

## Zurich investment foundation

# Real Estate Switzerland Commercial

Innovative and tailor-made solutions for Swiss Pension Funds

Real estate is an important element for successful investment. The low correlation with equity and bond markets substantially improves the risk/return ratio in a portfolio.

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### Your advantages at a glance

- **Modules for flexibly implementing the investment strategy of a pension plan**
  - **Broadly diversified and transparent investments**
  - **Independent investment management process, which meets the highest compliance requirements**
  - **Attractive terms**
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#### Investment universe

The investment group mainly invests in business properties in Switzerland. The real estate is diversified in terms of its size, age structure and geographical distribution. The individual value of the investment may not exceed 15% of the portfolio's value. The Swiss real estate market is marked by relatively stable market values and low volatility. The return can be optimized through the use of borrowed capital.

#### Investment process

With the professionally managed real estate investments of the Zurich investment foundation, occupational retirement provision organizations can attain broad diversification using only small investment volumes.

The yearly real estate valuation is conducted by the independent expert Wüest & Partner AG. The management is led by the experienced team of Zurich IMRE AG.

#### Manager

Zurich IMRE AG

Zurich IMRE AG, a subsidiary of Zurich Insurance Group Ltd is responsible for the portfolio management as well as the investment management of real estate assets of the Zurich investment foundation and the Zurich Group in Switzerland.

## Real Estate Switzerland Commercial

The investment group «Real Estate Commercial Switzerland» mainly invests in business properties in Switzerland. The real estate is diversified in terms of its size, age structure and geographical distribution. The individual value of the investment may not exceed 25% of the portfolio's value. The Swiss real estate market is marked by relatively stable market values and low volatility. The return can be optimized through the use of borrowed capital.

As of 31.10.2017

### Key characteristics

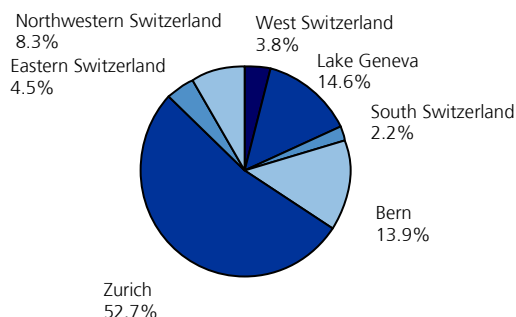
|                  |                  |
|------------------|------------------|
| Manager          | Zurich IMRE AG   |
| ISIN             | CH0032598069     |
| Bloomberg Ticker | ZAIMMGS SW       |
| Benchmark        | KGAST Immo-Index |
| First issue      | 07.2007          |
| Financial year   | 1.1. - 31.12.    |
| Currency         | CHF              |
| Risk currency    | CHF              |
| AuM (in mio.)    | 564.78           |
| Net asset value  | 1,648.37         |
| Management Fee   | 0.40%            |
| TER (KGAST)      | 0.64%            |
| Spread           | Max. 7.00%       |
| Issue/Redemption | Weekly           |

For further information please visit: [www.zurichinvest.ch](http://www.zurichinvest.ch)

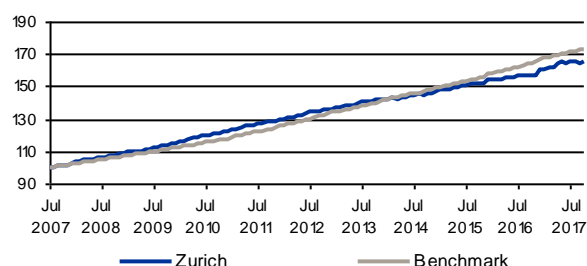
### Utilisation structure (in %)

|            | Zurich |
|------------|--------|
| Office     | 37.10  |
| Retail     | 20.80  |
| Retail     | 15.30  |
| Apartments | 14.80  |
| Others     | 12.00  |

### Locations (in %)



### Performance (net of fees, indexed)



### Performance (net of fees in %, in CHF)

|                      | Zurich | Benchmark |
|----------------------|--------|-----------|
| 1 month              | 0.27   | 0.40      |
| 3 month              | 0.03   | 1.25      |
| Current year         | 2.90   | 3.84      |
| 1 year p.a.          | 5.25   | 5.20      |
| 5 years p.a.         | 4.02   | 5.57      |
| 10 years p.a.        | 5.00   | 5.50      |
| Since inception p.a. | 5.00   | 5.50      |

### Volatility (in %)

|                      | Zurich | Benchmark |
|----------------------|--------|-----------|
| 1 year p.a.          | 2.45   | 0.55      |
| 5 years p.a.         | 1.33   | 0.58      |
| 10 years p.a.        | 1.13   | 0.54      |
| Since inception p.a. | 1.12   | 0.54      |

### Other key figures

|                                       | Zurich |
|---------------------------------------|--------|
| Borrowing ratio                       | 1.49   |
| Dividend ratio                        | 0.00   |
| Fund operating expense ratio (TERisa) | 0.31   |
| Fund operating expense ratio (TERisa) | 0.33   |
| Operating profit margin (EBIT margin) | 79.74  |
| Payout ratio                          | 0.00   |
| Rent default rate                     | 8.67   |
| Return on equity (ROE)                | 2.60   |
| Return on invested capital (ROIC)     | 2.42   |

## Risk figures for other time periods

|                       | 1 year p.a. | 5 years p.a. | 10 years p.a. | Since inception p.a. |
|-----------------------|-------------|--------------|---------------|----------------------|
| Sharpe Ratio          | 2.45        | 3.32         | 4.22          | 4.21                 |
| Tracking Error p.a.   | 2.12        | 1.39         | 1.20          | 1.19                 |
| Information Ratio     | 0.03        | -1.12        | -0.41         | -0.42                |
| Jensen's Alpha (in %) | -11.54      | 2.82         | 3.62          | 3.57                 |

## Overview performance (net of fees in %)

|      | Jan  | Feb  | Mar   | Apr  | May  | Jun   | Jul  | Aug  | Sep   | Oct  | Nov  | Dec  | YTD  |
|------|------|------|-------|------|------|-------|------|------|-------|------|------|------|------|
| 2017 | 0.44 | 0.34 | 0.29  | 1.68 | 0.19 | -0.36 | 0.27 | 0.17 | -0.41 | 0.27 |      |      | 2.90 |
| 2016 | 0.38 | 0.34 | 0.01  | 0.48 | 0.32 | 0.01  | 0.27 | 0.32 | -0.46 | 0.27 | 0.31 | 1.96 | 4.29 |
| 2015 | 0.38 | 0.37 | 0.09  | 0.34 | 0.33 | 0.67  | 0.32 | 0.32 | -0.09 | 0.32 | 0.32 | 0.95 | 4.41 |
| 2014 | 0.29 | 0.39 | -0.33 | 0.39 | 0.36 | 0.50  | 0.36 | 0.47 | -0.37 | 0.42 | 0.39 | 0.72 | 3.64 |
| 2013 | 0.33 | 0.62 | 0.09  | 0.38 | 0.38 | 0.68  | 0.35 | 0.40 | 0.17  | 0.36 | 0.37 | 0.07 | 4.28 |
| 2012 | 0.35 | 0.36 | 0.33  | 0.34 | 0.58 | 1.08  | 0.31 | 0.07 | 0.60  | 0.37 | 0.38 | 0.19 | 5.06 |
| 2011 | 0.79 | 0.54 | 0.82  | 0.43 | 0.39 | 0.35  | 0.47 | 0.35 | 0.60  | 0.33 | 0.31 | 0.54 | 6.08 |
| 2010 | 0.47 | 0.43 | 1.53  | 0.43 | 0.37 | 0.50  | 0.36 | 0.37 | 0.65  | 0.34 | 0.33 | 0.39 | 6.34 |
| 2009 | 0.41 | 0.42 | 0.08  | 0.42 | 0.43 | 0.43  | 0.41 | 0.89 | 0.62  | 0.42 | 0.49 | 0.44 | 5.59 |
| 2008 | 0.37 | 0.47 | 0.81  | 0.40 | 0.42 | 0.63  | 0.35 | 0.36 | 0.80  | 0.31 | 0.31 | 0.57 | 5.95 |
| 2007 |      |      |       |      |      |       |      | 0.42 | 0.37  | 0.36 | 0.43 | 1.06 | 2.66 |

<sup>1</sup> 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.

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

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