



EDGA & EDGX STOCK EXCHANGES			
Regulatory Information Circular			
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**Subject: Exchange Traded notes due October 6, 2020 Linked to the Credit Suisse Merger Arbitrage Liquid Index**

### **Background Information on the Security**

As more fully explained in the Registration Statement (No. 333-158199-10) for the Exchange Traded Notes due October 6, 2020 Linked to the Credit Suisse Merger Arbitrage Liquid Index (Net) (ETNs) (the "Securities"), the Securities are senior medium-term notes of Credit Suisse AG, acting through its Nassau Branch, maturing October 6, 2020. For a more complete description of the Securities and the payment at maturity, early repurchase provisions, early repurchase mechanics, valuation, fees and risk factors, consult the prospectus.

The ETNs are designed for investors who seek exposure to the Credit Suisse Merger Arbitrage Liquid Index (Net) (the "Index"). The Index was created by Credit Suisse Alternative Capital, Inc., as index sponsor (the "Index Sponsor") and uses a quantitative methodology to track a dynamic basket of securities held as long or short positions (the "Index Components") and cash weighted in accordance with certain rules to include publicly announced merger and acquisition transactions that meet certain qualifying conditions. It is designed to capture the spread, if any, between the price at which the stock of a target company trades after a proposed acquisition of such target company is announced and the price that the acquiring company has proposed to pay for the stock of such target company. The spread between these two prices typically exists due to the uncertainty that the announced merger or acquisition will close and, if it closes, that such merger or acquisition will be at the initially proposed economic terms.

The Index was established on December 31, 2009 with an initial value of 1,000. The Index Components selected for inclusion in calculating the Index, as well as their respective weightings, are determined on each Rebalancing Date. NYSE Arca, Inc., or another party designated by the Index Committee, will act as the calculation agent for the Index and will be responsible for the calculation of the level of the Index, using the data and methodologies described in the prospectus and as determined by the Index Committee. The Bloomberg ticker symbol for the Index is "CSLABMN (Index)".

Unless the ETNs have been previously repurchased by issuer, either at investors' election or at insurers, the ETNs will mature on October 6, 2020.

### **Valuation of the Security**

An intraday "indicative value" meant to approximate the intrinsic economic value of the ETNs will be published under the Bloomberg symbol CSMA. The actual trading price of the

ETNs may vary significantly from their indicative value. In addition, the Calculation Agent expects to calculate and publish the closing indicative value of the ETNs on each trading day.

### **Principal Risks**

The ETNs are senior unsecured debt obligations of Credit Suisse AG ("Credit Suisse") and are subject to credit risk. The ETNs are Senior Medium-Term Notes as described in the prospectus supplement and prospectus and are riskier than ordinary unsecured debt securities. The return on the ETNs is linked to the performance of the Index. Investing in the ETNs is not equivalent to investing directly in the securities tracked by the Index or the Index itself. Additional risks are discussed in the prospectus, available at [www.credit-suisse.com/notes](http://www.credit-suisse.com/notes).

### **Prospectus Delivery**

Members are advised to consult the "Supplemental Plan of Distribution" in the prospectus regarding delivery requirements.

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

The ETN is considered an equity security, thus rendering trading in the ETN subject to the Exchanges' existing rules governing the trading of equity securities.

### **Trading Hours**

Trading in the shares on the Exchanges is on a UTP basis and is subject to the Exchanges equity trading rules. The shares will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Members trading the shares during the Extended Market Sessions (Pre-opening and Post-closing sessions) are exposed to the risk of the lack of the calculation or dissemination of underlying index value or intraday indicative value ("IIV"). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in the Extended Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Extended Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Extended Market hours may be at a disadvantage to market professionals.

### **Trading Halts**

The Exchanges will halt trading in the Shares of a Trust in accordance with Exchange Rules 14.1(c)(4). The grounds for a halt under this Rule include a halt by the primary market because it stops trading the Shares and/or a halt because dissemination of the IIV or applicable currency spot price has ceased, or a halt for other regulatory reasons. In addition, the Exchanges will stop trading the Shares of a Trust if the primary market de-lists the Shares.

### **Suitability**

Trading in the Shares on the Exchanges will be subject to the provisions of EDGA and EDGX Exchange Rules 3.7. Members recommending transactions in the Shares to customers should make a determination that the recommendation is suitable for the customer. In addition, members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in Exchange Rules 3.7.

Members also should review FINRA Notice to Members 03-71 for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

### **Delivery of a Prospectus**

Pursuant to federal securities laws, investors purchasing Shares must receive a prospectus prior to or concurrently with the confirmation of a transaction. Investors purchasing Shares directly from the Fund (by delivery of the Deposit Amount) must also receive a prospectus.

Prospectuses may be obtained through the Distributor or on the Fund's website. The Prospectus does not contain all of the information set forth in the registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Fund, please refer to the Trust's registration statement.

### **No-Action Relief Under Federal Securities Regulations**

The Securities and Exchange Commission has issued no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934 (the "Exchange Act"), regarding trading in Deutsche Bank AG Exchange-Traded Notes (SEC Letter dated October 17, 2007 and Barclays Bank PLC Exchange-Traded Notes (SEC No-Action Letters dated May 30, 2006 and July 27, 2006) for securities with structures similar to that of the securities described herein (the "Letters"). Credit Suisse represents that it is relying upon the Letter. As what follows is only a summary of the relief outlined in the Letters, the Exchange also advises interested Members to consult the Letters, available at [www.sec.gov](http://www.sec.gov), for more complete information regarding the matters covered therein.

### **Regulation M Exemptions**

Generally, Rules 101 and 102 of Regulation M is an anti-manipulation regulation that, subject to certain exemptions, prohibits a "distribution participant" and the issuer or selling security holder, in connection with a distribution of securities, from bidding for, purchasing, or attempting to induce any person to bid for or purchase, any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities, and affiliated purchasers of such persons.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 101 of Regulation M against persons who may be deemed to be participating in a distribution of the notes to bid for or purchase the notes during their participation in such distribution.

Rule 102 of Regulation M prohibits issuers, selling security holders, or any affiliated purchaser of such person from bidding for, purchasing, or attempting to induce any person to bid for or

purchase a covered security during the applicable restricted period in connection with a distribution of securities effected by or on behalf of an issuer or selling security holder. Rule 100 of Regulation M defines “distribution” to mean any offering of securities that is distinguished from ordinary trading transactions by the magnitude of the offering and the presence of special selling efforts and selling methods.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 102 of Regulation M, thus permitting the Issuer and its affiliated purchasers to redeem the ETNs.

#### **Section 11(d)(1) of the Exchange Act; Exchange Act Rule 11d1-2**

Section 11(d)(1) of the Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he participated as a member of a selling syndicate or group within thirty days prior to such transaction.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Section 11(d)(1) of the Exchange Act against broker-dealers who treat the notes, for purposes of Rule 11d1-2, as “securities issued by a registered open-end investment company as defined in the Investment Company Act” and thereby, extend credit or maintain or arrange for the extension or maintenance of credit on the notes that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

**This Regulatory Information Circular is not a statutory Prospectus. Members should consult the Trust’s Registration Statement, SAI, Prospectus and the Fund’s website for relevant information.**

## Appendix A

<b>Ticker</b>	<b>Fund Name</b>	<b>Cusip</b>
CSMA	Exchange Traded Notes due October 6, 2020 Linked to the Credit Suisse Merger Arbitrage Liquid Index	22542D845