



OVERALL

Increased volatility is more likely in coming months in anticipation of the Federal Reserve and the Bank of England beginning to tighten liquidity conditions. Conversely, the ECB is likely to engage in quantitative easing (QE) given the risk of deflation and the anemic economic outlook. Equities continue to be supported by the expectation of reasonably strong earnings' growth and low interest rates; in addition, equities remain better value relative to other asset classes. Government bond yields are expected to eventually rise from current ultra-low levels.

ZURICH LIFE FUND ALLOCATIONS & ACTIVITY

Equities: The funds are overweight.

Bonds: The funds are underweight.

Activity: The underweight European equity position was decreased slightly with a concurrent reduction of UK equities.

Regionally, the funds are:

- Underweight in the UK and Europe.
- Neutral in Asia Pacific.
- Overweight in the US and Japan and slightly overweight in Ireland.

Sectorwise, the funds are:

- Underweight utilities and energy.
- Overweight consumer goods and industrials.
- Otherwise broadly balanced.

EQUITY MARKETS

- Equities (in euro terms) rose for a tenth straight month in November as the equity bull market nears its sixth anniversary. Markets reacted positively to a number of factors including a good US Q3 earnings season, increased monetary expansion (QE) in Japan and a cut in Chinese interest rates. Dovish comments from ECB President Mario Draghi, in which he strengthened his stimulus pledge, also helped European equities.
- World equities (in euro terms) rose by 2.3% in November giving a total return of 18.0% for the eleven months of the year. Euro currency weakness has been a major contributory factor to 2014 returns. With the exception of commodity-exposed Australia, all of the major markets were flat to positive in local currency terms during the month led by Japan (+5.8%) and Europe (+4.6%). The bellwether US market was up 2.5%.
- Sectorwise, the key feature was the huge underperformance of energy stocks (-9%) due to the collapse of oil prices. All other sectors were in positive territory in the US led by consumer stocks (+5%), technology (+5%) and healthcare (+3%).

BONDS & INTEREST RATES

 The Merrill Lynch Euro over 5 Year Index was was up 2.2% in November and is up an impressive 18.5% for the first eleven months of the year. All of the eurozone markets were up on the month headed by Italy (+2.9%). Bond prices have risen in Europe in 2014 on deflationary concerns as well as speculation about the introduction of some form of QE.

- The German 10-year bond yield fell further in November from 0.84% to 0.70%, a fresh alltime low. Equivalent US rates fell from 2.34% to 2.16% during the month.
- The Federal Reserve and the Bank of England are now expected to keep interest rates at record low levels until third quarter of 2015, with a 25% chance of the latter moving in the second quarter. The ECB is likely to begin QE in the first quarter of 2015 with President Mario Draghi indirectly saying that the ECB Council was willing to outvote the German Bundesbank on the matter.

COMMODITIES & CURRENCIES

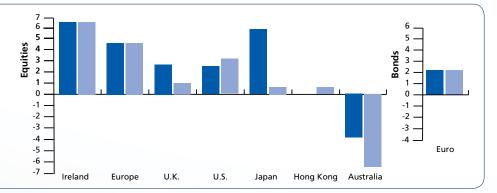
- Commodity prices overall were down heavily, by 6% (in dollar terms), in November and are now down 19% since 20th June, following a strong start to the year.
- Oil prices were off sharply as Saudi Arabia attempted to muscle out US shale oil producers by keeping supplies at high levels. OPEC appears to be breaking up with Venezuela storming out of the latest meeting. The Brent (European) oil price was down 18% at \$70 per barrel while West Texas (US) was also down 18% at \$66 per barrel.
- The gold price was marginally up in November, ending at \$1,175 per troy ounce. Gold had reached an all-time high of \$1,889 in August 2011.
- After a long period of weakness, the euro currency was flat to stronger against a number of other major currencies during November. The €/\$ rate was unchanged at 1.25 at month end.

EQUITY & BOND % RETURNS

This graph shows the performance of the major equity markets over the month of November. The returns are shown in both local and euro currencies. The bond index is the Merrill Lynch over 5 Year Euro Government Bond Index.

Local Currency Return (%)

Euro Return (%)



Warning: Past performance is not a reliable guide to future performance.

Warning: The value of your investment may go down as well as up.

Warning: Benefits may be affected by changes in currency exchange rates.

Warning: If you invest in this fund you may lose some or all of the money you invest.



ZURICH LIFEANNUALISED PERFORMANCE TO 1ST DECEMBER 2014

	Year to Date	Annualised						
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	Fund Size (€)
Pathway Multi-Asset Funds	<u> </u>							
Pathway 2	2.9%	2.7%	Not Started	28,592,927				
Pathway 3	6.3%	6.2%	Not Started	91,779,941				
Pathway 4	12.7%	12.5%	Not Started	140,377,774				
Pathway 5	14.2%	14.0%	Not Started	44,268,149				
Pathway 6	9.2%	8.6%	Not Started	5,853,045				
Managed Funds								
Cautiously Managed	16.8%	16.6%	13.5%	9.3%	Not Started	Not Started	Not Started	290,757,764
FinEx Sector Average	8.1%	7.8%	7.4%	5.3%	3.7%	3.3%	4.4%	
Balanced	13.6%	14.3%	15.5%	11.1%	7.2%	4.9%	8.7%	1,613,216,710
								1,013,210,710
FinEx Sector Average	11.7%	11.4%	13.8%	9.5%	4.8%	3.1%	6.9%	
Performance	14.6%	15.5%	16.0%	11.7%	7.4%	4.6%	8.6%	1,195,924,137
Dynamic Fin Fix Sector Average	14.4%	15.4%	16.7%	12.2%	7.6%	4.5%	8.6%	1,481,739,248
FinEx Sector Average	11.3%	11.0%	13.4%	9.7%	4.8%	3.2%	6.5%	
Protected Funds								
Protected 70	9.7%	10.3%	10.7%	Not Started	Not Started	Not Started	Not Started	9,455,878
Protected 80	6.6%	7.0%	7.2%	Not Started	Not Started	Not Started	Not Started	26,146,764
Protected 90	2.6%	2.6%	2.2%	Not Started	Not Started	Not Started	Not Started	7,940,966
Cash Fund								
Secure	0.0%	0.0%	0.1%	0.3%	1.4%	2.1%	3.1%	390,833,086
FinEx Sector Average	0.4%	0.4%	0.2%	0.4%	1.4%	1.9%	2.7%	
Bond Funds								
Global Corporate Bond (JP Morgan)*	6.9%	7.1%	Not Started	3,341,200,000				
Global Government Bond (JP Morgan)*	7.2%	6.6%	Not Started	300,200,000				
Indexed Eurozone Government Bond (BlackRock)	11.2%	10.9%	8.7%	Not Started	Not Started	Not Started	Not Started	7,425,951
Active Fixed Income	18.3%	17.4%	12.6%	7.7%	6.4%	7.0%	Not Started	448,375,576
Inflation-Linked Bond	5.2%	4.3%	5.3%	Not Started	Not Started	Not Started	Not Started	5,871,141
Long Bond	24.9%	23.8%	15.8%	9.1%	6.9%	Not Started	Not Started	60,749,539
Global Real Return (PIMCO)*	9.5%	8.1%	Not Started	2,400,000,000				
Emerging Local Currency Debt (Pictet)*	8.4%	7.4%	Not Started	6,618,816,881				
FinEx Sector Average	11.7%	11.1%	9.6%	5.4%	4.5%	5.1%	6.6%	
Absolute Return/Diversified Assets Funds								
Income Opportunity (JP Morgan)*	-0.3%	-0.2%	Not Started	8,592,800,000				
Dyanmic Diversified Growth (BlackRock)	5.6%	6.4%	6.0%	Not Started	Not Started	Not Started	Not Started	17,115,909
Diversified Assets	12.2%	11.8%	10.1%	8.8%	Not Started	Not Started	Not Started	13,157,467
Active Asset Allocation	13.0%	12.7%	9.9%	Not Started	Not Started	Not Started	Not Started	126,365,170
Commodity Funds								
Gold	8.0%	2.2%	-10.6%	3.1%	Not Started	Not Started	Not Started	33,179,777
Earth Resources	-0.6%	-1.5%	-3.6%	0.2%	Not Started	Not Started	Not Started	8,517,969
Global Commodities	-5.4%	-4.5%	-4.0%	1.6%	Not Started	Not Started	Not Started	15,257,392
CommoditiesPLUS Strategy (PIMCO)*	-8.9%	-7.9%	Not Started	347,300,000				
5, 1	0.5%	0.8%	8.1%	-1.1%	Not Started	Not Started	Not Started	4,610,200

Source: Financial Express as at 01/12/2014

The Financial Express sector averages shown are the average of all funds in each of the Financial Express sectors in the individual pensions category.

Annual management charges (AMC) apply. The fund returns shown are net of the AMC deducted by Zurich Life in our unit prices. The fund returns are based on an investment in the funds and do not represent the returns achieved by individual policies linked to the funds. These fund returns may be before the full AMC is applied to a policy. The actual returns on policies linked to the specified fund will be lower because of the effects of charges and in some cases a higher management charge.

* External fund size: Where external funds have been on the Zurich platform for less than two years, we have used the fund size of the underlying external fund.

	Year to			Anı	nualised		Fund Size	
	Date	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	_ Fund Siz (€
Equity Funds (Global)								<u>'</u>
5 Star 5	11.4%	12.9%	16.6%	11.4%	6.9%	Not Started	Not Started	215,434,25
nternational Equity	16.0%	17.2%	18.0%	13.7%	8.5%	4.5%	Not Started	515,549,42
Global Select (Threadneedle)	14.1%	16.3%	17.4%	13.8%	8.6%	Not Started	Not Started	9,600,46
Global Equity (MFS Meridian)*	16.1%	17.4%	Not Started	Not Started	Not Started	Not Started	Not Started	4,977,000,00
ndexed Global Equity (BlackRock)	17.6%	20.3%	18.7%	Not Started	Not Started	Not Started	Not Started	71,115,0
FinEx Sector Average	12.9%	11.8%	16.0%	12.3%	6.2%	2.3%	6.6%	
Equity Funds (European)								
Euro Markets Fund (BlackRock)*	-1.2%	-0.2%	Not Started	Not Started	Not Started	Not Started	Not Started	3,000,000,0
5 Star 5 Europe	9.1%	11.2%	20.7%	12.8%	9.5%	Not Started	Not Started	101,749,0
European Select (Threadneedle)	13.3%	14.6%	19.8%	16.9%	10.1%	Not Started	Not Started	21,194,3
Small Cap Europe (Pictet)* FinEx Sector Average	0.1% 5.5%	2.7% 5.1%	Not Started 17.6%	Not Started 10.2%	Not Started 6.7%	Not Started 3.7%	Not Started Not Started	278,887,9
quity Funds (Eurozone) urozone Equity	6.4%	7.6%	18.2%	10.4%	9.0%	Not Started	Not Started	87,218,8
Europe ex-UK Index (BlackRock)	8.8%	9.2%	17.0%	9.5%	Not Started	Not Started	Not Started	3,217,8
ndexed Eurozone Equity (BlackRock)	7.5%	7.4%	16.2%	Not Started	Not Started	Not Started	Not Started	1,253,8
inEx Sector Average	5.9%	6.1%	14.8%	7.8%	4.6%	2.5%	7.0%	
equity Funds (Irish)								
rish Equity	12.2%	12.6%	23.6%	15.4%	Not Started	Not Started	Not Started	14,561,5
inEx Sector Average	11.0%	11.6%	22.3%	13.3%	0.3%	1.8%	7.0%	
quity Funds (American)								
5 Star 5 Americas	24.4%	26.7%	21.1%	15.4%	9.9%	Not Started	Not Started	67,389,4
American Select (Threadneedle)	17.8%	19.9%	20.8%	18.2%	9.5%	Not Started	Not Started	19,753,3
inEx Sector Average	22.5%	23.3%	22.3%	18.5%	8.1%	2.6%	6.7%	
quity Fund (UK)								
JK Growth (M&G)*	6.2%	10.2%	Not Started	Not Started	Not Started	Not Started	Not Started	733,990,0
JK Index (BlackRock)	7.0%	8.6%	12.8%	11.6%	Not Started	Not Started	Not Started	2,017,8
FinEx Sector Average	4.9%	5.2%	13.3%	11.6%	5.9%	1.6%	5.4%	
quity Funds (Far East Asia)								
5 Star 5 Asia Pacific	11.4%	8.4%	11.1%	6.7%	7.4%	Not Started	Not Started	85,960,7
Asia Pacific Equity	11.3%	8.4%	11.6%	Not Started	Not Started	Not Started	Not Started	7,595,9
FinEx Sector Average	12.7%	9.1%	11.0%	9.4%	8.4%	5.2%	5.2%	
quity Funds (Japan)								
apan Index (BlackRock)	7.0%	6.5%	12.7%	9.5%	Not Started	Not Started	Not Started	4,246,5
FinEx Sector Average	5.1%	3.4%	12.4%	9.9%	2.4%	-1.5%	0.1%	
quity Funds (High Yield)								
Dividend Growth	14.8%	14.5%	19.6%	15.8%	Not Started	Not Started	Not Started	210,935,6
Global Dividend (M&G)*	8.8%	9.5%	Not Started	Not Started	Not Started	Not Started	Not Started	9,233,950,0
inEx Sector Average	12.9%	11.8%	16.0%	12.3%	6.2%	2.3%	6.6%	
quity Funds (Emerging Market)	42.00/	(II- 20/			No. Company	NI-+ Ct	Na. C.	40 707
ndia Equity	42.6% 12.3%	45.2%	14.2%	6.6%	Not Started	Not Started	Not Started	19,795,8
	1/3%	8.3%	Not Started	Not Started 4.2%	Not Started 11.2%	Not Started Not Started	Not Started Not Started	2,950,700,0
merging Markets Opportunities (JP Morgan)*		15 00/		4.4.70		וזטו אמו נפט	וזטנ אמונפט	
merging Markets Opportunities (JP Morgan)*	17.2%	15.0%	7.2%		11.2 /0			
merging Markets Opportunities (JP Morgan)* inEx Sector Average quity Funds (Specialist)	17.2%					Not Ctarted	Not Started	20 120 (
merging Markets Opportunities (JP Morgan)* inEx Sector Average quity Funds (Specialist) op Tech 100	17.2% 33.9%	36.1%	27.4%	24.6%	11.5%	Not Started	Not Started	29,128,6
merging Markets Opportunities (JP Morgan)* iinEx Sector Average iquity Funds (Specialist) op Tech 100	17.2%					Not Started 1.3%	Not Started 3.7%	29,128,6
imerging Markets Opportunities (JP Morgan)* FinEx Sector Average Equity Funds (Specialist) FinEx Sector Average Property Funds	17.2% 33.9% 9.1%	36.1% 10.1%	27.4% 7.8%	24.6% 5.4%	11.5% 3.9%	1.3%	3.7%	
imerging Markets Opportunities (JP Morgan)* inEx Sector Average iquity Funds (Specialist) op Tech 100 inEx Sector Average roperty Funds uropean (Ex-UK) Property	17.2% 33.9% 9.1%	36.1% 10.1%	27.4% 7.8%	24.6% 5.4%	11.5% 3.9% Not Started	1.3% Not Started	3.7% Not Started	23,129,9
Equity Funds (Specialist) Top Tech 100 TinEx Sector Average Property Funds European (Ex-UK) Property Flobal Property Equities (Henderson Horizon)*	17.2% 33.9% 9.1% 17.9% 21.5%	36.1% 10.1% 16.2% 21.0%	27.4% 7.8% 15.1% Not Started	24.6% 5.4% 10.6% Not Started	11.5% 3.9% Not Started Not Started	Not Started	3.7% Not Started Not Started	29,128,6 23,129,9 970,000,0
merging Markets Opportunities (JP Morgan)* inEx Sector Average quity Funds (Specialist) op Tech 100 inEx Sector Average roperty Funds uropean (Ex-UK) Property ilobal Property Equities (Henderson Horizon)* sustralasia Property	17.2% 33.9% 9.1%	36.1% 10.1%	27.4% 7.8%	24.6% 5.4%	11.5% 3.9% Not Started	1.3% Not Started	3.7% Not Started	23,129,9
merging Markets Opportunities (JP Morgan)* inEx Sector Average quity Funds (Specialist) op Tech 100 inEx Sector Average roperty Funds uropean (Ex-UK) Property ilobal Property Equities (Henderson Horizon)* sustralasia Property inEx Sector Average	17.2% 33.9% 9.1% 17.9% 21.5% 23.2%	36.1% 10.1% 16.2% 21.0% 18.4%	27.4% 7.8% 15.1% Not Started 13.1%	24.6% 5.4% 10.6% Not Started 11.7%	11.5% 3.9% Not Started Not Started Not Started	Not Started Not Started Not Started	3.7% Not Started Not Started Not Started	23,129,9 970,000,0
imerging Markets Opportunities (JP Morgan)* inEx Sector Average iquity Funds (Specialist) op Tech 100 inEx Sector Average roperty Funds uropean (Ex-UK) Property	17.2% 33.9% 9.1% 17.9% 21.5% 23.2%	36.1% 10.1% 16.2% 21.0% 18.4%	27.4% 7.8% 15.1% Not Started 13.1%	24.6% 5.4% 10.6% Not Started 11.7%	11.5% 3.9% Not Started Not Started Not Started	Not Started Not Started Not Started	3.7% Not Started Not Started Not Started	23,129,9 970,000,0

Warning: The income you get from this investment may go down as well as up. Warning: The value of your investment may go down as well as up. Warning: Benefits may be affected by changes in currency exchange rates. Warning: Past performance is not a reliable guide to future performance.



















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