

Zurich investment foundation

Hedge Fund CHF

Success with alternative investments

Hedge funds are an important element in successful asset management. The low correlation with equity and bond markets substantially improves the risk/return ratio in a portfolio.

Your advantages at a glance

- **Modules for flexibly implementing the investment strategy of a pension plan**
 - **Enhancement of portfolio risk/return ratios, even with small capital investments**
 - **Broadly diversified and transparent investments**
 - **Independent investment management process, which meets the highest compliance requirements**
 - **Attractive terms**
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Investment universe

The Hedge Fund CHF portfolio invests as a fund of hedge funds in transparent collective investments (target funds) with umbrella fund structure. The portfolio takes account of various investment strategies and styles worldwide in all sectors. The investment goal is to maintain a broadly diversified portfolio. The portfolio is denominated in CHF, with currency risks hedged in the target funds. The target yield is 5–7% with an investment horizon of 3–5 years. Hedge funds are an important element in successful investment.

Investment process

LGT Capital Partners Ltd.

Portfolio managers are selected by specialized and experienced research teams which identify those managers with the highest alpha and the best diversification attributes.

Market opportunities are detected and robust portfolios are created through a combination of active top-down asset allocation and a dynamic bottom-up portfolio management process. Rigorous risk management and appropriate transparency are required to reduce or manage market, liquidity and operational risks.

GAM International Management Limited

The team aims for diversification of the portfolio by region, asset classes and manager style. Each of the fund managers is selected for the various strategies, sub-strategies and geographical regions with the aid of extensive bottom-up research. This produces a portfolio in which each of the strategies and funds is optimally balanced and weighted.

Manager

LGT Capital Partners Ltd.

LGT Capital Partners is a leading European manager for alternative investments in hedge funds and private equity. Over the years the team has made a name for itself as an experienced long-term investor with an excellent performance record.

GAM International Management Limited

GAM is one of the largest fund-of-hedge-funds managers in the world. The company's many years of experience has provided it with clear-cut advantages: knowledge, expertise, scope and clearly structured processes.

Hedge Fund CHF

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As of 30.09.2017

Key characteristics

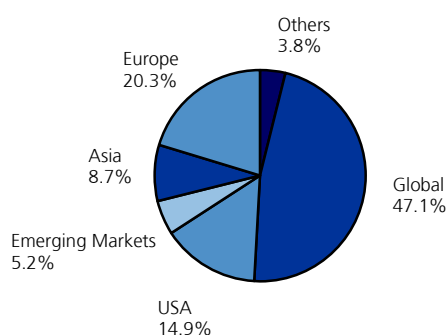
Manager	GAM, LGT
ISIN	CH0018303922
Bloomberg Ticker	ZAHEDGC SW
Benchmark	HFRX GI HF CHF Index
First issue	12.2004
Financial year	1.1. - 31.12.
Currency	CHF
Risk currency	Hegded in CHF
AuM (in mio.)	1,173.56
Net asset value	1,235.93
Management Fee	1.25%
TER (KGAST)	4.30%
Spread	0.00%
Issue/Redemption	See prospect

For further information please visit: www.zurichinvest.ch

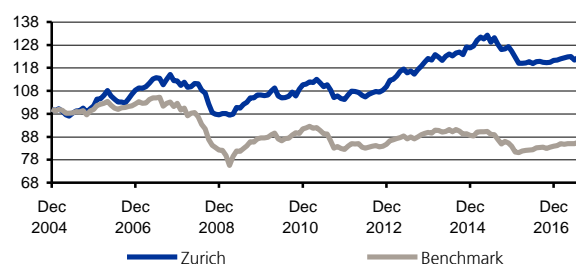
Asset manager (in %)

	Zurich
LGT	55.99
GAM	43.83
Cash	0.18

Geographic allocation (in %)



Performance (net of fees, indexed)



Performance (net of fees in %, in CHF)

	Zurich	Benchmark
3 month	1.86	1.12
Current year	1.92	2.36
1 year p.a.	2.67	2.84
5 years p.a.	2.79	0.42
10 years p.a.	0.90	-1.75
Since inception p.a.	1.68	-1.19

Volatility (in %)

	Zurich	Benchmark
1 year p.a.	1.93	1.55
5 years p.a.	4.12	3.42
10 years p.a.	4.80	5.32
Since inception p.a.	4.79	5.04

Risk figures since inception

	Zurich	Benchmark
Sharpe Ratio	0.24	-0.34
Beta	0.74	1.00
Tracking Error p.a.	3.29	-
Information Ratio	0.87	-
Jensen's Alpha (in %)	2.42	-
Max. Drawdown (in %)	18.18	39.39
Recovery Period*	49	102

*) in months

Asset allocation (in %)

	Zurich
CTA/Macro	33.33
Relative Value	24.53
Long/Short	22.94
Event Driven	15.41
Others	3.79

Liquidity (in %)

	Zurich
Monthly	51.77
Others	3.79
Daily	15.45
Weekly	10.38
Semi-annual	1.41
Quarterly	17.10
Side Pocket	0.01

Largest positions (in %)

	Zurich
Bar und Sonstiges	3.79
Crown Managed	3.79
Crown/Linden	3.40
Crown/Latigo	3.27
Autonomy Global	3.25

Risk figures for other time periods

	1 year p.a.	5 years p.a.	10 years p.a.	Since inception p.a.
Sharpe Ratio	1.77	0.77	0.14	0.24
Tracking Error p.a.	1.93	2.63	3.50	3.29
Information Ratio	-0.09	0.90	0.76	0.87
Jensen's Alpha (in %)	1.63	2.42	2.04	2.42

Overview performance (net of fees in %)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	0.06	0.42	0.44	0.26	0.12	-1.23	0.98	0.74	0.13				1.92
2016	-2.16	-2.11	0.00	0.04	0.47	-0.70	0.70	0.11	-0.32	-0.06	0.11	0.69	-3.23
2015	0.61	1.94	1.16	-0.67	1.33	-2.34	1.50	-2.26	-1.73	0.23	0.73	-1.45	-1.09
2014	-0.58	1.90	-0.90	-1.12	1.59	0.72	-0.64	1.01	0.29	-0.82	2.65	-0.27	3.79
2013	2.66	0.33	1.26	1.76	0.83	-1.41	0.76	-1.21	1.75	1.29	1.36	1.41	11.26
2012	1.81	1.63	-0.08	-0.40	-1.15	-0.74	1.15	0.60	0.54	-0.24	0.71	1.38	5.27
2011	0.21	0.84	-0.25	1.29	-1.39	-1.52	0.83	-2.21	-2.90	0.59	-1.04	-0.34	-5.82
2010	-0.21	0.18	1.72	1.14	-3.15	-0.84	0.17	0.58	1.60	-1.55	2.85	1.82	4.24
2009	0.67	-0.02	-0.76	0.46	2.95	-0.24	1.61	0.85	1.87	0.08	1.10	0.05	8.91
2008	-1.81	1.31	-2.03	0.23	1.26	-0.06	-2.53	-1.18	-4.45	-3.62	-0.72	-0.33	-13.24
2007	0.90	-0.10	0.61	1.37	1.68	0.45	-0.17	-2.48	2.11	1.85	-2.28	-0.08	3.80

¹ TER according to KGAST: The figure corresponds to the Total Expense Ratio (TER) from the last year and is no guarantee for a similar TER in the future.

² Spread: Settlement with an additional subscription or redemption charge (protection of the fund performance)

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