic trading platform, Advanced Execution Services ("AES"), which may in turn route the orders

to CSSU's Cross Finder alternative trading system ("ATS"). Cross Finder ATS may match the orders of CSSU's advisory clients with orders of other CSSU clients. PB North America does not have access to AES or Cross Finder ATS and controls have been implemented to prevent PB North America from knowing or anticipating the execution path of an order in advance of an order being routed to AES. The routing and matching processes of AES and Cross Finder ATS are operated on a quantitative and rule-driven basis. We issue trade confirmations, as required under Rule 10b-10 of the Securities Exchange Act of 1934, which disclose compensation that we may receive in the form of underwriting fees, distribution fees, and mark-ups or mark-downs. Except as permitted by a class exemption or an exemptive order, we will not engage in principal transactions for clients subject to Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Review of Accounts

Before an investment advisory account is opened with PB North America, a qualified Regional Office Manager, or his or her designee ("ROM"), reviews your investment objectives, financial circumstances and risk tolerance to determine if the account appears to be suitable for you. The ROM conducts monthly reviews of performance for select accounts (including investment advisory accounts). PB North America Compliance periodically conducts tactical reviews to assess risks in certain areas of the business which may include managed accounts.

The ROM reviews trading in your account in the *Discretionary Managed Portfolios, Credit Suisse Solutions, or Advisory Solutions Programs* on a periodic basis. A centralized oversight group conducts a periodic review of the account for adherence to a Program's guidelines, your volatility budget, and any restrictions you imposed.

Under the *Credit Suisse Program*, the Managed Accounts team monitors the performance and dispersion among accounts on an on-going basis.

CSSU does not conduct on-going due diligence or monitoring of the performance of the portfolio manager you have selected in the *Managed Portfolio Alternatives Programs*. Investment advisory services are provided solely by the portfolio manager without reliance on CSSU for any purpose.

Client Reports:

Pershing provides you with a trade confirmation for each transaction effected for your account, as well as monthly statements reflecting positions and trading activity for each month in which such activity occurs in an account. For the *Preferred Advisors and Managed Portfolio Alternatives Programs*, Pershing forwards confirmations to your selected portfolio manager(s) for each transaction effected in your account(s). For your accounts in the *Preferred Advisors and Managed Portfolio Alternatives Programs*, you may elect to suppress the mailing of trade confirmations. In such instances, your portfolio manager(s) will continue to receive trade confirmations.

You receive quarterly and annual performance reports reflecting realized gains and losses, dividends, and interest in an account as well as a comparison of such information against an appropriate index. Your Relationship Manager periodically reviews account performance with you to determine whether such performance is in line with your goals, investment objectives, and risk tolerance.

Client Referrals and Other Compensation

Solicitors introduce potential investment advisory clients to us in exchange for a fee. We enter into written agreements with these solicitors and, as required by Rule 206(4)-3 of the Advisers Act, they must provide to clients, at the time of solicitation: (i) a copy of CSSU's Part 2A Disclosure Brochure or Wrap Fee Brochure, as applicable; and (ii) a written disclosure statement on the solicitor's letterhead which shall: (a) advise the client of the nature of the relationship between us and the solicitor, (b) include a statement that we will compensate the solicitor for its solicitation services, (c) indicate the terms of such compensation arrangement, and (d) indicate whether client will be charged amounts in addition to the investment advisory fee in connection with the solicitation agreement between us and the solicitor.

Financial Information

CSSU has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.