INVESTMENT ACTIVITIES

Treasury & Asset Management
January 6, 2020
EUROFIMA’S HISTORY

- **1950**: Eurofima was established based on an international treaty signed by 14 states, the «Convention», for an original period of 50 years.
- **1960**: 0.3 bn, 11 m
- **1970**: 17 bn, 564 m
- **1980**: 63 bn, 2 bn
- **1990**: 130 bn, 7 bn
- **1984**: The duration of Eurofima was extended until 2056.
- **1971**: Eurofima moved into the beautiful baroque era building known as «Ritterhof».
- **2000**: 229 bn, 17 bn
- **2010**: 288 bn, 25 bn
- **2020**: 288 bn, 25 bn
- **2006**: The 25th contracting state, Montenegro, joined the Convention.
- **2019**: Eurofima changed the functional currency for IFRS from CHF to EUR.
- **2018**: September 2018: Eurofima’s new statutes came into effect, opening the company for new shareholders.
- **2020**: January 2020: Eurofima became an official signatory of the Principles for Responsible Investment (PRI).
Our mission:
The European Company for the Financing of Railroad Rolling Stock is a supranational organisation located in Basel, Switzerland. It was established in 1956 based on an international treaty signed by 25 European sovereign states. The primary purpose of EUROFIMA is to finance the acquisition and modernisation of railway equipment by its shareholders.

Facts and figures:
- Net profits in 2018: CHF 15.9 m
- Basel III ratio: 51.9 %
- Loan losses in history: 0
- Borrowing volume in 2019: 1.2 bn EUR
- Outstanding bonds in AUD, CAD, CHF, EUR, GBP, JPY, USD

The major tasks incumbent on the Treasury & Asset Management department are:
- Liquidity and investment management;
- Risk and asset-liability management;
- Support and participation in Capital Markets operations.
Portfolio Objectives:
We define our objectives based on the rationale behind the dedicated portfolio which in turn depends upon the corresponding source of funding (i.e.; debt capital, equity capital, collateral for derivatives).

Investment Strategy:
We build our investment strategy with regards to our objectives. We regularly assess the asset allocation and adapt our investments to changing market conditions.

Implementation and Performance Measurement:
We invest our assets in line with our objectives, our investment strategy and within applicable limits. We measure our performance against benchmarks in order to monitor the achievement of our investment goals.

Risks and Diversification:
We achieve our return targets while minimizing required risks and ensuring an appropriate diversification across instruments, maturities, currencies, sectors and regions. We only invest in instruments that we fully understand and are implementable in our systems.

ESG Integration:
We commit ourselves to the inclusion of ESG considerations (i.e.; Environmental, Social and Governance) within our investment decisions according to the United Nations-supported Principles for Responsible Investment (PRI).

Operational Excellence and Best Execution:
We implement efficient and comprehensive investment process. We realize our investment strategies in a cost-efficient manner, avoiding unnecessary trading and ensuring best execution.

Innovation and Digitalization:
We foster creative ideas, enable critical thinking and maintain openness to innovations. We enable digital transformation and actively seek to improve processes via digital solutions.

Education and Best Practice:
We view education as a life-long process that we facilitate with continuous training. We actively attend conferences and follow developments in the investment industry. We interact with our peers to share best practices.

Relationship Management:
We provide equal information to all stakeholders with an open communication approach. We cultivate active and meaningful relationships with selected counterparties to establish fair, transparent and trustworthy long-term cooperation.

Ethics and Reputation:
We always act in line with EUROFIMA's Code of Conduct to maintain the organization's reputation in the financial markets. We avoid conflicts of interest.
OUR THREE TREASURY PORTFOLIOS

Global portfolio characteristics:
- Our portfolios are defined according to the purpose and aligned to the corresponding funding source;
- Active investment management approach;
- Global limitations on interest rate risk and credit risk under the Basel III risk-weighted asset framework;
- Foreign exchange risks are fully hedged;
- Investments require S&P or Moody’s ratings;
- Inclusion of ESG factors in our investment process.

Overall investments by security type:

Overall Balance Sheet

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Investments</td>
<td>Borrowings</td>
</tr>
<tr>
<td>Outstanding Loans</td>
<td>Equity</td>
</tr>
<tr>
<td>Other</td>
<td>Other</td>
</tr>
</tbody>
</table>

Funded Liquidity Portfolio

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruments</td>
<td>Instruments</td>
</tr>
<tr>
<td>Cash, Deposits, Money Market instruments, (Bonds)</td>
<td>Commercial Papers, Bonds</td>
</tr>
<tr>
<td>Currencies</td>
<td>Currencies</td>
</tr>
<tr>
<td>EUR, CHF, (USD), (others)</td>
<td>EUR, (CHF), USD, others</td>
</tr>
<tr>
<td>Duration</td>
<td>Duration</td>
</tr>
<tr>
<td>Short-term</td>
<td>Short-term to mid-term</td>
</tr>
<tr>
<td>Official rating (S&amp;P / Moody’s) min A-1/P-1 (or long-term equivalent)</td>
<td></td>
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</tbody>
</table>

Equity Portfolio

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruments</td>
<td>Instruments</td>
</tr>
<tr>
<td>Cash, Bonds, (Deposits), (Money Market instruments)</td>
<td>Equity</td>
</tr>
<tr>
<td>Currencies</td>
<td>Currencies</td>
</tr>
<tr>
<td>EUR, (CHF), (USD), (others)</td>
<td>EUR</td>
</tr>
<tr>
<td>Duration</td>
<td>Duration</td>
</tr>
<tr>
<td>Mid-term to long-term</td>
<td></td>
</tr>
<tr>
<td>Official rating (S&amp;P / Moody’s) min A-/A3</td>
<td></td>
</tr>
</tbody>
</table>

Margining Portfolio

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruments</td>
<td>Instruments</td>
</tr>
<tr>
<td>Cash, Deposits, Money Market instruments,</td>
<td>Cash collateral</td>
</tr>
<tr>
<td>Currencies</td>
<td>Currencies</td>
</tr>
<tr>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>Duration</td>
<td>Duration</td>
</tr>
<tr>
<td>Short-term</td>
<td>Short-term</td>
</tr>
<tr>
<td>Official rating (S&amp;P / Moody’s) min A-1/P-1 (or long-term equivalent)</td>
<td>Short-term</td>
</tr>
</tbody>
</table>
OUR TREASURY & ASSET MANAGEMENT TEAM

**Harry Müller**  
Chief Operating Officer

**Responsibility**  
- Member of the Management Committee;  
- Responsible for the departments Treasury & Asset Management, Capital Markets and Middle Office.

**Background**  
- Master in Economics

**Robert Eigenheer**  
Head of Treasury & Asset Management

**Responsibility**  
- Lead of the department;  
- Responsible for liquidity and investment management;  
- Risk and asset-liability management of the balance sheet.

**Background**  
- Executive MBA candidate  
- Master in Banking & Finance  
- Financial Risk Manager (FRM)

**Daniel Mika**  
Senior Treasury Manager

**Responsibility**  
- Portfolio management of funded liquidity portfolio;  
- Asset-liability, FX and liquidity risk management;  
- Specialized in the inclusion of digitalization and platforms.

**Background**  
- Bachelor in Economics  
- Diploma in Treasury Management (AMCT) and ICAEW Chartered Accountant (ACA)

**Cédric Willi**  
Senior Asset Manager

**Responsibility**  
- Portfolio management of equity portfolio and margining portfolio;  
- Asset-liability, FX and liquidity risk management;  
- Specialized in ESG integration.

**Background**  
- Master in Banking & Finance  
- Certified International Investment Analyst (CIIA)
CONTACT DETAILS

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