



Credit Suisse Floating Rate High Income Fund

Quarterly Update: 4Q 2025

Market Review

2025 ended on a strong note for both the US and European leveraged loan markets, supported by healthy technicals and resilient corporate fundamentals despite pockets of weakness in lower-quality credits.

In the US, leveraged loans delivered a 5.9% return in 2025 (Morningstar LSTA US Leveraged Loan Index), representing a coupon-minus outcome as the Federal Reserve cut rates three times, ending the year at 3.5-3.75%. The average 3-month SOFR rate held in the low-4% range, while coupon spreads compressed to roughly 320 bps. Technicals remained a dominant driver, with over \$200bn of CLO issuance (excluding resets and refinancings) supporting demand and contributing to roughly 20 bps of spread tightening via repricings and tighter new-issue levels. Fundamentals were broadly stable, with low-to-mid single-digit earnings growth, steady leverage, and improving interest coverage. Weakness was concentrated in sectors such as Chemicals, Housing, and Retail, where earnings disappointments led to sharp price declines and amplified market bifurcation.

Overall, 2025 was characterized by strong CLO demand, limited net new loan supply, and a clear separation between high-quality performing credit and weaker, more idiosyncratic names in both regions.

Credit Suisse Floating Rate High Income Fund Performance

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

	Latest Month End: 12/31/2025						Latest Quarter End: 12/31/25		
	3 Month (cumulative)	YTD (cumulative)	1 Year	3 Years	5 Years	10 Years	1 Year	5 Years	10 Years
Class I	0.84	4.31	4.31	8.60	5.83	5.20	4.31	5.83	5.20
Class A (without sales charge)	0.62	4.05	4.05	8.32	5.54	4.94	4.05	5.54	4.94
Class A (with max. 4.75% sales charge)	(4.15)	(0.94)	(0.94)	6.58	4.51	4.43	(0.94)	4.51	4.43
Class C (without sales charge)	0.43	3.29	3.29	7.52	4.76	4.17	3.29	4.76	4.17
Class C (with max. 1.00% sales charge)	(0.55)	2.32	2.32	7.52	4.76	4.17	2.32	4.76	4.17
Morningstar LSTA US Leveraged Loan Index ^A	1.22	5.90	5.90	9.35	6.42	5.83	5.90	6.42	5.83
S&P UBS Leveraged Loan Index ^B	1.19	5.94	5.94	9.31	6.37	5.78	5.94	6.37	5.78

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: 0.81%, Net Expense Ratio: 0.70%^C

Class A Gross Expense Ratio: 1.06%, Net Expense Ratio: 0.95%^C

Class C Gross Expense Ratio: 1.81%, Net Expense Ratio: 1.70%^C



Performance Disclaimers:

A As of 10/1/2025, the Fund has changed benchmarks to the Morningstar LSTA US Leveraged Loan 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. This index limits non-rated and private placement exposure, focusing on broadly syndicated loans, which improves investability and transparency. Investors cannot invest directly in an index.

B The S&P UBS Leveraged Loan Index is designed to mirror the investable universe of the U.S. dollar denominated leveraged loan market. This index was the fund's benchmark prior to the Morningstar LSTA US Leveraged Loan Index and was switched out due to changes in the index's composition making it less reflective of the US leveraged loan market performance. Investors cannot invest directly in an index.

C Estimated fees and expenses are taken from the prospectus dated 2/28/25. 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 2/28/26. 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.



Performance Commentary

The Credit Suisse Floating Rate High Income Fund (I-Share class) was up **4.31%** net for the year ending December 31, 2025 vs. **5.90%** for the Morningstar LSTA US Leveraged Loan Index. From an asset class perspective, the Fund's out of benchmark allocations to CLOs contributed modestly and to High Yield bonds detracted modestly. Looking at sectors, **Capital Goods, Commercial & Professional Services, and Automobiles** were the top contributors, while **Materials (aka Chemicals)** and **Healthcare Equipment & Services** sectors were the biggest relative laggards. From a ratings perspective, lower rated **CCC** and **NR** names detracted from relative performance whereas **single B**-names added.

- **Contributors:** During 2025, several sectors contributed positively to the Fund's overall performance, reflecting healthy underlying fundamentals and disciplined portfolio construction. The **Capital Goods** sector stood out as a particularly strong contributor, benefitting from effective credit selection and generating a meaningful uplift of 80 bps to relative returns. The **Commercial & Professional Services** and **Automobiles & Components** sectors also provided positive contributions of 12 bps each to relative performance, primarily attributed to avoiding poor performers and selecting well-positioned credits in these spaces. Regarding ratings, **B3** names were the largest contributors followed by **B1** and **B2** rated credits.
- **Detractors:** During the period, the Fund faced several pockets of weakness that weighed on relative performance. The **Materials (including Chemicals)** sector was the most significant detractor, having a negative impact of 127 bps relative to the index driven primarily by security selection and slightly by allocation compared to the benchmark. **Health Care Equipment & Services** and **Media & Entertainment** also weighted negatively on relative performance, detracting 44 bps and 17 bps from relative performance, respectively, mainly due to security selection and underweighting these sectors versus the benchmark. From a ratings perspective, lower-rated names were weakest; **NR, Ca,** and **Caa1** names were the largest detractors.

Fund Positioning

Current cash levels are high given the lack of new issue and a high level of repayments but we are looking to deploy that into more stable credits and then rotate into Primary as the calendar picks up. Unlike new issuance we saw in the latter half of 2025, we are seeing attractive deals at decent quality on the forward calendar. We will continue to focus on less cyclical sectors such as Financials and Services. There continue to be risks related to administrative policies, regulatory change, change in sentiment about technology company growth, disruption from Artificial Intelligence, etc., and even at the loan level, some of the same characteristics that present opportunities are those that also present concerns (ratings, sector, or LME concerns), but disruption may create opportunity.

Outlook

Looking ahead to 2026, we expect the broadly constructive environment for leveraged loans to persist, though with a more balanced supply-demand dynamic across regions.

In the US, the expected appointment of a new Federal Reserve chair introduces uncertainty around the timing and magnitude of future rate cuts. While lower rates will reduce interest income for floating-rate investors, they remain supportive for corporate borrowers by easing financing



burdens, improving end-market demand, and strengthening cash flow dynamics. Visible loan supply is increasing, with several multi-billion-dollar transactions slated for early 2026, which should help ease repricing pressure. CLO issuance should remain healthy, though likely below 2025's elevated levels.

Corporate earnings should remain resilient overall, but volatility is expected to persist in structurally challenged or cyclically pressured sectors – including Chemicals, Housing, and Retail – as well as in technology-related sectors (Technology, Software, Telecom) where AI-driven demand shifts and global supply chains, particularly China exposure, remain key variables.

Across regions, we expect idiosyncratic sector dispersion to remain elevated, making bottom-up credit selection the primary driver of alpha. With reduced base rates, limited scope for further spread tightening, and more normalized supply dynamics, performance in 2026 is likely to depend more heavily on issuer-level analysis and disciplined underwriting.



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.

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

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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