The Zurich Horizon Multi-Asset Funds
A guide for investors
Zurich in the UK

In the UK, Zurich provides customers with investment, pension and protection products. Our strategy is to build a competitive and sustainable business, delivering value to customers, distributors and shareholders through award-winning propositions.

We’ve been offering quality products and services to our UK customers since 1917. As of March 2019 our UK Life business, which is part of the Zurich Group, had more than £35bn of assets under management.

The Zurich Horizon Multi-Asset Funds are operated by Zurich Investment Services (UK) Limited, which is part of the Zurich Group.

About the Zurich Group

Zurich operates globally and locally, according to customers’ needs, delivering insurance products and services in more than 170 countries.

Founded in Switzerland in 1872, Zurich has met customers’ needs with great attention to service and care throughout its history.

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Introducing the Zurich Horizon Multi-Asset Funds

You may have many different reasons for investing for the future. It could be to build up a pension fund for retirement, investing for school tuition or university fees, preserving capital from the effects of inflation, or simply looking for long-term returns on investments.

No matter what your financial goals may be, selecting the right mix of investments to meet your objectives is crucial. But knowing how, where and for how long to invest in today’s complicated global economy can be challenging.

The Zurich Horizon Multi-Asset Funds are designed as a straightforward solution to the difficult task of choosing the right blend of investments to suit your goals. Globally diversified and aligned to five risk profiles, we have designed the funds so they can serve as a core holding in your investment portfolio.

Why Horizon Multi-Asset Funds?

- Five globally diversified multi-asset funds designed to align with your risk profile
- They aim to grow investment through a combination of income and capital growth over the medium to long-term (five or more years)
- Straightforward, easy-to-understand investment solutions
- Rebalanced by experts on a regular basis to respond to changing market conditions
- Investment expertise from Columbia Threadneedle who are responsible for managing more than $431bn of assets as at April 2019
Investment planning – balancing risk and reward

No matter how much or how little you invest, you are always taking some degree of risk. The more risk you are willing to take, the higher your potential returns. However, this also means there is a greater chance of losing some or all of your money. Lower-risk investments, meanwhile, can provide you with more security, but they also have lower potential returns over the longer term.

Aiming to deliver the right balance between risk and return

One of the most important aspects of investing is finding the right balance of risk and reward for your investment objectives. This means understanding your attitude to risk and your capacity for loss; in other words, how much you might be willing to lose in return for the potential gains you may make.

Remember, the value of investments and the income from them can fall and rise. This will cause the fund price and any income paid by the fund to fall as well as rise. There is no guarantee that the fund will achieve its investment objective, and you may not get back the amount that you originally invested.

How your financial adviser can help

Whatever your reasons for investing, a key consideration for your financial adviser is to understand your investment requirements and your attitude to and tolerance of risk. Also known as your Attitude to Risk (ATR). Typically, advisers will determine your ATR by asking you a series of questions around how you feel about risk and your tolerance to loss. Your responses will help inform your adviser in making a suitable investment recommendation for you.

Your financial adviser conducts regular reviews of your investments and your attitude to risk to ensure that you continue to be on the right track. If your circumstances change or you have new investment objectives, your adviser may recommend an investment with a lower or higher risk level to suit your needs.

Why you might choose a Multi-Asset Fund

Whatever your objectives may be, it is a good idea to diversify your investments. One way of achieving this is through a multi-asset fund, which is a ready-made investment solution that helps to manage risk by holding a broad range of asset classes. The most common asset classes include company shares, bonds, property, and cash amongst others.

By investing across multiple asset classes that behave in different ways at different times, multi-asset funds can reap the benefits of diversification.

For example, if one type of investment, asset or region in the portfolio performs less well, others may perform better.

EValue – Providing the investment framework

EValue is a risk profile service provider with more than 20 years of experience in the UK financial services market.

We use EValue to determine the appropriate mix of asset classes for each of the 5 Zurich Horizon Multi-Asset Funds. The funds are designed to offer a range of risk profiles, with Fund I having the lowest risk in the range, and Fund V having the highest. For example, Fund I will likely contain a greater proportion of lower risk assets, such as fixed income securities than Fund V. The asset allocation mix varies through the funds to match their risk requirements. EValue update these weightings on a quarterly basis and the funds are managed in line with these profiles to ensure the fund you are invested in is always managed in-line within the risk profiles.

Please note that each fund aims to grow your investment. The higher the risk you take, the greater the potential for better returns – but the down-side is that you must accept the potential for greater losses, which can result in you getting back less than you invest.

Defaqto rated funds

We place customer and adviser satisfaction at the heart of what we do. The Zurich Horizon Multi-Asset Fund range has been given the 5 Diamond Rating in 2019 by Defaqto, a financial information business, helping financial institutions, advisers and consumers make better informed decisions.

Their independent fund and product information helps banks, insurers and fund managers with designing and promoting their propositions. They analyse more than 41,000 financial products in the UK that change on a daily basis.
The Horizon range offers you:

- A choice of five funds each designed with a different level of risk.
- Potential to grow your investment over the medium to long term (five or more years) while keeping it within your designated risk profile.
- Global diversification across a mix of assets including equities, (also known as company shares), fixed income securities (or bonds), property and cash, all providing the potential for investment growth over the longer term.
- A fund range that reflects how much risk you want to take.

Why choose the Zurich Horizon Multi-Asset Funds?

After determining your attitude to risk, your financial adviser may recommend the Zurich Horizon Multi-Asset Funds range. Highly diversified yet simple and easy to understand, they have been built specifically for investors with different risk appetites. Each portfolio is matched to one of five risk profiles ranging from lower risk to higher risk, which means one of the Horizon funds could suit your needs.

The Horizon range offers you:

- Potential to grow your investment over the medium to long term (five or more years) while keeping it within your designated risk profile.

How are the funds managed?

Zurich has designed these funds to have a robust three-layer process. Zurich oversees the process and has hand-picked Columbia Threadneedle Investments as investment managers of the funds.

As at April 2019, Columbia Threadneedle manages more than $431bn of assets on behalf of its clients and has a long history of multi-asset investing.

You are also advised to read the Fund’s Key Investor Information Document and Factsheet, so you can make an informed decision.
What do the funds invest in?

The Zurich Horizon Multi-Asset Funds achieve global diversification by investing primarily in other funds that are managed by Columbia Threadneedle Investments. These underlying funds invest in a broad mix of assets including equities (also known as company shares), fixed income securities (also known as bonds), property and cash. Each of these asset classes has the potential to grow your money over the medium to longer term (five or more years). However, it must be remembered that their value can fall as well as rise.

About Columbia Threadneedle

Columbia Threadneedle Investments is a global asset management group that provides a broad range of actively managed investment strategies for clients. The portfolio management team is made up of senior investment professionals and their priority is the investment success of your funds. They aim to deliver this by an investment approach that is collaborative, performance-driven and risk-aware.

Each of the various asset classes held in the underlying funds carry different risks and offer higher or lower potential rewards. For example, company shares typically provide the highest levels of growth over the longer term. Shares can also be volatile and can fall in value. Fixed income securities, on the other hand, may not offer the same long-term growth potential as other asset classes, but they also tend to be less volatile than shares.

Expertly managed

The team at Columbia Threadneedle Investments considers the different risk and return characteristics of the various asset classes when making investment decisions in the funds. Columbia Threadneedle is a proven multi-asset investment manager with more than 20 years’ experience in managing multi-asset strategies.

Columbia Threadneedle’s approach to managing investments involves thinking creatively and sharing and debating ideas. When managing the Zurich Horizon Multi-Asset Funds, the team carefully combines assets not only to achieve capital growth in each fund, but also to ensure that they always remain within their respective risk profiles.

For instance, the Zurich Horizon Multi-Asset Fund I contains a greater proportion of traditionally lower risk assets, such as fixed income securities than the Zurich Horizon Multi-Asset Fund V, which contains a higher proportion of higher risk assets, such as equities, to meet the needs of investors with a higher appetite for risk.

Understanding the risks

When deciding on any investment strategy, you need to be aware of all the risks involved in investing. We have highlighted some of the more common risks below.

Changes in exchange rates can 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. Inflation and interest rates can also affect the value of your assets, especially fixed income securities, and the economic environment will influence the value of your investments, although typically different assets classes are impacted in different ways at different times.

To help you understand the risks, we always recommend you always take financial advice. Your financial adviser will discuss with you your personal circumstances, considering your financial goals and how best to achieve them within your timeframe. By assessing your situation, they will be able to advise you on which funds could be suitable for you. You will likely be charged for this service. If you do not have a financial adviser, you can search for one on the website www.unbiased.co.uk
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