A guide for customers

ZURICH

What should I do with my money?

Finding the right path for your future



Finding the right path for your future

Planning for your future is a key part of life – whether it is saving for your children's education, supplementing your lifestyle or planning your retirement.

However, with interest rates at historic lows, the returns you are getting from savings held on deposit are probably not delivering the long-term returns you need. Over the last number of years, earnings from investments such as equities and bonds have far outstripped that of cash. That's why we see more investors once again looking at alternatives to holding money on deposit.

We know that taking the first step into investment markets can be daunting, so we recommend that you seek professional financial advice from a Financial Broker or Advisor. It's their job to help guide you into making the correct decision about where to invest your money.

To help you with any conversation you might have, over the next few pages, we have outlined some core concepts that you should consider; from being aware of the effect inflation can have on your money, through to the benefits of building a diversified investment portfolio, these are core themes that you should discuss with your Advisor.

Saving for the future is essential if you want your goals to be achieved and it is important that you make use of all the options available to you.

Warning: The value of your investment may go down as well as up.
Warning: Past performance is not a reliable guide to future performance.
Warning: If you invest in this fund you may lose some or all of the money you invest.
Warning: Benefits may be affected by changes in currency exchange rates.

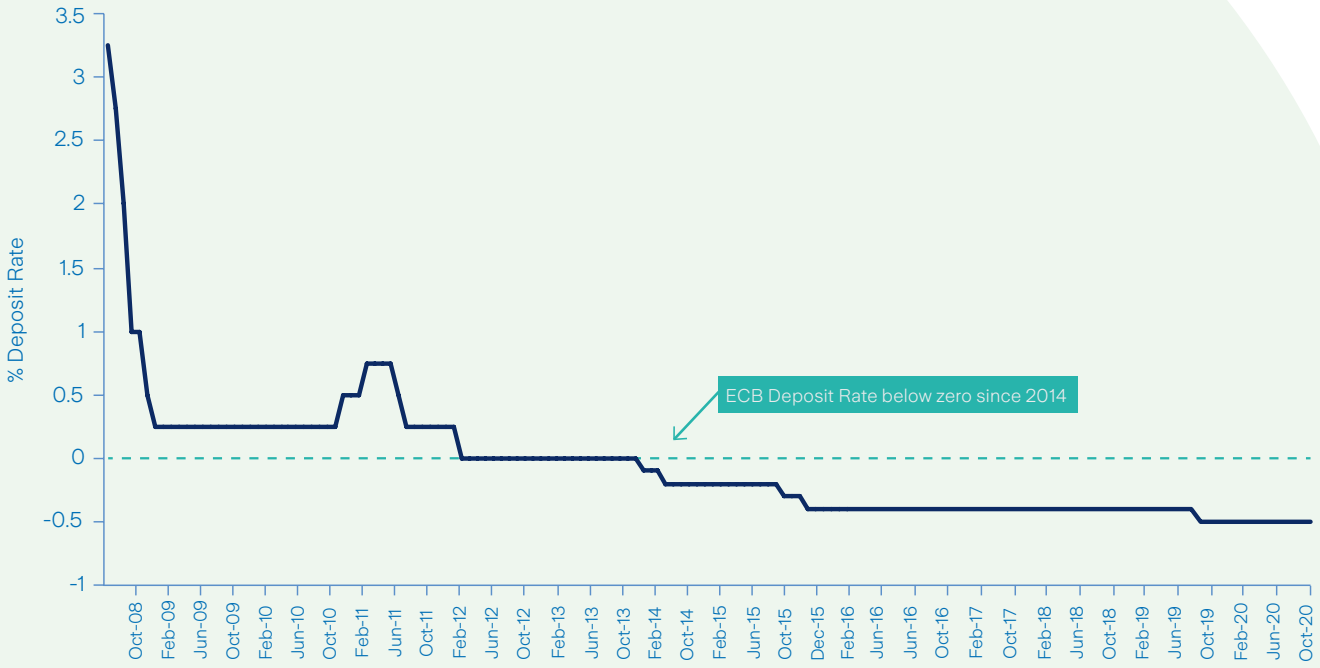


Cash may not be the answer

As the economy continues to improve many of us will have a little more money to save and spend. While spending is great for the local economy, it's also important to save for your own future and putting a little aside for a rainy day is second nature for most of us. However, while we are working hard to save, it's discouraging to see that our savings aren't working quite so hard for us!

You'll be only too aware that the returns earned from deposits have been low for some time now. However, when you look at the graph below, it's surprising to see how low. ECB interest rates have been at record lows since 2009 - that's over a decade.

Deposit Rates since 2008 – Record lows



Source: Zurich Life, January 2021, ECB Deposit Facility Interest Rates.

Warning: Past performance is not a reliable guide to future performance.

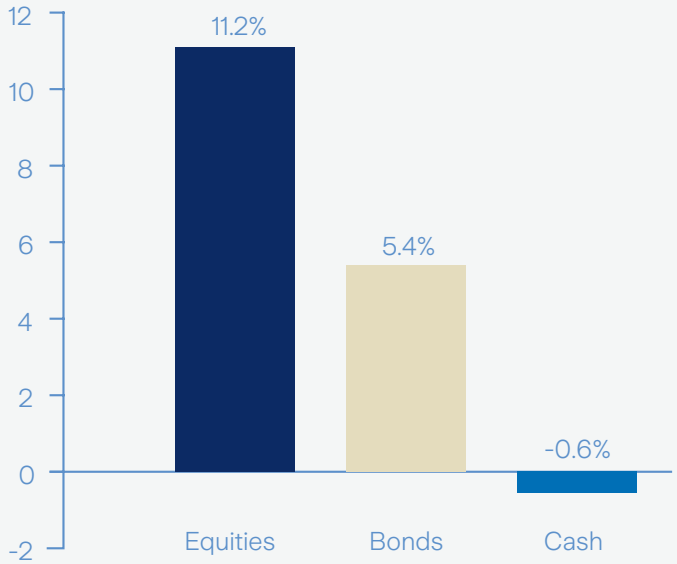
Explore the alternatives



Holding your money in cash or on deposit may make sense for people who are risk averse and/or have short-term goals. However over the last number of years holding too much of your savings in cash has been costly. Generally, people are rewarded for taking some risk with their investment and assets such as equities and bonds have the potential to earn you higher returns than cash.

This graph shows how equities and bonds have outperformed cash over the past ten years. It is important to be aware that investing in asset classes, such as equities and bonds, carries the potential for higher returns than cash but it also carries the risk of higher losses to your investment.

Equities and bonds outperformed cash over 10 years



Source: Financial Express. All data from 31/12/2010 to 31/12/2020.

Returns on cash have struggled to keep up with inflation over the last 10 years and this is why investors may need to consider the benefits of additional investments such as bonds and equities.

Annual Management Charges (AMC) apply. The information provided is for illustrative purposes only and is not meant to represent the future performance of any specific asset. Equities are represented by the Zurich Life International Equity Fund. Bonds are represented by the Zurich Life Active Fixed Income Fund. Cash is represented by the Zurich Life Cash Fund. All returns in euro terms. The returns are based on an investment in the funds and do not represent the returns achieved by individual policies linked to the funds.

Warning: The value of your investment may go down as well as up.
Warning: Past performance is not a reliable guide to future performance.
Warning: If you invest in this fund you may lose some or all of the money you invest.
Warning: Benefits may be affected by changes in currency exchange rates.

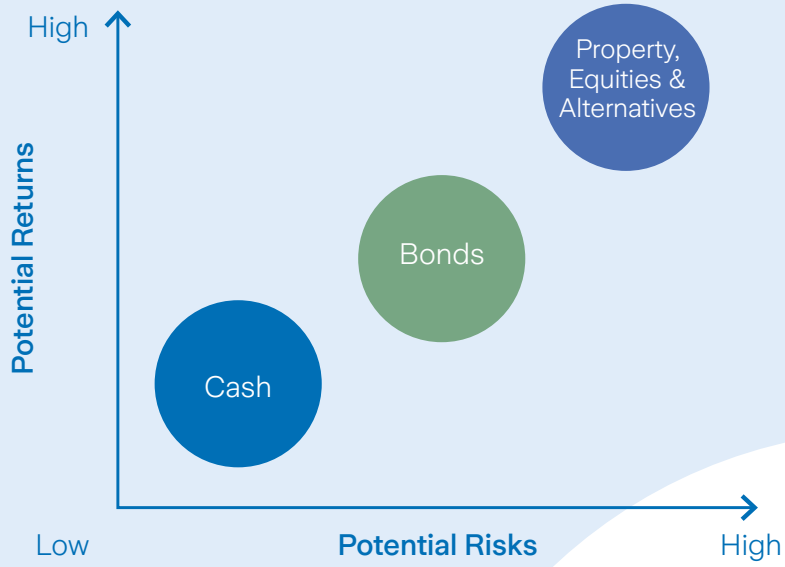
Diversify, diversify, diversify

There is an old saying ‘don’t put all your eggs in one basket’, and the same can be said to your investments. However, when we talk about it in terms of your money we call it diversification. Multi-asset funds, which are very popular with Irish investors, allow you to invest in a diversified mix of assets (for example equities, bonds and property) which helps to spread the riskiness of your investment.

Generally there are four main types of investment, which we call ‘asset classes’ and a multi-asset investment fund will usually hold some or all of these different asset classes.

Each asset class works in a different way and carries its own particular rewards and risks. It is important to understand how they work.

- **Cash:** money on deposit (e.g. cash in a bank).
- **Property:** bricks and mortar, or property shares.
- **Equities:** shares in individual companies.
- **Bonds:** loans to companies or governments.
- **Alternatives:** Includes the likes of gold, oil and other ‘non-traditional‘ investments.



An investment fund will generally hold some or all of these different asset classes. The fund manager will buy and sell the different asset classes hoping that their value will increase over time. The diagram above shows the potential risks and returns attached to each asset class.

For more information on “how funds work?” check out our video on zurich.ie

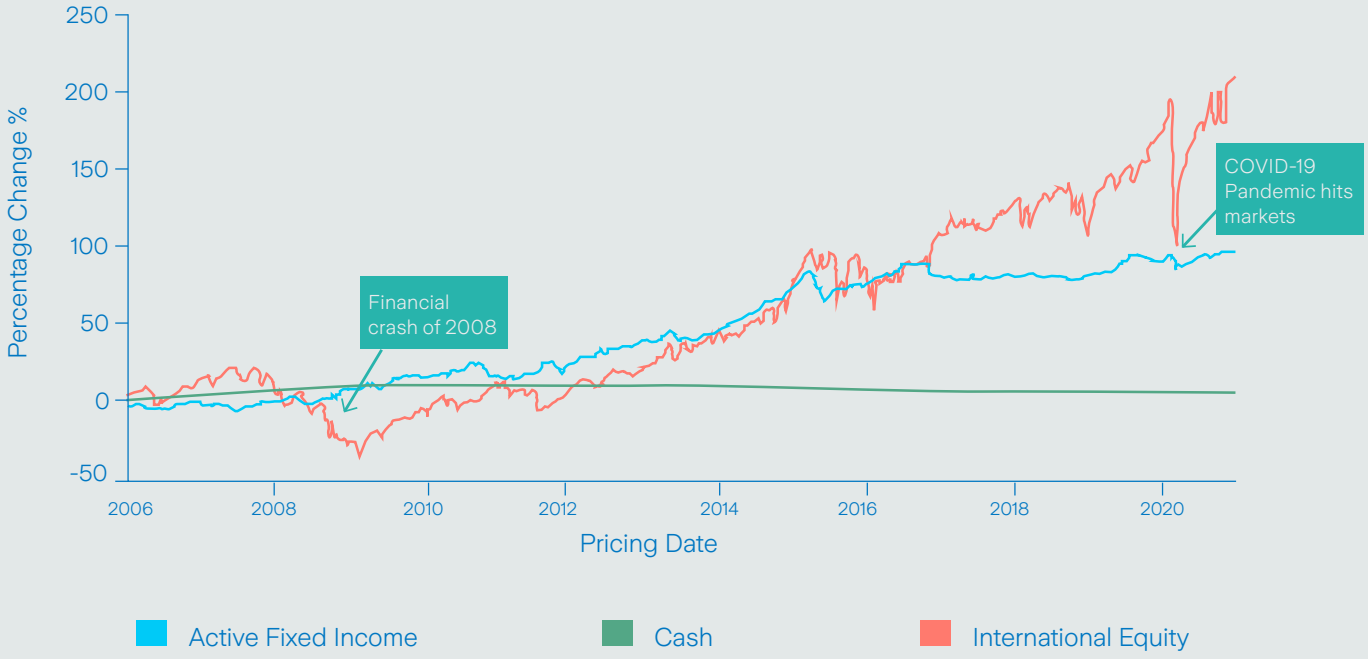


Invest for the long-term

Your savings goals are probably balanced between short-term needs such as saving for a holiday or a new car – and longer term needs such as your retirement or saving for your children's education. A key determinant of where you should save is how long you can afford to tie up the money.

The graph below shows how short-term fluctuations in stockmarkets are effectively smoothed out over time – so if your goal is far in the future, you may be able to invest in the stockmarket.

Long-term investing can smooth out market fluctuations



Source: Zurich Life, January 2021. Time period used 31/12/2005 to 31/12/2020. Annual Management Charges (AMC) apply. The returns are based on an investment in the funds and do not represent the returns achieved by individual policies linked to the funds.

Warning: The value of your investment may go down as well as up.
Warning: Past performance is not a reliable guide to future performance.
Warning: If you invest in this fund you may lose some or all of the money you invest.
Warning: Benefits may be affected by changes in currency exchange rates.

Find out what type of investor you are

You may have to accept some level of risk when you make an investment but how much depends on what you want to achieve. Only you know what your goals are and how much risk you are prepared to accept to reach them.

Deciding what you want to achieve with your investment is important because it will help you make decisions about where to put your money. Usually, your decision will be based on three things:

1. **What do you want to achieve with your money?**
2. **What levels of investment risk are you comfortable with?**
3. **For how long would you be happy to invest your money?**



Work out your risk profile

With your Financial Broker or Advisor, you can access Zurich's online Risk Profiler, which can help you understand more about investment risk and what levels of risk you feel comfortable with. From there, finding the right investment path is easy.

Prisma Funds - the right path for your investment?

1. **Risk Targeted**
Each Prisma Fund aims to maximise long-term capital growth while targeting the specific level of risk appropriate to you.

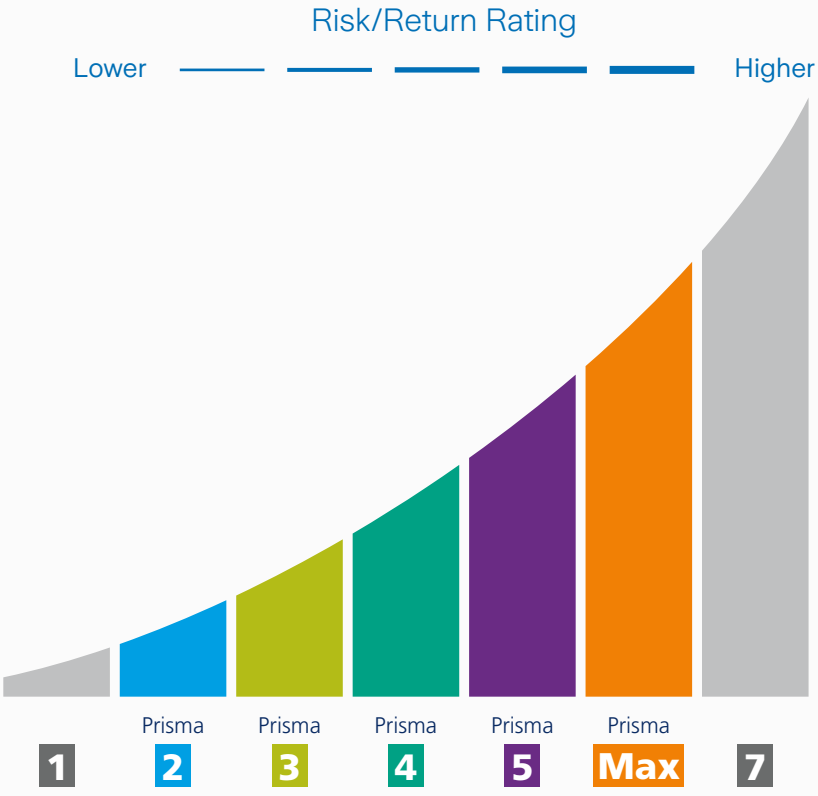
2. **Diversified**
Each Prisma Fund is well diversified and can include investments in equities (the stockmarket), bonds, property, cash and alternatives (such as oil and gold).

3. **Built on Expertise**
The Zurich investment team consists of experienced and highly-qualified investment specialists, with a proven track record of making the right investment decisions at the right times.

4. **Actively Managed**
The Prisma Funds are actively managed by Zurich Investments. This means that it is our fund managers that make the specific investments in each fund. It means our investment managers can respond to market movements as and when they happen.

5. **Great Value**
Today's investor wants an investment solution that meets their needs, but they are also conscious about price. The Prisma Funds have been designed with these investors in mind – they provide risk appropriate solutions – and are very competitively priced.

The Prisma Multi-Asset Funds



For more information on our range of investment funds visit zurich.ie or speak to your Financial Broker.

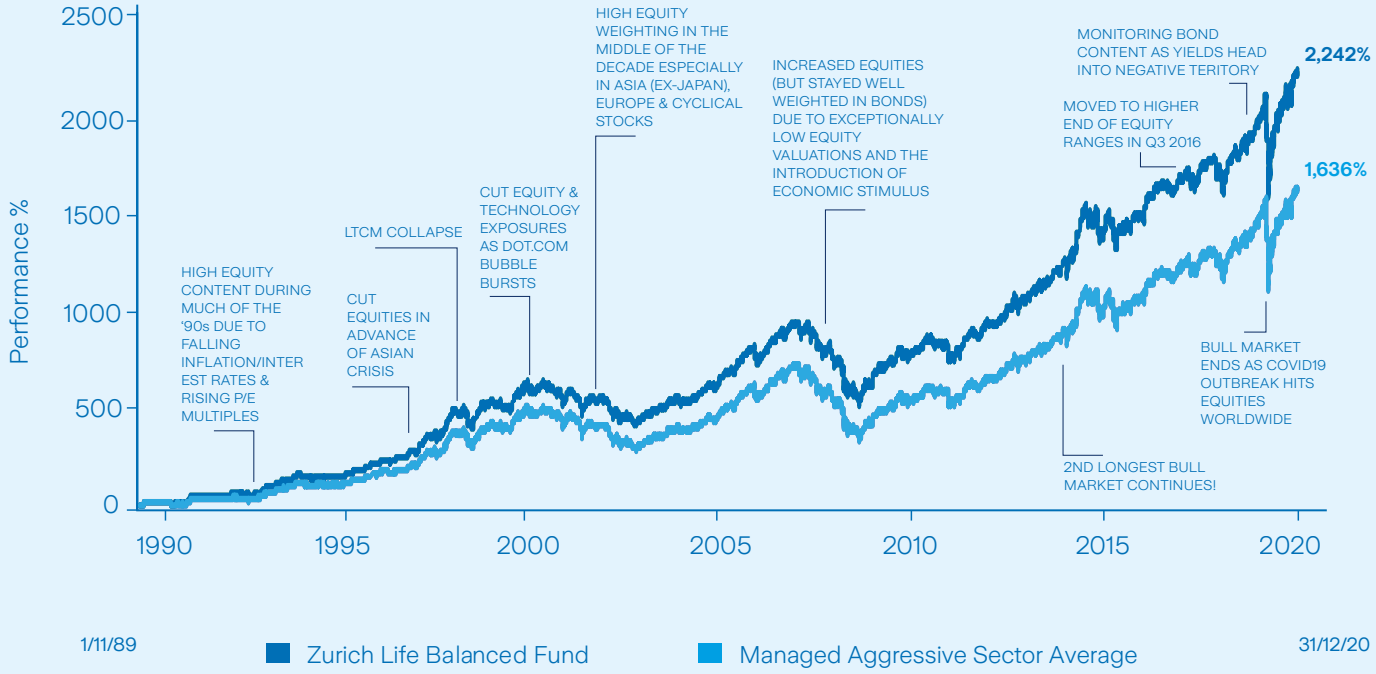
Why invest with Zurich?



At Zurich we are proud of our track record in managing customers' investments. Our belief is that people need experts to look after their money, so we take a 'hands-on', active approach to investment management.

We aim to deliver long-term consistent investment performance. We believe that good active investment managers are best placed to deliver consistent long-term investment performance. For over 30 years, Zurich has been managing diversified multi-asset funds for customers throughout Ireland. During that period Zurich has consistently outperformed our peers.

Active investment decisions have delivered results



Source: Zurich and MoneyMate, January 2021. Performance figures quoted are for 01/11/1989 – 31/12/2020. Annual management fees apply; the fund growth shown above is gross of any annual management charge. Returns are based on offer to offer performance and do not represent the return achieved by individual policies linked to the fund.

Zurich No.1* for investment performance six year in a row.

*Source: Brokers Ireland, November 2019.

Warning: The value of your investment may go down as well as up.
Warning: Past performance is not a reliable guide to future performance.
Warning: If you invest in this fund you may lose some or all of the money you invest.
Warning: Benefits may be affected by changes in currency exchange rates.

Take the next step



When it comes to your savings and investments, Zurich is committed to doing the best we can for our customers. So if you'd like to take the next step, get in touch today.



Talk to your Financial Broker or advisor



Email us at customerservices@zurich.com



Call our Financial Planning Team directly on 1850 202 102



Visit our website at zurich.ie

Zurich Life Assurance plc
Zurich House, Frascati Road, Blackrock, Co. Dublin, A94 X9Y3, Ireland.
Telephone: 01 283 1301 Fax: 01 283 1578 Website: www.zurich.ie

Zurich Life Assurance plc is regulated by the Central Bank of Ireland.

Intended for distribution within the Republic of Ireland.

GR: 6015 Print Ref: ZL IB 169 0521

ZURICH