

Investment Comment & Outlook

Overall: Strong liquidity conditions as well as reasonable valuations (especially against other asset classes) continue to support equities, although a short term reversal is possible. Debt overhang risks remain. Bond yields likely to stay low for some time yet.

Equity Markets

- Equities continued their uptrend in April as the bull market moved past its fourth anniversary. Investors continue to be generally optimistic about the outlook for equities although the strength of earnings growth is being watched carefully.
- World equities (in euro terms) rose by 0.4% in April giving a total return of just over 10% for the first four months of 2013. The US and Japanese markets have led the rally so far this year on the back of strong liquidity conditions, essentially the printing of vast amounts of money by central banks in order to engineer economic growth.
- Returns, in local currency terms, for the main markets in April ranged from flat in the UK to almost +13% in Japan. Ireland fell by close to 3%. Returns to eurozone investors were negatively impacted by strength in the euro currency.
- Sectorwise, defensive stocks clearly outperformed cyclical again, while banking stocks in the eurozone recovered sharply following a collapse the previous month.

Bonds & Interest Rates

- The Merrill Lynch Euro over 5 Year Index was up by almost 4% in April, giving a return of over 4% for the first four months. All markets were in positive territory, with peripheral markets such as Italy (+6%) and Spain (+8%) outperforming.
- Markets have been supported by strong liquidity conditions, less-than-strong economic numbers and benign inflation data.
- The German 10-year bond yield ended the month at around 1.2%.
- There is now a strong chance of a further 0.25% cut in ECB rates to 0.5% in early May. Short rates in the US and the UK are not expected to rise until mid-2016.

Commodities & Currencies

- Commodities were weak in April, reacting to poorer economic data, with the CRB Index falling by 3%.
- Brent oil (European) fell by 7% to \$102 per barrel, while West Texas (US) fell 4% to \$93 per barrel.
- The gold price fell sharply, by 8%, to \$1,472 per troy ounce. Mid-month, gold collapsed by 13% over a two-day period as the price broke down through a technical support line, only to recover somewhat by month end. Gold had reached an all time high of €1,889 in August 2011.
- The euro strengthened in April against all major currencies following weakness in the previous two months. The €/ \$ moved from 1.28 to 1.32 at the end of the month.

Fund Allocations & Activity

Equities: The funds are close to neutral.

Bonds: The funds are marginally overweight.

Activity: There were no significant changes during the month.

Regionally, the funds are:

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

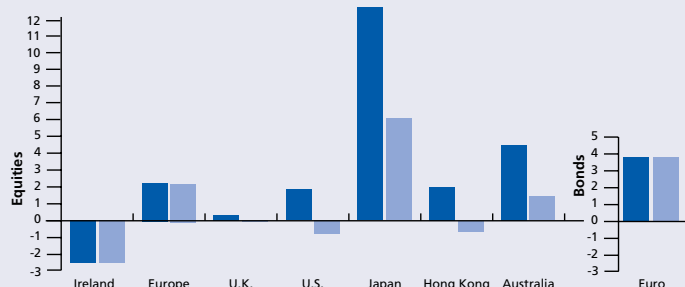
Sectorwise, the funds are:

- underweight basic materials and energy.
- overweight consumer services.
- otherwise broadly balanced.

Equity & 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 (%)



Warning: The value of your investment may go down as well as up. 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	
Managed Dynamic								
<i>Zurich Life Dynamic</i>	9.0%	15.3%	8.0%	3.4%	7.8%	3.7%	9.1%	1,223,449,210
<i>Zurich Life Performance</i>	8.5%	14.8%	7.7%	3.5%	7.4%	3.9%	8.8%	1,050,011,850
Acorn Life Managed Growth	7.5%	13.9%	7.5%	2.1%	7.1%	3.3%	7.8%	237,800,000
Aviva IRL Focused Managed I	8.2%	11.0%	7.7%	0.9%	4.9%	Not Started	Not Started	Not Available
Lifetime/SSgA Pen Opportunity	7.4%	15.4%	7.1%	2.8%	4.3%	2.7%	6.8%	Not Available
<i>FinEx Sector Average</i>	7.2%	11.6%	6.5%	2.1%	5.0%	3.2%	6.5%	
Managed Balanced								
<i>Zurich Life Balanced</i>	7.9%	14.3%	7.8%	4.1%	7.3%	4.2%	8.9%	1,365,622,020
Acorn Life Managed	6.6%	13.2%	7.2%	3.0%	6.6%	3.7%	7.8%	129,400,000
Ark AIB Pension Managed	8.2%	13.9%	6.7%	0.6%	4.2%	1.5%	5.7%	111,000,000
Aviva IRL Laser Managed A	8.9%	14.8%	6.5%	-0.1%	4.2%	Not Started	Not Started	468,757,863
Canada Life Setanta Managed	11.0%	18.3%	8.7%	5.1%	6.8%	4.0%	7.6%	Not Available
Friends First Active Managed	8.4%	14.0%	6.4%	1.8%	5.0%	2.5%	6.8%	526,924,000
Irish Life Ex Active Managed	8.5%	16.8%	5.7%	1.5%	5.6%	3.0%	6.7%	Not Available
New Ireland Managed	7.3%	15.8%	7.9%	3.6%	5.3%	Not Started	Not Started	1,192,000,000
Stan Life Synergy Balanced Multi Manager	9.9%	16.0%	8.3%	2.6%	Not Started	Not Started	Not Started	Not Available
<i>FinEx Sector Average</i>	7.1%	12.7%	6.3%	1.9%	5.0%	2.8%	7.0%	
Managed Cautious								
<i>Zurich Life Cautiously Managed</i>	5.3%	12.9%	7.1%	6.4%	<i>Not Started</i>	<i>Not Started</i>	<i>Not Started</i>	167,200,078
Aviva IRL Cautiously Managed	4.3%	7.9%	4.0%	0.9%	3.2%	Not Started	Not Started	478,993
Stan Life Synergy Cautious Managed	5.2%	13.7%	7.5%	5.9%	Not Started	Not Started	Not Started	Not Available
<i>FinEx Sector Average</i>	3.2%	7.1%	4.4%	2.7%	4.0%	3.5%	4.3%	
Bond								
<i>Zurich Life Active Fixed Income</i>	4.0%	12.5%	7.4%	7.7%	5.8%	6.6%	<i>Not Started</i>	323,731,590
<i>Zurich Life Long Bond</i>	4.9%	16.2%	8.0%	8.0%	6.1%	<i>Not Started</i>	<i>Not Started</i>	69,500,696
Aviva IRL Laser Gilt	3.9%	14.6%	4.5%	5.3%	4.6%	Not Started	Not Started	Not Available
Canada Life Setanta Fixed Interest	3.9%	14.8%	4.4%	4.9%	3.9%	4.8%	6.0%	Not Available
Friends First Fixed Interest	1.6%	10.5%	5.1%	5.5%	4.1%	4.8%	6.5%	159,687,000
Irish Life Ex Fixed International	3.8%	14.5%	6.9%	7.2%	5.2%	5.6%	6.8%	Not Available
New Ireland Gilt Edge	1.7%	10.6%	5.8%	6.6%	4.8%	Not Started	Not Started	840,747
<i>FinEx Sector Average</i>	2.5%	10.4%	5.0%	5.3%	4.5%	5.0%	6.7%	
Cash								
<i>Zurich Life Secure</i>	0.0%	0.1%	0.4%	0.9%	1.7%	2.5%	3.6%	400,939,564
Acorn Life Deposit	0.0%	0.2%	1.1%	2.0%	2.6%	3.0%	3.8%	8,000,000
Aviva IRL Cash	0.0%	0.1%	0.6%	1.7%	2.0%	Not Started	Not Started	Not Available
Friends First Cash	-0.2%	-0.6%	0.2%	0.9%	1.6%	2.1%	2.9%	148,809,000
Irish Life Ex Cash	0.0%	0.0%	0.5%	1.5%	1.8%	2.3%	3.1%	Not Available
New Ireland Personal Pension Money	-0.3%	-0.8%	-0.3%	0.5%	1.1%	Not Started	Not Started	596,455
Stan Life Synergy Cash	0.0%	0.0%	0.0%	0.5%	Not Started	Not Started	Not Started	241,100,000
<i>FinEx Sector Average</i>	0.0%	0.1%	0.4%	1.1%	1.6%	2.2%	3.1%	
International Equity								
<i>Zurich Life International Equity</i>	9.7%	15.2%	8.5%	4.8%	7.9%	5.2%	<i>Not Started</i>	286,318,751
Aviva IRL International Equity	10.0%	11.6%	9.1%	3.0%	6.2%	Not Started	Not Started	Not Available
Friends First Inter Equity	10.0%	16.0%	7.9%	4.3%	6.6%	2.3%	6.0%	477,963,000
Irish Life Index Global Equity	9.8%	17.4%	9.2%	2.9%	7.0%	2.7%	Not Started	Not Available
New Ireland International	8.2%	17.0%	8.2%	3.8%	5.0%	Not Started	Not Started	551,000,000
Stan Life Synergy Global Equity Multi Manager	13.1%	15.5%	9.4%	4.4%	Not Started	Not Started	Not Started	11,100,000
<i>FinEx Sector Average</i>	9.3%	14.1%	8.2%	3.5%	6.1%	2.5%	6.5%	

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. 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								
<i>Zurich Life Eurozone Equity</i>	5.8%	23.3%	7.2%	2.0%	10.0%	Not Started	Not Started	93,647,145
Ark AIB Pension EuroZone	6.4%	22.3%	9.7%	0.2%	5.6%	Not Started	Not Started	Not Available
Aviva IRL Euro Equity	9.6%	25.1%	4.4%	-1.3%	5.8%	Not Started	Not Started	Not Available
Irish Life IP International Euro Equity	7.4%	25.9%	4.7%	-0.3%	Not Started	Not Started	Not Started	Not Available
<i>FinEx Sector Average</i>	6.9%	17.8%	4.6%	-1.2%	5.4%	1.7%	7.1%	
Irish Equity								
<i>Zurich Life Irish Equity</i>	14.3%	23.5%	8.7%	-6.0%	Not Started	Not Started	Not Started	10,747,351
Ark AIB Pension Irish	14.8%	21.6%	6.0%	-6.4%	0.1%	Not Started	Not Started	Not Available
Aviva IRL Irish Equity	15.0%	22.4%	5.9%	-7.2%	0.9%	Not Started	Not Started	Not Available
Friends First Irish Equity	16.0%	22.3%	7.6%	-5.4%	1.7%	0.3%	7.2%	42,615,000
New Ireland Irish Equity	16.9%	28.9%	9.8%	-4.5%	1.6%	Not Started	Not Started	69,000,000
Irish Life Irish Equity Indexed	15.5%	23.5%	6.8%	-8.1%	Not Started	Not Started	Not Started	Not Available
Stan Life Synergy Irish Equity	11.1%	17.1%	9.3%	-7.9%	Not Started	Not Started	Not Started	9,400,000
<i>FinEx Sector Average</i>	14.6%	21.3%	6.8%	-6.4%	1.2%	-0.2%	6.8%	
Specialist Funds ¹								
<i>Zurich Life Dividend Growth</i>	12.2%	23.6%	12.9%	5.9%	Not Started	Not Started	Not Started	169,813,760
Bloxham High Yield 2	9.4%	18.1%	9.1%	4.1%	6.8%	Not Started	Not Started	207,610,000
Canada Life Setanta Equity Dividend Distributing	12.5%	22.1%	10.4%	5.4%	7.8%	Not Started	Not Started	Not Available
<i>Average of selected funds</i>	11.4%	21.3%	10.8%	5.1%	7.3%	N/A	N/A	
Concentrated Funds ¹								
<i>Zurich Life 5 Star 5 Global</i>	8.4%	12.5%	6.8%	1.6%	7.3%	Not Started	Not Started	215,662,924
<i>Zurich Life 5 star 5 Europe</i>	6.5%	23.9%	9.6%	1.8%	Not Started	Not Started	Not Started	88,671,526
<i>Zurich Life 5 star 5 Americas</i>	10.2%	10.7%	6.9%	5.0%	Not Started	Not Started	Not Started	53,269,788
<i>Zurich Life 5 star 5 Asia Pacific</i>	6.1%	11.4%	5.4%	0.8%	Not Started	Not Started	Not Started	97,447,710
Aviva IRL Target 20	9.2%	9.7%	12.1%	2.0%	4.1%	Not Started	Not Started	Not Available
Canada Life Focus 15 PRSA	16.4%	20.4%	12.3%	11.7%	Not Started	Not Started	Not Started	81,000,000
<i>Average of selected funds</i>	9.5%	14.8%	8.9%	3.8%	5.7%	N/A	N/A	
Multi Asset Funds								
<i>Zurich Life Active Asset Allocation</i>	4.2%	9.8%	Not Started	Not Started	Not Started	Not Started	Not Started	63,020,929
<i>Zurich Life Diversified Assets</i>	4.5%	10.7%	7.3%	3.0%	Not Started	Not Started	Not Started	12,384,181
Zurich Life INDEX TRACKER / ETF FUNDS								
Property Equity Funds								
<i>Australasia Property Fund</i>	11.0%	32.0%	14.0%	6.4%	Not Started	Not Started	Not Started	12,614,138
<i>European Ex UK Property Fund</i>	5.6%	23.4%	11.3%	3.2%	Not Started	Not Started	Not Started	9,907,020
<i>Eurozone Property*</i>	3.3%	24.6%	8.6%	-0.6%	Not Started	Not Started	Not Started	25,530,273
Geographic Fund								
<i>India Equity</i>	1.9%	11.8%	-4.3%	-1.6%	Not Started	Not Started	Not Started	20,383,158
Sector Fund								
<i>TopTech 100</i>	8.6%	7.0%	13.5%	12.2%	8.1%	Not Started	Not Started	16,770,601
Commodity Fund								
<i>Global Commodities</i>	-4.3%	-9.3%	-0.1%	-9.9%	Not Started	Not Started	Not Started	16,769,692
Strategy Funds								
<i>Green Resources</i>	15.0%	1.8%	-13.2%	Not Started	Not Started	Not Started	Not Started	3,173,144
<i>Earth Resources</i>	0.1%	-8.8%	-3.9%	-7.6%	Not Started	Not Started	Not Started	10,844,503

Source: Financial Express as on 01/05/2013

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.

Targeting strong long-term growth with an asset mix that can deliver lower volatility

Active Asset Allocation Fund

9.8%
over
1 year[†]

Key features of the fund:

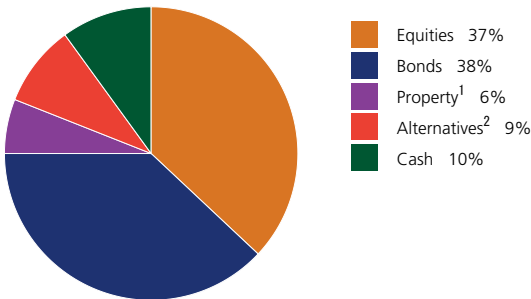
- Significant level of **diversification** which can lower volatility.
- **Active management** of a wide range of assets which can deliver stronger returns.
- A limited equity content and a range of alternative assets that can **dampen volatility**.
- Managed by an award-winning fund management team.
- Available for both pension and investment customers (excludes PRSAs).
- Part of the Prisma range of funds.

[†]Source: Financial Express as at 01/05/13. Fund performance from 01/05/2012 to 01/05/2013. The return is based on an investment in the fund and does not represent the return achieved by individual policies linked to the fund.

The **Active Asset Allocation Fund**, launched in October 2010, is an actively managed, diversified unit-linked fund. It aims to target strong long-term growth with an asset mix that has historically delivered lower volatility. The fund seeks to achieve performance from a well-diversified portfolio of assets (see fund allocation below). This fund will appeal to many investors given the volatility of equity markets in recent years.

Fund Allocation

as at 31/03/13



1. ETFs invested in quoted property companies.
2. The number and type of alternative assets may change over time. Alternative assets are generally in the form of ETFs.

Asset Exposures

as at 31/03/13

Asset Class	Typical Exposure
Equities	15% - 65%
Bonds	10% - 60%
Property ¹	0% - 20%
Alternatives ²	10% - 40%
Cash	0% - 50%

Source: Zurich Life

Note: Annual management charges (AMC) apply. The fund performance shown is before the full AMC is applied on your policy.

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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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