



Pension Matters

Quarterly Market Report

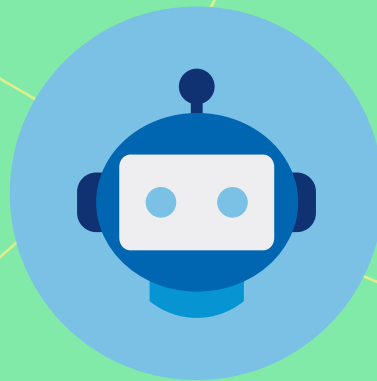
Quarter 2 | 2026

Contents

The age of AI: what it means for your pension	1
Ripple effects of the Strait of Hormuz closure	5
Medium risk default investment strategy	7
Personalised GuidePath explained	8
Standard Fund Threshold increase brings potential for growth	9



The age of AI: what it means for your pension



Artificial Intelligence (AI) has become a global phenomenon - its impact felt everywhere, from our daily lives to the world of investments. But what does this mean for you and your pension?



AI's rapid rise: more than just a trend

While AI has been in development since the 1950s, it leapt into the public eye in November 2022 with the launch of OpenAI's ChatGPT. Within just five days, ChatGPT attracted over a million users.* Now, each week, more than 800 million people use it - including over a million businesses. This makes ChatGPT the fastest-growing business platform ever.

AI is reshaping our world far beyond the tech sector - its influence has spread across industries - driving new ideas and breakthroughs everywhere from healthcare to finance, from manufacturing to retail. This rapid advancement is impacting not just specific companies or sectors, but the entire economy.

Powering Progress: The AI effect on infrastructure

AI's growth isn't without challenges. One major hurdle? Energy demand. Data centres, the "brains" behind AI, use vast amounts of electricity. The International Energy Agency (IEA) estimates that, by the end of this year, nearly a third of Ireland's electricity could power data centres.** Globally, this means more investment is needed in energy infrastructure, presenting opportunities for companies and, by extension, investors who provide or support this vital resource.

Continued overleaf →

*Source: www.forbes.com, A Short History Of ChatGPT: How We Got To Where We Are Today

**Source: www.irishtimes.com, Data centres to consume one third of State's electricity by 2026

Who's shaping the AI Revolution?

1

AI Creators

These are the innovators driving AI's development. Companies like OpenAI (the minds behind ChatGPT), Deepseek, Cohere, and DataRobot are pushing the boundaries of what technology can achieve - from generating natural language and images to analysing vast amounts of data. Robotics firms like Boston Dynamics and ABB are also transforming industries, making processes faster and more efficient.



2

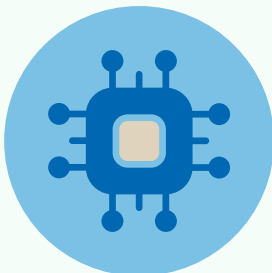
AI Enablers

Think of these as the unsung heroes, often based in emerging markets, who supply the chips, power, and materials AI depends on. Companies such as Taiwan Semi-Conductor and Samsung manufacture the advanced chips at AI's core. Power providers like Constellation, and infrastructure specialists like Reliance Industries and Vertiv, help keep data centres running smoothly. Producers of key materials like Antofagasta Plc and Lynas ensure there's enough copper and rare earth minerals for AI's infrastructure.

3

AI Producers

These firms commercialise AI, creating products and services for the wider world. They build on what the Creators and Enablers provide, designing chips, powering cloud computing, and developing AI-driven applications for everyday use.



4

AI Adopters

AI's potential reaches beyond technology companies. Communications, financial services, health care, and education are all harnessing AI to improve efficiency, precision, and customer service. For example, AI helps automate ad targeting, streamline compliance checks, support medical decision-making, and personalise education for students.

What does this mean for your pension?

AI is not limited to tech stocks. It's transforming a wide range of asset classes and industries. This has a direct impact on investments in your pension. Here's how:

Diverse opportunity

The "AI boom" is driving value across equity markets. Companies outside IT (energy, manufacturing, materials, infrastructure) are seeing growth linked to AI demand.

Broader asset classes

It's not just equities benefiting from AI-driven change. Companies are issuing bonds to fund AI projects, and the demand for commodities like copper and rare earth metals is increasing. By investing across a range of asset classes, pension funds are well-positioned to capture opportunities and manage risks as markets evolve in response to technological advancements.

Active management matters

With AI changing the market landscape rapidly, active portfolio management is vital. Active managers have the opportunity to identify and balance the diverse mix of opportunities and risks that AI-driven growth may present.

What's next?

In the investment arena, AI is a significant factor in shaping market values and is influencing a wide range of asset classes across the globe. As AI continues to evolve, its reach and significance is only set to grow, opening up new opportunities and challenges for us all. At Zurich, as active investment managers, we keep an open mind and closely track the development of AI as it progresses. Through the lens of our top-down investment process, we focus on understanding both the broader trends and the detailed evolution of AI technology.

It's important to remember that markets are shaped by a range of factors, including global trends, technological innovation, and geopolitical events. Staying informed about AI developments is key, but it's just as important not to react impulsively to short-term market movements.

For tailored guidance and a comprehensive strategy that considers all these elements, we recommend reaching out to your Zurich scheme administrator.



Ripple effects of the Strait of Hormuz closure

- ✓ Global equities declined, with Japan outperforming; energy stocks surged, while tech saw a shift toward AI infrastructure.
- ✓ Middle East conflict drove oil prices up and hit Asian and European markets; US markets were more resilient.
- ✓ US Treasury yields rose to 4.3% as central banks held rates steady amid inflation concerns.
- ✓ Oil prices soared; US dollar strengthened, euro weakened, and gold fell sharply in March.

Global Overview

The conflict in the Middle East shaped the first quarter of 2026, triggering unprecedented oil supply disruptions and global market volatility. The closure of the Strait of Hormuz forced rerouting of tanker traffic and exposed energy infrastructure to repeated attacks. US and Israeli strikes on Iran intensified uncertainty, impacting oil flows and shaking investor confidence. Surging oil prices drove stocks lower, while investor sentiment fluctuated between optimism for peace and concern over prolonged instability. Despite widespread effects, U.S. markets proved resilient, benefiting from energy independence. Asian and European markets, meanwhile, were more negatively impacted by the ongoing crisis.



Commodities & Currencies

Commodities delivered substantial returns in the quarter. In March, the conflict and closure of the Strait of Hormuz led oil prices to soar from \$57.42 at the beginning of January to \$101.38 per barrel by the end of the quarter, with WTI Crude oil returning 76.6% in USD for Q1. As oil rose and inflation concerns grew, the US dollar strengthened while the euro weakened due to Europe's greater reliance on imported energy, dropping to 1.155 USD from 1.175 by quarter-end. Precious metals were positive overall, but gold declined sharply in March, falling -1.6% in USD, as a stronger dollar offset typical safe-haven demand.



Equity Markets

Global equities declined in the first quarter of 2026, pressured by both weakness in US software stocks and heightened risk aversion due to the Middle East conflict. Japan was a notable exception, delivering positive returns following February's elections. US shares experienced significant volatility, resulting in their weakest quarter for large caps since 2022. In contrast, energy stocks surged over 39% as rising oil prices benefited integrated producers, refiners, and infrastructure companies. Within technology, investors rotated towards AI infrastructure businesses such as semiconductors, cloud computing and data-centre providers, and away from traditional software stocks.



Bonds & Interest Rates

US Treasuries remained resilient amid global government bond volatility, while yields climbed more sharply in other major markets. March was dominated by the conflict in Iran. The 10-year US Treasury yield closed the quarter at 4.3%. Interest rates closely tracked US administration statements and Middle East news. The Federal Reserve kept rates steady but reduced the expected number of cuts as inflation expectations rose, projecting one cut in 2026 and another in 2027. In Europe, higher oil prices created inflationary concerns, prompting the European Central Bank (ECB) to maintain rates, but Lagarde said the ECB could raise rates "at any meeting" if higher energy prices risked causing a surge in inflation.

Current Zurich positioning and latest monthly change

Region		Under	Neutral	Over
Equities	Overall Equity Position		↔	
	North America	↓		
	Europe			↑
	Japan			↑
	Asia (Ex-Japan)			↑
Fixed Income	Overall Fixed Income Position		↔	
	Sovereign Eurozone	↔		
	European Credit			↔
Alternatives	Overall Alternatives Position			↑
	Oil		↓	
	Gold		↔	
	Copper			↑
	Global Property	↔		
	Soft Commodities		↔	
Currencies	USD		↔	
	GBP		↔	
	YEN		↔	

Legend:

↔ No change

↑ Increase

↓ Decrease

Source:

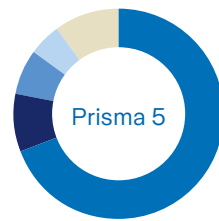
Zurich positioning and latest asset allocation movements as at 31/03/2026

Medium risk default investment strategy

Early growth stage

- Global equities fell in Q1 2026, driven by weaker US software stocks and rising risk aversion amid Middle East tensions.
- The Middle East conflict and Strait of Hormuz closure pushed oil prices sharply higher, WTI Crude returned 76.6% in USD in Q1.
- The fund achieved quarterly returns of **0.7%**

Asset splits* and performance



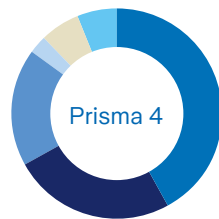
- Equities **70%**
- Gov Bonds **9%**
- Corp Bonds **7%**
- Property **5%**
- Alternatives **10%**

Year to date	0.7%
1 Year	14.0%
3 Years	14.3%
5 Years	8.9%
10 Years	10.2%

Mid growth stage

- Elevated oil prices and conflict-driven uncertainty in Iran led to a sharp rise in treasury yields.
- Gold dropped -11.6% in USD in March, as a stronger dollar outweighed safe-haven flows.
- The fund achieved quarterly returns of **0.3%**

Asset splits* and performance



- Equities **42%**
- Gov Bonds **25%**
- Corp Bonds **18%**
- Property **3%**
- Alternatives **6%**
- Cash **6%**

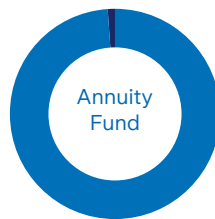
Year to date	0.3%
1 Year	8.8%
3 Years	9.8%
5 Years	6.0%
10 Years	6.9%

Retirement planning stage



- Equities **21%**
- Gov Bonds **28%**
- Corp Bonds **20%**
- Property **2%**
- Alternatives **2%**
- Cash **27%**

ARF fund is the Prisma 3 fund.



- Bonds **99%**
- Cash **1%**

Annuity fund is the Long Bond fund.



- Cash **100%**



Each stage is personalised

For further information please see individual fund pages on zurich.ie.

Performance data: FE fundinfo as at 31/03/2026.

Annual management charges (AMC) apply. 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.

*Source: Zurich Life as at 31/03/2026. Due to rounding some totals might not equal 100%.

Personalised GuidePath

Personalised GuidePath is an innovative investment strategy that provides greater flexibility, catering for different risk profiles and retirement benefit plans. This makes your investment choices clearer and smarter and allows you to personalise it in three ways to suit your needs.

1

Personalised risk preference

By answering some simple questions you can understand your preferred level of risk from Low to High.

Once you have your risk profile, you can then adjust your investment strategy to match. This can be done online in a few easy steps.

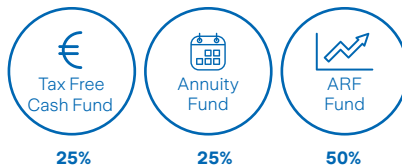


2

Personalised retirement planning stage

It is likely that many customers will want to use their accumulated pension fund in different ways depending on their personal preferences.

There is no formula to predict what benefit mix an individual will choose at retirement – but with the right education and tools at your disposal, Personalised GuidePath makes the decision easy for you.



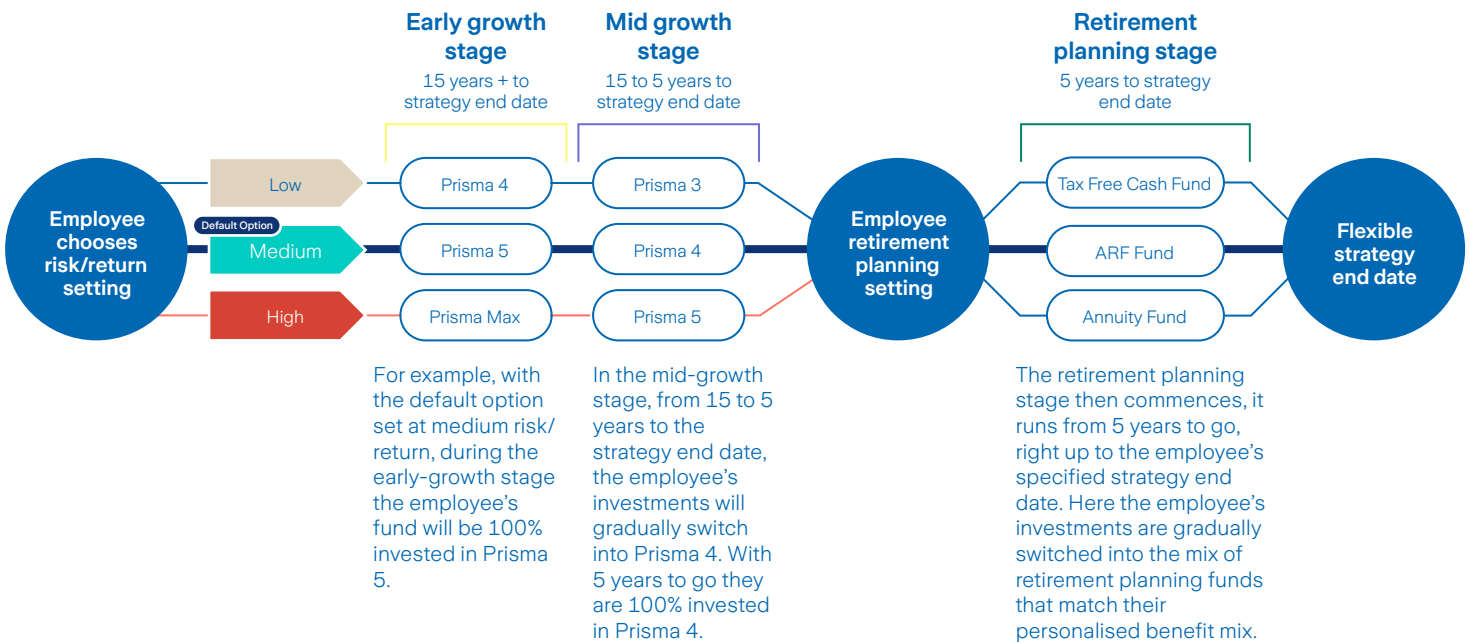
3

Personalised strategy end date

If you are planning on retiring early or late, Personalised GuidePath gives you the flexibility to adjust your 'strategy end date' at any stage over the course of your working life. This means your pension will de-risk to the date you are actually planning to take your benefits, regardless of whether it's earlier or later than your normal retirement date.



The GuidePath journey



The pension opportunity just got bigger!

This year, Irish Revenue has increased the Standard Fund Threshold (SFT) to €2.2 million. Even better – from 2030 onwards, the SFT will rise in line with wage growth.

Now is a great time to review your pension and make the most of your contributions.

Why act now?

Tax advantages

Extra contributions can bring valuable tax relief, helping you save more efficiently.

Peace of mind

Higher savings mean more confidence for your retirement goals.

Fund choice

You can review or change your investments to target more growth, if appropriate.

Compound growth

The earlier you boost your pension, the more your savings can potentially grow over time.

Flexible options

Adjust your contributions to fit your life stage and financial needs.

Legacy planning

Growing your pension could help provide better support for your loved ones in the future.



What's next?

If you are approaching the increased SFT, or previously paused contributions at €2 million, you may now have more room to fund your pension and take advantage of additional tax benefits.

To get started, talk to your Zurich scheme administrator or HR team about your options.

For more information

Name:

Phone:

Email:

Visit:

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

Warning: The income you earn from this investment may go down as well as up.

The information below applies to all graphs and the preceding pages:

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