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## Credit Suisse Merger Arbitrage Liquid Index

### Performance Update

March 2011

\*The statistics below include **hypothetical performance** of the Credit Suisse Managed Futures Liquid Index from January 1998 to December 2009 and actual performance since January 2010. Please note that the black vertical line and grey shading in the charts and graphs delineates hypothetical from actual performance. **Please see important information regarding hypothetical, back-tested or simulated performance on page 2.**

#### Hypothetical and Actual Performance\*

Data from Jan 1, 1998 to Mar 31, 2011

	1 Month	3 Months	YTD	1 Year	3 Years (Ann.)	5 Years (Ann.)	10 Years (Ann.)	ITD (Ann.)
Hypothetical and Actual Credit Suisse Merger Arbitrage Liquid Index*	1.38%	3.74%	3.74%	9.57%	3.57%	6.51%	6.57%	7.02%
Hypothetical and Actual Credit Suisse Merger Arbitrage Liquid Index (Net)*	1.34%	3.61%	3.61%	9.02%	3.05%	5.98%	6.04%	6.49%

Past performance is not a guarantee or indicator of future results.

#### Merger Arbitrage Strategy Overview

- Merger arbitrage strategy takes advantage of price differences that occur in merger deals
- Merger arbitrage funds typically buy the securities of the target and short the securities of the acquirer
- Funds can profit when the terms of the deal improve
- Merger arbitrage is a portfolio diversifier and has historically been market neutral
- The strategy takes on the risk that a deal may fall through

#### Index Overview

- The Credit Suisse Merger Arbitrage Liquid Index (the "Index" or the "Merger Arbitrage Liquid Index") aims to gain broad exposure to the merger arbitrage strategy using a predefined quantitative methodology to gain exposure to a liquid, diversified and broadly representative set of announced merger deals in accordance with Index rules
- The algorithm has been determined by an Index Committee taking into consideration quantitative research into alternative beta
- The Index benefits from daily valuations with objective and transparent rules-based construction

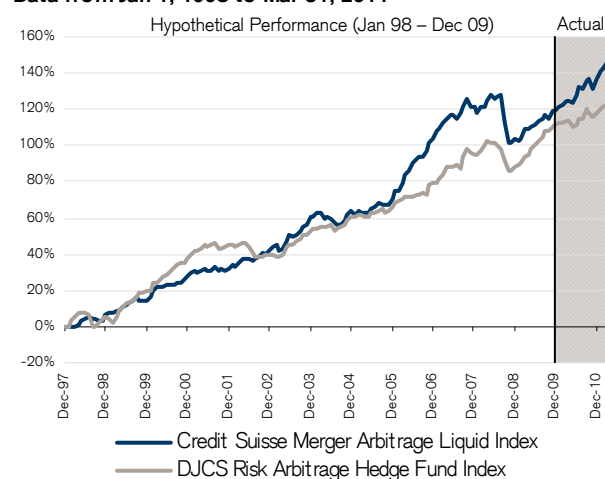
#### Hypothetical and Actual Portfolio Characteristics\*

Includes Hypothetical performance data from Jan 98 - Dec 09 and Actual performance data from Jan 10 to Mar 11

	Gross	Net
One Year Return	9.57%	9.02%
Three Year Annualized Return	3.57%	3.05%
Annualized Rate of Return	7.02%	6.49%
Annualized Volatility	4.69%	4.69%
Sharpe Ratio	0.90	0.78
Maximum Drawdown	-11.65%	-8.19%
Minimum Monthly Return	-6.72%	-6.76%
Maximum Monthly Return	3.38%	3.34%
Average Monthly Return	0.58%	0.53%
Percent Positive Months	69.81%	68.55%

#### Hypothetical and Actual Index Performance\*

Data from Jan 1, 1998 to Mar 31, 2011



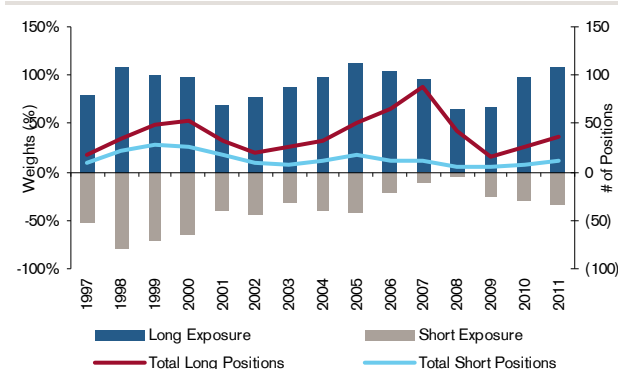
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## Hypothetical and Actual Index Factor Exposures

Includes hypothetical performance data from Jan 98 - Dec 09  
and Actual performance data from Jan 10 to Mar 11



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## Index Construction

<b>Liquidity Constraints</b>	<ul style="list-style-type: none"> <li>Narrow deal universe to include only North American and European merger deals with the following liquidity features: <ul style="list-style-type: none"> <li>Target has market cap of &gt; \$500 M</li> <li>Target has sufficient trading volume</li> <li>Acquirer for stock deals is easy to borrow</li> </ul> </li> </ul>
<b>Arbitrage Constraints</b>	<ul style="list-style-type: none"> <li>Apply systematic constraints to ensure deals have arbitrage potential: <ul style="list-style-type: none"> <li>Positive acquisition premium</li> <li>Offer is for substantially all shares outstanding of target</li> <li>Acquirer does not already own substantially all of the target's shares</li> </ul> </li> </ul>
<b>Daily Rebalancing</b>	<ul style="list-style-type: none"> <li>Incorporate rebalancing procedure and risk constraints: <ul style="list-style-type: none"> <li>Deals are asset weighted and weight caps apply</li> <li>Leverage and short exposure are constrained</li> <li>Turnover is controlled through rebalancing procedures</li> </ul> </li> </ul>

## Hypothetical and Actual Correlation Statistics\*

Includes hypothetical performance data from Jan 98 - Dec 09  
and Actual performance data from Jan 10 to Mar 11

S&P 500 Index (TRI)	0.37
DJ STOXX 50 Index (TRI)	0.45
TOPIX Index	0.34
Bardays US Aggregate Index Value (TRI)	0.21
DJ-UBS Commodity Index (TRI)	0.43
DJCS Risk Arbitrage Hedge Fund Index	0.54

## Index Characteristics

- Index seeks to produce returns similar to merger arbitrage funds using long/short positions in liquid equity investments
- Includes only liquid equity investments
- Index is rebalanced daily

**Model Risks:** The investment strategy described herein relies on proprietary models and predictions with regard to the performance of an asset class or particular investment generated by these models and may not be accurate because of imperfections in the models, their deterioration over time, or other factors, such as the quality of the data input into the model, which involves the exercise of judgment. Even if the model functions as anticipated, it cannot account for all factors that may influence the prices of the investments, such as event risk.

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