

Invest in real estate around the globe

Market diversity, transparency and know-how:

The investment group “Zurich Investment Foundation Real Estate Global” enables pension funds to invest in various real estate markets worldwide.



Your advantage:

- You add diversity with the global real estate market, which is transparent and liquid.

Your opportunity:

- You receive unique access to direct real estate worldwide. Another advantage is that you can invest in a tax-optimised real estate portfolio – quite simply via the Zurich Investment Foundation.

Your benefits:

- You benefit from the comprehensive know-how of experienced teams with many years of local real estate expertise. You also benefit from the Investment Foundation’s **veto right**. This creates trust.

Global real estate market offers opportunities

Swiss pension funds know the local real estate market very well. For this reason, they have invested heavily in their home market for many years. However, investment opportunities in Switzerland are limited due to the size of the market. At the same time, investment potential in foreign real estate has not been fully utilised. Yet when you invest abroad, you diversify your risks and get the opportunity of higher returns in the long term.

Market diversity is relevant

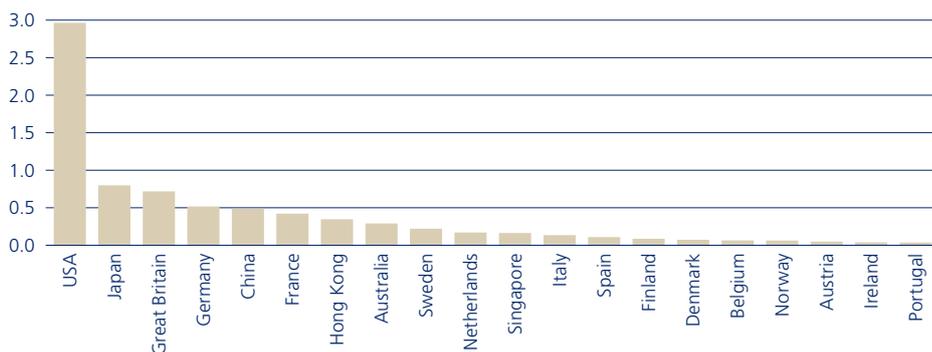
If a pension fund invests in the USA and Europe, it can cover around half of the global market with the institutional real estate

markets of the USA, Great Britain and Germany. If it takes other real estate markets in Europe and Asia into account, the figure reaches 90 percent. And because the individual countries and regions have different growth cycles, the markets are heterogeneous. This heterogeneity generates international diversification potential.

Transparent real estate markets

When it comes to transparency, the USA, Great Britain and France are role models for other real estate markets worldwide. Statutory framework conditions, high standards with regard to data availability and quality, and frequent performance measurements with high demands ensure this high transparency.

US dollar trillions



Source: Zurich Invest Ltd, excerpt from the IPD Global Annual Property Index (June 2018). The estimated market size is for the end of 2017.

A combination of three worlds – Real Estate Global

The investment group **Real Estate Global** offers Swiss pension funds in particular a unique opportunity to optimally diversify an existing real estate portfolio. The advantages offered by investments outside Switzerland include low correlation to the Swiss market, different growth cycles of individual countries, regions and sectors, and various revaluation and appreciation opportunities. This high degree of heterogeneity and increasing globalisation are ideal for the investment group **Real Estate Global** to invest anticyclically in the global real estate markets, and thus to optimise opportunities for increasing value and rents. The investment group was developed specifically for tax-exempt occupational retirement provision institutions.

Robust with direct Core/Core Plus properties primarily

The overall investment strategy focuses primarily on Core/Core Plus properties. They have the lowest risks and can generate stable, long-term returns. They are characterised above all by their central locations and the quality of their tenants. Such properties are located in regions or cities with rapid growth. Furthermore, yields from Core/Core Plus real estate are very stable over the course of the entire economic cycle, because properties are often only vacant for a short time and tenancies are frequently established contractually for a number of years.

The investment strategy relies on experienced teams with a local presence worldwide

Real Estate Europe Direct (launched November 2013)

This investment group is managed by Schroder Investment Management (Switzerland) AG. With local teams, it continuously identifies suitable investment opportunities in the various target markets. The investment universe covers



the economically largest countries in Western and Northern Europe and primarily comprises Germany, France, Great Britain, Scandinavia and the Benelux countries. A total of 94 percent of the portfolio is located in regions with rapid growth ("winning cities"). The investment focus is on direct investments in Core/Core Plus real estate in the office, retail and logistics sectors. The return on investment since inception has been around 7 percent per year.

Real Estate USA Direct (launch in May 2019)

This investment group is managed by Zurich Alternative Asset Management LLC and its experienced real estate management team brings together over 150 years of real estate experience and an excellent local and national network. The investment universe includes 20 different major metropolitan areas. The investment focus is on direct Core properties in the four sectors office, retail, residential and logistics. A target return of 4 to 6 percent per year is expected.

Real Estate Asia in the pipeline

Demand in the Asian real estate market is high, with 52 percent of all transactions in 2017 taking place in Asia. The investment strategy will focus on real estate that will

benefit from Asia's growth drivers. In order to round off the Real Estate Global investment group, the most suitable investment fund for Real Estate Asia will be selected using our clearly structured, independent investment management process ("best-in-class" approach).

	Rank	Country
The role models	1	Great Britain
	2	Australia
	3	USA
	4	France

	Rank	Country
Very transparent markets	5	Canada
	6	Netherlands
	7	New Zealand
	8	Germany
	9	Ireland
	10	Sweden

	Rank	Country
Transparent markets	11	Finland
	12	Singapore
	13	Hong Kong
	14	Japan
	15	Switzerland
	16	Belgium
	17	Denmark
	18	Italy
	19	Spain
	20	Poland

Source: Zurich Invest Ltd, Jones Lang LaSalle (JLL), 2018.

Key figures

Risk profiles: Core and Core Plus

Investment horizon: long-term (“open-ended”)

Investment forms:

- for the USA via ZAST Real Estate USA
- for Europe via ZAST Real Estate Europe Direct
- for other regions via collective investments

Type: commercial and residential real estate

Target return: 4–6% p. a.

Fund information

Investment group: Real Estate Global

ISIN/security number:

CH0448058815/44805881

Front-end load: 0.0 percent for initial investors, then 2.0 percent

Management fee (GAV): special conditions for startup capital providers until May 31, 2019, then 0,7–0,8% (indicative).

The price for the Real Estate Global investment group is made up of the prices of the underlying products. The price may vary depending on the allocation.

Investment class: real estate

Structure: investment foundation, OAK-regulated

Investor group: occupational pension institutions

Currency: Swiss francs (CHF)

Currency risks: not hedged

Providers: Zurich Investment Foundation

Asset manager: Zurich Alternative Asset Management LLC
Schroder Investment Management (Switzerland) AG

Custodian bank: State Street Bank International, GmbH, Munich, Zurich branch

Auditing: PricewaterhouseCoopers AG

Summary – The most important findings



1. Access to high-quality real estate worldwide

- At least 80 percent core real estate
- Transparent and liquid real estate markets
- Different economic cycles and correlations



2. Best opportunity for investment and value enhancement

- Stable returns by means of rental income
- Low risks with core real estate
- Wide diversification: geography, property type, market size and sectors



3. Collaboration with experienced partners

- Stable teams with many years of experience and proven real estate expertise
- Multi-manager approach (“best in class”) with local networks worldwide consisting of external real estate professionals and companies
- Joint investment committees with veto right for the Investment Foundation

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