

Investment Comment & Outlook

Overall: Equity markets remain vulnerable in the short term given the increasing level of risk, especially the slowing down in the pace of economic recovery and peripheral European debt default concerns. Longer term, equities continue to be supported by decent corporate earnings' growth as well as reasonable valuations. Bond yields are expected to remain low.

Equity Markets

- Equity markets struggled again in June due to the perilous state of Greek finances.
- World equities (in euro terms) fell by over 2% during the month, leaving the total return for the first half of 2011 at minus 2.6%.
- Returns, in local currency terms, for the main markets in June ranged between 1% (Japan) and -5% (Hong Kong). The mainland Chinese market stabilised somewhat (+1%) after a heavy fall the previous month.
- Quarter 2 earnings' results, beginning with Alcoa on 11th July, could be a catalyst for equity markets.

Commodities & Currencies

- Commodity prices weakened again in June, reacting to disappointing economic data, with the oil price once again declining sharply.
- Brent oil (European) ended the month down 4% at \$112 per barrel, while West Texas (US) ended June down 7% at \$95 per barrel.
- Gold fell slightly, ending the month down 2% at \$1,503 per troy ounce.
- Following a decline during May against all major currencies, the euro stabilised and strengthened slightly during June helped, at the end of the period, by rising hopes of another Greek bailout. The €/ \$ rate ended the period at 1.45.

Bonds & Interest Rates

- Eurozone bonds fell by close to 1% in June. For the first three weeks of the month, bonds continued the rally which began in early April. However, a sharp bout of profit-taking occurred in the dying days of June as equities staged a brief recovery.
- Bonds have now regained over one third of the losses made during Q4 2010 and early 2011.
- The ECB is fully expected to increase rates again on 7th July, from 1.25% to 1.5%, although it is debatable whether there will be any further rises during 2011.
- The current market prediction is that UK and US rates will not be increased until the third quarter of 2012.

Fund Allocations & Activity

Equities: The funds are underweight.

Bonds: The funds are slightly overweight.

Activity: There was little change to positions during the month.

Regionally, the funds are:

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

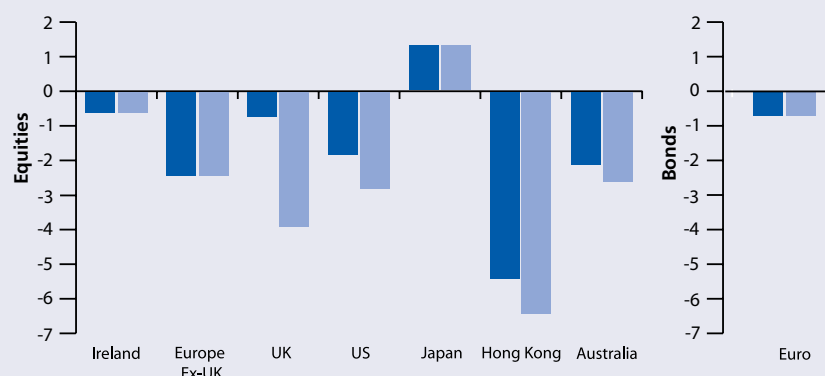
Sectorwise, the funds are:

- overweight technology;
- underweight industrials and financials;
- otherwise reasonably balanced.

Equity and Bond % Returns

This graph shows the performance of the major equity markets over the month of June. 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>	-2.2%	8.8%	1.8%	0.2%	2.3%	6.2%	10.1%	1,002,232,000
<i>Zurich Life (Ind) Performance</i>	-1.9%	7.3%	1.9%	0.3%	2.5%	6.4%	9.7%	865,066,386
Acorn Life (Ind) Pension Managed Growth	-0.4%	11.9%	1.1%	-0.9%	0.4%	5.9%	7.4%	227,200,000
Aviva L&P Pension Focused Managed I	-3.0%	6.7%	-1.6%	-3.2%	-0.7%	Not Started	Not Started	6,904,196
Lifetime/BIAM (Ind) Lifetime/SSGA (Ind) Pen Opportunity	-2.0%	8.2%	1.4%	-2.5%	-0.6%	5.1%	6.8%	6,002,000
<i>MoneyMate Sector Average</i>	-2.3%	7.4%	-0.2%	-2.1%	0.3%	5.4%	7.8%	
Managed Balanced								
<i>Zurich Life (Ind) Balanced</i>	-1.8%	7.1%	2.4%	1.0%	2.8%	6.7%	9.4%	1,302,140,725
Acorn Life (Ind) Pension Managed	-0.2%	9.5%	2.0%	0.0%	1.3%	6.0%	7.5%	127,900,000
Ark Life (Ind) Pension Managed *	-2.6%	6.3%	-1.6%	-2.7%	-1.1%	3.7%	5.9%	--
Canada Life (Ind) Setanta Pension Managed *	-1.2%	7.1%	2.0%	0.1%	1.5%	5.6%	6.9%	1,027,369,604
Friends (Ind) Managed	-1.8%	7.4%	0.3%	-2.1%	0.5%	5.1%	6.6%	691,070,000
Aviva L&P Pen Laser Pension Managed	-1.4%	6.7%	-2.4%	-3.4%	-0.2%	4.6%	6.0%	376,832,448
Irish Life (Ind) Exempt Managed 1	-1.7%	6.1%	0.2%	-1.6%	1.0%	5.3%	6.5%	1,266,373,498
Lifetime/BIAM (Ind) Pen Growth	-1.8%	6.8%	0.9%	-2.3%	0.1%	5.4%	7.0%	--
New Irl (Ind) Pension Managed 3	-1.7%	7.1%	1.2%	-2.1%	0.6%	5.9%	7.1%	1,961,900,000
SL Synergy Balanced MultiManager	-1.1%	7.9%	0.1%	-2.6%	Not Started	Not Started	Not Started	137,100,000
<i>MoneyMate Sector Average</i>	-2.0%	5.5%	0.2%	-1.3%	0.4%	5.3%	7.0%	
Managed Defensive								
<i>Zurich Life (Ind) Cautiously Managed</i>	-0.2%	1.2%	5.1%	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	82,066,273
Aviva L&P GMP Pension Cautiously Managed *	-0.8%	0.7%	-1.9%	-0.4%	1.9%	Not Started	Not Started	483,217
SL Synergy Cautious Managed	-1.2%	1.6%	5.0%	2.4%	Not Started	Not Started	Not Started	13,000,000
<i>MoneyMate Sector Average</i>	-0.6%	0.7%	1.5%	1.1%	2.1%	2.6%	3.9%	
Bond								
<i>Zurich Life (Ind) Active Fixed Income</i>	1.0%	-1.8%	6.5%	4.4%	5.4%	7.6%	<i>Not Started</i>	205,059,294
<i>Zurich Life (Ind) Long Bond</i>	-0.5%	-3.6%	5.9%	3.6%	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	54,216,562
Canada Life (Ind) Setanta Pen Fixed Interest *	-0.4%	-4.2%	3.6%	2.2%	3.6%	5.2%	6.5%	221,836,220
Friends (Ind) Fixed Interest	-0.2%	-2.3%	4.4%	2.5%	4.0%	5.7%	7.0%	70,420,000
Aviva L&P Pen Laser Pension Bond *	-1.5%	-8.9%	2.4%	1.8%	4.1%	5.6%	6.5%	54,949,651
Irish Life (Ind) Exempt Fixed Interest 2	0.0%	-1.2%	6.4%	3.9%	4.8%	6.1%	7.1%	1,044,835
New Irl (Ind) Pension Gilt Edge 2 *	-0.4%	-3.0%	5.6%	3.1%	4.3%	5.9%	6.9%	675,093,000
<i>MoneyMate Sector Average</i>	-0.3%	-3.0%	4.2%	2.8%	4.3%	6.0%	6.9%	
Money Market								
<i>Zurich Life (Ind) Secure</i>	0.2%	0.5%	1.1%	2.1%	2.3%	3.4%	4.8%	431,944,474
Acorn Life (Ind) Pension Deposit	0.9%	1.8%	2.5%	2.9%	2.6%	3.3%	4.7%	3,400,000
Canada Life (Ind) Setanta Pension Money *	0.2%	0.3%	1.2%	2.0%	2.0%	2.7%	3.9%	362,588,114
Friends (Ind) Cash	0.2%	0.8%	1.5%	2.2%	2.1%	2.8%	4.1%	83,260,000
Aviva L&P Pension Cash	0.2%	0.7%	2.1%	2.5%	2.3%	Not Started	Not Started	172,843,642
Irish Life (Ind) Exempt Cash 1	0.1%	1.0%	2.2%	2.6%	2.3%	3.0%	4.1%	905,875
Lifetime/BIAM (Ind) Pen Security	0.0%	0.0%	0.9%	1.6%	1.6%	2.3%	3.4%	1,839,000
New Irl (Ind) Pension Cash 2 *	0.1%	0.2%	1.1%	1.9%	1.8%	2.6%	3.9%	693,817,000
SL Synergy Cash	0.0%	0.0%	0.6%	1.6%	Not Started	Not Started	Not Started	239,600,000
<i>MoneyMate Sector Average</i>	0.2%	0.5%	1.4%	2.0%	2.0%	2.9%	4.2%	
Flexible Equity								
<i>Zurich Life (Ind) International Equity</i>	-3.4%	9.0%	3.2%	1.1%	1.3%	<i>Not Started</i>	<i>Not Started</i>	223,240,708
Canada Life (Ind) Passive Equity 2	-3.4%	8.7%	1.3%	-2.2%	Not Started	Not Started	Not Started	5,564,211
Friends (Ind) International	-2.5%	10.4%	3.6%	0.1%	-0.5%	4.2%	5.4%	178,100,000
Aviva L&P Pen Laser Pension International Eq	-3.2%	9.1%	0.4%	-1.6%	-1.4%	4.0%	5.4%	40,207,818
Irish Life (Ind) Indexed Global Equity P	-3.1%	11.7%	1.2%	-1.7%	Not Started	Not Started	Not Started	195,167,952
New Irl (Ind) Pension International 2 *	-2.9%	10.1%	2.1%	-1.3%	-1.8%	4.3%	5.6%	651,516,000
SL Synergy Global Equity Tracker	-4.6%	4.5%	3.1%	-0.7%	Not Started	Not Started	Not Started	200,000
<i>MoneyMate Sector Average</i>	-2.9%	9.5%	1.1%	-0.8%	-0.3%	4.7%	6.6%	

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	5.1%	20.4%	4.0%	3.5%	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	85,791,473
ALB Inv Mgr Ltd Eurozone Equity Indexmaster B	-0.5%	13.8%	-1.6%	-1.5%	Not Started	Not Started	Not Started	67,630,936
Ark Life Eurozone 2 G	4.8%	19.5%	-3.0%	-2.9%	-2.2%	Not Started	Not Started	72,080,973
Aviva L&P Euro Equity	2.2%	10.9%	-1.9%	-2.1%	-0.7%	Not Started	Not Started	11,959,507
New Ireland Euroland Equity S9	7.0%	17.0%	-1.7%	-2.2%	-2.1%	Not Started	Not Started	5,026,000
MoneyMate Sector Average	1.4%	15.9%	0.7%	-0.3%	-1.7%	<i>N/A</i>	<i>N/A</i>	
Irish Equity								
Zurich Life (Ind) Irish Equity	3.7%	7.8%	-14.6%	-13.3%	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	7,935,814
Ark Life (Ind) Pension Irish	5.4%	5.4%	-13.2%	-14.7%	Not Started	Not Started	Not Started	3,178,494
Friends (Ind) Irish Equity	4.0%	6.1%	-13.1%	-13.9%	-4.0%	3.4%	6.1%	32,270,000
Hib Life & Pen NU (Ind) Irish Equity *	5.0%	6.8%	-13.9%	-14.8%	-4.2%	Not Started	Not Started	3,571,281
Irish Life (Ind) Irish Equity Indexed P	3.4%	5.0%	-16.4%	-16.3%	Not Started	Not Started	Not Started	62,489,161
New Irl (Ind) Pension Irish Equity 3 *	5.9%	8.2%	-12.5%	-15.1%	-3.0%	4.0%	Not Started	81,096,000
SL Synergy Irish Equity Tracker	3.2%	2.5%	-15.9%	-15.8%	Not Started	Not Started	Not Started	11,800,000
MoneyMate Sector Average	4.5%	6.4%	-14.7%	-15.0%	-5.3%	3.0%	5.5%	
Specialist Funds ^{1 & 2}								
Zurich Life Dividend Growth G	-0.4%	8.5%	4.5%	-1.8%	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	138,974,067
Aviva L&P High Yield	-1.6%	11.8%	3.5%	1.7%	2.0%	Not Started	Not Started	5,897,305
Canada Life CL/Set Equity Div Non Dis G	2.2%	17.1%	5.0%	-0.2%	Not Started	Not Started	Not Started	304,347,164
Bloxhams High Yield 1 G *	-2.8%	9.9%	4.0%	-1.5%	Not Started	Not Started	Not Started	224,439,921
Merrion SB Ltd Merrion High Yield G	1.5%	11.4%	-4.3%	-9.4%	Not Started	Not Started	Not Started	12,205,610
Average of Selected Funds	-0.2%	11.8%	2.5%	-2.2%	2.0%	<i>N/A</i>	<i>N/A</i>	
Concentrated Funds ^{1 & 2}								
Zurich Life 5 Star 5 Global G	-6.4%	3.7%	-3.0%	-1.5%	3.2%	<i>Not Started</i>	<i>Not Started</i>	197,878,188
Zurich Life 5 Star 5 Europe G	1.3%	11.9%	-1.1%	-1.0%	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	82,771,891
Zurich Life 5 Star 5 Americas G	-3.6%	3.9%	2.8%	1.8%	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	48,513,927
Zurich Life 5 Star 5 Asia Pacific G	-2.7%	10.2%	-0.5%	2.7%	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	100,923,692
BOI Life - Smart Funds Spotlight S9	-5.3%	4.5%	6.9%	Not Started	Not Started	Not Started	Not Started	6,168,000
Canada Life /Setanta Focus 15 G	-3.4%	11.6%	11.9%	3.5%	-0.9%	Not Started	Not Started	120,878,771
Aviva L&P Target 20 Fund	0.1%	16.2%	-3.3%	-3.4%	-5.0%	Not Started	Not Started	12,421,427
Average of Selected Funds	-2.8%	8.9%	2.0%	0.4%	-0.9%	<i>N/A</i>	<i>N/A</i>	
ZURICH LIFE INDEX TRACKER / ETF FUNDS								
Property Equity Funds								
Australasia Property (Ind)	-8.6%	6.2%	4.9%	Not Started	Not Started	Not Started	Not Started	8,244,653
European Ex UK Property (Ind)	6.8%	30.4%	8.3%	Not Started	Not Started	Not Started	Not Started	10,887,593
Eurozone Property* (Ind)	6.9%	28.6%	2.9%	-1.6%	Not Started	Not Started	Not Started	34,142,217
Geographic Fund								
India Equity (Ind)	-15.3%	-9.8%	12.1%	Not Started	Not Started	Not Started	Not Started	32,427,485
Sector Fund								
TopTech 100 (Ind)	-3.0%	13.0%	11.1%	5.4%	Not Started	Not Started	Not Started	10,889,151
Commodity Fund								
Global Commodities (Ind)	-6.1%	5.8%	-20.2%	-9.4%	Not Started	Not Started	Not Started	20,825,053
Strategy Funds								
Green Resources (Ind)	-16.0%	-3.2%	Not Started	Not Started	Not Started	Not Started	Not Started	4,836,472
Earth Resources (Ind)	-11.6%	4.5%	-10.5%	Not Started	Not Started	Not Started	Not Started	18,168,325
Diversified Assets (Ind)	-2.4%	8.2%	0.2%	Not Started	Not Started	Not Started	Not Started	11,423,227

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 12/07/2011.

- 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.

How is 2021 looking for you?

**Over time you will be surprised
how much you can save!**

Now more than ever, it is important
that you plan for your financial future.
Vision2021 from Zurich Life can help you
start planning for 2021, today.

**For more information contact
your Financial Advisor.**

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.