March 2019

2018 SuperCAPP and CAPP Dividends

The directors of Zurich Life Assurance plc are pleased to announce the annual dividends for investments in the SuperCAPP and CAPP unitised with-profits funds.



Interim Dividends for 2019

Gross Roll-up Funds:	
SuperCAPP PRSA Fund	0.79%*
SuperCAPP Fund	0.75%*
AutoMetric SuperCAPP	0.75%*
SuperCAPP	0%

Tax Deducted Funds:	
Living Insurance CAPP	1.0%*
LifeCAPP	5.0%*
CAPP	0.5%

*Annual management charges (AMC) apply.

2018 Annual Dividend Declaration

Gross Roll-up Funds:

- SuperCAPP PRSA Fund **0.79%** (before annual management charge)
  For all issued PRSA plans
- SuperCAPP Fund **0.75%** (before annual management charge)
  For pension and gross roll-up saving and investment plans issued since November 1998
- AutoMetric SuperCAPP **0.75%** (before annual management charge)
  For AutoMetric SuperCAPP plans issued between 1981 and 1998
- SuperCAPP **0%** (after annual management charge)
  For SuperCAPP plans issued between 1978 and 1982

Tax Deducted Funds:

- Living Insurance CAPP **1%** (before annual management charge)
  For Living Insurance, Living Magister and Rainbow Living Insurance plans issued between 1983 and 1998
- LifeCAPP **5%** (before annual management charge)
  For LifeCAPP plans issued between 1981 and 1984
- CAPP **0.5%** (after annual management charge)
  For CAPP and Magister plans issued between 1977 and 1984



Special Dividends

In addition to Annual Dividends, policies maturing after a period of at least five years in force, or becoming a claim through death, may qualify for a Special Dividend, which is added to the unit account. The circumstances in which these maturing policies qualify for a Special Dividend may vary from time to time. The current Special Dividend rates are available on request.

Investment Aim

The investment aim for the SuperCAPP and CAPP Funds is to achieve investment returns that support the distribution of Annual Dividends consistent with prevailing medium-term interest rates, while maintaining the potential for higher growth than a bank deposit account.

To achieve this investment aim, the funds invest in a variety of assets. The funds currently comprise a core portfolio of government bonds complemented by equity and other investments that are held to generate returns in excess of Annual Dividend distributions. The funds' asset mixes are managed to ensure that exposures to bond, equity and other markets remain consistent with the stated investment aim.

The funds' exposure to equity volatility is normally controlled to avoid excessive changes in dividends from year to year. This is achieved by limiting the maximum losses and gains for the majority of the equity portfolios. The aim of actively managing the equity portfolio is to earn returns in excess of Annual Dividends while limiting the funds' exposure to extreme losses.

How are Annual Dividends applied?

Zurich Life calculates unit prices for the underlying funds, which increase based on the declared Annual Dividends. A unit account is maintained on each policy using these prices to calculate the units bought by premiums paid and units deducted for policy charges.

The number of units held and the unit price of the particular fund at any point in time will normally determine the fund value of the policy.

However, at certain times, for example after a significant fall in stock market values or if investment returns have been consistently lower than anticipated, the value of some policies may be higher than the underlying investments. In these circumstances, as directed by Zurich Life's Actuary, the value of units may be reduced by a Market Level Adjustment in order to protect the interests of all policyholders.

Some plans have investment guarantees applying to them that can restrict the impact of a Market Level Adjustment at certain times, for example at the initially chosen retirement date on a pension contract. These guarantees are described in the detailed policy conditions as set out in the policy document. If you have any questions on the guarantees that apply to a particular plan, please contact Zurich Life.

Note on Market Level Adjustments*

Zurich Life continues to manage the SuperCAPP and CAPP Funds prudently. In certain circumstances, such as a period of sustained market underperformance, it is still possible for encashment values to be reduced by the application of an MLA. A Market Level Adjustment has not been applied to either fund since the CAPP Fund was established in 1977.

Final Equity Share Out

CAPP policies (issued between 1977 and 1984 only) and SuperCAPP policies (issued between 1978 and 1982 only) normally qualify for a Final Equity Share Out bonus, which is added to their unit account on maturity. CAPP policies currently qualify for a Final Equity Share Out of 2.25% for each complete year in force that commenced prior to 1984 and 0.75% for each subsequent complete year in force that commenced prior to 1990. SuperCAPP policies currently qualify for a Final Equity Share Out of 1% for each complete year in force that commenced prior to 1990. The Final Equity Share Out percentage is currently applied to the investment account value as it stood at 31st December 1990, immediately after the 1990 Annual Dividend was declared.

* Source: Zurich Life, February 2019.

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.

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Intended for distribution within the Republic of Ireland.

GR: 3570 Print Ref: ZL ISA 109 0319

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