

Investment Comment & Outlook

Overall: Equity markets are likely to remain volatile as investors await definitive policy action to arrest the escalating eurozone sovereign debt crisis and support the flagging economic environment. Longer term, equities continue to be supported by reasonable valuation levels. Bond yields are expected to remain quite low.

Equity Markets

- Equity markets fell heavily for the second consecutive month on concerns over weakening economic growth and the eurozone debt crisis, with Greece back on centre stage.
- World equities (in euro terms) fell by close to 3% during the month, leaving the total return for the first nine months of 2011 at -13%. Returns for the eurozone investor were, however, supported by currency movements.
- Returns, in local currency terms, for the main markets in September ranged between -1% (Japan) and -14% (Hong Kong).
- Defensive sectors, such as consumer staples and utilities, outperformed cyclical stocks, while financial stocks were again amongst the worst performing areas. Technology stocks performed credibly.

Commodities & Currencies

- Commodity prices collapsed in September on the back of a continued slow-down in economic activity. In eurozone terms, however, losses were reduced somewhat.
- Brent oil (European) ended the month down over 10% at \$103 per barrel, while West Texas (US) ended September down 11% at \$79 per barrel.
- The gold price finally came under pressure following its massive move upwards this year. The metal finished the month down 11% at \$1,620 per troy ounce.
- The €/€ rate moved significantly lower during the period from 1.44 to 1.34. The escalation of the eurozone debt crisis contributed to the euro's weakness.

Bonds & Interest Rates

- Eurozone bonds made further gains in September (up 1%) following August's 4% surge. With the exception of Ireland, the core outperformed the periphery.
- German 10-year bond yields fell to a multi-decade low of 1.6%, helped by the continued turmoil in equities and a flight-to-quality.
- Short-term eurozone interest rates have been increased twice during 2011 from 1% to 1.5%. However, markets now anticipate a volte-face from the ECB, with at least one rate cut expected by Christmas.
- The current market prediction is that UK and US rates will not be increased until mid-2013.

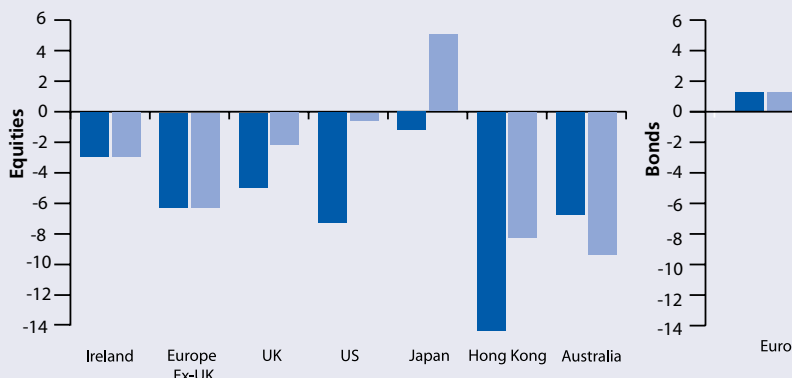
Fund Allocations & Activity

- Equities:** The funds are close to neutral.
- Bonds:** The funds are close to neutral.
- Activity:** Equity positions were decreased marginally, while there was a further switch from Europe into the US.
- Regionally, the funds are:**
- underweight in Ireland, Europe and the UK;
 - neutral in Japan and the Pacific Basin;
 - overweight in the US.
- Sectorwise, the funds are:**
- overweight technology;
 - underweight financials and industrials;
 - otherwise reasonably balanced.

Equity and Bond % Returns

This graph shows the performance of the major equity markets over the month of September. 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 (%)



	Year to Date	Annualised						Fund Size (€)
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	
Managed Dynamic								
<i>Zurich Life (Ind) Dynamic</i>	-11.5%	-4.3%	1.6%	-2.9%	3.1%	5.4%	9.1%	901,443,156
<i>Zurich Life (Ind) Performance</i>	-9.4%	-3.6%	2.1%	-2.5%	3.3%	5.7%	8.8%	794,937,304
Acorn Life (Ind) Pension Managed Growth	-11.9%	-3.1%	1.6%	-4.5%	1.4%	4.9%	6.5%	227,200,000
Aviva L&P Pension Focused Managed I	-12.2%	-5.6%	-1.1%	-6.3%	0.3%	Not Started	Not Started	6,904,196
Lifetime/BIAM (Ind) Lifetime/SSGA (Ind) Pen Opportunity	-12.8%	-6.9%	0.1%	-5.6%	0.3%	3.9%	6.1%	6,002,000
<i>MoneyMate Sector Average</i>	-11.3%	-5.8%	0.3%	-4.7%	1.2%	4.7%	6.7%	
Managed Balanced								
<i>Zurich Life (Ind) Balanced</i>	-9.2%	-3.7%	2.1%	-1.6%	3.4%	6.0%	8.9%	1,173,306,451
Acorn Life (Ind) Pension Managed	-9.6%	-2.4%	2.6%	-3.0%	1.9%	5.0%	6.8%	127,900,000
Ark Life (Ind) Pension Managed *	-11.0%	-6.0%	-1.6%	-5.4%	-0.5%	2.9%	5.1%	--
Canada Life (Ind) Setanta Pension Managed *	-7.0%	-3.4%	1.6%	-2.1%	2.5%	5.0%	6.5%	1,027,369,604
Friends (Ind) Managed	-11.8%	-6.1%	0.2%	-5.2%	1.0%	4.1%	5.9%	691,070,000
Aviva L&P Pen Laser Pension Managed Fund	-10.4%	-5.3%	-1.9%	-6.1%	0.3%	3.8%	5.4%	376,832,448
Irish Life (Ind) Exempt Managed 1	-13.2%	-8.7%	-0.1%	-5.1%	1.3%	4.3%	5.7%	1,266,373,498
Lifetime/BIAM (Ind) Pen Growth	-11.1%	-6.1%	0.3%	-5.2%	0.9%	4.3%	6.4%	--
New Irl (Ind) Pension Managed 3	-10.9%	-5.9%	0.6%	-5.0%	1.1%	4.9%	6.5%	1,961,900,000
SL Synergy Balanced MultiManager	-9.7%	-4.3%	1.7%	-5.4%	Not Started	Not Started	Not Started	160,000,000
<i>MoneyMate Sector Average</i>	-9.4%	-4.8%	0.3%	-3.7%	1.1%	4.3%	6.5%	
Managed Defensive								
<i>Zurich Life (Ind) Cautiously Managed</i>	1.4%	-0.7%	5.2%	Not Started	Not Started	Not Started	Not Started	86,595,507
Aviva L&P GMP Pension Cautiously Managed Fund *	-2.5%	-1.4%	-0.5%	-1.3%	2.0%	Not Started	Not Started	483,217
SL Synergy Cautious Managed	-1.4%	-0.6%	4.8%	1.4%	Not Started	Not Started	Not Started	26,000,000
<i>MoneyMate Sector Average</i>	-0.4%	-1.2%	2.1%	0.6%	2.9%	2.6%	3.7%	
Bond								
<i>Zurich Life (Ind) Active Fixed Income</i>	7.4%	0.3%	7.0%	4.7%	5.7%	7.5%	Not Started	225,738,389
<i>Zurich Life (Ind) Long Bond Fund</i>	6.4%	-2.5%	6.5%	3.7%	Not Started	Not Started	Not Started	60,299,742
Canada Life (Ind) Setanta Pen Fixed Interest *	0.1%	-5.5%	2.5%	1.5%	3.4%	4.9%	6.4%	221,836,220
Friends (Ind) Fixed Interest	4.0%	-1.9%	5.2%	2.4%	4.1%	5.5%	7.1%	70,420,000
Aviva L&P Pen Laser Pension Bond *	3.7%	-2.7%	3.2%	2.1%	4.4%	5.6%	6.7%	54,949,651
Irish Life (Ind) Exempt Fixed Interest 2	3.4%	-1.3%	6.1%	3.8%	4.8%	6.0%	7.2%	1,044,835
New Irl (Ind) Pension Gilt Edge 2 *	4.3%	-1.6%	6.0%	3.3%	4.5%	5.8%	7.1%	675,093,000
<i>MoneyMate Sector Average</i>	3.3%	-1.7%	4.7%	2.8%	4.5%	5.9%	7.0%	
Money Market								
<i>Zurich Life (Ind) Secure</i>	0.5%	0.6%	0.9%	2.0%	2.2%	3.3%	4.7%	468,180,043
Acorn Life (Ind) Pension Deposit	1.7%	2.2%	2.4%	2.9%	2.5%	3.2%	4.6%	3,400,000
Canada Life (Ind) Setanta Pension Money *	0.2%	0.3%	0.8%	1.9%	1.9%	2.6%	3.8%	362,588,114
Friends (Ind) Cash	0.3%	0.6%	1.2%	2.1%	2.1%	2.7%	3.9%	83,260,000
Aviva L&P Pension Cash	0.3%	0.5%	1.7%	2.4%	2.2%	Not Started	Not Started	172,843,642
Irish Life (Ind) Exempt Cash 1	0.3%	0.5%	1.8%	2.5%	2.2%	2.9%	4.0%	905,875
Lifetime/BIAM (Ind) Pen Security	0.1%	0.1%	0.6%	1.5%	1.6%	2.3%	3.3%	1,839,000
New Irl (Ind) Pension Cash 2 *	0.2%	0.3%	0.9%	1.8%	1.8%	2.5%	3.8%	693,817,000
SL Synergy Cash Fund	0.0%	0.0%	0.3%	1.4%	Not Started	Not Started	Not Started	239,600,000
<i>MoneyMate Sector Average</i>	0.3%	0.4%	1.1%	2.0%	2.0%	2.8%	4.1%	
Flexible Equity								
<i>Zurich Life (Ind) International Equity</i>	-13.0%	-3.7%	1.1%	-2.0%	2.1%	Not Started	Not Started	202,266,931
Canada Life (Ind) Passive Equity 2	-13.7%	-4.3%	-1.1%	-5.4%	Not Started	Not Started	Not Started	5,564,211
Friends (Ind) International	-15.2%	-7.2%	1.9%	-3.5%	0.3%	3.1%	4.7%	178,100,000
Aviva L&P Pen Laser Pension International Eq	-15.6%	-8.5%	-0.7%	-5.0%	-0.8%	3.0%	4.7%	40,207,818
Irish Life (Ind) Indexed Global Equity P	-15.1%	-5.6%	0.7%	-5.4%	Not Started	Not Started	Not Started	195,167,952
New Irl (Ind) Pension International 2 *	-15.9%	-8.6%	-0.5%	-4.9%	-1.3%	3.2%	4.9%	651,516,000
SL Synergy Global Equity Tracker	-12.7%	-3.0%	2.3%	-3.3%	Not Started	Not Started	Not Started	200,000
<i>MoneyMate Sector Average</i>	-13.9%	-5.7%	0.6%	-4.0%	0.5%	3.4%	5.6%	

Warning: The income you get from this investment may go down as well as up. The value of your investment may go down as well as up. Returns are based on an investment in the funds and do not represent the returns achieved by individual policies linked to the funds. Benefits may be affected by changes in currency exchange rates. Past performance is not a reliable guide to future performance.

	Year to Date	Annualised						Fund Size (€)
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	
Eurozone Equity ¹								
Zurich Life Eurozone Equity G	-17.6%	-12.3%	-0.9%	-3.1%	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	67,304,864
AlB Inv Mgr Ltd Eurozone Equity Indexmaster B	-19.6%	-15.5%	-5.2%	-7.0%	Not Started	Not Started	Not Started	67,630,936
Ark Life Eurozone 2 G	-15.5%	-9.8%	-4.2%	-7.8%	-2.0%	Not Started	Not Started	72,080,973
Aviva L&P Euro Equity Fund	-15.8%	-14.3%	-4.5%	-7.0%	-0.3%	Not Started	Not Started	11,959,507
New Ireland Euroland Equity S9	-19.1%	-16.5%	-7.0%	-8.6%	-2.8%	Not Started	Not Started	5,026,000
MoneyMate Sector Average	-18.1%	-13.2%	-2.8%	-5.8%	0.2%	-0.7%	-0.6%	
Irish Equity								
Zurich Life (Ind) Irish Equity	-7.8%	-0.6%	-7.1%	-17.2%	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	7,079,036
Ark Life (Ind) Pension Irish	-9.6%	-4.2%	-8.2%	-18.6%	-5.1%	Not Started	Not Started	3,178,494
Friends (Ind) Irish Equity	-11.2%	-4.6%	-7.0%	-18.1%	-3.3%	2.1%	5.0%	32,270,000
Hib Life & Pen NU (Ind) Irish Equity *	-10.6%	-3.8%	-9.1%	-19.0%	-3.1%	Not Started	Not Started	3,571,281
Irish Life (Ind) Irish Equity Indexed Fund P	-12.2%	-5.5%	-10.3%	-20.3%	Not Started	Not Started	Not Started	62,489,161
New Irl (Ind) Pension Irish Equity 3 *	-7.4%	-0.5%	-6.3%	-18.6%	-2.0%	2.7%	Not Started	81,096,000
SL Synergy Irish Equity Tracker	-12.5%	-6.1%	-9.1%	-20.1%	Not Started	Not Started	Not Started	11,800,000
MoneyMate Sector Average	-10.1%	-3.3%	-8.5%	-19.0%	-4.2%	1.6%	5.0%	
Specialist Funds ^{1&2}								
Zurich Life Dividend Growth G	-8.6%	-2.7%	2.5%	-5.0%	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	120,427,957
Zurich Life Active Asset Allocation	-5.6%	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	17,193,520
Aviva L&P High Yield	-9.4%	-0.5%	2.2%	-1.2%	3.1%	Not Started	Not Started	5,897,305
Canada Life CL/Set Equity Div Non Dis G	-8.7%	-2.5%	3.1%	-3.5%	Not Started	Not Started	Not Started	304,347,164
Blokhams High Yield Fund 1 G *	-14.8%	-6.3%	0.4%	-5.5%	Not Started	Not Started	Not Started	224,439,921
Merrion SB Ltd Merrion High Yield Fund G	-13.1%	-9.2%	-4.8%	-13.8%	Not Started	Not Started	Not Started	12,205,610
Average of selected funds	-10.1%	-4.2%	0.7%	-5.8%	3.1%	N/A	N/A	
Concentrated Funds ^{1&2}								
Zurich Life 5 Star 5 Global G	-14.7%	-7.1%	-4.2%	-4.3%	4.1%	<i>Not Started</i>	<i>Not Started</i>	175,753,693
Zurich Life 5 Star 5 Europe G	-13.9%	-9.4%	-3.4%	-5.5%	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	69,359,890
Zurich Life 5 Star 5 Americas G	-10.2%	1.1%	-0.7%	-0.4%	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	44,048,893
Zurich Life 5 Star 5 Asia Pacific G	-14.8%	-6.2%	1.2%	-1.5%	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	86,454,881
BOI Life - Smart Funds Spotlight S9	-18.1%	-8.9%	1.4%	Not Started	Not Started	Not Started	Not Started	6,168,000
Canada Life / Setanta Focus 15 G	-10.4%	1.1%	10.5%	0.8%	0.9%	Not Started	Not Started	120,878,771
Aviva L&P Target 20 Fund	-15.3%	-5.1%	-4.7%	-7.0%	-4.3%	Not Started	Not Started	12,421,427
Average of selected funds	-13.9%	-4.9%	0.0%	-3.0%	0.2%	N/A	N/A	
Zurich Life INDEX TRACKER / ETF FUNDS								
Property Equity Funds								
Australasia Property Fund (Ind)	-23.0%	-17.7%	4.9%	Not Started	Not Started	Not Started	Not Started	6,136,031
European Ex UK Property Fund (Ind)	-11.5%	-9.7%	4.0%	Not Started	Not Started	Not Started	Not Started	8,393,764
Eurozone Property* (Ind)	-14.0%	-12.2%	-0.4%	-8.4%	Not Started	Not Started	Not Started	25,761,270
Geographic Funds								
India Equity (Ind)	-28.4%	-26.9%	6.9%	Not Started	Not Started	Not Started	Not Started	26,989,909
Sector Fund								
TopTech 100 (Ind)	-3.6%	9.0%	12.3%	4.1%	1.8%	Not Started	Not Started	10,249,245
Commodity Funds								
Global Commodities (Ind)	-9.6%	5.4%	-14.9%	-7.1%	Not Started	Not Started	Not Started	18,704,546
Strategy Funds								
Green Resources (Ind)	-39.4%	-33.5%	-20.0%	Not Started	Not Started	Not Started	Not Started	3,189,894
Earth Resources (Ind)	-20.4%	-7.3%	-7.2%	Not Started	Not Started	Not Started	Not Started	14,945,898
Diversified Assets (Ind)	-8.5%	-2.9%	0.8%	Not Started	Not Started	Not Started	Not Started	8,888,777

The returns shown are net of the annual management charge deducted by each provider in their unit prices. This will vary for each provider, and any difference will impact the relative performance of the funds shown.

The MoneyMate sector averages shown are the average of all funds in each of the MoneyMate sectors in the individual pensions category except where otherwise stated. The funds highlighted have been chosen to show one of each competitors' funds, and to show the performance of competitors over short, medium and long terms.

Source: MoneyMate as on 10/10/2011.

- 1 The average shown is the average of the relevant MoneyMate Irish Domestic Funds (Gross) sector. This sector has been chosen as it contains the most comprehensive selection of competitor funds.
- 2 This is not a sector on MoneyMate but has been created to compare the performance of the Zurich Life fund to that of its closest competitors in the Irish Domestic Funds (Gross) sector. The average shown is the average of the selected funds above.

* Note that this fund is no longer open to new business. Other similar funds which are open to new business may be available from the relevant fund manager.

Figures highlighted in blue indicate where the Zurich Life fund has outperformed the average.

A secure investment with potential to earn real returns

The Zurich Life **Guaranteed Tracker Fund Series 3** is an innovative fund that is available for once-off investments for a limited period only.

The fund is a secure investment which guarantees you will receive at least your invested premium* on 12th December 2016.

The fund also provides a return linked to the performance of the Euro Stoxx 50 Index. This return is calculated as follows:

- The maximum loss that can be incurred in any one month will be 6% - limiting some of the risks normally associated with direct investment in the stock market.
- The maximum gain per month taken into account is 3%.

There is also an innovative annual lock-in feature which protects your investment gains at certain times.

Zurich Life has chosen a partner with a financially strong rating to provide the return and repayment of capital on this product.

Credit Suisse International†, is rated A+ by Standard & Poor's (as at October 2011)**.

* For the Guaranteed Tracker Bond Series 3, invested premium refers to premium paid less the Government insurance levy. Government insurance levy is currently 1% (as at October 2011) and may change in the future.

** You should note that a credit rating is not a recommendation to invest nor a guarantee as to the future returns for this product and such rating may change from time to time.

† Zurich Life will invest in a deposit account with Credit Suisse International ('Credit Suisse'), a member of the Credit Suisse Group. The Guaranteed Tracker Fund Series 3 does not constitute a contract between the client and Credit Suisse and does not give the client recourse to Credit Suisse or the assets of the Zurich Life Guaranteed Tracker Fund Series 3. In the event that Credit Suisse does not meet its obligations to Zurich Life, or the return from Credit Suisse is otherwise insufficient, the value of the Guaranteed Tracker Fund Series 3 will be based solely on the value returned from the account with Credit Suisse. No other assets of Zurich Life shall be used to make up the difference.

Warning: The value of this investment can go down as well as up. If you cash in your investment before 12th December 2016 you may lose some or all of the money you invested.

Apply today!
Contact your **Financial Advisor.**

✓ 100% Capital Guarantee on 12th December 2016

✓ Potential for returns linked to the Euro Stoxx 50 Index

✓ Innovative lock-in of highest anniversary value

✓ Protecting your investment from large market falls each month

✓ Financially secure counterparty - Credit Suisse

✓ **Limited Offer until 7th December 2011**
(or earlier if fully subscribed)

This Monthly Investment Review does not constitute an offer and should not be taken as a recommendation from Zurich Life. Advice should always be sought from an appropriately qualified professional.

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