

Zurich Horizon Investment Funds ICVC

Annual Report & Accounts
for the year ended 31 July 2018



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¹These collectively comprise the Authorised Corporate Director's Report.

Directory

Authorised Corporate Director ("ACD")

Zurich Investment Services (UK) Limited
The Grange
Bishops Cleeve, Cheltenham
Gloucestershire GL52 8XX

Authorised and regulated by the Financial Conduct Authority

Directors of the ACD

Helen Pickford
James Sykes
Matthew Vincent (Appointed 25 September 2017)
David White

Investment Manager

T. Rowe Price International Ltd
60 Queen Victoria Street
London EC4N 4TZ

Authorised and regulated by the Financial Conduct Authority

Registrar & Administrator

Northern Trust Global Services SE
50 Bank Street
Canary Wharf
London E14 5NT

Authorised and regulated by the Financial Conduct Authority

Depository

Northern Trust Global Services SE
50 Bank Street
Canary Wharf
London E14 5NT

*Authorised by the Prudential Regulation Authority and
regulated by the Financial Conduct Authority and the Prudential Regulation Authority*

Independent Auditors

PricewaterhouseCoopers LLP
2 Glass Wharf
Bristol, BS2 0FR

Authorised Status

The Company is an investment company with variable capital incorporated with limited liability and registered in England and Wales under registered number IC001067 and authorised by the Financial Conduct Authority (FCA) with effect from 27 July 2016. The Company is a UCITS type scheme as defined in rule 1.2.1 of the Collective Investment Schemes Sourcebook ("COLL Sourcebook"). The Company has an unlimited duration. Shareholders are not liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after paying the price on purchase of the Shares.

Securities Financing Transactions Regulations

Additional disclosures are required when a fund invests in Securities Financing Transactions (SFTs). However, the Fund did not invest in SFTs in the year ended 31 July 2018, no additional disclosures have been provided.

Risks associated with leaving the European Union

On 23 June 2016, the UK voted in a referendum to leave the European Union, known as Brexit. The political, economic and legal consequences of Brexit are uncertain.

In the short term, there may be increased volatility in the financial markets, particularly in the UK and across Europe. Changes in currency exchange rates may make it more expensive dealing in investments that are not denominated in pound Sterling. Whilst the UK finalises negotiations with the EU regarding Brexit terms, there might be a period of political, regulatory and commercial uncertainty. There might be circumstances in which share transfers and redemptions may be impacted, in the event of high levels of redemption, the ACD may use certain liquidity management tools permitted by the FCA Rules, including deferred redemptions, the implementation of fair value pricing or suspension of the Funds.

Share Class Conversion

On 12 October 2017, the existing Class Z Gross Accumulation and Class Z Gross Income were converted into the Class Z Accumulation and Class Z Income respectively. The number of shares converted were as presented on page 32. From the date of conversion, the sub fund had only two share classes.

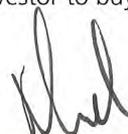
Regulatory Disclosure

This document has been issued by Zurich Investment Services (UK) Limited (authorised and regulated by the Financial Conduct Authority).

Past performance is not necessarily a guide to future performance. The value of shares can go down as well as up and is not guaranteed. Changes in rates of exchange may also cause the value of shares to fluctuate. Any references in this report to other investments held within the Fund should not be read as a recommendation to the investor to buy and sell the same, but are included as illustration only.



James Sykes
(Director)
14 November 2018



Matthew Vincent
(Director)
14 November 2018

Responsibilities of the Authorised Corporate Director (“ACD”)

The Open-Ended Investment Companies Regulations 2001 (the “OEIC Regulations”), the Investment Funds Sourcebook (“FUND”) and the Collective Investment Schemes Sourcebook (“COLL Sourcebook”) require the ACD to prepare Financial Statements for each financial year. These financial statements must be prepared in accordance with Generally Accepted Accounting Principles to give a true and fair view of the financial position of the Company at the year end and of the net revenue/expense and net capital gains or losses on the property of the Company for the year.

In preparing the financial statements the ACD is required to:

- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation;
- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the Statement of Recommended Practice relating to UK Authorised Funds issued by The Investment Association in May 2014;
- follow Generally Accepted Accounting Principles and applicable United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standards Applicable in the UK and Republic of Ireland;
- keep proper accounting records which enable them to demonstrate that the financial statements as prepared comply with the above requirements; and
- make judgements and estimates that are reasonable and prudent.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the COLL Sourcebook, as amended, the OEIC Regulations, FUND and the Prospectus. The ACD is also responsible for maintaining an appropriate system of internal controls and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Zurich Investment Services (UK) Limited

Authorised Corporate Director

14 November 2018

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Zurich Horizon Investment Funds ICVC ("the Company") for the year ended 31 July 2018

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Fund is managed in accordance with the Scheme documents and the Regulations in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AIFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations, the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

Independent auditors' report to the Shareholders of Zurich Horizon Investment Funds ICVC

Report on the audit of the financial statements

Opinion

In our opinion, Zurich Horizon Investment Funds ICVC's financial statements:

- give a true and fair view of the financial position of the Company and its sub-fund as at 31 July 2018 and of the net revenue and the net capital losses on the scheme property of the Company and its sub-fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Zurich Horizon Investment Funds ICVC (the "Company") is an Open Ended Investment Company ('OEIC') with a single sub-fund. The financial statements of the Company comprise the financial statements of its sub-fund. We have audited the financial statements, included within the Annual Report & Accounts (the "Annual Report"), which comprise: the balance sheet as at 31 July 2018, the statement of total return, statement of change in net assets attributable to shareholders for the year then ended, the distribution tables, and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's or its sub-fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's or the sub-fund's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the Shareholders of Zurich Horizon Investment Funds ICVC continued

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Responsibilities of the Authorised Corporate Director set out on page 5, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and its sub-fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the Company or its sub-fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

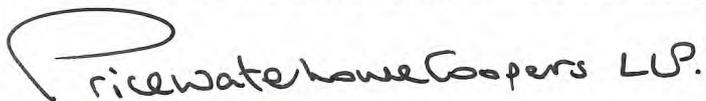
Independent auditors' report to the Shareholders of Zurich Horizon Investment Funds ICVC continued

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, slightly slanted style. The "P" is large and loops around the start of the name.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
14 November 2018

Investment Objective and Policy

The aim of the Fund is to produce a monthly income while seeking to preserve capital over the long term.

The investment policy of the Fund is to invest principally in global corporate bonds, more than 50% of which may be sub-investment grade. The strategy of the Investment Manager shall be to select investments designed to pay a higher level of income than that generally achieved from investment grade global corporate bonds and similar fixed interest securities (sub-investment grade bonds are potentially more risky than investment grade bonds and investors should refer to section 5 of the prospectus for further information of the potential risks).

The Fund may also invest in government bonds globally or other fixed interest securities such as asset backed securities, as well as cash, near cash, money market instruments and money market funds.

The Fund may use derivatives for the purpose of hedging the assets held back to sterling.

Investment Report

For the financial year ending 31 July 2018, the total return of the Zurich Horizon Monthly Income Plus Fund has underperformed the IA Strategic Bond sector average by 1.99%. The following Fund Performance Report is written in conjunction with T.Rowe Price International Ltd.

Strong corporate earnings growth, the healthy economic expansion, and federal tax cuts (in the US) created a supportive market environment in the last few months of 2017. However, volatility has increased considerably since the beginning of 2018 due, in part, to rising interest rates. The Federal Reserve continued normalizing monetary policy, and the 10-year Treasury yield reached a seven-year high in May. Global trade tensions intensified amid President Trump's efforts to place tariffs on imports from various trading partners, including Mexico, Canada, the European Union, and China. Many countries retaliated or threatened to do so with their own tariffs on US goods. These actions sparked fears that global commerce and thus the worldwide economic expansion could be hurt by ongoing trade disputes.

High yield bonds advanced over the past 12 months. The gains were mostly generated during the first half of the reporting period amid steady economic growth, rising commodity prices, and moderate default levels. Solid corporate earnings reports from below investment-grade issuers and demand for securities with a lower duration profile were also supportive. However, trade tensions and geopolitical headlines that, at times, weighed on market sentiment in recent months created a challenging performance environment for the asset class.

The European Central Bank (ECB) announced in October that it would reduce the pace of its quantitative easing measures into 2018 from 60 billion euros a month to 30 billion euros. At its June meeting, the central bank revealed that it would cut its bond purchases in half in October and end the asset purchase program by December. ECB monetary stimulus, even at a reduced rate, and solid corporate fundamentals benefited European high yield markets. However, in the latter part of the period, questions about Italy's new government's policies as well as wider trade war rhetoric negatively impacted sentiment.

Emerging markets corporate bonds posted losses, as poor performance in the last few months, stemming from local currency weakness and rising long-term interest rates in some countries, offset gains earlier in our reporting period. The stronger US dollar prompted various developing market central banks to raise short-term interest rates in an attempt to defend their currencies.

The portfolio underperformed its benchmark in the 12-month period, as yield curve positioning and credit selection held back gains, while sector allocation was supportive. Security selection in the basic industry segment weighed on relative performance, partly due to our investment in integrated metals and mining company Nyrstar. In the consumer cyclicals space, credit selection detracted due, in part, to the portfolio's exposure to Intralot, a global leader in the supply of integrated gaming systems and services. Conversely, security selection in the electric utilities sector contributed to relative performance, partly due to our holdings of NRG Energy, which owns and operates a diverse portfolio of power-generating facilities. Credit selection in the consumer noncyclical space aided relative performance, partly due to our investment in Cosan, one of the world's largest sugar and ethanol producers.

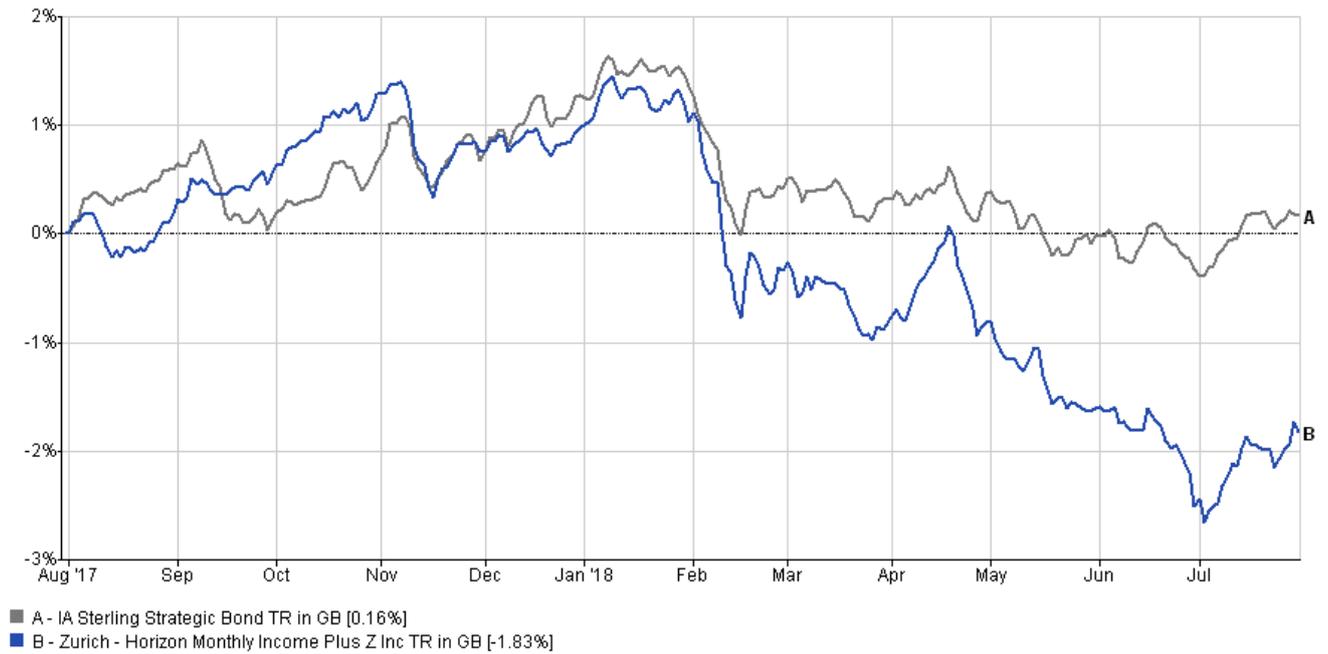
While sector allocation contributed to relative results overall, the impact was mixed across market segments. The portfolio's overweight allocations to the energy and basic industry sectors were supportive. Our underweight to the consumer noncyclical space detracted from relative performance, partly offsetting the credit selection contribution.

Steady economic growth is supportive to below investment-grade issuers, as they are typically more sensitive to macroeconomic factors. However, global geopolitics and central bank policy bring a notable level of uncertainty, but thus far, high yield bonds have remained resilient amid these types of developments. This includes tariff wars, populist sentiment within the European Union, and ongoing rhetoric out of Washington D.C. to name a few. Corporate fundamentals are largely stable, and we believe default activity will remain below the historical average in 2018 and into next year.

We remain constructive on credit in the short to medium term as recently improved business performance is expected to persist. However, the recent uptick in rates and volatility has weighed on the market and, in essence, repriced credit risk. For instance, the recent volatility created opportunities in the short end of the curve, and further volatility may increase similar dislocations. In challenging market environments, we believe credit selection remains a key driver of alpha generation.

Investment Report continued

Fund performance compared to Investment Association Sector Average



31/07/2017 - 31/07/2018 Data from FE 2018

T.Rowe Price International Ltd
Investment Manager
31 July 2018

Portfolio Statement

as at 31 July 2018

Holding	Investment	Market value £'000	Percentage of total net assets %
	BONDS 92.83% (93.17%)		
	Australia 0.81% (3.86%)		
USD 100,000	Woodside Finance 3.65% 05/03/2025	73	0.81
	Austria 1.71% (1.91%)		
USD 200,000	Erste Bank FRN 5.50% 26/05/2025	155	1.71
	Brazil 3.04% (3.77%)		
USD 200,000	Cosan Luxembourg 7.00% 20/01/2027	157	1.73
USD 150,000	Petrobras Global Finance 7.375% 17/01/2027	119	1.31
		276	3.04
	Canada 2.67% (3.18%)		
USD 150,000	Encana 7.20% 01/11/2031	138	1.52
USD 150,000	Thomson Reuters 3.35% 15/05/2026	104	1.15
		242	2.67
	Chile 1.56% (1.92%)		
USD 200,000	Cencosud 4.375% 17/07/2027	141	1.56
	France 0.00% (1.12%)		
	Germany 1.73% (1.95%)		
USD 200,000	Unitymedia 6.125% 15/01/2025	157	1.73
	Ireland 3.61% (0.00%)		
USD 250,000	Bank of Ireland 4.125% 19/09/2027	178	1.97
USD 200,000	C&W Senior Financing DAC 6.875% 15/09/2027	149	1.64
		327	3.61
	Italy 1.24% (0.00%)		
USD 150,000	Telecom Italia Capital 6.00% 30/09/2034	112	1.24
	Luxembourg 7.69% (6.50%)		
EUR 200,000	Altice 6.25% 15/02/2025	173	1.91
USD 15,000	ArcelorMittal 6.75% 01/03/2041	13	0.14
USD 185,000	ArcelorMittal 7.00% 15/10/2039	159	1.76
EUR 100,000	ContourGlobal Power 5.125% 15/06/2021	90	0.99
GBP 125,000	Garfunkelux Holdco 8.50% 01/11/2022	121	1.34

Portfolio Statement continued

as at 31 July 2018 (continued)

Holding	Investment	Market value £'000	Percentage of total net assets %
	Luxembourg continued		
EUR 200,000	Intralot Capital Luxembourg 5.25% 15/09/2024	140	1.55
		696	7.69
	Mexico 4.45% (5.61%)		
USD 150,000	BBVA Bancomer Texas 6.50% 10/03/2021	120	1.32
USD 150,000	Petroleos Mexicanos 6.50% 02/06/2041	107	1.18
GBP 150,000	Petroleos Mexicanos 8.25% 02/06/2022	177	1.95
		404	4.45
	Netherlands 2.59% (5.51%)		
EUR 100,000	Lincoln Finance 6.875% 15/04/2021	92	1.01
EUR 200,000	Nyrstar Netherland 6.875% 15/03/2024	143	1.58
		235	2.59
	Spain 1.56% (1.12%)		
USD 200,000	Codere 7.625% 01/11/2021	141	1.56
	Switzerland 1.77% (0.00%)		
USD 200,000	UBS Group 7.125% 10/08/2066	160	1.77
	United Kingdom 11.94% (12.20%)		
GBP 150,000	AA Bond 5.50% 31/07/2022	136	1.50
USD 200,000	Barclays 4.375% 11/09/2024	148	1.63
GBP 200,000	Cabot Financial Luxembourg 7.50% 01/10/2023	195	2.15
GBP 150,000	Drax Finco 4.25% 01/05/2022	152	1.68
GBP 50,000	HSBC Bank 4.75% 24/03/2046	59	0.65
USD 100,000	Royal Bank of Scotland 5.125% 28/05/2024	77	0.85
USD 200,000	Sable International Finance 6.875% 01/08/2022	158	1.75
GBP 150,000	Virgin Media 6.25% 28/03/2029	157	1.73
		1,082	11.94
	United States 46.46% (44.52%)		
USD 125,000	Albertsons 6.625% 15/06/2024	91	1.00
GBP 100,000	AMC Entertainment Holdings 6.375% 15/11/2024	101	1.12
USD 150,000	Arconic 5.40% 15/04/2021	116	1.28
USD 50,000	Blue Cube Spinco 10.00% 15/10/2025	44	0.49
USD 200,000	Brixmor Operating 4.125% 15/06/2026	147	1.62
USD 150,000	Carpenter Technology 4.45% 01/03/2023	114	1.26
USD 300,000	Charter Communications Operating 6.484% 23/10/2045	249	2.75

Portfolio Statement continued

as at 31 July 2018 (continued)

Holding	Investment	Market value £'000	Percentage of total net assets %
United States continued			
USD 150,000	Cheniere Corpus Christi 7.00% 30/06/2024	125	1.38
USD 200,000	CSC Holdings 6.625% 15/10/2025	157	1.73
USD 150,000	Dell International 5.45% 15/06/2023	120	1.33
USD 150,000	DPL 7.25% 15/10/2021	123	1.36
USD 100,000	Energy Transfer 4.65% 01/06/2021	78	0.86
USD 195,000	Energy Transfer Equity 5.50% 01/06/2027	151	1.67
USD 150,000	EnLink Midstream Partners 4.85% 15/07/2026	109	1.20
USD 150,000	Expedia 5.00% 15/02/2026	116	1.28
USD 135,000	Freeport-McMoRan 6.875% 15/02/2023	109	1.20
USD 100,000	HCA 5.25% 15/06/2026	77	0.85
USD 200,000	Hess 7.30% 15/08/2031	177	1.95
USD 200,000	International Game Technology 6.50% 15/02/2025	160	1.77
USD 150,000	Kinder Morgan Energy 4.30% 01/05/2024	115	1.27
USD 200,000	Levi Strauss 5.00% 01/05/2025	152	1.68
USD 200,000	Morgan Stanley 3.971% 22/07/2038	142	1.57
USD 150,000	MPLX 4.875% 01/12/2024	118	1.30
USD 150,000	NRG Energy 7.25% 15/05/2026	121	1.34
USD 150,000	NuStar Logistics 6.75% 01/02/2021	119	1.31
USD 215,000	Quicken Loans 5.75% 01/05/2025	162	1.79
USD 100,000	QVC 4.375% 15/03/2023	75	0.83
USD 100,000	Sabine Pass Liquefaction 5.625% 01/02/2021	79	0.87
USD 225,000	Time Warner Cable 6.55% 01/05/2037	186	2.05
USD 150,000	T-Mobile USA 6.50% 15/01/2026	119	1.31
USD 200,000	VEREIT Operating Partnership 4.875% 01/06/2016	152	1.68
EUR 150,000	Veritas US 7.50% 01/02/2023	130	1.44
USD 215,000	Western Digital 4.75% 15/02/2026	161	1.78
USD 15,000	WPX Energy 8.25% 01/08/2023	13	0.14
		4,208	46.46
COLLECTIVE INVESTMENT SCHEMES 4.73% (4.87%)			
Ireland 4.73% (4.87%)			
563,000	Northern Trust Global	428	4.73
FORWARD FX CURRENCY CONTRACTS 0.10% (1.57%)			
USD (10,141,074)	Sold USD, Bought GBP 7,715,000 for settlement on 15/08/2018	15	0.17
USD (268,925)	Sold USD, Bought GBP 205,669 for settlement on 15/08/2018	2	0.02

Portfolio Statement continued

as at 31 July 2018 (continued)

Holding	Investment	Market value £'000	Percentage of total net assets %
	FORWARD FX CURRENCY CONTRACTS continued		
USD (33,236)	Sold USD, Bought GBP 25,000 for settlement on 15/08/2018	–	–
USD 27,465	Bought USD, Sold GBP 21,000 for settlement on 15/08/2018	–	–
USD 1,195,189	Bought USD, Sold EUR 1,026,000 for settlement on 15/08/2018	(8)	(0.09)
		9	0.10
	Net Investments 97.66% (99.61%)	8,846	97.66
	Net other assets	212	2.34
	Total net assets	9,058	100.00

Comparative figures shown in brackets relate to 31 July 2017.

Total purchases for the year: £8,359,168

Total sales for the year: £6,722,370

Fund Information

The Comparative Tables on pages 18 to 22 give the performance of each active and inactive share class in the sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the sub-fund's performance disclosed in the Investment Report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the fund on each transaction, other types of investments (such as bonds, money instruments, derivatives) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

Fund Information continued

Comparative Tables

Class Z Income Shares ¹	01.08.17 to 31.07.18 pence per share	19.10.16 to 31.07.17 pence per share
Change in Net Asset Value per share		
Opening net asset value per share ²	50.53	50.00
Return before operating charges*	(0.54)	2.47
Operating charges	(0.35)	(0.35)
Return after operating charges	(0.89)	2.12
Distributions on income shares	(2.09)	(1.59)
Closing net asset value per share	47.55	50.53
* After direct transaction costs of ³ :	–	–
	31.07.18	31.07.17
Performance		
Return after charges	(1.76)%	4.24%
Other Information		
Closing net asset value (£'000)	7,322	380
Closing number of shares	15,398,757	751,783
Operating charges ⁴	0.70%	0.70%
Direct transaction costs	–%	–%
	31.07.18	31.07.17
	pence per share	pence per share
Prices		
Highest share price	51.17	51.14
Lowest share price	47.55	48.87

Additional information on the comparative tables is given in the footnotes on page 22.

Fund Information continued

Comparative Tables continued

Class Z Accumulation Shares ¹	01.08.17 to 31.07.18 pence per share	19.10.16 to 31.07.17 pence per share
<hr/>		
Change in Net Asset Value per share		
Opening net asset value per share ²	52.02	50.00
Return before operating charges*	(0.60)	2.38
Operating charges	(0.37)	(0.36)
Return after operating charges	(0.97)	2.02
Distributions	(2.18)	(1.61)
Retained distributions on accumulation shares	2.18	1.61
Closing net asset value per share	51.05	52.02
* After direct transaction costs of ³ :	–	–
	31.07.18	31.07.17
<hr/>		
Performance		
Return after charges	(1.86)%	4.04%
Other Information		
Closing net asset value (£'000)	1,736	940
Closing number of shares	3,399,956	1,807,869
Operating charges ⁴	0.70%	0.70%
Direct transaction costs	–%	–%
	31.07.18	31.07.17
	pence per share	pence per share
<hr/>		
Prices		
Highest share price	53.10	52.34
Lowest share price	50.94	48.87

Additional information on the comparative tables is given in the footnotes on page 22.

Fund Information continued

Comparative Tables continued

Class Z Gross Income Shares ¹	01.08.17 to 31.07.18 pence per share	19.10.16 to 31.07.17 pence per share
Change in Net Asset Value per share		
Opening net asset value per share ²	50.52	50.00
Return before operating charges*	0.86	2.46
Operating charges	(0.07)	(0.35)
Return after operating charges	0.79	2.11
Distributions on income shares	(0.32)	(1.59)
Last quoted share price ¹	50.99	–
Closing net asset value per share	–	50.52
* After direct transaction costs of ³ :	–	–
	31.07.18	31.07.17
Performance		
Return after charges	1.56%	4.22%
Other Information		
Closing net asset value (£'000)	–	7,074
Closing number of shares	–	14,000,000
Operating charges ⁴	0.70%	0.70%
Direct transaction costs	–%	–%
	31.07.18	31.07.17
	pence per share	pence per share
Prices		
Highest share price	51.07	51.14
Lowest share price	50.72	48.90

Additional information on the comparative tables is given in the footnotes on page 22.

Fund Information continued

Comparative Tables continued

Class Z Gross Accumulation Shares ¹	01.08.17 to 31.07.18 pence per share	19.10.16 to 31.07.17 pence per share
Change in Net Asset Value per share		
Opening net asset value per share ²	52.14	50.00
Return before operating charges*	0.88	2.50
Operating charges	(0.07)	(0.36)
Return after operating charges	0.81	2.14
Distributions	(0.32)	(1.60)
Retained distributions on accumulation shares	0.32	1.60
Last quoted share price ¹	52.95	–
Closing net asset value per share	–	52.14
* After direct transaction costs of ³ :	–	–
	31.07.18	31.07.17
Performance		
Return after charges	1.55%	4.28%
Other Information		
Closing net asset value (£'000)	–	31
Closing number of shares	–	60,000
Operating charges ⁴	0.70%	0.70%
Direct transaction costs	–%	–%
	31.07.18	31.07.17
	pence per share	pence per share
Prices		
Highest share price	52.95	52.46
Lowest share price	52.35	48.90

Additional information on the comparative tables is given in the footnotes on page 22.

Fund Information continued

Comparative Tables continued

- ¹ In 12 October 2017, the existing Class Z Gross Accumulation and Class Z Gross Income were converted into Class Z Accumulation and Class Z Income respectively, thus resulting in two share classes onwards.
- ² All Share Classes were issued at 50.00p on 19 October 2016. The operating charges and direct transaction costs percentages figures disclosed have been annualised. For the purpose of calculating the change in net assets per share, these figures are actual and have not been annualised.
- ³ Refer to the portfolio transactions cost note on page 38 for further details.
- ⁴ The operating charges are calculated in accordance with the CESR/10-674 guidelines for the OCF and when the OCF is calculated based on the last financial year it will be the same as the operating charges. However, unlike operating charges, the OCF has a future proofing element that might require it to be estimated or calculated based on a more recent 12-month period. The operating charges expressed both in per unit and percentage terms may include a synthetic element determined in the same way as for the OCF. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Statement of Total Return

for the year ended 31 July 2018

	Notes	01.08.17 to 31.07.18 £'000	19.10.16 to 31.07.17 £'000
Income			
Net capital (losses)/gains	5	(582)	80
Revenue	6	462	285
Expenses	7	(66)	(42)
Interest payable and similar charges		(1)	–
Net revenue before taxation		395	243
Taxation	8	–	–
Net revenue after taxation		395	243
Total return before distributions		(187)	323
Distributions	9	(395)	(243)
Change in net assets attributable to shareholders from investment activities		(582)	80

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2018

	Note	01.08.17 to 31.07.18 £'000	19.10.16 to 31.07.17 £'000
Opening net assets attributable to shareholders		8,425	–
Amounts receivable on creation of shares		1,793	9,215
Amounts payable on cancellation of shares		(657)	(888)
		1,136	8,327
Change in net assets attributable to shareholders from investment activities (see above)		(582)	80
Retained distribution on accumulation shares	9	79	18
Closing net assets attributable to shareholders		9,058	8,425

Balance Sheet

as at 31 July 2018

	Notes	31.07.18 £'000	31.07.17 £'000
Assets:			
Fixed assets:			
Investments		8,859	8,409
Current assets:			
Debtors	10	137	117
Cash and bank balances		1,460	625
Total assets		10,456	9,151
Liabilities:			
Investment liabilities		(13)	(17)
Creditors:			
Bank overdrafts		(1,330)	(673)
Distribution payable on income shares	9	(44)	(34)
Other creditors	11	(11)	(2)
Total liabilities		(1,398)	(726)
Net assets attributable to shareholders		9,058	8,425

Notes to the Financial Statements

for the year ended 31 July 2018

1. Statement of Compliance

The Financial Statements have been prepared in compliance with UK Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014 (2014 SORP).

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The Financial Statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

(b) Functional and Presentation Currency

The functional and presentation currency of the Company is sterling.

(c) Valuation of Investments

All investments are valued at their fair value at noon of 31 July 2018, being the last business day of the accounting period. The fair value of quoted debt investments is their bid price, excluding any accrued interest.

The fair value of the quoted debt investment schemes is their single price, taking into account of any agreed redemption charges

Open forward currency contracts are valued based on the difference between the contract value and the market value estimated based on the prevailing spot rate and swap rate.

(d) Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction.

Where applicable, assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling as at 12 noon on the last working day of the accounting year.

(e) Revenue

Bank interest, interest on debt securities and other revenue are recognised on an accruals basis. All distributions from Collective Investment Schemes are recognised when the investments are declared ex-dividend.

In the case of debt securities, the total revenue arising includes the amortisation of any premium or discount at the time of purchase spread over the life of the security, using the effective interest rate method.

(f) Expenses

All expenses (other than those relating to the purchase and sale of investments and Stamp Duty Reserve Tax) are charged against revenue on an accruals basis. Fees paid to the ACD are based on a percentage of the value of the investments held and are accrued on a daily basis. The ACD is responsible for the payment of expenses to third parties on behalf of the Company.

(g) Taxation

Corporation tax is provided at the rate of 20% of taxable revenue after the deduction of allowable expenses.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax. Deferred tax assets are recognised only to the extent that the ACD considers that it will be more likely than not that there will be taxable profits from which underlying timing differences can be deducted.

Notes to the Financial Statements continued

for the year ended 31 July 2018

3. Distribution Policies

(a) Basis of Distribution

When appropriate, the sub-fund will allocate any surplus net revenue as a dividend distribution. Distributions of revenue for the sub-fund are made on or before the annual revenue allocation date and on or before the interim revenue allocation date, where applicable, in each year. The revenue available for distribution is determined in accordance with COLL. It comprises all revenue received or receivable for the account of the sub-fund in respect of the accounting year concerned, after deducting net charges and expenses paid or payable out of such revenue.

(b) Distributions from Collective Investment Schemes

Equalisation received on distributions from the underlying Collective Investment Schemes is taken to capital.

(c) Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to Income Tax but must be deducted from the cost of units for Capital Gains Tax purposes.

(d) Unclaimed distributions

All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the capital of the sub-fund.

4. Risk Management Policies

Zurich Investment Services (UK) Limited (ZISUK) is responsible for establishing, implementing and maintaining an adequate and documented risk management policy for identifying, measuring and managing all risks to which the sub-fund are or might be exposed.

The Company's investment activities expose it to various types of risk which are associated with the financial instruments and markets in which it invests; market risk, foreign currency, interest rate risk, credit risk and liquidity risk.

These financial statements are designed to enable users to evaluate the nature and extent of those risks and how they are managed.

The following risk management policies are applicable to the sub-fund, with specific risk disclosures set out in note 16 of the financial statements.

Market Risk

The main drivers for market risk are fixed interest security prices, fixed interest security default, currency exchange rates and interest rates.

The Investment Manager (IM), T.Rowe Price International Ltd, is the primary line of defence for managing market risk by managing the Fund to the agreed mandate.

The Investment Management Agreement (IMA) is used to set out clearly to the IM the agreed mandate guidelines and risk limits for each fund.

Data on the positions that comprise a sub-fund's portfolio is sourced daily from the fund accountant so that ZISUK may perform daily investment and borrowing power checks against the relevant portfolio, prospectus and FCA Sourcebook restrictions. All out of tolerance positions identified are thoroughly investigated by the ZISUK Investment Management Oversight (IMO) team escalated to the IM who is required to correct the breach within the allowable time frames, and managed to resolution by the IMO team. Both advertent and inadvertent breaches are monitored on a regular basis through risk reporting and key ZISUK governance forums including, but not limited to, ZISUK Management Committee and Board forums.

Notes to the Financial Statements continued

for the year ended 31 July 2018

4. Risk Management Policies continued

Foreign Currency Risk

This includes the risk that the value of the Company's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

The funds underlying investments are primarily in overseas bonds that are subject to foreign currency fluctuations.

The IM manages this risk by use of monthly forward exchange contracts, to hedge the exposure back to Sterling.

The IMO team will monitor the use of forward exchange contracts and their suitability. Any issues are to be reported on a regular basis through risk reporting and key ZISUK governance forums including, but not limited to, ZISUK Management Committee and board forums by the IMO team to the Management Committee and Compliance function.

Interest Rate Risk

This includes the risk that the value of the Company's investment holdings will fluctuate as a result of changes in interest rates.

Fixed interest securities prices are particularly affected by actual or expected movements in short term interest rates, longer term yields and inflation. Fixed interest security prices move inversely to yields, therefore if a fixed interest security's yield rises, its price will fall. Yields on fixed interest securities may rise (and prices fall) in tandem with a rise in the general level of interest rates and yields, which may be driven by factors such as monetary policy, economic conditions, levels of government or corporate debt, supply and demand, perceived credit worthiness, and risk appetite. Inflation will also decrease the real value of capital. The value of a fixed interest security will fall in the event of a default or a perceived reduction in the credit worthiness of the issuer. Generally, the higher the yield of a fixed interest security, the higher the perceived credit risk of the issuer. High yield bonds with lower credit ratings (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds.

The Operations and IMO teams will monitor the performance of the fund and the ability to maintain a smoothed income distribution through assessing the net income earned in each reporting period, ensuring the fund has adequate income to meet the declared distribution. Any issues are monitored on a regular basis through risk reporting and key ZISUK governance including, but not limited to, ZISUK Management Committee and Board forums.

Credit Risk

This includes the exposure to the potential loss of principal or loss of a financial reward related to a borrower's failure to repay a loan or otherwise meet a contractual obligation.

The sub-fund is exposed to credit risk through its holdings of corporate fixed interest securities and its forward foreign exchange agreements with counter party banks.

The IM is the primary line of defense for managing credit risk.

In the IMA, the agreed mandate guidelines and risk limits for each sub-fund will include any restrictions to be placed on the IM in relation to credit ratings that need to be in evidence for certain instruments or arrangements at the time of investment or during the term of the investment.

The daily investment and borrowing power checks undertaken by ZISUK will provide additional assurance that credit risk limits are being adhered to.

Both advertent and inadvertent breaches of credit risk limits are monitored on a regular basis through risk reporting and key ZISUK governance forums including, but not limited to, ZISUK Management Committee and Board forums.

Counterparty credit risk in forward foreign exchange agreements is mitigated by collateralisation agreements.

Notes to the Financial Statements continued

for the year ended 31 July 2018

4. Risk Management Policies continued

Liquidity Risk

This includes assessing the liquidity of investments and the obligations to repay investors as set out in the Company's prospectus.

ZISUK will take care not to publish a prospectus or design a sub-fund where the liquidity of a sub-fund's underlying investments required to achieve its objective is such that the redemption and settlement obligations described in the prospectus cannot be met in the ordinary course of events.

The appointed IM will be made aware of the redemption and settlement obligations in the Company's prospectus and be required to manage the mandate by investing in readily realisable assets that can meet those settlement obligations.

ZISUK will arrange for liquidity analysis measures and reports that will include:

- Estimates of the liquidity of portfolio holdings and the percentage of the sub-fund assets that may be sold within given time periods. This includes an estimate of the percentage of the sub-fund able to meet the settlement period defined in the prospectus.
- The level of liquidity available to support potential changes in value of the foreign exchange forward contracts.
- The IMO team will analyse the reports and escalate issues as appropriate to the IM and ZISUK Management Committee.
- The Company has available to it liquidity management measures that it may deploy in exceptional circumstances. These include the use of temporary borrowings, and the deferral of redemptions.

5. Net Capital (Losses)/Gains

Net capital (losses)/gains comprise:

	01.08.17 to 31.07.18	19.10.16 to 31.07.17
	£'000	£'000
Non-derivative securities	(517)	(298)
Forward currency contracts	45	552
Currency losses	(110)	(174)
Net capital (losses)/gains	(582)	80

6. Revenue

	01.08.17 to 31.07.18	19.10.16 to 31.07.17
	£'000	£'000
Interest on debt securities	458	284
Offshore Interest CIS Revenue	4	1
	462	285

Notes to the Financial Statements continued

for the year ended 31 July 2018

7. Expenses

	01.08.17 to 31.07.18	19.10.16 to 31.07.17
	£'000	£'000
Payable to the ACD or associates of the ACD: ACD's service charge	66	42
Total expenses:	66	42

Audit fees of £10,300 plus VAT of £2,060 (2017: £10,000 plus VAT of £2,000) have been borne by the ACD out of its ACD's service charge.

8. Taxation

	01.08.17 to 31.07.18	19.10.16 to 31.07.17
	£'000	£'000
(a) <i>Analysis of charge for the year:</i>		
Corporation tax	–	–
Total current tax	–	–
Total taxation (note 8b)	–	–
(b) <i>Factors affecting taxation charge for the year:</i>		
The tax assessed for the year is lower than the standard rate of Corporation tax in the UK for an open-ended investment company (20%) (2017: 20%).		
Net revenue before tax	395	243
Net revenue multiplied by the standard rate of corporation tax of 20%	79	49
Effects of: Interest distributions	(79)	(49)
Total tax charge (note 8a)	–	–

Notes to the Financial Statements continued

for the year ended 31 July 2018

9. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprise:

	01.08.17 to 31.07.18	19.10.16 to 31.07.17
	£'000	£'000
1st Interim distribution	24	–
1st Interim accumulation	3	–
2nd Interim distribution	24	–
2nd Interim accumulation	5	–
3rd Interim distribution	24	–
3rd Interim accumulation	6	–
4th Interim distribution	25	24
4th Interim accumulation	6	–
5th Interim distribution	24	24
5th Interim accumulation	6	–
6th Interim distribution	24	24
6th Interim accumulation	7	2
7th Interim distribution	24	25
7th Interim accumulation	7	1
8th Interim distribution	26	24
8th Interim accumulation	7	2
9th Interim distribution	26	24
9th Interim accumulation	7	2
10th Interim distribution	26	24
10th Interim accumulation	6	3
11th Interim distribution	26	24
11th Interim accumulation	6	3
Final distribution	44	34
Final accumulation	13	5
	396	245
Add: Revenue deducted on shares cancelled	3	3
Deduct: Revenue received on shares issued	(4)	(5)
Net distribution for the year	395	243

10. Debtors

	31.07.18	31.07.17
	£'000	£'000
Accrued revenue	137	117
	137	117

Notes to the Financial Statements continued

for the year ended 31 July 2018

11. Other Creditors

	31.07.18 £'000	31.07.17 £'000
Accrued expenses	3	2
Amounts payable for cancellation of shares	8	–
	11	2

12. Related Parties

Zurich Investment Services (UK) Limited is regarded as a related party by virtue of having the ability to act in respect of the operations of the sub-fund in its capacity as the Authorised Corporate Director.

Zurich Investment Services (UK) Limited, acts as principal on all the transactions of shares in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts paid to Zurich Investment Services (UK) Limited in respect of the ACD's periodic charges are disclosed in note 7. The amount of £2,809 (2017: £2,602) was due at the year end, as shown in note 11.

On 19 October 2016, Zurich Investment Services (UK) Limited made an initial investment of £90,000 into the sub-fund. Zurich Investment Services (UK) Limited held 180,136 shares in the sub-fund at year end.

On 19 October 2016, Zurich Assurance Ltd (ZAL), which is a related party as some directors of the ACD are also directors of ZAL, made an initial investment of £3,500,000 into the sub-fund. ZAL held 6,998,627 shares in the sub-fund at year end.

There are no outstanding creditor or debtor balances between the sub-fund and ZAL at the year end.

In addition, although not a related party, T.Rowe Price International Ltd (TRP), the investment manager to the ACD, also made an initial investment of £3,500,000 into the sub-fund. TRP held 6,998,627 shares in the sub-fund at year end.

13. Contingent Liabilities

There were no contingent liabilities as at the year ended 31 July 2018 (2017: £Nil).

14. Share Classes

The sub-fund currently has two classes of shares: Class Z Income and Class Z Accumulation. Class Z Gross Income and Class Z Gross Accumulation were converted to Class Z Income and Class Z Accumulation respectively during the year. The distribution per share is given in the distribution tables on page 39 to 54. All shares have the same rights on winding up.

The ACD's service charge for the class of each share is as follows:

Class Z	0.70%
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Notes to the Financial Statements continued

for the year ended 31 July 2018

14. Share Classes continued

The following table shows the shares in issue during the year:

Share Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class Z Income	751,783	908,631	(258,912)	13,997,255	15,398,757
Class Z Accumulation	1,807,869	2,554,097	(1,022,146)	60,136	3,399,956
Class Z Gross Income	14,000,000	–	–	(14,000,000)	–
Class Z Gross Accumulation	60,000	–	–	(60,000)	–

15. Financial Instruments

In pursuing its investment objective set out on page 10, the sub-fund holds a number of financial instruments. These may comprise:

- fixed income securities and floating rate securities. These are held in accordance with the sub-fund's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity; and
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the sub-fund's investment activities (and related financing).

16. Risk Disclosures

Market Price Risk

Risk management policies surrounding this risk are discussed in note 4 of the Notes to the Financial Statements on pages 26 to 28.

At 31 July 2018, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders would increase or decrease by approximately £442,296 (2017: £419,617).

Foreign Currency Risk

The sub-fund does not have significant exposure to currency risk as most assets and liabilities are held or hedged in sterling.

At 31 July 2018, if the value of sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the assets attributable to shareholders would increase or decrease by approximately £477 (2017: £299).

Notes to the Financial Statements continued

for the year ended 31 July 2018

16. Risk Disclosures continued

Foreign currency risk as at 31 July 2018:

Currency	Forward contracts £'000	Monetary exposures £'000	Non Monetary exposures £'000	Total £'000
Euro	(915)	893	–	(22)
Sterling	7,925	1,087	–	9,012
US Dollar	(7,001)	6,641	428	68
	9	8,621	428	9,058

Foreign currency risk as at 31 July 2017:

Currency	Forward contracts £'000	Monetary exposures £'000	Non Monetary exposures £'000	Total £'000
Euro	(668)	675	–	7
Sterling	7,338	1,057	–	8,395
US Dollar	(6,538)	6,151	410	23
	132	7,883	410	8,425

Notes to the Financial Statements continued

for the year ended 31 July 2018

16. Risk Disclosures continued

Interest rate risk

Interest rate risk profile of financial assets as at 31 July 2018:

Currency	Floating rate financial assets £'000	Fixed rate £'000	Financial assets not carrying interest £'000	Total £'000
Euro	106	768	19	893
Sterling	726	1,099	7,944	9,769
US Dollar	1,263	5,907	527	7,697
	2,095	7,774	8,490	18,359

Interest rate risk profile of financial assets as at 31 July 2017:

Currency	Floating rate financial assets £'000	Fixed rate £'000	Financial assets not carrying interest £'000	Total £'000
Euro	37	666	9	712
Sterling	348	1,051	7,353	8,752
US Dollar	401	5,972	503	6,876
	786	7,689	7,865	16,340

Interest rate risk profile of financial liabilities as at 31 July 2018:

Currency	Floating rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Euro	–	(915)	(915)
Sterling	(702)	(55)	(757)
US Dollar	(628)	(7,001)	(7,629)
	(1,330)	(7,971)	(9,301)

Notes to the Financial Statements continued

for the year ended 31 July 2018

16. Risk Disclosures continued

Interest rate risk profile of financial liabilities as at 31 July 2017:

Currency	Floating rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Euro	(37)	(668)	(705)
Sterling	(320)	(37)	(357)
US Dollar	(315)	(6,538)	(6,853)
	(672)	(7,243)	(7,915)

Short term debtors and creditors are included in the interest rate risk tables above. Forward currency contracts are considered on a gross basis for the management of this risk and are included in the not carrying interest category. The value of the gross forward contracts included above are assets of £8,873,983 (2017: £7,989,352) and liabilities of £8,865,279 (2017: £7,857,548).

The sub-fund's net cash holdings of £130,175 (2017: net cash borrowings of £48,243) are held in floating rate deposit accounts, whose rates are determined by reference to LIBOR or an international equivalent borrowing rate.

As at 31 July 2018, if interest rates increased or decreased by 0.1% against all debt securities, with all other variables remaining constant, then the net assets attributable to shareholders would increase or decrease by approximately £47,283 (2017: £31,390).

Credit Risk

Risk management policies surrounding this risk are discussed in note 4 of the Notes to the Financial Statements on pages 26 to 28.

The portfolio at the year end has been analysed based on credit ratings as shown below:

Credit Risk	31.07.18 £'000	31.07.17 £'000
Investment grade securities	3,430	2,604
Below investment grade securities	4,979	5,120
Unrated securities	–	126
Other investments	437	542
	8,846	8,392

Notes to the Financial Statements continued

for the year ended 31 July 2018

16. Risk Disclosures continued

Counterparty exposure risk

The types of derivatives held at the balance sheet date were forward foreign exchange contracts. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

Counterparty Name*	2018 £'000	2017 £'000
Bank of America	15	–
Barclays Bank	–	148
Citigroup	2	–
JP Morgan Chase	–	1
	17	149

*Net exposure represents the mark to market value of derivative contracts less any cash collateral held. Positive exposure represents the sub-fund's exposure to that counterparty.

Notes to the Financial Statements continued

for the year ended 31 July 2018

16. Risk Disclosures continued

Fair value

In the opinion of the ACD, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation technique as at 31 July 2018	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Collective Investment Schemes	–	428	–	428
Bonds	–	8,409	–	8,409
Forward Currency Contracts	–	17	–	17
Liabilities				
Forward Currency Contracts	–	(8)	–	(8)
	–	(8)	–	(8)
Total	–	8,846	–	8,846

Valuation technique as at 31 July 2017	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Collective Investment Schemes	–	410	–	410
Bonds	–	7,851	–	7,851
Forward Currency Contracts	–	148	–	148
Liabilities				
Forward Currency Contracts	–	(17)	–	(17)
	–	(17)	–	(17)
Total	–	8,392	–	8,392

Level 1

The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Inputs other than quoted prices included within Level 1 that are observable (i.e., developed using market data) for the asset or liability, either directly or indirectly.

Level 3

Inputs are unobservable (i.e., for which market data is unavailable) for the asset or liability.

Notes to the Financial Statements continued

for the year ended 31 July 2018

17. Portfolio Transaction Costs

The fund does not have direct transaction costs for the year ended 31 July 2018 (2017: £Nil).

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.64% (2017: 0.60%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Indirect transaction costs

For the sub-fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying sub-fund, throughout the holding period for the instruments, which are not separately identifiable.

Dealing spread costs suffered by the sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

18. Leverage

The Zurich Horizon Monthly Income Plus sub-fund uses forward foreign exchange contracts for the purpose of hedging foreign currency risk to Sterling. It does not use any other derivatives and does not use derivatives for any other purpose.

Under COLL rules the ACD must measure the sub-fund's global exposure to derivatives on a daily basis. The ACD has selected the commitment approach to measure global exposure, and has applied CESR's Guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS (CESR/10-788).

To the extent that the notional amount of a foreign exchange forward contract covers a foreign currency exposure that it is intended to hedge, under the commitment approach there is considered to be zero contribution to global exposure, and contribution to leverage is considered to be zero. To the extent that the notional amount of a foreign exchange forward contract exceeds a foreign currency exposure that it is intended to hedge, that excess amount will be added to global exposure, and leverage will be considered to be increased by that amount if not covered by risk-free assets.

Under COLL rules the global exposure of a UCITS, if calculated under the commitment approach, must not exceed 100% of the net value of the Scheme Property. In practice the Investment Manager aims to manage foreign exchange exposures within a narrow band of tolerance and is also prohibited from over-hedging an exposure by more than 5% of that exposure.

Following the CESR guidelines, at 31 July 2018 the calculation of global exposure was 0.12% of the sub-fund's Net Asset Value, and leverage resulting from derivatives was therefore also 0.12%.

The Company may borrow on a temporary basis for the use of the Sub-fund. The ACD must ensure that borrowing does not, on any business day, exceed 10% of the value of a Sub-fund.

At 31 July 2018, the sub-fund has cash overdraft of £1,329,670 (2017: £672,781).

Distribution Tables

for the year ended 31 July 2018

Z Income Shares

1st Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 August 2017

Group 2: Shares purchased from 1 August 2017 to 31 August 2017

Group	Net Income	Equalisation	2017 Net Distribution Paid	2016 ¹ Net Distribution Paid
1	0.1600	–	0.1600	–
2	0.0647	0.0953	0.1600	–

Z Accumulation Shares

1st Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 August 2017

Group 2: Shares purchased from 1 August 2017 to 31 August 2017

Group	Net Income	Equalisation	2017 Net Accumulation	2016 ¹ Net Accumulation
1	0.1600	–	0.1600	–
2	0.0778	0.0822	0.1600	–

Z Gross Income Shares

1st Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 August 2017

Group 2: Shares purchased from 1 August 2017 to 31 August 2017

Group	Net Income	Equalisation	2017 Net Distribution Paid	2016 ¹ Net Distribution Paid
1	0.1600	–	0.1600	–
2	0.1600	–	0.1600	–

Additional information on the distribution tables is given in the footnotes on page 54.

Distribution Tables continued

for the year ended 31 July 2018

Z Gross Accumulation Shares

1st Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 August 2017

Group 2: Shares purchased from 1 August 2017 to 31 August 2017

Group	Net Income	Equalisation	2017 Net Accumulation	2016 ¹ Net Accumulation
1	0.1600	–	0.1600	–
2	0.1600	–	0.1600	–

Z Income Shares

2nd Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 September 2017

Group 2: Shares purchased from 1 September 2017 to 30 September 2017

Group	Net Income	Equalisation	2017 Net Distribution Paid	2016 ¹ Net Distribution Paid
1	0.1600	–	0.1600	–
2	0.0878	0.0722	0.1600	–

Z Accumulation Shares

2nd Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 September 2017

Group 2: Shares purchased from 1 September 2017 to 30 September 2017

Group	Net Income	Equalisation	2017 Net Accumulation	2016 ¹ Net Accumulation
1	0.1600	–	0.1600	–
2	0.0805	0.0795	0.1600	–

Additional information on the distribution tables is given in the footnotes on page 54.

Distribution Tables continued

for the year ended 31 July 2018

Z Gross Income Shares

2nd Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 September 2017

Group 2: Shares purchased from 1 September 2017 to 30 September 2017

Group	Net Income	Equalisation	2017 Net Distribution Paid	2016 ¹ Net Distribution Paid
1	0.1600	–	0.1600	–
2	0.1600	–	0.1600	–

Z Gross Accumulation Shares

2nd Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 September 2017

Group 2: Shares purchased from 1 September 2017 to 30 September 2017

Group	Net Income	Equalisation	2017 Net Accumulation	2016 ¹ Net Accumulation
1	0.1600	–	0.1600	–
2	0.1600	–	0.1600	–

Z Income Shares

3rd Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 October 2017

Group 2: Shares purchased from 1 October 2017 to 31 October 2017

Group	Net Income	Equalisation	2017 Net Distribution Paid	2016 ¹ Net Distribution Paid
1	0.1600	–	0.1600	–
2	0.0488	0.1112	0.1600	–

Additional information on the distribution tables is given in the footnotes on page 54.

Distribution Tables continued

for the year ended 31 July 2018

Z Accumulation Shares

3rd Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 October 2017

Group 2: Shares purchased from 1 October 2017 to 31 October 2017

Group	Net Income	Equalisation	2017 Net Accumulation	2016 ¹ Net Accumulation
1	0.1600	–	0.1600	–
2	0.0472	0.1128	0.1600	–

Z Gross Income Shares²

3rd Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 October 2017

Group 2: Shares purchased from 1 October 2017 to 31 October 2017

Group	Net Income	Equalisation	2017 Net Distribution Paid	2016 ¹ Net Distribution Paid
1	–	–	–	–
2	–	–	–	–

Z Gross Accumulation Shares²

3rd Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 October 2017

Group 2: Shares purchased from 1 October 2017 to 31 October 2017

Group	Net Income	Equalisation	2017 Net Accumulation	2016 ¹ Net Accumulation
1	–	–	–	–
2	–	–	–	–

Additional information on the distribution tables is given in the footnotes on page 54.

Distribution Tables continued

for the year ended 31 July 2018

Z Income Shares

4th Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 November 2017

Group 2: Shares purchased from 1 November 2017 to 30 November 2017

Group	Net Income	Equalisation	2017 Net Distribution Paid	2016 Net Distribution Paid
1	0.1600	–	0.1600	0.1360
2	0.0357	0.1243	0.1600	0.1360

Z Accumulation Shares

4th Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 November 2017

Group 2: Shares purchased from 1 November 2017 to 30 November 2017

Group	Net Income	Equalisation	2017 Net Accumulation	2016 Net Accumulation
1	0.1600	–	0.1600	0.1360
2	0.0333	0.1267	0.1600	0.1360

Z Gross Income Shares

4th Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 November 2017

Group 2: Shares purchased from 1 November 2017 to 30 November 2017

Group	Net Income	Equalisation	2017 ² Net Distribution Paid	2016 Net Distribution Paid
1	–	–	–	0.1700
2	–	–	–	0.1700

Additional information on the distribution tables is given in the footnotes on page 54.

Distribution Tables continued

for the year ended 31 July 2018

Z Gross Accumulation Shares

4th Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 November 2017

Group 2: Shares purchased from 1 November 2017 to 30 November 2017

Group	Net Income	Equalisation	2017 ² Net Accumulation	2016 Net Accumulation
1	–	–	–	0.1700
2	–	–	–	0.1700

Z Income Shares

5th Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 December 2017

Group 2: Shares purchased from 1 December 2017 to 31 December 2017

Group	Net Income	Equalisation	2018 Net Distribution Paid	2017 Net Distribution Paid
1	0.1600	–	0.1600	0.1360
2	0.0736	0.0864	0.1600	0.1360

Z Accumulation Shares

5th Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 December 2017

Group 2: Shares purchased from 1 December 2017 to 31 December 2017

Group	Net Income	Equalisation	2018 Net Accumulation	2017 Net Accumulation
1	0.1600	–	0.1600	0.1360
2	0.0531	0.1069	0.1600	0.1360

Additional information on the distribution tables is given in the footnotes on page 54.

Distribution Tables continued

for the year ended 31 July 2018

Z Gross Income Shares

5th Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 December 2017

Group 2: Shares purchased from 1 December 2017 to 31 December 2017

Group	Net Income	Equalisation	2018 ² Net Distribution Paid	2017 Net Distribution Paid
1	–	–	–	0.1700
2	–	–	–	0.1700

Z Gross Accumulation Shares

5th Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 December 2017

Group 2: Shares purchased from 1 December 2017 to 31 December 2017

Group	Net Income	Equalisation	2018 ² Net Accumulation	2017 Net Accumulation
1	–	–	–	0.1700
2	–	–	–	0.1700

Z Income Shares

6th Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 January 2018

Group 2: Shares purchased from 1 January 2018 to 31 January 2018

Group	Net Income	Equalisation	2018 Net Distribution Paid	2017 Net Distribution Paid
1	0.1600	–	0.1600	0.1360
2	0.0861	0.0739	0.1600	0.1360

Additional information on the distribution tables is given in the footnotes on page 54.

Distribution Tables continued

for the year ended 31 July 2018

Z Accumulation Shares

6th Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 January 2018

Group 2: Shares purchased from 1 January 2018 to 31 January 2018

Group	Net Income	Equalisation	2018 Net Accumulation	2017 Net Accumulation
1	0.1600	–	0.1600	0.1360
2	0.0738	0.0862	0.1600	0.1360

Z Gross Income Shares

6th Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 January 2018

Group 2: Shares purchased from 1 January 2018 to 31 January 2018

Group	Net Income	Equalisation	2018 ² Net Distribution Paid	2017 Net Distribution Paid
1	–	–	–	0.1700
2	–	–	–	0.1700

Z Gross Accumulation Shares

6th Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 January 2018

Group 2: Shares purchased from 1 January 2018 to 31 January 2018

Group	Net Income	Equalisation	2018 ² Net Accumulation	2017 Net Accumulation
1	–	–	–	0.1700
2	–	–	–	0.1700

Additional information on the distribution tables is given in the footnotes on page 54.

Distribution Tables continued

for the year ended 31 July 2018

Z Income Shares

7th Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 February 2018

Group 2: Shares purchased from 1 February 2018 to 28 February 2018

Group	Net Income	Equalisation	2018 Net Distribution Paid	2017 Net Distribution Paid
1	0.1600	–	0.1600	0.1360
2	0.0300	0.1300	0.1600	0.1360

Z Accumulation Shares

7th Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 February 2018

Group 2: Shares purchased from 1 February 2018 to 28 February 2018

Group	Net Income	Equalisation	2018 Net Accumulation	2017 Net Accumulation
1	0.1600	–	0.1600	0.1360
2	0.0264	0.1336	0.1600	0.1360

Z Gross Income Shares

7th Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 February 2018

Group 2: Shares purchased from 1 February 2018 to 28 February 2018

Group	Net Income	Equalisation	2018 Net Distribution Paid	2017 Net Distribution Paid
1	–	–	–	0.1700
2	–	–	–	0.1700

Additional information on the distribution tables is given in the footnotes on page 54.

Distribution Tables continued

for the year ended 31 July 2018

Z Gross Accumulation Shares

7th Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 February 2018

Group 2: Shares purchased from 1 February 2018 to 28 February 2018

Group	Net Income	Equalisation	2018 Net Accumulation	2017 Net Accumulation
1	–	–	–	0.1700
2	–	–	–	0.1700

Z Income Shares

8th Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 March 2018

Group 2: Shares purchased from 1 March 2018 to 31 March 2018

Group	Net Income	Equalisation	2018 Net Distribution Paid	2017 Net Distribution Paid
1	0.1700	–	0.1700	0.1700
2	0.0645	0.1055	0.1700	0.1700

Z Accumulation Shares

8th Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 March 2018

Group 2: Shares purchased from 1 March 2018 to 31 March 2018

Group	Net Income	Equalisation	2018 Net Accumulation	2017 Net Accumulation
1	0.1700	–	0.1700	0.1700
2	0.0562	0.1138	0.1700	0.1700

Additional information on the distribution tables is given in the footnotes on page 54.

Distribution Tables continued

for the year ended 31 July 2018

Z Gross Income Shares

8th Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 March 2018

Group 2: Shares purchased from 1 March 2018 to 31 March 2018

Group	Net Income	Equalisation	2018 Net Distribution Paid	2017 Net Distribution Paid
1	–	–	–	0.1700
2	–	–	–	0.1700

Z Gross Accumulation Shares

8th Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 March 2018

Group 2: Shares purchased from 1 March 2018 to 31 March 2018

Group	Net Income	Equalisation	2018 Net Accumulation	2017 Net Accumulation
1	–	–	–	0.1700
2	–	–	–	0.1700

Z Income Shares

9th Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 April 2018

Group 2: Shares purchased from 1 April 2018 to 30 April 2018

Group	Net Income	Equalisation	2018 Net Distribution Paid	2017 Net Distribution Paid
1	0.1700	–	0.1700	0.1700
2	0.0762	0.0938	0.1700	0.1700

Additional information on the distribution tables is given in the footnotes on page 54.

Distribution Tables continued

for the year ended 31 July 2018

Z Accumulation Shares

9th Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 April 2018

Group 2: Shares purchased from 1 April 2018 to 30 April 2018

Group	Net Income	Equalisation	2018 Net Accumulation	2017 Net Accumulation
1	0.1700	–	0.1700	0.1700
2	0.0648	0.1052	0.1700	0.1700

Z Gross Income Shares

9th Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 April 2018

Group 2: Shares purchased from 1 April 2018 to 30 April 2018

Group	Net Income	Equalisation	2018 Net Distribution Paid	2017 Net Distribution Paid
1	–	–	–	0.1700
2	–	–	–	0.1700

Z Gross Accumulation Shares

9th Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 April 2018

Group 2: Shares purchased from 1 April 2018 to 30 April 2018

Group	Net Income	Equalisation	2018 Net Accumulation	2017 Net Accumulation
1	–	–	–	0.1700
2	–	–	–	0.1700

Additional information on the distribution tables is given in the footnotes on page 54.

Distribution Tables continued

for the year ended 31 July 2018

Z Income Shares

10th Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 May 2018

Group 2: Shares purchased from 1 May 2018 to 31 May 2018

Group	Net Income	Equalisation	2018 Net Distribution Paid	2017 Net Distribution Paid
1	0.1700	–	0.1700	0.1700
2	0.0249	0.1451	0.1700	0.1700

Z Accumulation Shares

10th Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 May 2018

Group 2: Shares purchased from 1 May 2018 to 31 May 2018

Group	Net Income	Equalisation	2018 Net Accumulation	2017 Net Accumulation
1	0.1700	–	0.1700	0.1700
2	0.0209	0.1491	0.1700	0.1700

Z Gross Income Shares

10th Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 May 2018

Group 2: Shares purchased from 1 May 2018 to 31 May 2018

Group	Net Income	Equalisation	2018 Net Distribution Paid	2017 Net Distribution Paid
1	–	–	–	0.1700
2	–	–	–	0.1700

Additional information on the distribution tables is given in the footnotes on page 54.

Distribution Tables continued

for the year ended 31 July 2018

Z Gross Accumulation Shares

10th Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 May 2018

Group 2: Shares purchased from 1 May 2018 to 31 May 2018

Group	Net Income	Equalisation	2018 Net Accumulation	2017 Net Accumulation
1	–	–	–	0.1700
2	–	–	–	0.1700

Z Income Shares

11th Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 June 2018

Group 2: Shares purchased from 1 June 2018 to 30 June 2018

Group	Net Income	Equalisation	2018 Net Distribution Paid	2017 Net Distribution Paid
1	0.1700	–	0.1700	0.1700
2	0.0545	0.1155	0.1700	0.1700

Z Accumulation Shares

11th Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2018

Group 2: Shares purchased from 1 June 2018 to 30 June 2018

Group	Net Income	Equalisation	2018 Net Accumulation	2017 Net Accumulation
1	0.1700	–	0.1700	0.1700
2	0.0454	0.1246	0.1700	0.1700

Additional information on the distribution tables is given in the footnotes on page 54.

Distribution Tables continued

for the year ended 31 July 2018

Z Gross Income Shares

11th Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 June 2018

Group 2: Shares purchased from 1 June 2018 to 30 June 2018

Group	Net Income	Equalisation	2018 Net Distribution Paid	2017 Net Distribution Paid
1	–	–	–	0.1700
2	–	–	–	0.1700

Z Gross Accumulation Shares

11th Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2018

Group 2: Shares purchased from 1 June 2018 to 30 June 2018

Group	Net Income	Equalisation	2018 Net Accumulation	2017 Net Accumulation
1	–	–	–	0.1700
2	–	–	–	0.1700

Z Income Shares

Final Distribution (in pence per share)

Group 1: Shares purchased prior to 1 July 2018

Group 2: Shares purchased from 1 July 2018 to 31 July 2018

Group	Net Income	Equalisation	2018 Net Distribution Paid	2017 Net Distribution Paid
1	0.2862	–	0.2862	0.2313
2	0.0511	0.2351	0.2862	0.2313

Additional information on the distribution tables is given in the footnotes on page 54.

Distribution Tables continued

for the year ended 31 July 2018

Z Accumulation Shares

Final Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 July 2018

Group 2: Shares purchased from 1 July 2018 to 31 July 2018

Group	Net Income	Equalisation	2018 Net Accumulation	2017 Net Accumulation
1	0.3849	–	0.3849	0.2476
2	0.0545	0.3304	0.3849	0.2476

Z Gross Income Shares

Final Distribution (in pence per share)

Group 1: Shares purchased prior to 1 July 2018

Group 2: Shares purchased from 1 July 2018 to 31 July 2018

Group	Net Income	Equalisation	2018 Net Distribution Paid	2017 Net Distribution Paid
1	–	–	–	0.2293
2	–	–	–	0.2293

Z Gross Accumulation Shares

Final Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 July 2018

Group 2: Shares purchased from 1 July 2018 to 31 July 2018

Group	Net Income	Equalisation	2018 Net Accumulation	2017 Net Accumulation
1	–	–	–	0.2422
2	–	–	–	0.2422

¹ There are no comparative figures shown as the Fund launched 19 October 2016

² On 12 October 2017, the Class Z Gross Accumulation and Class Z Gross Income were converted to Class Z Accumulation and Class Z Income respectively.

General Information

Launch date:	19 October 2016
Period end date for distributions:	Last Business Day of each month
Distribution dates:	Last Business Day of each month following the period end
Funds Available:	
Zurich Horizon Monthly Income Plus Fund	
Minimum initial lump sum investment:	
Z-Class	£1,000,000
Minimum additional contribution:	
Z-Class	£50,000
Valuation point:	12:00 noon (London time)
Management charges:	
Z-Class	0.70%

Applications for Z-Class may only be made by persons who have terms of business or arrangements with the Investment Manager or their duly appointed representative.

Investor Contact Details

The information in this report is designed to enable shareholders to make an informed judgment on the activities of the Company during the period it covers and the result of those activities at the end of the period. The full Report and Accounts are available on request from the ACD. For more information about the activities and performance of the Company during the period and previous periods, please contact the ACD at the address noted below.

Zurich Investment Services (UK) Limited
Tricentre 1
New Bridge Square
Swindon
SN1 1HN
Phone no. 0333 300 0382

You can obtain further information about the Company, copies of its prospectus and its latest annual report and any subsequent half-yearly report, in English, free of charge from the Management Company or at www.zurichhorizon.co.uk.

You can obtain other practical information and the latest prices of shares at www.zurichhorizon.co.uk.

