ZURICH HORIZON MULTI-ASSET FUNDS

DUE DILIGENCE
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Zurich has created the Zurich Horizon Multi-Asset fund range to deliver a complete and compliant end to end process for advisers and their clients. There are five Zurich Horizon Multi-Asset funds and we have worked with the investment manager Threadneedle Asset Management Limited (part of Columbia Threadneedle Investments; ‘Columbia Threadneedle’) to create funds that deliver outcomes in line with the process and expectations we’ve developed. This document will provide you with the information advisers need to help answer questions from the Financial Conduct Authority on your fund recommendations.

ZURICH IN THE UK
In the UK, Zurich provides customers with investment, pension and protection products under the Sterling and Zurich brands. The strategy in the UK is to build a competitive and sustainable business, delivering value to customers, distributors and shareholders through award winning propositions.

Zurich has extensive experience in the life and pensions market in the UK, offering customers quality products and services since 1917.

The Zurich Horizon fund range is operated by Zurich Investment Services (UK) Limited.

The Zurich Intermediary Platform is provided by Sterling ISA Managers Limited (SIML), which is part of Zurich’s UK Life business – part of a group of companies of which the ultimate parent is Zurich Insurance Group Ltd, a company registered in Switzerland (number CH-020.3.023.083-6/a).

ABOUT ZURICH
Zurich is a leading multi-line insurer that serves its customers in global and local markets. With about 55,000 employees, it provides a wide range of property and casualty, and life insurance products and services in more than 170 countries and territories. Zurich’s customers include individuals, small businesses, and mid-sized and large companies, as well as multinational corporations.
INTRODUCING ZURICH INVESTMENT SERVICES

Established in 2015, Zurich Investment Services (UK) Limited (ZISUK) is the Authorised Corporate Director of the Zurich Horizon Multi-Asset Funds.

ZISUK designs and manufactures investment solutions for the UK retail market, with a focus on delivering investment outcomes to meet specific client needs. ZISUK is not an investment manager. ZISUK delivers customised investment solutions for advisers and their clients by researching the market and selecting from the best asset managers.

ZURICH INVESTMENT SERVICES (UK)
Matching fund design to client needs
Appointment of Depositary (which appoints the Custodian) & Investment Manager
Ongoing oversight and risk management

- Horizon Multi-Asset fund range
- 5 risk profiled funds
- Risk Profile provider – EValue
- Investment Manager – Columbia Threadneedle
Columbia Threadneedle Investments is a leading global asset manager. They know investors want strong and repeatable risk-adjusted returns and aim to deliver this through an active and consistent investment approach that is team-based, risk-aware and performance-driven.

**Better insights**
Their talented investment teams around the world work together to uncover investment insights. By sharing knowledge across asset classes and geographies they are able to generate richer perspectives on global, regional and local investment landscapes.

**Better decisions**
The ability to exchange and debate investment ideas in a collaborative environment enriches the teams’ investment processes to ensure their best insights are applied to portfolios. More importantly, it results in better-informed decisions for their clients.

**Better outcomes**
Columbia Threadneedle Investments’ broad range of investment strategies and solutions are designed to meet the evolving needs of their clients, whether they are individuals, advisers or institutions. They are committed to first class client service and investment excellence. They have a dedicated team of more than 2,000 colleagues across the globe, all with a common goal. Your success is their priority.

Columbia Threadneedle Investments is the global asset management group of Ameriprise Financial, Inc. (NYSE:AMP), a leading US-based financial services provider.

**KEY FACTS AND FIGURES**
- **AUM**: £352billion (US$459 billion)\(^1\).
- **55% Equities, 37% Fixed Income, 8% Other**\(^1\).
- **Ranking by AUM**: Top 40 globally\(^2\), top 20 in Europe\(^1\) no.7 in UK for Retail\(^3\), no.14 in UK Overall\(^2\), top 15 manager of long-term mutual funds in the US\(^4\).
- **Over 2000 people globally including more than 450 investment professionals.**
- **Present in 17 countries across Europe, Middle East, Asia Pacific, North America and South America.**

**FUND PERFORMANCE**

The following tables show the percentage of funds managed by Threadneedle Asset Management Ltd\(^*\) that have outperformed their stated benchmark (either peer group or index) over 1, 3, and 5 years.

Weighted by current assets under management** **62% of funds have outperformed over 1 year, 60% over 3 years, 82% over 5 years and 80% over 10 years.

<table>
<thead>
<tr>
<th>Category</th>
<th>1 yr</th>
<th>3 yrs</th>
<th>5 yrs</th>
<th>10 yrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>All equity funds</td>
<td>58%</td>
<td>50%</td>
<td>82%</td>
<td>82%</td>
</tr>
<tr>
<td>All fixed income funds</td>
<td>86%</td>
<td>82%</td>
<td>85%</td>
<td>66%</td>
</tr>
<tr>
<td>All multi asset and managed funds</td>
<td>15%</td>
<td>19%</td>
<td>62%</td>
<td>64%</td>
</tr>
</tbody>
</table>

By number of funds, 60% have outperformed over 1 year, 59% over 3 years, 77% over 5 years and 74% over 10 years.

<table>
<thead>
<tr>
<th>Category</th>
<th>1 yr</th>
<th>3 yrs</th>
<th>5 yrs</th>
<th>10 yrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>All equity funds</td>
<td>49%</td>
<td>43%</td>
<td>77%</td>
<td>84%</td>
</tr>
<tr>
<td>All fixed income funds</td>
<td>73%</td>
<td>70%</td>
<td>74%</td>
<td>58%</td>
</tr>
<tr>
<td>All multi asset and managed funds</td>
<td>15%</td>
<td>26%</td>
<td>57%</td>
<td>79%</td>
</tr>
</tbody>
</table>

\(^*\)All funds managed by Threadneedle Asset Management Limited, including segregated accounts/portfolios. The data does not include funds sub-advised by third parties or guest funds on a Columbia Threadneedle Investments platform.

\(^\text{**}}\)Total value of funds outperforming their relevant benchmark expressed as a percentage of total assets under management. Past performance is not a guide to future performance. Where fund performance is relative to an index, performance is gross of total expenses and uses global close authorised valuations based on in-house calculated transaction costs and cash flows at start of day. Index returns assume reinvestment of dividends and capital gains and unlike fund returns do not reflect fees or expenses. The index is unmanaged and cannot be invested in directly. This information aims to demonstrate the overall performance capabilities of Columbia Threadneedle fund performance is relative to an index, performance is gross of total expenses and uses global close authorised valuations based on in-house calculated transaction costs and cash flows at start of day. Index returns assume reinvestment of dividends and capital gains and unlike fund returns do not reflect fees or expenses. The index is unmanaged and cannot be invested in directly. This information aims to demonstrate the overall performance capabilities of Columbia Threadneedle

\(^1\)AUM of £352billion (US$459 billion) includes the combined assets under management of the Columbia and Threadneedle group of companies as at 31 March 2019. Source: Ameriprise Financial, Inc. Q1 2019 earnings release.

\(^2\)IPE ‘The Top 400 Asset

\(^3\)UK IA Ranking – Total retail / Total retail and institutional funds under management including OEICs, Unit Trusts, PEPs and ISAs as at December 2018. No. 1 in UK for Retail, no. 7 in UK Overall, no. 15 in UK for Retail, no. 14 in UK Overall.

\(^4\)ICI, as at 1 May 2019. Threadneedle Asset Management Limited (‘Threadneedle’). Threadneedle is a trading name of Columbia Threadneedle Investments Limited, a member of the Ameriprise Financial Services Group of Companies, incorporated in the Isle of Man with limited liability (company number 015348V). Threadneedle Asset Management Ltd is authorised and regulated in the UK by the Financial Conduct Authority. Columbia Threadneedle Investments is the global brand name of the Columbia and Threadneedle group of companies.

**INVESTMENT PHILOSOPHY: PERSPECTIVE ADVANTAGE**

Columbia Threadneedle Investments believe that they can deliver strong risk-adjusted returns for their clients through:

- **An active approach that takes advantage of market inefficiencies**
- **Their global perspective advantage – the combination of macro and micro insights**
- **The appropriate allocation of risk**

Columbia Threadneedle Investments’ well-established investment approach provides a global perspective advantage that enables them to deliver the investment outcomes their clients want. This perspective advantage is gained by combining macro and micro insights with an active approach to portfolio construction. Independent thinking, rigorous debate and sharing of ideas balanced with a disciplined approach to risk ensures they can deliver better informed investment decisions for their clients.
Columbia Threadneedle’s Multi Asset team draws on the combined resources of both their UK and US based investment professionals and is responsible for managing all of their multi asset strategies. The team can further leverage the resources of the global investment platform ensuring every portfolio benefits from their best ideas.

ASSET ALLOCATION STRATEGY GROUP
Key members of the Multi Asset team are also part of the Asset Allocation Strategy Group, which consists of eight senior investment professionals with extensive experience across asset classes and investment markets. The Asset Allocation Strategy Group contributes strategic analysis, tactical asset allocation and fundamental research to the multi asset investment process. The chart below shows the members of the multi asset team and the Asset Allocation Strategy Group:
The Zurich Horizon Multi-Asset funds are a range of risk profiled funds which cater for different risk appetites.

Changes in the economic environment affect different asset classes in different ways. This means that the investment returns from one class don’t tend to correlate with those from other classes.

The Zurich Horizon Multi-Asset funds aim to achieve a positive investment return for a targeted level of risk by investing in a mixture of asset classes, and reviewing and changing the weightings between these classes in response to changing market conditions and assumptions.

The funds’ investment manager, Columbia Threadneedle, is a proven multi-asset investment manager with over 20 years’ experience in managing multi asset strategies.

Columbia Threadneedle’s culture of teamwork and sharing ideas means that there is significant interaction across the whole investment team. The multi-asset team is able to draw upon this to make sure that every Zurich Horizon Multi-Asset fund benefits from the best ideas in investment.

The decision-making process encompasses specialist teams from sector investment, strategic analysis and tactical asset allocation through to fundamental research and risk management.

The team is led by Alex Lyle as the lead Portfolio Manager for the Zurich Horizon Multi-Asset funds together with the Deputy Portfolio Manager Matt Rees.
RISK PROFILING

WHAT IS RISK PROFILING?
You can be confident that if your clients invest in a Zurich Horizon risk profiled fund, the fund will be regularly monitored to fit within the risk profile provided by EValue. The Zurich Horizon Multi-Asset funds are managed in line with the EValue risk profiles, so all you need to do is monitor your clients’ risk appetite and investment horizon. All the work around maintaining a portfolio that’s appropriate for a particular level of risk and investment horizon is done by the investment managers, with reference to EValue’s asset allocations.

The Horizon fund range is managed in line with EValue’s risk profiles. However we work with other third party providers to map these Funds to other popular attitude to risk profilers. Please refer to the ‘Horizon Risk Profiling Mapping Tools’ document on our website. Columbia Threadneedle’s investment approach starts by using the asset allocation provided by EValue and then takes into account Columbia Threadneedle’s views on any market sectors expected to under/over perform in the next period – making sure that the fund still lies within the risk profiles.

LEVEL OF RISK

RISK PROFILE

1 CAUTIOUS
ZURICH HORIZON MULTI-ASSET FUND I

2 MODERATELY CAUTIOUS
ZURICH HORIZON MULTI-ASSET FUND II

3 BALANCED
ZURICH HORIZON MULTI-ASSET FUND III

4 MODERATELY ADVENTUROUS
ZURICH HORIZON MULTI-ASSET FUND IV

5 ADVENTUROUS
ZURICH HORIZON MULTI-ASSET FUND V
MODEL ASSET ALLOCATION GUIDE

BACKGROUND
EValue uses technology and a pioneering asset model to help end-consumers make better informed decisions about their finances. EValue products combine expert actuarial knowledge, pioneering asset modelling and risk management. For over 20 years, EValue has worked with product providers, banks, advisers and asset managers to help people understand their finances and make complex, individual financial decisions.

Financial advisers use EValue’s software to identify their clients’ financial goals, analyse their tolerance for investment risk, construct appropriate investment portfolios and forecast various financial outcomes based on risk/reward trade-offs. Many consumers in the workplace use EValue tools to make decisions about their retirement and other financial planning needs.

STOCHASTIC MODELLING
Stochastic modelling has underpinned EValue since its original establishment within Towers Perrin. EValue’s Insight asset model is based on analysis of historical and current market data which is used to build a full and coherent picture of what could happen in the markets. It generates a set of scenarios corresponding to the picture that make it easy to apply to individual investment situations. Each scenario presents an internally consistent path through which a range of economic and market indicators might evolve. As a group they reflect the range and distribution of possible outcomes including investment returns. These scenarios are used by EValue’s optimiser to produce model asset allocations. Insight takes an asset allocation level view of investment prospects and models broad asset class characteristics and does not seek to precisely replicate an explicit index.

Creating the asset allocations
Asset allocations are derived from the Insight model using an adapted version of the standard efficient frontier methodology familiar since the work of Markowitz. The method involves finding the asset allocations which will achieve the highest average final fund value for a given risk target over the relevant investment period. In the case of the Zurich Horizon Multi-Asset Funds the investment period is assumed to be 18 years.

Setting risk targets
Risk levels are set relative to asset classes chosen to represent the lowest and highest risk investments suitable for the portfolio of an individual investor. In the case of the Horizon Funds, the lowest risk investment is assumed to be Cash while the highest risk is assumed to be UK Equities. The remaining risk levels are spread proportionately between these bounds. EValue calculations then identify the asset allocations that have the given risk level and the highest average return over the investment horizon according to the Insight model. In this case the horizon is 18 years.

Keeping allocations stable
For practical purposes, it is desirable for the allocations to be relatively stable over time and not to be unduly affected by small changes each quarter. Where assets are very closely correlated or certain combinations of assets have very similar characteristics, small shifts in underlying expectations can suggest large changes in allocations to achieve very small gains in expected returns. To avoid this and potentially unnecessary transaction costs, a mechanism is used to make a trade-off between size, and therefore cost, of change and portfolio efficiency. For some groups of highly correlated asset classes the ratios between portfolio weights may be fixed.

Applying market constraints
The asset grouping and risk targets corresponding to each investment time horizon are in theory sufficient to create efficient portfolios. However, the results might not always be desirable or achievable.

Optimise allocations
EValue’s investment team uses mathematical techniques to identify the mix of assets which is expected to give the highest return given the constraints and targets. Results are then reviewed by the EValue investment committee for consistency and suitability. The asset allocations vary by term and over time as the risk/reward characteristics for each asset also vary. This generally means that allocations for shorter terms have a greater proportion of less volatile assets included.
**THE ZURICH HORIZON MULTI-ASSET FUND RANGE**

**ZURICH’S ROLE**
The Zurich Horizon fund range is operated by Zurich Investment Services (UK) Limited. Zurich are responsible for the overall operation of the funds. The funds cater for different risk appetites.

A risk profiling tool from EValue is available on the Zurich Intermediary Platform. This tool helps advisers to discuss their clients’ attitude to risk with them. It helps advisers talk about the impact of those risks, alongside the rewards of their clients’ investment choices, and select suitable investment products. It can also be used as part of a regular review process.

Zurich has designed funds to offer advisers a potential fund solution to match the current risk attitudes of their clients.

The funds are managed to risk profiles staggered from the lower risk Zurich Horizon Multi-Asset Fund I, through to the higher risk Zurich Horizon Multi-Asset Fund V.

**INVESTING FOR GROWTH**
We have worked with EValue and Columbia Threadneedle to design these funds with an objective to grow investments over the medium to long term (5 or more years).

The EValue tool used by Zurich has three investment term bands, 3-5 years, 6-15 years and 16+ years, and we use asset allocations derived from EValue’s longest term time horizon to deliver an appropriate balance of risk adjusted returns. EValue use an 18 year investment period to model the long term.

You can use EValue’s fund risk assessor tool to profile these funds for clients relative to their individual investment term. Please be aware that the EValue risk levels for longer time-scales do not translate directly into equivalent risk levels for shorter time-scales. For example as the chart below shows, a fund based on an asset allocation suitable for risk profile 1 over 18 years would map to a higher risk profile for a client investing over a shorter period. However Horizon Fund V will typically be the highest risk fund and Horizon Fund I will be the lowest risk fund at all investment durations.
HOW THE FUNDS ARE MANAGED

The funds use the five strategic weightings of asset classes produced by EValue. EValue updates its strategic asset weightings every quarter.

Zurich have chosen Columbia Threadneedle as investment manager for the funds.

Columbia Threadneedle believe in active fund management, so the investment manager can make tactical changes to the EValue asset class weighting. However, all of these decisions are taken in the context of the risk models with the aim of ensuring that the funds remain aligned to their risk profiles.

The investment manager adds three layers of active management.

- The investment manager’s own views on asset allocation is overlaid on that produced from EValue.
- The investment manager selects which funds to include within the tactical asset allocation.
- Those funds themselves are actively managed.

UNDERLYING FUNDS

Once the asset allocation is set, they select a blend of funds to align to the risk profiles while maximising possible returns.

The Zurich Horizon Multi-Asset funds invest mostly in other funds managed or operated by Columbia Threadneedle, although from time to time they may invest in other collectives if required.

Columbia Threadneedle offer a wide range of funds from across the asset spectrum. Investing in their own funds gives their investment managers the confidence that these funds will be actively managed and with interests aligned to their own. It also removes unnecessary layers of charges.

ZURICH HORIZON MULTI-ASSET I-V: TYPICAL ASSET ALLOCATIONS

This table shows typical asset allocations for each fund although exposures are not restricted to these ranges.

<table>
<thead>
<tr>
<th></th>
<th>FUND I</th>
<th>FUND II</th>
<th>FUND III</th>
<th>FUND IV</th>
<th>FUND V</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH</td>
<td>0-10%</td>
<td>0-10%</td>
<td>0-10%</td>
<td>0-10%</td>
<td>0-10%</td>
</tr>
<tr>
<td>FIXED INTEREST</td>
<td>50-80%</td>
<td>35-65%</td>
<td>20-50%</td>
<td>0-30%</td>
<td>0-15%</td>
</tr>
<tr>
<td>DEVELOPED MARKET EQUITY</td>
<td>20-50%</td>
<td>25-55%</td>
<td>50-75%</td>
<td>65-95%</td>
<td>65-100%</td>
</tr>
<tr>
<td>EMERGING MARKET EQUITY</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>0-15%</td>
<td>0-20%</td>
</tr>
<tr>
<td>PROPERTY</td>
<td>–</td>
<td>0-15%</td>
<td>0-15%</td>
<td>0-15%</td>
<td>0-15%</td>
</tr>
</tbody>
</table>

Tactical tilts Columbia Threadneedle can make relative to EValue asset allocations

<table>
<thead>
<tr>
<th></th>
<th>FUND I</th>
<th>FUND II</th>
<th>FUND III</th>
<th>FUND IV</th>
<th>FUND V</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH</td>
<td>+/-3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FIXED INTEREST</td>
<td>+/-5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DEVELOPED MARKET EQUITY</td>
<td></td>
<td></td>
<td></td>
<td>+/-5%</td>
<td></td>
</tr>
<tr>
<td>– UK</td>
<td></td>
<td>+/-5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Overseas</td>
<td></td>
<td>+/-5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EMERGING MARKET EQUITY</td>
<td></td>
<td></td>
<td>+/-5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROPERTY</td>
<td></td>
<td></td>
<td></td>
<td>+/-2%</td>
<td></td>
</tr>
</tbody>
</table>

Current asset allocations are shown on the fund factsheets.
INVESTMENT PROCESS
OVERVIEW

STAGE 1 – EVALUE STRATEGIC ASSET ALLOCATION
Every quarter, EValue review and update the asset allocations for each of their risk profiles.

STAGE 2 – ZURICH HORIZON FUNDS ASSET ALLOCATION
Columbia Threadneedle consider the EValue asset allocations and decide on the tactical asset allocations for the Zurich Horizon Multi-Asset funds.

Regular meetings take place to discuss the key factors affecting stock markets and investing. The aim of this stage is to ensure that all of Columbia Threadneedle’s key fund managers have the opportunity to put forward their thoughts and views to help shape their overall thinking behind what they believe will happen in global investment markets.

This helps drive their asset allocation model which is used as a base for building funds.

STAGE 3 – FUND SELECTION
The managers within the Columbia Threadneedle Managed Fund team use this asset allocation model, in conjunction with their strategic market views, to help select the most appropriate funds for the Zurich Horizon Multi-Asset funds to hold.

STAGE 4 – RISK MANAGEMENT
Columbia Threadneedle’s independent risk team analyse each of the Zurich Horizon Multi-Asset funds in depth, to highlight any potential investments which could result in the funds having an undue concentration of risk, and to ensure the funds remain within their designated risk profile.

STAGE 5 – OVERSIGHT
In addition to the above, Zurich undertake portfolio risk management to ensure the funds are run in accordance with the fund objectives.

EValue strategic asset allocations defined

- Attribute and size risk budget according to value conviction
- Implement via mutual funds
- Full look-through bottom-up risk analysis ex post
**USEFUL INFORMATION**

**AVAILABILITY**
The funds are exclusively available through Zurich and other selected platforms.

You can invest in these funds through the Zurich Intermediary Platform’s Investment Account, ISA or Retirement Account.

**AVAILABLE SHARE CLASSES**
Class Z Net Income Shares and Class Z Net Accumulation Shares are available for all five funds.

**FINANCIAL CONDUCT AUTHORITY REGULATION**
The Zurich Horizon funds are UK funds regulated by the Financial Conduct Authority, structured as Non-UCITS Retail Schemes (NURS). This gives Columbia Threadneedle the flexibility to include property investments as part of their asset allocation.

**CHARGES**
The Zurich Horizon funds have no initial charge, no performance fee and no bid offer spread.

The share classes are ‘clean’, so there is no rebate to declare for tax purposes.

**PRICE COMPARISON**
These funds are very competitively priced relative to other similar actively managed risk-profiled funds. It is important to use the total cost (Ongoing Charges Figures) to compare the cost of funds, as this takes into account all fund costs, not just the annual management charge (AMC).

**INFORMATION FOR CUSTOMERS**
Documentation for the Zurich Horizon fund range is available via the Zurich Horizon website at www.zurichhorizon.co.uk

Up to date information about the funds can be found at any time in the Key Investor Information document (KIID) which is available on the website.

**INVESTMENT ASSOCIATION SECTORS**
The Horizon Multi-Asset funds sit within the Investment Association Mixed Investment sectors as follows:

<table>
<thead>
<tr>
<th>Fund name</th>
<th>Investment Association sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Horizon Multi-Asset Fund I</td>
<td>Mixed Investment 20% – 60% Shares</td>
</tr>
<tr>
<td>Horizon Multi-Asset Fund II</td>
<td>Mixed Investment 20% – 60% Shares</td>
</tr>
<tr>
<td>Horizon Multi-Asset Fund III</td>
<td>Mixed Investment 40% – 85% Shares</td>
</tr>
<tr>
<td>Horizon Multi-Asset Fund IV</td>
<td>Mixed Investment 40% – 85% Shares</td>
</tr>
<tr>
<td>Horizon Multi-Asset Fund V</td>
<td>Flexible Investment</td>
</tr>
</tbody>
</table>

**MORE INFORMATION**
For more information on the Horizon fund range including risk profiles and asset allocation, please read the Fund Factsheets which you can find here.
KEY RISKS EXPLAINED

INVESTMENT RISK
The value of investments can fall as well as rise and investors might not get back the sum originally invested. There is a risk the fund may not meet the aim expressed in the risk profile.

EFFECT OF RISK PROFILE
Each fund’s Risk Profile may limit the performance of the fund.

SUITABILITY OF INVESTMENT
Because the fund is a risk profiled fund, investors should regularly consult with a financial adviser to ensure that the fund continues to be a suitable investment for them.

INVESTMENT IN FUNDS
As this fund invests into other funds, investors should consider the underlying investments and overall risks.

NO CAPITAL GUARANTEE
Positive returns are not guaranteed and no form of capital protection applies.

CREDIT RISK
Bonds are affected by changes in interest rates, inflation and any decline in the credit worthiness of the issuer. It is possible that bond issuers will not pay the interest or return of capital promised.

INTEREST RATE RISK
Changes in interest rates are likely to affect each fund’s value. In general, as interest rates rise, the price of a fixed rate bond will fall, and vice versa.

INFLATION RISK
Most bond and cash funds offer limited capital growth potential and an income that is not linked to inflation. Therefore, inflation can affect the real value of capital and income over time.

CURRENCY RISK
Where investments are made in assets that are denominated in multiple currencies changes in exchange rates may affect the value of the investments.

POLITICAL AND FINANCIAL RISK
Some funds invest in markets where economic and regulatory risk can be significant. These factors can affect liquidity, settlement and asset values. Any such event can have a negative effect on the value of your clients’ investment and investors might not get back the sum originally invested.

LIQUIDITY RISK
Fund invests in other funds and its liquidity depends upon the liquidity of the underlying funds and the investments they hold.
HOW SAFE IS MY CLIENTS’ MONEY?

The Zurich Intermediary Platform is provided by Sterling ISA Managers Limited (SIML). Investments through the Zurich Intermediary Platform are held separately from SIML’s own assets through Sterling ISA Managers (nominees) Limited.

The Zurich Horizon funds are operated by Zurich Investment Services (UK) Limited (ZIS UK), the Authorised Corporate Director for the funds. Investments held in the Zurich Horizon funds, are held separately from ZIS UK’s own assets by the Depository, Northern Trust Global Services Limited.

If any of the providers of assets or investment services available through your clients’ account cannot meet their financial obligations, your clients may be able to claim compensation from the Financial Services Compensation Scheme (FSCS).

If Sterling ISA Managers Limited, the provider of the Zurich Intermediary Platform is in default, your clients may be eligible to claim in total up to £85,000 based on the value of their Zurich Intermediary Platform account and any other account provided by Sterling ISA Managers Limited.

If Zurich Investment Services (UK) Limited (ZIS UK), the Authorised Corporate Director for the Zurich Horizon funds, is in default, your clients may be eligible to claim up to £85,000 of monies held in funds provided by ZIS UK, if you have a claim against ZIS UK.
CONTACTS

ZURICH’S EXPERT TEAMS ARE HERE TO HELP YOU – ALL THE WAY.

GENERAL SERVICING & ENQUIRIES
For example: existing policy servicing, new business processing, claims and maturities, underwriting.
08085 546 546
We may record or monitor calls to improve our service.

eSUPPORT TEAM
For help with all technical and registration queries.
08085 546 546 or zigesupport@uk.zurich.com

IMPORTANT INFORMATION
For use by professional financial advisers only. No other person should rely on, or act on any information in this document when making an investment decision.

This document does not constitute an offer to sell or buy any shares in the funds. Whilst every care is taken over these comments, no responsibility is accepted for errors and omissions that may be contained therein.

The value of investments and the income from them can fall as well as rise and is not guaranteed which means your clients could get back less than they invest.

Changes in exchange rates will affect the value of investments made overseas. Investments in newer markets, smaller companies or single sectors offer the possibility of higher returns but may also involve a higher degree of risk.

If you require further information on any of the funds, the Key Investor Information Document (KIID) and the prospectus are both available at http://www.zurichhorizon.co.uk The KIID is designed to help investors to make an informed decision before investing. You can view or download the funds’ KIIDs via our website.