Zurich

Quarterly Model Portfolio Change Rationale

Asset Allocation and Fund Selection Update
This communication provides a summary of asset allocation and fund selection changes which were published in May 2019.

Asset Allocation

eValue FE provides the asset allocations for the Model Portfolios over which Morningstar has no influence. As a result of the recent asset allocation update from eValue FE, there were changes to the asset allocation for the following Model Portfolios.

Summary of Changes

Cautious Portfolio – Medium Term
- The Government Bonds weight has increased from 61.00% to 62.00%
- The Index-Linked Bonds weight has increased from 24.00% to 25.00%
- The UK Equity weight has decreased from 9.00% to 7.00%

Moderately Cautious Portfolio - Medium Term
- The Index-Linked Bonds weight has increased from 9.00% to 10.00%
- The UK Equity weight has decreased from 19.00% to 18.00%

Balanced Portfolio - Medium Term
- The Government Bonds weight has increased from 42.00% to 43.00%
- The UK Equity weight has decreased from 27.00% to 26.00%

Moderately Adventurous Portfolio - Medium Term
- The Government Bonds weight has increased from 19.00% to 20.00%
- The US Equity weight has decreased from 25.35% to 24.70%
- The European Equity weight has decreased from 7.80% to 7.60%
- The Japanese Equity weight has decreased from 5.85% to 5.70%

Adventurous Portfolio - Medium Term
- The UK Equity weight has increased from 26.00% to 28.00%
- The US Equity weight has decreased from 44.85% to 43.55%
- The European Equity weight has decreased from 13.80% to 13.40%
- The Japanese Equity weight has decreased from 10.35% to 10.05%

Cautious Portfolio - Long Term
- The Government Bonds weight has increased from 58.00% to 59.00%
- The UK Equity weight has decreased from 20.00% to 19.00%

Moderately Cautious Portfolio - Long Term
- The Government Bonds weight has increased from 36.00% to 38.00%
- The Corporate Bond weight has decreased from 7.00% to 6.00%
- The US Equity weight has decreased from 18.85% to 18.20%
- The European Equity weight has decreased from 5.80% to 5.60%
- The Japanese Equity weight has decreased from 4.35% to 4.20%

Balanced Portfolio - Long Term
- The Government Bonds weight has increased from 14.00% to 15.00%
- The Corporate Bond weight has decreased from 18.00% to 17.00%

Moderately Adventurous Portfolio - Long Term
- The UK Equity weight has increased from 33.00% to 34.00%
- The US Equity weight has decreased from 27.95% to 26.65%
- The European Equity weight has decreased from 8.60% to 8.20%
- The Japanese Equity weight has decreased from 6.45% to 6.15%
- The Global Emerging Markets Equity weight has increased from 4.00% to 5.00%

Adventurous Portfolio - Long Term
- The UK Equity weight has increased from 27.00% to 29.00%
- The US Equity weight has decreased from 35.10% to 33.15%
- The European Equity weight has decreased from 10.80% to 10.20%
- The Japanese Equity weight has decreased from 8.10% to 7.65%
- The Global Emerging Markets Equity weight has increased from 14.00% to 15.00%

Fund weightings within the Portfolios have been adjusted to cater for the above asset allocation changes. Please refer to the updated versions of the Model Portfolios for full details.
Fund Selection

We are not recommending any changes to the fund selection this quarter.