

Zurich Life Monthly Investment Review

For March 2011



Investment Comment & Outlook

Overall: Despite the events in Japan, equity markets continue to be driven by better-than-expected economic data, strong corporate earnings and reasonable valuations. However, risks remain. These include rising inflation/interest rates, peripheral European debt concerns and geo-political factors. Bond yields are expected to be stable or rise gently.

Equity Markets

- Equity markets suffered a sharp downturn as a result of the earthquake / tsunami and fears of radiation leaks in Japan. However, they regained their composure in the second half of the period despite soaring oil prices.
- World equities (in euro terms) fell 3% in March, leaving the total return for the first quarter of 2011 at -1%.
- Returns, in local currency terms, for the main markets ranged between +1% (Hong Kong) and -9% (Japan).
- Returns for the eurozone investor were also hurt by the strength of the euro against most major currencies.

Commodities & Currencies

- Commodity prices were mixed with oil and gold continuing their upward march while copper prices fell sharply.
- Unsettled by events in the Middle East and North Africa, oil prices continued to soar.
- Brent (European) ended the month at \$117 per barrel, while West Texas (US) ended February at \$107 per barrel.
- Gold continued its inexorable rise, ending the month at \$1,439 per troy ounce.
- The main news in currencies was the continued strength of the euro on the back of expectations of early rate rises. The €/£ rate ended the period at 1.42.

Bond & Interest Rates

- Eurozone bonds fell 1% during the month, following a more stable month in February.
- Bonds have been hurt in the last six months by stronger economic data and concerns over inflation.
- During March the ECB sent out further signals that eurozone interest rates could be expected to start rising as soon as early April, (this was confirmed by a rate increase of 0.25% on 7th April). Further rises likely before year end.
- The current market prediction is that UK rates may rise by late summer, while US rates could remain unchanged until the first quarter of 2012.

Fund Allocations & Activity

Equities: The funds are slightly underweight.

Bonds: The funds are neutral.

Activity: Equities were increased marginally in Europe at the expense of the US.

Regionally, the funds are:

- underweight in Ireland, the UK and Europe;
- neutral in the US and Japan;
- overweight in the Pacific Basin.

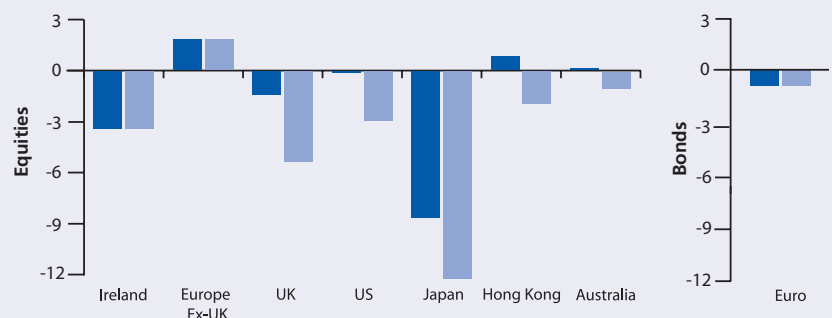
Sectorwise, the funds are:

- overweight technology and oil & gas;
- underweight consumer goods and financials;
- otherwise reasonably balanced.

Equity and 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 (%)



	Year to Date	Annualised						Fund Size (€)
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	
Managed Dynamic								
Zurich Life (Ind) Dynamic	-1.6%	5.2%	1.0%	-0.7%	3.0%	6.5%	9.8%	1,011,947,903
Acorn Life (Ind) Pension Managed Growth	0.5%	9.5%	0.1%	-1.7%	1.3%	6.3%	7.2%	171,200,000
Aviva L&P Pension Focused Managed I	-1.6%	4.2%	-3.0%	-3.7%	0.3%	Not Started	Not Started	6,904,196
Lifetime/BIAM (Ind) Lifetime/SSGA (Ind) Pen Opportunity	-1.3%	3.2%	0.1%	-3.6%	0.6%	5.3%	6.7%	6,002,000
MoneyMate Sector Average	-1.4%	4.3%	-2.1%	-3.2%	0.8%	6.1%	8.1%	
Managed Balanced								
Zurich Life (Ind) Balanced	-1.6%	3.8%	1.6%	0.2%	3.4%	7.1%	9.5%	1,304,079,867
Zurich Life (Ind) Performance	-1.7%	4.0%	0.9%	-0.7%	3.1%	6.7%	9.5%	868,858,269
Acorn Life (Ind) Pension Managed	0.2%	7.5%	0.9%	-0.7%	2.0%	6.3%	7.6%	107,300,000
Ark Life (Ind) Pension Managed *	-2.1%	2.9%	-3.2%	-3.6%	-0.5%	4.0%	Not Started	--
Canada Life (Ind) Setanta Pension Managed *	0.2%	3.2%	1.6%	-0.4%	2.1%	5.9%	6.9%	1,027,369,604
Friends (Ind) Managed	-1.5%	3.9%	-1.0%	-2.9%	1.0%	5.4%	6.6%	259,100,000
Aviva L&P Pen Laser Pension Managed	-0.7%	3.2%	-3.9%	-3.9%	0.4%	4.9%	5.9%	376,832,448
Irish Life (Ind) Exempt Managed 1	-1.1%	1.7%	-1.3%	-2.4%	1.6%	5.6%	6.5%	1,266,373,498
Lifetime/BIAM (Ind) Pen Growth	-1.3%	2.5%	-0.3%	-3.3%	1.1%	5.6%	7.0%	--
New Irl (Ind) Pension Managed 3	-1.2%	2.8%	-0.1%	-3.1%	1.3%	6.2%	7.1%	1,837,486,000
SL Synergy Balanced MultiManager	-0.4%	5.3%	-1.0%	-3.5%	Not Started	Not Started	Not Started	137,100,000
MoneyMate Sector Average	-1.1%	3.1%	-0.9%	-2.0%	1.1%	5.7%	7.2%	
Managed Defensive								
Zurich Life (Ind) Cautiously Managed	-1.7%	-1.4%	3.6%	Not Started	Not Started	Not Started	Not Started	81,203,844
Aviva L&P GMP Pension Cautiously Managed *	-0.8%	-0.4%	-2.3%	-0.1%	2.1%	Not Started	Not Started	483,217
SL Synergy Cautious Managed	-1.3%	2.5%	3.6%	1.9%	Not Started	Not Started	Not Started	13,000,000
MoneyMate Sector Average	-0.6%	0.4%	1.0%	0.9%	2.6%	2.7%	N/A	
Bond								
Zurich Life (Ind) Active Fixed Income	-1.6%	-3.5%	4.1%	3.4%	5.1%	7.7%	Not Started	202,819,270
Zurich Life (Ind) Long Bond	-2.3%	-4.6%	3.7%	2.6%	Not Started	Not Started	Not Started	54,373,357
Canada Life (Ind) Setanta Pen Fixed Interest *	-0.8%	-6.5%	2.1%	1.8%	3.5%	5.3%	6.5%	221,836,220
Friends (Ind) Fixed Interest	-1.3%	-3.9%	2.9%	1.8%	3.8%	5.9%	7.1%	70,420,000
Aviva L&P Pen Laser Pension Bond *	-2.3%	-11.2%	0.9%	1.3%	3.9%	5.8%	6.5%	54,949,651
Irish Life (Ind) Exempt Fixed Interest 2	-1.9%	-1.7%	4.2%	3.1%	4.4%	6.2%	7.2%	1,044,835
New Irl (Ind) Pension Gilt Edge 2 *	-1.7%	-3.5%	3.5%	2.4%	4.0%	6.1%	6.9%	675,093,000
MoneyMate Sector Average	-1.4%	-4.3%	2.6%	2.2%	4.1%	6.2%	6.9%	
Money Market								
Zurich Life (Ind) Secure	0.1%	0.4%	1.4%	2.2%	2.4%	3.5%	4.8%	427,481,978
Acorn Life (Ind) Pension Deposit	0.5%	1.9%	2.8%	2.9%	2.6%	3.3%	4.8%	3,400,000
Canada Life (Ind) Setanta Pension Money *	0.1%	0.2%	1.4%	2.1%	2.1%	2.7%	4.0%	362,588,114
Friends (Ind) Cash	0.2%	1.1%	1.8%	2.3%	2.2%	2.9%	4.2%	83,260,000
Aviva L&P Pension Cash	0.1%	1.2%	2.4%	2.6%	2.4%	Not Started	Not Started	172,843,642
Irish Life (Ind) Exempt Cash 1	0.1%	1.4%	2.5%	2.7%	2.4%	3.0%	4.2%	905,875
Lifetime/BIAM (Ind) Pen Security	0.0%	0.0%	1.2%	1.7%	1.7%	2.4%	3.6%	1,839,000
New Irl (Ind) Pension Cash 2 *	0.0%	0.2%	1.4%	1.9%	1.9%	2.7%	4.0%	693,817,000
SL Synergy Cash	0.0%	0.0%	0.8%	1.6%	Not Started	Not Started	Not Started	239,600,000
MoneyMate Sector Average	0.1%	0.5%	1.6%	2.1%	2.1%	3.0%	4.3%	
Flexible Equity								
Zurich Life (Ind) International Equity	-1.8%	6.4%	3.4%	0.0%	1.9%	Not Started	Not Started	226,146,214
Canada Life (Ind) Passive Equity 2	-1.5%	5.7%	1.4%	-3.1%	Not Started	Not Started	Not Started	5,564,211
Friends (Ind) International	-1.7%	7.2%	3.1%	-0.8%	0.0%	4.5%	5.6%	178,100,000
Aviva L&P Pen Laser Pension International Eq	-1.2%	6.3%	0.5%	-2.2%	-0.6%	4.3%	5.5%	40,207,818
Irish Life (Ind) Indexed Global Equity P	-2.2%	7.5%	-0.1%	-2.5%	Not Started	Not Started	Not Started	195,167,952
New Irl (Ind) Pension International 2 *	-1.7%	4.6%	2.0%	-2.3%	-1.1%	4.5%	5.9%	651,516,000
SL Synergy Global Equity Tracker	-2.0%	6.7%	3.3%	-1.3%	Not Started	Not Started	Not Started	200,000
MoneyMate Sector Average	-1.5%	6.7%	0.9%	-1.7%	0.5%	5.0%	6.7%	

Warnings: 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	3.4%	9.6%	1.9%	2.2%	Not Started	Not Started	Not Started	82,858,861
AIB Inv Mgr Ltd Eurozone Equity Indexmaster B	2.1%	5.7%	-3.2%	-1.7%	Not Started	Not Started	Not Started	67,630,936
Ark Life Eurozone 2 G	3.1%	7.5%	-3.9%	-4.2%	-2.0%	Not Started	Not Started	72,080,973
Aviva L&P Euro Equity	2.3%	1.6%	-3.4%	-2.9%	-0.4%	Not Started	Not Started	11,959,507
New Ireland Euroland Equity S9	5.6%	4.8%	-3.7%	-3.0%	-1.9%	Not Started	Not Started	5,026,000
MoneyMate Sector Average	1.4%	7.2%	-0.5%	-1.2%	0.4%	N/A	N/A	
Irish Equity								
Zurich Life (Ind) Irish Equity	2.8%	-0.8%	-19.0%	-14.4%	Not Started	Not Started	Not Started	8,286,127
Ark Life (Ind) Pension Irish	1.6%	-8.0%	-18.7%	-16.5%	Not Started	Not Started	Not Started	3,178,494
Friends (Ind) Irish Equity	0.9%	-5.8%	-18.2%	-15.5%	-3.0%	3.8%	5.8%	32,270,000
Hib Life & Pen NU (Ind) Irish Equity *	1.7%	-6.3%	-19.8%	-16.4%	-3.0%	Not Started	Not Started	3,571,281
Irish Life (Ind) Irish Equity Indexed P	0.3%	-7.5%	-21.9%	-17.8%	Not Started	Not Started	Not Started	62,489,161
New Irl (Ind) Pension Irish Equity 3 *	2.4%	-4.1%	-18.4%	-16.9%	-1.9%	4.3%	Not Started	81,096,000
SL Synergy Irish Equity Tracker	1.4%	-6.0%	-20.7%	-17.2%	Not Started	Not Started	Not Started	11,800,000
MoneyMate Sector Average	2.1%	-4.6%	-19.8%	-16.4%	-4.0%	3.3%	5.1%	
Specialist Funds ^{1 & 2}								
Zurich Life Dividend Growth G	-0.8%	9.4%	1.5%	-2.9%	Not Started	Not Started	Not Started	138,259,469
Aviva L&P High Yield	-1.4%	8.5%	2.3%	1.0%	3.0%	Not Started	Not Started	5,897,305
Canada Life CL/Set Equity Div Non Dis G	3.1%	10.8%	2.3%	-0.5%	Not Started	Not Started	Not Started	304,347,164
Bloxhams High Yield 1 G *	-3.2%	5.1%	0.7%	-2.2%	Not Started	Not Started	Not Started	224,439,921
Merrion SB Ltd Merrion High Yield G	3.6%	8.0%	-9.4%	-9.1%	Not Started	Not Started	Not Started	12,205,610
Average of selected funds	0.3%	8.3%	-0.5%	-2.7%	3.0%	N/A	N/A	
Concentrated Funds ^{1 & 2}								
Zurich Life 5 Star 5 Global G	-4.2%	0.4%	-2.0%	-3.1%	4.5%	Not Started	Not Started	218,549,876
Zurich Life 5 Star 5 Europe G	-0.1%	3.6%	-2.7%	-3.1%	Not Started	Not Started	Not Started	85,489,864
Zurich Life 5 Star 5 Americas G	0.9%	7.9%	4.2%	1.0%	Not Started	Not Started	Not Started	52,882,135
Zurich Life 5 Star 5 Asia Pacific G	-2.3%	1.1%	-0.1%	1.5%	Not Started	Not Started	Not Started	103,135,414
BOI Life - Smart Funds Spotlight S9	-1.3%	3.3%	6.8%	Not Started	Not Started	Not Started	Not Started	6,168,000
Canada Life /Setanta Focus 15 G	-1.1%	10.9%	11.2%	3.4%	-0.1%	Not Started	Not Started	120,878,771
Aviva L&P Target 20	0.2%	13.9%	-2.8%	-4.9%	-4.3%	Not Started	Not Started	12,421,427
Average of selected funds	-1.1%	5.9%	2.1%	-0.9%	0.0%	N/A	N/A	
ZURICH LIFE INDEX TRACKER / ETF FUNDS								
Property Equity Funds								
Australasia Property (Ind)	-6.9%	10.6%	2.9%	Not Started	Not Started	Not Started	Not Started	7,960,907
European Ex UK Property (Ind)	3.2%	17.5%	2.3%	Not Started	Not Started	Not Started	Not Started	9,760,633
Eurozone Property* (Ind)	4.6%	14.0%	-2.5%	-2.8%	Not Started	Not Started	Not Started	35,290,726
Geographic Funds								
India Equity (Ind)	-10.0%	2.3%	5.6%	Not Started	Not Started	Not Started	Not Started	35,248,648
Sector Fund								
TopTech 100 (Ind)	-0.4%	13.8%	13.4%	3.1%	Not Started	Not Started	Not Started	11,306,288
Commodity Funds								
Global Commodities (Ind)	4.5%	16.6%	-11.0%	-7.3%	Not Started	Not Started	Not Started	22,994,339
Strategy Funds								
Green Resources (Ind)	-2.9%	4.7%	Not Started	Not Started	Not Started	Not Started	Not Started	5,431,635
Earth Resources (Ind)	0.0%	21.9%	-2.9%	Not Started	Not Started	Not Started	Not Started	20,112,169
Diversified Assets (Ind)	-0.1%	8.9%	1.9%	Not Started	Not Started	Not Started	Not Started	13,182,821

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 12/04/2011.

- 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.

Zurich HelpPoint®

Pension Annuities

Your income in retirement is important – choose an annuity provider you can trust.

A Zurich Life pension annuity:

- offers competitive rates;
- has a range of options designed to meet your needs.



Your annuity options

An annuity is designed to provide you with a guaranteed income for the rest of your life.

It is important you choose an annuity that reflects your needs and those of your spouse in retirement.

Your options include:

Single or joint life

A single life annuity pays an income for your lifetime.

A joint life annuity pays a percentage of your annuity to your spouse when you die.

Guaranteed period

This is a period of time when annuity payments will continue to be paid, even if you die.

Escalation

You can choose a level income or opt for one that increases at a set rate each year.

Why choose Zurich Life for pension annuities?

Our company

We have been meeting our customers' needs in Ireland for over 30 years and are part of the Zurich Financial Services group.

Our group

Zurich Financial Services group is one of the world's largest insurance groups, and one of the few to operate on a truly global basis. Founded in 1872, our 60,000+ employees serve millions of customers in more than 170 countries.

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.