



## Investors Exchange Product Information Circular 2016 - 0356

**Date:** August 31, 2016

**Re:** Credit Suisse Long/Short Liquid Index Exchange Traded Notes

Investors Exchange LLC commenced operating as a national securities exchange on August 19, 2016 followed by a two-week security-by-security phase-in period. This Information Circular is being issued to advise you that the following security has been approved for trading pursuant to unlisted trading privileges (“UTP”) on the Exchange as UTP Derivative Securities pursuant to IEX Rule 16.160, and will begin trading on IEX during the phase-in period. See [the Exchange’s Website](#) for the phase-in schedule.

<b><u>Security (“Notes”)</u></b>	<b><u>Symbol</u></b>
Credit Suisse Long/Short Liquid Index Exchange Traded Notes linked to the Credit Suisse Long/Short Liquid Index	CSLS

**Issuer/Trust:** Credit Suisse AG

**Issuer Website:** <http://www.credit-suisse.com/notes>

**Primary Listing Exchange:** NYSE Arca

**Primary Exchange Circular:** RB-10-29 (February 22, 2010)

**Registration Statement:** No. 333-158199

The purpose of this information circular is to outline various rules and policies that will be applicable to trading in this new product on the Exchange, as well as to provide certain characteristics and features of the Notes.

### **Background Information on the Notes**

Credit Suisse AG (the “Issuer”) has issued Long/Short Liquid Index Exchange-Traded Notes (“Notes”) linked to the Credit Suisse Long/Short Liquid Index (Net) (the “Index”). The Notes were priced at \$20 each and mature on February 19, 2020.

The Notes are senior unsecured debt securities and are not guaranteed or insured by the Federal Deposit Insurance Corporation or secured by collateral. Any payments due on the Notes, including any repayment of principal, will be subject to the credit risk of the Issuer. The Notes are designed for investors who seek exposure to the Index. Investors should be willing to forgo interest payments and, if the Index declines, be willing to lose up to 100% of their investment.

The return on the Notes will be based on the performance of the Index during the term of the Notes. The Index is designed to correlate to the historical performance of the Credit Suisse Tremont Long/Short Equity Hedge Fund Index (the “Target Index”) by tracking the performance of non-hedge fund, transparent market measures. The Index is not a managed hedge fund and does not track the performance of any hedge fund or group of hedge funds.



If the Notes have not previously been repurchased by the Issuer, at maturity investors will receive a cash payment equal to the principal amount of the Notes times the index factor on the final valuation date times the fee factor on the final valuation date.

The index factor on any given day, including the final valuation date, will be equal to the closing level of the Index on that day divided by the initial index level. The initial index level is the closing level of the Index on the inception date. The closing level of the Index on any trading date will be the closing level published on Bloomberg or any successor service, as applicable, as determined by the calculation agent; provided, however, in the event that a valuation date is postponed due to a market disruption event, the calculation agent will adjust the closing level of the Index solely for the purposes of determining the index factor according to the methodology described in the prospectus for the Notes.

The fee factor is equal to one minus the aggregate investor fee, which is the product of (i) the annual investor fee and (ii) the number of days elapsed from the inception date to and including the applicable valuation date divided by 365. The annual investor fee is equal to 0.45%.

Because the investor fee reduces the amount of return at maturity or upon repurchase by the Issuer, the level of the Index must increase by an amount sufficient to offset the aggregate investor fee applicable to the Notes in order for investors to receive at least the principal amount of their investment at maturity or upon repurchase. If the level of the Index decreases or does not increase sufficiently, investors will receive less, and possibly significantly less, than the principal amount of their investment at maturity or upon repurchase by the Issuer.

Please see the prospectus for the Notes for more details regarding the calculations and details regarding the Index.

It is expected that the market value of the Notes will depend substantially on the value of the Index and may be affected by a number of other interrelated factors including, among other things: the general level of interest rates, the volatility of the Index, the time remaining to maturity, the dividend yield of the stocks comprising the Index, and the credit ratings of the Issuer. UBS AG (the "Issuer") has issued Exchange Traded Access Securities ("E-TRACS" or "Notes") linked to the Alerian MLP Infrastructure Index (the "Index"). The Notes were priced at \$25 each and mature on April 2, 2040.

### **Exchange Rules Applicable to Trading in the Notes**

Trading in the Shares on IEX is subject to IEX trading rules.

### **Trading Hours**

The Shares will trade on IEX between 8:00 a.m. and 5:00 p.m. Please note that trading in the Shares during the Exchange's Pre-Market and Post-Market Sessions ("Extended Market Sessions") may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the Extended Market Sessions, (2) lower liquidity in the Extended Market Sessions may impact pricing, higher volatility in the Extended Market Sessions may impact pricing, (4) wider spreads may occur in the Extended Markets Sessions, and (5) because the indicative value is not calculated or widely disseminated during the Extended Market Sessions, an investor who is unable to calculate an implied value for the Shares in those sessions may be at a disadvantage to market professionals.



### **Suitability**

Trading in the securities on the Exchange will be subject to the provisions of IEX Rule 3.170 and other applicable suitability rules. Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer, opening and maintaining of accounts, including the maintaining of records prescribed by any applicable regulatory organization and by the rules and regulations of the Commission.

### **Trading Halts**

The Exchange will halt trading in the shares of a security in accordance with Exchange Rules. The grounds for a halt under Exchange Rules include a halt by the primary market because the intraday indicative value of the security and/or the value of its underlying index are not being disseminated as required, or a halt for other regulatory reasons. In addition, the Exchange will stop trading the shares of a security if the primary market de-lists the security.

**This Information Circular is not a statutory prospectus. Members should consult the prospectus for a security and the security's website for relevant information.**

Please contact IEX Regulation at 646-343-2000 with any inquiries regarding this Information Circular.