

# Prisma Multi-Asset Funds

The range of risk targeted multi-asset funds





# Prisma Funds - putting risk and return centre stage

Recognising that customers require investment solutions that match their needs, we developed the Prisma Multi-Asset Funds. The Prisma Funds aim to generate long-term capital growth and target specific levels of volatility with returns appropriate to your clients' calculated risk profiles.

## **Risk Targeted**

Five investment funds designed and defined to volatility bands that match risk profiles 2 through to 6.

## **Built on Expertise**

Zurich Investments consists of experienced and highly-qualified investment specialists, with a proven track record of making the right asset allocation decisions at the right times.

## **Actively Managed**

Active asset management by Zurich Investments is at the heart of each of the Prisma Funds. Our approach to active management means that our investment managers can respond quickly to market movements.

## **Diversified**

Each multi-asset fund is diversified and can include equities, bonds, property, cash and alternatives. Alternatives may include, but are not limited to; oil, gold, inflation-linked government bonds, soft commodities, industrial metals and corporate bonds.

## **Great Value**

The Prisma Funds are competitively priced at the normal Zurich product annual management charge.

# Five risk targeted solutions

No one wants to take unnecessary risks with their investment but there is an important trade-off between risk and return. Exposure to appropriate levels of risk is paramount and the use of risk profile tools can help you to determine the level of risk acceptable to individual customers.

The Zurich Platform provides a direct route into investment solutions that can target the calculated risk profile of your customer. Zurich's Prisma Funds are designed and managed to defined volatility targets.

The five Prisma Funds are targeted to match risk profiles 2 through to 6 and each of the funds will aim to achieve the desired level of risk over time.

## The Prisma Multi-Asset Funds



Source: Zurich, January 2019.

# What are the Volatility Bands and how do they work?

The bull and bear markets of the past decade highlighted the need for a greater understanding of the risk and return trade off. The volatility bands use a seven-point scale to classify funds based on the five-year annualised volatility of the investment fund. The table below illustrates the various risk ratings associated with the volatility bands.

Risk Rating	Volatility Ranges	
	Equal to or above	Less than
1	0%	0.5%
2	0.5%	2%
3	2%	5%
4	5%	10%
5	10%	15%
6	15%	25%
7	25%+	

Source: Zurich, January 2019.

To understand where different asset classes fit within the volatility bands, we have outlined below the five-year volatility of the Irish Domestic Pension (IDP) sector averages, to give a clearer picture as to where certain funds might typically sit.

Sector	Volatility	Potential Risk Rating
IDP Cash	0.12%	1
IDP With Profits	0.79%	2
IDP Bonds	3.39%	3
IDP Managed Cautious	4.46%	3
IDP Balanced Managed	7.93%	4
IDP International Equity	12.29%	5

Source: Financial Express, January 2019.

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

# Diversification across a global market

The investment universe of the Prisma Funds has a global reach - extending across global equities, bonds, property, cash and alternatives. Each asset class will tend to deliver different levels of performance at different stages of the economic cycle.

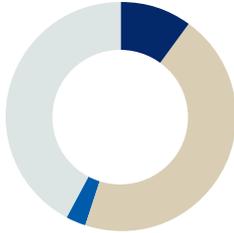
Many of these asset classes have lower correlations to movements in equity prices and, hence, can help to dampen the long-term volatility of the fund's return. For example, with Prisma [5](#), the addition of alternatives, such as gold, to the fund mix helps to ensure diversification as gold returns have a very low correlation with equity returns.

The Zurich investment team makes asset allocation decisions on a continuous basis, and these decisions will impact the allocation to each asset class within the funds. Each Prisma Fund will also be managed so that it aims to stay within its volatility range.



# Prisma Asset Allocation\*

## Prisma 2



- Equities 10%
- Bonds 45%
- Alternatives 3%
- Cash 42%

Prisma 2 is designed for the low risk, defensive investor that is looking for better returns than cash but who still aims for capital preservation.

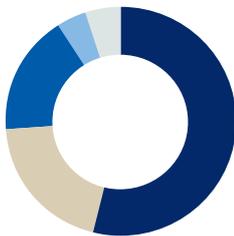
## Prisma 3



- Equities 25%
- Bonds 36%
- Alternatives 8%
- Property 2%
- Cash 29%

Prisma 3 is designed for the low to medium risk, cautious investor that is looking for a broadly balanced globally diversified portfolio that is designed to perform throughout differing market conditions.

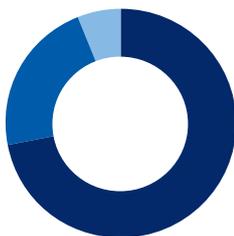
## Prisma 4



- Equities 54%
- Bonds 20%
- Alternatives 17%
- Property 4%
- Cash 5%

Prisma 4 is designed for the medium risk, growth investor that is looking for a globally diversified portfolio with an emphasis on long-term capital growth.

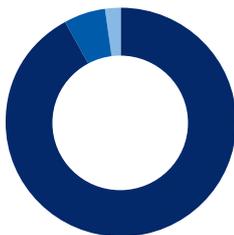
## Prisma 5



- Equities 72%
- Alternatives 22%
- Property 6%

Prisma 5 is designed for the medium to high risk investor that is comfortable with a higher level of risk for the potential of higher long-term investment returns.

## Prisma 6



- Equities 92%
- Alternatives 6%
- Property 2%

Prisma 6 is designed for the high risk investor that is comfortable with considerable investment risk for the potential of very high long-term investment returns.

\* Splits as at 31 December 2018. For more information see individual fund factsheets on [zurich.ie](http://zurich.ie)

# Zurich Investments

## - an investment manager you can believe in

At Zurich Investments, we believe that it is the close co-operation of our investment managers in making decisions across assets, markets and sectors that make the Prisma Funds stand out from the crowd.

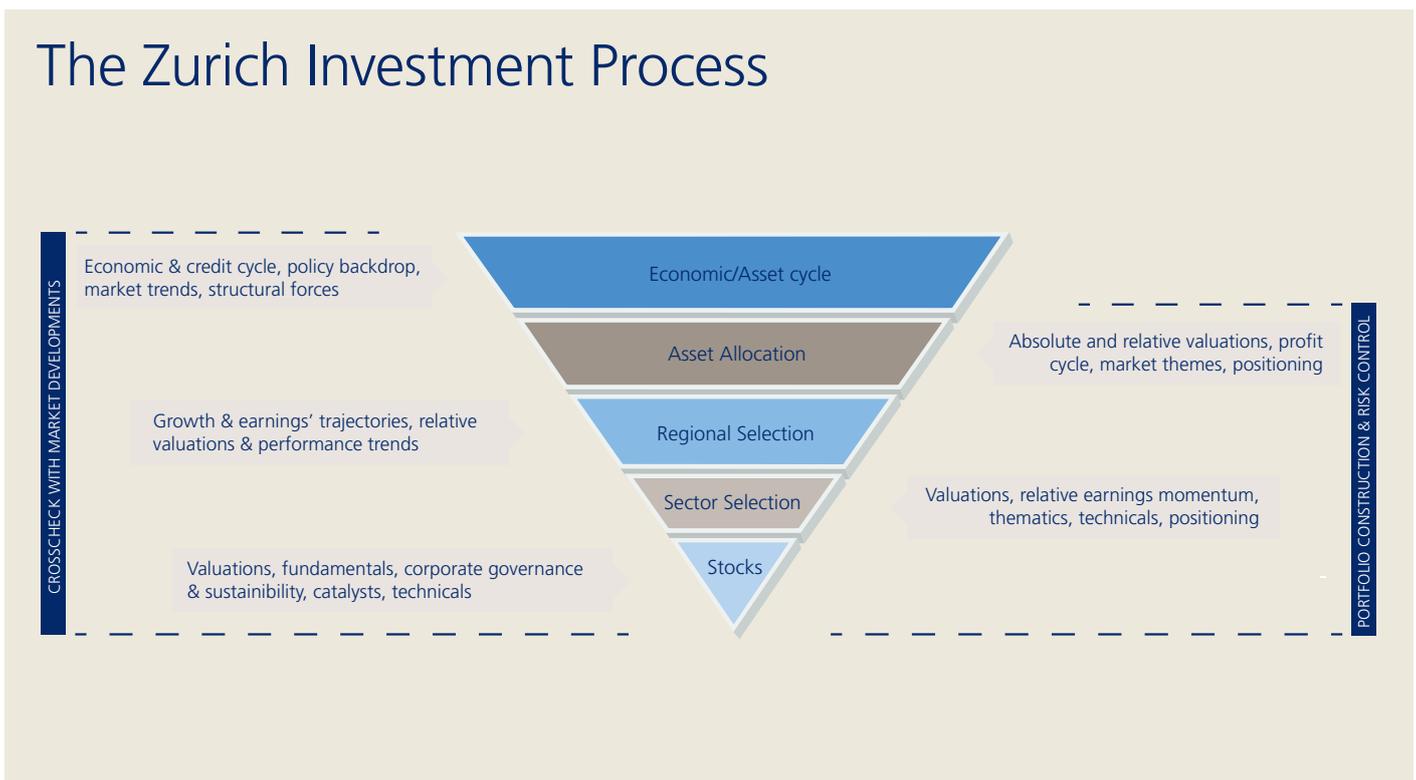
### Our Philosophy

We believe that the macro economic environment is the key driver for investment market themes. We are business cycle investors constructing our portfolios to allow us to take advantage of opportunities over all parts of the economic cycle. Portfolios may at any time show either a growth or a value bias depending on prevailing macro economic views.

### Our Process

We believe that market inefficiencies justify an active management approach to all levels of the investment process - asset allocation, geographical bias, sector preference and stock selection. We use a 'top-down' or 'big picture' investment approach to identify the best investment opportunities.

## The Zurich Investment Process



Source: Zurich, January 2019.

## A team based approach

Our process emphasises teamwork rather than individual flair. Asset allocation decisions are made by the Strategy Group, which meets on a weekly basis. However, as all members work together in the same dealing room, discussion is ongoing, which allows for immediate analysis of, and reaction to, pertinent market changes. Changes to asset allocation are made within an agreed timeframe, depending on key drivers which the group feels dictate the change.

## Active asset management to match investor's needs

Our investment team combines extensive knowledge with experience and longevity; the most senior members of the team have worked together for well over ten years, while others, who have joined the team in more recent years, have worked in the industry for a significant length of time.

It is widely accepted that the key driver to long-term investment returns within an investor's portfolio is asset allocation. Asset allocation decisions have become increasingly complex over the years due to market volatility and an ever changing global economic landscape. Zurich has built its investment reputation on the ability to make the right investment decisions at the right times.

If you look more closely at some of the investment decisions made by our investment team over the years, you can very clearly see the value of our active approach to investment returns.

## 29 Years of Active Outperformance



Source: Zurich and MoneyMate, January 2019. Performance figures quoted are for 01/11/1989 – 01/12/2018. 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.

**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: This product/service may be affected by changes in currency exchange rates.**  
**Warning: If you invest in this product you may lose some or all of the money you invest.**

# Investment insights with Zurich

At Zurich we are always aiming to provide you with all the investment insights, analysis and commentary that you need. We provide all the information that is essential to keep up to date with your investments, and to help make the investment decisions that will provide you with the best outcomes. Across several mediums, including online, print and live we will continue to keep you up to date and in tune with both global markets and our funds.

## Online



**Webinars, Pre-Sales Reports, Portfolio Builders, Podcasts** and much more. All designed to help you stay up to date and to keep your clients informed.

## Reports



Showcasing the latest **investment thinking, fund updates and performance information** from Zurich Investments.

## Analysis



Providing information on **individual funds, market performance, and investment sales ideas.**

## Live



With the Zurich Investment front office based here in Ireland, and with a dedicated Investment Sales Team, we are able to provide **support for client presentations, investment seminars, and in-house investment workshops** directly with our fund managers.

# 1989

Flagship Multi-asset Funds launched

# 40

years in Ireland

# 2013

Prisma Funds launched

# €21.9\*

billion under management



Best Investment Performer 2018



Consistent Investment Performance



Creative Solutions for Clients



Diverse Range and Options of Investment Funds



Best Explanation of Risk Attached to Products



Quality Communications and Investment Marketing Material

\*Source: Zurich Life, January 2019  
\*\*Source: Brokers Ireland, December 2018



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