

Prisma – Investment solutions tailored to your customers' needs

Jonathan Daly, Manager, Product Solutions, Zurich Life

The global economic storm of 2008 and the subsequent Eurozone crisis not only cast a shadow over Ireland but also had a direct impact on how the average person viewed investments. The peril of relying on a single investment solution (i.e. property) was a lesson well learned by the Irish consumer. However, the collapse of the property market and the well publicised stockmarket turmoil has meant that many investors now view all investment funds in the same way – they are all too risky!

This shift in investor sentiment has created a significant challenge for the life industry – how do we continue to meet client goals yet also provide an investment solution that can actually deliver the returns needed to meet those goals?

Introducing the Prisma Fund Platform

At Zurich Life, we think the launch of the Prisma Fund Platform can help provide you with the tools to address these issues. Fund Platforms can be constructed in a number of different ways. One approach is to simply offer very wide choice, with hundreds or thousands of funds from a big range of fund managers. This approach was initially popular in the UK market. However, the wide choice results in huge amounts of time and work on the part of the advisor or client to select from the range, and can cause a lot of confusion for customers. Thinking has now moved on so that advisors and customers are looking for select fund ranges that offer access to every asset class. At Zurich Life, we have chosen to take a select approach.

We reviewed our investment fund offering – assessing its strengths, and also identifying areas for improvement. We recognised that there were gaps in certain asset classes, asset classes that may be important for the construction of diversified investment portfolios. We then used the expertise of Zurich's Global Fund Desk to help us to select top-performing global fund managers that we think are best suited to filling those gaps.

The Prisma Fund Platform now offers funds from BlackRock, J.P. Morgan, PIMCO, Aberdeen Asset Management, Pictet, Henderson Global Investors and Threadneedle – covering asset classes such as Emerging Market Equities & Debt, Global Bonds, Global Property, Commodities and Absolute Return.

All of the new funds available are actively managed, emphasising our belief that expert active fund managers can add significant value. These new additions build on the investment strength of Zurich Life* and offer a compelling and comprehensive investment proposition, with a carefully selected fund range covering every asset class.

New fund options is one part of the solution, the Prisma Fund Platform also comprises of a:

- New Risk Profiler
- New Portfolio Builder
- New risk ratings for all funds, on a 1-7 scale
- New Suggested Portfolio Solutions

Risk Profiling is essential

Truly understanding how much investment risk a client is prepared to take is an essential first step in meeting client expectations. The Prisma Fund Platform has a powerful, yet simple to use 'risk profiler' that will help you accurately assess a client's attitude to investment risk. It asks a number of key investment related questions and based on the answers to these questions, it categorises your client into a 1-7 risk rating.

The questions cover a variety of areas; from client age and investment term, through to a client's ability to tolerate loss and attitude to investment risk. The risk profiler has flags and controls built-in, to highlight situations where the client may have given inconsistent answers. And, if a greater incentive was ever needed with regard to risk profiling, the Consumer Protection Code 2012 (section 5.19) also states that you need to consider risk profiling for your clients.

Providing diversified portfolio solutions

Allied to the new fund options is a unique 'portfolio builder' that enables you to construct a fully diversified portfolio solution that matches the risk profile of your client. The Prisma Portfolio Builder will allow you mix and match funds, tailoring the allocation between each and then calculating the volatility of the fund mix. This will ensure that the portfolio matches the risk profile of your client – thus providing a tailored solution to each and every client. A tailored solution ensures that the adviser is centrally involved in the client's decision making process, and offers much more flexibility and control than the out-dated concept of risk rated funds.

With full asset class coverage, across a range of world class fund managers, a robust risk profiler and unique portfolio builder, we think that the Prisma Fund Platform will give you the tools to meet your clients' investment goals.

You can access the Prisma Fund Platform at www.zurichlife.ie/brokercentre or speak to your local Zurich Life Broker Consultant for a full demonstration of how it can help you.

*Source: LIMRA Survey, 2012

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