

## Investment Comment & Outlook

**Overall:** Equity markets continue to be supported by decent economic and corporate earnings growth as well as reasonable valuations. However, risks remain. These include rising inflation/interest rates, peripheral European debt default concerns and geo-political factors. Bond yields are expected to be stable or to rise gently.

### Equity Markets

- Equity markets picked up again in April on the back of a good Quarter 1 earnings' season. Markets had experienced a sharp Japanese earthquake-related downturn in March.
- Returns, in local currency terms, for the main markets in April ranged between +3% (Europe) and -2% (Japan). Ireland rose by over 4%, helped by Elan, while Germany rose 7% on the back of booming export numbers.
- World equities (in euro terms) were flat in April, leaving the total return for the first four months of 2011 at -1%.
- Returns for the eurozone investor were dented by the strength of the euro against most major currencies.

### Commodities & Currencies

- Commodity prices were strong again in April with oil and gold continuing their upward march. Technically, some commodities are beginning to look over-bought.
- Brent oil (European) ended the month at \$126 per barrel, while West Texas (US) ended April at \$114 per barrel.
- Gold continued its inexorable rise, ending the month up another 8% at \$1,556 per troy ounce.
- The main news in currencies was the continued strength of the euro on the back of expectations of further rate rises. The €/ \$ rate ended the period at 1.48.

### Bonds & Interest Rates

- Eurozone bonds rose by 1% in April, cancelling out the previous month's fall. There was a renewed flight-to-quality from peripheral to core European bonds.
- Bonds have, however, been hurt in the last six or seven months by stronger economic data and concerns over inflation.
- The ECB raised rates by 0.25% to 1.25% on 7th April, with more rate rises expected in the next 12 months.
- The current market prediction is that UK rates may rise once by the end of the year, 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 the US and Europe.

#### Regionally, the funds are:

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

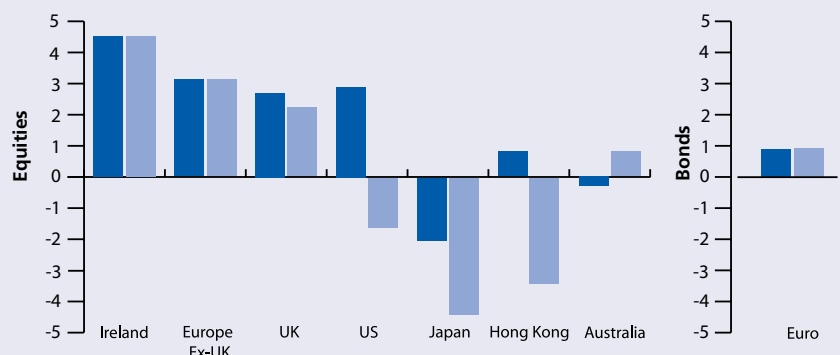
#### Sectorwise, the funds are:

- overweight technology;
- 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 April. 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	
<b>Managed Dynamic</b>								
<i>Zurich Life (Ind) Dynamic</i>	<b>-0.7%</b>	<b>5.0%</b>	<b>-0.5%</b>	<b>-0.6%</b>	<b>2.5%</b>	<b>6.3%</b>	<b>9.8%</b>	<b>1,025,676,204</b>
Acorn Life (Ind) Pension Managed Growth	1.1%	7.1%	-1.4%	-1.7%	0.7%	6.0%	7.3%	171,200,000
Aviva L&P Pension Focused Managed I	-1.7%	3.2%	-4.7%	-3.6%	-0.2%	Not Started	Not Started	6,904,196
Lifetime/BIAM (Ind) Lifetime/SSGA (Ind) Pen Opportunity	-0.2%	3.9%	-1.1%	-3.2%	0.0%	5.2%	6.8%	6,002,000
<i>MoneyMate Sector Average</i>	<b>-1.0%</b>	<b>3.6%</b>	<b>-3.6%</b>	<b>-3.1%</b>	<b>0.3%</b>	<b>5.9%</b>	<b>8.1%</b>	
<b>Managed Balanced</b>								
<i>Zurich Life (Ind) Balanced</i>	<b>-0.7%</b>	<b>4.0%</b>	<b>0.4%</b>	<b>0.3%</b>	<b>3.0%</b>	<b>6.9%</b>	<b>9.3%</b>	<b>1,317,624,575</b>
<i>Zurich Life (Ind) Performance</i>	<b>-0.7%</b>	<b>4.0%</b>	<b>-0.4%</b>	<b>-0.6%</b>	<b>2.7%</b>	<b>6.5%</b>	<b>9.5%</b>	<b>880,647,091</b>
Acorn Life (Ind) Pension Managed	0.7%	5.4%	-0.2%	-0.6%	1.5%	6.0%	7.6%	107,300,000
Ark Life (Ind) Pension Managed *	-1.3%	3.2%	-4.2%	-3.4%	-0.9%	3.8%	Not Started	--
Canada Life (Ind) Setanta Pension Managed *	1.1%	2.8%	0.8%	-0.2%	1.8%	5.8%	6.9%	1,027,369,604
Friends (Ind) Managed	-0.3%	4.2%	-2.2%	-2.6%	0.7%	5.2%	6.6%	259,100,000
Aviva L&P Pen Laser Pension Managed	-0.4%	3.2%	-5.2%	-3.9%	-0.1%	4.7%	5.9%	376,832,448
Irish Life (Ind) Exempt Managed 1	0.0%	2.1%	-2.2%	-2.1%	1.3%	5.4%	6.5%	1,266,373,498
Lifetime/BIAM (Ind) Pen Growth	-0.3%	3.1%	-1.4%	-2.9%	0.7%	5.5%	7.0%	--
New Irl (Ind) Pension Managed 3	-0.2%	3.3%	-1.1%	-2.8%	1.0%	6.0%	7.1%	1,837,486,000
SL Synergy Balanced MultiManager	0.1%	3.8%	-2.3%	-3.3%	Not Started	Not Started	Not Started	137,100,000
<i>MoneyMate Sector Average</i>	<b>-0.4%</b>	<b>3.1%</b>	<b>-1.9%</b>	<b>-1.8%</b>	<b>0.8%</b>	<b>5.5%</b>	<b>7.2%</b>	
<b>Managed Defensive</b>								
<i>Zurich Life (Ind) Cautiously Managed</i>	<b>-0.8%</b>	<b>-0.6%</b>	<b>3.3%</b>	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	<b>83,046,458</b>
Aviva L&P GMP Pension Cautiously Managed *	-0.7%	-0.3%	-2.6%	-0.1%	2.0%	Not Started	Not Started	483,217
SL Synergy Cautious Managed	-1.2%	1.7%	3.2%	2.1%	Not Started	Not Started	Not Started	13,000,000
<i>MoneyMate Sector Average</i>	<b>-0.2%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>1.2%</b>	<b>2.6%</b>	<i>N/A</i>	<i>N/A</i>	
<b>Bond</b>								
<i>Zurich Life (Ind) Active Fixed Income</i>	<b>-0.3%</b>	<b>-1.2%</b>	<b>4.9%</b>	<b>4.1%</b>	<b>5.4%</b>	<b>7.5%</b>	<i>Not Started</i>	<b>204,480,739</b>
<i>Zurich Life (Ind) Long Bond</i>	<b>-0.7%</b>	<b>-2.1%</b>	<b>4.6%</b>	<b>3.4%</b>	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	<b>53,399,915</b>
Canada Life (Ind) Setanta Pen Fixed Interest *	-0.3%	-3.7%	2.5%	2.2%	3.7%	5.1%	6.4%	221,836,220
Friends (Ind) Fixed Interest	-0.3%	-1.7%	3.3%	2.4%	4.1%	5.6%	7.1%	70,420,000
Aviva L&P Pen Laser Pension Bond *	-2.0%	-9.1%	1.0%	1.7%	4.1%	5.6%	6.5%	54,949,651
Irish Life (Ind) Exempt Fixed Interest 2	-0.7%	-0.4%	4.9%	3.7%	4.7%	6.1%	7.1%	1,044,835
New Irl (Ind) Pension Gilt Edge 2 *	-0.8%	-1.7%	4.3%	2.9%	4.3%	5.9%	6.9%	675,093,000
<i>MoneyMate Sector Average</i>	<b>-0.8%</b>	<b>-2.9%</b>	<b>3.0%</b>	<b>2.6%</b>	<b>4.3%</b>	<b>6.0%</b>	<b>6.8%</b>	
<b>Money Market</b>								
<i>Zurich Life (Ind) Secure</i>	<b>0.1%</b>	<b>0.5%</b>	<b>1.3%</b>	<b>2.1%</b>	<b>2.4%</b>	<b>3.4%</b>	<b>4.8%</b>	<b>431,218,576</b>
Acorn Life (Ind) Pension Deposit	0.7%	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%	1.3%	2.1%	2.0%	2.7%	4.0%	362,588,114
Friends (Ind) Cash	0.2%	1.0%	1.7%	2.2%	2.2%	2.8%	4.1%	83,260,000
Aviva L&P Pension Cash	0.1%	1.0%	2.3%	2.5%	2.4%	Not Started	Not Started	172,843,642
Irish Life (Ind) Exempt Cash 1	0.1%	1.2%	2.4%	2.7%	2.4%	3.0%	4.2%	905,875
Lifetime/BIAM (Ind) Pen Security	0.0%	0.0%	1.1%	1.7%	1.7%	2.4%	3.5%	1,839,000
New Irl (Ind) Pension Cash 2 *	0.0%	0.2%	1.3%	1.9%	1.9%	2.6%	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
<i>MoneyMate Sector Average</i>	<b>0.1%</b>	<b>0.5%</b>	<b>1.6%</b>	<b>2.1%</b>	<b>2.1%</b>	<b>3.0%</b>	<b>4.3%</b>	
<b>Flexible Equity</b>								
<i>Zurich Life (Ind) International Equity</i>	<b>-1.9%</b>	<b>4.6%</b>	<b>1.2%</b>	<b>-0.1%</b>	<b>1.3%</b>	<i>Not Started</i>	<i>Not Started</i>	<b>229,800,458</b>
Canada Life (Ind) Passive Equity 2	-1.8%	4.2%	-1.0%	-2.9%	Not Started	Not Started	Not Started	5,564,211
Friends (Ind) International	-0.6%	7.1%	1.2%	-0.7%	-0.5%	4.3%	5.5%	178,100,000
Aviva L&P Pen Laser Pension International Eq	-1.6%	5.8%	-2.1%	-2.3%	-1.4%	4.0%	5.4%	40,207,818
Irish Life (Ind) Indexed Global Equity P	-1.2%	6.9%	-1.7%	-2.3%	Not Started	Not Started	Not Started	195,167,952
New Irl (Ind) Pension International 2 *	-0.7%	5.7%	0.0%	-1.9%	-1.6%	4.4%	5.7%	651,516,000
SL Synergy Global Equity Tracker	-2.1%	5.4%	0.9%	-1.2%	Not Started	Not Started	Not Started	200,000
<i>MoneyMate Sector Average</i>	<b>-1.1%</b>	<b>5.8%</b>	<b>-1.0%</b>	<b>-1.6%</b>	<b>-0.1%</b>	<b>4.8%</b>	<b>6.6%</b>	

**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	
<b>Eurozone Equity <sup>1</sup></b>								
<b>Zurich Life Eurozone Equity G</b>	<b>7.6%</b>	<b>16.2%</b>	<b>1.2%</b>	<b>2.8%</b>	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	<b>88,298,821</b>
ALB Inv Mgr Ltd Eurozone Equity Indexmaster B	5.7%	15.9%	-4.0%	-1.2%	Not Started	Not Started	Not Started	67,630,936
Ark Life Eurozone 2 G	6.6%	13.5%	-5.0%	-3.4%	-2.4%	Not Started	Not Started	72,080,973
Aviva L&P Euro Equity	5.1%	6.4%	-4.5%	-2.3%	-0.8%	Not Started	Not Started	11,959,507
New Ireland Euroland Equity S9	10.2%	12.4%	-4.1%	-2.1%	-2.0%	Not Started	Not Started	5,026,000
<b>MoneyMate Sector Average</b>	<b>4.2%</b>	<b>12.7%</b>	<b>-1.3%</b>	<b>-0.8%</b>	<b>0.0%</b>	<i>N/A</i>	<i>N/A</i>	
<b>Irish Equity</b>								
<b>Zurich Life (Ind) Irish Equity</b>	<b>6.6%</b>	<b>-5.3%</b>	<b>-18.4%</b>	<b>-13.6%</b>	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	<b>8,531,957</b>
Ark Life (Ind) Pension Irish	6.4%	-9.8%	-18.4%	-15.3%	Not Started	Not Started	Not Started	3,178,494
Friends (Ind) Irish Equity	5.5%	-8.4%	-17.6%	-14.4%	-3.1%	3.7%	6.0%	32,270,000
Hib Life & Pen NU (Ind) Irish Equity *	6.0%	-8.5%	-19.1%	-15.4%	-3.3%	Not Started	Not Started	3,571,281
Irish Life (Ind) Irish Equity Indexed P	4.9%	-9.5%	-21.2%	-16.8%	Not Started	Not Started	Not Started	62,489,161
New Irl (Ind) Pension Irish Equity 3 *	6.6%	-7.0%	-17.7%	-16.1%	-2.4%	4.2%	Not Started	81,096,000
SL Synergy Irish Equity Tracker	4.1%	-10.2%	-20.8%	-16.5%	Not Started	Not Started	Not Started	11,800,000
<b>MoneyMate Sector Average</b>	<b>5.6%</b>	<b>-7.3%</b>	<b>-19.5%</b>	<b>-15.6%</b>	<b>-4.4%</b>	<b>3.2%</b>	<b>5.4%</b>	
<b>Specialist Funds <sup>1 &amp; 2</sup></b>								
<b>Zurich Life Dividend Growth G</b>	<b>-0.4%</b>	<b>7.4%</b>	<b>-0.1%</b>	<b>-2.9%</b>	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	<b>139,632,386</b>
Aviva L&P High Yield	0.2%	7.7%	0.5%	1.4%	2.4%	Not Started	Not Started	5,897,305
Canada Life CL/Set Equity Div Non Dis G	5.8%	13.0%	2.3%	-0.2%	Not Started	Not Started	Not Started	304,347,164
Bloxhams High Yield 1 G *	-3.0%	5.1%	-0.4%	-2.3%	Not Started	Not Started	Not Started	224,439,921
Merrion SB Ltd Merrion High Yield G	4.8%	11.5%	-10.3%	-9.0%	Not Started	Not Started	Not Started	12,205,610
<b>Average of selected funds</b>	<b>1.5%</b>	<b>8.9%</b>	<b>-1.6%</b>	<b>-2.6%</b>	<b>2.4%</b>	<i>N/A</i>	<i>N/A</i>	
<b>Concentrated Funds <sup>1 &amp; 2</sup></b>								
<b>Zurich Life 5 Star 5 Global G</b>	<b>-4.3%</b>	<b>-1.1%</b>	<b>-4.2%</b>	<b>-3.2%</b>	<b>3.6%</b>	<i>Not Started</i>	<i>Not Started</i>	<b>218,067,752</b>
<b>Zurich Life 5 Star 5 Europe G</b>	<b>3.3%</b>	<b>7.9%</b>	<b>-3.6%</b>	<b>-3.0%</b>	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	<b>87,440,291</b>
<b>Zurich Life 5 Star 5 Americas G</b>	<b>-0.6%</b>	<b>0.9%</b>	<b>1.8%</b>	<b>1.0%</b>	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	<b>52,305,594</b>
<b>Zurich Life 5 Star 5 Asia Pacific G</b>	<b>-0.7%</b>	<b>2.6%</b>	<b>-3.0%</b>	<b>1.1%</b>	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	<b>104,647,618</b>
BOI Life - Smart Funds Spotlight S9	-1.0%	1.5%	4.9%	Not Started	Not Started	Not Started	Not Started	6,168,000
Canada Life /Setanta Focus 15 G	-1.9%	9.6%	10.1%	3.4%	-0.7%	Not Started	Not Started	120,878,771
Aviva L&P Target 20	0.3%	10.8%	-4.7%	-4.8%	-5.1%	Not Started	Not Started	12,421,427
<b>Average of selected funds</b>	<b>-0.7%</b>	<b>4.6%</b>	<b>0.2%</b>	<b>-0.9%</b>	<b>-0.7%</b>	<i>N/A</i>	<i>N/A</i>	
<b>ZURICH LIFE INDEX TRACKER / ETF FUNDS</b>								
<b>Property Equity Funds</b>								
<b>Australasia Property (Ind)</b>	-7.9%	7.3%	-0.5%	Not Started	Not Started	Not Started	Not Started	8,300,504
<b>European Ex UK Property (Ind)</b>	5.3%	27.2%	2.5%	Not Started	Not Started	Not Started	Not Started	10,197,698
<b>Eurozone Property* (Ind)</b>	6.0%	22.1%	-2.7%	-2.2%	Not Started	Not Started	Not Started	35,104,823
<b>Geographic Fund</b>								
<b>India Equity (Ind)</b>	-15.2%	-6.6%	-0.6%	Not Started	Not Started	Not Started	Not Started	33,556,707
<b>Sector Fund</b>								
<b>TopTech 100 (Ind)</b>	-2.0%	7.8%	9.4%	3.7%	Not Started	Not Started	Not Started	11,330,960
<b>Commodity Fund</b>								
<b>Global Commodities (Ind)</b>	3.7%	10.6%	-13.0%	-7.8%	Not Started	Not Started	Not Started	23,190,071
<b>Strategy Funds</b>								
<b>Green Resources (Ind)</b>	-8.8%	-3.9%	Not Started	Not Started	Not Started	Not Started	Not Started	5,298,836
<b>Earth Resources (Ind)</b>	-1.3%	14.1%	-4.7%	Not Started	Not Started	Not Started	Not Started	20,365,297
<b>Diversified Assets (Ind)</b>	0.1%	8.3%	0.6%	Not Started	Not Started	Not Started	Not Started	13,246,385

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 06/05/2011.

- 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 returns

The Zurich Life **Guaranteed Tracker Bond Series 1** is an innovative new product that is available for once-off investments for a limited period only.

The bond is a secure investment which guarantees you will receive at least your original payment on 6th June 2016 (less the Government insurance levy)\*.

The bond 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 guarantee on this product. Credit Suisse International, is rated A+ by Standard & Poor's (as at May 2011)\*\*.

\* Government insurance levy is currently 1% (as at May 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.

**Warning: The value of this investment can go down as well as up. If you cash in your investment before 6th June 2016 you may lose some or all of the money you invested.**

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



✓ **100% Capital Guarantee on 6th June 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 1st July 2011**  
(or earlier if fully subscribed)