

Zurich investment foundation

Senior Loans Global (CHF hedged)

Senior loans offer additional return opportunities and protection in times of rising interest rates.

Your advantages at a glance

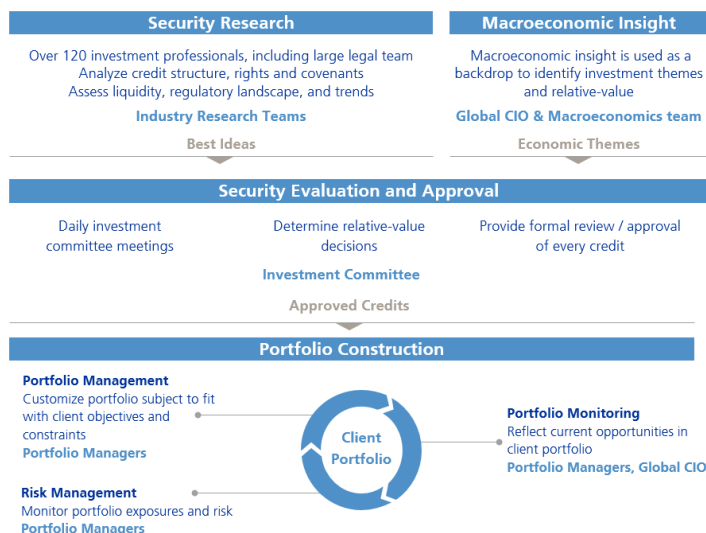
- **Floating rate benefit when rising interest rates rise**
- **Low correlation to traditional bonds**
- **Seniority and collateralization improve recovery rates**
- **Global diversification (US and Europe)**
- **Bespoke investment for Swiss pension funds**

Investment universe

The investment group is broadly diversified investing in European and US senior loans. The maximum allocation to an individual debtor is 3 percent with investments spread across at least 75 debtors. The average minimum Standard & Poor's rating of the portfolio is B-.

Investment process

Thanks to its experience and size, Guggenheim Investments benefits from an excellent market access even for smaller transactions. The asset manager's investment philosophy combines fundamental data from enterprise and industry research with macroeconomic insight. Investments in senior loans are made only after intensive investigation by the Guggenheim experts, who evaluate each loan four to six times in the investment committee.



Manager

Guggenheim Partners Investment Management, LLC

The company with substantial employee ownership was founded in 2001 and manages several hundred billions in client assets, most of them as a proven specialist in the fixed income segment. Supported by internal legal experts, an extensive team of experienced credit specialists based in the USA and in Europe manages the senior loan investments.

Senior Loans Global (CHF hedged)

The investment group is broadly diversified investing in European and US senior loans. The maximum allocation to an individual debtor is 3 percent with diversification across at least 75 debtors. In addition the portfolio is completely hedged in Swiss francs.

As of 30.09.2019

Key characteristics

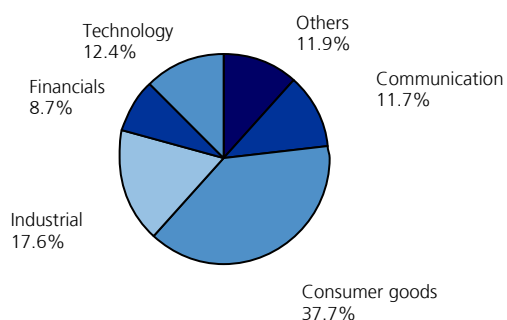
Manager	Guggenheim Partners
ISIN	CH0221374652
Bloomberg Ticker	ZASRLNH SW
Benchmark	S&P GI Lev Loan 70/30 CHF H
First issue	11.2013
Financial year	1.1. - 31.12.
Currency	CHF
Risk currency	Hegded in CHF
AuM (in mio.)	605.02
Net asset value	1,141.43
Management Fee	0.65%
TER (KGAST)	0.73%
Spread	0.50%
Issue/Redemption	Monthly
Number of holdings	324
Off-BM positions	21.33%

For further information please visit: www.zurichinvest.ch

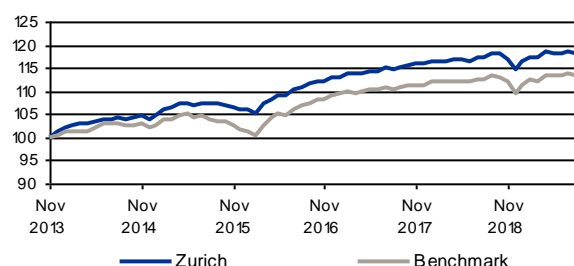
Allocation (in %)

	Zurich
Senior Secured Loans	97.19
Cash	0.96
Second Lien Loans	1.18
High Yield Bonds	0.47
Others	0.20

Sectors (in %)



Performance (gross of fees, indexed)



Performance (net of fees in %, in CHF)

	Zurich	Benchmark
1 month	0.28	0.29
3 month	0.30	0.41
Current year	2.93	3.91
1 year p.a.	-0.14	0.43
5 years p.a.	2.01	2.07
10 years p.a.	-	-
Since inception p.a.	2.29	2.21

Volatility (in %)

	Zurich	Benchmark
1 year p.a.	3.29	3.71
5 years p.a.	2.09	2.50
10 years p.a.	-	-
Since inception p.a.	2.03	2.35

Risk figures since inception

	Zurich	Benchmark
Sharpe Ratio	1.43	1.20
Tracking Error p.a.	0.76	-
Information Ratio	0.11	-
Jensen's Alpha (in %)	0.59	-
Max. Drawdown (in %)	3.07	4.67
Recovery Period*	4	3
Modified Duration	0.08	0.46
Years to Maturity	4.77	-
Number of positions	333	1828

*) in months

Locations (in %)

	Zurich
USA	71.34
Great Britain	9.60
Niederlande	5.06
Luxembourg	2.83
Others	11.17

Rating (in %)

	Zurich
BBB	0.41
BB	12.54
B	59.48
CCC	5.39
D	0.04
NA	21.78
LIQ	0.37
Ø	B

5 largest positions (in %)

	Zurich
Bain Capital Private	1.36
Omaha Holdings LLC	1.32
Vista Equity Partners	1.22
Permira Advisers LLP	1.02
Armor Parent Corp	0.94

Risk figures for other time periods

	1 year p.a.	5 years p.a.	10 years p.a.	Since inception p.a.
Sharpe Ratio	0.21	1.30		1.43
Tracking Error p.a.	0.68	0.73		0.76
Tracking Error Ex Ante	1.49	-		-
Information Ratio	-0.83	-0.08		0.11
Jensen's Alpha (in %)	-0.41	0.47		0.59

Overview performance (net of fees in %)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	1.52	0.76	-0.34	1.24	-0.42	-0.15	0.52	-0.49	0.28				2.93
2018	0.51	-0.05	0.04	0.11	-0.12	-0.12	0.41	0.12	0.49	-0.08	-1.07	-1.85	-1.61
2017	0.12	0.39	0.02	0.15	0.31	-0.09	0.50	-0.17	0.18	0.40	0.07	-0.05	1.84
2016	-0.32	-0.56	1.73	1.05	0.50	-0.09	1.24	0.35	0.64	0.33	0.16	0.58	5.74
2015	0.68	1.23	0.57	0.46	0.03	-0.26	0.37	-0.24	-0.17	-0.08	-0.57	-0.45	1.59
2014	0.98	0.26	0.38	-0.11	0.54	0.43	-0.06	0.32	-0.44	0.14	0.51	-0.94	2.00
2013												1.01	1.01

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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