



# Pension Matters

Quarterly Market Report

Edition 2 | 2025



# Contents

Your Company Pension vs. Auto Enrolment: What's the Difference?	1
Heightened volatility due to trade tensions	3
Medium Risk Default Investment Strategy Personalised GuidePath	5
Personalised GuidePath	6
Your retirement is closer than you think, let's plan your best next chapter	7



# Your Company Pension vs. Auto Enrolment: What's the Difference?



If you're paying tax at the higher rate, your company's group pension plan will provide you with greater financial advantages than relying on the new Auto-Enrolment (AE) scheme launching in Ireland.

## What is AE?

You might have heard about "Auto-Enrolment" – a government initiative to help more people save for retirement. The scheme, named 'My Future Fund', is to ensure that every worker will pay into a workplace pension to supplement their basic state pension. This is an important initiative as the state pension in Ireland amounts to an income of just over €15,000 a year. For a lot of people, this will not be enough to live on in retirement, so automatically getting people to put more money aside today could help them enjoy a better retirement. My Future Fund is launching in January 2026.

## I'm already paying into my employer's pension

That's good news. If you are already a member of your employer's workplace pension, then AE is unlikely to affect you. It is targeted at people who haven't joined a workplace pension, or where their employer doesn't offer one. There are approximately 800,000 people in Ireland who will be impacted, and from January, they will be auto-enrolled into My Future Fund.

## I haven't joined my employer's pension - what's best for me?

First off, it's likely that your employer's workplace pension will give you even greater benefits, especially if you are a higher rate tax payer. Here's why a company/workplace pension scheme is a smart way to build your financial future.

- **Higher tax relief** – 40% Taxpayers: These arrangements provide tax relief for employees that participate. This is particularly advantageous for employees that pay tax at the rate of 40% as they can obtain tax relief at this higher rate of 40%. This is a very attractive incentive especially when you look the equivalent incentive under the Auto-Enrolment regime which is comparable to receiving tax relief of 25%.
- **Enhanced employer contributions:** Many company/workplace pension plans offer more generous employer contributions than what will be available through AE, helping your retirement fund grow faster.
- **Flexibility:** Traditional pensions are much more flexible than Auto-Enrolment in the way you can contribute, invest and access your pension fund. Members can make

top-up contributions (known as additional voluntary contributions (AVCs) and these are an important way of ensuring your retirement is the one you've worked towards. This differs from My Future Fund which does not facilitate AVCs under the current design. Members can access their fund under early retirement rules as early as age 50 which would not be possible under My Future Fund where access is strictly linked to the state pension age of 66.

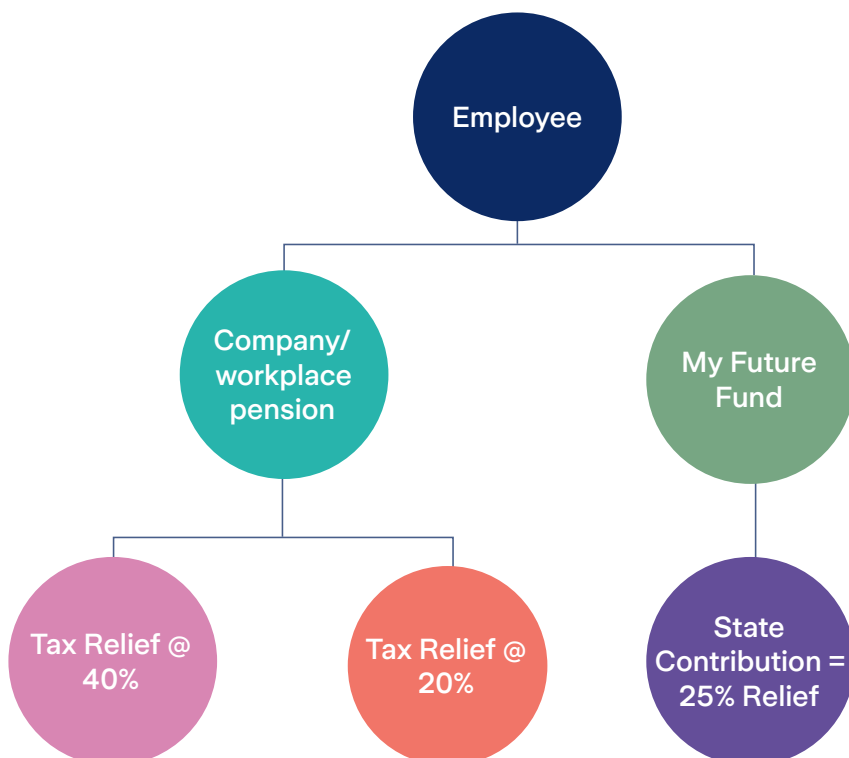
- **Choice and control:** Members can invest their fund in a broader range of funds than is available under My Future Fund.
- **Member engagement and tailored support:** Access to professional pension advice, so you can make well-informed choices.

## A welcome initiative

The My Future Fund AE initiative is welcome and some of the reasons employers and employees may favour the Auto-Enrolment pension scheme include:

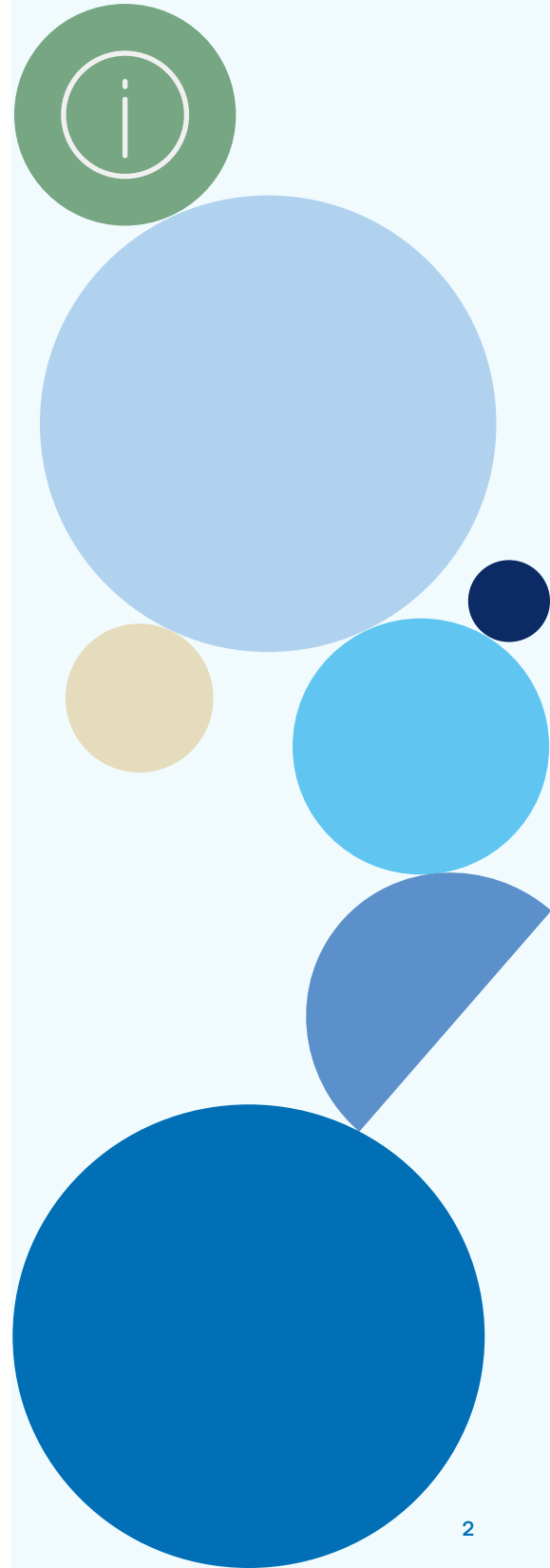
- **Employee Incentives – 20% Taxpayers:** My Future Fund does not provide tax relief on employee contributions but instead these are supplemented by a State Contribution on a 1:3 basis. Although not as attractive as the incentive offered to 40% taxpayers in a company/workplace pension, this is comparable to receiving tax relief at 25% and is therefore more attractive than the tax relief on offer to a 20% taxpayer in a company/workplace pension.
- **Simplicity:** My Future Fund simplifies the pension enrolment process for both employers and employees. The new legislation will mean that employers do not need the consent of the employee to deduct employee contributions from their salary which has traditionally been the case with a Master Trust or PRSA. Employees are automatically enrolled into the scheme and can later opt out if they wish.
- **State Backing:** The new My Future Fund scheme is backed by the state and will be run by a new state authority known as the National Auto Enrolment Retirement Savings Authority.

## Ireland's Dual Retirement Incentive Systems



## To find out more

If you are not a member of your company's pension plan you should consider joining this scheme – you may be missing out on valuable benefits. By being in the company pension scheme, you're making the most of your employer's support. If you have any questions about your pension or want to know how you can get even more out of your scheme, speak to your Scheme Advisor or visit [zurich.ie](https://zurich.ie) for lots of useful information.



# Heightened volatility due to trade tensions

- ✓ Global equities rise in Q2 despite sharp declines in April
- ✓ Information Technology and Communication Services sectors lead performance globally
- ✓ In the US, Treasury yields climbed higher but settled at 4.2%
- ✓ Geopolitical tensions support gold's role as a safe haven asset



## Equity Markets

Uncertainty over US trade tariffs dominated markets in the quarter. However, global equities rose during the period, even after experiencing sharp declines at the start of the quarter when President Trump announced new “Liberation Day” trade tariffs. Markets regained momentum as most tariffs were temporarily put on hold to allow for trade negotiations. US stocks performed well over the second quarter, supported by corporate earnings for Q1. The information technology and communication services sectors lead the gains returning 23.6% and 18.8% respectively. Investor enthusiasm for some of the “Magnificent 7” stocks returned, and companies involved in AI performed well. Eurozone equities also posted solid gains.



## Commodities & Currencies

Rising conflict risks in the Middle East led to a temporary spike in oil prices due to concerns over shipping disruptions. However, an oversupply in the market kept prices in check. Brent oil ended June at \$67.61 per barrel. Gold delivered returns of 5.8% over the quarter. Ongoing trade policy disruptions and increased geopolitical tensions, especially in the Middle East, supported gold's role as a trusted safe haven asset. The US dollar weakened against major currencies, largely due to tariff-related uncertainty and changing interest rate expectations. By the end of the period, the euro traded at 1.176 USD, up from a low of 1.079.



## Bonds & Interest Rates

Fixed income markets faced renewed volatility in the second quarter of 2025. The period was marked by heightened geopolitical tensions, influenced by US tariffs and developments in the Middle East. Recession fears spiked following the announcement of “Liberation Day” tariffs in the US but eased as the tariff stance softened. The yield on the US 10-year Treasury climbed as high as 4.6% during the quarter before settling at 4.2% by the end of June. While the Federal Reserve kept interest rates unchanged, the European Central Bank (ECB) reduced rates twice by 25 basis points each. ECB President Christine Lagarde indicated that the rate-cutting cycle was almost finished.

## Current Zurich positioning and latest monthly change

		-5%		0%		+5%	
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

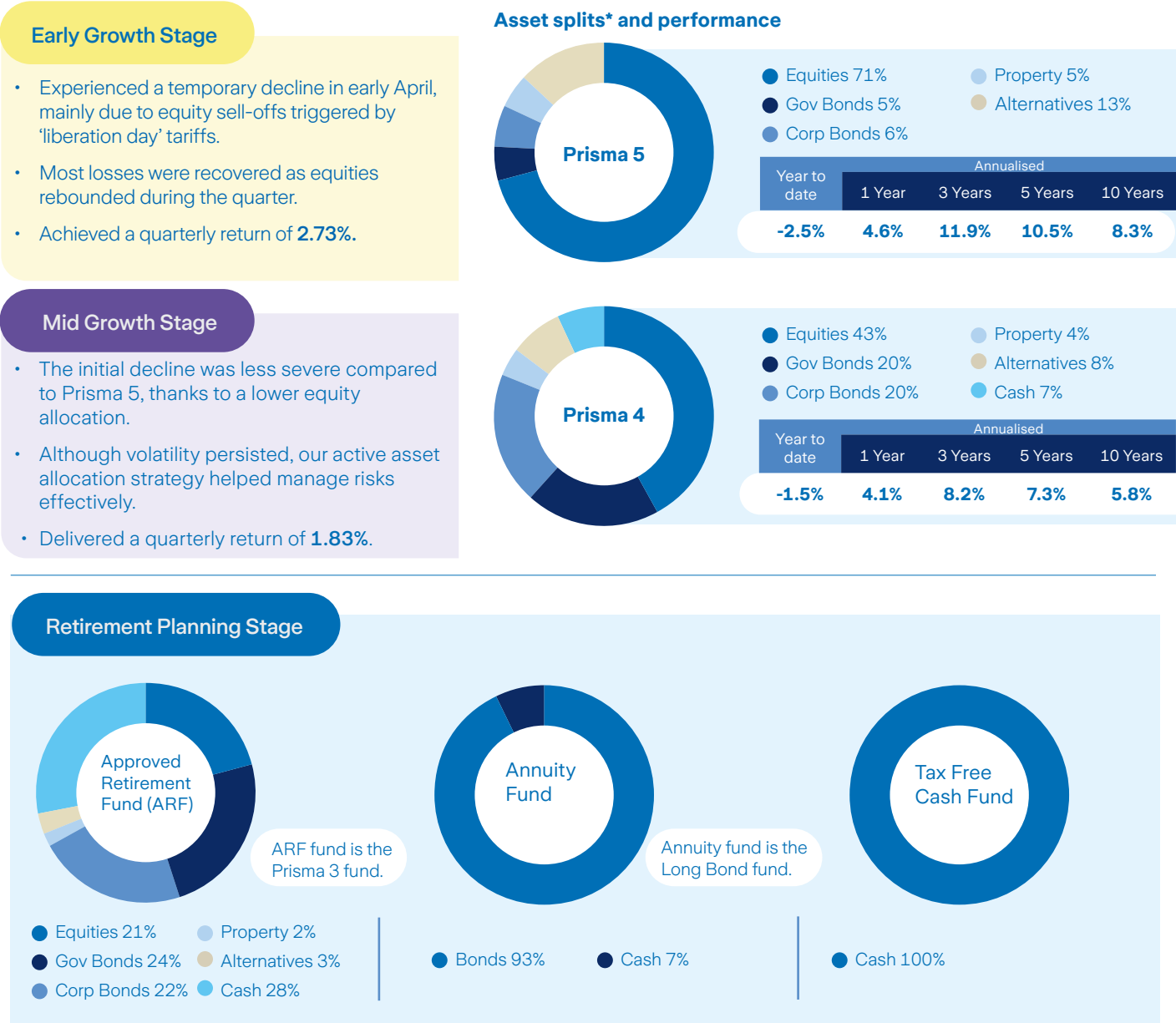
### Source:

Zurich positioning and latest asset allocation movements as at 30/06/2025



# Medium Risk Default Investment Strategy

## Personalised GuidePath



# 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.

Lower ——— Risk/Return ——— Higher

Low

Medium

High

## 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.



Tax Free Cash Fund

25%



Annuity Fund

25%



ARF Fund

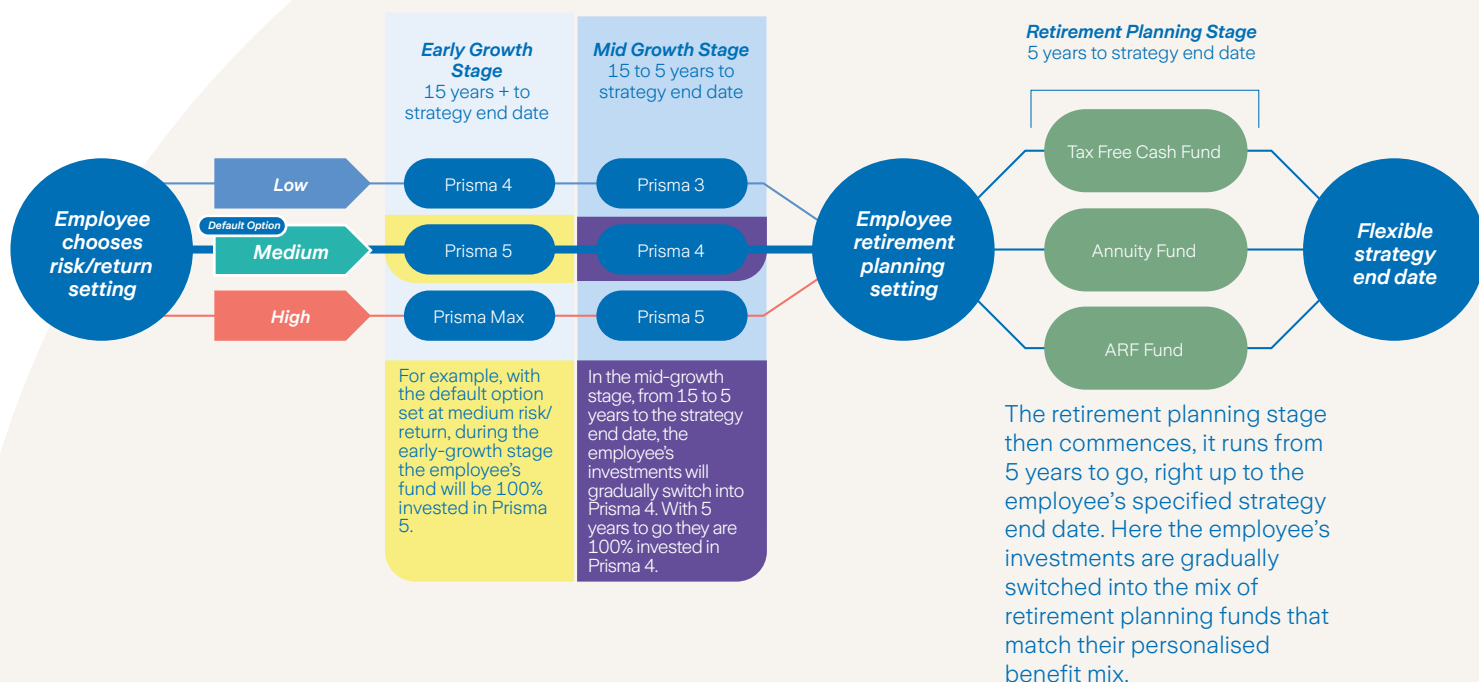
50%

## 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





# Your retirement is closer than you think, let's plan your best next chapter

## 3 things to consider before retirement

There are lots of factors to consider, big and small, before you choose what to do with your retirement fund. It's a very special time and the decisions you make now, can make all the difference to the lifestyle you want when you retire.

### 1 Know your options

At retirement you can usually take some of your pension as a tax-free lump sum, investing the rest in an Approved Retirement Fund (ARF) or taking an income for life (Annuity). It's important to understand the approach that works best for you.

### 2 Maximise tax relief

Your pension is a great way to reduce your tax liability and boost retirement income. Did you know that if you're aged between 55-59, you can pay up to 35% of your salary tax-free into your pension? That increases to 40% for those over 60.

### 3 Investing with Zurich

Zurich has been operating in the pension industry in Ireland for over 40 years. The Investment and Pension Provider Excellence Awards from Brokers Ireland, 2024 are just some of the many industry awards we have won during this period<sup>1</sup>. We offer in-retirement funds and investment strategies which can be customised to you. There are a range of options depending on your situation, financial goals and attitude to risk.



For more information visit our pre retirement planning page:  
[Pre Retirement Planning](#)

<sup>1</sup> Investment Provider Excellence Award, Brokers Ireland 2024;  
Pension Provider Excellence Award, Brokers Ireland, 2024

The information contained herein is based on Zurich Life's understanding of current Revenue practice as at July 2025 and may change in the future.

### 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 get from this investment may go down as well as up.**

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