

Monthly Investment Review

- Most major stock markets continued their upward trajectory with the S&P500 Index hitting a fresh all-time high on 26th July. The pirouette by the US Federal Reserve in early June, with rate cuts rather than rate rises now expected during the remainder of 2019, propelled equities and bonds higher. Investor sentiment was lifted by the prospect that the stimulus provided by central banks in the US and elsewhere will be enough to reignite global growth momentum. The first US rate cut in a decade duly arrived on the last day of the month.
- In addition to the prospect for further monetary easing, a decent earnings reporting season in the US also supported equity markets. While the overall earnings figures did not disappoint, forward guidance was not particularly strong.
- Concerns that hurt equity markets in the early summer, namely stalling economic growth outside of the US, the US-China trade tariffs and weak manufacturing data, were once again put on the back-burner.
- Given the current market environment, Zurich believes it makes sense to take a positive stance on equities on a tactical basis. Upside potential appears to be greater for equities relative to bonds and equity valuations outside the US are at, or below, historical norms.

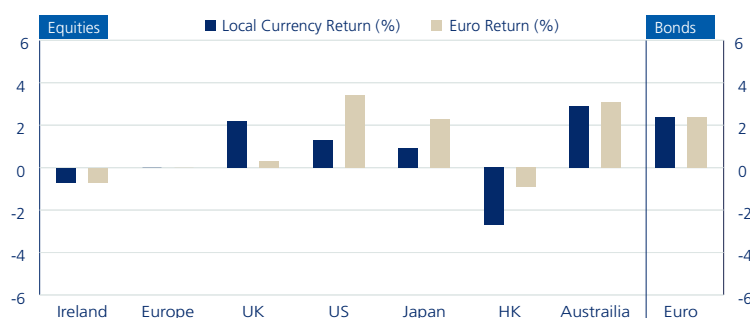


Richard Temperley
Head of Investment
Development

Activity

Equity positions were increased in early June across our range of multi-asset portfolios and there is now a positive bias against the benchmark. Zurich remains reasonably constructive on equities in general, especially given their value relative to bonds. With regards to geographic positions, the main bias is towards Asia-Pacific at the expense of the US. Sector positions were broadly maintained during July. The funds are positively biased towards technology and healthcare stocks and negatively biased towards utilities and real estate. Bond positions are below the middle of ranges whilst the duration of these bonds is now close to neutral, on a tactical basis. Zurich has increased its exposure to corporate bonds at the expense of sovereign debt during 2019.

Equity & Bond % Returns: July 2019



This graph shows the performance of the major equity markets over the month of July. The returns are shown in both local and euro currencies. The bond index is the Merrill Lynch Over Five Year Euro Government Bond Index. Source: Bloomberg, August 2019.

CURRENT POSITIONING				
Asset Class	Country	Positive	Neutral	Negative
Equities	North America			✓
	Europe	✓		
	Japan		✓	
	UK		✓	
	Asia-Ex Japan	✓		
Fixed Income	Eurozone			✓
	US		✓	
	UK		✓	
Currencies	USD		✓	
	GBP		✓	
	YEN		✓	
Alternatives	Oil		✓	
	Gold	✓		
	Copper		✓	
	Global Property		✓	
	Soft Commodities	✓		
	Water	✓		

MARKET PERFORMANCE

Equities

World equities (in euro terms) rose by 2.7% in July and have given a strong total return of 20.2% in the first seven months of 2019. Local currency returns in July for the major markets ranged from minus 2.7% in Hong Kong (on the back of political upheaval) to plus 2.9% in Australia. The influential US market was up 1.3%. Euro currency weakness in July lifted returns for eurozone investors. Regarding sectors in the US during July, there was a mixed picture between economically sensitive cyclical stocks and defensive areas. The best performing sectors were technology (+3.3%) and communications services (+3.0%); the worst, energy (-1.9%) and materials (-0.4%). Year-to-date, cyclical areas have clearly outperformed with the stand-out sector being technology (+30.2%).

Fixed Income & Currencies

The Over Five Year Euro Government Bond Index rose by 2.4% in July and is up by a strong 11.7% so far in 2019. European bond prices have reacted positively in 2019 to weaker eurozone economic data, benign inflation and an increasingly dovish ECB. The German ten-year bond yield fell again in July moving from minus 0.33% to minus 0.44%. Yes, you are paying for the privilege of lending money to the German government. Equivalent US rates were unchanged at 2.01%. The markets now expect one to two more rate cuts (of 0.25%) in the US during the remainder of 2019. Eurozone rates are expected to be cut by 0.1% from their current ultra low level of minus 0.40% at the end of Q3 or the start of Q4.

Commodities & Currencies

July saw overall commodity prices decline by 1.4%; however, they are up by 5% so far this year. The major gains have come from energy prices in general and the oil price in particular. The oil price was flat in July but is up just under 30% year-to-date. The gold price rose by 1% during the month finishing at \$1,426 per troy ounce while the copper price fell by 2%. The euro currency weakened during July against the US dollar with the EUR/USD rate moving from 1.14 to 1.11. The rate began the year at 1.15.

Zurich Life Annualised Performance to August 2019

Zurich Life Annualised Performance to August 2019		Annualised						Fund Size (Euros)
		Year to Date	1 Year	3 Years	5 Years	10 Years	15 Years	
Prisma Multi-Asset Funds								
Prisma 2	2.3%	0.8%	0.7%	1.0%	Not Started	Not Started	Not Started	222,409,971
Prisma 3	5.7%	2.1%	2.7%	3.1%	Not Started	Not Started	Not Started	1,036,731,372
Prisma 4	11.9%	4.4%	6.1%	6.5%	Not Started	Not Started	Not Started	1,304,749,799
Prisma 5	17.8%	7.3%	8.7%	8.8%	Not Started	Not Started	Not Started	603,965,623
Prisma 6	18.8%	7.3%	9.8%	7.8%	Not Started	Not Started	Not Started	54,909,624
Managed Funds								
Cautiously Managed	8.2%	3.2%	4.4%	5.8%	7.2%	Not Started	Not Started	464,390,966
Sector Average	7.0%	2.4%	2.7%	3.2%	4.4%	3.5%	3.3%	
Balanced	13.8%	5.9%	7.4%	8.3%	9.4%	7.5%	5.7%	1,789,462,147
Sector Average	10.9%	3.4%	4.6%	5.4%	7.4%	4.9%	3.7%	
Performance	16.4%	6.5%	9.0%	9.3%	10.1%	7.9%	5.7%	1,422,470,113
Dynamic	18.1%	6.9%	9.8%	9.9%	10.7%	8.2%	5.8%	1,602,836,857
FinEx Sector Average	12.7%	3.5%	5.9%	6.2%	8.0%	5.2%	4.1%	
Protected Funds								
Protected 70	11.8%	2.5%	4.7%	4.8%	Not Started	Not Started	Not Started	22,438,553
Protected 80	6.8%	0.3%	2.0%	2.4%	Not Started	Not Started	Not Started	32,422,968
Cash								
Secure	0.0%	0.0%	0.0%	0.0%	0.1%	1.0%	1.6%	193,735,354
Cash Fund	-0.4%	-0.8%	-0.8%	-0.7%	-0.5%	Not Started	Not Started	635,082,085
FinEx Sector Average	-0.4%	-0.6%	-0.5%	-0.2%	0.1%	0.9%	1.4%	
Bond								
Global Corporate Bond (JP Morgan)	7.7%	5.5%	1.1%	2.1%	Not Started	Not Started	Not Started	9,454,180
Global Government Bond (JP Morgan)	4.5%	5.0%	0.1%	2.0%	Not Started	Not Started	Not Started	1,107,687
Indexed Eurozone Government Bond (BlackRock)*	7.9%	9.2%	1.7%	3.4%	Not Started	Not Started	Not Started	7,329,547
Active Fixed Income	6.2%	6.5%	0.3%	3.7%	5.4%	5.4%	5.9%	196,256,034
Inflation-Linked Bond	6.7%	4.6%	1.4%	1.6%	Not Started	Not Started	Not Started	7,149,481
Long Bond	12.9%	13.4%	1.5%	6.2%	7.1%	6.6%	Not Started	65,306,745
FinEx Sector Average	8.6%	7.8%	1.8%	3.4%	4.4%	4.2%	4.5%	
Absolute Return/Diversified Assets Funds								
Global Targeted Returns Fund (Invesco)	1.0%	-3.8%	-1.3%	Not Started	Not Started	Not Started	Not Started	59,902,477
Dynamic Diversified Growth (BlackRock)	7.3%	1.9%	2.6%	1.4%	Not Started	Not Started	Not Started	12,965,284
Active Asset Allocation	12.9%	4.5%	6.5%	6.6%	Not Started	Not Started	Not Started	446,417,672
Commodity Funds								
Gold	14.0%	21.9%	1.4%	5.5%	5.9%	Not Started	Not Started	109,939,333
Indexed Global Energy and Metals	9.5%	3.4%	4.5%	-3.5%	-0.4%	Not Started	Not Started	13,377,651
Equity Funds (Global)								
5 Star 5	18.9%	6.6%	11.1%	10.3%	9.9%	7.6%	Not Started	210,410,538
International Equity	19.3%	7.3%	10.2%	10.7%	11.7%	8.8%	6.3%	2,305,092,313
Global Select (Threadneedle)	28.1%	10.9%	13.1%	13.1%	13.1%	9.7%	Not Started	9,023,356
Indexed Global Equity (BlackRock)*	20.3%	6.5%	10.2%	10.6%	Not Started	Not Started	Not Started	115,972,275
FinEx Sector Average	17.4%	4.8%	8.1%	8.1%	10.1%	6.6%	4.0%	
Equity Funds (European)								
5 Star 5 Europe	17.9%	1.6%	9.7%	9.9%	10.8%	9.8%	Not Started	105,524,586
European Select (Threadneedle)	24.1%	6.9%	8.4%	9.5%	12.9%	9.7%	Not Started	10,338,064
FinEx Sector Average	16.9%	-1.9%	6.2%	5.9%	8.6%	6.7%	5.2%	
Equity Funds (Euro)								
Eurozone Equity	16.6%	-0.9%	8.7%	7.0%	9.2%	8.6%	Not Started	82,667,632
Indexed Eurozone Equity (BlackRock)*	16.1%	-1.5%	8.5%	6.2%	Not Started	Not Started	Not Started	8,041,326
Sector Average	15.2%	-2.6%	6.5%	5.4%	7.4%	5.1%	3.7%	
Equity Funds (Irish)								
Irish Equity	14.8%	-7.0%	4.0%	8.9%	11.7%	Not Started	Not Started	14,254,121
FinEx Sector Average	13.8%	-8.9%	1.4%	5.7%	8.9%	2.4%	2.5%	

			Annualised						Fund Size (Euros)
		Year to Date	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	
Equity Fund (American)									
5 Star 5 Americas	22.8%	14.0%	13.6%	13.9%	13.6%	10.4%	Not Started	71,351,573	
American Select (Threadneedle)	24.5%	9.6%	14.2%	14.3%	15.5%	10.2%	Not Started	11,804,649	
FinEx Sector Average	23.3%	11.2%	11.8%	12.2%	14.7%	8.6%	4.6%		
Equity Funds (Far East Asia)									
5 Star 5 Asia Pacific	15.2%	0.8%	9.7%	7.9%	7.0%	8.3%	Not Started	78,681,893	
Asia Pacific Equity	15.0%	2.2%	10.4%	7.4%	Not Started	Not Started	Not Started	11,226,869	
FinEx Sector Average	13.6%	2.9%	8.1%	4.8%	7.6%	7.9%	5.7%		
Equity Funds (High Yield)									
Dividend Growth	15.6%	1.8%	6.1%	8.0%	11.5%	Not Started	Not Started	216,582,823	
FinEx Sector Average	17.4%	4.8%	8.1%	8.1%	10.1%	6.6%	4.0%		
Equity Funds (Emerging Market)									
Emerging Markets Opportunities (JP Morgan)	15.7%	6.8%	12.6%	7.6%	Not Started	Not Started	Not Started	6,935,019	
Indexed Emerging Market Equity Fund (BlackRock)	12.9%	2.3%	8.0%	Not Started	Not Started	Not Started	Not Started	1,356,026	
Sector Average	11.4%	1.4%	7.1%	4.2%	4.8%	8.7%	Not Started		
Equity Funds (Specialist)									
Indexed Top Tech 100	27.6%	14.0%	18.9%	19.8%	20.5%	12.9%	Not Started	69,050,888	
FinEx Sector Average	13.2%	5.6%	5.1%	3.5%	4.7%	3.9%	2.7%		
Property Funds									
Property Fund	6.5%	6.2%	Not Started	Not Started	Not Started	Not Started	Not Started	37,565,232	
Fund of REITs	28.7%	14.6%	8.0%	9.2%	Not Started	Not Started	Not Started	19,099,851	
Indexed European (Ex-UK) Property	10.9%	-0.9%	3.3%	8.7%	11.1%	Not Started	Not Started	101,226,899	
Indexed Australasia Property	17.4%	16.7%	5.7%	8.9%	9.8%	Not Started	Not Started	89,839,268	
Sector Average	4.4%	3.3%	4.0%	5.7%	4.9%	1.9%	4.2%		
Dimensional Funds									
Global Short-term Investment Grade Fixed Income (Dimensional)	2.0%	1.7%	Not Started	Not Started	Not Started	Not Started	Not Started	248,448	
Euro Inflation Linked Int Duration Fixed Income (Dimensional)	6.9%	4.1%	Not Started	Not Started	Not Started	Not Started	Not Started	5,834,727	
World Equity (Dimensional)	17.8%	2.3%	Not Started	Not Started	Not Started	Not Started	Not Started	7,854,457	
Global Short Fixed Income (Dimensional)	1.6%	1.6%	Not Started	Not Started	Not Started	Not Started	Not Started	1,294,356	
World Allocation 20/80 (Dimensional)	4.2%	1.3%	Not Started	Not Started	Not Started	Not Started	Not Started	9,702,049	
World Allocation 40/60 (Dimensional)	7.8%	2.1%	Not Started	Not Started	Not Started	Not Started	Not Started	19,812,077	
World Allocation 60/40 (Dimensional)	11.4%	2.6%	Not Started	Not Started	Not Started	Not Started	Not Started	18,756,594	
World Allocation 80/20 (Dimensional)	14.5%	2.1%	Not Started	Not Started	Not Started	Not Started	Not Started	6,144,808	
Funds Closed to New Business									
Indexed Eurozone Property	10.6%	-1.2%	4.0%	8.6%	10.2%	Not Started	Not Started	18,164,206	
Indexed India Equity	3.3%	-1.8%	4.1%	5.9%	5.6%	Not Started	Not Started	8,963,869	
Income Opportunity (JP Morgan)	1.5%	-1.3%	0.3%	0.2%	Not Started	Not Started	Not Started	5,353,156	
Diversified Assets	11.6%	5.2%	4.9%	4.7%	6.8%	Not Started	Not Started	11,717,059	
Earth Resources	21.0%	10.5%	5.7%	-2.5%	-0.1%	Not Started	Not Started	4,385,785	
Green Resources	41.6%	24.8%	15.1%	6.2%	2.0%	Not Started	Not Started	4,486,199	
Small Cap Europe (Pictet)	16.7%	-5.0%	7.2%	8.2%	Not Started	Not Started	Not Started	1,808,667	

Source: Financial Express as at 01/08/2019

Annual management charges (AMC) apply. The fund returns shown are net of the AMC deducted by each provider in their unit prices. This will vary for each provider, and any difference will impact the relative performance of the funds shown. 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.

* Performance using most recent data available.

Figures highlighted in beige indicate where the Zurich Life fund has outperformed the sector average.

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.



Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland.

Barclays Bank Plc is authorised by the Prudential Regulation Authority and is regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

BlackRock Investment Management (UK) Limited is authorised and regulated by the Financial Conduct Authority.

J.P. Morgan Asset Management Marketing Limited is authorised and regulated by the Financial Conduct Authority.

Columbia Threadneedle Investment Services Limited. Columbia Threadneedle Asset Management Limited. Authorised and Regulated in the UK by the Financial Conduct Authority.

Invesco Management S.A. is authorised in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (CSSF).

Dimensional Fund Advisors Ltd., registered address 20 Triton Street, Regent's Place, London, NW1 3BF, Company Number 02569601, which is authorised and regulated by the Financial Conduct Authority - Firm Reference No.150100.

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

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)

Source ICE Data Indices, LLC ("ICE DATA"), is used with permission. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS AND/OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, INCLUDING THE INDICES, INDEX DATA AND ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM. NEITHER ICE DATA, ITS AFFILIATES NOR THEIR RESPECTIVE THIRD PARTY PROVIDERS SHALL BE SUBJECT TO ANY DAMAGES OR LIABILITY WITH RESPECT TO THE ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE INDICES OR THE INDEX DATA OR ANY COMPONENT THEREOF, AND THE INDICES AND INDEX DATA AND ALL COMPONENTS THEREOF ARE PROVIDED ON AN "AS IS" BASIS AND YOUR USE IS AT YOUR OWN RISK. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY SUPPLIERS DO NOT SPONSOR, ENDORSE, OR RECOMMEND ZURICH LIFE ASSURANCE PLC, OR ANY OF ITS PRODUCTS OR SERVICES.

This Monthly Investment Review does not constitute an offer and should not be taken as a recommendation from Zurich Life.

Advice should always be sought from an appropriately qualified professional.

Zurich Life Assurance plc

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

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

Zurich Life Assurance plc is regulated by the Central Bank of Ireland.

Intended for distribution within the Republic of Ireland.

GR: 4209 Print Ref: ZL ISA 76 0819

