Credit Suisse Strategic Income Fund
Quarterly Update: 1Q 2026

Market Review

The first quarter of 2026 was characterized by market volatility across all asset classes as a result of AI-driven concerns and the war in Iran. Given the macro backdrop, loan, high yield and CLO issuance were relatively benign with wider pricing witnessed in primary markets.

US leveraged loans (Morningstar LSTA US Leveraged Loan Index) posted negative returns in the first quarter of 2026, returning -0.55%, following a 1.22% return in the previous quarter. US high yield (BofA Merrill Lynch US High Yield Constrained Index) returned a comparable -0.55% in the first quarter of 2026. High yield BBs and Bs outperformed the lower-rated CCC segment (-0.4% for both BBs and Bs vs. -2.2% for CCCs). There were multiple storylines that drove performance this quarter. Strong technicals and resilient fundamentals carried over from 2025 into early 2026; however, rapid advances in generative AI drove indiscriminate selling across Software and software adjacent sectors, contributing to wider spreads, price dislocations, reduced new issuance and stalled repricing activity. Capital rotated into more traditional sectors such as Energy, Industrials and Packaging. More specific to broadly syndicated loans, stress in private credit markets further weighed on sentiment and liquidity during Q1. While CLO structures remain insulated from direct redemption risk, reports of gating and asset sales in private credit funds contributed to wider CLO spreads and elevated BWIC activity. Subsequently, geopolitical risk increased following the escalation of conflict involving Iran, driving volatility in global energy markets. US loan default rates increased modestly over the quarter to 3.04%, including distressed exchanges, which is modestly above longer-term averages. Recent defaults were largely confined to well telegraphed, idiosyncratic situations, with distressed exchanges accounting for about half of the cases. US HY default rates increased modestly over the quarter to 2.07%, including distressed exchanges, which is below longer-term averages. Similarly to loans, recent defaults were idiosyncratic situations and distressed exchanges accounted for about half of the cases.

Credit Suisse Strategic Income Fund Performance

Performance: Average Annual Total Returns (%) *unless otherwise specified*

	Latest Month End: 3/31/2026						Latest Quarter End: 3/31/26		
	3 Month (cumulative)	YTD (cumulative)	1 Year	3 Years	5 Years	10 Years	1 Year	5 Years	10 Years
Class I	(1.54)	(1.54)	3.56	7.63	4.61	6.32	3.56	4.61	6.32
Class A (without sales charge)	(1.60)	(1.60)	3.30	7.33	4.35	6.04	3.30	4.35	6.04
Class A (with max. 4.75% sales charge)	(6.30)	(6.30)	(1.62)	5.58	3.35	5.53	(1.62)	3.35	5.53
Class C (without sales charge)	(1.68)	(1.68)	2.65	6.57	3.60	5.28	2.65	3.60	5.28
Class C (with max. 1.00% sales charge)	(2.65)	(2.65)	1.68	6.57	3.60	5.28	1.68	3.60	5.28
50/50 Morningstar LSTA US Leveraged Loan Index and ICE BofA US High Yield Constrained Index[A]	(0.55)	(0.55)	5.86	8.27	5.10	5.86	5.86	5.10	5.86

From time to time, the fund's investment adviser and co-administrators may waive some fees and/or reimburse some expenses at any time, without which performance would be lower. Waivers and/or reimbursements are subject to change. Returns represent past performance and include change in share price and reinvestment of dividends and capital gains. **Past performance does not predict future returns. Historical performance is not a reliable indicator for current or future performance. The current performance of the fund may be lower or higher than the figures shown. The fund's yield, returns and share price will fluctuate, and redemption value may be more or less than original cost. Performance information current to the most recent month-end is available at www.credit-suisse.com/us/funds.**

Class I Gross Expense Ratio: 1.05%, Net Expense Ratio: 0.79%[B]
Class A Gross Expense Ratio: 1.30%, Net Expense Ratio: 1.04%[B]
Class C Gross Expense Ratio: 2.05%, Net Expense Ratio: 1.79%[B]

Performance Disclaimers:

A As of 10/1/2025, the Fund has changed benchmarks to a 50/50 blend of the Morningstar LSTA US Leveraged Loan Index and the ICE BofA US High Yield Constrained Index. The Morningstar LSTA US Leveraged Loan Index is a market-value weighted index designed to measure the performance of the US leveraged loan market. The ICE BofA US High Yield Constrained Index tracks the performance of USD denominated below investment grade corporate debt publicly issued in the US domestic market and caps issuer exposure at 2%. Investors cannot invest directly in an index.

B Estimated fees and expenses are taken from the prospectus dated 2/28/26. Net fees are reported net of fee waivers and expense reimbursements. Gross fees do not include these waivers or reimbursements. Waivers and expense reimbursements or credits will be in place until 2/28/27. Waivers are contractual.

Fund shares are not deposits or other obligations of UBS Asset Management, LLC or any affiliate, are not insured by the Federal Deposit Insurance Corporation and are not guaranteed by UBS Asset Management, LLC or any affiliate. Fund investments are subject to investment risks, including loss of your investment.

This is a traditional benchmark agnostic approach which seeks to generate a return in all circumstances. This does not constitute a guarantee by UBS Asset Management.

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Performance Commentary

The Credit Suisse Strategic Income Fund (I-share class) was down **-1.54%** net vs. **-0.55%** for the 50/50 blend of Morningstar LSTA US Leveraged Loan Index and ICE BofA US High Yield Constrained Index over the three-month period ending March 31, 2026. From an asset class perspective, high yield bonds and loans both detracted from performance. Looking at sectors, the **Chemicals** and **Energy** sectors were the top contributors, while **Information Technology** and **Professional Services** were the biggest laggards. From a ratings perspective, **higher-rated BBB and above names** as well as **lower-rated C and below names** added to performance while **BB, B and CCC names** detracted from performance.

- **Contributors:** During Q1 2026, several sectors contributed positively to the Fund's overall performance, reflecting healthy underlying fundamentals and disciplined portfolio construction. The **Chemicals** sector generated a meaningful uplift of 32 bps to returns, benefitting from effective credit selection and recovery in names that struggled at the end of 2025. The **Energy** sector also provided a positive contribution of 5 bps to performance, primarily attributed to selecting well-positioned credits in this space. Regarding ratings, **C** names were the largest contributors followed by **Caa3** and **Baa1** rated credits.
- **Detractors**: During the period, the Fund faced several pockets of weakness that weighed on performance. The **Information Technology** sector was the most significant detractor, having a negative impact of -99 bps driven primarily by security selection and volatility in the broader sector. **Professional Services** also detracted from performance, resulting in -30 bps negative impact to performance. From a ratings perspective, **Caa1**, **B2** and **B3** names were the largest detractors.

Fund Positioning

Given the current market sentiment, CIG remains cautious on both software-related names and oil over the long term but is more constructive on natural gas, supported by rising global LNG demand. Looking ahead, volatility is expected to persist as markets absorb AI disruption, private credit spillovers, supply/demand dynamics and geopolitical developments. Discounted trading levels and increased market bifurcation may create attractive opportunities for disciplined credit selection consistent with CIG's long term investment philosophy.

Outlook

US loan market volatility in Q1 appears to have been sentiment driven, particularly around AI concerns, rather than fundamentals which remain resilient. With renewed inflation fears and higher energy costs due to the conflict in the Middle East potentially limiting rate cuts, base rates may remain elevated, supporting attractive yields for floating rate US loans.

Returns in the high yield market have been impacted by unforeseen macro factors to this point in 2026. Uneasy geopolitics in general have led to increased risk premia. Still, there is potential for positive returns ahead, supported by solid credit fundamentals, strong technicals, open capital markets and a resilient US consumer. Further volatility can be expected but should be cushioned by the attractive carry component of fixed high yield coupons.

Index Definitions:

Morningstar/LSTA Leveraged Loan Index is a capitalization-weighted syndicated loan index based upon market weightings, spreads and interest payments. The Morningstar/LSTA Leveraged Loan Index (LLI) covers the U.S. market back to 1997 and currently calculates on a daily basis.

ICE BofA US High Yield Index tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of $250 million. In addition, qualifying securities must have risk exposure to countries that are members of the FX-G10, Western Europe or territories of the US and Western Europe. The

ICE BofA US High Yield Constrained Index is composed of U.S. dollar-denominated, high yield corporate bonds that have at least $250 million of outstanding face value, have an original maturity date of at least 18 months; and have at least one year to maturity. The Index contains all securities in the BofA Merrill Lynch US High Yield Index but caps issuer exposure at 2%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%.

Term Definitions:

CLO: A Collateralized Loan Obligation is a type of security that is backed by collateral, or a pool of leveraged loans, and is structured into various tranches of different risk/return profiles.

Ratings: Corporate debt ratings are assigned by ratings agencies such as Moody's, S&P, and Fitch, and represent an issuer's ability to meet its financial obligations. Non-Investment Grade ratings range from BB/Ba, B/B, CCC/Caa, CC/Ca, C, to Default (D). NR = Not Rated.

SOFR: Secured Overnight Financing Rate is a reference rate that reflects the cost of borrowing cash in the US collateralized by US Treasuries. Source: Federal Reserve Bank of New York.

BWIC: Bid wanted in competition (BWIC) is a formal request for bids on a package of securities, submitted by an institutional investor to a number of securities dealers. The dealers are being invited to submit bids on the listed securities. Once the bids are in, the institutional investor has a better sense of the current market value of the securities and can then contact the high bidders to finalize a deal. The BWIC process can be found in sales of bonds and loans, among other assets.

Risk Considerations:

Below Investment Grade Securities Risk – Below investment grade securities are regarded as being predominantly speculative as to the issuer's ability to make payments of principal and interest. **Collateralized Loan Obligations Risk** – CLOs are subject to the risk of substantial losses due to actual defaults, decrease of market value due to collateral defaults and disappearance of subordinate tranches, market anticipation of defaults, and investor aversion to CLO securities as a class. **Conflict of Interest Risk** – Affiliates of Credit Suisse may act as underwriter, lead agent or administrative agent for loans and participate in the secondary market for loans. **Convertible Securities Risk** – The market value of a convertible security performs like that of a regular debt security; that is, if market interest rates rise, the value of a convertible security usually falls. **Credit Risk** – The issuer of a security, the borrower of a loan or the counterparty to a contract, including derivatives contracts, may default or otherwise become unable to honor a financial obligations. **Derivatives Risk** – Derivatives are financial contracts whose value depends on, or is derived from, the value of an underlying asset, instrument or index. **Extension Risk** – An unexpected rise in interest rates may extend the life of a mortgage-backed security beyond the expected prepayment time, typically reducing the security's value. Foreign Securities Risk – Investing outside the U.S. carries additional risks that include: **Currency Risk** – Fluctuations in exchange rates between the U.S. dollar and foreign currencies may negatively affect an investment. **Information Risk** – Key information about an issuer, security or market may be inaccurate or unavailable. **Political Risk** – Foreign governments may expropriate assets, impose capital or currency controls, impose punitive taxes, or nationalize a company or industry. **Futures Contracts Risk** – The risks associated with the fund's use of futures contracts include the risk that: (i) changes in the price of a futures contract may not always track the changes in the market value of the underlying reference asset; (ii) trading restrictions or limitations may be imposed by an exchange, and government regulations may restrict trading in futures contracts; and (iii) if the fund has insufficient cash to meet margin requirements, the fund may need to sell other investments, including at disadvantageous times. **Hedged Exposure Risk** – The fund's hedging activities could multiply losses generated by a derivative used for hedging purposes. **Interest Rate Risk** – Changes in interest rates may cause a decline in the market value of an investment. **Liquidity Risk** – Certain portfolio holdings may be difficult or impossible to sell at the time and the price that the fund would like. **Market Risk** – The market value of an instrument may fluctuate, sometimes rapidly and unpredictably. **Mortgage- and Asset-Backed Securities Risks** – The value of the fund's mortgage backed securities can fall if the owners of the underlying mortgages pay off their mortgages sooner than expected, which could happen when interest rates fall, or later than expected, which could happen where interest rates rise. **Prepayment Risk** – In a declining interest rate environment, prepayment of loans and other fixed income instruments with high stated interest rates may increase. **Senior Loans Risk** – Senior Loans are subject to the risk that a court could subordinate a Senior Loan, which typically holds the most senior position in the issuer's capital structure, to presently existing or future indebtedness or take other action detrimental to the holders of Senior Loans. **Short Position Risk** – Taking short positions involves leverage of the fund's assets and presents various risks. U.S. **Government Securities Risk** – Obligations of U.S. Government agencies and authorities are supported by varying degrees of credit but generally are not backed by the full faith and credit of the U.S. Government. **Valuation Risk** – The lack of an active trading market may make it difficult to obtain an accurate price for an instrument held by the fund. For a detailed discussion of these and other risks, please refer to the fund's Prospectus, which should be read carefully before you invest.

Fund shares are not deposits or other obligations of UBS Asset Management, LLC or any affiliate, are not insured by the Federal Deposit Insurance Corporation and are not guaranteed by UBS Asset Management, LLC or any affiliate. Fund investments are subject to investment risks, including loss of your investment.

This is a traditional benchmark agnostic approach which seeks to generate a return in all circumstances. This does not constitute a guarantee by UBS Asset Management.

The fund's investment objectives, risks, charges and expenses (which should be considered carefully before investing), and more complete information about the fund, are provided in the Prospectus, which should be read carefully before investing. You may obtain copies by calling 800-577-2321. For up-to-date performance, please visit our website at https://us-fund.ubs.com.

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