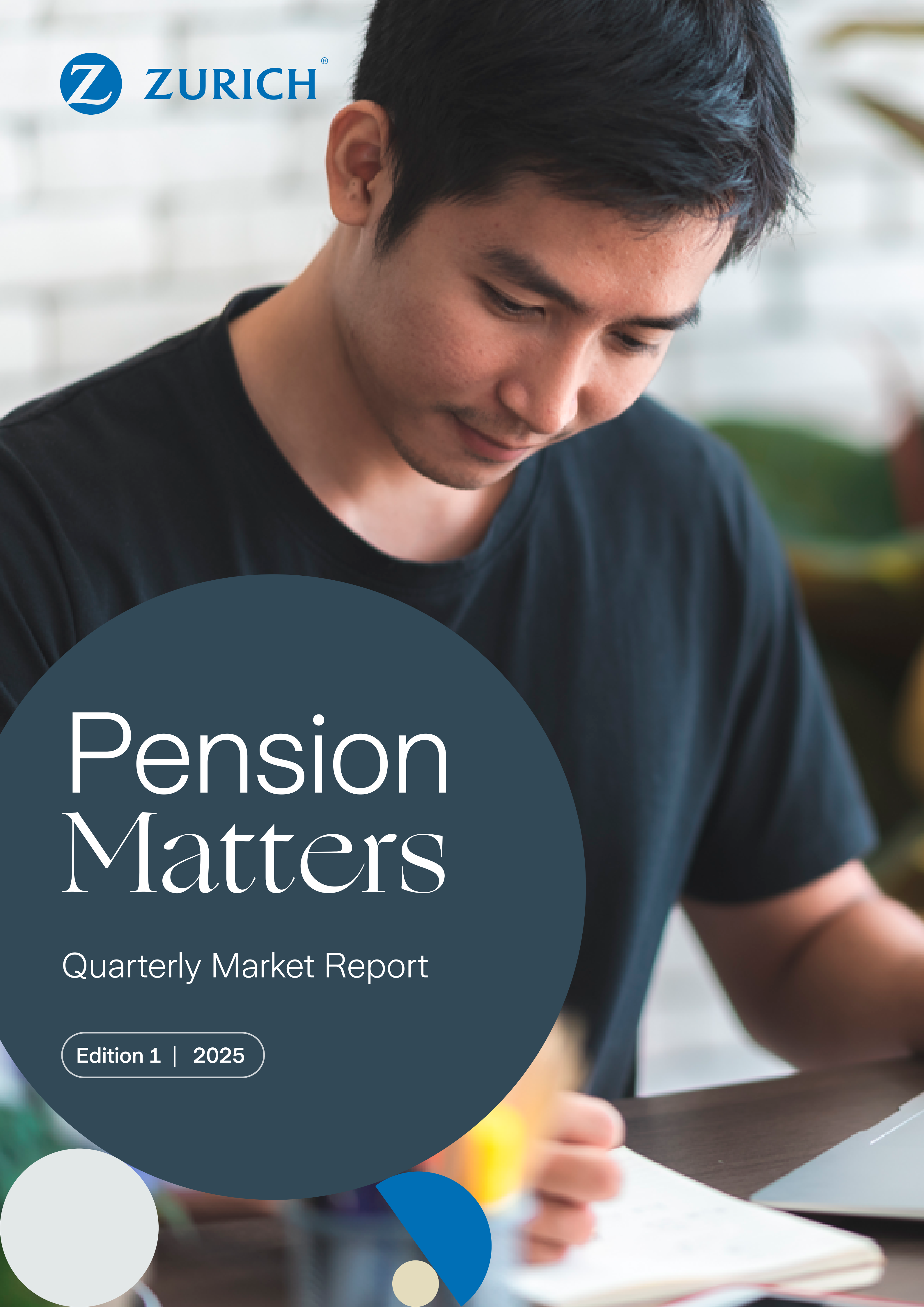


Pension Matters

Quarterly Market Report

Edition 1 | 2025

Contents

Invest in your future: Prisma multi-asset funds

The Personalised GuidePath investment strategy is the default investment option of the Zurich Master Trust, as selected by the trustees. Personalised GuidePath is built on Zurich's popular Prisma Multi-Asset Funds.

The Prisma funds target long-term growth, with different asset mixes that can deliver volatility and returns appropriate to individual risk profiles. Zurich's Prisma fund range was launched in October 2013 as our multi-asset solution for investors who wish to target a specific risk level. Since launch, the funds have delivered industry-leading returns[2] in an investment market that is ever-changing. For company pension schemes, good consistent fund performance is key as it can lead to better retirement outcomes for scheme members. This consistency of positive performance is the hallmark of a Company Pension scheme with Zurich.[2]

In October 2013, Ireland was nearing the end of the Troika bailout which had begun in 2010, and the recovering economy was prompting a reversal of pessimistic sentiment in Irish investors. Since then, we have witnessed - a Chinese stock market crash, Brexit, a US-China trade war, the longest US bull market in history, a global pandemic, record levels of global inflation (and interest rates), and the largest conflict in Europe since World War 2. But throughout all the ups and downs over the past decade or so, one thing that has not faltered is the Prisma proposition.

Navigating uncertainty with the Prisma funds

At the time of writing, the pervasive uncertainty in the market has some investors duly worried about their investments. We believe it is necessary to temper any investor concerns with a reminder of the long-term objective of the Prisma funds and the features and benefits available to investors.

Risk targeted: The funds aim to generate long-term capital growth while targeting specific levels of volatility in returns appropriate to individual investor risk profiles.

Fully diversified: Each fund is diversified and can include equities, bonds, property, cash and alternatives. The correlation of returns between separate asset classes can be low or even negative. For example, stocks and gold have been known to often behave conversely, since investors move to stocks when risk appetites are high and to gold when risk appetites are low. It is in times like these that multi-asset funds serve their purpose. Investors in the Prisma range are more insulated from precipitous movements in equities because of their exposure not just to a broad range of sectors and regions, but other risk assets too.

Actively managed: The Prisma Funds are actively managed by the Zurich Investment team, and it is worth noting that such periods of volatility can provide opportunities to those with a more 'hands on' approach. It is our fund managers that make the specific investments within each fund. This means our investment managers can respond to market movements as and when they happen.

Proven track record: Zurich Investments consists of experienced and highly qualified investment specialists, with a proven track record of making the right asset allocation decisions at the right times. The success of any fund during periods of steady growth is built on the sensible trades that were made in the preceding periods of uncertainty[2].

Short-term volatility. Long-term growth.

As of 25th April 2025, the MSCI US Index has lost –14.3% in value in euro terms since the start of 2025. The turbulence in US equities, which has been accentuated by added weakness in previous outperformers has helped to drag the Year-To-Date (YTD) return of each of the Prisma funds into the red. The Prisma Max and the Prisma 5 funds have had the weakest performance YTD at –11.4% and –8.9% respectively, due to US equities being most prevalent at the riskier end of the Prisma range.

Prisma 2 has been the strongest performer, returning -0.4%. In fact, Prisma 2, 3, 4 & 5 have all outperformed the MSCI World Index due to their diversification away from equities into bonds and alternatives. Gold in particular has added over 15% in euro terms this year as investors have rushed to the safe-haven asset.

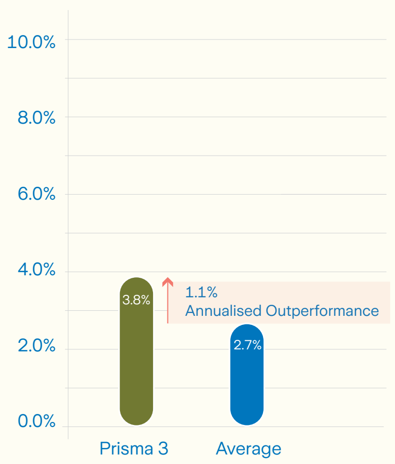
However, short-term performance is more easily influenced by market swings. A much better metric for which to judge a fund is its performance in the long-term. As of the end of March 2025, Prisma 3, 4 & 5 are all above their peer group average over the last 3, 5, 7 & 10 years[1].

As highlighted in the beginning of this article, the past 7 years have been fraught with unexpected shocks that have heavily impacted activity in the market. Yet, the Prisma range demonstrated consistency in returns over that period, as demonstrated in the chart overleaf[1].

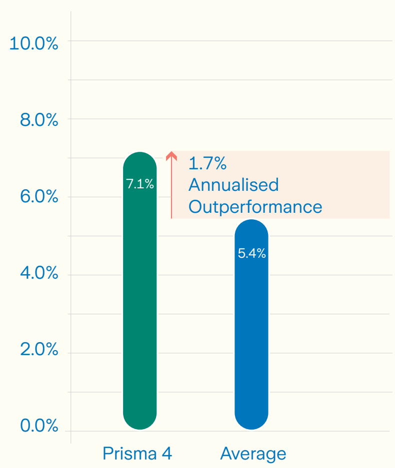
Prisma Funds - Compounding Outperformance[1]

7 year Annualised Performance vs Average

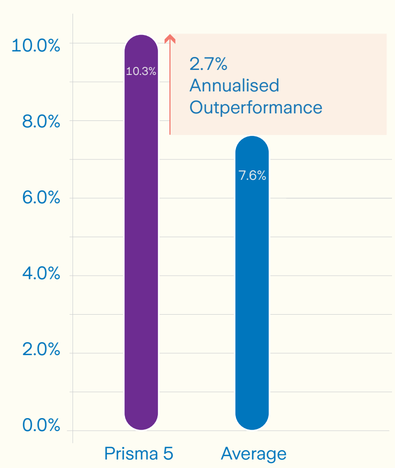
Prisma 3



Prisma 4



Prisma 5



Readers can rest assured that Zurich's Investment team is finely attuned to the recent market movements and the prevailing economic and geopolitical climate. As in the past, Zurich Investments is not, and will not, be afraid of volatility. Instead, we will continue to actively manage the Prisma range with the same principal goal in mind: The long-term accumulation of growth for investors.

Need help deciding which funds are right for you?

To find out more speak to your Scheme Advisor or visit zurich.ie for lots of useful information.

Sources:

[1] Performance figures are provided gross of AMC by Longboat Analytics/www.fund-focus.com. The constituents of the Prisma Comparison averages are multi-asset funds available from Life Company peers in the Irish market (ILAC, SLAC, New Ireland, Aviva), which target a similar level of volatility to the respective Prisma Fund. Performance figures for all fund managers are based on close of markets prices 31/03/2025, based on best available information. Annual management fees apply. Returns are based on offer to offer performance and do not represent the return achieved by individual policies linked to the fund. Note that not all competitors manage their risk constrained funds in the same manner or using the same volatility bands. This makes any comparison more difficult. Where a provider has multiple fund ranges we use the most prominent, and where risk targeting methodologies differ we seek to use the most comparable fund.

[2] Zurich, April 2025.

- Heightened volatility leads to a sharp correction in US equities in Q1
- Energy and healthcare sectors lead equity performance globally
- In the US, Treasury yields fell due to weaker economic activity data
- Tariff concerns led investors to safe-haven assets like gold

Heightened volatility due to trade tensions

Commodities & Currencies
The energy sector performed well, with natural gas delivering strong returns, while crude oil and fuel products faced demand challenges and potential supply sanctions.

Precious metals saw notable gains, with gold and silver performing strongly. Tariff concerns led investors to safe-haven assets like gold, and Central Bank purchases further drove gold prices to over $3000/oz.

By quarter-end, 1 Euro equalled 1.082 USD, up from 1.035. The USD depreciated due to recession fears and higher inflation from escalating tariffs, exerting downward pressure on the currency.

Equity Markets
The first quarter of 2025 saw heightened volatility and a sharp correction in US equities due to macroeconomic and political challenges weighing heavily on investor sentiment. Aggressive trade policies, including sweeping tariffs on major trading partners like Canada, Mexico, and China created an atmosphere of economic uncertainty. As the quarter ended, markets awaited 'Liberation Day' and the announcement of more tariffs. European equity markets outperformed but gains were limited by a March pullback over potential US tariffs. Chinese equity markets benefited from optimism about its Artificial Intelligence (AI) capabilities following DeepSeek's release, with sentiment improving further by the end of the quarter due to announced stimulus measures supporting domestic consumption. In the US, the Energy sector (+5.4%) and Healthcare sector (+1.6%) performed the best, while Consumer Discretionary (-17.0%) and Technology (-16.5%) sectors lagged. In Europe, Financials (+16.5%) and Energy (+12.7%) led the performance, with Technology (-4.4%) being the weakest sector.

Bonds & Interest Rates
In the Eurozone, Germany's 10-year bond yields rose by 37 basis points following a parliamentary announcement to break previous fiscal rules, exempting a planned $500 billion infrastructure fund and allowing increased defence spending beyond debt limits. Annual inflation in the Eurozone eased to 2.3% in February, and the European Central Bank cut interest rates in January and March, lowering the deposit facility rate to 2.5%.

In the US, Treasury yields fell due to weaker economic activity data. The Federal Reserve signalled a 'higher-for-longer' stance, maintaining a restrictive policy as inflation remained above target, and kept interest rates steady at 4.25-4.50% during the quarter.

Current Zurich positioning and latest monthly change

		-5%		0%	+5%	
	Region	Under		Neutral	Over	
Equities	Overall Equity Position				↑	
Equities	North America		↔			
Equities	Europe				↔	
Equities	Japan			↔		
Equities	Asia (Ex-Japan)				↔	
Fixed Income	Overall Fixed Income Position			↔		
Fixed Income	Sovereign Eurozone			↔		
Fixed Income	European Credit			↔		
Alternatives	Overall Alternatives Position				↔	↔
Alternatives	Oil			↔		
Alternatives	Gold				↔	↔
Alternatives	Copper				↔	
Alternatives	Global Property		↔			
Alternatives	Soft Commodities			↔		
Currencies	USD			↑		
Currencies	GBP			↔		
Currencies	YEN			↔		

Legend:

↔ No change

↑ Increase

↓ Decrease

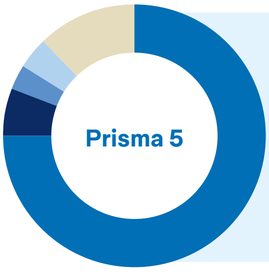
Source:
Zurich positioning and latest asset allocation movements as at 31/03/2025

Medium Risk Default Investment Strategy Personalised GuidePath

Early Growth Stage

- Downturn caused by our exposure to US equities which faced challenges driven by tariff uncertainties.
- The higher risk fund was most affected due to larger equity allocations
- Returned -5.1% over the first quarter of 2025.

Asset splits* and performance

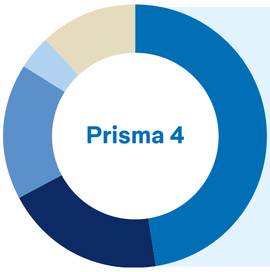


- Equities 75%
- Gov Bonds 6%
- Corp Bonds 3%
- Property 4%
- Alternatives 12%

Year to date	Annualised 1 Year	Annualised 3 Years	Annualised 5 Years	Annualised 10 Years
-5.1%	**5.3%**	**6.5%**	**13.8%**	**7.6%**

Mid Growth Stage

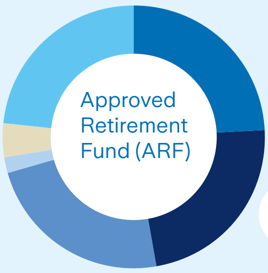
- Q1 saw negative returns due to heightened volatility and a sharp correction in equity markets.
- Despite this volatility, the long-term performance of the funds remains strong.
- Returned -3.3% over the first quarter of 2025.



- Equities 48%
- Gov Bonds 20%
- Corp Bonds 17%
- Property 4%
- Alternatives 12%

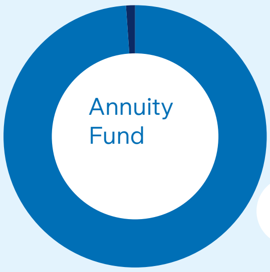
Year to date	Annualised 1 Year	Annualised 3 Years	Annualised 5 Years	Annualised 10 Years
-3.3%	**4.4%**	**4.3%**	**9.7%**	**5.3%**

Retirement Planning Stage



ARF fund is the Prisma 3 fund.

- Equities 24%
- Gov Bonds 23%
- Corp Bonds 23%
- Property 2%
- Alternatives 4%
- Cash 23%



Annuity fund is the Long Bond fund.

- Bonds 99%
- Cash 1%

- Cash 100%

Performance data: FE fundinfo as at 31/03/2025.

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.

Each stage is personalised. For further information please see individual fund pages on zurich.ie.

***Source:** Zurich Life as at 31/03/2025. 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.

Personalised GuidePath makes your investment choices clearer and smarter. It allows you to **personalise it in three ways** to suit your needs.

1 Personalised risk preference

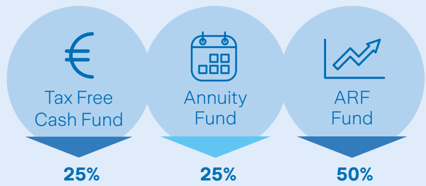
By answering some simple questions you can understand your preferred level of risk from Low to High.

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.

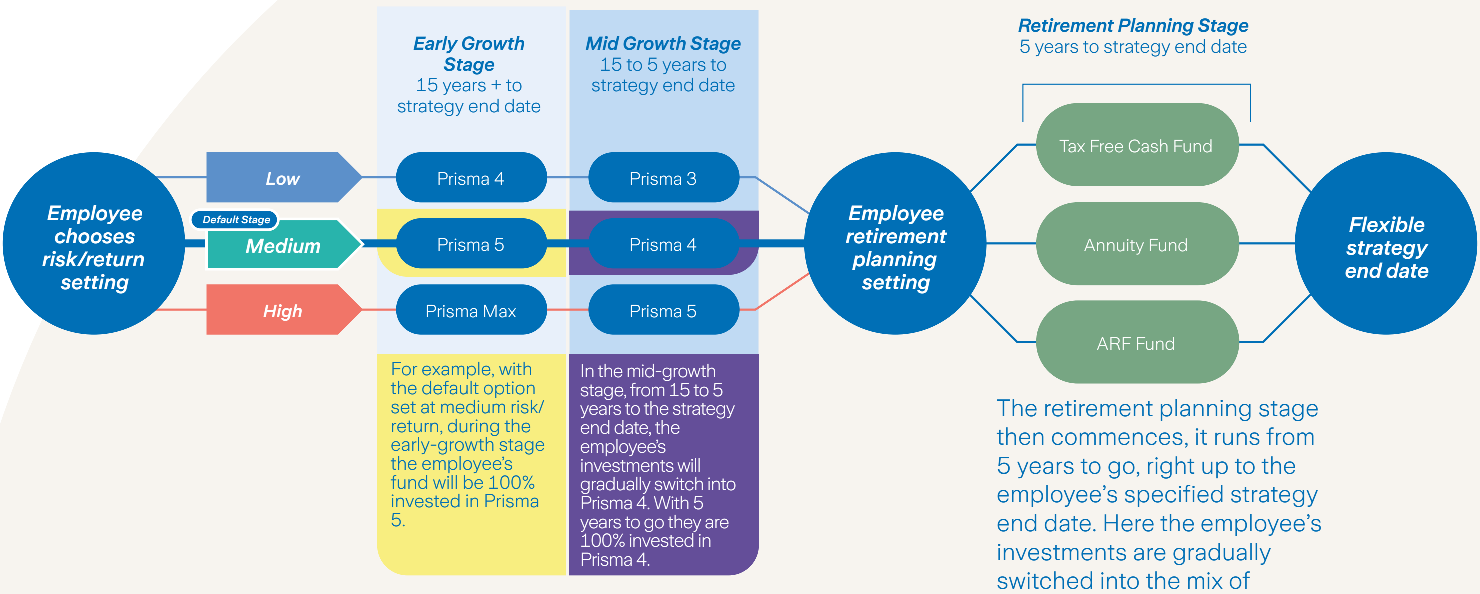
There is no formula to predict what benefit mix an individual will choose at retirement – but with the right education and tools at your disposal, Personalised GuidePath makes the decision easy for you.



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 retirement planning stage then commences, it runs from 5 years to go, right up to the employee's specified strategy end date. Here the employee's investments are gradually switched into the mix of retirement planning funds that match their personalised benefit mix.

How much can you personally contribute to your pension for tax relief purposes?

Rather than considering how much you can put into your pension, consider what is the maximum contribution you can make while still getting income tax relief. By understanding and maximising your pension contributions, you can significantly enhance your retirement savings and enjoy the benefits of tax relief, tax-free growth, and a substantial tax-free lump sum upon retirement.

5 benefits of maximising your pension contributions

1 Immediate tax relief

When you make voluntary contributions to your pension fund, you benefit from immediate tax relief. If you are a higher-rate taxpayer, you can claim back up to 40% in income tax relief for every euro you contribute to your pension fund. Typically, your employer will deduct contributions directly from your salary and contribute them into your pension, ensuring you receive your income tax relief.

2 Tax-free growth

One of the key advantages of contributing to a pension fund is that any investment returns or capital gains earned within your pension are not subject to tax. Over time, this tax-free growth can substantially boost your retirement savings. However, it's important to understand that, aside from the tax-free lump sum, any funds you withdraw upon retirement will be liable to income tax and Universal Social Charge deductions.

3 Addressing pension gaps

Maximising your contributions can help close potential pension gaps that may arise due to interruptions in your working life or changes in employment. This ensures that you maintain a steady growth in your pension fund.

4 Building your tax-free lump sum

When you retire, you can take a portion of your pension as a tax-free lump sum. As of 2025, you can take up to 25% of your retirement value as a tax-free lump sum, up to €200,000. This means that to take the full €200,000 tax-free, your pension fund would need to be worth €800,000.

5 Enhanced retirement income

The more you have saved in your pension fund, the more financial security you will enjoy during retirement. A well-funded pension plan allows you to maintain your lifestyle, cover essential expenses, and pursue your post-retirement goals without financial stress. This financial cushion can provide peace of mind, knowing that you have the resources to support yourself and potentially even leave a legacy for your loved ones.

What's the maximum amount you can personally contribute to your pension for tax relief purposes?

Try the Maximum Pension Contribution Calculator.

To find out more speak to your Scheme Advisor or visit zurich.ie for lots of useful information.

For more information

Name: Zurich Corporate Life and Pensions Team

Phone: 01 209 2299

Email: customerservices@zurich.com

Visit: zurichcorporate.ie

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 get 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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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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