



SFP Investment Foundation



SFP Global Indirect Property

18 June 2019, Frederik De Block

The case for global real estate

Investors with a home-country bias and a real estate allocation to just one country are susceptible to lower diversification benefits and additional risk. There are three key reasons to add global real estate to a domestic real estate portfolio

1. Exposure to a greater opportunity set

Domestic real estate stock is limited, global investment provides exposure to larger markets and more opportunities and provides access to markets with faster growth rates

2. Diversification

Global real estate has low correlations with stocks and bonds, further diversification benefits are achieved through cross-country investing, as real estate markets in different countries and regions diverge over time

3. Attractive returns, low volatility

Global private real estate's income premium and low levels of volatility underpin its attractive risk-adjusted performance, global private real estate historically generated the highest sharpe ratio in comparison to other asset classes

Source: Nuveen, Barclays, CBRE – (RCA, Thomson Reuters, Merrill Lynch, FTSE, MSCI, CBRE Global Investors)

The case for INDIRECT global real estate

Fund of non-listed property funds

- Broad diversification – exposure to a substantial number of assets and multiple regions, sectors, managers
- Typically enables access to a higher number of funds and cheaper fee tranches than investing in funds independently*
- Access to research, due diligence reports, reporting, best-in-class manager-expertise
- Outsourcing of portfolio management to local specialists
- Listed REITs can complement a portfolio by providing liquidity to assist with rebalancing

*Assuming dry powder of < CHF 100 million

Strategic focus on core real estate funds

A risk-adjusted core strategy represents the best possible strategic allocation

SFP AST Global Core Property Focus

Strategy	Core	Value-added	Opportunistic
Risk	Low	Medium	High
Target return (LC)	6% - 11%	11% - 15%	15% +
Return split	Yield (70%) + Capital growth (30%)	Yield (50%) + Capital growth (50%)	Yield (<20%) + Capital growth (>80%)
Investment needs	Low	Medium	High
Holding period	7+ years	5-7 years	2-5 years
Management fees	+/-1%	+/-2%	+/- 3%
Leverage	0% - 60%*	60% - 80%	80% +
Property characteristics	Qualitative, long-term lease-agreements, high occupancy rates, reputable tenants, stable cash flow	Value enhancement based on refurbishment, re-leasing, repositioning	Development, non-performing assets
Structure and liquidity	Open, daily to quarterly liquidity	Open and closed, less liquid	Closed, no liquidity

* SFP AST Global Core Property will not invest in funds with a maximum leverage of above 50%



No concentration risk and a high expected cash flow

SFP AST Global Core Property Hedged CHF

Key portfolio figures as of 31.05.2019

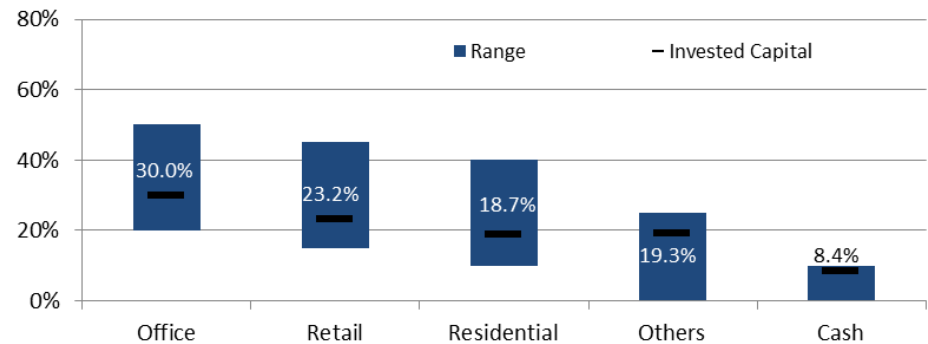
# of funds	12
Leverage	18.5%
Occupancy rate	95.3%
WAULT	5.5 years
Number of properties	1023
Total value	CHF 73.3 billion

Underlying funds – performance*

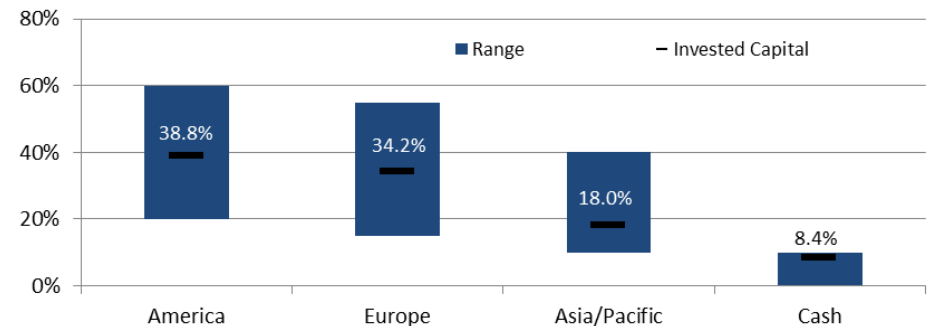
	1 year	3 year	5 year
Income return (weighted)	3.75%	4.33%	4.42%
Capital appreciation (weighted)	2.29%	3.04%	4.40%
Total return	6.04%	7.37%	8.82%

*generated from our internal database

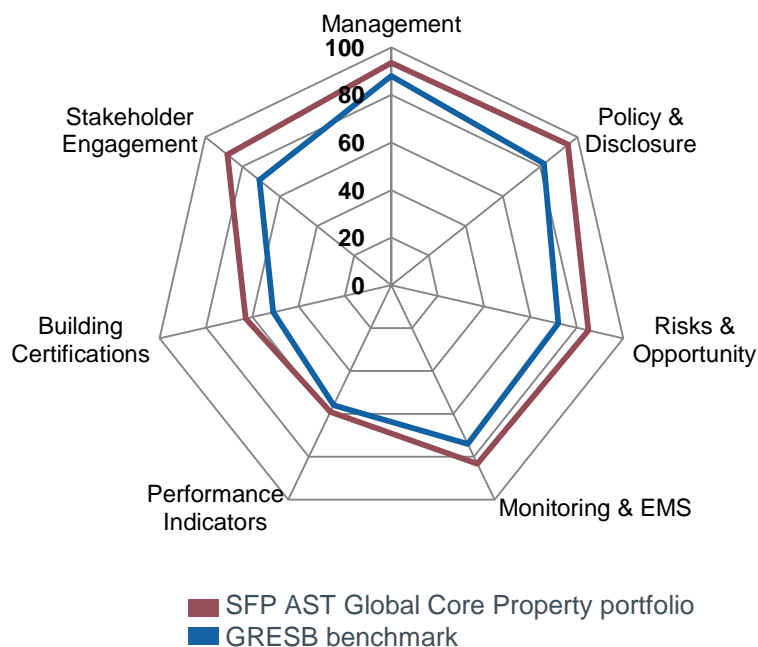
Sector allocation



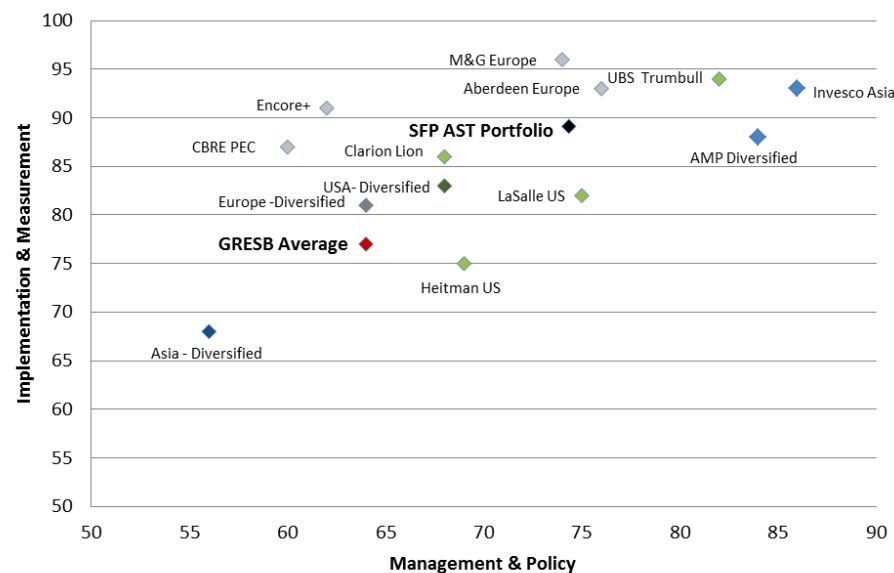
Geographic allocation



ESG: Our portfolio outperforms the GRESB-Benchmark on all aspects



Our portfolio outperforms the GRESB benchmark for each sustainability criterion



Our portfolio outperforms the GRESB average on both an implementation/measurement and a management/policy basis

Broad diversification and best-in-class assets



SFP AST Global Core Property key terms

Name	SFP AST Global Core Property
Manager	Swiss Finance & Property Funds AG
Legal Structure	Swiss Investment Foundation
Asset Class	Core real estate
Sector exposure	Diversified: office, retail, residential, and others
Regional exposure	Global (ex-Switzerland)
Domicile	Switzerland
Term	Evergreen
Liquidity	Quarterly (after lock-up period until 30 September 2019)
Currency	CHF hedged and unhedged
Leverage	No leverage at the AST-level
Target performance	4 – 6% at fund level in CHF, after local taxes and fees
Expected TER (underlying funds)	Approx 1.0%
Management fee	0.60 % for investments: < CHF 10 000 000
	0.40 % for investments: CHF 10 000 000 - CHF 25 000 000
	0.35 % for investments: CHF 25 000 000 - CHF 50 000 000
	0.30 % for investments: CHF 50 000 000 - CHF 100 000 000
	0.25 % for investments: > CHF 100 000 000

Please see subscription process in appendix

Investors are recommended to obtain advice on all legal, supervisory and tax law effects of an investment in the product before making an investment. All transactions should be based on the current version of the sales prospectus and any available local offer documents. *Investors that have committed capital at an early stage of the subscription period receive a discount on the current administration fee. The target return for planned fund investments is referred to as target IRR. The target IRR is neither a binding profitability criterion nor a guaranteed return. Target IRR is calculated in local currencies after local taxes and fees. The legal value added tax will be added to the fees where applicable.

SF (Lux) Global Core Property key terms

Name	SF (Lux) Global Core Property
Manager	Swiss Finance & Property Funds AG
Legal Structure	FCP
Asset Class	Core real estate
Sector exposure	Diversified: office, retail, residential, logistics and others
Regional exposure	Global (ex-Switzerland)
Domicile	Luxembourg
Term	Evergreen
Liquidity	Monthly
Currency	CHF (other currencies on request)
Leverage	No leverage at the fund level
Target performance	4 – 6% at fund level in CHF, after local taxes and fees
Expected TER (underlying funds)	Approx 1.0%
Management fee	0.40% – 1.00%

Please see subscription process in appendix

Investors are recommended to obtain advice on all legal, supervisory and tax law effects of an investment in the product before making an investment. All transactions should be based on the current version of the sales prospectus and any available local offer documents. *Investors that have committed capital at an early stage of the subscription period receive a discount on the current administration fee. The target return for planned fund investments is referred to as target IRR. The target IRR is neither a binding profitability criterion nor a guaranteed return. Target IRR is calculated in local currencies after local taxes and fees. The legal value added tax will be added to the fees where applicable.

Experienced team with proximity to market

Portfolio management team & Backup



Nicolas Di Maggio

CIO / Responsible

- Since November 2017 CIO Indirect and Head of Asset Management Indirect at Swiss Finance & Property Funds AG
- 2007 – 2017 Head of indirect real estate management at Banque Cantonale Vaudoise
- Certified International Investment Analyst (CIIA), BSc in business sciences and management sciences at university Lausanne, faculty for business sciences (HEC)



Frederik De Block

Senior Portfolio Manager

- Since 2016 Portfolio manager of Investment Foundation SFP AST Global Core Property at Swiss Finance & Property Funds AG
- 2008 – 2016 Portfolio manager at Credit Suisse AG, Zurich. Portfolio manager for global real estate securities, infrastructure, long-short hedge fund and covered call overlay
- Study and master in finance at University Brussels. Post-graduate studies in business economics at University Leuven. Holder of CFA-title (Chartered Financial Analyst)



Benjamin Boakes

Junior Portfolio Manager / Backup

- Previously Real Assets Investment Analyst at Cambridge Associates in London
- Master of Science in Real Estate Investment from Cass Business School, London
- Bachelor of Science in International Business from University of Surrey, UK

Experienced team with proximity to market

Extended team

Risk Management



Arno Buchs



Matthias Gattiker



Nicolas Hatt



Lucia Pflüger



Thomas Marti



Iris Sandmeier

Trading / Capital Markets

Legal / Compliance

Relationship Management



Urs Kunz



Mauro Golinelli

Chief Economist



Dr. Joachim Schütz

Operations



Flavio Leasi



Fabrice Kern

Investment committee (IC)

Nicolas
Hatt

Patrick
Dobler

Arno
Buchs

Dr. Joachim
Schütz

Philippe
Rothlin

Interest rate committee

Dr. Hans-Peter
Bauer

Adrian
Schenker

Arno
Buchs

Nicolas
Di Maggio

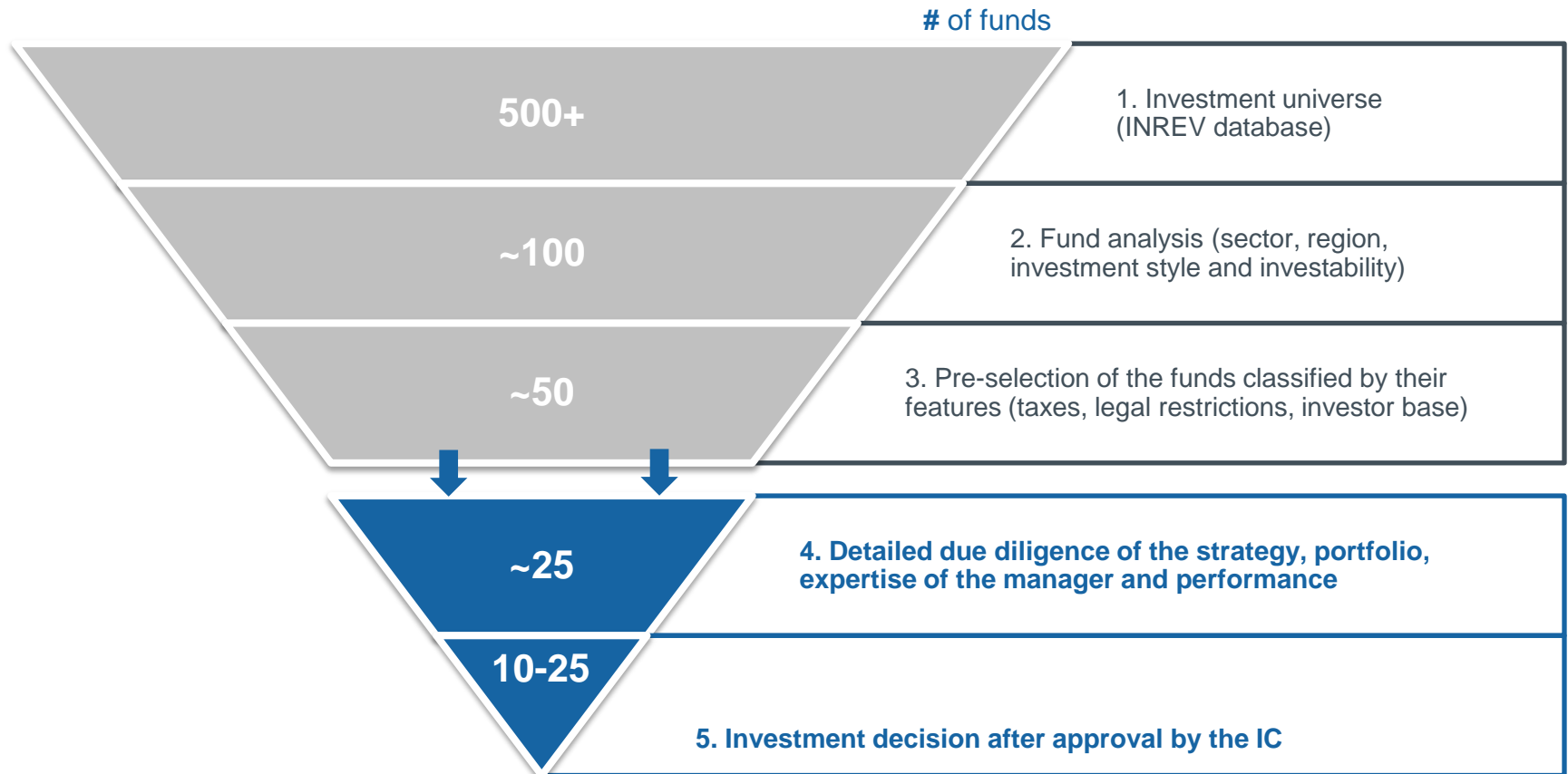
Patrick
Dobler

Nicolas
Hatt

Dr. Joachim
Schütz

Investment process

After a quantitative selection filter, a detailed analysis of the funds takes place (due diligence process) with a strong focus on ESG



Step 4 entails the selection of the funds to be presented to the IC. It includes on-site manager interviews and asset visits, as well as independent reports by our risk management team

Disclaimer

The information in this document is confidential and may not be disclosed in or outside Switzerland to any other person without prior approval of Swiss Finance & Property AG and/or its affiliates. This document does not constitute an issue and/or an issue prospectus pursuant to Art. 652a and Art. 1156 of the Swiss Code of Obligations as well as Art. 27 et seqq. of the Swiss Listing Rules of SIX Swiss Exchange, a prospectus, simplified prospectus or a Key Investor Information Document (KIID) according to the Swiss Federal Act on Collective Investment Schemes or a financial research according to the Directives on the Independence of Financial Research of the Swiss Banking Association. The solely binding documents for an investment decision are available from Swiss Finance & Property AG and/or its affiliates. This document is a product of Swiss Finance & Property AG and/or its affiliated companies. The information and data contained in this document have been obtained from sources believed to be reliable. Swiss Finance & Property AG and/or its affiliates do not guarantee, represent or warrant, expressly or impliedly, that the information and data in this document are accurate, complete or up to date. All expressions of opinion are subject to change without notice by Swiss Finance & Property AG and/or its affiliates. Swiss Finance & Property AG and/or its affiliates accept no liability, including any liability for incidental or consequential damages, arising out of information and data contained in this document and/or the use of this document. Any proposed terms in this document are indicative only and remain subject to a separate contract. Nothing in this document shall constitute or form part of any legal agreement, or any offer to sell or the solicitation of any offer to buy any securities or other financial instruments or to engage in any transaction. Investments in securities or other financial instruments should only be undertaken following a thorough study of the relevant prospectuses, regulations, the basic legal information that these regulations contain and other relevant documents. Investments in securities or other financial instruments can involve significant risks and the value of securities or other financial instruments may rise or fall. No assurance can be given that the investment objective of any investment will be achieved or that substantial losses will not be suffered. Past performance does not guarantee or indicate current or future performance or earnings. The performance shown does not take account of any commissions and costs charged when subscribing and redeeming shares or interests in securities or other financial instruments. Swiss Finance & Property AG and/or its affiliates do not provide legal, accounting or tax advice. Investors in securities or other financial instruments are advised to engage legal, tax and accounting professionals prior to entering into any investments, transactions or other actions mentioned in this document. Swiss Finance & Property AG and/or its affiliates may from time to time have positions in, and buy or sell, securities and for other financial instruments identical or related to those mentioned in this document and may possess or have access to non-public information relating to matters referred to in this document which Swiss Finance & Property AG and/or its affiliates do not intend to disclose. No person shall be treated as a client of Swiss Finance & Property AG and/or its affiliates, or be entitled to the protections afforded to clients of Swiss Finance & Property AG and/or its affiliates, solely by virtue of having received this document. Neither this document nor any copy thereof may be sent to or taken into the United States or distributed in the United States or to any US persons or to any other state or territory where such distribution is contradictory to local law or regulation. Any eventual legal relationship resulting from the use of this document is governed by Swiss law. The place of jurisdiction is Zurich, Switzerland. The recipient of this publication and the investor in any financial instrument mentioned herein, respectively, undertakes to keep this publication and its content strictly confidential and not to further distribute it or make it publicly available and to comply with applicable Swiss laws, regulations and rules including but not limited to the Swiss Financial Market Supervisory FINMA guidelines.

© Copyright 2003 – 2019, Swiss Finance & Property AG and/or its affiliates. All rights reserved.