

Prisma Funds

Monthly report



Equity markets have performed well despite a number of challenges and we see further upside ahead. The Fed is giving investors plenty of warning that the time is approaching to reduce the pace of stimulus. With risk assets close to record levels and bond yields depressed, this seems a prudent move. Market participants remain of the view that the recent rise in US inflation is transitory.

Bond yields have bounced off recent lows as technical issues abate and strong growth and elevated inflation come back into focus. We believe yields will rise further, but virus uncertainty and the slowing in the rate of global growth could disrupt this.

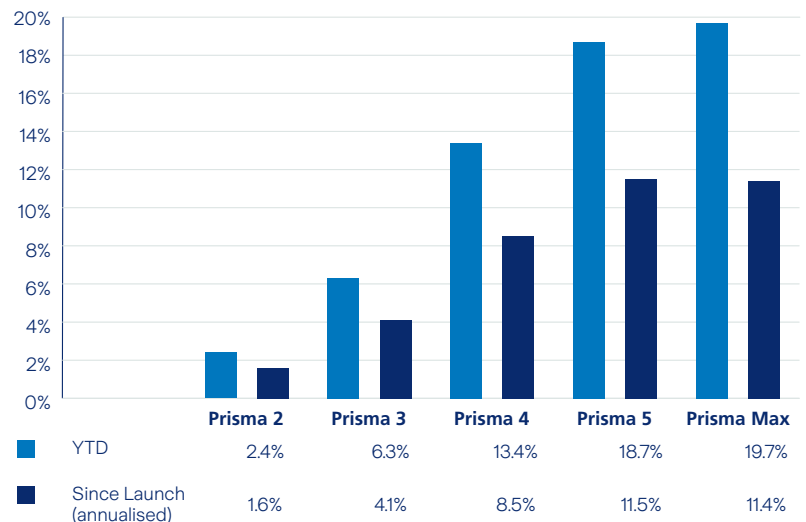
Despite the alarming spread of the Delta Covid variant, disappointing data from China amid the persistent regulatory crackdown, and the signalling of US tapering, markets have been calm with many equity indices hitting record levels. We remain bullish on risk assets, and equities in particular, but the three themes outlined above are likely to dominate in the months ahead.

Activity

Equity positions in our multi-asset funds were unchanged during August and remain well above benchmark. With regards to geographic positions, the main bias is towards Europe. Sector-wise, the funds are positively biased towards technology and consumer discretionary stocks and negatively biased towards 'bond proxy' areas such as healthcare and consumer staples. Bond positions are well below the middle of ranges whilst the duration of these bonds is below benchmark. Corporate bonds have been increased at the expense of sovereign bonds over the last 16 months.

↑ Contributors to performance World Equities, Indexed Commodities

↓ Detractors from performance Sovereign Bonds, Corporate Bonds, Copper, Oil, Gold.



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Current Positioning

Asset Class	Country	Positive	Neutral	Negative
Equities	North America			✓
	Europe	✓		
	Japan		✓	
	UK	✓		
	Asia-Ex Japan	✓		
Fixed Income	Sovereign Eurozone			✓
	Sovereign US		✓	
	Sovereign UK		✓	
	Credit	✓		
Currencies	USD			✓
	GBP		✓	
	YEN		✓	
Alternatives	Oil		✓	
	Gold	✓		
	Copper		✓	
	Global Property		✓	
	Soft Commodities		✓	
	Indexed Commodities			✓

Market Performance

Equity Markets

- World equities (in euro terms) rose by 3.0% in August, giving a strong total return of 22.2% for the first eight months of 2021. Euro currency weakness during 2021 has accentuated returns in a number of key markets, primarily the US and the UK. Local currency returns for the month for the major markets ranged from plus 3.1% in Japan to minus 0.3% in Hong Kong, the latter affected by Chinese clampdowns on certain Hong Kong businesses. Year-to-date the strongest markets in local currency terms been the US (+20.4%) and Europe (+18.2%).
- Regarding sectors in the US during the month, the strongest returns came from financials (+5.1%) and consumer services (+5.0%). Technology (+3.6%) also beat the market. The main underperforming sector was energy (-2.0%). So far this year, the best performing sectors have been real estate (+32.6%) and financials (+31.5%). Last year's standout sector, technology, is up 22.4%.

Bonds & Interest Rates

- The Over Five Year Euro Government Bond Index fell by 0.8% during August, giving a total return of minus 2.5% for the first eight months of 2021.
- The German ten-year bond yield rose from minus 0.46% to minus 0.39%. Equivalent US rates rose marginally from 1.22% to 1.31%; this despite concerns over rising inflation.
- The Federal Reserve and other central banks have introduced a wave of liquidity since the outbreak of COVID-19 which has included various forms of asset purchases, to support economies and businesses. The Fed is now keeping a weather eye on inflation.

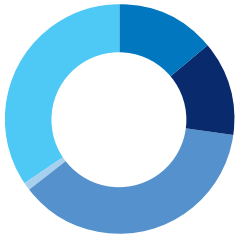
Commodities & Currencies

- Overall commodity prices were flat during August in dollar terms. However, they are up 30.0% year-to-date fueling concerns over higher inflation.
- Oil prices fell by 6% in July but are up 41% so far in 2021. The gold price was unchanged at \$1,816 per troy ounce. The copper price fell by 2.7% during the month.
- The euro currency weakened slightly in August against the US dollar with the EUR/USD rate moving from 1.19 to 1.18.

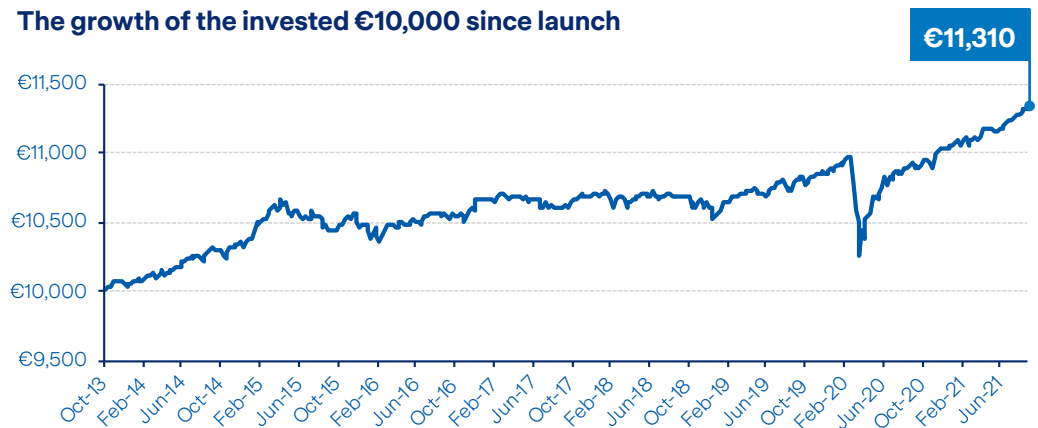


Prisma 2

This fund is designed for the more risk averse, defensive investor looking for better returns than cash but who still require capital preservation. The fund has a volatility target of 0.5% - 2% over a rolling 5-year period.

Asset splits*

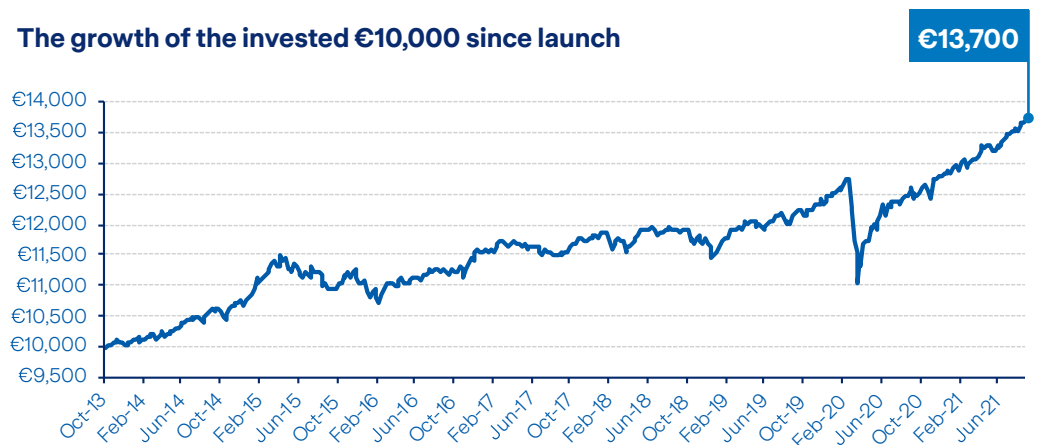
Equities 14%	Property 1%
Gov Bonds 13%	Cash 34%
Corp Bonds 37%	

The growth of the invested €10,000 since launch**Prisma 3**

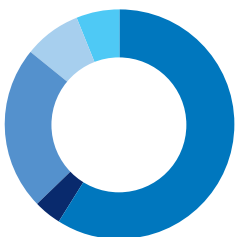
This fund is designed for the cautious investor looking for a broadly balanced globally diversified portfolio that is designed to perform throughout differing market conditions. The fund has a volatility target of 2% - 5% over a rolling 5-year period.

Asset splits*

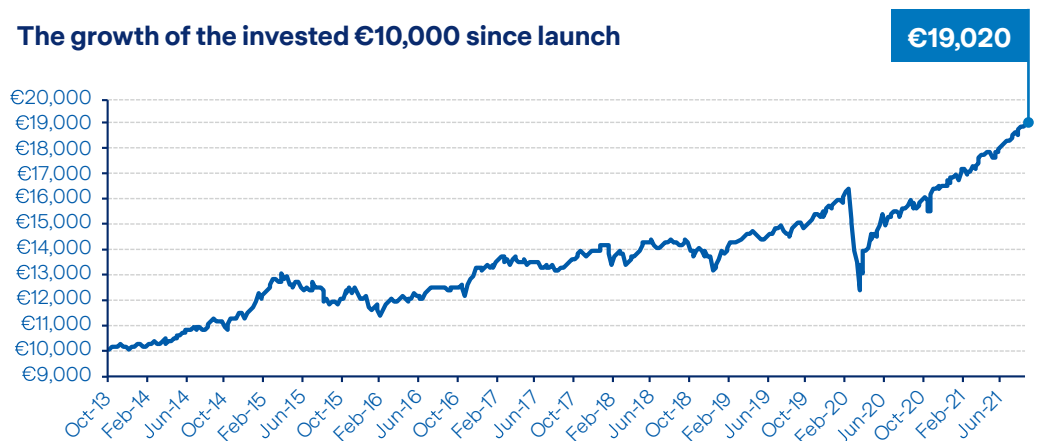
Equities 30%	Alternatives 2%
Gov Bonds 9%	Property 4%
Corp Bonds 31%	Cash 24%

The growth of the invested €10,000 since launch**Prisma 4**

This fund is designed for the growth investor looking for a globally diversified portfolio with an emphasis on long-term capital growth. The fund has a volatility target of 5% - 10% over a rolling 5-year period.

Asset splits*

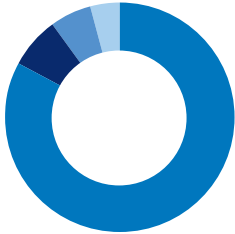
Equities 59%	Alternatives 8%
Gov Bonds 4%	Property 6%
Corp Bonds 23%	

The growth of the invested €10,000 since launch

Prisma 5

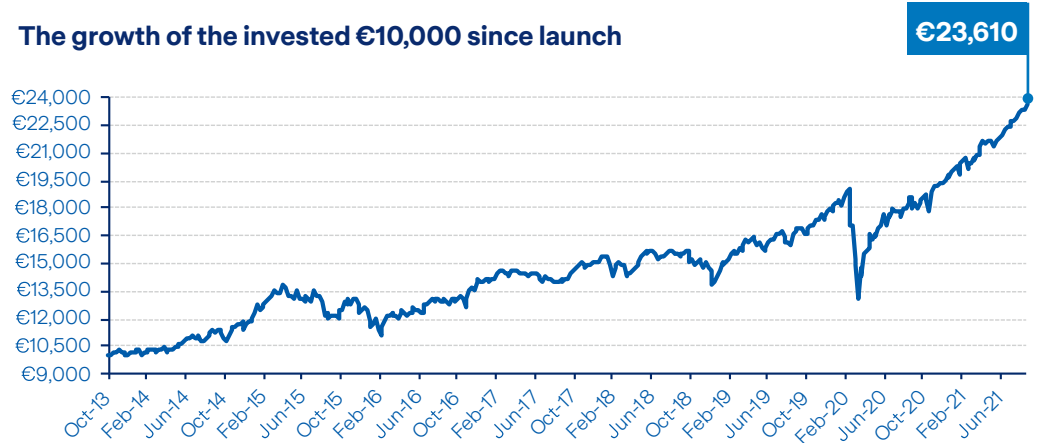
This fund is designed for the investor that is comfortable with a higher level of risk for the potential of higher long-term investment returns. The fund has a volatility target of 10% - 15% over a rolling 5-year period.

Asset splits*



- Equities 83%
- Property 6%
- Alternatives 7%
- Corp Bonds 4%

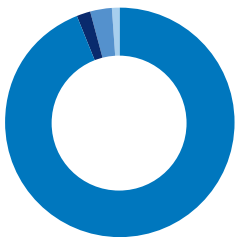
The growth of the invested €10,000 since launch



Prisma Max

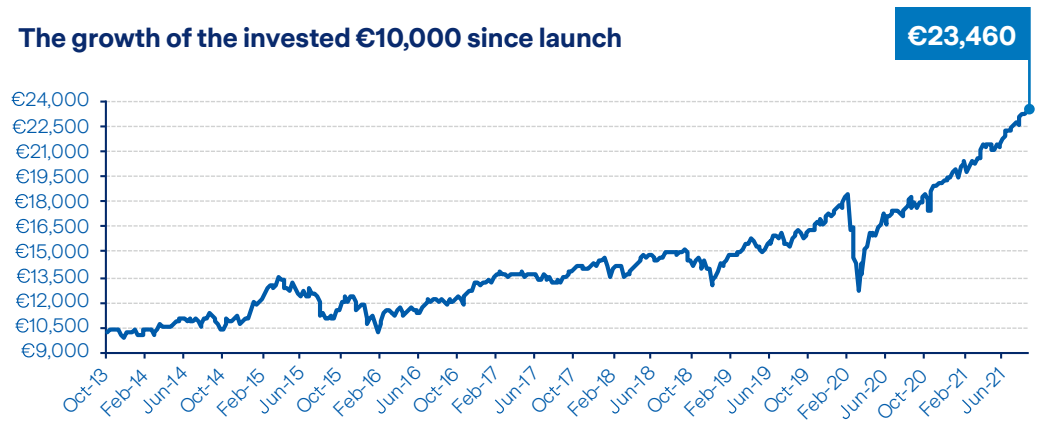
This fund is designed for the investor that is comfortable with considerable investment risk for the potential of very high long-term investment returns.

Asset splits*



- Equities 94%
- Property 3%
- Alternatives 2%
- Corp Bonds 1%

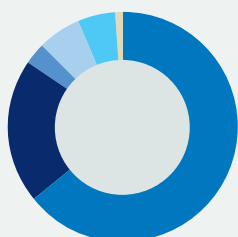
The growth of the invested €10,000 since launch



Equity and Alternatives splits

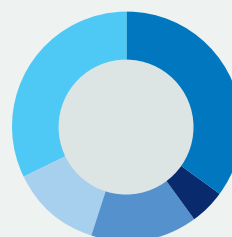
The following charts denote our positions within the specific equity and alternative asset classes. These positions are consistent across each of the funds but the weighting is adjusted in accordance with the relevant asset class split across each fund.

Equities*



- North America 63%
- Euro Ex Ireland 20%
- Pacific Basin 3%
- Japan 6%
- UK 5%
- Other Europe 1%

Alternatives*



- Gold 35%
- Soft Commodities 5%
- Industrial Metals 15%
- Oil 13%
- Indexed Commodities 32%

*Source: Zurich Life as at 31/08/2021 *AUM (Assets Under Management). Due to rounding some totals might not equal 100%.

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

The information below applies to all graphs and the preceding pages:

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Advice should always be sought from an appropriately qualified professional.

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