

Zurich Life Monthly Investment Review

For November 2011



Investment Comment & Outlook

Overall: Equity markets remain vulnerable, with many hopes being invested in the EU summit in early December, which is likely to disappoint. Bond yields are expected to remain low.

Equity Markets

- Equities struggled for most of the month, primarily reacting to the newsflow surrounding the eurozone debt crisis. However, a sharp rally in the last couple of days of the month put a more respectable gloss on the returns.
- World equities (in euro terms) rose 0.7% during the month, leaving the total return for the first eleven months of 2011 at -6.6%.
- Returns, in local currency terms, for the main markets in November ranged from -0.5% in the US to -9.4% in Hong Kong. The Irish market managed a small gain, rising 0.9%.
- Defensive stocks had a stronger month, with sectors such as food & beverages and telecoms to the fore. Banks were extremely weak across all markets, affected by the ongoing turmoil in the eurozone.

Commodities & Currencies

- Commodity prices had a relatively quiet month overall, peaking in mid-month before easing slightly over the second half.
- Brent oil (European) ended November at just over \$110 per barrel, little changed on the month. West Texas (US) continued its sharp rise, adding almost another 8% on top of its October increase.
- The gold price had a relatively quiet month, rising just over 1% to close at \$1746 per troy ounce.
- The €/£ rate finished the month at 1.345, having been as low as 1.32 at one stage. This represents a fall of well over 3% on the month.

Bonds & Interest Rates

- Bonds were sharply lower in November, with the Merrill Lynch Euro Over 5 year index falling 3.5%. All eurozone bond markets fell, with the core holding up better than the periphery.
- Most of the focus was on Spain and Italy, with the latter particularly under pressure. Prime Minister, Silvio Berlusconi, was forced to resign, with a new technocratic government put in place, led by Mario Monti.
- In his first meeting as President of the ECB, Mario Draghi presided over a surprise 0.25% cut in eurozone interest rates, leaving them at 1.25%. A further cut is expected at the next meeting in early December.

Fund Allocations & Activity

Equities: The funds are underweight.

Bonds: The funds are overweight.

Activity: Eurozone equities were further reduced, with an increase in the US position.

Regionally, the funds are:

- underweight in Ireland, Japan, the UK and Europe;
- neutral in the US and the Pacific Basin;
- overweight in no market.

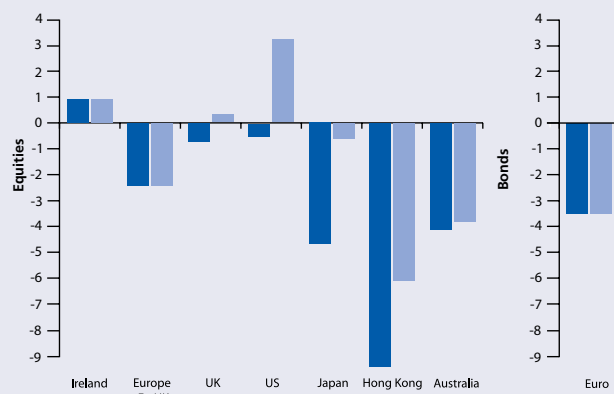
Sectorwise, the funds are:

- 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 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 (%)



	Year to Date	Annualised						Fund Size (€)
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	
Managed Dynamic								
Zurich Life (Ind) Dynamic	-6.3%	-2.4%	9.3%	-2.5%	2.8%	5.7%	9.8%	953,244,144
Zurich Life (Ind) Performance	-5.3%	-2.1%	8.7%	-2.2%	2.9%	5.9%	9.3%	828,655,853
Acorn Life (Ind) Pension Managed Growth	-8.8%	-5.5%	8.9%	-4.7%	0.9%	5.1%	7.0%	--
Aviva L&P Pension Focused Managed I	-5.4%	-2.3%	7.8%	-5.4%	0.1%	Not Started	Not Started	6,904,196
Lifetime/SSgA (Ind) Pen Opportunity	-8.0%	-3.9%	7.4%	-5.1%	0.0%	4.0%	6.6%	6,002,000
MoneyMate Sector Average	-7.1%	-3.6%	6.8%	-4.2%	0.9%	4.8%	7.2%	
Managed Balanced								
Zurich Life (Ind) Balanced	-5.1%	-2.1%	8.0%	-1.3%	3.1%	6.1%	9.3%	1,208,513,179
Acorn Life (Ind) Pension Managed	-7.3%	-4.4%	8.6%	-3.2%	1.5%	5.1%	7.1%	--
Ark Life (Ind) Pension Managed *	-7.3%	-4.7%	5.0%	-5.1%	-0.8%	3.1%	5.4%	--
Canada Life (Ind) Setanta Pension Managed *	-3.2%	-0.3%	7.2%	-1.7%	2.1%	5.0%	6.9%	1,027,369,604
Friends (Ind) Managed	-8.2%	-4.7%	6.3%	-4.9%	0.7%	4.2%	6.4%	691,070,000
Aviva L&P Pen Laser Pension Managed Fund	-7.9%	-5.3%	4.0%	-6.0%	-0.2%	3.8%	5.6%	376,832,448
Irish Life (Ind) Exempt Managed 1	-9.1%	-4.1%	7.4%	-4.7%	1.0%	4.5%	6.1%	1,266,373,498
Lifetime/SSgA (Ind) Pen Growth	-7.8%	-4.1%	6.3%	-5.0%	0.5%	4.3%	6.7%	--
New Irl (Ind) Pension Managed 3	-7.5%	-3.8%	6.6%	-4.7%	0.6%	5.1%	7.0%	1,961,900,000
SL Synergy Balanced MultiManager	-6.9%	-3.9%	7.4%	-5.4%	Not Started	Not Started	Not Started	--
MoneyMate Sector Average	-6.8%	-3.8%	5.9%	-3.7%	0.4%	3.9%	6.2%	
Managed Defensive								
Zurich Life (Ind) Cautiously Managed	-0.7%	-0.6%	5.4%	Not Started	Not Started	Not Started	Not Started	88,610,459
Aviva L&P GMP Pension Cautiously Managed Fund *	-2.4%	-1.6%	0.1%	-1.5%	1.7%	Not Started	Not Started	483,217
SL Synergy Cautious Managed	-5.5%	-4.7%	4.4%	0.2%	Not Started	Not Started	Not Started	26,000,000
MoneyMate Sector Average	-2.3%	-1.7%	2.1%	-0.4%	2.2%	2.5%	3.7%	
Bond								
Zurich Life (Ind) Active Fixed Income	1.8%	0.2%	3.0%	3.4%	4.7%	6.9%	Not Started	219,679,335
Zurich Life (Ind) Long Bond Fund	-0.6%	-2.9%	1.8%	1.9%	Not Started	Not Started	Not Started	57,075,494
Canada Life (Ind) Setanta Pen Fixed Interest *	-6.2%	-6.3%	-1.4%	0.0%	2.4%	4.3%	5.9%	221,836,220
Friends (Ind) Fixed Interest	-0.4%	-1.4%	2.3%	1.3%	3.3%	4.9%	6.8%	70,420,000
Aviva L&P Pen Laser Pension Bond *	-1.3%	-3.2%	0.6%	0.9%	3.6%	4.9%	6.3%	54,949,651
Irish Life (Ind) Exempt Fixed Interest 2	-3.2%	-3.5%	1.7%	2.2%	3.8%	5.3%	6.8%	1,044,835
New Irl (Ind) Pension Gilt Edge 2 *	-2.0%	-3.2%	1.4%	1.8%	3.5%	5.2%	6.6%	675,093,000
MoneyMate Sector Average	-1.7%	-2.5%	1.7%	1.6%	3.6%	5.3%	6.6%	
Money Market								
Zurich Life (Ind) Secure	0.6%	0.6%	0.7%	1.9%	2.2%	3.2%	4.5%	491,570,147
Acorn Life (Ind) Pension Deposit	1.9%	2.1%	2.2%	2.9%	2.5%	3.2%	4.5%	--
Canada Life (Ind) Setanta Pension Money *	0.2%	0.3%	0.6%	1.8%	1.8%	2.5%	3.7%	362,588,114
Friends (Ind) Cash	0.3%	0.4%	1.0%	2.0%	2.0%	2.7%	3.9%	83,260,000
Aviva L&P Pension Cash	0.3%	0.4%	1.6%	2.3%	2.2%	Not Started	Not Started	172,843,642
Irish Life (Ind) Exempt Cash 1	0.3%	0.4%	1.6%	2.4%	2.2%	2.8%	3.9%	905,875
Lifetime/SSgA (Ind) Pen Security	0.1%	0.1%	0.4%	1.5%	1.5%	2.2%	3.3%	1,839,000
New Irl (Ind) Pension Cash 2 *	0.3%	0.3%	0.7%	1.7%	1.7%	2.5%	3.8%	693,817,000
SL Synergy Cash Fund	0.0%	0.0%	0.1%	1.4%	Not Started	Not Started	Not Started	239,600,000
MoneyMate Sector Average	0.4%	0.4%	0.9%	1.9%	1.9%	2.8%	4.0%	
Flexible Equity								
Zurich Life (Ind) International Equity	-6.9%	-2.6%	9.3%	-1.2%	1.9%	8.0%	Not Started	215,711,234
Canada Life (Ind) Passive Equity 2	-6.6%	-3.1%	8.1%	-4.1%	Not Started	Not Started	Not Started	5,564,211
Friends (Ind) International	-9.8%	-5.5%	10.2%	-2.7%	0.0%	3.5%	5.4%	178,100,000
Aviva L&P Pen Laser Pension International Eq	-6.3%	-2.7%	9.8%	-3.3%	-0.6%	3.6%	5.4%	40,207,818
Irish Life (Ind) Indexed Global Equity P	-9.1%	-3.3%	10.5%	-4.6%	Not Started	Not Started	Not Started	195,167,952
New Irl (Ind) Pension International 2 *	-9.6%	-5.0%	9.2%	-3.9%	-1.4%	3.6%	5.6%	651,516,000
SL Synergy Global Equity Tracker	-8.2%	-4.0%	10.4%	-2.8%	Not Started	Not Started	Not Started	200,000
MoneyMate Sector Average	-8.3%	-4.2%	9.5%	-3.3%	0.3%	4.1%	6.3%	

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	-12.6%	-7.0%	8.0%	-2.5%	Not Started	Not Started	Not Started	70,659,141
AIB Inv Mgr Ltd Eurozone Equity Indexmaster B	-19.3%	-13.4%	2.7%	-7.5%	Not Started	Not Started	Not Started	67,630,936
Ark Life Eurozone 2 G	-9.7%	-3.7%	6.1%	-6.8%	-2.4%	Not Started	Not Started	72,080,973
Aviva L&P Euro Equity Fund	-12.2%	-8.2%	5.2%	-6.8%	-0.9%	Not Started	Not Started	11,959,507
New Ireland Euroland Equity S9	-13.3%	-8.4%	3.1%	-7.8%	-2.8%	Not Started	Not Started	5,026,000
MoneyMate Sector Average	-13.9%	-9.0%	6.6%	-5.2%	-0.1%	-0.4%	-0.3%	
Irish Equity								
Zurich Life (Ind) Irish Equity	0.2%	8.3%	6.8%	-16.9%	Not Started	Not Started	Not Started	7,575,759
Ark Life (Ind) Pension Irish	-1.2%	7.6%	4.4%	-17.6%	-5.0%	Not Started	Not Started	3,178,494
Friends (Ind) Irish Equity	-4.1%	4.8%	5.0%	-17.8%	-3.5%	2.5%	5.8%	32,270,000
Hib Life & Pen NU (Ind) Irish Equity *	-3.2%	5.3%	3.1%	-18.7%	-3.5%	Not Started	Not Started	3,571,281
Irish Life (Ind) Irish Equity Indexed Fund P	-3.4%	5.5%	4.1%	-19.5%	Not Started	Not Started	Not Started	62,489,161
New Irl (Ind) Pension Irish Equity 3 *	-0.9%	8.1%	6.0%	-18.4%	-2.7%	3.1%	Not Started	81,096,000
SL Synergy Irish Equity Tracker	-5.9%	2.3%	3.8%	-19.9%	Not Started	Not Started	Not Started	11,800,000
MoneyMate Sector Average	-2.7%	5.1%	4.1%	-18.6%	-4.5%	2.0%	5.5%	
Specialist Funds ^{1 & 2}								
Zurich Life Dividend Growth G	-4.1%	-0.7%	11.4%	-4.5%	Not Started	Not Started	Not Started	121,390,401
Aviva L&P High Yield	-2.5%	0.2%	10.8%	-0.4%	3.1%	Not Started	Not Started	5,897,305
Canada Life CL/Set Equity Div Non Dis G	-4.8%	1.0%	9.7%	-3.1%	Not Started	Not Started	Not Started	304,347,164
Bloxhams High Yield Fund 1 G *	-8.6%	-4.5%	7.3%	-4.5%	Not Started	Not Started	Not Started	224,439,921
Merrion SB Ltd Merrion High Yield Fund G	-16.5%	-13.1%	8.5%	-15.3%	Not Started	Not Started	Not Started	12,205,610
Average of selected funds	-6.7%	-3.0%	9.5%	-5.6%	3.1%	N/A	N/A	
Concentrated Funds ^{1 & 2}								
Zurich Life 5 Star 5 Global G	-10.2%	-7.1%	2.9%	-3.9%	3.3%	Not Started	Not Started	183,015,432
Zurich Life 5 Star 5 Europe G	-9.2%	-3.5%	5.5%	-4.9%	Not Started	Not Started	Not Started	71,383,059
Zurich Life 5 Star 5 Americas G	-4.6%	-1.5%	4.2%	0.5%	Not Started	Not Started	Not Started	45,789,540
Zurich Life 5 Star 5 Asia Pacific G	-11.0%	-7.3%	10.0%	-2.1%	Not Started	Not Started	Not Started	88,325,156
BOI Life - Smart Funds Spotlight S9	-12.3%	-8.2%	10.5%	Not Started	Not Started	Not Started	Not Started	6,168,000
Canada Life / Setanta Focus 15 G	-4.5%	1.4%	18.3%	1.2%	0.3%	Not Started	Not Started	120,878,771
Aviva L&P Target 20 Fund	-2.0%	0.8%	7.4%	-4.6%	-3.9%	Not Started	Not Started	12,421,427
Average of selected funds	-7.7%	-3.6%	8.4%	-2.3%	-0.1%	N/A	N/A	
Multi Asset Funds								
Zurich Life Active Asset Allocation	-3.9%	-0.7%	Not Started	Not Started	Not Started	Not Started	Not Started	21,449,058
Zurich Life Diversified Assets (Ind)	-4.8%	-1.2%	8.6%	Not Started	Not Started	Not Started	Not Started	8,518,641
Zurich Life INDEX TRACKER / ETF FUNDS								
Property Equity Funds								
Australasia Property Fund (Ind)	-12.5%	-10.4%	18.7%	Not Started	Not Started	Not Started	Not Started	6,678,247
European Ex UK Property Fund (Ind)	-13.3%	-5.6%	15.5%	Not Started	Not Started	Not Started	Not Started	7,825,116
Eurozone Property* (Ind)	-16.3%	-9.5%	12.0%	-9.5%	Not Started	Not Started	Not Started	24,096,193
Geographic Funds								
India Equity (Ind)	-32.1%	-29.1%	17.5%	Not Started	Not Started	Not Started	Not Started	23,514,360
Sector Fund								
TopTech 100 (Ind)	3.1%	4.7%	22.4%	4.7%	-0.8%	Not Started	Not Started	11,171,887
Commodity Funds								
Global Commodities (Ind)	-1.1%	5.1%	0.7%	-5.2%	Not Started	Not Started	Not Started	19,432,037
Strategy Funds								
Green Resources (Ind)	-38.1%	-34.7%	-8.5%	Not Started	Not Started	Not Started	Not Started	3,253,273
Earth Resources (Ind)	-14.8%	-10.4%	3.8%	Not Started	Not Started	Not Started	Not Started	15,402,973

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 08/12/2011.

- 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.

Dynamic Diversified Growth Fund

with BlackRock Investment Management (UK) Limited

The **Dynamic Diversified Growth Fund** seeks to deliver long-term capital growth with a low tolerance for capital loss. The fund aims to outperform cash returns. To achieve this, the fund invests in the BlackRock Strategic Funds ('BSF') Euro Dynamic Diversified Growth Fund which is an actively managed fund with a transparent and a well-diversified portfolio.

Key features of the fund:

- ✓ Actively managed multi-asset **BlackRock** fund.
- ✓ Part of the **Matrix** range of funds.
- ✓ Seeks long-term **capital growth** with low tolerance for capital loss.
- ✓ **Target** to outperform cash returns.
- ✓ **Diversified portfolio** of equities, bonds, alternatives and cash.
- ✓ Dynamic investment process allowing **wide ranges of asset splits**.
- ✓ **Protection strategies** (e.g. options) to control risk.

Performance Target: Cash + 4% p.a. (gross of fees)*

* The performance target of the BSF Euro DDG Fund is based over a rolling three year period. Please note the primary objective of the fund is to deliver capital growth. The target reflects a long term goal for the investment manager and fund performance may deviate from this target significantly due to the strategy's exposure to assets that may go up or down in value.

Cash is measured as the Euro Overnight Index Average (EONIA) interest rate. EONIA is the weighted average of all overnight unsecured lending transactions in the interbank market. The EONIA average for the year ending 30th November 2011 was 0.86%.

Warning: The value of your investment may go down as well as up. Benefits may be affected by changes in currency exchange rates.



For more details
contact your
Financial Advisor or
visit www.zurichlife.ie

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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