

Share your investment income with people  
in need

Swisscanto (CH) Bond Fund Sustainable Global  
Aggregate Swiss Red Cross



# An investment in greater humanity

Donating money is more of a privilege than a duty, as before we can give to others we must ourselves have somewhere to live as well as regular access to both food and drink. When we have enough money for our own needs, we often invest any surplus to generate the greatest possible return. But which investments are sound, low-risk and comply with ethical principles? What proportion of our income are we able to donate to others, and how much do we want to donate? And who should benefit from the donation?



Funds that take account of social and environmental concerns while investing in companies have existed for some time now. Likewise, for several years there has been a tendency to exclude whole industries. In 2007, however, a completely new way of combining charitable giving and profit-oriented investment was born when the Swiss Red Cross (SRC) joined forces with Swisscanto, to create what is now called the Swisscanto (CH) Bond Fund Sustainable Global Aggregate Swiss Red Cross, which meets strict environmental and social sustainability criteria. As an investor you support the humanitarian work of the SRC by donating half your annual interest income. The fund manager, the Zürcher Kantonalbank, adds to your donation by donating 70% of its flat-rate fund management fee to the SRC as well.

At least half of the securities in the Swisscanto (CH) Bond Fund Sustainable Global Aggregate Swiss Red Cross portfolio are high-rated bonds. Top priority when putting together the fund is given to preservation of value and investments that focus on environmental and social sustainability.

I would be delighted if after reading this brochure you decided that the Swisscanto (CH) Bond Fund Sustainable Global Aggregate Swiss Red Cross is a good and sensible investment – for both you and the SRC.

A handwritten signature in black ink, appearing to read 'B. Schmid-Federer'.

Barbara Schmid-Federer  
President of the Swiss Red Cross



# Answers to your questions about investing and donating

## **To whom would you recommend the Swisscanto (CH) Bond Fund Sustainable Global Aggregate Swiss Red Cross?**

This fund was primarily created for people who want to invest money but also have the desire to let vulnerable people share in their good fortune. The fund offers the unique opportunity to automatically link the amount of the donation to the success of the investment. So as an investor you are not donating money that you have worked or saved hard for. You are simply doing without half your annual interest income.

## **Is this fund actually worthwhile for the SRC?**

Definitely. Both for you and the SRC. Let me give you one small example: Suppose you invest CHF 20,000. If the fund distributes 1.5% (CHF 300), then after one year you receive CHF 150, and the SRC receives a donation of CHF 248 (CHF 150 from you and CHF 98 from the Zürcher Kantonalbank fund management fee).

## **Couldn't I achieve more by making a donation directly to the SRC?**

Any type of donation helps the SRC carry out its humanitarian work. It makes no difference to us whether your contribution comes to us directly or is automatically deducted from your interest income. Of course any other donations are important and are always welcome.

## **How can I ensure that my donation to the SRC will be used as I believe it should be?**

The SRC is certified and monitored by ZEWO, a Swiss foundation that certifies non-profit charity organizations. Charitable organizations that carry the ZEWO seal of approval are certified as using donations received in a conscientious, economic and effective way. Major donors can check up personally on how their donations are being used via organized project visits. [www.zewo.ch](http://www.zewo.ch)

## **How is the fund money invested?**

Besides bonds with a high credit rating, investment decisions are made according to strict ecological and social sustainability criteria. The fund mainly invests in bonds with a social impact. Based on the UN's Sustainable Development Goals (SDGs), the investments are in the following sectors: energy, mobility, resources, health, finance and knowledge. The best sustainable companies are chosen by analysing 45 ESG (environment, social, governance) criteria. Companies whose core business is weapons and munitions, tobacco and cigarettes, nuclear energy, cars and aircraft are completely excluded (non-exhaustive list).



The interest income received by the SRC from an investment of CHF 10,000 allows it to buy water filters for 10 families in Sudan each year, thus ensuring they have access to clean water.



**Can I also lose money if I invest in the fund?**

The Swisscanto (CH) Bond Fund Sustainable Global Aggregate Swiss Red Cross is a medium-risk investment. However, as with all investment opportunities, it does carry certain risks. These are explained in detail in the sales brochure at [www.swisscanto.ch/redcross](http://www.swisscanto.ch/redcross). As your donation depends on the level of your interest income, it is of course also very much in the interest of the SRC and the ZKB to ensure that your return is as secure and as high as possible.

**Who is responsible for the investment policy?**

The investment policy is determined by the experienced investment specialists at Swisscanto Invest by Zürcher Kantonalbank. An independent advisory board comprising four experienced sustainability specialists helps the ZKB to review and develop the fund's sustainable investment universe.

**How exactly is the fund made up?**

The portfolio is global and diversified, invested in bonds issued by governments, semi-public companies and companies that meet strict environmental and social sustainability criteria. The minimum bond credit rating is BBB. The portfolio manager constantly monitors market developments and, if necessary, makes adjustments to both the duration and the sectors – banks, insurance companies, technology, governments, etc. For further information on the product, please visit [www.swisscanto.ch/redcross](http://www.swisscanto.ch/redcross).

**“Donations are used both at home and abroad.”**

**How has the fund performed?**

In the last five years (2015–2019) the fund achieved an average annual return of 2.17% net. For current information on performance, please visit [www.swisscanto.ch/redcross](http://www.swisscanto.ch/redcross).



The interest income from an investment of CHF 100,000 enables 20 school pupils to receive a day of conflict resolution training and learn how violence can be prevented and conflicts constructively resolved.



**The SRC is active both locally and internationally. Where does the money generated by this fund go?**

The donations go to projects both at home and abroad. The following two projects are typical examples. At home: In Switzerland the Red Cross childminding service jumps in when parents are going through a difficult time or their children are sick. The specially trained, experienced SRC childminders can be trusted to take care of the child. The tariff is based on the family's income. Thanks to donations, low-income families can also benefit from the respite service. And abroad: Malawi is one of the world's 10 poorest countries. The SRC works in partnership with the local Red Cross Society to carry out education campaigns, build wells and latrines to improve hygiene, and support the national blood transfusion service. The Swisscanto (CH) Bond Fund Sustainable Global Aggregate Swiss Red Cross enables the SRC to continue and further develop these projects and others like them.

**How can I offset the donation against income tax?**

Half the net interest income is deducted and transferred to the SRC before the interest is paid out to you. Thus as a private investor you don't need to do anything at all. You only need to declare as taxable income the portion of the interest income that is paid out to you.

**Reasons to invest in this fund:**

- Support for the humanitarian work of the Red Cross
- Investment governed by strict environmental and social sustainability criteria
- Solid returns with appropriate risk
- High-performance, efficient and cost-effective management
- Buying or selling possible at any time
- Comprehensive investor protection
- Simple administration
- Donation not subject to income tax



The interest income from an investment of CHF 500,000 enables the SRC, for example, to buy mosquito nets and thus prevent more than 2,000 mothers and children each year from contracting malaria.



With the Swisscanto (CH) Bond Fund Sustainable Global Aggregate Swiss Red Cross you are choosing an investment instrument that lets others share in your good fortune. You donate half your return. In addition to that we increase this amount by donating at least 70% of our management fee.



The sample calculation below proves that this investment model benefits all involved in the long term.

Suppose you had bought fund units worth CHF 100,000 in 2015, then by the end of 2020 you would have achieved the following:

- 1. You would have donated about CHF 6,000 to the SRC.
- 2. You would have received interest income of CHF 3,500.

If you have decided that the Swisscanto (CH) Bond Fund Sustainable Global Aggregate Swiss Red Cross belongs in your securities custody account, then you can use the enclosed subscription form to subscribe to fund units at any bank.

Money can be a source of happiness if those in need can share in the investment success. I therefore hope very much that you will decide to invest in the Swisscanto (CH) Bond Fund Sustainable Global Aggregate Swiss Red Cross, because it is a unique way of investing and donating at the same time, and does a huge amount of good.

Dr Stephanino Isele, Member of the Board at the Zürcher Kantonalbank



**The Swiss Red Cross (SRC) is Switzerland’s oldest and largest humanitarian organization.**

Many people are living in need – both in Switzerland and abroad. The Swiss Red Cross helps them with its various member organizations, the 24 cantonal Red Cross associations, the rescue organizations and the blood transfusion service. The SRC is independent, non-de-nominational and non-political and is open to everyone. Moreover, it is linked to 191 other National Red Cross and Red Crescent Societies in a worldwide network. Thanks to the seven Red Cross principles of humanity, impartiality, neutrality, independence, voluntary service, unity, and universality, it repeatedly succeeds in overcoming political, social and religious barriers.

The SRC, based in Bern, was established in 1866. With more than 450,000 members, over 50,000 volunteers and over 4,000 employees, the SRC is the largest humanitarian organization in Switzerland. Within Switzerland it operates in the core areas of healthcare, social integration and rescue. In around 30 countries it is involved in disaster relief, reconstruction and development cooperation.

[www.redcross.ch](http://www.redcross.ch)



**Swisscanto Invest**

Proven specialists develop high-quality investment and pension solutions for private investors, companies and institutions under the Swisscanto Invest brand. With its Swisscanto Invest brand, the Zürcher Kantonalbank group is one of Switzerland’s largest fund providers. It is known for its pioneering role in sustainable investments and its funds regularly achieve national and international recognition.

[www.swisscanto.ch](http://www.swisscanto.ch)

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Swisscanto (CH) Bond Fund Sustainable  
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[www.swisscanto.ch/redcross](http://www.swisscanto.ch/redcross)

**Banks**

Swisscanto: [www.swisscanto.com](http://www.swisscanto.com)  
Your cantonal bank: [www.kantonalbank.ch](http://www.kantonalbank.ch)