

# International Agricultural Research Centers (IARC) Offshore Retirement Plan Investment Guide

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# Introduction

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The IARC Retirement Plan Investment Guide will assist you as a participant of the plan in building an investment strategy that suits your needs.



This guide will provide you with information about the International Agricultural Research Centers (IARC) Retirement Plan (the Plan) and the variables that you should consider when making investment decisions, such as your personal circumstance, risk tolerance, investment time horizon, as well as the risks associated with investing and strategies for lessening these risks.

The investment funds offered in the Plan are based on the recommendation of an external investment adviser to the Directors of the IARC Retirement Plan Trustee. Please note that the fund offerings are not intended to act in any way as a recommendation for your investment strategy.

The available funds provide access to a broad range of investments within different sectors, managed by quality and experienced fund managers. This fund range includes both actively managed and passive index-tracking funds and Environmental, Social, and Governance (ESG) funds.

To make the selection process as simple as possible, the funds have been categorized by sector and the type of investments they contain. The funds are also listed as actively managed or passively managed.

A fund that is actively managed has a fund manager that uses research and investment strategies to make investment asset buying and selling decisions.

With these decisions the manager aims to generate performance that will beat the fund's benchmark.

A fund that is passively managed is not managed by a fund manager but instead mirrors the portfolio of a market index and generates performance in line with that index.

**Ultimately, any investment decisions are made by you and/or your financial adviser, and the categorization of available investment options is only intended to make planning an investment strategy and constructing a portfolio easier.**

The annual management charges (AMCs) listed in this booklet are effective at the time of publication and may change in the future. You can access the [Fund Centre](#) to find the current AMCs.

The AMC excludes additional fees and costs that may be incurred in the running of any particular fund. These additional fees and costs are variable and in addition to the stated AMCs listed for each fund.

If you invest in a fund denominated in a currency different to your Retirement Account currency (USD) the transaction will be carried out using the applicable currency exchange rate applied by Zurich for that date.

Zurich determines the applicable exchange rate for each day by taking the applicable Bloomberg mid-rate for that currency as at mid-day for that date and adjusting it by 0.175%. Any disinvestment from a fund denominated in a currency different to your Retirement Account currency (USD) or any payment from your Retirement Account to a bank account in any currency other than USD will also be subject to the applicable Zurich exchange rate for the relevant date.

**This guide is not intended to provide advice or act in any way as a recommendation for your investment choices. The inclusion of a fund in the fund range is not a warranty or a representation of its suitability.**

# Basics of Investing

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## Risk and Return

Understanding the relationship between risk and return is important if you are to make investment decisions with which you are comfortable.

The overriding principle is that risk and return are directly related. An asset with the potential for a higher return usually comes with a higher level of risk. Conversely, an asset that is less risky will usually produce a lower return.

If you strive to maximize returns, you must be prepared to take on more risk. If you are cautious about the level of risk in your portfolio, then you should be willing to accept a lower potential return from your investments. You can learn more about risk and return in the [Zurich Member Support Hub](#).

***Please note that any investment involves risk, and the value of your investment may go down as well as up.***

## Diversifying Your Investments

Investing in a variety of asset classes across the risk spectrum can help protect your investments from overall market risks. As you may expect, various types of investments perform differently depending on economic cycles and other factors.

When one investment may be down, another may be up; therefore, investing in both may reduce the negative effects overall. An important strategy to reduce your investment risk is to have a diversified portfolio of funds. You can learn more about general asset classes and diversifying investments in the [Zurich Member Support Hub](#).

## Attitude to Risk

Different people have different views on how much risk they are prepared to take, and things that you should bear in mind include the following:

- Your investment timeframe
- Your personal circumstances
- Your willingness to accept fluctuations in the value of your investments

Remember, it is very important to regularly review your investment choices to make sure that they reflect your long-term financial goals. For example, as you get older, your attitude to risk may change and you may feel that your current investment choices are no longer appropriate.

The [Zurich Attitude to Risk Questionnaire](#) can be used to assist you in understanding your attitude towards risk, which can help you make better investment decisions.

# Types of Investment Risks

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There are many different types of investment risks. The following are examples of some of the risks to which you might be exposed by holding different investments within your account.



## Inflation Risk

The risk that the “real” value of your Account is eroded if it does not increase at a rate equal to or greater than inflation.

## Market Risk

Also known as systematic risk. The risk that the general prices and value of your investments will fluctuate up or down due to volatility within the financial markets. This may be due to geopolitical turmoil, changes in interest rates, currencies, natural disasters, or terrorist attacks. Market risk tends to influence the entire market at the same time.

## Country Risk

The risk that a government will default on its bonds or other financial commitments. Country risk also refers to the broader notion of the degree to which political and economic unrest affects the securities of issuers doing business in a particular country.

## Concentration Risk

The risk that an undiversified pool of investments can cause potential for losses on investment values from the concentration of holdings.

## Liquidity Risk

The risk that an asset or security cannot be converted to cash.

## Active Manager Risk

The risk that investments underperform due to poor decisions from the investment manager managing your investment fund(s).

**These are factors which should be helpful for you to consider when determining and reviewing your fund selection.**

**You should note that past performance is not a guide to future performance. The value of any investment can fall as well as rise, as a result of market and currency fluctuations, and you may not get back the amount originally invested.**



# Choosing Your Funds



Because the IARC Retirement Plan is a self-directed defined-contribution retirement plan, you choose the funds in which to invest the retirement contributions made by your employer (employer contributions) and by you (voluntary contributions)

You can select from the available funds and/or Zurich Target Retirement Fund (TRF), and then you will specify the percentage of the monthly contribution you would like to invest in each of your chosen fund(s).

Your allocations must be made in whole percentages from 1% to 100% and must add to 100%.

For voluntary contributions, you can choose the same funds as for your employer contributions or you can select different funds.

When saving for retirement, your allocation to each fund impacts your future returns and risk.

Choose carefully, monitor and review periodically, and rebalance when necessary.

Avoid evaluating your individual fund investments in isolation – take into consideration your overall investments. The reason for holding a portfolio of investments is that gains from one investment may help offset losses in another. In the long term, the total value of your portfolio is what matters rather than short-term losses in one fund.

Please note that in a self-directed plan investment decisions are ultimately made by you.

This guide is only intended to simplify the decision-making process when choosing a fund or constructing your investment strategy.

This investment guide is not intended to provide investment advice or act in any way as a recommendation for your investment strategy. The funds offered are not a warranty or a representation of suitability for your individual investment requirements.

## Default option – Zurich Target Retirement Fund

Please note that your first employer and optional voluntary contribution will be invested in the Plan's default fund, the Zurich Target Retirement Fund (TRF). The TRF default fund for you will be based on the date you turn age 65.

The TRFs are passively managed index funds that automatically rebalance the asset allocation of the fund to investments that are considered to have less risk as you approach your retirement age.

Please note that after the first contribution, you can change from the default option to another investment option at any time by changing your funds or redirecting future contributions from your ZIO account.

To learn more about switches, please watch the "Changing Your Funds" video at the [ZIO Plan Member Video](#), or refer to 'A guide to changing your funds'. If you do not have access to the internet, contact the ZIO Help Point Team who will assist you.

Please note that all investments are subject to risk, including the default option – the Zurich Target Retirement Funds.

Please note that for any of the following funds, you will be able to find the most up-to-date information in the Fund Factsheets in the Fund Centre. A fund factsheet includes information about the objective of the fund, holdings of the fund, risk level, past performance, fund expenses (AMC), etc.

### Zurich Target Retirement Funds

The Zurich Target Retirement Funds, also known as Target Date Funds, are a simple cost-effective single-fund investment solution that offers a diversified range of investments that automatically rebalance as participants get closer to retirement.

Zurich International in collaboration with Vanguard Asset Management have created the Zurich Target Retirement Funds by following several investment best practices to include low cost, convenience, diversification, and adaptability (asset allocation). Please refer to the [Zurich TRF Hub](#) to learn about how TRFs work and benefits of investing in TRFs. You can also refer to the Fund Centre for the TRF factsheets.

Zurich Fund Code	Fund Name	FE Sector	Fund AMC %	Management Type
B0219	Zurich Target Retirement Fund 2020	Mixed Asset – Flexible	0.24	Passive
B0220	Zurich Target Retirement Fund 2025	Mixed Asset – Flexible	0.24	Passive
B0221	Zurich Target Retirement Fund 2030	Mixed Asset – Flexible	0.24	Passive
B0222	Zurich Target Retirement Fund 2035	Mixed Asset – Flexible	0.24	Passive
B0223	Zurich Target Retirement Fund 2040	Mixed Asset – Flexible	0.24	Passive
B0224	Zurich Target Retirement Fund 2045	Mixed Asset – Flexible	0.24	Passive
B0225	Zurich Target Retirement Fund 2050	Mixed Asset – Flexible	0.24	Passive
B0226	Zurich Target Retirement Fund 2055	Mixed Asset – Flexible	0.24	Passive
B0227	Zurich Target Retirement Fund 2060	Mixed Asset – Flexible	0.24	Passive
B0228	Zurich Target Retirement Fund 2065	Mixed Asset – Flexible	0.24	Passive

## Money Market Funds

Cash — and cash equivalents, more commonly referred to as money market funds — as an asset class is an integral part of building any investment portfolio. It is the only asset class that poses limited capital risk. If you are uncomfortable with the ups and downs of the financial markets and you are too scared of losing money, keeping your investments in cash will mitigate your concern. But remember the risk-reward trade-off though, the more you have in cash, the lower returns you might receive.

Also, keeping your retirement savings in cash is not without risk – you could see the spending power of your money fall if inflation is higher than the interest rate you receive. This is known as inflation risk.

Zurich Fund Code	Fund Name	FE Sector	Fund AMC %	Management Type
AIJPY	Goldman Sachs Yen Liquid Reserves	Currency Funds	0.10	Active
JWEUR	Insight Liquidity Fund EUR Cash	Currency Funds	0.10	Active
USD6N	SSGA USD Liquidity	Money Market	0.10	Active

## Bond Funds

Bonds, also called Fixed Income, provides investors with many investment options. Perhaps the easiest way to think of a bond is as a loan.

Bonds are issued by companies and governments as a way of raising money. Bonds can offer stable returns and are perceived to be lower risk than equities – although they typically deliver lower returns over the long term.

The greatest risk of being invested in this asset class is the possibility of default by the government/ company to make interest payments to the investor.

Bonds are sensitive to changes in interest rates, which are inversely correlated to the value (price) of the bond. For example, when interest rates rise, bond prices will fall and vice versa.

Zurich Fund Code	Fund Name	FE Sector	Fund AMC %	Management Type
WPUSD	iShares US Corporate Bond Index	Global Fixed Interest	0.04	Passive
S9USD	PIMCO Global Bond USD	Fixed Int – Global	0.49	Active
USD6Q	PIMCO Total Return Bond	Global Fixed Interest	0.50	Active
LNEUR	Vanguard Global Bond Index EUR	Global Fixed Interest	0.05	Passive
9RUSD	Vanguard Euro Government Bond Index	Global Fixed Interest	0.05	Passive
4VUSD	Vanguard Global Bond Index USD	Global Fixed Interest	0.05	Passive
LYEUR	Vanguard Global Short-Term Bond Index EUR	Global Fixed Interest	0.05	Passive

## Equity Funds

Equities or stocks are issued by companies and are traded on the stock market. When you invest in an equity, you are buying shares in a company, and effectively becoming a shareholder. This asset class can be deemed the most volatile in the short term.

Equities have the potential for growth in capital through increases in the share price, or by receiving income in the form of dividends.

Neither of these is guaranteed and there is always the risk that the share price will fall below the level at which you invested.

Zurich Fund Code	Fund Name	FE Sector	Fund AMC %	Management Type
USDHW	Vanguard Emerging Markets Stock Index USD	Global Emerging Markets Equities	0.11	Passive
9TUSD	Vanguard European Stock Index	Europe including UK Equities	0.05	Passive
9QUSD	Vanguard Global Stock Index	Global Equities	0.05	Passive
9LUSD	Vanguard Japan Stock Index	Japan Equities	0.05	Passive
USD6P	Vanguard Pacific Ex-Japan	Asia Pacific excluding Japan Equities	0.05	Passive
9NUSD	Vanguard US 500 Stock Index	North America Equities	0.05	Passive

## Environmental, Social, and Governance (ESG) Funds

ESG funds screen potential investments based on a set of standards in consideration of the sustainability and ethical impact of investment opportunities, in addition to financial concerns.

These criteria can include social, ethical and environmental factors such as the investment manager's environmental policy, ethical standards, corporate governance and the nature of the company's industry itself (e.g., firearms, tobacco).

Such funds are suitable for investors who place a particularly high value on investing in a socially responsible way, or put another way, those who actively wish to avoid a particular type of company or industry.

It is important to note that the ESG criteria, screening methodology, and exclusions differ from fund to fund.

Your particular investment preferences may not be reflected by all ESG funds.

Zurich Fund Code	Fund Name	FE Sector	Fund AMC %	Management Type
LREUR	Vanguard ESG Developed World All Cap Equity Index EUR	Global Equities	0.06	Passive
LQEUR	Vanguard ESG Developed Europe Index Global Equities	Global Equities	0.05	Passive
USD9G	PIMCO Global Bond ESG	Global Fixed Interest	0.52	Active
6PUSD	CT (lux) Responsible Global Equity	Global Equities	0.73	Active
8MUSD	Schroder ISF Global Climate Change Equity	Specialist	0.65	Active



# Important information

The International Agricultural Research Centers Retirement Plan fund range is designed to enable participants to build a portfolio of investments that suits their financial circumstances. The fund range and administration procedures are flexible, so participants can easily change their portfolio as they progress through their investment time horizon, or if their personal circumstances or risk tolerances change. The plan covers most of the risk spectrum, allowing participants to choose from a variety of asset types, geographical sectors, and a selection of brand-name fund managers.

The funds in this guide and their charges may be subject to change by their respective fund managers. Neither Zurich, AIARC, the IARC Retirement Plan Trustee or any associated companies or representatives will accept responsibility for any closures and mergers of funds, or variations in fund structure, charges, status, authorization, registration, address, and investment objectives. Zurich and the IARC Retirement Plan Trustee reserve the right to withdraw or introduce funds at any time as part of the fund review process.

**For full details on any of the funds in this guide, please refer to the [Fund Centre](#) or visit ZIO.**

This information is only a summary and may be subject to change. It was obtained from what are believed to be reliable sources. However, its accuracy and completeness cannot be guaranteed.

Neither Zurich, AIARC, the IARC Retirement Plan Trustee or any associated companies or representatives will accept responsibility for any errors or omissions.

**It is very important to understand the risks associated with investing. Past performance is not an indication of future performance. The value of any investment and the income from it can fall as well as rise as a result of market and currency fluctuations. Plan members may not get back the amount invested.**

This guide is not intended as an offer to invest or investment advice from Zurich, AIARC, or the IARC Retirement Plan Trustee.

**Please ensure you read all documents and accompanying literature before joining the Plan, to include the IARC Retirement Plan Participant Guide and the Zurich Target Retirement Fund Brochure.**

This guide does not provide any individual advice, and you should make sure that the Plan is suitable for you. If you are unsure about the Plan's suitability, you should seek independent financial advice, for which there may be a charge.

This guide is based on current legislation and practice, which may change. In addition, there may be changes to your personal circumstances that may affect your entitlement or tax obligations.



## Useful links

[Fund Centre](#)

[ZIO](#)

[Zurich Member Support Hub](#)

[Target Retirement Fund Webpage](#)

[Attitude to Risk Questionnaire](#)

## Contact details



Zurich Corporate  
HelpPointTeam  
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