



ZURICH

The key benefits of Zurich International Life's Managed funds  
**Threadneedle – Making investments work**



Many of us look forward to a time when we can retire and enjoy the fruits of our labours. However, now more than ever, providing for our retirement years can be a source of concern. Not only do we need to review, and often revise, the amount we save, it's also important to be comfortable with the level of risk we are taking with our money.

Time is an important consideration when developing an investment strategy. As retirement nears, most people find it prudent to reduce their exposure to investment risk, to protect any gains made during the early years of their plan.

### How can Zurich International Life help?

At its core, making an investment decision is about the connection between risk and return, between safety and yield. All investors should ask themselves the questions; how much capital am I prepared to put at risk? How can I maximise my retirement income? This series of Zurich International Life's Managed funds have been established for over 18 years.

The key benefits of Zurich International Life Managed funds are:

- Balance
- Risk management
- Expertise
- Choice
- Access
- Assurance

#### Balance

- A common mistake amongst investors is not holding a balance of investments. The rationale behind Zurich International Life's Managed funds is that behind them is the expertise and resources to know what is going on in the world, to know how this will affect different asset classes, and then to adjust their portfolio accordingly in order to maximise returns within a specified risk constraint.

#### Risk management

- Risk is managed through geographical and asset class diversification. Managed funds are a cost-effective way to diversify, and managed funds allow access to the expertise of investment specialists.
- When you invest in a Zurich International Life Threadneedle Managed fund, you invest in a range of countries, economies and market sectors. If, for example, you choose our Euro Blue Chip fund you would typically have access to eight regions and several market sectors, with your money spread across around 1000 holdings. Through this diversification your exposure to market volatility is substantially reduced. If one company, sector or region performs poorly, the adverse affect on the entire fund is moderated.
- Diversification makes a huge difference to a portfolio – it reduces risk and can generate positive returns when regional equity markets are falling. The simplest way to diversify the portfolio is via Managed funds.

#### Expertise

- An experienced team at Threadneedle manages these funds employing a proven investment process. The rationale behind the Managed funds is that they have the expertise and resources to conduct research and act on this research to adjust their portfolios accordingly.

#### Choice

- The Cautious and Defensive funds aim to reduce the risk of equity exposure by holding a large proportion of fixed-interest securities.
- The Blue Chip funds will occupy the 'middle ground' in the Managed fund range, with an asset split of roughly 60% equities and 40% bonds.
- The Adventurous and Performance Managed funds provide access to the significant potential growth of equities across a range of sectors and regions. These funds as a result have more investment risk associated with them.

#### Access

- This series of the Zurich International Life Managed funds allow access to most of the world's major equity and bond markets.
- The option of five levels of risk denominated in three different currencies for a total of 15 funds.

## Assurance

- The funds are being actively managed on your clients' behalf, based on current conditions and latest research.
- The continual monitoring and analysis of the international markets in the hands of experienced professionals.

## What are the five levels of risk for this series of Zurich International Life Managed funds?

There are five risk levels of Managed funds, investing in a mixed portfolio of equities, fixed interest securities and cash. The exposure to risk increases from Defensive funds through to Adventurous funds.

### Predominant asset class: Fixed-interest securities

#### Defensive

These low risk funds invest in international government and corporate debt, with a proportion of the fund invested in international equities. The majority of the fund is made up of assets matching the underlying fund currency to reduce the risk of currency exposure. The Defensive funds have the lowest risk profile of the Managed funds and are designed to provide the least volatility over the shorter term. The objective of these funds is to provide long-term capital growth.

#### Cautious

These funds invest primarily in fixed interest securities but carry a higher proportion of equities than the Defensive funds. The majority of the fund will invest in assets matching the underlying fund currency to reduce the risk of currency exposure. The objective of these funds is to provide long-term capital growth.

### Predominant asset class: Equities

#### Blue Chip

These funds invest in large, well-known companies (around 60% of the fund), a proportion of fixed interest securities (around 40% of the fund), and aim to provide long-term capital growth. The majority of the fund is normally invested in assets matching the underlying fund currency to reduce the risk of currency exposure. In terms of risk, the Blue Chip funds sit in the middle of the Managed funds range with a more balanced split between bonds and equities than the other funds.

#### Performance

These funds are also invested in a spread of equities. The exposure to fixed interest securities is lower than that of the Blue Chip funds. The majority of the holdings in these funds are normally invested in assets matching the currency of the fund whilst the remainder is invested in global equity and fixed-interest markets, with the objective of long-term capital growth. The Performance funds aim to produce a healthy long-term return from a balanced combination of investments in domestic and international companies.

#### Adventurous

The most flexible of the Managed funds, the Adventurous funds retain the ability to invest in growth opportunities worldwide without any restrictions on the currency of the underlying investments. In order to maximise the growth potential, these funds will invest in a wide range of markets and the stocks of both large and smaller quoted companies with the aim of providing long-term capital growth. The Adventurous funds aim to produce higher potential long-term reward, although with this comes a higher level of risk.

## Being aware of the risks

Although this series of the Zurich International Life Managed funds are managed by investment professionals, Threadneedle, there are risks involved with any form of investment linked to equity and bond markets. Please remember that past performance is not a guide to future performance. The value of any investment and the income from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested. Before making an investment decision it is important to seek independent advice to ensure that you understand the risks associated. Further information on this range of Zurich International Life Managed funds and charges can be found in the 'Investments – your guide' booklet, which is available on request.

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Registered in the Isle of Man number 20126.

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