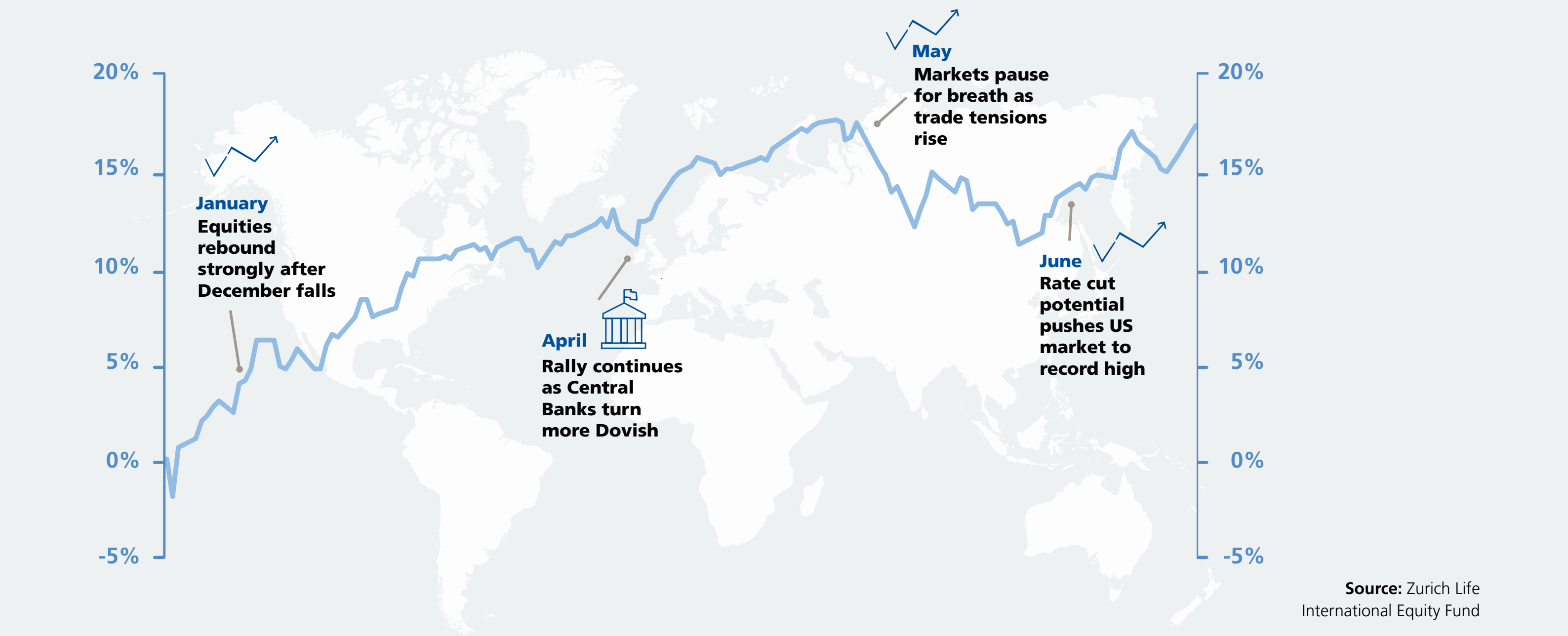
July 2019

Is there more to run...

Investment Review and Outlook

World Review of 2019

Strong rebound so far this year



Source: Zurich Life International Equity Fund

Summary

Equities continue to be our preferred asset class for now versus fixed income and cash on a relative basis. After a mixed start to the second quarter of the year, global markets rallied approximately 7% throughout June, hitting fresh record highs. However, the global economic environment continues to evolve and does face some headwinds moving into the second half of 2019. These include the ongoing trade negotiations between the US and China (which may morph into a Tech War) and global economic indicators which continue to weaken. It looks as if Central Bank activity will remain supportive of risk assets.

Equities

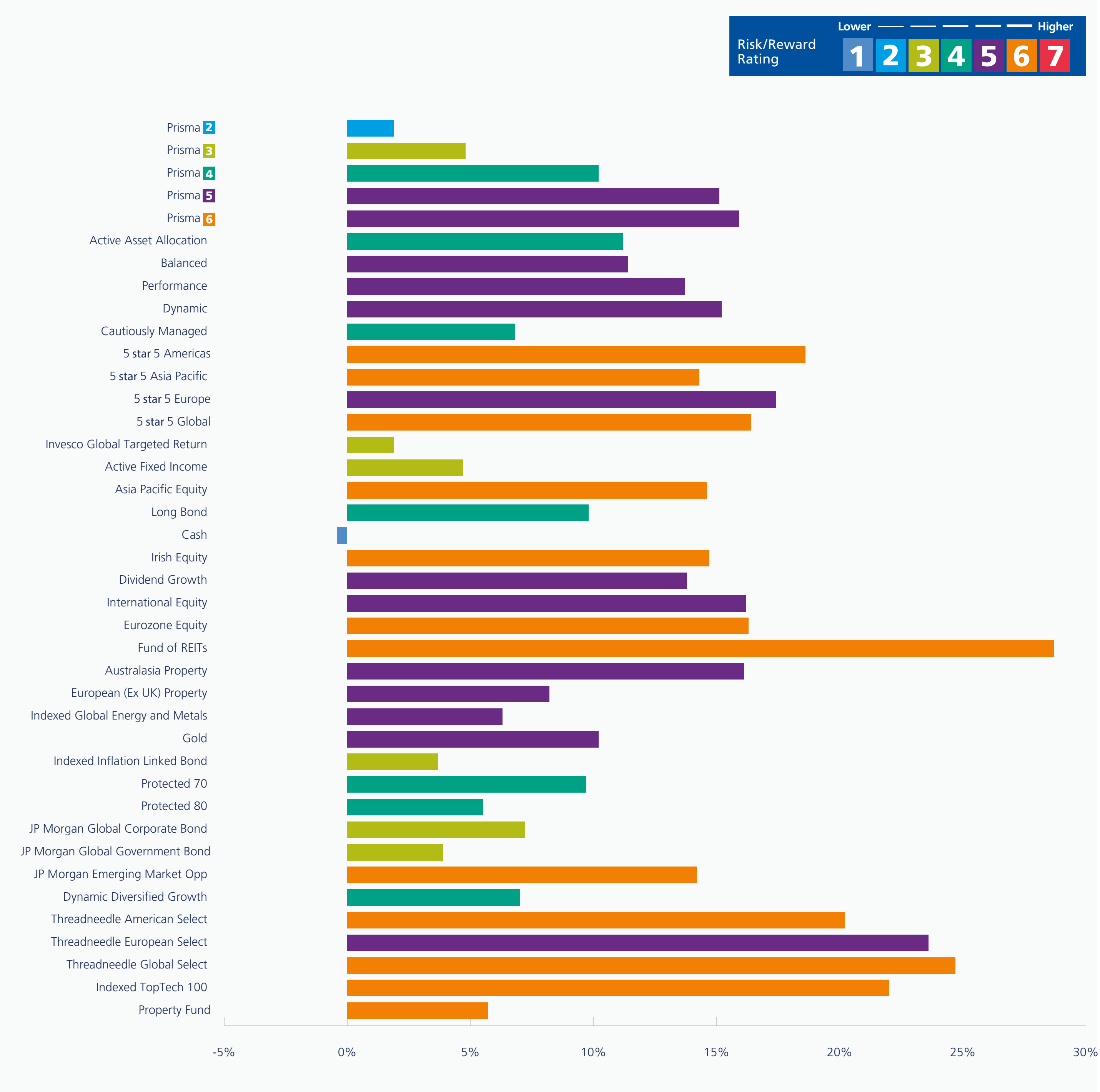
- Q1 of 2019 saw a big turn-around as the Fed became more dovish and buyers hoovered up cheap stocks. Markets were mixed in April and May, before finishing the half year strongly in the month of June, with global markets up 16% in euro terms for the six months to 30 June.
- Global equities now trade at close to historical averages, and the Q2 earnings season will be closely watched for any potential impact from weakening global growth and continued trade tensions, predominately between the US and China.
- Asia is our favourite region as we move into the second half of 2019, as Asian growth prospects remain strong relative to other parts of the global economy. Global earnings growth estimates for 2019 of circa 4% should be realistic if Chinese stimulus measures prove effective and a trade dispute resolution transpires.
- The US economy is expected to grow at a slower rate in 2019 as it faces diminishing fiscal stimulus. However, unemployment remains low and monetary stimulus may help equities to move higher. Earnings growth in the US is expected to be close to 3%, with a more positive figure of approximately 8% forecast for the eurozone.

Fixed Income

- Overall, valuations remain unsupportive of most European fixed income instruments as a long-term investment, with 10 year German Bund yields once again in negative territory.
- The world's major central banks have indicated that more monetary stimulus is a possibility before the end of the year, with the Fed and the ECB set to cut rates unless data improves.
- Fed Chair Jerome Powell said that a precautionary rate cut, or cuts, could be justified and we could see two 25bps rate cuts before the end of 2019.
- In the Eurozone, ECB President Mario Draghi indicated that not only was a rate cut on the cards, but that QE asset purchases were likely to be resumed as well.

2019 Performance

Risk assets lead the way



Notes: Annual management charges (AMC) apply. The fund performance shown is before the full AMC is applied on your policy. Returns are based on offer/offer performance and do not represent the return achieved by individual policies linked to the fund. Risk Ratings as at 30/06/19.

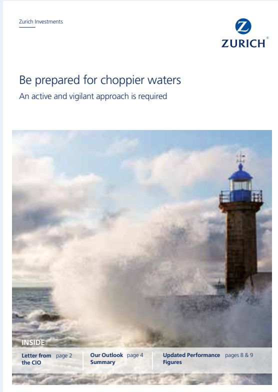
Source: Zurich Life as at 30/06/19.

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 product you may lose some or all of the money you invest.

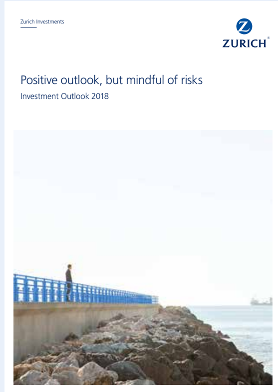
The Zurich Investment Outlook is produced twice yearly by the team at Zurich Investments, based in Dublin, Ireland. This publication provides an in-depth insight into our current thinking and positioning, and expands on the reasons behind our economic views to our clients and customers.

TALK TO YOUR FINANCIAL BROKER OR VISIT OUR WEBSITE AT ZURICH.IE

H1 2019

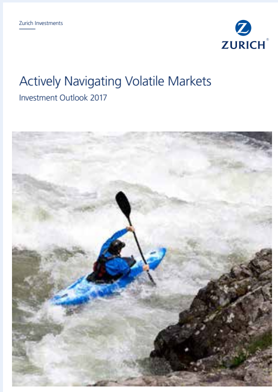


H2 2018

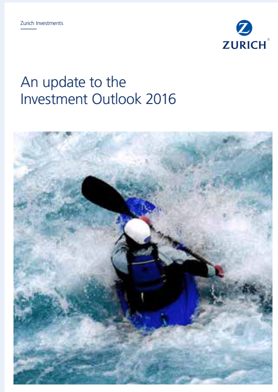


H1 2018

H2 2017



H1 2017



H2 2016

Zurich Life Assurance plc
Zurich House, Frascati Road, Blackrock, Co. Dublin, Ireland.
Telephone: 01 283 1301 Fax: 01 283 1578 Website: www.zurich.ie
Zurich Life Assurance plc is regulated by the Central Bank of Ireland.

Intended for distribution within the Republic of Ireland.

GR: 4113 Print Ref: ZL IB 182 0719

ZURICH®