



Monthly Investment Review

Equities were in the ascendency again during May as markets continued to rally following February and March's dramatic falls. The U.S. market has now regained over three-quarters of its losses. Other markets have not been quite as robust. A number of factors are playing a part but the underlying driver is the scale of liquidity that is being provided by central banks, with asset price reflation now in marked contrast to ailing economic activity. However, green shoots are starting to emerge. Purchasing manager's indicators appear to have bottomed, albeit still at depressed levels, and data has begun to surprise positively as economic lockdowns are relaxed. Further policy initiatives at both the monetary and fiscal levels are being deployed including the European Commission's €750bn recovery fund. Although further volatility in equity markets cannot be ruled out in the short-term, especially given the unpredictable nature of U.S.-China relationships, Zurich believes that it makes sense to take a positive stance towards equities on a medium to long-term basis given the relative value argument against other asset classes, especially sovereign bonds. Eurozone bonds face crosscurrents of the enormity of central bank buying against economic recovery. Nevertheless they offer little or no long-term value.

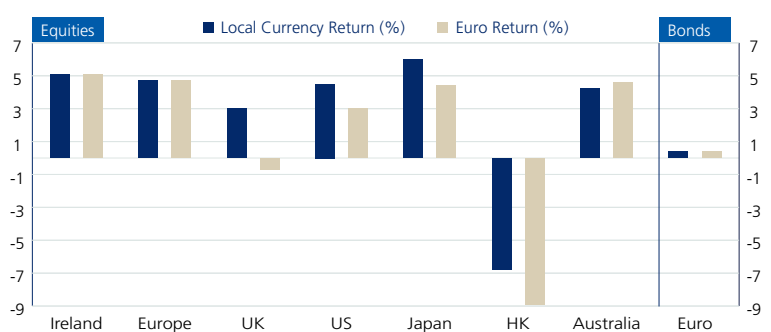


Richard Temperley
Head of Investment Development

Activity

Equity positions of our multi-asset funds were maintained at the upper-end of ranges during May, mainly due to their value relative to sovereign bonds. The equity content had been increased in early March following much of the sharp fall. With regards to geographic positions, the main bias is towards Asia, Japan and Europe. North America has been reduced to an underweight position following a particularly strong run in the U.S. Sector-wise, the funds are positively biased towards technology and healthcare stocks and negatively biased towards energy and real estate. Bond positions are below the middle of ranges whilst the duration of these bonds is below benchmark.

Equity & Bond % Returns: May



This graph shows the performance of the major equity markets over the month of May. 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, June 2020.

CURRENT POSITIONING				
Asset Class	Region	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

Equity Markets

World equities (in euro terms) rose by 3.2% in May giving a total return of minus 7.1% for the first five months of 2020. Local currency returns in May for the major markets ranged from plus 6.8% in Japan to minus 6.8% in Hong Kong, the latter affected by the Chinese crackdown in the territory. The influential U.S. market was up 4.5%. Regarding sectors in the U.S. during May, the strongest returns came from technology (+7.1%) and materials (+7.0%). Value sectors, such as consumer staples (+1.5%) and financials (+2.7%), underperformed. Year-to-date, technology has been the best performing sector, up 7.3%, and energy the worst, down 34%.

Bonds & Interest Rates

The Over Five Year Euro Government Bond Index rose by 0.4% in May, giving a return of plus 1.6% for the first five months of the year. Despite the risk-on environment during May, quantitative easing gave some support to Eurozone bonds, especially in the periphery. The German ten-year bond yield rose in May moving from minus 0.59% to minus 0.45%. This remains a most unusual situation and means that buying German bonds today guarantees a loss if held to maturity. Equivalent U.S. rates were unchanged at 0.65%. They had begun the year at 1.92%. The Federal Reserve and other central banks have introduced a wave of liquidity over the last number of months, which has included various forms of asset purchases and interest rate cuts, to support economies and businesses.

Commodities & Currencies

May saw overall commodity prices rise by 12.8% but they are still down 28.8% in the first five months of 2020, the main culprit being oil. Oil prices rose by over 40% in May but they are still down by around 44% so far this year due to concerns over slowing economic growth and geopolitical tensions. The gold price rose by 2.5% during the month finishing at \$1,737 per troy ounce. The copper price rose by 13%. The euro currency strengthened slightly during May against the U.S. dollar with the EURUSD rate moving from 1.10 to 1.11. The rate began the year at 1.12.

Zurich Life Annualised Performance to June 2020

	Annualised							Fund Size (Euros)
	Year to Date	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	
Prisma Multi-Asset Funds								
Prisma 2	-1.2%	0.6%	0.3%	0.3%	Not Started	Not Started	Not Started	297,337,815
Prisma 3	-2.7%	1.7%	1.5%	1.4%	Not Started	Not Started	Not Started	1,169,829,557
Prisma 4	-4.5%	4.1%	3.7%	3.3%	Not Started	Not Started	Not Started	1,474,670,815
Prisma 5	-4.5%	8.6%	6.1%	4.8%	Not Started	Not Started	Not Started	768,762,208
Prisma Max **	-2.9%	11.7%	7.2%	5.3%	Not Started	Not Started	Not Started	67,630,276
Managed Funds								
Cautiously Managed	-1.2%	5.2%	3.2%	3.1%	6.3%	Not Started	Not Started	466,025,948
Sector Average	-5.0%	-0.5%	0.3%	0.8%	3.1%	2.8%	2.8%	
Balanced	-1.1%	9.6%	5.4%	4.8%	8.6%	6.7%	5.3%	1,760,371,396
Sector Average	-7.6%	0.3%	1.2%	1.2%	5.7%	3.9%	2.9%	
Performance	-1.3%	11.2%	6.7%	5.7%	9.3%	7.1%	5.4%	1,432,907,729
Dynamic	-1.7%	12.1%	7.1%	6.1%	9.8%	7.5%	5.5%	1,621,192,916
FinEx Sector Average	-9.3%	-0.7%	1.1%	1.6%	6.1%	4.1%	3.1%	
Protected Funds								
Protected 70	-4.8%	4.9%	2.3%	1.2%	4.7%	Not Started	Not Started	18,777,290
Protected 80	-4.1%	2.1%	0.4%	-0.4%	2.5%	Not Started	Not Started	29,501,254
Cash								
Secure	0.0%	0.0%	0.0%	0.0%	0.1%	0.9%	1.4%	167,786,266
Cash Fund	-0.4%	-0.8%	-0.8%	-0.8%	-0.5%	Not Started	Not Started	1,056,241,849
FinEx Sector Average	-0.3%	-0.7%	-0.6%	-0.4%	0.0%	0.8%	1.2%	
Bond								
Global Corporate Bond (JP Morgan)	0.6%	4.5%	1.8%	2.0%	Not Started	Not Started	Not Started	9,480,177
Global Government Bond (JP Morgan)	4.1%	5.2%	2.3%	2.0%	Not Started	Not Started	Not Started	1,423,518
Indexed Eurozone Government Bond (BlackRock)*	-0.4%	2.5%	2.5%	2.3%	Not Started	Not Started	Not Started	9,875,653
Active Fixed Income	0.0%	2.7%	1.90%	1.90%	4.70%	4.60%	5.70%	222,565,200
Inflation-Linked Bond	-4.2%	-0.1%	0.50%	0.30%	0.80%	Not Started	Not Started	5,603,149
Long Bond	2.1%	7.8%	5.1%	3.6%	6.5%	5.5%	Not Started	68,298,245
FinEx Sector Average	-0.5%	3.6%	2.4%	2.0%	3.6%	3.5%	4.3%	
Absolute Return/Diversified Assets Funds								
Global Targeted Returns Fund (Invesco)	-0.4%	0.4%	-1.8%	-0.3%	Not Started	Not Started	Not Started	37,888,494
Dynamic Diversified Growth (BlackRock)	-1.7%	2.6%	1.7%	0.7%	Not Started	Not Started	Not Started	11,152,649
Active Asset Allocation	-4.3%	4.6%	4.1%	3.50%	Not Started	Not Started	Not Started	535,638,671
Commodity Funds								
Gold	15.2%	32.9%	10.6%	6.8%	4.0%	Not Started	Not Started	167,978,017
Indexed Global Energy and Metals	-16.0%	-9.9%	-1.2%	-4.9%	-2.8%	Not Started	Not Started	10,338,504
Equity Funds (Global)								
5 Star 5	-3.3%	11.6%	7.5%	5.8%	9.0%	6.8%	Not Started	207,830,764
International Equity	-2.0%	13.3%	7.8%	6.7%	10.5%	8.1%	4.8%	2,831,330,087
Global Select (Threadneedle)	-2.6%	13.8%	10.5%	8.4%	11.7%	8.9%	Not Started	10,499,756
Indexed Global Equity (BlackRock)*	-5.8%	7.9%	6.6%	6.2%	Not Started	Not Started	Not Started	119,149,980
FinEx Sector Average	-11.1%	0.2%	2.1%	2.4%	7.7%	5.4%	2.6%	
Equity Funds (European)								
5 Star 5 Europe	-13.5%	2.4%	1.3%	3.3%	9.7%	7.4%	Not Started	95,440,597
European Select (Threadneedle)	-5.7%	8.1%	4.1%	3.9%	11.3%	8.5%	Not Started	8,969,049
FinEx Sector Average	-11.9%	0.2%	-0.7%	0.4%	7.0%	5.2%	2.7%	
Equity Funds (Euro)								
Eurozone Equity	-13.3%	-1.1%	-0.6%	1.7%	7.6%	6.7%	Not Started	71,912,653
Indexed Eurozone Equity (BlackRock)*	-11.7%	-0.9%	-0.6%	1.6%	Not Started	Not Started	Not Started	7,513,771
Sector Average	-14.9%	-4.7%	-2.7%	-0.4%	5.5%	3.4%	2.0%	
Equity Funds (Irish)								
Irish Equity	-16.6%	1.4%	-1.9%	2.4%	10.8%	3.0%	Not Started	14,167,971
FinEx Sector Average	-16.6%	-2.0%	-4.4%	-0.9%	7.9%	1.0%	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	4.1%	21.6%	13.6%	10.7%	12.7%	10.1%	Not Started	76,522,765
American Select (Threadneedle)	-0.1%	18.1%	11.5%	9.9%	13.7%	10.1%	Not Started	11,717,265
FinEx Sector Average	-5.4%	9.1%	7.7%	6.9%	12.0%	8.1%	4.0%	
Equity Funds (Far East Asia)								
5 Star 5 Asia Pacific	-14.4%	-3.6%	0.6%	2.7%	6.0%	5.7%	Not Started	63,560,668
Asia Pacific Equity	-16.0%	-7.0%	0.6%	1.8%	6.3%	Not Started	Not Started	8,229,140
FinEx Sector Average	-15.0%	-6.4%	-0.4%	-0.4%	4.5%	5.6%	4.6%	
Equity Funds (High Yield)								
Dividend Growth	-24.2%	-11.2%	-3.9%	-0.7%	7.4%	Not Started	Not Started	169,376,267
FinEx Sector Average	-11.1%	0.2%	2.1%	2.4%	7.7%	5.4%	2.6%	
Equity Funds (Emerging Market)								
Emerging Markets Opportunities (JP Morgan)	-18.5%	-4.1%	2.7%	2.4%	Not Started	Not Started	Not Started	5,957,377
Indexed Emerging Market Equity Fund (BlackRock)	-16.1%	-5.1%	-0.8%	0.4%	Not Started	Not Started	Not Started	2,392,416
Sector Average	-16.9%	-9.0%	-2.2%	-1.5%	1.1%	6.3%	Not Started	
Equity Funds (Specialist)								
Indexed Top Tech 100	10.6%	34.6%	18.8%	16.3%	19.4%	13.9%	Not Started	87,803,993
FinEx Sector Average	-4.6%	5.0%	3.6%	1.7%	3.7%	3.2%	0.6%	
Property Funds								
Property Fund	-8.1%	-4.5%	Not Started	Not Started	Not Started	Not Started	Not Started	45,390,865
Indexed European (Ex-UK) Property	-20.2%	-12.1%	-1.0%	2.7%	8.2%	Not Started	Not Started	98,923,722
Indexed Australasia Property	-21.8%	-18.8%	-2.1%	-0.6%	5.4%	Not Started	Not Started	80,167,667
Sector Average	-10.3%	-7.6%	0.2%	1.7%	3.6%	0.5%	2.9%	
Dimensional Funds								
Global Short-term Investment Grade Fixed Income (Dimensional)	-1.6%	-1.4%	Not Started	Not Started	Not Started	Not Started	Not Started	263,542
Euro Inflation Linked Int Duration Fixed Income (Dimensional)	-3.7%	-2.0%	Not Started	Not Started	Not Started	Not Started	Not Started	6,518,742
World Equity (Dimensional)	-13.9%	-1.4%	Not Started	Not Started	Not Started	Not Started	Not Started	9,731,134
Global Short Fixed Income (Dimensional)	-0.3%	-0.5%	Not Started	Not Started	Not Started	Not Started	Not Started	3,100,936
World Allocation 20/80 (Dimensional)	-2.9%	-0.4%	Not Started	Not Started	Not Started	Not Started	Not Started	11,189,167
World Allocation 40/60 (Dimensional)	-5.7%	-0.5%	Not Started	Not Started	Not Started	Not Started	Not Started	23,838,023
World Allocation 60/40 (Dimensional)	-8.4%	-0.6%	Not Started	Not Started	Not Started	Not Started	Not Started	24,542,892
World Allocation 80/20 (Dimensional)	-12.2%	-2.2%	Not Started	Not Started	Not Started	Not Started	Not Started	7,168,598
Funds Closed to New Business								
Indexed Eurozone Property	-22.5%	-16.4%	-1.9%	1.7%	7.2%	3.9%	Not Started	13,966,716
Indexed India Equity	-22.5%	-24.6%	-5.7%	-2.9%	0.5%	Not Started	Not Started	6,269,780
Income Opportunity (JP Morgan)	-1.7%	-2.1%	-1.4%	-0.3%	Not Started	Not Started	Not Started	4,242,526
Diversified Assets	-9.9%	-2.8%	1.5%	0.9%	4.9%	Not Started	Not Started	9,766,547
Earth Resources	-18.8%	-5.6%	1.8%	-4.2%	-2.7%	Not Started	Not Started	3,660,162
Green Resources	-0.2%	25.9%	17.1%	5.6%	3.0%	Not Started	Not Started	4,879,669

Source: Financial Express as at 01/06/2020.

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.

** Prisma Max was previously called Prisma 6.

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.



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: 5165 Print Ref: ZL ISA 76 0620

