

A.
r

Air. Ethereal. Atmospheric. Indispensable.

ALTITUDE

Surviving and
Even Thriving
In Thin Air

| 8

STORMS

High Voltage
In the Skies

| 18

LEADER

Moira Forbes
On Women
And Power

| 54



bulletin

The Credit Suisse Magazine Since 1895
International Edition/English

Issue 2
April/May 2012



AKRIS CREATES ARCHITECTURE IN FASHION.

Credit Suisse is building sound financial foundations.

credit-suisse.com/clients

CREDIT SUISSE



**Foreword****In Thin Air**

Even to the ancients, air was not "nothing." About 2,500 years ago, the philosopher Empedocles, living in Sicily, postulated that it was one of the four essential materials, alongside fire, water and earth, that comprised the world. Today we take a less prosaic view, knowing that air actually combines many gases, chiefly nitrogen, followed by oxygen, and in small parts argon, carbon dioxide, as well as water vapor, and other things. The fact is that this layer is extremely thin. If Earth were an apple, the atmosphere would compare in thickness to the apple's skin. How this life-giving stuff formed is the subject of the first article in this edition.

It is estimated that during an average day, adult humans take over 20,000 breaths, equal to about 16 kilograms of air. For those who ascend to high altitudes, the percentage of oxygen in the air is the same as at sea level, about 21 percent. But at greater elevations, the drop in air pressure means that molecules are more dispersed, so that at 5,500 meters the body can absorb just 50 percent of the oxygen taken in per breath compared to at sea level. The ability of humans to survive at well above sea level is the focus of an article that examines how people in the Himalayas, Andes or Ethiopian Highlands have adapted and even flourish in some of the harshest environments on the planet.

As a constant and varied part of the air around us, storms can be both thrilling and frightening. In this edition we look at lightning in particular. Even when modern science can explain why thunderbolts form, the power they unleash continues to fill us with awe. In antiquity, the air was associated with no less than Hera, the Queen of the Gods. Her favor secured good weather, and her curse brought storms. In truth, both life-giving and destructive forces arise in the air around us. Perhaps the ancients were on to something, after all.

Stefan Behmer, Editor-in-Chief

P.S. We are pleased to note that the Credit Suisse bulletin edition "Wood" has received a Silver prize from the Astrid Awards in the category Magazines: Finance Sector.



High Altitudes It is a merciless environment to live in: The weather is unpredictable, the UV radiation strong and the air almost too thin to breathe. Nonetheless, mountains are home to millions of people. At extremely high altitudes they still manage to cultivate fields, meditate in monasteries and raise children.



Gold Winner



No. 01-11-616713 - www.myclimate.org
© myclimate - The Climate Protection Partnership



Gold Winner



MIX
Paper from
responsible sources
FSC® C004155



Silver Winner



Cover photo: Daniel Hager | Photos: Daniel Hager | Cedric Widmer | Chris Lee, Courtesy of the New York Philharmonic | Martin Stollenwerk

30
Economy



Aviation Finance The sky is the limit. Change is afoot in the world of business aviation as emerging markets take on an increasingly important role in the sector.

42
Sponsorship



Zarin Mehta Leading the New York Philharmonic through the first decade of the new millennium, reflecting the fragile balance between tradition and innovation.

52
Corporate Responsibility



Youth Unemployment Ending the rejection cycle and actively helping young adults to land jobs with assistance of the Coaching Transfair 2 project.

Focus Topic: Air

- 4 Life on Earth** How the air became what it is today and the basis of life on our green planet.
- 18 The Power of Storms** From the wrath of Gods to high voltage in the skies.

Business and Research

- 24 Diversifying Smartly** In today's volatile markets, the need for a diversified portfolio is essential.
- 26 Urban Magnetism** The ability to connect talent, resources and ideas has caused cities to prosper.
- 27 Infrastructure** In today's ever-changing world, countries must learn to adapt for the future.

Sponsorship

- 36 Sydney Symphony Fellowship** Meet this year's participants in the Fellowship Program.
- 40 Hong Kong Arts Festival** Highlights of the Credit Suisse Emerging Artist series in Hong Kong.
- 44 Da Vinci Wrap-Up** Check the final figures of one of the world's most successful exhibitions of all time.

Corporate Responsibility

- 50 Smart Working** Credit Suisse leads the way with the opening of Uetlihof 2.
- 52 Microfinance** The example of FINCA in Malawi.

Leader

- 54 Moira Forbes** An interview on the occasion of the Asia's Power Women Forum in Singapore.

 Some articles are linked with kooaba image recognition.



iPad
bulletin digital Try out our complimentary iPad edition with additional content!

Exosphere

500 km

475 km

450 km

425 km

400 km

375 km

350 km

325 km

300 km

275 km

250 km

225 km

200 km

175 km

150 km

125 km

100 km

75 km

50 km

25 km

0.00 meters above sea level

Thermosphere

Mesosphere

Stratosphere

Troposphere

Nitrogen

Gases

Oxygen

Argon

Carbon
Dioxide

Hydrogen

Air

Origins – How Air Has Evolved Since Prehistoric Times

How the Air Became What It Is Today: The Basis of Life on Earth

The Earth was still relatively young, around one-and-a-half billion years ago, when something happened that changed everything. Up to then, the planet had been a hot, stinking, essentially uncomfortable place where no life existed – just primitive bacteria and unicellular organisms that utilized hydrogen or sulfite in order to convert it into energy. This early form of respiration was not especially efficient, however, and the bacteria were consequently condemned to eternal tininess. An atmosphere – and therefore an early form of air – has existed ever since the Earth's mass was stable enough for gravity to keep a lid on the gases released from rock as a result of volcanic activity and thus preventing them from flying off into space.

This atmosphere was akin to that of Mars and Venus and consisted of steam, hydrogen and carbon monoxide. There was also nitrogen, carbon dioxide and hydrogen sulfide, which poured from the skies in the form of yellow rain. It was not an ideal combination for us humans. In such an environment, we would have suffocated and been totally unable to survive. That's because people need oxygen. Not too much, but not too little either.

Oxygen, which is created in outer space when a stellar explosion (supernova) occurs, already existed on Earth, says Friedrich Temps, a professor of physical chemistry in Kiel, Germany. "But it was chemically bonded with the rock." The world evolved very, very slowly, but steadily. The meteorite and asteroid attacks declined in number. At some point, the Earth was so cool that the rain no longer vaporized. The first rainy season lasted 40,000 years and washed the volcanic ash out of the atmosphere. The Sun broke through, and it became bright. However, the UV radiation of the Sun was still too strong. At that time, for instance, all living things would have suffered not only severe sunburn but death. The water – which came not only from the magma emissions but also, it is thought, from water-rich cometary impacts – filled up the oceans, lakes and rivers. UV radiation is weaker in the oceans and it is precisely there that life began – and with it the emergence of air as we know it today. "It is certain that traces of oxygen were also created by the reaction of UV light and water," explains Temps. "But the greatest oxygen concentrations, as we know them today, are a result of life."

And this is how it came about: Cyanobacteria, also known as blue-green algae, are not just tiny but nano-tiny. They settle in shallow seas and in any location where water stands for any length of time. A single droplet of water can contain billions of them, says science writer Gabrielle Walker. For chemists, these unprepossessing beings are sleeping giants. They are the inventors of the process that brought life to Earth: photosynthesis. It is indisputably the most important chemical reaction ever produced in nature. The bacteria

learned to tap the Sun's energy and produce the nutrient sugar – with the help of carbon dioxide. The complex chemical reaction of photosynthesis yields a waste product: oxygen, which humans and animals need in order to breathe and which today constitutes at least 21 percent of what we call air (78 percent being nitrogen, which all life forms need for the production of amino acids, as well as other gases such as carbon dioxide and argon). Though today decried as an "environmental pollutant," the trace gas of carbon dioxide is the other party in an arrangement that made life possible. Carbon dioxide, which humans produce as a waste product, is not just nutrition for plants – as a temperature regulator, it is also responsible for the climate on Earth. "We are part of a deal that keeps us all alive," writes Walker. "The plants swallow our waste and we swallow theirs. The living, breathing medium for this never-ending exchange is the air."

The blue-green algae in the oceans proved to be prolific producers of oxygen. This extremely reactive gas initially bonded mainly with iron- and sulfur-containing rock in the ocean and later on Earth, for many millions of years. Above the ocean, however, more and more oxygen rose into the atmosphere – whose composition the new miracle material fundamentally altered. Most importantly, the oxygen ensured that the ozone layer which formed at a height of 50 kilometers protected living beings and plants from the dangerous UV radiation of the Sun.

The first, still primitive forms of life to breathe oxygen finally appeared in the ocean 1.5 billion years ago. No one knows exactly when the first plants, such as fungi, lichen and moss appeared on land. Some scientists believe this actually happened around 1.5 billion years ago. However, the oldest plant fossils ever found on Earth are only about 600 million years old. With the plants that took over photosynthesis from the blue-green algae, however, oxygen production exploded – and with it, evolution. The Earth's green lung got to work.

The reactive oxygen became a rapid, extremely effective energy producer: 650 million years ago, beings with several cells appeared all at once and continued to diversify further with increasingly complex and bold genetic blueprints: jellyfish, sponges and worms. Another 100 million years later saw the advent of the arthropods – the first rulers of Earth – even before the dinosaurs (who developed 235 million years ago). From there, it was only a short jump to the first humans: *Homo rudolfensis*. They lived approximately 2.5 million years ago.

Around 400 million years ago, oxygen production by plants and oxygen consumption due to breathing hovered around the equilibrium that determines today's atmosphere. Interference with this equilibrium by humans – for instance through gases that contribute to the greenhouse gas effect, or destroy the ozone layer – has devastating consequences for the climate and biosphere. "We would do well to take care of the atmosphere and above all the forests," says Professor Temps at the end of our discussion. "That's because they're the guardians of our life." **Ingo Petz**

Books on the Topic:

Gabrielle Walker: *An Ocean of Air. A Natural History of the Atmosphere*, 364 pages, Bloomsbury Publishing.

Reinhard Zellner (pub.): *Chemie über den Wolken: ... und darunter*, 238 pages, Wiley-VCH Verlag.

Human Life on Less Oxygen

Text Claudia Hager
Photos Daniel Hager





S
t u
de
A -

In the Himalayas, the Andes and
the highlands of Ethiopia
the air is thin.
But only the lowlanders seem to mind.







The Himalayas

Himalaya in the ancient Indian language of Sanskrit means "abode of snow." The name could hardly be more appropriate. This mountain range is home to the world's loftiest peaks, covered in thick blankets of snow or encased in eternal ice. Fourteen peaks soar to more than 8,000 meters, over 200 reach over 7,000 meters and there are hundreds more at over 6,000 meters. The range stretches for more than 2,500 kilometers, from Pakistan in the west to Myanmar in the east. Four other countries – India, Nepal, China (Tibet) and Bhutan – also have their share. And it's not just the mountains that are powerful. The valleys that have been carved by the region's mighty rivers are also immense. The Kali Gandaki Gorge, for instance, is more than 4,000 meters deep. More than 40 million people, most of them subsisting as farmers in areas up to 3,000 meters above sea level, live in the valleys and on the high plateaus. At the higher altitudes the farmers, nuns, monks and yak- and sheepherders have adapted – just like the native flora and fauna – to the harsh conditions and the long, snowy winters.

● The yak snorts and tosses its head. Its eyes fixed on a little bit of green at the edge of the field, it stamps through the freshly plowed furrows; the other half of the team follows willingly. Nima Dorje drops the plow and jumps to his wife's assistance. Through gentle persuasion, they pull together and succeed in getting both animals back on the right furrow. Nima drives the plow into the soil and follows the once-again obedient yaks. His gaze glides over the backs of the animals and then falls on the gigantic surrounding mountains. It seems only minutes since the peaks were bathed in ice-blue light, but now the mountain face is masked by darkening clouds. Though the sun continues to penetrate the valley floor, Nima is all too aware of how capricious the weather can be. Within minutes, tropical humidity can give way to Arctic chill, and hurricane-like storms can disrupt the calm scene. It would be disastrous if the weather were to turn today, as they need to finish plowing the field before winter arrives. There's not much time. Just that morning, they were greeted by ice at the spring. Snow is in the air. Nima and his family live in Nepal's Tsum Valley, a remote place close to the border with Tibet, 3,200 meters above sea level. An equivalent altitude in Switzerland



You have to be patient at more than 3,200 meters above sea level. In the Himalayas the fields are plowed using yaks, the stone houses built and terraced fields planted by hand. In the Tsum Valley with its Tibetan culture, the second-born child of each family is raised in the monastery; surrounded by the Buddhist community these children are fed and educated. The other children help their parents in the fields and in the kitchen.

would be atop Titlis: a rocky, inhospitable Alp. Indeed, the Zugspitze in Germany or Half Dome in California's Yosemite National Park are slightly lower – yet no one would ever contemplate living there. The weather is unpredictable, the UV radiation strong and the air almost too thin to breathe. Nevertheless, these mountains are home to millions of people. Even at an altitude of 4,500 meters, they cultivate their fields, meditate in monasteries, raise their children. Their breathing remains relaxed, while lowlanders who reach these heights struggle with a rapid heartbeat and shortness of breath.

Humans as Imperfect Beings

"As imperfect beings, humans quickly reach the limits of their ability and capacity for suffering in the oxygen-starved atmosphere on the world's rooftops – whether in the Alps, the Andes or the Himalayas," writes mountaineer Reinhold Messner. "We humans are not made for living at the same altitude as Mont Blanc – or indeed, at higher altitudes – without special technology or for any length of time." Unless, that is, we possess special mechanisms for adapting like the Tibetans or Peruvians. But more about that later. We start by finding out what

happens to the human body at high altitudes. As distance above sea level increases, the air column pressing on the surface gets smaller and air pressure falls. The oxygen content remains at 21 percent, meaning the partial pressure of oxygen falls in tandem with the drop in barometric pressure. For every meter of altitude, therefore, there are fewer molecules of oxygen available with each breath of air. At 4,000 meters, a breath of air still contains about 60 percent of the oxygen molecules that a human being would enjoy at sea level. At 5,500 meters the figure is around one-half and on Mount Everest it's one-third. At up to 2,500 meters, the human body normally has no problem handling the depleted oxygen level. Above that, or after climbing from a previous altitude to an even higher one, lack of oxygen in the body, a state known as hypoxia, can threaten the body. How grave the consequences are basically depends on the speed of ascent: The faster it occurs, the less opportunity the body has to adapt. There is a risk of acute altitude sickness. The most frequent symptoms include headaches, tiredness, loss of appetite, dizziness, trouble sleeping and vomiting. "In extreme cases, the changes in the human body brought about by the lack of oxygen >

More than 80 percent of Ethiopians depend on agriculture for their livelihood. This is also the case here in the Simien Mountains at 3,000 meters above sea level, where fields, pastures and villages cling to the steep sides of the jagged mountains.



Ethiopian Highlands

Ethiopia is Africa's second most mountainous country after Lesotho. Around 5 percent of its total area lies at over 3,500 meters above sea level and more than a quarter at over 1,800. The interior of the country is dominated by the highlands, which reach their highest point at Mount Ras Dejen (4,533 meters); the sweeping landscape is marked by crags and gorges. The Simien Mountains, which have been declared a UNESCO World Heritage site, are marked by deep gorges and bizarre flat-topped mountains carved out by the region's rivers. Because of the temperate climate of the highlands and the fact that there is generally enough rainfall in this region, the majority of Ethiopia's 82 million inhabitants live here. The capital, Addis Ababa, lies at around 2,400 meters above sea level.

result in pulmonary or cerebral edema, and therefore death within a matter of hours," says Oswald Oelz, a high-altitude physician and mountaineer.

Headache and Fever Mountains

The phenomenon of altitude sickness was first identified long before people began scaling ever-higher peaks or crossing high-altitude passes on trekking tours. Even the ancient Greeks are said to have applied a damp sponge to their mouths in order to counter breathing difficulties when ascending Mount Olympus, according to Oelz. Texts from the Chinese Han dynasty, written around 35 B.C., also mention "big and small headache mountains" and "fever mountains," he adds. The Spanish conquistadors who found their way into the Andes region in the 16th century also would have suffered from mountain sickness: Their reports repeatedly mention headaches, dizziness, shortness of breath and vomiting while traveling at high altitudes.

Such complaints have failed to prevent human beings from settling in the world's highest valleys. In the Himalayas, Andes and Ethiopian Highlands, countless people live in extreme conditions in



Young teachers in Sona, a village at 3,300 meters above sea level. They teach in primitive conditions, with few amenities, the schoolroom nothing more than a few wooden benches in a straw-thatched house. But the lessons are very lively. The children are interested and alert – even though they often have to walk for more than an hour to get to school.

an environment that literally takes lowlanders' breath away. Yet they suffer no altitude sickness. Their secret lies in a process of adapting over a period of millennia, a process that varies depending on the region. In the case of longer periods at high altitudes, the human body needs to respond appropriately to the lower oxygen content so that it can acclimatize. "These adjustment processes occur at the various points of oxygen transport, starting with the air we inhale all the way to the tissue," says Oelz. "The best-known is certainly the increase in the ventilation rate and rising concentrations of hemoglobin, which is the oxygen-binding blood pigment." Improved utilization of oxygen in the cells is also important, as are other adjustment processes. For lowlanders visiting high altitudes, such as migrant workers, mountaineers and trekkers, these acclimatization mechanisms kick in after only a short time. One might assume that people who live in thin air on a permanent basis would rely on similar adaptation strategies. That is not necessarily the case, however, as estimates suggest that the ancestors of the inhabitants of the Tibetan Plateau and the Andes arrived 25,000 and 11,000 years ago respectively. They, just like the Ethiopians, who migrated from the

lowlands to the highlands several thousand years ago, had to adapt to the stresses of a lifetime of hypoxia.

"Through natural selection, these populations have learned to maintain the successful delivery of oxygen even at high altitude," according to US anthropologist Cynthia Beall. "Evolutionary processes have affected the different mountain peoples and their descendants in different ways, as illustrated by the major differences in many physiological traits between inhabitants of the Andes, Tibetans and Ethiopian highlanders."

Different Strategies

One important difference relates to the concentration of hemoglobin. Like the lowlanders who travel to altitudes above 2,500 meters, inhabitants of the Andes also have more hemoglobin in their blood, which offsets the lower concentration of oxygen. The same is not true for Tibetans: Their blood contains an average concentration of hemoglobin even at 4,000 meters, and even at higher altitudes only a relatively small increase occurs. The latest findings suggest these normal values are attributable to special variants of a >



Kooaba Shortcut turns the print edition of bulletin into an interactive experience.
Use the app to send additional info such as videos, photo galleries and links to your smartphone.

The Andes

The Cordillera de los Andes – as the Andes are called in Spanish – are the longest mountain range on earth. They run through South America for a distance of about 7,500 kilometers along the west coast of the continent, from Venezuela in the north to Colombia, Ecuador, Peru, Bolivia and Argentina to the southernmost tip of Chile. Its highest peak is the 6,962-meter-high Mount Aconcagua in Argentina, although similarly high peaks are found in abundance throughout the region. The Andes are home to an estimated 35 million people, the majority living in regions of between 2,000- and 3,500-meter altitudes. Here they cultivate the fertile valleys and terraced slopes for wheat, barley, corn, potatoes and vegetables, in addition to keeping cattle. The regions up to 4,000 meters are more sparsely populated and are primarily used to graze sheep, goats, llamas and alpacas.

gene – known as EPAS1 or HIF2alpa, which regulates the response to hypoxia and is therefore at least partially responsible for altitude acclimatization.

The third significant highland population – the inhabitants of the Ethiopian Highlands plateau – have a normal concentration of hemoglobin similar to that of the Tibetans. “Interestingly, however, this cannot be explained by the same gene,” says Beall, who teaches at Case Western University in Cleveland, Ohio, and has researched life at high altitudes for decades. “Thus far, there seem to be two patterns of hemoglobin response to high-altitude hypoxia: One is a higher concentration of hemoglobin among visitors from the lowlands and inhabitants of the Andes, and second, inhabitants of Tibet and the Ethiopian Highlands show only a small increase in hemoglobin values, or none.” The question of why the typical acclimatization response seen in lowland inhabitants did not occur in the Tibetan or Ethiopian populations has not yet been conclusively answered. A possible explanation might be that this strategy would come at a high price over the long term, for instance, because thickened blood increases the risk of thrombosis.



Everyday life at 4,000 meters above sea level. Like many other children in the Andes, Beatrice and César look after their family's livestock in Peru's Cordillera Blanca. The people who live in these mountains depend on their animals – mainly sheep, llamas and alpacas – for meat and wool. Llamas in particular are also used in these remote regions as pack animals.

Another different adaptation strategy concerns breathing: If ventilation is increased, a greater volume of air can be moved in overall terms, so additional oxygen can be delivered to the body. This response is also shown by lowlanders with acute high-altitude exposure, but is generally only temporary. The Tibetans are different: Their resting ventilation is permanently elevated, as Beall has proven through comparative analysis. Accordingly, a Tibetan has a higher resting ventilation rate of around 15 liters as compared with only 10 for an inhabitant of the Andes. "One could say that Andeans go the hematological route, Tibetans the respiratory route," says Beall, summarizing the two most important differences in altitude adaptation.

Ancient Secret

The findings suggest that the process of acclimatization at altitude – however it may occur – was crystallized and passed down over millennia. Accordingly, lowlanders who migrate to the mountains can only adapt to high altitudes to a certain degree; problems occur during pregnancy, if not before. "Even if the mother is acclimatized, her child is not prepared for the high altitude," says physician Oelz.

"Infant mortality is therefore much more common among Han Chinese who have settled in Tibet than it is among native Tibetans. The former lack the gene that has proved advantageous to mountain dwellers over the course of evolution." So, the secret behind Nima's ability to survive without headaches, dizziness and rapid heartbeat at more than 3,200 meters is thousands of years old. But that won't make his life any easier: The world's rooftop is still one of the most inhospitable places to live. <

h
ra +
VV



Heat Lightning – a Fatal Attraction

Storms: From the Wrath of the Gods
to High Voltage in the Skies

Humans have always reacted with a mixture of fear and fascination to the primal force of storms and the fury of thunder and lightning. A raging tempest used to be seen as a manifestation of the wrath of the gods. Nowadays we know that lightning is a gigantic electrical discharge – but it can still pose a threat to us. The ancient Babylonians and Greeks believed that the destructive effect of lightning was caused by the gods hurling explosive jets of fire and shattering thunderbolts to earth. Zeus, the supreme overlord of the Greek gods, was the god of weather and he was responsible in particular for rain, snow, hail and storms. His thunderbolts were much-feared weapons that hit home with unfailing accuracy. Zeus also pronounced omens: His sacred oak tree at Dodona in Epirus foretold the future to mortal beings, and thunder and lightning were thought to portend good fortune or adversity. Jupiter, the supreme deity of the Romans, was also responsible for the weather.

Summer, Season of Storms

Nowadays we know that lightning is an electrical discharge in the atmosphere that can be highly dangerous to humans and animals. The risk of storms is greater on hot summer days, when isolated heat storms break out as the temperature rises across land masses. Although today we can predict the likelihood of storms for a specific region quite well, even nowadays, it is still very hard to forecast precisely when and where a storm cell will develop. On days like this, the skies can still be radiantly blue in the morning. Within a very short time, however, huge billowing clouds can suddenly materialize to darken the heavens. Anyone who has been caught unawares by a storm during a mountain hike will know just how quickly the weather can change. A storm can blow up very abruptly as lightning begins to flash and thunder starts to roll. Lightning can become a serious threat unless safe shelter is found quickly.

Solar Energy Generates Storms

There are several hundred thousand lightning strikes on earth every day. They set fire to forests and homes, claiming the lives of people and animals. About 2,000 thunderstorms are raging somewhere on the planet at any given time. In Switzerland alone, about 300,000 flashes of lightning are recorded each year. As soon >



as the ground warms up during the course of the day, the heated air above it rises and cools down. This process creates the cauliflower-like cumulus clouds that can develop into gigantic thunderclouds. These thunderclouds transform tiny streams into torrents of mud as they shed their entire load of hail and water over a small area. Storm activity increases dramatically when a cold front encounters moist and warm air masses. The incoming cold air originates from northern or even polar latitudes. The cold air (which has greater specific gravity) advances, displacing the lighter warm air. There is enormous meteorological activity in the zone where these two very different masses of air meet. Due to the substantial differences in temperature, the thermal energy stored in the water vapor is converted into mechanical energy. The warmer the air, the more moisture and energy it can contain – and this energy is released as the temperature falls. Storm gusts and updrafts carry falling raindrops to great heights, leading to the formation of hail. Strong updrafts (of up to 100 meters per second in extreme cases) repeatedly transport hailstones to high altitudes. If the hailstones are small, they may thaw in the warm summer air as they travel downwards, so they usually reach the ground as rainstorms with large drops that are cold to the touch. Very large hailstones only melt partially; they reach the earth's surface as lumps of ice that often cause major damage to crops and objects of all sorts.

For a long time, lightning was an unsolved mystery. It was not until electricity was discovered that this strange "celestial fire" was explained. Finally, Benjamin Franklin (1706–1790) performed an experiment that proved that lightning is an electrical phenomenon. Zones with different electrical charges are created by updrafts and an uneven distribution of ice and water in a storm cloud. The upper, icy part of the cloud usually has a positive charge, whereas in most cases, the lower part is negatively charged. A potential (or voltage) is created between the different charges. If a certain value is exceeded, the opposing charges in two zones (cloud–cloud, cloud–ground or vice versa) are equalized, and this process produces lightning. When a flash of lightning occurs, currents averaging 20–30 million volts and 20,000 amperes flow for fractions of a second (normal outlet: 230 volts, 10 amperes).

What Causes Drawn-out Rolls of Thunder?

This tremendous energy abruptly heats the air surrounding the lightning to about 30,000 degrees Celsius (and this temperature also explains the bluish color of the flash). As heating takes place, the air expands explosively and a loud thunderclap is heard. The speed of sound is "only" 330 meters per second, whereas the light from the lightning travels at 300,000 kilometers per second, so the distance of the lightning from one's current whereabouts can



be calculated from the time that elapses between the lightning and the thunder. The distance in kilometers is one-third of the number of seconds between the lightning flash and the thunderclap. A flash of lightning can be several kilometers long, so the sound from its more distant (upper) parts reaches a given point later than that from the near (lower) part. This is what causes a drawn-out roll of thunder.

Stay Away From Oak Trees

In Florida, people say that you are more likely to be struck by lightning than to win the lottery. Although such accidents are relatively unlikely, their victims either die or often suffer the ill effects of the lightning strike long afterwards. Being struck by lightning has a catastrophic effect on the human body, because it is often followed by respiratory failure and cardiac arrest. This makes it all the more amazing that many people survive a lightning strike.

Lightning always follows the path of least electrical resistance. Since air is an excellent insulator, lightning tends to strike tall objects that conduct electricity well, such as metal masts and trees. The German proverb, "Stay away from oak trees and seek beech trees," reflects a potentially fatal misconception. Lightning penetrates the sap tissue of an oak tree and exits from the tree bark or even parts of the trunk with a spectacular flash. On the other hand, a beech

tree can withstand a lightning strike undamaged because it conducts the lightning directly into the ground. This creates the impression that beech trees are spared by lightning. During a storm, it is generally advisable to avoid any freestanding tall objects. Swimming or surfing near a storm is particularly dangerous. The surface of the water and the underside of the storm cloud behave like a capacitor. Any object (such as the mast of a boat or a swimmer's head) that protrudes from the water will lower the resistance and increase the risk that the charge between the cloud and the ground will equalize at that point. It's best to seek cover in a building, a car, or a hollow in the ground.

The metal body of a car forms what is known as a Faraday cage, which diverts the lightning away to the surrounding area and ensures that anyone inside it is protected in case of a strike. An area deep within a forest surrounded by trees of the same height can also afford protection. Preference should be given to drier areas. If none of these options for protection are available – as often happens, especially in mountainous areas – it is essential not to stay on a summit, crest or ridge or to lean against rock walls.

If no cover is available and you are forced to remain in the open air, you should adopt a crouching position and never lie flat on the ground. The larger the area of contact, the greater the danger from the impact of lightning can be. **Andreas Walker**

Business News

Report Suite 2011



The Annual Report provides comprehensive information on Credit Suisse Group's financial statements for 2011, its corporate structure, corporate governance and compensation practices, treasury and risk management framework, as well as a review of the operating and financial results. Additionally, as part of the Report Suite, the Company Profile features 12 stories that provide valuable insight into the bank's business divisions.

www.credit-suisse.com/publications

Asian Investment Conference

Hosting more than 2,000 clients and investors, over 280 corporates, 7,600 one-on-one meetings, three former prime ministers, four central bank governors, one Nobel Peace Prize Laureate and numerous economists, academics and corporate leaders, the 15th Asian Investment Conference in Hong Kong was a great success. This year's conference came at a time when the impact of global issues has never been felt more acutely by investors and markets. The agenda focused on critical influences on the interconnected world economy in 2012, as well as a wide array of topics that reflect Asia Pacific's increasing influence and relevance in world economics, markets and politics. The AIC, as it is referred to in short, has firmly established itself as Asia's premier meeting place for investors representing some trillion US dollars of assets under management to discover tomorrow's opportunities today.

To find out more, visit: www.credit-suisse.com/conferences/aic

Emerging Leaders Competition

Samuel Chao, a second-year undergraduate student at Singapore Management University, won first place in the inaugural Emerging Leaders essay competition. The Credit Suisse-sponsored essay competition awarded second and third place to Stuart Reid from Dartmouth College (US) and Charles Sutton from University of Minnesota (US), respectively. The winners were announced at the Credit Suisse Asian Investment Conference (AIC) in Hong Kong. Project Firefly provides a platform to foster thought leadership among university students and recent graduates, encourage dialogue and create an opportunity to network with each other.

www.project-firefly.com

Australia Debut

The Sydney Symphony is marking its 80th anniversary with a series of stellar performances, including by German violinist Anne-Sophie Mutter. Under conductor Vladimir Ashkenazy, Mutter and the Sydney Symphony played Beethoven's Violin Concerto and Shostakovich's Symphony No. 5, thrilling audiences with what critics have described as Mutter's "turbo-charged sound." Her rare gift was already apparent at age 13, when she was discovered by Herbert von Karajan.



Photo: Wendell Teodoro

German violinist Anne-Sophie Mutter during rehearsals with the Sydney Symphony under Vladimir Ashkenazy.

NY Phil App

The New York Philharmonic, one of the world's premier orchestras, has embraced new media since it began broadcasting in the early days of radio. Today an exclusive iPad app featuring music director Alan Gilbert can be downloaded in the app store as part of the Les Amis du Credit Suisse series.



New York Philharmonic music director and the orchestra are featured on a new app.

Economic Research

Profit From Our Expert Knowledge at Credit Suisse

These studies and research dossiers can be ordered at www.credit-suisse.com/shop.

The Credit Suisse Research Institute

The Credit Suisse Research Institute identifies and provides insights on global themes and trends. The objective of the Research Institute is to provide our clients with leading edge advice by leveraging internal and external expertise, thus reinforcing our integrated global bank approach.



Global Wealth Report 2011

The Credit Suisse Global Wealth Report and the accompanying Global Wealth Databook provide the most comprehensive study of world wealth, measuring and analyzing trends in wealth across nations, from the very bottom of the "wealth pyramid" to the ultra-high net-worth individuals at the top.



Credit Suisse Global Emerging Consumer Survey 2012

This is the second edition of the Credit Suisse Global Emerging Consumer Survey. At a time when investors debate the sensitivity of emerging economies to a potential recession in the Western world, the report provides valuable insights.

Investing for Impact



The potential of growing efforts to deliver entrepreneurial solutions to global problems is bigger than ever before – as are the opportunities to channel private capital toward social and environmental issues. We hope this publication will offer you more insight into this exciting new field.



Research Institute

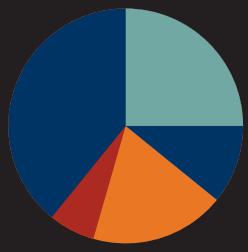
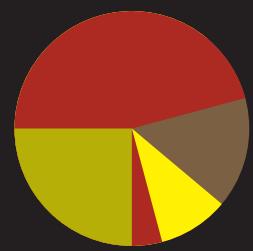
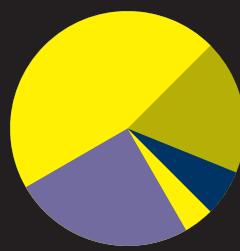
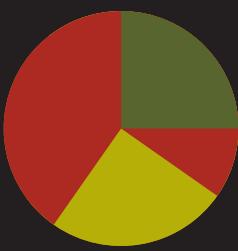
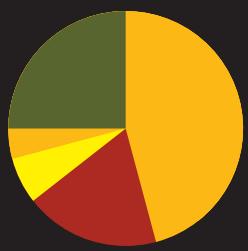
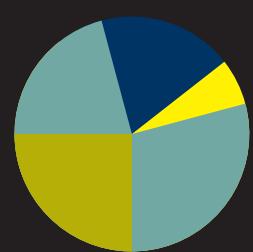
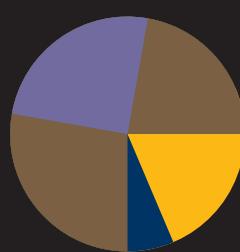
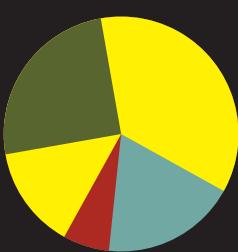
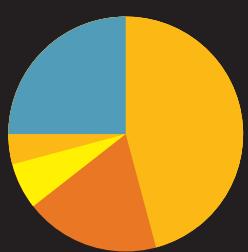
Credit Suisse Global Investment Returns Yearbook 2012

The aftermath of the 2008 financial crisis seems to pose unprecedented new dilemmas: how inflationary is quantitative easing, how should investors balance short-term deflationary with potential long-term inflationary risks, how should currency exposure be steered? While current events may appear different from the past, there are nevertheless always lessons to be learned from what went before, especially when we look back across the diverse experience of multiple decades and many countries. With their analysis of data over 112 years of history and across 19 countries, Elroy Dimson, Paul Marsh and Mike Staunton from the London Business School provide important findings in this year's Credit Suisse Global Investment Returns Yearbook 2012 in respect of the above questions. In another article, Paul McGinnie and Jonathan Wilmot from Credit Suisse Investment Banking show with more than a decade of history how the contrarian indicator they built – the Credit Suisse Global Risk Appetite Index – helps investors to time risk-on versus risk-off investment strategies.

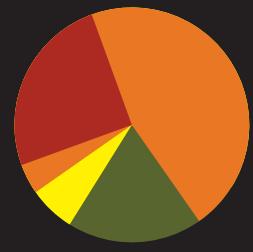
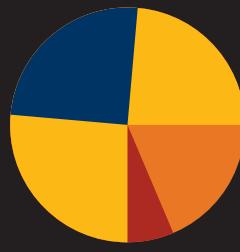
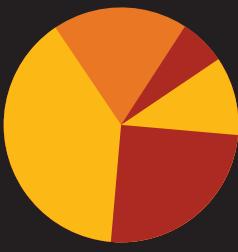
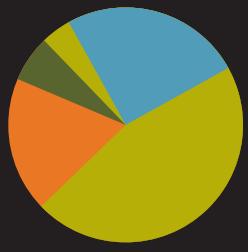
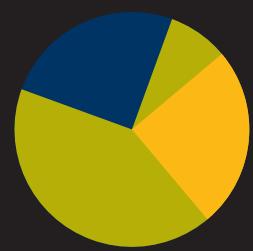
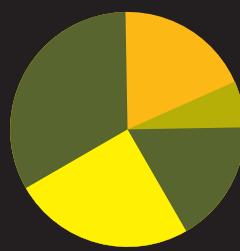
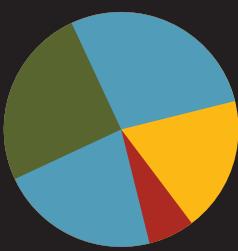
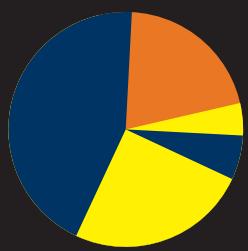
Increased Urbanization



In 25 years, fully half of the world's population will live in emerging market cities. A new study by Credit Suisse Emerging Market Research explores the implications of this trend, and what influence it will have on governments, as well as its likely impact on investors.



How to Diversify Intelligently



In today's volatile markets, the benefits of a well-diversified portfolio are more important than ever. Diversification can be achieved by spreading risk across various asset classes, which can improve the risk/return of an investor's overall portfolio. It is in this context of risk diversification that Alternative Investments (AI) have become a core Component in most modern portfolio strategies. In an interview with **Giles Keating, Head of Private Banking Research, and **David Strebel**, Head of Investment Advisory & Strategies within Private Banking Investment Services and Products, we consider how to diversify smartly.**

Interview: Kathleen Karius

Why is now the time for investors to increase their allocation in AI or enter into the space altogether?

Giles Keating: Historically, AI has proven to be a good diversifier within a traditional portfolio of stocks and bonds. Our AI benchmark portfolio had a correlation of only about 0.6 to equities over the last 17 years, and of course, financial theory suggests that introducing low-correlation assets into a portfolio usually reduces volatility at any given level of expected return, or improves expected return while maintaining volatility.

That low correlation is especially helpful in an environment like the current one where uncertainties around equities and bonds seem high, whether we look at the Eurozone issues, the debt overhang, or geopolitical threats to oil supply.

And at times of market stress, AI can help to reduce drawdowns. For example, while the S&P 500 Index lost 7.7 percent in July and August 2011, and the MSCI World Equity Index fell 9.0 percent, the Credit Suisse Investable Hedge Fund Index lost 2.9 percent. Moreover, an investor following our recommendation at the time to focus on the global macro style within the hedge fund universe could have seen gains of 2.5 percent across those two months based on the Investable Credit Suisse AllHedge Index for hedge funds of that style.

Within a diversified portfolio, these hedge fund moves would have mitigated the impact of the equity losses. The same characteristics generally hold true for other alternative assets, including gold.

What is Credit Suisse recommending specifically in terms of AI allocation?

David Strebel: Due to their valuable properties, AI should be part of any investor's asset allocation considerations, because of the benefits Giles already mentioned: diversification, drawdown protection and return potential. It is therefore natural that AI plays a prominent role in the Credit Suisse asset allocation framework.

Currently, within our optimal long-term oriented benchmark asset allocation, we recommend a 15 percent total holding of AI for our fixed income and equity strategies, and 20 percent for our income oriented, balanced and capital gains oriented strategies. To assure sufficient diversification within the asset category, we generally suggest an equal split into hedge funds, private equity, real estate and commodities/gold. For clients investing less than five million Swiss francs or its equivalent, or those with a limited ability to bear liquidity risk, private equity investments should be substituted with hedge funds.

In order to preserve its clear focus, our equity strategy does not comprise real estate

investments and fixed income strategy investors should abstain from private equity exposure. It goes without saying that the client's personal asset allocation has to reflect his or her investment objectives, the risk profile and the overall wealth situation. This is why a professional advice is so important.

David, you spoke about the long term; where do we stand in the next six months to a year?

David Strebel: Considering our medium-term market outlook, we currently overweight equities and also AI in the strategic asset allocation. Within the latter, we overweight real estate and gold, for which we see an attractive return potential over the next 6–12 months.

Some investors are worried about entering or re-entering into AI. How did the last market crisis impact the AI Space?

Giles Keating: AI are neither a safe haven, nor are they risk free. The financial market environment last year proved challenging for a number of reasons and this affected AI, too. 2011 was not only a period of slowing economic growth, there were also problems in the banking system; even sovereign borrowers had liquidity and solvency problems.

However, despite this difficult period, AI proved a valuable addition to traditional portfolios.

Giles Keating: Yes, provided a careful choice was made. For instance, real estate generated yields hard to achieve elsewhere. And although some of the broad commodity indexes had a rocky ride in 2011, investors who augmented a conventional stock and bond portfolio with exposure to commodities based on momentum strategies, which was our recommendation at the time, would have had the opportunity for a significant improvement in portfolio performance.

In addition as many people know, gold was one of the very few risky assets with decent positive returns. And on the hedge fund side, less liquidity-sensitive strategies, such as global macro, exhibited strong performance.

So, while AI is not immune to challenging market conditions, it has a tendency to react differently to these challenges compared to traditional asset categories. As a result, the inclusion of AI tends to improve the overall risk/return trade-off of investment portfolios. Essentially, this is what investing in AI is all about and during challenging market conditions this is particularly valuable. But choice of the right strategies and instruments is crucial.



"It is natural that AI play a prominent role in the asset allocation framework."

David Strebel

> How does Credit Suisse ensure that clients know what they are getting into regarding AI?

David Strelbel: As is the case with all the products and solutions we provide to clients, our advisory process assures that our recommendations are suitable and appropriate. Specifically, we assure that the client has sufficient knowledge and experience to understand the investment product's characteristics and risks.

To support this and further strengthen the quality of our advice, we recently introduced enhanced product class documentations and forms. But we go beyond knowledge, because a suitable product has to fit into the client's portfolio in terms of risk and the objectives pursued. We think these three elements are the fundamental of a sound investment in AI.

What are the most promising opportunities you see right now for AI investors?

Giles Keating: AI is a prominent part of Credit Suisse Global Research's Top Ten Investment Ideas for 2012: In commodities, we recommend value strategies,



"Gold is likely to also do well in a low-interest rate environment."

Giles Keating

which is a clear change from the momentum strategies we favored in 2011. Right now, value strategies would favor copper and some other industrial metals, which came under severe selling pressure due to deleveraging and macro concerns in the second half of last year and now even after a modest rally, appear attractively valued.

Gold is likely to also do well in a low-interest rate environment, but the upside is more limited. And as a hedging strategy against geopolitical instability in the Middle East, we propose buying out of the money oil calls.

In real estate, selected stocks of property holding companies and mutual funds with direct market exposure offer value. For specialist investors, we recommend outright exposure to commercial real estate in Australia, China, Germany, France, Canada and selected US and Latin American markets. ■

Urban Magnetism

For decades, cities have attracted people in search of opportunity. From São Paulo to Shanghai, their ability to connect talent, resources and ideas has caused urban areas to prosper.

In Manhattan, the average wage in 2010 was 45 percent higher than in Silicon Valley, and 170 percent above the US average. In his book "Triumph of the City," economist Edward Glaeser asserts that cities are hubs of productivity and innovation, fueled by competition for talent as they allow for social and economic mobility. In essence, cities are all about relationships and opportunities, or in the words of Harvard's Rosabeth Moss Kanter, cities appear to be "one big dating game."

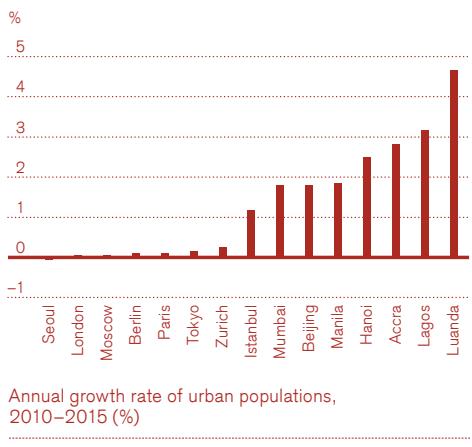
Between Prosperity and Urban Divide

The urbanization trend is most evident in emerging markets: Over the next 10 years, per capita income is set to nearly double throughout major cities in Africa and Asia. Between 2010 and 2020, Shanghai's GDP will grow by the same amount as Tokyo's in absolute terms, while Mumbai's will exceed that of Hong Kong. However, the rise of the urban consumer also opens a chasm between haves and have-nots: While over 200 million people have been lifted out of slums over the last 10 years, the number of new slum dwellers increases by 6 million every year, according to a report from the United Nations. For instance, Angola's capital Luanda is growing at a staggering 4 percent per year, fueled by large-scale oil and infrastructure projects, but two-thirds of the city's inhabitants live in poverty. Beyond prosperity, the urban divide manifests itself in environmental degradation, income inequality and exclusion.

Sustainable Cities

Historically, there has been a fine line separating urban success from demise. What, for instance, caused Peru, the center of the wealthy Inca civilization in the 15th century, to fall behind the United States so dramatically in terms of per capita income? While urbanization 600 years ago is indeed negatively correlated with GDP per capita today, the reversal of fortune is rather explained by colonial institutions than attributable to urban demise. In their seminal work on institutions and economic growth, Daron Acemo-

Growth Rate of Urban Populations



Source: United Nations, Credit Suisse

glu, Simon Johnson and James Robinson forcefully argued that while colonial powers introduced property rights and room for alternative policies in sparsely settled areas, they deprived urban societies of their ability to renew by creating extractive institutions that left wealth in the hands of a small elite. Then and now, institutions matter. Today, metropolitan governance that safeguards access to opportunity while mitigating environmental and social risks will likely be the cornerstone of urban success.

Implications for Business Models

Today, urbanization is not simply about the expansion of an urban jungle; it is about transformation. Municipal governments are judged against their ability to provide efficient transport, manage health care and prevent crime. Cities are expected to provide high-quality recreational areas, clean air and affordable housing. This inevitably creates a wide range of opportunities for the private sector, including efficient transportation, waste management, environmental solutions and information and communication technology to manage flows of people and goods. Their biggest asset, however, will be their ability to connect resources and talent.

Markus Stierli
Economic Research, Credit Suisse

Under Construction

The current dilapidated state of infrastructure in the developed countries as well as the rising demand for infrastructure in emerging economies suggests increasing capital needs. Coming at a time when traditional sources of funding are limited, this opens up opportunities for investors.

All countries – no matter how big or small – will face many new trends during the next several decades. Factors such as changing regulations, renewable resources, customer demands, infrastructure and finance, technology and training, and even “better practices” will provide challenges going forward. Anticipating these megatrends and preparing strategies to deal with them will be more productive and sustainable in the near term.

In today's world where everything is changing fast, countries in general must learn to adapt for the new future. The 2008 financial crisis resulted in a “new normal” environment of persistently high unemployment, increasing regulation and low interest rates in many developed countries. In addition, whispers of moderating emerging market growth have become louder given a backdrop of economic, political and even social uncertainty. While one cannot foresee how global growth will continue, one industry has proven to be everlasting during all economic periods historically: infrastructure.

Characteristics of Infrastructure

There are various definitions of what constitutes infrastructure, but generally infrastructure refers to the large-scale public systems, services and facilities of a country or region that are necessary for the proper functioning of global economies. These include transportation, communication systems, water, energy production, energy distribution, waste management and public institutions, such as schools, post offices and prisons. Infrastructure assets are generally characterized by high development costs – due to high barriers to entry – and are generally managed and financed on a long-term basis. The asset



“Global growth and urbanization are creating demand for more infrastructure.”

Yogi Thambiah

class is typically divided into two major groupings: economic (transport, communications, energy and utilities) and social (for example stadiums or health care facilities).

Role of Government Questioned

Historically, it was seen as the role of the government to fund and manage these assets for the good of the population. Today, this role is increasingly being questioned both in terms of the absolute cost to taxpayers and as to whether a government can deliver the assets as efficiently as a private company competing for the privilege. From the government's perspective there is a strong case for privatization, where the debt raised by the private partner remains on their balance sheets, not on that of the Treasury's. These factors have resulted in a gradual migration from the public provision of infrastructure to the private sector. The private provision of these assets may take many forms from joint ventures, concessions and franchises through to straight delivery contracts. Essentially the private sector is being brought in to design, build, finance and maintain public sector assets in return for long-term contracted payments from the government or access to the revenues generated from the asset.

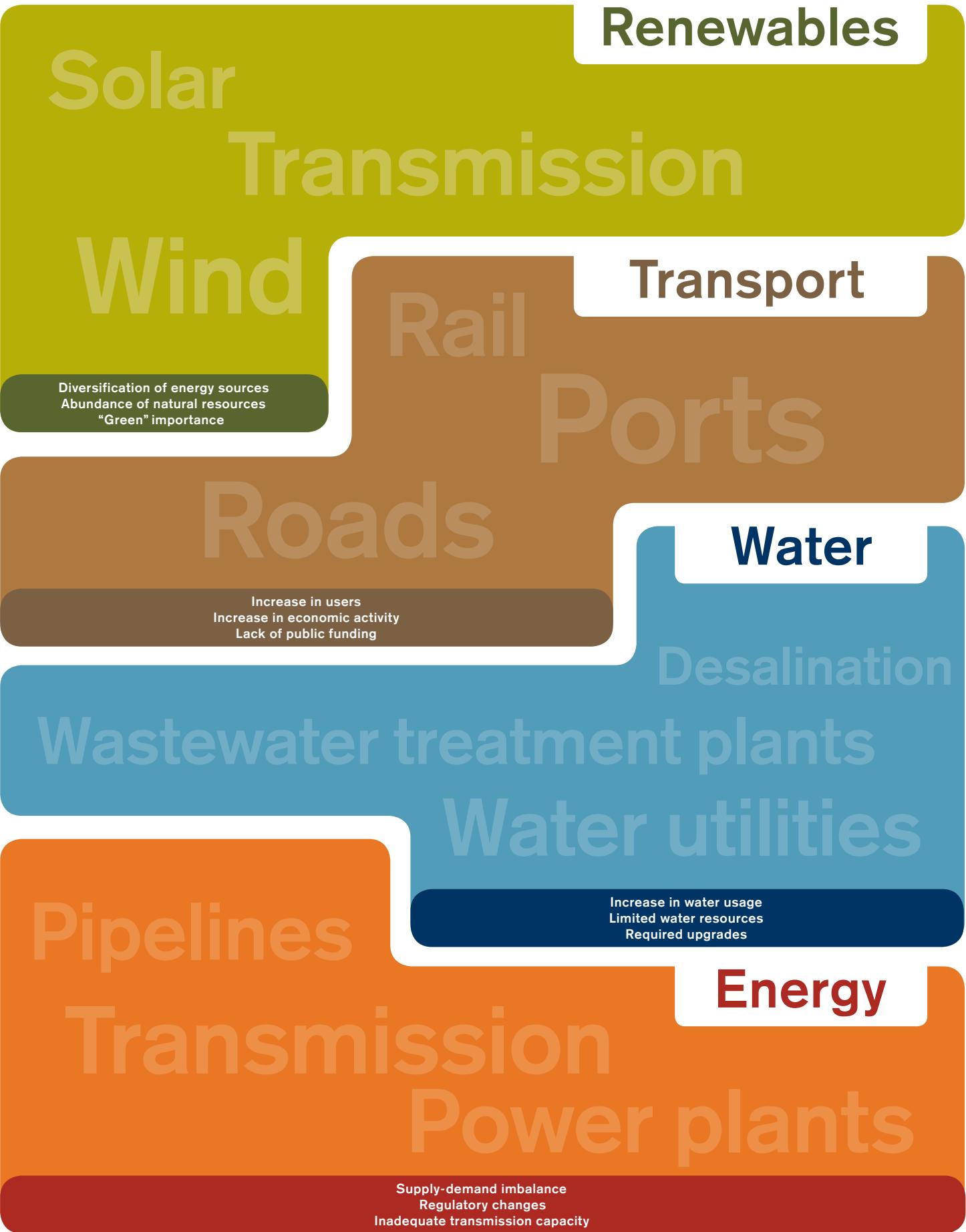
Within the broader economic and social categories, infrastructure is often classified

depending on its stage of development. From this perspective, infrastructure is traditionally seen as “greenfield” or “brownfield” assets. Sometimes referred to as “growth infrastructure,” greenfield investments refer to new facilities that require design, financing, building and operating. Brownfield investments essentially refer to existing, aging assets that require rehabilitation and are sometimes referred to as “mature infrastructure.” Geographically, greenfield infrastructure investments are more prevalent in emerging markets, while brownfield assets are more characteristic of developed markets.

One of the key characteristics of infrastructure assets, and what can make them particularly attractive as investments, is that they tend to be, or exhibit the characteristics of, natural monopolies. Infrastructure assets tend to be subject to varying degrees of government regulation, depending largely on the degree of natural monopoly. This is not necessarily to the detriment of investors in infrastructure, as it provides a level of surety regarding the income streams that will likely flow from the asset. Regulation governing revenues of many global infrastructure businesses tend to have embedded pricing formulas allowing these companies to raise the prices of their services according to the path of inflation. That factor – combined with a captive customer base – tends to make the cash-flow streams of many infrastructure assets relatively insulated from the ups and downs of the economic cycle.

The Need for Infrastructure

Global growth and urbanization, particularly in developing markets, are creating an unprecedented demand for the development of >



There are various definitions of what constitutes infrastructure, but generally infrastructure refers to the large-scale public systems, services and facilities of a country or region that are necessary for the proper functioning of global economies.

➤ infrastructure and all forms of energy. Increasing regulations, continued growth in communities and the evolution of consumer attitudes in terms of trust and confidence, mean there is tremendous need for infrastructure investment. Aging facilities are in need of repair, while growing populations are also straining existing system capacities. Drainage management and watershed management are also becoming more critical and the required infrastructure investments are extremely large as a result. Though investment estimates vary widely, even the lowest numbers are

staggering, as coalitions within the industry try to develop a sense of urgency to act on the growing needs.

Analysts are convinced that there is strong demand for infrastructure based on both secular and cyclical trends. From a secular perspective, they believe that infrastructure investment overall has not kept pace with economic growth. As a result, they expect urbanization and modernization to be the main global infrastructure drivers. The American Society of Civil Engineers, for example, estimates that roughly 2.2 trillion US dollars

will be required to update the US infrastructure system alone over the next five years.

Further, analysts expect that world governments have relatively limited resources – especially after the Great Recession – and restricted ability to raise both debt and taxes. They believe that this situation is likely to continue for some time, as they do not expect recent government stimulus packages to be enough to fill the global infrastructure financing needs. Further, burgeoning government deficits may spur privatization as governments sell assets to cover budget shortfalls.

In this light, it is argued that the growing demand created by expected capital needs – vis-à-vis the expected limited public capital – opens an attractive window of opportunity for private investors contemplating infrastructure.

Certain sectors are more attractive in different geographies largely because governments vary widely in their attitudes towards privatization. In the US, power generation is generally privately held while public transportation is in the hands of the state. In Europe the opposite is true. Privatization of energy assets is beginning to take place in Europe, while first steps have been taken in the US to privatize certain transportation assets with mixed results so far.

Certainty in Times of Uncertainty

The current dilapidated state of global infrastructure suggests an increasing need for investment as a result of decades of under-investment in developed economies, as well as economic growth, rising standards of living and the need for infrastructure improvement and development in emerging economies. This demand for capital is occurring at a time when traditional sources of funding for infrastructure investments are limited. Many of the public and private sector sources of capital that have historically funded infrastructure investment are either unwilling or unable to satisfy the need for new investments. These dynamics will continue to compel governments to privatize existing infrastructure assets. Given the current economic volatility, political tension and high unemployment plaguing the global economy, infrastructure can offer opportunity, expansion and growth during these times of uncertainty.

Figure 1

Risk/Return Profiles of Infrastructure Investments Vary Widely

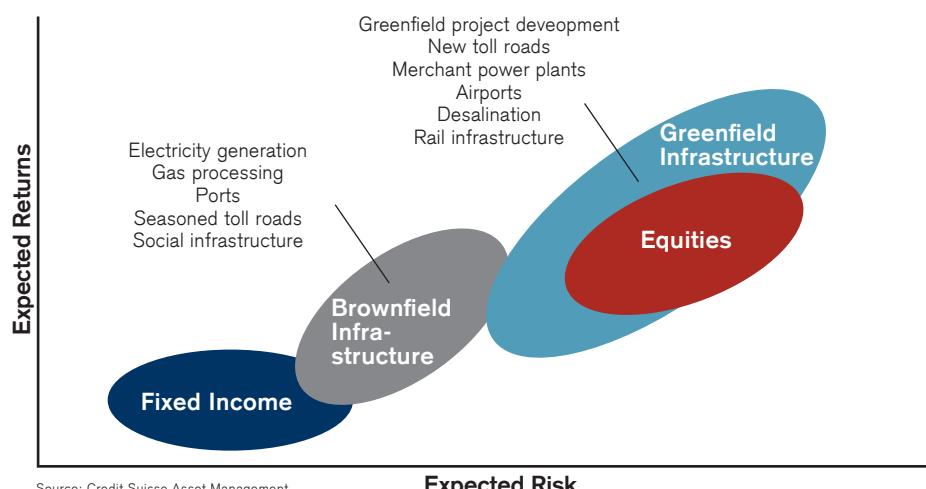


Figure 2

As an Asset Class, Infrastructure Is Traditionally Divided Between Economic and Social Types of Investments

Economic Infrastructure		Social Infrastructure	
Transport	Energy and Utilities	Communications	Social
Airports	Gas networks	Cellular towers	Health care facilities
Bridges	Storage facilities	Transmission networks	Correctional facilities
Parking systems	Electricity networks	Cable networks	Housing/subsidized housing
Ports	Power generation	Satellites	Waste facilities
Toll roads	Renewable energy (wind, solar power, etc.)		Stadiums
Tunnels	Water and sewage		

Source: Credit Suisse Asset Management

Yogi Thambiah and Nicolo Foscari
Investment Strategy

The Sky Is the Limit

Change is afoot in the world of business aviation: Alongside the key market of the US, the emerging markets are becoming increasingly significant. Here, Credit Suisse has established itself as the market leader. The Corporate Jet Investor 2012 Award for "Best private bank for business jet finance and advisory" testifies to the outstanding competence of Credit Suisse specialists – in particular the high regard in which they are held by clients.

To fly like a bird has been a dream for humankind since time immemorial. Evidence suggests that the glider – the first man-made flying machine – was designed in China back in the fifth century B.C. In 1505, universal genius Leonardo da Vinci drew ornithopters, helicopters and parachutes. He was well ahead of his time, though. Two hundred years ago, the famous tailor of Ulm became a laughing stock when his glider crashed into the Danube; only recently did we discover that his flying machine had actually been airworthy in principle. Another hundred years were to pass, however, before aviation took a decisive step forward: The Wright brothers achieved the first controlled, powered and sustained flight (1903), Louis Blériot

crossed the English Channel (1909), while Louis Béchereau developed a streamlined fuselage – the Deperdussin Monocoque – that allowed a doubling of airspeed to 204 kilometers per hour (1912/1913).

We have been aware not only of the importance of technical developments but also of safety measures ever since Icarus, whose wings were made by his father Daedalus using wax and bird's feathers and melted when he flew too close to the sun. While at a later date the early pioneers of flight all too often paid for their courage with their lives, Igor Ivanovich Sikorsky in 1913 built the first large aircraft that was able to continue flying safely and in a stable manner even when one or two of its engines had failed. Today's aircraft

are among the safest forms of transportation – especially in the business aviation sector. The statistics show that business jets suffer around 0.07 accidents per 100,000 flying hours. But safety is also a concern in financial terms given that large jets can easily cost 40 to 50 million dollars, even in standard specification.

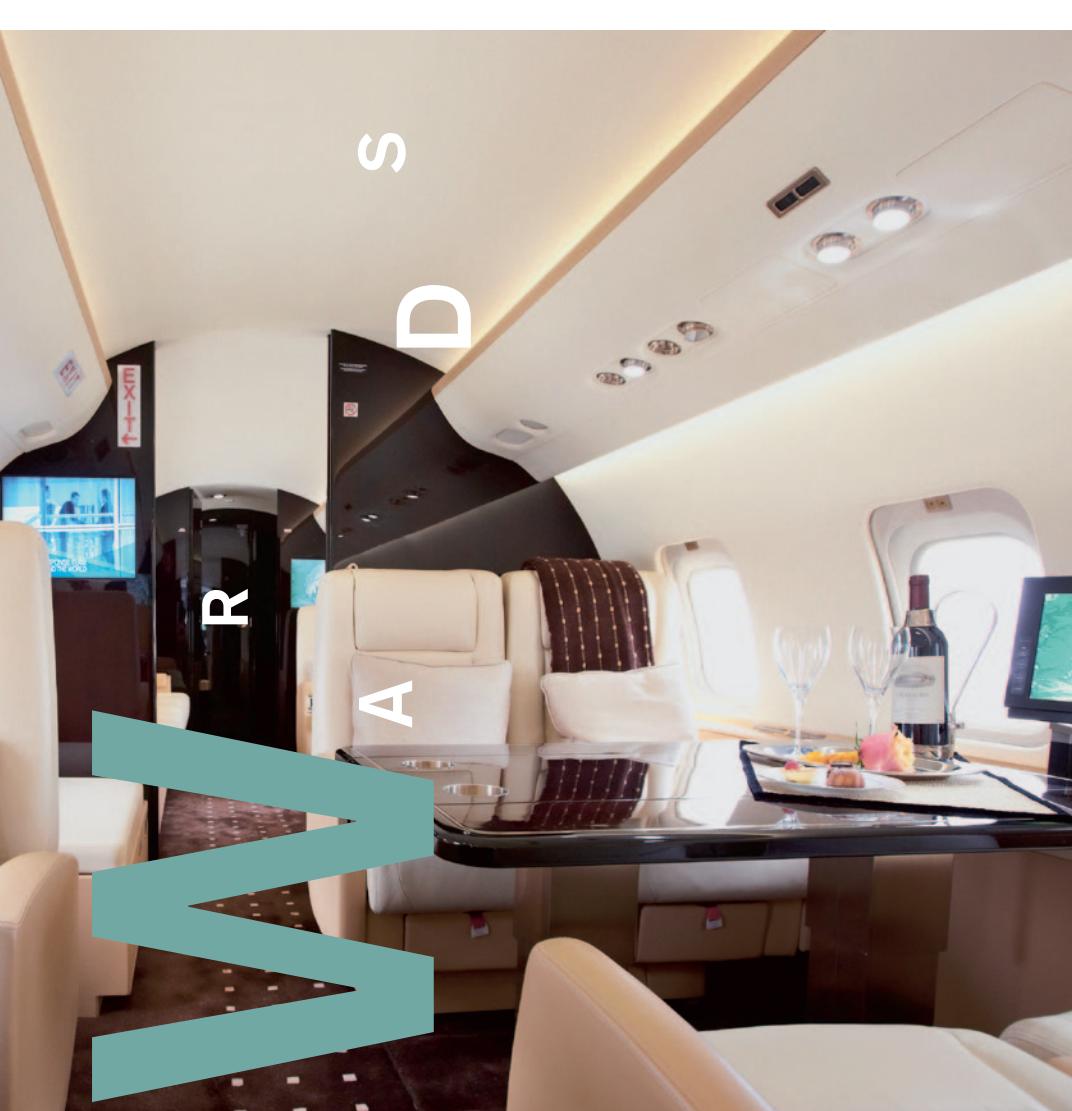
Although the development of aviation is an international affair, business flying has its origins in the US. "Prior to the global financial market crisis, around 1,000 business jets were manufactured in the peak years of 2007 and 2008," explains Michael Rentsch, Head of Credit Suisse Aviation Finance. "Approximately three-quarters were sold to the US and the remainder to other countries." Accordingly, the US is the world's biggest and most important market for business jets – yet Credit Suisse decided against the US market when, in 1998, with 50 or so years' experience in ship finance under its belt, it also moved into aviation finance. "We believed the smaller markets offered greater opportunities, and were proved correct," Rentsch recalls. On the one hand, the US market share of new deliveries has fallen continuously and currently stands at around 60 percent; on the other, Credit Suisse has positioned itself as one of the most important players in the other regions. In this regard, he points to Europe as well as the BRIC countries and other emerging markets. Asia too is becoming a significant region, as is the case in other industries.

Corporate Jet as an Investment

"The development of business aviation mirrors the economic situation in general," explains Michael Rentsch. "Big businesses have been built up by the new, dynamic generation of entrepreneurs in the emerging-market countries. The distances involved in Russia or Asia are normally considerably greater than those in Western Europe and the service provided by the main scheduled airlines is often fairly limited. Those who do not wish to lose valuable time on business trips are dependent on their own corporate jet." The private or corporate jet is a business investment; the days when they were seen as little more than expensive luxury toys are behind us. "It's a fine line, however: On the one hand, entrepreneurs and top executives spend a lot of time on planes, with the result that they attach importance to the right interior outfitting, including state-of-the-art technology and are also emotionally attached to their aircraft; on the other, the private jet is sometimes

EBACE in Geneva Is Highpoint of the Year

Around half a dozen specialist trade fairs of key importance to business aviation are held worldwide. A number of Credit Suisse staff attend most of them, while at EBACE (European Business Aviation Convention & Exhibition), held in Geneva from May 14 to 16, Credit Suisse will even have its own stand. EBACE is the second largest international trade fair after the NBAA in the US with around 500 exhibitors, more than 60 aircraft and over 12,000 visitors, including both manufacturers and industry specialists – as well as interested buyers. This fair presents excellent opportunities, not least because the Basel region surrounding EuroAirport has developed into a leading center for the interior outfitting of business jets.



Photos: Cédric Widmer | Credit Suisse



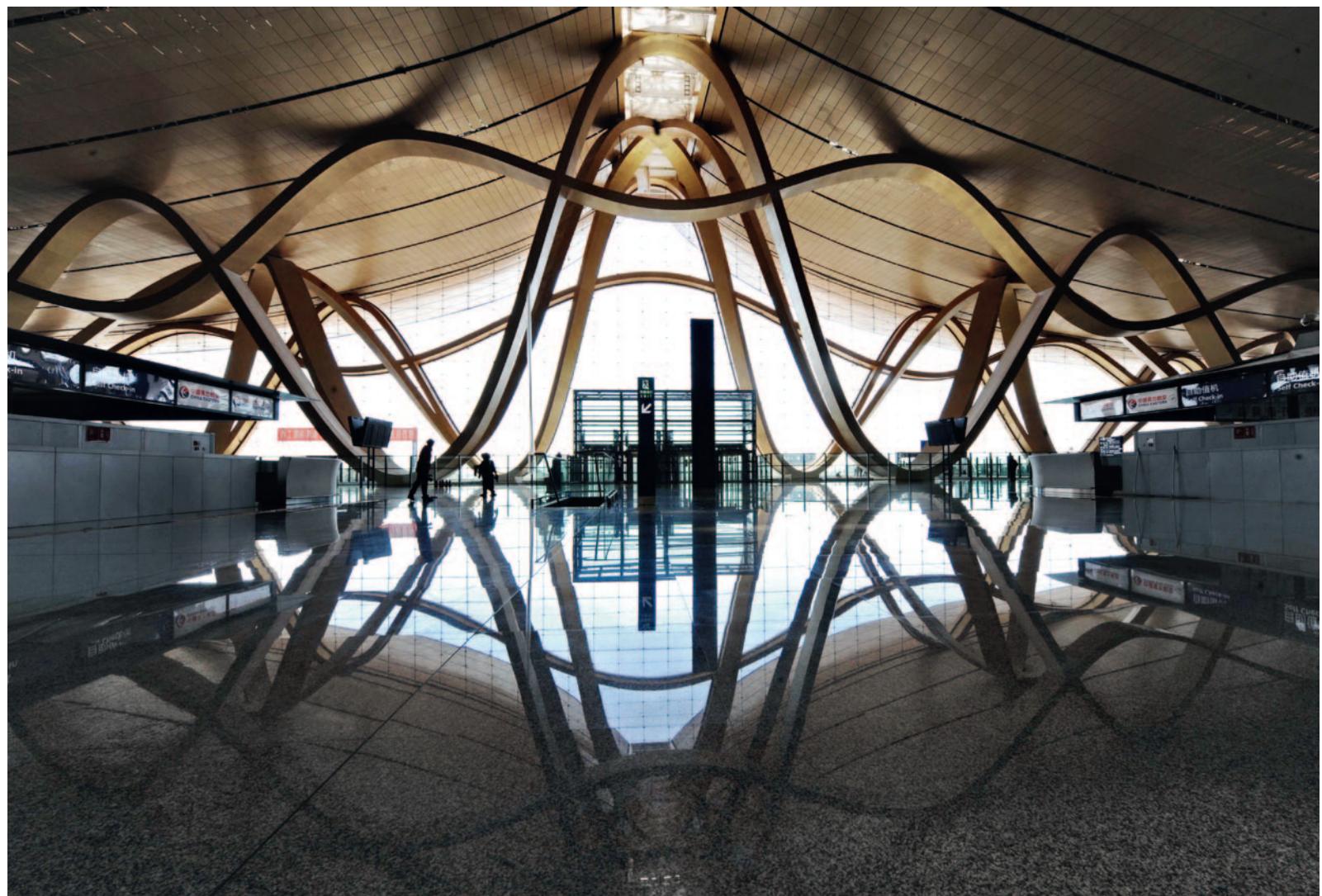
Alasdair Whyte (left), editor of Corporate Jet Investor, and Michael Rentsch, Head of Aviation Finance at Credit Suisse.

systematically used as a marketing tool, for instance by inviting important clients on a flight," concedes Rentsch. At the same time, though, he stresses that: "The sums must add up."

What may sound simple to the person on the street is in actual fact a scarcely impenetrable set of rules and regulations. Getting an aircraft off the ground takes more than just a successful purchase transaction. The 20-strong Aviation Finance team includes not only finance specialists but also pilots, engineers and lawyers. The contract documents can easily fill two standard folders, and clients really appreciate it when the financial specialist reads through it all and explains it to them. "For us, therefore, the two industry awards that we won in February are above all an important confirmation of our efforts because they are based to a considerable extent on feedback from key members of the industry and sector," says a delighted Michael Rentsch. "Clearly, it's not just our clients but also the industry professionals who are very pleased with our services."

Rentsch also makes reference to the inaugural Corporate Jet Investor Awards, which were presented in London in February 2012. Credit Suisse won the award for "Best Private Bank for Business Jet Finance and Advisory" – one of the most important categories – and was also crowned "European Business Jet Financier 2012." The activities in Russia were probably the make-or-break factor as far as the latter award is concerned. The bank also received three "honorable recommendations," which, in light of its decision to opt out of the US market, should also be regarded as an impressive seal of quality.

Andreas Schiendorfer



Look to the Skies: Asia's Airports Are Booming

For proof that Asia's economies are booming, look to the skies. Bangkok's new airport, for example, is already operating over capacity and traffic demand is set to increase by more than seven percent annually until 2030.

Terrence Murray, Research Analysis and Policy

Asia is quickly becoming one of the world's largest aviation markets, and the growth of air traffic in the region is fueling a construction boom as many Asian countries scramble to expand their infrastructure in the face of an increasing number of passengers. Last year alone Jakarta's Soekarno-Hatta International Airport, Guangzhou's Baiyun International Airport and Shanghai's Pudong International Airport all landed on the Airports Council International (AIC) list of the world's 20 busiest airports. Growth has been especially robust in China; in 2010, Baiyun International tallied a 10.6 percent increase in passenger traffic over the previous year and Pudong saw its own traffic rise by 26.4 percent.

Overcoming Overburdened Airports

All the new flyers are straining local air networks, and authorities in the region are increasingly worried about problems like chronic delays and poor customer service. Concerned that overburdened airports could take a bite out of economic growth, many countries in the region have been busy spending money building new facilities and expanding existing ones.

Tourist-dependent Thailand is a prime example. Last decade the kingdom invested more than 4 billion US dollars in Bangkok's

ultra-modern Suvarnabhumi Airport. Officially opened in 2008, Suvarnabhumi can process 45 million passengers annually. However, Thailand is far from the only Asian economy to significantly expand its airport capacity in recent years. Over the last 10 years Hong Kong, Beijing, Tokyo and Shanghai have all either added new terminals or built entirely new airports. While these projects are often a source of local pride, the facilities themselves are often a major economic driver according to Sam Lee, Credit Suisse's Head of Asian Transportation Research in Hong Kong.

"It was estimated that in Hong Kong, for example, the value added from the aviation industry represents 8.2 percent of the city's gross domestic product, and the industry directly and indirectly employs more than 7 percent of the working population," said Lee.

Regional Competition Heats Up

The building boom seems likely to continue across Asia. South Korea recently green-lit a 4 billion US dollar expansion of Seoul's Incheon International Airport, a mere 10 years after the airport first opened for business. Today, Incheon is Asia's eighth busiest hub, handling about 33 million passengers annually. Authorities estimate that the expanded

airport will eventually process 62 million passengers and 5.8 million tons of cargo a year. As airports expand, regional competition is heating up. Secondary gateways like Incheon or Beijing's Capital International Airport are hoping to become hubs that can take away passengers and cargo from major players like Hong Kong and Singapore, which are currently the region's dominant airports. "Of all these airports, we don't know who's going to win," said Lee. "Right now they are adding capacity because they are dealing with growing passenger traffic, but they also see huge benefits in attracting more passengers and cargoes to use their facilities either as a final destination, or regional transportation hub."

Like their more industrialized counterparts, Asia's emerging economies are also dealing with a record influx of traffic. In the Philippines, more than 27 million passengers travelled through Manila's Ninoy Aquino International Airport in 2010, up 13.3 percent from the year before. In Vietnam more than 9.5 million passengers used Hanoi's Noi Bai International Airport in 2010, up 21.5 percent year over year. To ease overcrowding Vietnam broke ground on a 961 million US dollar terminal at Noi Bai earlier this year. The new terminal is slated to begin commercial operation in 2014.

A Cautionary Tale

Manila represents a cautionary tale for countries that hesitate to expand their infrastructure. Overcrowding has damaged Ninoy Aquino's international reputation, with the influential travel website sleepinginairports.net calling the airport one of the world's worst. While there are no plans to build a new terminal or airport in Manila, there has been talk of transferring some traffic to Clark Air Base, a former US Air Force facility northwest of Manila.

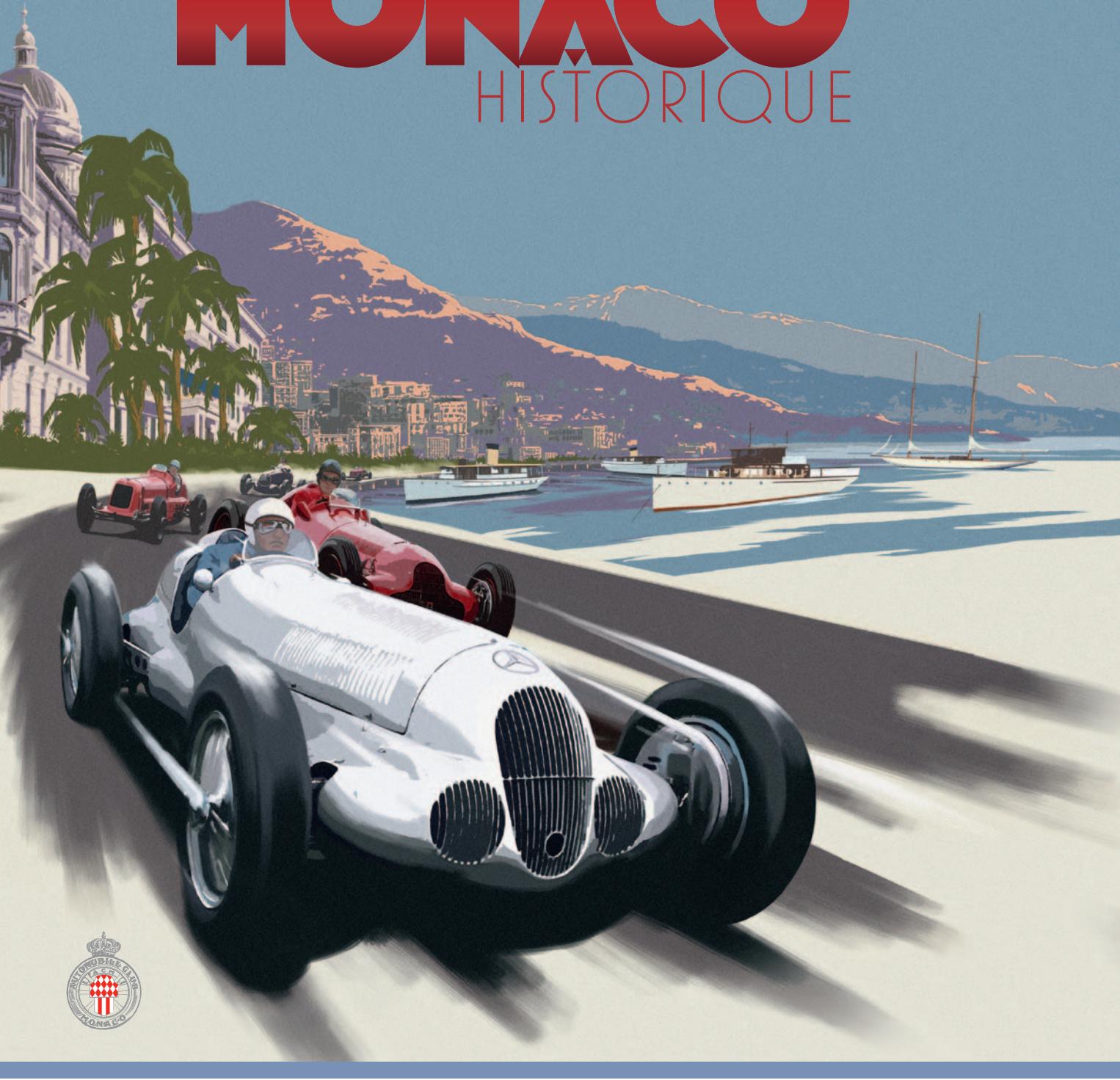
The trade publication Orient Aviation calculates that Asia is poised to invest roughly 109 billion US dollars over the next decade to expand and modernize its airport infrastructure. China alone has committed 58 billion US dollars to modernize its airports, including the construction of a second facility in Beijing. The expansion of infrastructure represents both a formidable challenge for Asian economies and a potential opportunity for lenders. The region's economies must expand their airports if they want to continue their impressive growth rates, but they will also be searching for ways to finance their ambitious expansion plans. ■

LES AMIS DU

CREDIT SUISSE



GRAND PRIX DE **MONACO** HISTORIQUE



MONACO. MAY 11–13, 2012.

Credit Suisse. Proud to partner the world's key classic car events.

credit-suisse.com/classiccars

 Art in a Business Context

Guernsey Shores and Swiss Art

The collection of works by contemporary Switzerland-based artists expands to its first international location at the Credit Suisse's Guernsey offices.



Photo: John O'Neill, St. Peter Port

Contemporary Swiss art in Guernsey: Kaspar Müller, *Yellow Rope*, 2011, and *Pattern 1+2*, oil pen on paper, 2008.

Credit Suisse began collecting contemporary art from Switzerland in 1975. Today the collection comprises over 5,000 pieces. The Guernsey office will be the first location outside of Switzerland to receive artwork from the collection on loan. The bank's offices at Helvetia Court in Guernsey are currently undergoing a major refurbishment, due to be completed in 2013. One part of the renovation already finished in October 2011 included keeping many original features, such as wood paneling, while adding modernizations and making the facilities considerably more energy efficient.

The area previously displayed art depicting some more traditional Swiss scenes. But after the rooms took on a new, more modern look, it was decided that a new approach was in order. Credit Suisse Collection curator André Rogger visited the offices in October to get a look at the spaces that were available. He returned again in early January 2012 to oversee the installation

and hanging of art in meeting rooms and common areas. Among the two dozen paintings, photographs and sculptures that were selected for the Guernsey premises, Kaspar Müller's *Yellow Rope* seems to best match the local nautical spirit: it is made of coarse rope coiled up to form a kind of basket and then dipped in bright yellow paint so that nothing remains of the rough surface texture of the original.

The yellow paint seals the rope inside a thick, smooth skin, which has the effect of dematerializing it. Thus a banal object of everyday use is elevated into the realm of art. Yet even there, it remains caught between two worlds, for *Yellow Rope* is neither ready-made, nor is it a sculpture or an assemblage. Rather, it defines a place in art created by Müller himself. "Art is always about self-assertion," says the artist, whose own output proves the point. His interest in slipping his works below the radar of discourse and in creating alien things or situations which defy categorization is always clearly apparent. In Müller's works, their self-assertion alone is sufficient to lend them poignancy.

Country Head of Credit Suisse in the Channel Islands, Roy McGregor, said that the art had created a talking point among staff, with clients and other visitors. "The first impression that our clients and prospects have of us is a vital part of the overall welcome experience. The art provides a link to our Swiss parent and makes a bold statement between the old and the new." The Credit Suisse Collection is an anthology of contemporary art from Switzerland that holds and showcases a cross-section of the art being created in all parts of the country. The opportunity to display parts of the collection abroad reflects the bank's international approach. ▀

Credit Suisse Collection

For more information on the collection, site-specific installations and a comprehensive overview of artists and artworks, visit us online at credit-suisse.com/sponsorship

Masthead

118th year of publication, issues published regularly in English, German, French and Italian

Publisher

Credit Suisse AG
(HCGP)
CH-8070 Zurich
SWITZERLAND
Phone: +41 (0)44 333-1111

Editorial Team:

Bettina Junker Kränzle Head of Print Publications
Stefan Behmer Editor-in-Chief

Andreas Schiendorfer (Editor)
Claudia Hager (ch)
Alice Ratcliffe (air)

Bulletin On-line Editor: Schirin Razavi (sr)

Contributors to this Issue:

Ingo Petz, Andreas Walker, Kathleen Karius, Yogi Thambiah, Nicolo Foscari, Terrence Murray, Genevieve Lang, Euan McKirdy, Marcy Frank, Tracy Jones, Julia Hancock, Daniel Huber, Melanie Gerteis, Edna Lam, Cushla Scherlock

Editorial Committee:

Nicole Brändle Schlegel, René Buholzer, Urs P. Gauch, Anja Hochberg, Angelika Jahn, Bettina Junker Kränzle, Hanspeter Kurzmeyer

ISSN registration:

ISSN 1423-1360

Design / Layout / Project Management:

www.arnold.inhaltundform.com

Proofreading:

Text Control AG

Translations:

Credit Suisse Language Services

Printing:

nc ag, Urdorf, Switzerland

Contact / Advertising:

E-mail: Stefan.Behmer@credit-suisse.com

Website: www.credit-suisse.com/bulletin

Changes of Address:

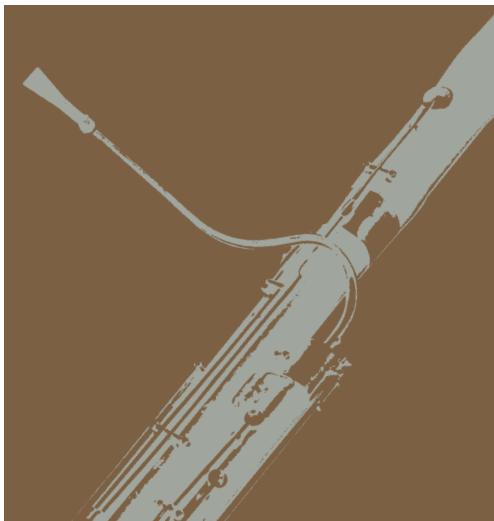
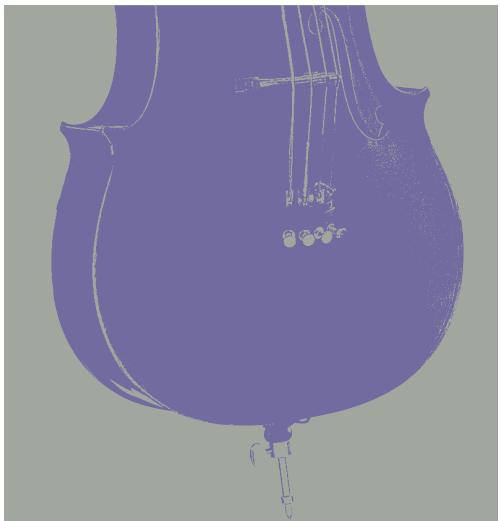
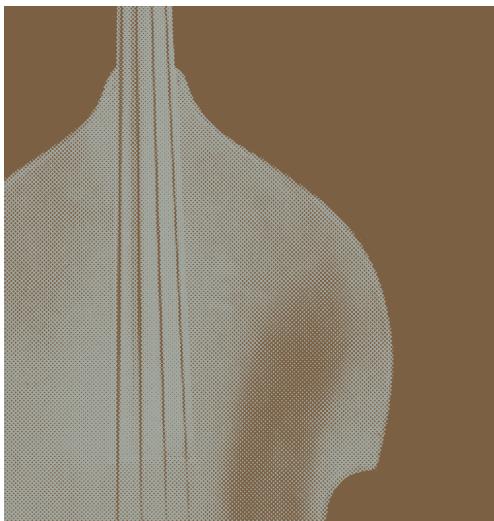
Please send a notification in writing, accompanied by the original envelope, to your Credit Suisse branch or write to:
Credit Suisse AG
SULA 213 - P.O. Box 100
CH-8070 - Zurich Sw

Reprints of Articles:

Permitted with acknowledgment of source (Credit Suisse bulletin)

This publication is for information purposes only. It does not constitute an offer and is not a recommendation by Credit Suisse to buy or sell securities. Indications of past performance are no guarantee of a positive performance in the future. The analysis and conclusions contained in this publication were established by Credit Suisse and may already have been used for transactions by Credit Suisse Group companies prior to being made known to clients of Credit Suisse. The opinions expressed in this document are those of Credit Suisse at the time of going to press. We reserve the right to make amendments. Credit Suisse is a Swiss bank.

bulletin is available in print, for the iPad and online.



Sydney Symphony Orchestra

Text: Genevieve Lang



Orchestrating Young Musical Talent

Each year the Sydney Symphony Fellowship Program takes a handful of Australia's most talented young musicians under its wing, helping to foster the world's future classical musicians and conductors.

Every year, hundreds of instrumentalists graduate across Australia in the hope of becoming professional musicians in a symphony orchestra. But as 2012 Sydney Symphony Fellow Neil Thompson says, "there's plenty that can't be taught at university." In fact, only a handful – the best of the best – will succeed in entering the profession. "The Fellowship gives me the chance to ask the professionals every question I can think of. Even though I've worked with a few of the symphony orchestras, that's not really the time or place to be asking. But I'm sure the Sydney Symphony musicians will be anticipating my questions."

Now in its 11th year, the Sydney Symphony Fellowship, proudly supported by Credit Suisse, is a world leader in orchestral training and forms part of the orchestra's award-winning Education Program. Intense training and mentoring allows the Fellows develop their skills in orchestral technique, musicianship and chamber music, gaining firsthand experience of life as a professional musician.

Gaining Orchestral Experience

The Fellows come from all over Australia. "Growing up in Emerald (Queensland), I hadn't even heard a French horn until I went to university," says Sharn McIver. "But I heard Barry Tuckwell, who's an Australian legend, in a master class and switched to horn from trumpet straight away; my embouchure (the shape of the mouth) and sound quality immediately improved." Now, only four years after picking up the horn, McIver has been selected for the Fellows program. "This is the real deal. I know I need a serious, professional mind-set to work alongside the Sydney Symphony musicians."

"What's unique about the program," says Sydney Symphony Managing Director Rory Jeffes, "is that it identifies and bridges the gap between being an outstanding young musician with sophisticated technical and musical skills and actually being ready for the profession. It addresses questions of interpersonal skills, non-verbal communication and body language, many of those 'soft skills'. It's very much about teaching them how to be a positive, contributing member of an orchestra. An awful lot of it isn't just about how well you play your instrument." Lately, the nine Fellows have been taking part in stage-craft workshops. "One of the things it brought home to me," says oboe Fellow Rachel Cashmore, "is that often we're trained to be >

A Rising Star

The world of conducting has opened its doors to Nicholas Carter, the Sydney Symphony's first-ever Associate Conductor.



"Thanks for coming back." Nicholas Carter's self-deprecating sense of humor is immediately apparent. He's just thanked the musicians of the Sydney Symphony for not disappearing from rehearsal after their coffee break – the suggestion being that they might have somehow taken umbrage and voted with their feet against the 25-year-old conductor.

No chance. In 2011, the Sydney Symphony had so much faith in the young maestro that he was appointed the orchestra's Associate Conductor, the first time such a role has been offered. Carter has since conducted the Sydney Symphony several times on the main stage – the platform of the Sydney Opera House Concert Hall.

At only 25 years of age, Carter says one of the biggest challenges is gaining the respect of a team of older, more experienced musicians. "To conduct an orchestra requires an enormous amount of authority. As a young conductor, to do that without coming across as arrogant is a difficult line to walk. It's important to accept that you have much to learn, but still do the job as well as someone who is older than you."

"Nicholas was tremendous in the role," says Rory Jeffes, Managing Director. "In investing in an Associate Conductor, the orchestra gained a valuable resource of ideas and thoughts, feedback from rehearsals with regards to how the orchestra is sounding out in the hall, and an assistant to all of the great international conductors visiting the Sydney Symphony."

Since then, the doors have truly opened for Carter. He's now working as Assistant Conductor for the Hamburg State Opera where fellow Australian Simone Young is Music Director, and was invited by Scottish conductor Donald Runnicles to the Grand Teton Music Festival in Jackson Hole, Wyoming, during the northern summer.

Busy times then? "Yeah. I already hate airports." Time in transit allows for lots of score-learning, though. **"One of the biggest challenges is learning a lot of music in only a little time. I'm looking forward to everything getting easier with experience."**



01



02



03



04



05



06

01 Sharn McIver has played and toured with the Queensland Symphony Orchestra, Australian Opera and Ballet Orchestra, Orchestra Victoria and Melbourne Symphony Orchestra.

02 Douglas Rutherford enjoyed five seasons as principal bass of the Australian Youth Orchestra and has played principal bass with the Youth Philharmonic Melbourne.

03 Lucy Warren has travelled all over Australia, Asia and Europe with various groups, including the Australian Youth Orchestra and Queensland Youth Symphony.

04 Eleanor Betts has performed with the Sydney Symphony Sinfonia and Australian Youth Orchestra and as an informal member of the Canberra Symphony, Sydney Symphony and Australian Chamber Orchestra.

05 Rachel Cashmore has performed with orchestras in Australia and New Zealand, including Melbourne Symphony Orchestra and New Zealand Symphony Orchestra.

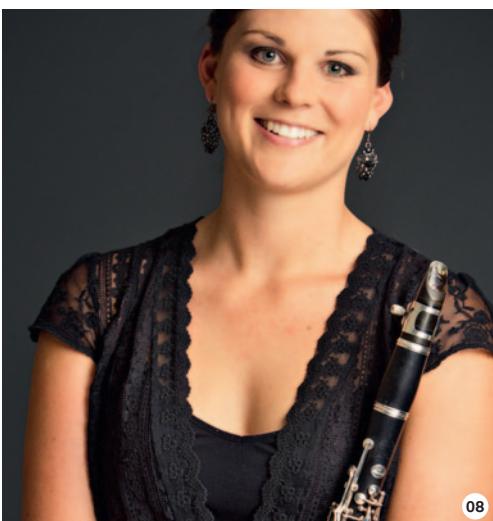
06 Melissa Woodroffe was principal bassoon of the Queensland Youth Symphony, touring internationally with the orchestra in 2008.

07 Neil Thompson was an emerging artist with the Australian Chamber Orchestra and in 2010 he completed a year at the Australian National Academy of Music, studying with Roger Benedict and Christopher Moore (ACO).

08 Rowena Watts has been a member of the Sydney Symphony Sinfonia since 2009 and was a participant in the 2011 Fellowship program. She also performs regularly as a guest musician with the Australian Opera and Ballet Orchestra.



07



08

› good classical musicians, but not necessarily good performers. An audience can really tell when musicians have learned the art of performing. It has to do with stage presence, focus, delivery, even eye contact. All of those things."

The program's director, Roger Benedict (principal viola of the Sydney Symphony), says that more than 55 percent of Fellowship alumni are now working in professional orchestras, in Australia and around the world – proof that the program works. "We are, of course, training musicians for the Sydney Symphony. But we have to do more than that. We want them to be leaders – beacons – for the future. Whatever the future holds for music, we want the Fellows to be at the forefront of it."

Inspiration for the Future

Though the orchestra is celebrating its 80th year in 2012, Jeffes says it's vital that the orchestra adapts to stay relevant. Like the Greek god Janus, whose two faces looked to the future and the past, Jeffes acknowledges the long tradition this milestone brings with it, but also looks to the future, saying, "anniversaries are only helpful if they also allow a forward-looking aspect. We see the art form of music, as well as the way in which it's presented, as a live, developing art form, and not just a heritage art form."

Supporting and developing outstanding young musicians is key to this vision. Clarinetist Rowena Watts and bassoonist Melissa Woodroffe so valued the Fellowship in 2011 that they've signed up for it again this year. "The variety and number of opportunities offered to the Fellows is just invaluable. I'm an old hand now," Woodroffe says, "but I'm so enjoying playing more chamber music, and working in the orchestra again."

For Watts, aspiring to be a musician came with a clear understanding of the challenges in achieving his ambition. "Some people work as hard as they can, but still never quite get there. I like to know what lies ahead and to have things planned, but in this business, that isn't always possible." So what keeps her going? "I love playing my instrument, pure and simple. I love interacting with other musicians and being able to express feelings and emotions through music. It's as if something indefinable takes over and there's nothing quite like it. To be able to do something that makes you feel like that every day is remarkable. I feel extremely lucky that I'm able to do this." ■

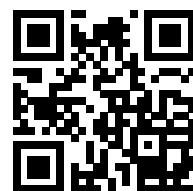
The Sydney Symphony's Star Stature

In 2012, its 80th anniversary year, the Sydney Symphony is presenting four Gala concert series, all supported by Credit Suisse. Beethoven's rousing "Ode to Joy" rang out in February as the opening concert of the season. Violin virtuoso Anne-Sophie Mutter performed with the orchestra in March. Later in the year, two further offerings are planned. Performances based on the sound track accompanying a screening of "The Lord of the Rings: The Two Towers," as well as an opera in concert, Tchaikovsky's "Queen of Spades."

With such diversity, the Sydney Symphony satisfies both sophisticated and varied tastes of concertgoers. "The orchestra is at a point now where we are capable of inviting the finest soloists in the world to come to Australia, artists who have never before been here," says Managing Director Rory Jeffes. Previously, this part of the world may not have been on the agenda of such performers, but this is changing. Anne-Sophie Mutter and pianist Evgeny Kissin visited last year. The Sydney Symphony secured exclusive Sydney-only engagements with both. "These are artists who have their pick of orchestras," he says. Their visits are possible due to the orchestra's growing international reputation, its association with Principal Conductor and Artistic Advisor Vladimir Ashkenazy and the quality of the orchestra.

Ashkenazy is clear that when it comes to the financial business of running orchestras, the situation can be challenging. "We artists – we always lose money on everything. The orchestras cannot exist without financial help. Whenever a company understands the importance of promoting great arts, especially music, we are very grateful that they help us."

For further information on the Fellowship and Associate Conductors Program, please visit www.credit-suisse.com/sponsorship



Scan the QR code to stream a video with Vladimir Ashkenazy on the Associate Conductor Program directly to your smartphone.

Hong Kong

Text: Euan McKirdy

Feast of Culture

As the Hong Kong Arts Festival celebrates turning 40, it is more relevant than ever to a burgeoning cultural movement in Hong Kong.



Hong Kong is often looked upon as lacking the cultural and artistic credentials it should possess as a city of its size and global presence. The city's cultural detractors point to a paucity of local talent and a lack of government investment in the arts, but in truth the government has long been an active supporter of one of Asia's largest arts events, the annual Hong Kong Arts Festival. This largesse has been an integral part of the Special Administrative Re-

gion's commitment to funding, promoting and supporting the arts in Hong Kong. Throughout the festival's four-decade-long history it has also been supported by the non-profit Hong Kong Jockey Club and a slew of private companies and organizations, including Credit Suisse. Since 2009 Credit Suisse has been a major supporter of the festival, promoting young artists through the Credit Suisse Emerging Artists Series. This year's featured performances come in the form of a

much-anticipated recital by cellist Danjulo Ishizaka, along with Martin Stadtfeld's piano recital of Bach's "The Well-Tempered Clavier" and two evening performances from the extraordinary Pavel Haas Quartet. The Arts Festival is one of the city's most-highly regarded events. Both the number and stature of the artists appearing, as well as the rich diversity of the program on offer, gives it significant prominence both locally and internationally. Throughout the festival's storied history it has attracted some of the world's preeminent musicians and performers, including flautist James Galway, tenor José Carreras, the People's Art Theatre of Beijing, Chinese-American cellist Yo-Yo Ma, choreographer Mikhail Baryshnikov, Philip Glass, the Royal Shakespeare Company, the Vienna Philharmonic Orchestra, the Mariinsky Theatre and the famed Bolshoi Theatre.

From Humble Beginnings

The Hong Kong Arts Festival has become an important symbol for a small but committed section of Hong Kong society committed to promoting arts and culture in the city. It had its inception in the early 1970s when locally based art lover Charles Hardy broached the idea with Sir Kenneth Fung Ping-fan and Sir Run Run Shaw – who remains Honorary Life President – who agreed that Hong Kong should have a festival to promote the performing arts. "Early audiences of the festival would be hard pressed to imagine the prestigious orchestras and glittering world stars gracing the stages of the festival today," said Charles Lee, chairman of Hong Kong Arts Festival Society. "They would be awed by the richness and variety of programs and venues available in today's festival. Indeed, the Hong Kong Arts Festival has become a leading cultural event for the whole region and attracts keen interest and anticipation from both visitors and locals alike."

A Feast for the Senses

Since those early days the festival has not only grown in size, prominence and stature, but also more multidisciplinary as it has evolved and today encompasses opera, music, theatre and dance. 2012 has seen the emergence of the 40th edition of the event, which comprised 166 performances in total (38 ensembles or solo artists from overseas and 16 from Hong Kong), played out over 45 days – from January 28 to March 8 – in 17 different venues around the territory. ■

Highlights 2012



Royal Concertgebouw Orchestra

The Royal Concertgebouw Orchestra will perform at the upcoming festival under the baton of Myung-whun Chung. The South Korean conductor presents works by Bartók, Weber and Mendelssohn. Of equal note, the festival will come to an end to the strains of the highly regarded Bavarian Radio Symphony Orchestra. The orchestra, led by conductor Daniel Harding, performs Bruckner, Mahler, Brahms and Schubert.

Local Talent, International Acclaim

As always there is also an equally compelling line-up of local productions, including Poon Wai-sum's take on the property market (always a hot topic in Hong Kong) "Show Flat" and playwright Chong Mui-ngam's collaboration with director Olivia Yan "The Wild Boar." The season continues until April with the popular "The Truth about Lying."



Merriment & Romance

Opera is represented on a number of cultural fronts. While the Bavarian State Opera – again, widely recognized as one of the world's premier outfits – will perform Mozart's comic opera "Così Fan Tutte," Hong Kong's indigenous opera traditions are represented by a performance which pays tribute to the 1950s, considered the medium's golden age, with "Searching the Academy," based on a true story from the Qing dynasty, and a compilation piece presented by a stellar cast of both Hong Kong veterans and upcoming stars.

Danjulo Ishizaka

Having performed in Europe, the US, Russia and Japan, he collaborated with such celebrated artists as Gidon Kremer and Boris Pergamenshikov.



Pavel Haas Quartet The four young Czech musicians have captured listeners and critics alike with their robust and relentless interpretation of a wide repertoire of string quartets.

Tribute to Laosheng

Further to these two markedly different operatic styles, Beijing opera is also celebrated at the 40th Arts Festival with a tribute to Ma Lianlang, maestro of his day and most commonly associated with the "laosheng" (bearded) role. The Mei Lanfang Beijing Opera Troupe and successors of Ma will give three performances of his most famous and loved works.



Performing Arts Highlights

Dance is also well-represented and performances by the Hamburg Ballet (performing two of John Neumeier's signature pieces: "Third Symphony of Gustav Mahler" and "A Streetcar Named Desire") along with the Monte Carlo and Lyon Ballets forming a core of performances, alongside a number of other key troupes make 2012 a special year for the city's dance enthusiasts.



Martin Stadtfeld Hailed as one of the most splendid young interpreters of Bach's keyboard works, his debut album of Goldberg variations topped the German classical charts.

Traditional and Contemporary Productions

Theater is always a strong point at the festival and past works have included the Kevin Spacey-starred Richard III. From Peter Brooks' retelling of "The Magic Flute" to Brian Friel's "Faith Healer" there is a strong international element to the performance arts this year.



Scan the QR code to watch a video on Daniel Harding, one of today's most sought-after young conductors as he prepares for the Hong Kong debut of the Bavarian Symphony Orchestra (BRSO) during two nights of beloved masterpieces from the Austro-German classical repertoire.

For more information, please visit credit-suisse.com/sponsorship



Text: Marcy Frank

A Beacon of Strong Leadership

After a long and distinguished career in arts administration, Zarin Mehta will retire this summer. Born into a well-known musical family in Mumbai, he himself pursued a career in finance. Yet, an interest in music stemming from his upbringing and his strong sense of civic responsibility led to a stint on the executive board of the Montreal Symphony. Only three years later, Mehta took a leave of absence from his accounting practice to manage the orchestra and never turned back. His nine-year tenure was just the beginning of a highly accomplished career in arts administration that has brought him from Montreal to Chicago and finally, to New York. "I grew up with music very much in my life," he said. "I achieved success by combining my training as an accountant with my family upbringing and the love of music."

During his career, Mehta has witnessed a profound change in the way orchestras are funded and how closely aligned the orchestra's fortunes are with economic prosperity. In each role he broadened the reach of the orchestra and has been credited with commissioning new works, cultivating young musicians and exciting audiences worldwide through highly successful tours and technological innovation. "In Montreal, we put a Canadian city on the world map," he recalled. "Part of the success was the partnership with a local financial institution as a major sponsor. They funded extraordinary concerts and sent us on tours around the world. We played at the Montreal Forum, home of the Canadiens

Zarin Mehta's nine-year tenure was just the beginning of a highly accomplished career in arts administration that has brought him from Montreal to Chicago and finally to New York, where he has successfully led the New York Philharmonic through the first decade of the new millennium respecting the fragile balance between tradition and innovation.

(hockey), to an audience of 16,000 people. Another highlight was when Luciano Pavarotti joined the orchestra. No one had done that before." Later, in 1990, Mehta moved to Chicago to lead the Ravinia Festival, a job he fondly remembers as very exciting and challenging at the same time. "It gave me a chance to lead a well-managed festival with an excellent staff. It was really multidisciplinary," said Mehta. "I created the jazz festival. At one point we did 150 concerts in three months. It was 10 years of intense work, but with great musical pleasure." When the opportunity arose to move to New York ten years later to lead the New York Philharmonic, Mehta admits he was unsure about relocat-

ing, but the opportunity to live and work in New York at the Philharmonic, where his brother, Zubin, was a former musical director, was too exciting to pass up. The first few years in New York were turbulent, Mehta recalls. Just one year after his arrival in 2000 as executive director, the September 11th attacks occurred and financial support for the orchestra slowed significantly. The few years that followed were filled with great artistic achievement, but with limits on how much could be accomplished, especially on a global level. Credit Suisse came on board in 2007 as the Philharmonic's first and sole global sponsor, giving the orchestra both financial stability and a global platform on which to spread their artistic reach.

Fostering Successful Partnerships

"The partnership with Credit Suisse is a highlight," said Mehta. "We have been very pleased. It was a remarkable gesture on their part and we're happy with them and their staff. We have had very good people from the bank on our board – Paul Calello and Antonio Quintella. We've had good relationships with senior executives. It has been a real win-win situation for both of us."

"It has been my great pleasure to work with Zarin Mehta at the New York Philharmonic over the past year," said Antonio Quintella, Chief Executive Officer for Credit Suisse in

"I think in all cultural organizations there has to be renewal. I'm also of a certain age that someone new can come in with a breath of fresh air. Things change and I think that's important. We've done everything that we wanted to do." Zarin Mehta



the Americas region. "He has been a close partner for many of us at the bank and I wish Zarin nothing but the best in the future. He will be missed." Through this partnership, the New York Philharmonic has toured worldwide and been exposed to many of the bank's clients. "They bring an audience to our doorstep," said Mehta. "It is important for us to make contact with leaders of industry as potential investors. It helps that we are able to present extraordinary performances as theirs – to introduce clients to the music."

Between Tradition and Innovation

"Zarin Mehta has been a beacon of strong and wise leadership for the New York Philharmonic through 12 memorable seasons," said Eric Latzky, vice president for communications at the New York Philharmonic. "As an enthusiastic partner to three music directors – Kurt Masur, Lorin Maazel, and now Alan Gilbert – he has negotiated the complex path between tradition and innovation with an intuitive grace and dignity that has won him the respect and admiration of the orchestra, board of directors and staff. His legacy is clear: the preservation and advancement of the New York Philharmonic as a cultural icon and the codifying of its status as America's primary cultural ambassador. Thanks to Zarin, we have so many new friends around the country, and indeed around the world." Renewal such as that is a key reason Mehta said he's chosen now to relinquish his role at the orchestra.

"I think in all cultural organizations there has to be renewal," he said. "I'm also of a certain age that someone new can come in with a breath of fresh air. Things change and I think that's important." Mehta and his family plan to move back to Chicago later this year and although he has no plans to take on another permanent job, he will make himself available to orchestras in need on a case-by-case consulting capacity. Upon reflection it is the stability through uncertainty that Mehta is most proud of, thanks in part to the Credit Suisse sponsorship. "I think often about the fact that through turbulent times we have maintained cultural musical mass," he said. "We've done everything that we wanted to do." ■



Photos: Chris Lee | Courtesy of the New York Philharmonic

01 Music director

Alan Gilbert and the New York Philharmonic in concert.

02 Zarin Metha: Negotiating the complex path between tradition and innovation at the New York Philharmonic with intuitive grace and dignity.

03 Alan Gilbert (left), Zarin Mehta (center), and radio host Alec Baldwin at the announcement of the New York Philharmonic's 2011–12 season.



New York Philharmonic 2012 Highlights

Music director Alan Gilbert and the New York Philharmonic will travel in May on the "California 2012" tour, which will include an appearance as part of the San Francisco Symphony's Centennial Celebration. At home at Avery Fisher Hall at Lincoln Center in New York this spring, Alan Gilbert will lead two world premieres: Marc Neikrug's "Concerto for Orchestra," plus Composer-in-Residence Magnus Lindberg's "Piano Concerto No. 2," performed by Yefim Bronfman. The orchestra returns to Carnegie Hall for one special night for a performance of former music director Gustav Mahler's "Symphony No. 6," as part of their 120th anniversary season. The 2012/13 season will open in September.

Exhibition of a Lifetime

National Gallery

Text: Tracy Jones

In recent years a number of blockbuster exhibitions have drawn increasingly record crowds to London's major galleries, but the National Gallery's landmark "Leonardo da Vinci: Painter at the Court of Milan" show can surely claim to be the ultimate.



LEONARDO DA VINCI

Undoubtedly the 323,897 people who saw the most complete display of da Vinci's surviving paintings ever held would agree. This once-in-a-lifetime exhibition – the most popular and the fastest-selling in the National Gallery's history – brought together a sensational collection of paintings and drawings that had never been seen before. Whilst numerous exhibitions have looked at Leonardo as an inventor, scientist or draftsman, this was the first show in the world solely dedicated to his aims and ambitions as a painter and displayed over sixty figurative works by the great artist, alongside works by some of his closest collaborators. The Credit Suisse sponsored exhibition concentrated on Leonardo's career under Lodovico Sforza's patronage during the 1480s and 1490s. Almost every surviving picture that he painted in the northern Italian city during this period was exhibited, alongside a unique collection of his preparatory drawings.

The Most Anticipated Show

Such was the buzz, all advance tickets to "Leonardo da Vinci: Painter at the Court of Milan" sold out within 48 hours of the exhibition opening. This left just some 500 tickets available for sale in the gallery each day, making them the hottest tickets in town. "The new celebrity in town is Renaissance artist Leonardo da Vinci, subject of a major exhibition that has generated the hype of a Hollywood blockbuster," wrote Mike Collett-White for Reuters. Queues snaked around Trafalgar Square, forming earlier and earlier each day as the word spread. Bundled up in coats and sleeping bags against the cold, young and old alike could be seen and heard swapping stories and restorative cups of coffee from flasks as they waited for up to 12 hours. In its last days the line began forming at 11 p.m., the night before the box office re-opened at 10 a.m. the next morning. For many, the queue became an integral part of the whole experience, drawing comparisons with the near legendary 1972 British Museum exhibition "Treasures of Tutankhamun."

The gallery was mindful of doing everything in its power to make it as pleasurable as possible and so, to avoid the crushes experienced at previous blockbusters, restricted the numbers to 180 people allowed in each half hour. "You should probably be reading this review to the sound of a drum roll. The National Gallery's 'Leonardo da Vinci: Painter at the Court of Milan' is the most eagerly

awaited exhibition in living memory," observed Richard Dorment in *The Daily Telegraph*. "Can an artist really be this good, let alone one who produced so few works and those in a calibrated perfection that might seem outdated today?" asked *The Independent's* Adrian Hamilton, who answered himself "Yes, yes, yes. Forget the hype; ignore all the articles and television programs blazoning the trail to this show. Just walk into it."

The Mystery Around *Salvator Mundi*

One of the highlights of the show was the "Salvator Mundi" – Leonardo's recently rediscovered painting thought missing and destroyed for centuries. This was the first time it had been exhibited after its attribution as a genuine Leonardo. "I'm convinced. I'd go to the stake for it," said curator Luke Syson when interviewed by Alastair Sooke for *The Daily Telegraph*. So what was the consensus from visitors? "There's not much question, when standing in front of the picture that it's an authentic Leonardo," Bloomberg's Martin Gayford expressed. However, writing in *the Sunday Telegraph* Andrew Graham-Dixon opined: "The picture undeniably displays a number of the painter's characteristic devices and mannerisms, but there are other aspects of it that seem foreign to Leonardo himself." "No Leonardo exhibition would be complete without a mystery," said Jonathan Jones in *The Guardian*. The debate rumbles on.

Side by Side – for the First Time Ever

No issue in the history of Renaissance art has perplexed experts more than why Leonardo da Vinci painted two versions of the "Virgin of the Rocks." The first ever juxtaposition of

"The new celebrity in town is Leonardo da Vinci, subject of a major exhibition that has generated the hype of a Hollywood blockbuster."

these two works – one owned by the National Gallery, the other by the Louvre, Paris – was for many the highpoint of "Leonardo da Vinci: Painter at the Court of Milan," as it represented a unique chance to study these related works in their artistic contexts. Painted more than 20 years apart, even Leonardo himself never saw them side by side.

"To have hung both versions in the same room for the first time in five centuries is an astonishing achievement for Luke Syson – were it in my power, I would honor him with a life peerage," urged *The Evening Standard's* Brian Sewell. Martin Gayford thought it revelatory: "There has been endless debate about why two pictures of the same composition were required, and how much – if any – of the second work Leonardo painted himself. The exhibition gives a decisive answer to the second question. Clearly, most of the painting is by the master."

To Andrew Graham-Dixon, this summed up what the whole exhibition delivered for those who experienced it: "Quite apart from the opportunity it affords to compare and contrast some of the most celebrated pictures in Western art; the show is, above all, a celebration of Leonardo's genius. Almost the full span of his powers can be appreciated in the assembled works."

The final word goes to *The Times'* Rachel Campbell Johnson who, it seems, speaks for all who witnessed it, saying she found her "sight blurred by the tears which a sense of wonder has stirred." "I want to work miracles," Leonardo once scribbled in his cryptic mirror script. This exhibition could be one of them. This show was not simply about expertly painted surfaces – it was about the responses they have stirred in their viewers. The mind of a genius brushed against you like a ghost. It is the single most amazing show I have ever seen – or felt." ■

The Exhibition in Numbers

Date of exhibition: November 9, 2011 – February 5, 2012

Number of visitors: 323,897

Paintings by Leonardo in the exhibition: 9

Leonardo paintings the majority of scholars agree still in existence: 15

Drawings in the exhibition: 61

Amount of visitors allowed in each half hour: 180 people

Number of tickets on sale daily in the National Gallery: around 500

Largest work in the exhibition: 302 x 785 cm (*The Last Supper*, Giampietrino after Leonardo da Vinci)

Smallest work in the exhibition: 2.2 x 2.2 cm (*Ducat of Lodovico il Moro*, Italian, Milanese)

Corporate Responsibility News



Earth Hour

On March 31, when clocks in their respective parts of the world read 8:30 p.m., cities and landmarks around the world went dark for 60 minutes. Marking Earth Hour 2012, a global event sponsored by the WWF, the gesture was symbolic but significant in its aim to show collective support for the climate by individuals and corporations. Credit Suisse, in an effort coordinated by the Corporate Real Estate and Services team, joined millions of others participating in this effort by switching off the lights in many of its buildings around the globe. The participation was part of the Credit Suisse Cares for Climate initiative, through which the bank makes an active and measurable contribution to environmental protection in its operations, business decisions and supply chain.

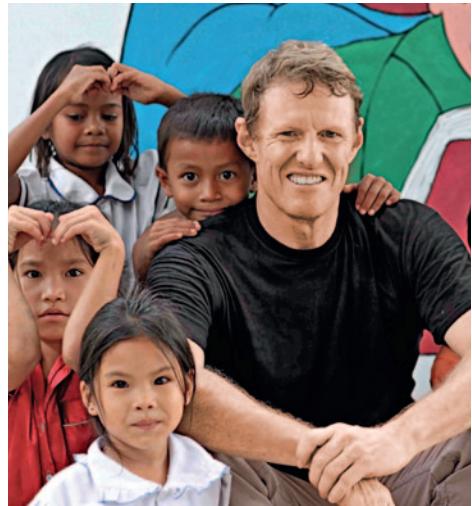


Photo: Cambodian Children's Fund

Three New Schools for Cambodia

At the start of 2011, Credit Suisse agreed to support the Cambodian Children's Fund (CCF) in Cambodia with a sum of 90,000 dollars. The grant is being used to construct three new schools for children who rank among the nation's poorest. "The partnership with Credit Suisse allows us to help some of the most disadvantaged and vulnerable communities; those with the least opportunities," says Scott Neeson, founder of the CCF.

Today, 100 children already attend school in Sambok Chab; another school is opening in Toul Ampil in February 2012; and construction on the third school will start in March 2012. The plan is to provide regular schooling for more than 400 children. For older children, who, due to difficult circumstances, have never attended school or could only do so intermittently, the CCF also offers special educational programs that meet their needs and enable them to fill in the gaps in their learning.

Information From the Source

The Corporate Responsibility Report shows how Credit Suisse assumes its responsibilities as a global bank,



employer and member of society. It also underscores its commitment to protecting the environment and the importance it assigns to dialogue with its stakeholders. A Facts and Figures brochure featuring key financials and strategic information completes the report. In addition, the Responsibility Chronicle for iPad contains articles, videos and photo galleries on the bank's international projects and initiatives. For the first time, the Corporate Responsibility Report was assessed by the independent certification company SGS. The report was recognized for its transparency according to the GRI-based sustainability reporting standards, receiving the highest rating – an "A+".



Photo: Bernard van Dierendonck

The FINCA Women's Group in Tiyamike meets every two weeks with FINCA loan advisor Chisomo Mpafande.

Microfinance

Text: Daniel Huber

Microfinance: The Example Of FINCA Malawi

The Credit Suisse microfinance partner FINCA International has been active in Malawi since 1994. A total of around 22,000 people in this southeast African country now use the banking services and insurance products of this microfinance institution. Regular, dedicated training courses are preparing staff to meet constantly changing challenges.

About an hour northeast of Blantyre in southern Malawi lies the small village of Tiyamike, whose houses line the dusty main road leading toward Mozambique. In the center, there's a small marketplace with an old corn mill – the largest building in the village. At the entrance to the village, set back slightly, is Patricia Bakari's snack stand. A large metal pan sits waiting atop a smoking-hot wood stove. To the side, Patricia Bakari is slicing up potatoes, tomatoes, leeks and lettuce. Her husband helps in the background. It's here that both the village's residents and those just passing through stop for small, made-to-order snacks.

Gaining the Trust of the Chairmen

Patricia Bakari is a member of the FINCA Women's Group in Tiyamike, which meets every two weeks – just as it is doing this Wednesday afternoon. Leading the meeting is Chairman Catherine Comacoma, who >



01

01 FINCA client Maggi Bhakali runs a boutique selling clothing in Limbe, a suburb of Blantyre.

02 Catherine Comacoma (left) has been the chairman of the Women's Group of Tiyamike for 10 years, and owns a small grocery store.

03 Patricia Bakari took out a microcredit loan from FINCA to start her snack food stand in Tiyamike, Malawi.

04 At the FINCA Development Academy in Blantyre: Managers get regular training thanks to special classes.



02

Photos: Bernard van Dierendonck



03



04

➤ runs a small grocery store from her home, situated slightly off the main road. She has been chairman of the group of around two dozen women, mostly mothers, for more than 10 years – 40 credit cycles in all. Like Patricia Bakari, all of them operate small businesses and have obtained miniloans of between 50 and 100 US dollars from FINCA as start-up and development assistance, with the group as a whole acting as guarantor for each individual. Accordingly, only those villagers who enjoy the trust of the community – and above all that of Catherine Comacoma – can join.

Borrowers Get Detailed Loan Information

FINCA loan advisor Chisomo Mpande also travels from Blantyre to attend the fortnightly meetings, where communal singing and dancing make the proceedings a more relaxed affair. In addition to discussing the precise terms and conditions of new applications or outstanding payments, she advises the women on problems and new challenges in their lines of business. "Before the agreement is signed, she explains and calculates in very precise terms how much interest we have to pay each week and what the repay-

ment rates are," says Catherine Comacoma. During her time as chairman, she says, she has seen many women who have improved their lives markedly because of the loan, women who now handle banking transactions as a completely routine matter. These are women who previously would not even have been let into the bank in most instances.

Larger Loans for Established Outlets

The service offered by FINCA in Malawi is not confined to miniloans. For instance, Maggie Bhakali and her husband have been running the TK Maxx Clothing Shop in Limbe, a suburb of Blantyre, for many years now. In order to purchase fashionable clothing from South Africa, she has already taken out numerous FINCA loans of several hundred US dollars – all repaid on time. What's more,

the business is doing well. Maggie and her husband are already thinking about opening one or possibly two more boutiques, for which she would require a loan of at least one million Malawian kwachas – equivalent to about 6,000 US dollars. Maggie is confident about the future: "We're trying to take not only our business but also the whole country forward. Hopefully this will enable us one day to build our own house, buy a car, and send the children to a better school."

Ongoing Training Makes the Difference

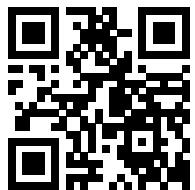
In order to maintain and further enhance a high-quality service for its 22,000-plus clients in Malawi, FINCA offers regular training courses for middle management. These courses are delivered by the FINCA Development Academy, an organization launched in 2008 and supported by Credit Suisse. The participants in Blantyre are enthusiastic about the opportunity to attend such courses. Says credit analyst Alexon Mwakhula: "It is precisely these courses that make all the difference and have helped our organization as a whole to move forward. As a result, our managers now have a better idea of how to lead their employees. And that has led to improved figures." That is because motivation inevitably increases in tandem with the quality of training.

For Regional Head Peter Gama, however, it is clear that although Malawi, with its population of more than 14 million, affords enormous growth potential for FINCA, not everyone will be able to get a loan. Sustainable growth is important, he says. In general terms, the enormous optimism within the group is palpable. Asked about her own individual career prospects, Branch Manager Rose Chanza replies with a smile that anything is possible. Why not even a leading position abroad with FINCA International one day? ▀

Credit Suisse Microfinance Initiative

Credit Suisse launched the Microfinance Capacity Building Initiative in 2008 to promote the development of the microfinance movement. The initiative focuses on the education of individuals, the development of processes in microfinance situations, and the microfinance product range. As part of the initiative, Credit Suisse works with four carefully selected partner organizations: ACCION International, FINCA International, Opportunity International, PlaNET Finance, Swisscontact, Women's World Banking.

To stream a video about FINCA's work in Malawi directly to your smartphone, please scan the QR code.



Uetlihof 2: Energy Efficiency that Works

The Uetlihof, Credit Suisse's largest office complex, in mid-March celebrated the opening of an innovative building on the site. Completed after three years of construction, the latest structure places a high priority on environmentally friendly design.

Credit Suisse's largest office complex, Uetlihof, has just gotten bigger. With the completion of a new structure, Uetlihof 2, adding some 2,000 more workplaces, it brings the total at the complex in the south of Zurich to more than 8,000. Uetlihof 2 sets high standards in many respects. Perhaps most impressive are features employees may not even notice: For example, Uetlihof 2 is the largest building of its kind to get certification under Swiss "Minergie-P-Eco" standards. These include a much reduced need for energy to run the facility, even while maintaining high comfort. The new building has helped to save costs, thanks in part to a flexible design with smart workstations that adapt to employee needs. It also will allow Credit Suisse to give up offices in old, smaller and inefficient buildings elsewhere in Zurich.

All the advantages offered by the new site "help us to reduce annual workplace operating cost in the Zurich area by between 20 to 30 percent," says Rolf Krummenacher, Head of Corporate Real Estate and Services Switzerland. The increased ambience and modern workplace concept also contribute to more efficient use of office space. Savings are further realized by a highly modern energy system. A new second power plant increases reliability, making the site able to run independently of the grid, even if part of the system fails. This is all the more important given that the tenants at the site include Credit Suisse's global administration.

Adds Significant Space and Ambience

The new Uetlihof 2 offers dining for around 400 people in an employee restaurant and a 150-seat cafeteria. It has a sports zone that covers 2,000 square meters, and an outdoor park complete with a natural pond. Yet even with all these features, new visitors to Uetlihof may be confused when they first see the site, which offers no skyscrapers, unlike Manhattan or London. Uetlihof 2, which will house IT and Product Management, is only 40 meters high. Much of the office space is underground, with just 10 of Uetlihof 2's 16 stories visible at street level, allowing it to blend in with the surroundings bordered by pastures, ponds and walking trails through a local forest to a popular vantage point over Zurich. Situated on what once was a clay pit supplying Zurich's brick works, Credit Suisse began to build on the site in the 1970s. A first structure was followed by a second finished in 1992. After Zurich changed building and



zoning laws in 2003, Credit Suisse first drew up plans to enlarge the old structure, but soon found it made more sense to build a new one. Following plans by Stücheli Architekten of Zurich, the building was razed to the ground level, leaving six floors below ground. Construction on Uetlihof 2 commenced in January 2009 and was largely completed in January 2012. One of the most challenging aspects of the process was building while business went on as usual in the six floors beneath ground level, including in Credit Suisse's mammoth printing facilities.

Uetlihof 2 sets high standards with regards to ecological design. The amount of recycled concrete used in the project is believed to be one of the highest ever for this type of construction. Its clever design has helped it to achieve the designation of Switzerland's largest office building to meet the Swiss "Minergie-P-ECO" standards, requiring far less energy consumption than conventional structures. It also received the "GI" certification for good air quality. "In meeting these requirements, employees are assured of a comfortable and light-filled working environment, which meets the highest demands in terms of air quality," says Markus Nater, Head of Environmental Management, Credit Suisse Corporate Real Estate and Services Switzerland. The building also achieves the "2,000-watt" objective formulated by the Swiss Federal Institute of Technology in Zurich. This target seeks to strike a balance between the needs for energy in modern societies, based on achieving per capita energy consumption of 2,000 watts.

It is possible in part due to good insulation of the façade, along with a second outer façade that shields the inner one from the elements. Flexible metal panels allow sunshine into the building to be regulated and directed. The low requirement for heat is met by a very efficient heating pump that utilizes the large volumes of warmth given off by the data center, sufficient even to supply heating to nearby residences in the area. The building is able to capture the warmth and transfer it to ceilings, where elements circulate the heat as needed. A special ceiling relies on a layer of overlapping, irregularly shaped "leaves" that not only support acoustics but also provide cooling as necessary through a flexible set of tubes on the side next to the ceiling. These "chill" panels can be easily rearranged to suit how the rooms are used. The interior gets daylight from three atriums, which additionally assist in air circulation and provide meet-

2,000

workplaces

8,000 in the total office complex

400

seats in the cafeteria
and employee restaurant

90

percent energy savings relative
to buildings designed in the 1970s

132,476

square meters of office volume

2,000

square meter sports zone

16

floors, including six underground



03



02



04

Photos: Credit Suisse

ing points. Each floor is divided into a number of areas: team zones, a "marketplace," a core area where employees can converse, small meeting rooms, larger project areas, quiet zones and gardens.

"The building is unique not only because of its green characteristics, but also because it is the first CS building where there will be hardly any traditional offices – nearly all areas allow employees to have a variety of different working area options," according to Rolf Gerber, who led the Uetlihof 2 project. Once the day's work is done, the building also offers visitors a chance to take advantage of what could be one of Uetlihof's most inviting features, thanks to its location. Putting on sturdy shoes, in less than an hour they can hike up the forest trails near the office to the top of the Uetliberg. For those who enjoy getting out, on clear days they will be rewarded by a panoramic view of Zurich, the lake and the Alps. ■

01 Zurich Mayor Corinne Mauch takes a tour of innovative workspaces.

02 Floor plan of Uetlihof 2.

03 Hans-Ulrich Meister, CEO Private Banking and CEO Credit Suisse Switzerland, welcomes guests in the large atrium.

04 Representatives from Credit Suisse Real Estate Switzerland and the general contractors, HRS Real Estate, formally hand over the keys to the tenants, represented by Mario Cramer, Head of IT Switzerland, Credit Suisse.

Ending the Rejection Cycle Helping Young Adults Land Jobs

No work experience means no job. Day in, day out, this is the hard truth confronting scores of young people as they seek to gain entry into the labor market. The stress increases with every unsuccessful attempt. The Coaching Transfair 2 project run by the Swiss Labor Assistance offers a way to break out of this negative cycle and start on the jobs ladder.



01

It's just before midday. Eliana is sitting in the break room with a big smile. "At last I've found an internship. I'm so happy! It's a great feeling." For the commercial apprentice, it's not something that can be taken for granted. "It was a difficult time for me, full of self-doubt, setbacks and lows. I was turned down 459 times and felt like a failure – and I didn't know what I was doing wrong," she says. "It was frustrating hearing the same reasons time and again. It was either that I had no work experience or was too young, but often they said it was because I didn't fit the company's image. That hurts – it chips away at your self-esteem," says Eliana, age 20. Yvonne tells a similar story of frustration. After completing vocational training to work as a cook, she had difficulty finding a job. "I certainly must have applied for 300 positions without success," she says.

Neither of these two cases is unusual. As per the end of February 2012, in Switzerland 19,080 young people were jobless. After finishing an apprenticeship or college, those young people who fail to land their first permanent job risk falling into a negative spiral.

The longer they stay unemployed, the more serious the consequences. The pressure to find a position and the emotional stress that goes with it increases with each rejection. This can result in a negative spiral of feeling useless, leading these young adults to doubt their abilities and ultimately lose motivation.

Fit for the Job Market

Swiss Labor Assistance (SLA), with financial support from Credit Suisse, launched the Coaching Transfair 2 program, CT2 for short, to ensure that young adults who have completed an apprenticeship or studies can at least get professional advice in difficult situations. CT2 is aimed at unemployed 18- to 30-year-old apprentices and graduates, and provides assistance in integrating them into the job market. "We're not a recruitment agency or self-service job center," stresses Regina Sieber, job coach and project manager with SLA Berne. "Instead, we support, encourage and motivate young people to enable them to find their first job independently." Her colleague, Claudio de Simone, adds: "There are many ways you can go wrong,



02

including poor self-marketing or an unkempt appearance, or offering a prospective employer a worn-out CV and other information containing spelling mistakes, or by revealing too many personal details." In job interviews, he says, some job seekers readily admit that they don't always worry about being on time and often sleep in. Sieber, who is trained in adult education, also says that résumés listing hobbies like hanging out or drinking are not rare. "We force young people to look at themselves, starting with their application materials. That's their calling card – their entry ticket to the job interview, as it were."

Intense Support Pays Dividends

During the approximately four-month program offered by all 10 regional SLA groups, the SLA provides extensive support to young adults seeking a job. CT2 focuses on research and the preparation for job seekers, coaching and applications, regular workshops, and stays with them to provide support throughout the integration phase in early stages of employment.

At the application workshop, young people compile informative application materials, write cover letters, practice interview techniques and get simple but effective tips. "I always thought my application letters were good until Ms. Sieber crossed out unnecessary, negative filler words like "only" or "actually" in nearly every sentence. Then I noticed how badly I'd been representing myself," recalls intern Eliana. "We learned to tailor our response specifically to fit the description of the open position," Yvonne adds. In the meantime she's found a permanent position. The coaches help jobseekers to develop personal strengths, assess skills, discuss application strategies and set milestones. This framework also allows shortcomings and sensitive



03



04

01 Finding the right job can be a tough task. From our archive photo, however, we can see some young people who have successfully secured an internship at Credit Suisse.

02 Highly effective due to their focused and individual support, two SLA coaches: Claudio de Simone and Regina Sieber.

03 Yvonne's persistence has paid off. Her new job gives her a great deal of satisfaction.

04 Thanks to CT2, Eliana has gained self-confidence and is ready to take advantage of new job opportunities.

issues to be addressed. "It's about getting the right timing and setting the proper tone," explains Regina Sieber. "We also need to accept the fact that first we need to get our well-intentioned criticism to stick." In the third area – regular workshops – the focus is on analyzing the job market, marketing oneself, handling conflicts when working in a team and managing stress. At the end of the program, once the young people have signed an employment contract, they get guidance from coaches for the first 100 days of their new job.

High Demand Across Switzerland

Since the program began, the regional SLA groups have supported 880 young adults. More than 80 percent of these already have found a permanent job. "Young people have a lot of interest in this program and value the personal support," explains Yves Ecoeur, Head of the national secretariat for the SLA Association.

Sieber is delighted to add that training is free of charge for participants. "Such individualized support would never be affordable for either the SLA groups or a most of the young people." Eliana agrees. "I'm enormously grateful that I was able to take part in this program." She says she has gained fresh confidence and motivation, and walks into job interviews a much happier and more self-confident person. "I'm seizing opportunities now. I'm sure I will find a new challenge after my internship – and I'm looking forward to it." ■

Credit Suisse Pledges Its Support

Credit Suisse is committed to improving professional opportunities for young people as part of its long-term efforts to promote Switzerland as a center for education and jobs. In 2009, the bank announced that it was providing 30 million Swiss francs as part of an initiative to tackle youth unemployment. To achieve the objectives of this initiative, Credit Suisse is working together with expert partners. One of them is Swiss Labor Assistance (SLA), whose Coaching Transfair 2 project – CT2 for short – has gained support from Credit Suisse since August 2010. The 10 regional SLA groups help hundreds of unemployed young people every year. The 18-to 30-year-olds who have completed a recognized form of training (apprenticeship, university of applied sciences, university), or are about to complete one and are looking for their first job can register free of charge. The aim of the CT2 program is to ensure that 85 percent of the young adults leave with an employment contract.

www.ct2.ch, www.credit-suisse.com/citizenship



“ Women are an economic force to be reckoned with. ”



Photo: Credit Suisse

Moira Forbes

President and Publisher of
ForbesWoman

The inaugural Forbes Forum: Asia's Power Business Women, organized in collaboration with Credit Suisse, celebrated the dynamic ways in which women are wielding power and influence in a region that has become a hotbed for entrepreneurship, investment and economic opportunity. During the event in Singapore this March, Moira Forbes, President and Publisher of ForbesWoman, spoke about the relationship between women, the economy, power and valuable tips on success.

bulletin: In this environment of global economic turmoil, what can we learn about the connection between women and economics?

Moira Forbes: The global downturn has been a huge wake-up call, particularly for women whose economic influence is on the rise worldwide, particularly in emerging markets. Women are not only leading in meaningful ways in the workplace, but they are also playing an increasingly active role in the investment decisions around their own finances as well as those of their household.

Given these changes, do you anticipate that women will continue to play a greater role in driving the global economy moving forward?

Women are fundamental to our future economic prosperity, representing one of the greatest untapped resources for talent and innovation around the world. Advancing more women into business and positions of leadership is not just a gender issue, but also an economic imperative for every nation today. Those who change the paradigm for women's representation in the corporate workforce or in empowering entrepreneurship are visionaries in identifying the greatest economic powerhouse of future growth. While women may have achieved notable successes to date, there is still much more progress to be made in breaking deeply entrenched gender barriers.

How is women's ability to exert power changing?

Today, women not only hold traditional power roles of business and government, but they also have unprecedented opportunities to exert influence in new and unconventional ways – ways that shape culture, drive provocative conversations, and set the agenda on some of the most critical issues of our day. Cultural impact can mean as much as money and political influence.

Could you elaborate on the "new and unconventional ways" that women are exerting influence?

Today's rapidly evolving environment has created far more ways to change conversations and shape communities. In many respects, new media has democratized our ability to achieve influence and with unprecedented pace and scale. Watching the success of those women who have created mega-businesses through their mega-personal brands is a testament to this, as is their ability to move millions, if not billions, with one click of a mouse.

Influence can be fleeting these days. How can we be sure to sustain it?

There is a great difference between temporary prominence and lasting influence. After interviewing dozens of women over the past years, a key theme to gaining, and sustaining, influence has emerged: authenticity. Lasting success will never come from acting out of pretense rather than passion.

Lasting influence must be an important measure in the Forbes annual "Power Women" list. What other prerequisites are required?

Our annual list of the world's 100 Most Powerful Women looks at a combination of hard power, from money and might, as well as (thanks to social media) reach and, as you mentioned, influence. The list also takes into account women who leverage their power and networks across multiple spheres of influence, capitalizing on success in one arena to lead positive change in another.

Who are those "Power Women," what are they like?

They are women from the worlds of politics, media, business and philanthropy. Undoubtedly, they exert influence in different ways, to different ends, and with different impacts on the global community. They lead multibillion dollar corporations, they govern our world, but they also shape the cultural fabric of our lives. While these women may be as different as Lady Gaga and Angela Merkel, all have achieved power through connectivity – the ability to build a community around the organizations they oversee,

“ If you spend all your time trying to avoid failure you'll necessarily avoid the risks that ultimately lead to success. **”**

› the countries they lead, the causes they champion and their personal brands – now this is power.

You use the word power a lot – how do you define it?

Power is the ability to influence, to move people, to affect change, to shape minds – whatever the platform, issue or realm.

Alongside the economic downturn we discussed, the landscape of entrepreneurship has changed – what are the best practices to navigate this?

The common leadership qualities that unite women who have achieved such uncommon success are no different when looking at accomplished entrepreneurs versus corporate executives today. These women were willing to take risks, make unconventional choices, and take the paths that defied expectations. They saw opportunities where others saw roadblocks and worked toward finding creative ways to attain their goals, and find solutions to meet the needs of new customers, new markets, and in particular, the needs of their own lives.

We are also more often seeing women employ entrepreneurial solutions to address social problems. Entrepreneurship has become a type of glue, uniting women from different cultures and lifestyles...

Social entrepreneurship, whether through micro-financing or educational programs, has proven to be one of the most powerful models of change in the 21st century. If one woman is empowered, the giving chain begins – a family is transformed, a community prospers, and the giving chain can build the momentum to seed change across an entire nation. Cultural transformation though is critical to creating sustained models for economic and social prosperity. Long-term success can only thrive when steep gender and cultural barriers to women's economic empowerment are transformed as well.

On the topic of change, we seem to be in an environment where change is the only true constant – based on your experience at ForbesWoman, what are the best strategies for leading businesses from one level of operation to the next?

Navigating through these times of constant change have tasked us all as leaders. They have necessitated that leaders develop

far greater flexibility, to see a micro-trend coming and to transform it into a macro-movement, to create a distinctive brand that stands out in our world of information and reach a global community.

Disruption of traditional models and rapid innovation will continue to define the 21st century. Confronting dramatic change and instability is often a difficult process for organizations to undergo, yet this will distinguish companies who failed to innovate from those who achieve long-term success.

You're right at the crux of an extremely exciting, yet demanding industry. Did you feel it your duty to go into the publishing business to represent earlier generations?

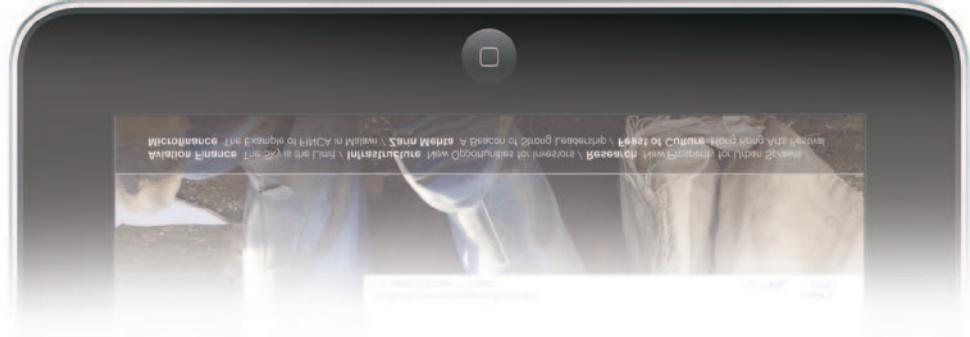
I have always been passionate about business, even at a young age. For my ninth birthday I asked my grandfather, Malcolm Forbes, for a briefcase and office supplies. Highlights during my summer holidays included joining my father in his office where I discovered that filing papers was far more exciting than going to the movies (a sentiment which has since changed!). My sisters and I were encouraged to be authentic to our own sense of self and build a life around our passions rather than the pressures from others. For me, I discovered a love for business and media that drove my passion to join the family company.

Talk us through some of your secrets for success.

Own who you are and what you want: By embracing rather than fighting who you are, you will be more successful and far more satisfied in life. Don't be afraid to take the road less traveled, or even sit on the side of the road for a while: The path to success is not always a conventional or continuous one. Know the difference between power and influence and recognize that you don't need to have one in order to exert the other. Embrace failure as a necessary and integral part of the path to success. Related to this, build up resilience: Setbacks are a part of everyone's life.

Finally, understand your core values and priorities across the multiple spheres of your life. If you spend all your time trying to correct your flaws you'll miss the opportunity to build your strengths, if you spend all your time trying to avoid failure you'll necessarily avoid the risks that ultimately lead to success.

Interview: Edna Lam, Cushla Sherlock



www.credit-suisse.com/bulletin



NETJETS

YOUR OWN PRIVATE AIRLINE

**It's not just the seats that
make you feel comfortable.
It's the pilots.**

From elite air forces to top commercial airlines, we recruit our pilots from the most demanding backgrounds in aviation. Then, we make the best even better, training every NetJets pilot to double the industry standard.

+ 44 (0) 20 7361 9620

CSBULLETIN@NETJETSEUROPE.COM