

# Monthly Investment Review

- Positive noises on the U.S.-China trade dispute and signs of stabilisation in some regional manufacturing data in the Eurozone and elsewhere helped boost investment sentiment in November, propelling many developed equity markets to new highs. However, on a more cautionary note, a lot of good news now seems to be priced into markets and whilst underlying momentum is supportive markets could be due a pause.
- There remain longer-term concerns over growth, particularly outside of the U.S. Global manufacturing remains weak, despite the recent stabilising data, whilst the global service sector, which had been holding up rather well, has also started to feel the pinch.
- With many bond markets still in negative yield territory and offering little or no long-term value, equities remain the asset class of choice.



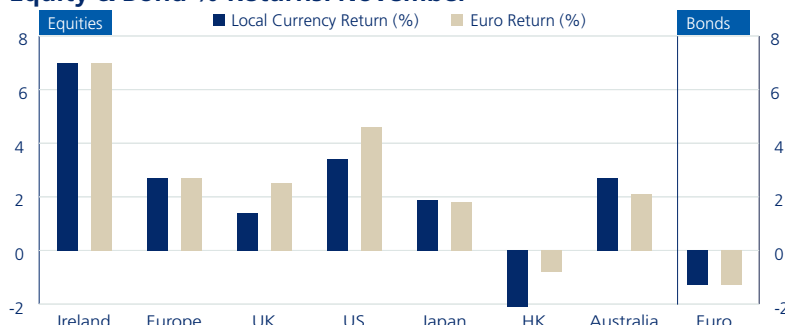
Richard Temperley  
Head of Investment  
Development

## Activity

Equity positions were reduced slightly at the beginning of December, as some profits were taken. This was a tactical rather than a strategic move. Despite this, Zurich maintains a positive bias towards equities across all of our multi-asset portfolios especially given their value relative to bonds.

With regards to geographic positions, the main bias is towards Europe and the U.K. The U.S. has been brought back to neutral from slightly underweight whilst Asia has been moved from overweight to neutral. Sector-wise, 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 has been reduced.

## Equity & Bond % Returns: November



This graph shows the performance of the major equity markets over the month of November. 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, December.

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 3.8% in November and have given a strong total return of 28.1% in the first eleven months of 2019. Local currency returns in November for the major markets ranged from plus 7.0% in Ireland to minus 2.1% in Hong Kong. The influential U.S. market was up 3.4% in November, 25.3% year-to-date. Euro currency weakness in November increased gains for Eurozone investors in overseas markets. Regarding sectors in the U.S. during November, the main winners were technology (+5.2%), healthcare (+4.9%) and financials (+4.8%). Bond proxy sectors, such as utilities (-2.3%) and real estate (-2.0%), underperformed. Year-to-date, the best performing sector has been technology (+41.8%).






### Bonds & Interest Rates

The Over Five Year Euro Government Bond Index fell by 1.3% in November but is still up by a strong 11.9% 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 rose in November moving from minus 0.41% to minus 0.36%. This remains a most unusual situation and means that buying German bonds today guarantees a loss if held to maturity. Equivalent U.S. rates also rose from plus 1.69% to plus 1.78%. The markets now expect one more rate cut (of 0.25%) in the U.S. during the cycle. Rates had already been cut in July (the first in a decade), September and October. Eurozone rates are expected to remain at minus 0.50%.

### Commodities & Currencies

November saw overall commodity prices rise by 1.0% and they are now up 8.2% year-to-date. The oil price has been the main driver of the overall commodity index. The West Texas oil price was up 1.8% in November and is up 21.5% year-to-date. The gold price fell by 3.2% during the month, as investors rotated out of so-called 'safe-haven' assets, finishing at \$1,466 per troy ounce. The copper price was flat over the month. The euro currency weakened again during November against the U.S. dollar with the EUR/USD rate moving from 1.12 to 1.10. The rate began the year at 1.15.

Zurich Life Annualised Performance  
to December 2019

Zurich Life Annualised Performance to December 2019		Annualised						Fund Size (Euros)
		Year to Date	1 Year	3 Years	5 Years	10 Years	15 Years	
Prisma Multi-Asset Funds								
Prisma 	3.0%	2.1%	0.8%	1.0%	Not Started	Not Started	Not Started	253,212,378
Prisma 	7.7%	5.2%	2.7%	2.9%	Not Started	Not Started	Not Started	1,135,322,812
Prisma 	16.5%	10.7%	6.2%	6.3%	Not Started	Not Started	Not Started	1,456,835,669
Prisma 	24.6%	16.3%	8.8%	8.6%	Not Started	Not Started	Not Started	695,286,609
Prisma 	26.3%	16.7%	10.1%	8.6%	Not Started	Not Started	Not Started	62,512,383
Managed Funds								
Cautiously Managed	11.3%	7.3%	4.5%	5.0%	7.1%	Not Started	Not Started	480,476,659
Sector Average	8.4%	5.9%	3.1%	2.9%	4.1%	3.4%	3.2%	
Balanced	18.8%	12.3%	7.7%	7.7%	9.4%	7.4%	5.6%	1,842,919,918
Sector Average	14.5%	9.6%	5.2%	5.1%	7.3%	4.9%	3.6%	
Performance	22.7%	14.3%	9.4%	8.8%	10.2%	7.8%	5.7%	1,469,292,225
Dynamic	25.2%	15.7%	10.1%	9.5%	10.9%	8.3%	5.7%	1,664,835,451
FinEx Sector Average	16.7%	10.3%	6.3%	6.1%	7.9%	5.2%	3.9%	
Protected Funds								
Protected 70	16.5%	9.7%	5.3%	4.5%	Not Started	Not Started	Not Started	23,257,192
Protected 80	9.7%	5.5%	2.5%	2.1%	Not Started	Not Started	Not Started	32,455,228
Cash								
Secure	0.0%	0.0%	0.0%	0.0%	0.1%	0.9%	1.5%	182,093,057
Cash Fund	-0.7%	-0.8%	-0.8%	-0.7%	-0.5%	Not Started	Not Started	695,026,630
FinEx Sector Average	-0.6%	-0.7%	-0.6%	-0.3%	0.1%	0.8%	1.3%	
Bond								
Global Corporate Bond (JP Morgan)	9.1%	9.7%	2.6%	1.9%	Not Started	Not Started	Not Started	7,700,776
Global Government Bond (JP Morgan)	4.80%	6.50%	1.40%	1.40%	Not Started	Not Started	Not Started	1,256,151
Indexed Eurozone Government Bond (BlackRock)*	7.10%	7.80%	2.60%	2.50%	Not Started	Not Started	Not Started	9,173,053
Active Fixed Income	6.10%	6.90%	2.00%	2.50%	5.10%	5.10%	5.90%	213,428,904
Inflation-Linked Bond	6.10%	6.10%	2.20%	1.50%	Not Started	Not Started	Not Started	6,729,295
Long Bond	13.5%	15.0%	4.5%	4.7%	6.8%	6.1%	Not Started	64,872,104
FinEx Sector Average	9.2%	9.5%	3.1%	2.8%	4.1%	3.9%	4.5%	
Absolute Return/Diversified Assets Funds								
Global Targeted Returns Fund (Invesco)	2.7%	3.1%	-0.4%	0.4%	Not Started	Not Started	Not Started	46,855,807
Dynamic Diversified Growth (BlackRock)	7.3%	4.1%	3.6%	0.9%	Not Started	Not Started	Not Started	11,826,215
Active Asset Allocation	17.7%	11.2%	6.5%	6.4%	Not Started	Not Started	Not Started	509,902,463
Commodity Funds								
Gold	17.7%	22.4%	5.5%	6.2%	4.7%	Not Started	Not Started	123,859,308
Indexed Global Energy and Metals	8.6%	5.0%	0.4%	-2.5%	-0.4%	Not Started	Not Started	12,660,986
Equity Funds (Global)								
5 Star 5	25.4%	15.9%	10.7%	9.6%	10.5%	7.8%	Not Started	212,061,074
International Equity	27.0%	16.7%	10.5%	10.1%	11.9%	9.0%	5.8%	2,618,018,048
Global Select (Threadneedle)	36.1%	20.0%	14.1%	12.5%	13.2%	9.9%	Not Started	9,679,781
Indexed Global Equity (BlackRock)*	27.5%	16.9%	10.2%	9.7%	Not Started	Not Started	Not Started	124,754,118
FinEx Sector Average	23.4%	13.4%	8.6%	7.9%	10.1%	6.7%	3.6%	
Equity Funds (European)								
5 Star 5 Europe	27.3%	19.4%	11.4%	9.8%	11.3%	9.6%	Not Started	111,407,281
European Select (Threadneedle)	31.1%	23.5%	12.2%	8.6%	12.7%	9.6%	Not Started	9,986,433
FinEx Sector Average	24.9%	16.7%	8.4%	6.7%	8.5%	6.7%	4.4%	
Equity Funds (Euro)								
Eurozone Equity	24.4%	17.2%	10.2%	7.5%	9.0%	8.5%	Not Started	84,939,507
Indexed Eurozone Equity (BlackRock)*	23.3%	14.1%	9.3%	6.4%	Not Started	Not Started	Not Started	8,454,463
Sector Average	22.5%	15.1%	8.4%	6.2%	7.0%	5.1%	3.4%	
Equity Funds (Irish)								
Irish Equity	33.3%	25.2%	7.2%	10.7%	13.0%	Not Started	Not Started	16,363,387
FinEx Sector Average	29.5%	20.9%	4.2%	7.1%	10.1%	2.5%	3.1%	

	Year to Date	Annualised						Fund Size (Euros)
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	
Equity Fund (American)								
5 Star 5 Americas	31.2%	18.3%	11.5%	12.5%	13.9%	10.7%	Not Started	75,581,648
American Select (Threadneedle)	34.2%	20.5%	13.6%	13.4%	15.7%	10.8%	Not Started	13,505,489
FinEx Sector Average	30.4%	17.5%	11.5%	11.2%	14.8%	9.1%	4.7%	
Equity Funds (Far East Asia)								
5 Star 5 Asia Pacific	18.6%	11.8%	9.1%	8.4%	7.6%	7.7%	Not Started	77,873,212
Asia Pacific Equity	18.0%	11.7%	9.3%	7.9%	Not Started	Not Started	Not Started	10,967,121
FinEx Sector Average	16.1%	10.9%	7.3%	5.3%	7.3%	7.4%	5.2%	
Equity Funds (High Yield)								
Dividend Growth	26.2%	15.9%	6.0%	8.2%	11.9%	Not Started	Not Started	230,753,190
FinEx Sector Average	23.4%	13.4%	8.6%	7.9%	10.1%	6.7%	3.6%	
Equity Funds (Emerging Market)								
Emerging Markets Opportunities (JP Morgan)	18.9%	14.7%	11.4%	7.5%	Not Started	Not Started	Not Started	7,156,490
Indexed Emerging Market Equity Fund (BlackRock)	14.9%	7.3%	7.1%	5.6%	Not Started	Not Started	Not Started	1,975,977
Sector Average	13.2%	9.0%	6.6%	3.9%	4.1%	8.7%	Not Started	
Equity Funds (Specialist)								
Indexed Top Tech 100	38.4%	24.7%	19.2%	17.4%	20.9%	13.4%	Not Started	76,283,188
FinEx Sector Average	17.5%	12.5%	6.0%	4.0%	4.7%	4.0%	2.0%	
Property Funds								
Property Fund	8.2%	7.3%	Not Started	Not Started	Not Started	Not Started	Not Started	45,761,997
European (Ex-UK) Property	21.9%	16.0%	11.0%	10.0%	10.3%	Not Started	Not Started	117,928,882
Australasia Property	19.1%	18.0%	7.8%	8.1%	9.9%	Not Started	Not Started	98,216,596
Sector Average	6.9%	5.7%	5.3%	5.4%	5.0%	1.8%	4.0%	
Dimensional Funds								
Global Short-term Investment Grade Fixed Income (Dimensional)	1.4%	1.7%	Not Started	Not Started	Not Started	Not Started	Not Started	229,082
Euro Inflation Linked Int Duration Fixed Income (Dimensional)	5.1%	3.8%	Not Started	Not Started	Not Started	Not Started	Not Started	6,123,688
World Equity (Dimensional)	23.9%	12.5%	Not Started	Not Started	Not Started	Not Started	Not Started	9,027,905
Global Short Fixed Income (Dimensional)	1.0%	1.3%	Not Started	Not Started	Not Started	Not Started	Not Started	1,526,253
World Allocation 20/80 (Dimensional)	4.9%	3.1%	Not Started	Not Started	Not Started	Not Started	Not Started	10,022,206
World Allocation 40/60 (Dimensional)	9.7%	5.8%	Not Started	Not Started	Not Started	Not Started	Not Started	21,768,740
World Allocation 60/40 (Dimensional)	14.6%	8.4%	Not Started	Not Started	Not Started	Not Started	Not Started	23,320,836
World Allocation 80/20 (Dimensional)	18.8%	10.2%	Not Started	Not Started	Not Started	Not Started	Not Started	7,006,893
Funds Closed to New Business								
Indexed Eurozone Property	20.7%	14.2%	11.5%	10.1%	9.2%	Not Started	Not Started	19,008,681
Indexed India Equity	8.0%	6.7%	7.2%	3.8%	5.2%	Not Started	Not Started	8,966,374
Income Opportunity (JP Morgan)	0.9%	-0.5%	-0.2%	0.2%	Not Started	Not Started	Not Started	4,904,534
Diversified Assets	14.7%	10.3%	5.3%	4.5%	6.7%	Not Started	Not Started	11,422,280
Earth Resources	24.5%	17.9%	6.1%	-0.2%	0.0%	Not Started	Not Started	4,359,970
Green Resources	47.8%	30.7%	17.1%	7.6%	3.2%	Not Started	Not Started	4,580,170
Small Cap Europe (Pictet)	25.9%	17.9%	8.5%	9.5%	Not Started	Not Started	Not Started	1,809,835

Source: Financial Express as at 01/12/2019

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](http://www.zurich.ie)

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

Intended for distribution within the Republic of Ireland.

GR: 4565 Print Ref: ZL ISA 76 1219

