



Zurich Global Screened funds

Values-based investing made simple



The Zurich Global Screened funds – values-based investing made simple

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More of us than ever before are wishing to see less harm in the world.

When it comes to investing, people are looking for products that aim to create a better, fairer world by addressing poverty, climate change, inequality and many other pressing issues.

The Zurich Global Screened funds offer a simple, effective investment solution that enables customers to make a conscious decision about where they are investing and keeps them connected to their values.

After all, you shouldn't have to sacrifice your beliefs to achieve your financial goals.

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Introducing the Zurich Global Screened funds

To help customers achieve their investment goals, this fund leverages Zurich's strengths and the market-leading credentials of HSBC Global Asset Management.

The Zurich Global Screened investment solution invests in funds that promote Environmental, Social and Governance characteristics by avoiding or increasing exposure to certain companies, sectors or business practices. This ensures that we can focus on funds that fit the values of our solution.



How it works

The Zurich Global Screened funds offer globally diversified, multi-asset portfolios, built with components that apply "Values-Based" exclusions. Based on the risk-rated methodology adopted by our successful Zurich Risk Profile funds, the Zurich Global Screened funds uses index-linked building components identified by HSBC Global Asset Management. The fund provides exposure to a targeted mix of equities and bonds and is designed to deliver market-driven returns over the long term, given a desired risk level.

Why choose the Zurich Global Screened funds

- A choice of 5 risk rated portfolios in 3 currencies (GBP, EUR, USD)
- Values-based solution to align with investors' personal values
- Global exposure across all key regions to achieve a global strategic asset allocation
- Blend of index-linked (passive) funds
- Independent fund selection
- Low-cost pricing structure

In their role of investment advisers to Zurich Integrated Benefits, HSBC Global Asset Management are responsible for the asset allocation monitoring, which is based on the MSCI AC World Index for the equity allocation, and the Bloomberg Global Aggregate for the fixed interest allocation. Asset allocation is reviewed and adjusted accordingly on a quarterly basis.

HSBC Global Asset Management - recognised for responsible investing

To create a fund that customers can believe in, we chose to collaborate with HSBC Global Asset Management. With over 717 under management and 150+ years servicing



financial markets, HSBC has been recognised for its responsible investing:

- Awarded 5 stars in 2023 - the best possible rating - for 'Policy, Governance and Strategy' and in most of the assessed modules for sustainable investing. Among listed asset classes, we received the top, five-star rating in all fixed incomes categories and in active fundamental equities (compared to four stars in 2022).
- Achieved a PRI score of A+ in the 2019 and 2020 PRI Assessment Report for Strategy and Governance. In 2019 and 2020, we also achieved an A+ score for our Fixed Income and Listed Equities.
- HSBC Group won an award from Environmental Finance for "ESG Engagement of the Year" for co-filing a shareholder resolution regarding emissions.
- HSBC Group acknowledged by the Morningstar award of 'ESG Advanced'1, recognising us as one of the 'firms who are among the industry's strongest ESG proponents'.

[Click here](#)

to hear more about HSBC's approach to responsible investing

Understanding the five funds

The Zurich Global Screened funds are managed solutions based on passive, index-tracking funds. There are five funds available which combine equities and bonds with a market cap allocation based on the MSCI AC World and Bloomberg Global Aggregate Index with quarterly rebalancing.

The names refer to the percentage of equities the fund aims to hold, with the remainder exposed to bonds. Each is designed to meet a particular risk profile, providing plan members with a straightforward default portfolio, or a core investment solution around which to fine-tune bespoke portfolios.

Plan members can use the Risk Profile funds in a number of ways:

- 1 Investing in just one of the five funds available (for example the 20% Equity Fund)
- 2 Investing in any combination of the five funds (for example the 20% Equity Fund and the 60% Equity Fund)
- 3 Investing in a combination of one or more of the Risk Profile funds, together with one or more funds from Zurich's 'Self-select' range of funds, should you choose to make these available.

How are the Zurich Global Screened funds different from the traditional Zurich Risk Profile funds?

The underlying funds track the relevant screened, sustainable and ESG indices rather than the conventional indices that the Zurich Risk Profile funds use. The funds are also constructed using article 8 and 9 compliant funds components which finance less carbon emissions than the equivalent Zurich Risk Profile funds. The portfolios are suitable for investors with a medium to long term investment horizon and are made up of index-linked funds.

An **Article 8 Fund** under SFDR is defined as "a Fund which promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices."

An **Article 9 Fund** under SFDR is defined as "a Fund that has sustainable investment as its objective or a reduction in carbon emissions as its objective."

Exclusions-based funds, also known as 'ESG negatively-screened' funds, won't invest in companies, industries or countries that don't meet the values of the fund. Companies that operate in controversial sectors or are deemed to damage the environment are often excluded. The exact restrictions and exclusions will vary from fund to fund, so it's important to check the details of the underlying funds.

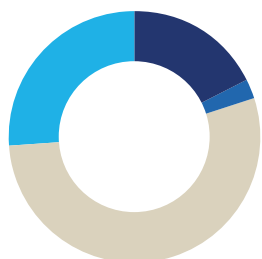
Exclusions-based funds have the potential to perform well over the long term but their performance will differ from that of more conventional funds.

If sectors they exclude or can't invest in do well, they could underperform compared to unrestricted funds. But exclusions-based funds could do well if these areas suffer a setback.



Key: ● Global Equities ● Emerging Market Equities ● Global Government Bonds ● Global Corporate Bonds

Zurich Global Screened 20% Equity Fund



Typical investor profile

- Values capital preservation over higher returns
- Would suffer severe regret at losses
- Limited investment experience
- Needs to be made aware of shortfall risk

Zurich Global Screened 40% Equity Fund



Typical investor profile

- Will take only limited risk to meet goals
- Recognises that some risk is necessary to get a better return
- Low-to-moderate levels of investment experience
- Often suffers from regret at losses

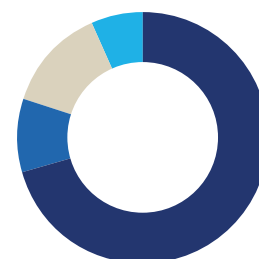
Zurich Global Screened 60% Equity Fund



Typical investor profile

- Understands the need to take risk to meet goals
- Willing to risk only part of their available assets
- Moderate levels of investment experience
- Sometimes suffers regret at losses

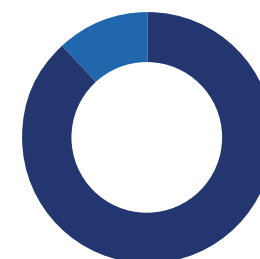
Zurich Global Screened 80% Equity Fund



Typical investor profile

- Comfortable taking investment risk to achieve goals
- Willing to risk most of their available assets
- Moderate to high levels of investment experience
- Accepts that occasional poor outcomes are a necessary part of investing

Zurich Global Screened 100% Equity Fund



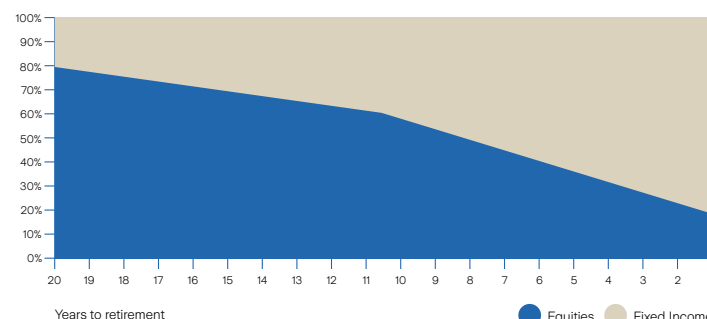
Typical investor profile

- Wants the highest possible return on their capital
- Willing to risk all of their available assets
- High levels of investment experience
- Does not suffer much, if any, regret, and accepts occasional poor outcomes to achieve their goals

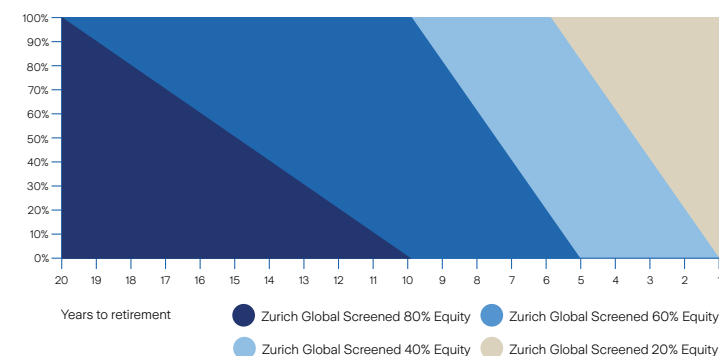
Zurich Global Screened LifeProfile

Plan members can also choose a 'lifestyling' investment option that allows them to invest in growth assets such as equities during the early years of their plan and moves them gradually into more secure assets such as fixed interest as they approach retirement. This option is useful because the level of risk plan members are comfortable with, the level of investment growth and the income they require are likely to change throughout the different stages of life.

Zurich Global Screened LifeProfile - Asset Class



Zurich Global Screened LifeProfile - Funds



Attitude to risk

We want plan members to be informed and comfortable with their chosen investment solution, so they're able to use our attitude to risk questionnaire to help them understand their own risk profile.

Understanding the level of risk involved in a particular investment versus its potential reward is fundamental to investing, and it's important that plan members make investment choices based on the level of risk they are comfortable with.

Our questionnaire is made up of five questions that can help plan members to choose the Zurich Global Screened fund that is most suitable for them. To access the Zurich attitude to risk questionnaire [click here](#).

Plan members considering investing in these funds should seek professional guidance.

The benefits of automatic rebalancing - overcoming the problem of drift

Over time, various asset classes produce different returns. As a result, if left untouched, the allocation weights will drift from the plan member's target allocation. This drift may subject the investor to more (or less) risk than originally intended. To prevent this, Zurich Global Screened funds automatically rebalance to a set asset allocation. This helps keep plan members' portfolios aligned to their preferred target allocation and helps to guard against the tendency to chase returns by moving into and out of the best and worst performing sectors.

A fair and transparent approach to costs

Zurich Global Screened funds provide plan members with a straightforward, low-cost, transparent investment solution. The Annual Management Charge (AMC) for these funds represent a weighted composite average of the underlying funds, plus a small amount to cover the cost of administering the individual Global Screened fund.

Zurich Global Screened Fund AMC

**Zurich Global Screened
20% Equity Fund** **0.28%**

**Zurich Global Screened
40% Equity Fund** **0.28%**

**Zurich Global Screened
60% Equity Fund** **0.28%**

**Zurich Global Screened
80% Equity Fund** **0.28%**

**Zurich Global Screened
100% Equity Fund** **0.28%**

**Zurich Global Screened
Life Fund** **0.28%**

We're here if you need us

We believe the Zurich Global Screened funds provide an easy way into values-based investing for our customers, helping them achieve their financial goals and see less harm in the world.

If you need any more information, please get in touch.

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– values-based investing
made simple**



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