



Information Sheet

Psigma Zurich Balanced Portfolio

Quarter 4 2018

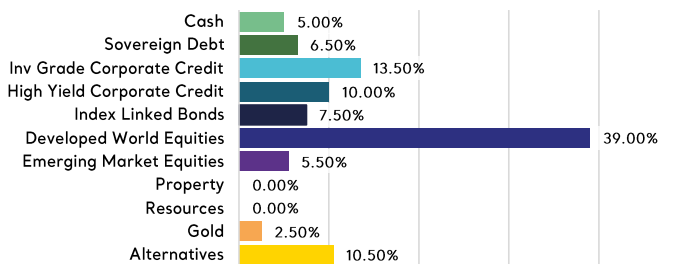
Overview

The Psigma Zurich Balanced Portfolio invests in a diverse range of asset classes, where the asset allocation is actively managed. The strategy uses a number of qualitative and quantitative inputs to decide on the asset allocation. The Balanced Strategy aims to achieve a long-term total return above inflation using a diversified mix of asset classes to reduce the volatility and a reduced potential for capital loss.

Investment Objective

The Balanced strategy aims to preserve your wealth above the rate of inflation. Given this target, it also attempts to generate balanced returns through diversified investments with a maximum equity weighting of 60%.

ASSET ALLOCATION



TOP TEN HOLDINGS

FUND	ALLOCATION
Fidelity Global Inflation Linked GBP HGD	7.5%
Artemis Income	7%
Schroder Income Maximiser	7%
Artemis Global Income	6.5%
Twenty Four Asset Backed Income	6%
Allianz Gilt Yield	5%
AXA Global Short Duration	5%
Twenty Four Core Corporate Bond fund	5%
Twenty Four Focus Bond	5%
Fulcrum Income	5%

STRATEGY CHARACTERISTICS

Launched	October 2018
Target Return	Inflation +3%
Max Equity Holding	60%
Max Higher Risk Fixed Interest	15%
Estimated Yield	2.38%
Recommended Investment Period	7 Years +
ISA Eligible	Yes

PSIGMA PORTFOLIO CHARGES

Psigma AMC (Ex VAT)	0.35%
Fund Expenses (OCF)#	0.62%
Total Charges (Inc VAT)	1.04%

MINIMUM INVESTMENT

For minimum investment levels please contact Zurich directly

ABOUT THIS INFORMATION SHEET

We are pleased to be able to provide a discretionary managed portfolio service on the Zurich Intermediary Platform.

Our six actively managed and broadly diversified portfolios represent our best asset allocation thinking and are carefully selected by our central investment team from over 3600 funds made available to us by Zurich.

The information highlighted in this document illustrates our asset allocation and top ten holdings at launch.

This information sheet is also intended to outline the context in which we are managing our clients' assets. Overleaf you'll find commentary on recent market developments as well as Psigma's forward-looking views on emerging risks and potential opportunities.

#OCF is an overall total annual charge for investing in a fund

This investment portfolio is managed by Psigma and the use of the Zurich name is only present to indicate that this portfolio is available on the Zurich Platform. Please note, Zurich and its agents or representatives do not endorse or in any respect warrant any third party products or services by virtue of any advertisement, information, material or content referred to, or included on, or linked from or to this factsheet.

Recent Market View

The theme of a more volatile 2018 regarding risk assets continued in the second quarter. Geopolitical tensions remained elevated, with increasingly negative headlines concerning trade wars, as the rhetoric between the US, Europe and China escalated through the quarter. In addition, investors closely watched ongoing developments on the Korean Peninsula, where for now there seems to have been a positive outcome. In the Eurozone, political uncertainty returned when the government formation process in Italy was thrown into disarray. Eventually a coalition was formed between the populist parties, the League and Five Star Movement. Although volatile, equity markets in the developed world made positive returns. The UK market led the way, as Sterling weakness through the quarter was a supporting factor, with the Oil & Gas and Basic Materials sectors leading the way. The US market continued to perform well, backed by a positive economic and earnings backdrop. European equities were decent, but weakness hit the autos sector following the rhetoric on trade wars, and financials were impacted by the negative headlines from Italy. Japanese equities were solid, but were buffeted by trade war tensions. A weaker Japanese Yen was supportive for the market. In contrast, Emerging Markets had a tough second quarter, with escalating trade tensions and a strengthening US dollar providing a big headwind. Latin American equities were hammered, with Brazil, Argentina and Venezuela being poor.

With a strong economy behind it, the US Federal Reserve duly raised interest rates by 0.25%, while signalling for a further two increases before the year end. Market View

Data was solid, but showed signs of moderating in the Eurozone and the ECB signalled that rates would remain lower for longer, but that its quantitative easing programme would come to an end by year end. The Bank of England remained on hold, but indications signalled that a rate rise would be forthcoming before the end of the year. Focussing on bonds, the US ten year treasury yield hit a seven year high in mid-May, as growth and inflation expectations continued to build. Although yields did moderate, US treasuries still ended in negative territory. The UK ten year gilt yield fell, with Brexit concerns weighing on risk sentiment. In the Eurozone, there were fireworks in Italy, with yields spiking on political uncertainty. Italian bonds lost money, but on safe haven demand, German Bund yields fell in the quarter.

Forward-looking Commentary

- Our asset class forecasts are predicting that future returns from equity and fixed interest markets will be lower than they have been through history. While such returns might be perceived to be "conservative" by the perennially optimistic investment community, we believe that "realism" is appropriate at a time when asset valuations are high and the economic potential of the developed world, in particular, is lower than it has been for the last 50 years.
- Our portfolios are positioned with a "neutral with a hint of caution" stance, with high levels of diversification and a healthy cash buffer. This should have helped partially protect against the volatility of all major asset markets so far this year, although making positive returns has been challenging. We are operating with a flexible mindset as to our next strategy moves, as we move into the second half of the year.
- We are alert to take advantage of selective opportunities as they present themselves with emerging market assets chief amongst the investments that we are reviewing for possible increases. Other investments that have performed badly could be ripe for an increase, despite our core view that there is a "new regime" for the global economy and financial markets and we need to be more respectful of growing volatility and rising risks, while remaining alert to any opportunities that come our way. The key advice we can have for all investors at this time is to be very "open minded" about one's ongoing investment strategy.

In respect of all trading costs, recommended minimum investment levels and all other associated costs above those stated by Psigma, please contact your Financial Adviser or Platform provider. The terms and conditions of each Platform provider differ. You can contact them directly on technicalsupport@uk.zurich.com.

Important information: This document is prepared for general circulation and is intended to provide information only. The information contained within this document has been obtained from industry sources that we believe to be reliable and accurate at the time of writing. It is not intended to be construed as a solicitation for the sale of any particular investment nor as investment advice and does not have regard to the specific investment objectives, financial situation, capacity for loss, and particular needs of any person to whom it is presented. The investments contained in this document may not be suitable for all investors. Prospective investors should consider carefully whether any of the investments contained in this document are suitable for them in light of their circumstances and financial resources.

Investment risk:

- The value of investments and the income from them can fall as well as rise. An investor may not get back the amount of money that he/she invests. Past performance is not a guide to future performance.
- Foreign currency denominated investments are subject to fluctuations in exchange rates that could have a positive or adverse effect on the value of, and income from, the investment.
- Investors should consult their professional advisers on the possible tax and other consequences of their holding any of the investments contained in this publication.

©2018 This document has been approved and issued by Psigma Investment Management Limited. Psigma Investment Management is a trading name of Psigma Investment Management Limited. Authorised and regulated by the Financial Conduct Authority. FCA Registration No. 478840. Registered in England and Wales No. 5374633. Registered office: 11 Strand, London WC2N 5HR. A Punter Southall Group Company.