

Zurich investment foundation

Insurance Linked Strategies Non-Life (CHF hedged)

Insurance linked strategies (ILS) Non-Life offer an attractive alternative to bonds through regular returns with high diversification potential and a short duration profile. Zurich Invest Ltd. provides pension funds with a tailored investment foundation to access this asset class.

Your advantages at a glance

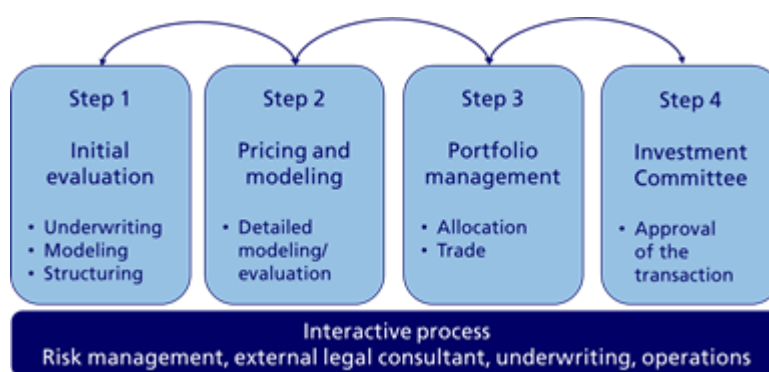
- **Attractive return potential in the current low-interest rate environment**
- **Low correlation with traditional investments**
- **Very defensive risk profile through broad regional diversification in transparent investments**
- **Strict investment guidelines reduce concentration risk in US hurricanes and avoid investments in quota shares, sidecars, life risks and weather derivatives**
- **Leading asset manager with proven track record**
- **Independent manager selection and controlling process that meets highest compliance standards**
- **Swiss investment foundation, regulated and supervised by OAK**
- **Moderate management fees without performance fees in line with the defensive risk profile**

Investment universe

The investment group invests in a wide range of ILS instruments. Both securitized instruments (cat bonds) as well as private transactions are considered, in order to achieve broad diversification. The gross target return is 2-5 percent over money market (depending on reinsurance demand) with a very low risk profile suitable for a first time allocation.

Investment process

The investment process concentrates on risk modeling, which defines the pricing of the premium. For the risk modeling, various internal and external models are used in order to achieve an evaluation with maximum precision. Apart from modeling, portfolio management and legal structuring also belong to the core process. This approach and the resources enable the assets manager to invest worldwide as well in order to broadly diversify the portfolio.



Manager

Credit Suisse

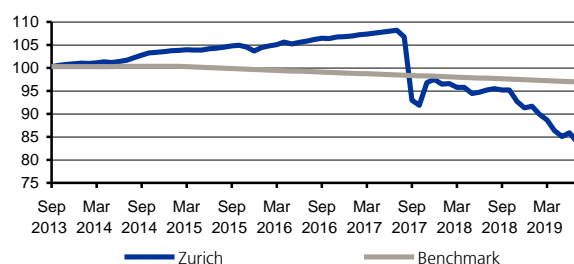
The ILS team of Credit Suisse is among the pioneers of the market. Apart from its size (several billion USD AuM in ILS), the team also has the resources, an excellent track record, the experience, the network and the technical skills required to successfully manage a well diversified ILS portfolio.

ILS Non-Life (hedged)

In the current low-interest rate environment, the portfolio represents a suitable alternative to bonds. In addition to an attractive expected return, it offers unique diversification benefits, as the return depends on insured events (e.g. wind or earthquakes).

As of 31.08.2019

Performance (net of fees, indexed)



Key characteristics

Manager	Credit Suisse
ISIN	CH0214415116
Bloomberg Ticker	ZAINLKS SW
Benchmark	L3SF CHF 3-Month Deposit
First issue	09.2013
Financial year	1.1. - 31.12.
Currency	CHF
Risk currency	Hegded in CHF
AuM (in mio.)	216.25
Net asset value	830.02
Management Fee	1.00%
TER (KGAST)	1.21%
Spread	0.50%
Issue/Redemption	Quarterly

For further information please visit: www.zurichinvest.ch

Performance (net of fees in %, in CHF)

	Zurich	Benchmark
1 month	-0.71	-0.06
3 month	-2.09	-0.19
Current year	-8.78	-0.54
1 year p.a.	-12.78	-0.79
5 years p.a.	-4.02	-0.69
10 years p.a.	-	-
Since inception p.a.	-3.10	-0.58

Volatility (in %)

	Zurich	Benchmark
1 year p.a.	4.21	0.02
5 years p.a.	6.88	0.07
10 years p.a.	-	-
Since inception p.a.	6.35	0.10

Investment instruments (in %) *

	Zurich
Securities	57.00%
Derivatives (long)	36.00%
Derivatives (short)	2.00%
Cash	5.00%

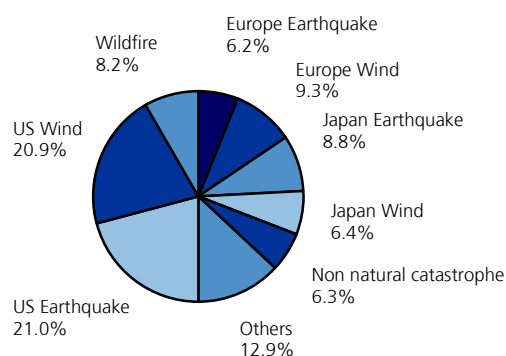
*) As of 31.07.2019

Risk figures since inception

	Zurich	Benchmark
Sharpe Ratio	-0.40	0.09
Beta	8.91	1.00
Tracking Error p.a.	6.34	-
Information Ratio	-0.40	-
Jensen's Alpha (in %)	-2.59	-
Max. Drawdown (in %)	29.97	3.53
Recovery Period*	0	0
Modified Duration	-	-

*) in months

Investment split (in %)



*) As of 31.07.2019

Key figures

	Zurich
Expected annual yield over money	6.45%
Expected loss	2.21%
Largest position (in % NAV)	3.60%
Number of counterparties	60
Number of Insur. Linked Securities	61
Number of positions	123

*) As of 31.07.2019

Risk figures for other time periods

	1 year p.a.	5 years p.a.	10 years p.a.	Since inception p.a.
Sharpe Ratio	-2.84	-0.48		-0.40
Beta	29.49	9.70		8.91
Tracking Error p.a.	4.21	6.87		6.34
Information Ratio	-2.85	-0.48		-0.40
Jensen's Alpha (in %)	-13.22	-3.42		-2.59

Overview performance (net of fees in %)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	0.45	-1.94	-1.35	-2.60	-1.56	1.02	-2.38	-0.71					-8.78
2018	-1.10	0.15	-0.90	0.05	-1.38	0.31	0.47	0.28	-0.27	-0.02	-2.62	-1.53	-6.41
2017	0.17	0.21	0.18	0.16	0.21	0.21	0.16	-1.32	-12.92	-1.17	5.36	0.73	-8.70
2016	0.73	0.38	0.27	0.50	-0.37	0.34	0.26	0.30	0.26	-0.02	0.29	0.07	3.02
2015	0.27	0.04	0.11	-0.06	0.01	0.26	0.15	0.22	0.26	0.14	-0.39	-0.85	0.15
2014	0.08	-0.02	0.15	0.15	-0.08	0.17	0.30	0.51	0.59	0.45	0.12	0.12	2.56
2013										0.28	0.19	0.16	0.63

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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