

OVERALL

Despite a relatively poor start in the first quarter of the year, equities remain supported by the expectation of reasonably strong earnings' growth and low interest rates. International money flows remain equity-positive. Valuations, however, are no longer good value while markets will have to deal with on-going tapering of QE and eventual interest rate rises. Eurozone government bonds (and commodities) have outperformed so far this year, although many market commentators expect yields to eventually rise.

ZURICH LIFE FUND ALLOCATIONS & ACTIVITY

Equities: The funds are slightly overweight.

Bonds: The funds are close to neutral.

Activity: The equity position in Europe was increased slightly at the expense of Ireland.

Regionally, the funds are:

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

Sectorwise, the funds are:

- Underweight technology and energy.
- Overweight consumer services and industrials.
- Otherwise broadly balanced.

EQUITY MARKETS

- Equities rose for a second month in-a-row in March following sharp falls at the beginning of the year. The global market went through the fifth anniversary of the current bull market on 9th March with a rise of close to 150% from the low point. During the month, the markets shrugged off some mixed economic data, rising geo-political tensions in Ukraine/Crimea and comments from Federal Reserve Chair, Janet Yellen, concerning the timing of the first interest rate rise in the US (likely the Spring of 2015).
- World equities (in euro terms) rose by 0.7% in March giving a total return of 1.3% for the first quarter of the year. There was a mixed bag of returns from the major markets, in local currency terms, during the month ranging from 0.7% in the US to minus 3.1% in the UK. Ireland fell back following an excellent run which had been based on the recovery story. Apart from a strong Australian dollar, returns to the eurozone investor were little changed as a result of currency movements.
- Sectorwise, March saw a significant amount of rotation with equities (such as internet stocks) that had performed well last year being sold down and those stocks that had under-performed being bought.

BONDS & INTEREST RATES

- The Merrill Lynch Euro over 5 Year Index rose by a further 1.3% in March giving an impressive return of 5.8% for the first quarter of the year. Bonds have risen in Q1 on the

back of safe-haven flows in January as well as concerns about Chinese economic growth and deflationary risks in Europe.

- The German 10-year bond yield fell further from 1.62% to 1.55% in March, its 2013 low was around 1.2%. Equivalent US rates rose from 2.65% to 2.72% during the month.
- As expected the ECB kept short rates at the current rate of 0.25% at its meeting in early March. However, it is now looking at unconventional measures to combat deflationary forces, if required. The Fed and the Bank of England are both expected to keep interest rates at record low levels until Q2 of 2015.

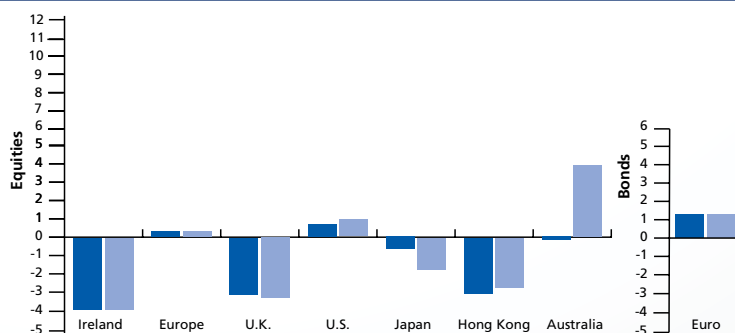
COMMODITIES & CURRENCIES

- Commodity prices rose overall by 0.7% in March and are up a strong 8.7% in the first three months of 2014, one of the best performing asset classes.
- Brent oil (European) fell by 1% during the month to end at \$108 per barrel, while West Texas (US) also fell by 1% in March to finish at \$102 per barrel.
- The gold price, which had fallen by 28% in 2013, reversed the trend in January and February when it rose by almost 10%. Some profit-taking occurred in March with the price falling by 3% to \$1,283 per troy ounce.
- With the exception of the Australian dollar, the euro was little changed against most of the major currencies during March. The €/£ rate as steady at 1.38 during the month.

EQUITY & BOND % RETURNS

This graph shows the performance of the major equity markets over the month of March. 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 LIFE ANNUALISED PERFORMANCE TO 1 APRIL 2014

	Year to Date	Annualised						Fund Size (€)
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	
Managed Dynamic								
Zurich Life Dynamic	1.7%	11.7%	10.4%	15.3%	6.9%	3.9%	8.1%	1,331,273,002
Zurich Life Performance	2.2%	11.5%	10.3%	14.4%	6.7%	4.1%	8.1%	1,084,765,220
Acorn Life Managed Growth	3.3%	10.9%	8.8%	15.6%	6.1%	3.7%	7.2%	254,000,000
Aviva IRL Focused Managed I	1.5%	6.6%	8.6%	13.2%	3.8%	2.7%	Not Started	Not Available
Lifetime/SSgA Pen Opportunity	1.6%	11.7%	9.9%	14.1%	3.8%	3.3%	6.4%	Not Available
FinEx Sector Average	1.4%	7.4%	7.3%	12.3%	4.2%	3.2%	5.8%	
Managed Balanced								
Zurich Life Balanced	2.1%	10.7%	10.1%	13.4%	6.6%	4.3%	8.3%	1,462,125,851
Acorn Life Managed	3.2%	9.4%	8.5%	14.1%	5.8%	4.0%	7.3%	138,000,000
Ark AIB Pension Managed	2.1%	9.2%	8.8%	11.3%	3.8%	1.6%	5.3%	111,000,000
Aviva IRL Laser Managed A	1.9%	12.2%	8.9%	13.0%	5.2%	3.8%	Not Started	Not Available
Canada Life Setanta Managed	0.7%	7.8%	10.5%	13.1%	5.9%	4.1%	7.1%	Not Available
Friends First Active Managed	1.5%	9.2%	8.2%	12.7%	4.1%	2.6%	6.3%	436,040,000
Irish Life Ex Active Managed	2.7%	12.6%	9.2%	13.5%	4.8%	3.6%	6.5%	Not Available
New Ireland Managed	2.1%	11.7%	10.5%	14.0%	4.8%	Not Started	Not Started	1,213,000,000
Stan Life Synergy Managed	1.3%	12.5%	11.2%	15.1%	Not Started	Not Started	Not Started	387,400,000
FinEx Sector Average	1.6%	8.1%	7.6%	11.9%	4.2%	2.9%	6.3%	
Managed Cautious								
Zurich Life Cautiously Managed	3.8%	8.1%	9.4%	9.6%	Not Started	Not Started	Not Started	224,034,901
Aviva IRL Cautiously Managed	1.6%	4.9%	5.3%	5.0%	2.9%	3.1%	Not Started	478,993
Stan Life Synergy Cautious Managed	3.4%	9.3%	9.2%	9.9%	Not Started	Not Started	Not Started	Not Available
FinEx Sector Average	1.5%	2.7%	4.3%	6.5%	3.4%	3.2%	4.2%	
Bond								
Zurich Life Active Fixed Income	6.0%	8.3%	9.8%	6.6%	5.8%	6.1%	Not Started	360,792,569
Zurich Life Long Bond	7.7%	9.5%	10.9%	7.2%	6.1%	Not Started	Not Started	48,413,471
Aviva IRL Laser Gilt	5.7%	8.4%	9.4%	5.6%	4.4%	4.8%	Not Started	Not Available
Canada Life Setanta Fixed Interest	3.1%	6.0%	6.7%	4.2%	3.7%	4.2%	5.8%	Not Available
Friends First Fixed Interest	4.2%	1.6%	5.9%	4.8%	3.5%	4.0%	6.0%	108,558,000
Irish Life Ex Fixed International	5.8%	7.3%	8.8%	6.3%	5.1%	5.1%	6.7%	Not Available
New Ireland Gilt Edge	4.6%	2.1%	6.6%	4.8%	4.3%	Not Started	Not Started	840,747
FinEx Sector Average	3.6%	4.1%	6.4%	5.8%	4.2%	4.4%	6.1%	
Cash								
Zurich Life Secure	0.0%	0.0%	0.2%	0.3%	1.5%	2.2%	3.2%	396,686,432
Acorn Life Deposit	0.0%	0.0%	0.6%	1.2%	2.5%	2.7%	3.5%	6,000,000
Aviva IRL Cash	0.0%	0.1%	0.2%	1.0%	1.9%	2.3%	Not Started	Not Available
Friends First Cash	-0.2%	-0.7%	-0.4%	0.2%	1.3%	1.8%	2.6%	184,437,000
Irish Life Ex Cash	0.0%	0.0%	0.1%	0.7%	1.7%	2.0%	2.8%	Not Available
New Ireland Personal Pension Money	-0.2%	-0.8%	-0.5%	-0.3%	0.9%	Not Started	Not Started	596,455
Stan Life Synergy Cash	0.0%	0.0%	0.0%	0.0%	Not Started	Not Started	Not Started	241,100,000
FinEx Sector Average	0.0%	-0.1%	0.2%	0.5%	1.5%	1.9%	2.8%	
International Equity								
Zurich Life International Equity	0.8%	11.1%	10.6%	16.2%	6.9%	4.7%	Not Started	372,122,318
Aviva IRL International Equity	0.6%	5.7%	8.7%	15.5%	4.8%	Not Started	Not Started	Not Available
Friends First Inter Equity	0.4%	10.0%	9.1%	16.8%	5.5%	2.2%	5.4%	431,886,000
Irish Life Index Global Equity	1.5%	11.1%	10.6%	17.5%	5.7%	3.0%	Not Started	Not Available
New Ireland International	0.8%	12.3%	10.4%	16.6%	4.3%	Not Started	Not Started	635,000,000
Stan Life Synergy Global Selector	0.5%	12.7%	11.9%	19.0%	Not Started	Not Started	Not Started	51,800,000
FinEx Sector Average	0.5%	8.6%	8.9%	16.1%	5.0%	2.5%	5.8%	

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		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	
Eurozone Equity								
Zurich Life Eurozone Equity	3.0%	25.9%	10.5%	17.7%	9.6%	Not Started	Not Started	86,091,245
Ark AIB Pension EuroZone	2.6%	19.3%	12.1%	17.2%	5.3%	Not Started	Not Started	Not Available
Aviva IRL Euro Equity	4.0%	24.0%	9.5%	15.0%	5.6%	Not Started	Not Started	Not Available
Irish Life IP International Euro Equity	5.6%	28.0%	9.9%	17.8%	Not Started	Not Started	Not Started	Not Available
FinEx Sector Average	4.1%	20.7%	8.5%	15.7%	5.2%	3.0%	6.7%	
Irish Equity								
Zurich Life Irish Equity	12.0%	27.5%	22.5%	20.8%	Not Started	Not Started	Not Started	17,771,641
Ark AIB Pension Irish	10.8%	25.6%	21.1%	18.5%	1.4%	Not Started	Not Started	Not Available
Aviva IRL Irish Equity	12.5%	27.8%	20.9%	18.4%	1.7%	2.2%	Not Started	Not Available
Friends First Irish Equity	10.0%	27.5%	21.4%	20.2%	2.2%	2.0%	7.3%	43,259,000
New Ireland Irish Equity	11.1%	33.8%	26.1%	22.2%	3.0%	Not Started	Not Started	81,000,000
Irish Life Irish Equity Indexed	10.6%	27.9%	22.3%	19.9%	Not Started	Not Started	Not Started	Not Available
Stan Life Irish Equity	7.5%	15.0%	17.4%	17.7%	0.5%	Not Started	Not Started	Not Available
FinEx Sector Average	9.3%	23.9%	19.5%	18.8%	1.7%	1.4%	6.9%	
Specialist Funds ¹								
Zurich Life Dividend Growth	1.4%	9.8%	13.5%	18.4%	Not Started	Not Started	Not Started	186,020,659
Bloxham High Yield 2	1.8%	9.3%	10.4%	14.9%	5.9%	Not Started	Not Started	200,200,000
Canada Life Setanta Equity Dividend Distributing	0.8%	10.5%	9.7%	16.2%	6.9%	Not Started	Not Started	Not Available
Average of selected funds	1.4%	9.9%	11.2%	16.5%	6.4%	N/A	N/A	
Concentrated Funds ¹								
Zurich Life 5 Star 5 Global	-1.9%	5.6%	9.4%	12.8%	5.9%	Not Started	Not Started	216,500,998
Zurich Life 5 star 5 Europe	0.8%	18.2%	13.9%	16.8%	10.0%	Not Started	Not Started	101,589,934
Zurich Life 5 star 5 Americas	3.3%	14.1%	11.7%	14.5%	8.0%	Not Started	Not Started	59,232,175
Zurich Life 5 star 5 Asia Pacific	0.1%	-3.3%	3.9%	10.2%	7.1%	Not Started	Not Started	81,807,521
Aviva IRL Target 20	2.3%	9.6%	11.6%	16.8%	3.7%	Not Started	Not Started	Not Available
Canada Life Focus 15 PRSA	1.8%	5.6%	9.8%	19.6%	7.9%	Not Started	Not Started	81,000,000
Average of selected funds	1.1%	8.3%	10.1%	15.1%	7.1%	N/A	N/A	
Multi Asset Funds								
Zurich Life Active Asset Allocation	2.5%	3.1%	6.3%	Not Started	Not Started	Not Started	Not Started	99,917,410
Zurich Life Diversified Assets	2.6%	2.0%	5.1%	11.4%	Not Started	Not Started	Not Started	11,906,283
Zurich Life INDEX TRACKER / ETF FUNDS								
Property Equity Funds								
Australasia Property Fund	0.7%	-17.6%	3.6%	15.2%	Not Started	Not Started	Not Started	8,786,379
European Ex UK Property Fund	4.3%	7.8%	4.3%	16.8%	Not Started	Not Started	Not Started	14,689,852
Eurozone Property*	4.7%	9.2%	3.2%	15.3%	Not Started	Not Started	Not Started	22,270,494
Geographic Fund								
India Equity	7.8%	-1.8%	-5.3%	12.3%	Not Started	Not Started	Not Started	15,231,287
Sector Fund								
TopTech 100	0.1%	19.5%	17.0%	23.3%	8.3%	Not Started	Not Started	21,181,025
Commodity Fund								
Global Commodities	1.2%	-7.0%	-3.7%	5.4%	Not Started	Not Started	Not Started	16,059,387
Strategy Funds								
Green Resources	9.6%	43.6%	-4.3%	4.3%	Not Started	Not Started	Not Started	5,454,957
Earth Resources	9.1%	5.6%	-5.7%	4.4%	Not Started	Not Started		9,697,704

Source: Financial Express as on 01/04/2014

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

Annual management charges (AMC) apply. The fund returns shown are net of the AMC 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 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.

* Note that this fund is no longer open to new business.

¹ This is not a sector on Financial Express but has been created to compare the performance of the Zurich Life fund to that of its closest competitors in this sector. The average shown is the average of the selected funds above.

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

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