



Pension Matters

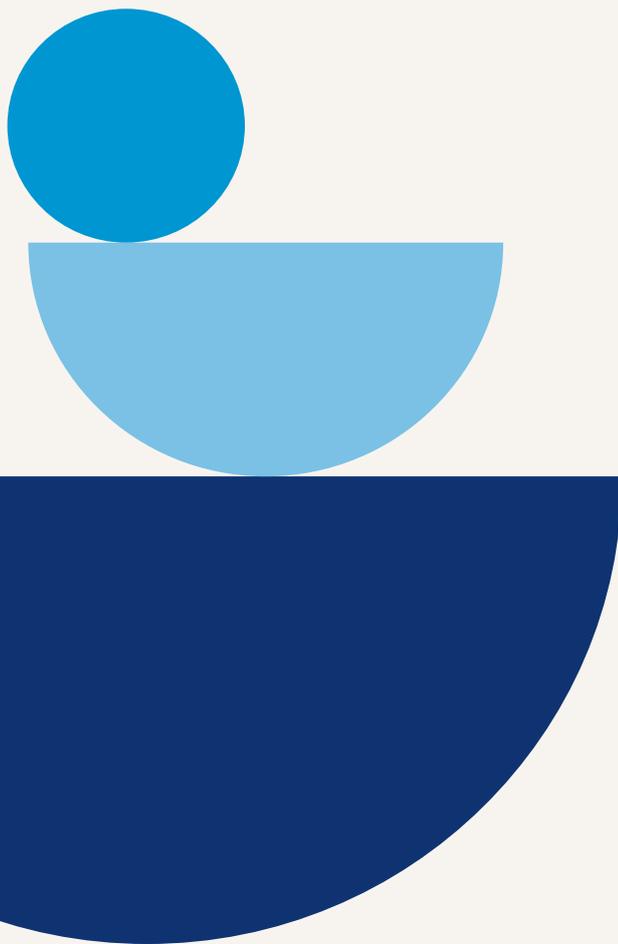
Quarterly Market Report

Quarter 1 | 2026



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Retirement isn't a number - it's a plan

Retirement isn't as simple as calculating "the magic number." It's shaped by:



Personal goals



Family priorities



Health and lifestyle



Market conditions



Life expectancy



Your appetite for risk

Why personalised support matters more than ever in 2026

Retirement is often described as a milestone but it's a full financial journey. Retirement today lasts **20+ years on average**, involves navigating multiple risks, and demands **far more than a simple "how much do I need?" calculation**.

Every person's situation is different, which is why a one-size-fits-all approach simply doesn't work. Here's what really shapes retirement outcomes, and why good financial planning matters.



1. Lifestyle choices and “bucket list” goals

Today's retirees are more active and live longer. Many have big plans for their early retirement years - from travel to new hobbies to helping children or grandchildren.

These goals impact:

- How much income you need
- How long your pension pot must last
- How you should invest leading up to, and throughout, retirement

With many over-55s holding a significant portion of Ireland's household wealth*, it becomes even more important to make those assets work effectively. That can be through investing in multi-asset funds like the Prisma range from Zurich, choosing a risk level that suits your needs through the Personalised GuidePath strategy, or maintaining a balanced mix of assets in retirement that can support both day-to-day spending and long-term financial security.



2. Legacy and inheritance planning

Legacy planning is a crucial part of retirement - not just for passing on wealth, but for ensuring clarity, minimising stress for loved ones, and doing so in a tax efficient manner.

At a minimum, every individual should have a professionally drafted Will, reviewed after major life events. Beyond that, there are several practical steps that help shape a thoughtful, efficient legacy plan.

Many people use Small Gift Exemption strategies to pass on €3,000 a year tax-free to children or grandchildren, while Zurich's Child Savings Plans offer a structured way to build long-term value for younger family members. When a larger estate is involved, Section 72 policies can be used to cover inheritance tax, ensuring beneficiaries mitigate the possibility of an unexpected tax bill.

Business owners can use pensions as part of their future exit strategy and can protect their business from their unexpected loss using corporate succession solutions, such as keyperson and co-director insurance to help ensure business continuity and provide liquidity for buyouts or inheritance needs.

While these decisions are deeply personal, the right combination of tools; a Will, efficient gifting strategies, appropriate policies, and simple investment structures – can ensure your legacy passes smoothly, tax-efficiently, and exactly as intended.



3. Income needs change throughout retirement

Retirement isn't one long, predictable expense pattern. It evolves - in early retirement, spending typically rises as people travel more, upgrade their lifestyle, or complete major projects. Day-to-day spending usually stabilises as routines settle. In later years, healthcare, support services, and medical costs often increase.

Because your needs change over time, your income strategy should change too.

A strong retirement plan includes:

- Flexible drawdown: in years where markets are volatile, you can choose to withdraw income from your lower-risk funds, giving your higher growth funds time to recover instead of selling them at a bad time.
- Taking advantage of strong markets: when equity or multi-asset asset funds perform well, you can draw more income from those funds, naturally trimming gains while keeping other assets untouched.
- Maintaining your target risk level: combining flexible withdrawals with your Approved Retirement Fund (ARF)'s rebalancing feature keeps your investments aligned to your goals.
- A well-managed, flexible income plan can help you make the most of your early years, support greater stability in your middle years, and may better prepare you to meet rising costs in the future.



4. Reserve strategies

A rainy-day fund is essential, even in retirement, because unexpected costs don't stop once you leave the workforce. Home repairs, medical bills, helping children through financial pressures, or even short-term market downturns can all require immediate access to cash. Without readily available liquidity, retirees may be forced to withdraw from their ARF at the wrong time, potentially locking in losses and worsening sequencing risk.

One of the most important, but least understood, retirement risks is sequencing risk.

Two investors with the same average annual return can end up with dramatically different outcomes depending on when market losses occur. Early losses in retirement can significantly shorten how long savings last.

A practical approach is to maintain one to two years of planned income in low-risk or cash-based funds, while keeping longer-term assets invested for growth. This structure ensures there's always a pool of stable assets to draw from when life happens, without disrupting the long-term investment strategy that underpins retirement income.



5. Longevity risk: a 20+ year retirement

As people live longer, longevity risk has become a major factor in retirement planning. A retirement that lasts 25–30 years means your savings must stretch further, so it's important to consider whether your fund growth can sustainably support your drawdowns over time.

Multi-asset funds such as the Prisma range, combined with strategies such as Personalised GuidePath and ARF Rebalancing or maintaining a short-term cash reserve, can help keep your portfolio aligned with your goals. Longer retirements also make inflation more impactful, so choosing investments with built-in indexation or inflation-linked growth potential becomes essential. And because

medical and care costs typically rise in later life, it's worth reviewing your Health Insurance cover and setting aside funds for future health needs or using part of your tax-free lump sum to future-proof your home.

Longevity risk isn't just about living longer - it's about ensuring your finances can sustain the lifestyle and security you want for as long as you need them.



6. Medical expenses and health-related shocks

Medical needs in retirement can vary widely, and the financial impact can be significant. Long-term care costs, ongoing medical treatments, and sudden health events can reshape a retirement plan overnight. Rising healthcare concerns mean retirees need protective buffers built into their financial strategy - not only to cover immediate expenses, but also to safeguard long-term income sustainability.

A sensible approach is to maintain a dedicated healthcare contingency fund within your ARF or savings, alongside broader emergency reserves.

Layering in guaranteed income: in mid-to-later retirement, you can choose to convert part of your Approved Retirement Fund (ARF) into an annuity to lock in a guaranteed income for life - reducing pressure on your remaining investment portfolio.

It's also worth reviewing your protection cover: Serious Illness or Cancer Cover can provide a lump sum that helps manage the financial shock of a diagnosis, while those still working should ensure their Income Protection remains in place up to retirement age to protect their earning power before they retire.

Retirees may also choose to use part of their tax-free lump sum to fund health-related home adaptations or private healthcare needs.

Retirement planning is not just having a pension or choosing between an ARF or annuity - it's a tailored, ongoing advice journey.

With the right structure, tools and advice - from funding to decumulation to legacy - you can build a retirement that is personal and can support your financial future.

Retirement isn't just about numbers - it's having reassurance, clarity and confidence. Whether you're early in your career or fast approaching retirement, now is the right time to reflect, plan, and take control of your financial future.

Discover a wealth of resources on zurich.ie designed to help you plan for a rewarding retirement, no matter how complex your journey may be.

*Source: CSO.ie, Household Finance and Consumption Survey 2023

Resilience and momentum in global investment markets

Global Overview

The final quarter of 2025 marked a period of notable resilience and positive momentum in global investment markets. Equity markets across the world delivered strong performances, with strength outside the US for the first time in years. Shifts in currency strength, investor preferences, and regional economic developments contributed to this broader rally. Meanwhile, fixed income and commodity markets experienced a more varied landscape, influenced by central bank actions, inflation expectations, and geopolitical factors. Against this backdrop, precious metals stood out with exceptional gains, while energy markets faced renewed pressure. The closing months of 2025 reflected a dynamic and evolving market environment shaped by both global and regional forces.

- ✓ Global equities rose moderately over the quarter in Euro terms, with gains slowing in the final quarter.
- ✓ On a sector level, Health Care and Materials outperformed all other sectors, while Real Estate lagged.
- ✓ US Treasury yields rose over the quarter, finishing 2025 at 4.17%
- ✓ Gold had a strong year and a strong quarter, rising 11.9% in Q4.



Commodities & Currencies

In 2025, precious metals surged to the forefront among commodities, with gold rising over 65% and silver climbing nearly 148% in USD terms. These gains reflected their role as safe havens during times of heightened geopolitical risks, a depreciating US dollar, and persistent, though easing, inflation. In contrast, oil prices steadily fell throughout the year, ending at \$57.42 per barrel, down about 20%. This decline was driven by excessive supply, increased output from OPEC and other producers, and weaker demand as economic growth showed signs of cooling. At the end of December, 1 Euro purchased 1.175 USD, up from 1.173 at September close.



Equity Markets

In the last quarter of 2025, global markets experienced steady growth, with many indices reaching new milestones and marking a successful stretch for risk-driven investments. Notably, shares outside the US surpassed their US counterparts for the first time in years, thanks to factors such as a softer US dollar, appealing opportunities abroad, and a rotation by some investors away from US technology stocks. All these trends contributed to strong gains in Europe, Asia and emerging markets. Global sectors in Euro terms performed strongly, led by the Health Care (+10.5%) and Materials (+5.1%) sectors. The Real Estate (-2.5%) sector was the only sector to see negative returns over the three-month period.



Bonds & Interest Rates

US Treasury returns remained muted in the closing months of 2025. Longer-dated bond yields increased, while yields on shorter maturities declined, leading to a steeper yield curve. The Federal Reserve lowered rates by 25 basis points at both their October and December meetings, setting the federal funds rate at 3.5-3.75%. As the US government reopened, updated employment data indicated continued stability, with limited hiring and firing. Within the eurozone, southern European bonds, especially in Italy, performed well, while yields in Germany climbed following the European Central Bank (ECB)'s more optimistic outlook on growth and inflation. The ECB, however, maintained its interest rates unchanged.

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:

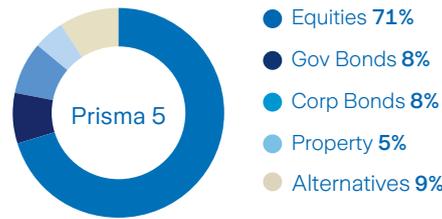
Zurich positioning and latest asset allocation movements as at 31/12/2025

Medium risk default investment strategy

Early growth stage

- Equity markets were relatively flat as technology stocks came under pressure as doubts grew over high valuations and optimistic AI-related profit forecasts, especially among leading AI firms.
- Gold gained in Q4, finishing the year up nearly 65%, supported by safe-haven demand after notable geopolitical developments
- Achieved quarterly returns of **3.3%**

Asset splits* and performance

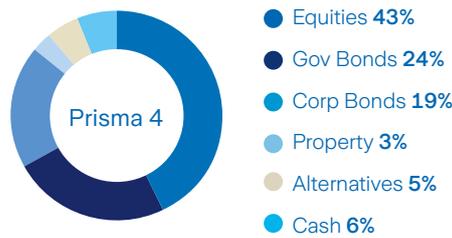


Year to date	7.4%
1 Year	7.4%
3 Years	15.9%
5 Years	9.9%
10 Years	9.7%

Mid growth stage

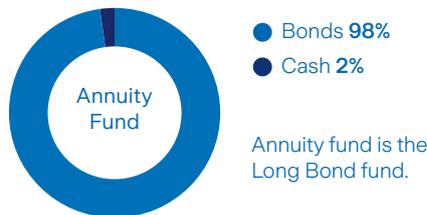
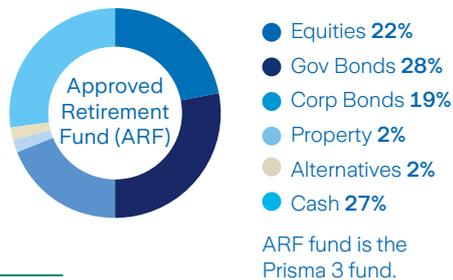
- The Fed continued cutting rates in Q4 which supported global government bond markets, but the government shutdown in October brought uncertainty.
- Eurozone equities finished the year strongly, driven by rising optimism about the region's economic prospects and earnings growth for 2026.
- Achieved quarterly returns of **2.3%**

Asset splits* and performance



Year to date	5.0%
1 Year	5.0%
3 Years	11.0%
5 Years	6.7%
10 Years	6.7%

Retirement planning stage



Each stage is personalised

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

Performance data: FE fundinfo as at 31/12/2025.

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 31/12/2025. 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.

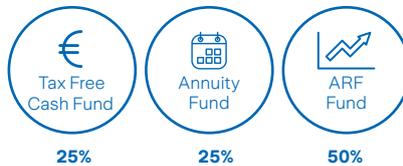


2

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.



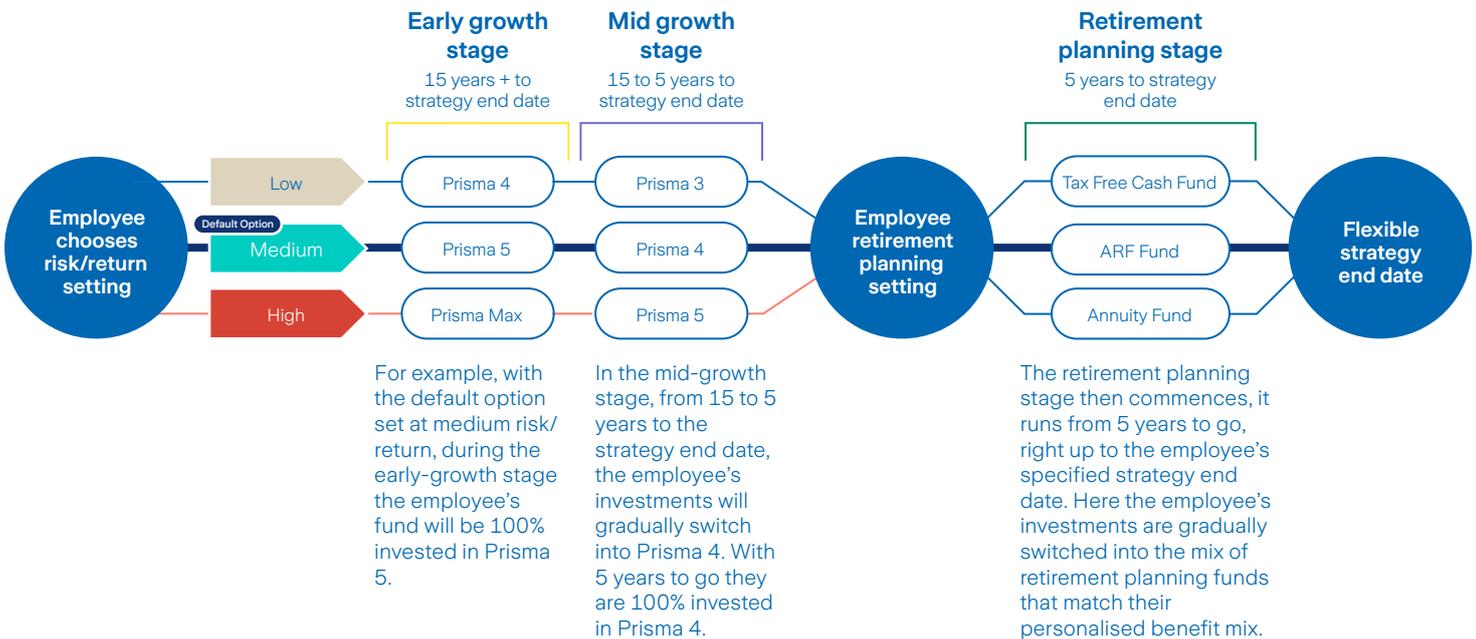
3

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



Supercharge your pension with your next bonus

Bonuses can be more than just a reward - they're a powerful way to build your pension and cut your tax bill at the same time.

How it works:

Instead of taking your bonus as cash (and paying tax on it), you can choose to pay it directly into your pension. This approach, sometimes called 'bonus sacrifice' means:

The bonus goes straight into your pension pot.

- You pay less tax.
- Your pension savings grow faster - at no extra cost to you.

Why it matters:

Using your bonus in this way maximises your tax relief. You keep more of your earnings for the future instead of losing a chunk to the taxman today.

The benefits:

- Immediate tax savings
- A bigger pension pot for retirement
- A simple way to make your bonus or commission work harder



What's next?

You may be able to choose to invest some or all of your bonus into your pension.

Talk to your HR team or Zurich Corporate Consultant to find out how to redirect your next bonus payment into your pension. They'll explain the steps and show you exactly how much you could save.

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.

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Zurich Life Assurance plc

Zurich House, Frascati Road, Blackrock, Co. Dublin, A94 X9Y3, Ireland.

Telephone: 01 283 1301 Fax: 01 283 1578 Website: www.zurich.ie

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