

Monthly Investment Review

Strong macro-economic data in the US combined with a Federal Reserve that continues to indicate that it is in no rush to wind down quantitative easing pushed the S&P 500 to fresh record highs in April. The US Q1 earnings season has so far also come in well above expectations. In Europe, investor sentiment has been buoyed by improving vaccination roll-out news, while governments have formulated ambitious plans for fiscal spending. However, risks remain, including difficulties in dealing with the virus epidemic in some emerging markets, as well as, The threat of higher corporate and income taxes in the US and concerns over a pick-up in US inflation. While we believe the fundamentals remain supportive, the recent strong equity market gains may need a period of digestion and backfilling before the market takes another leg higher in our view. Some short-term indicators of risk appetite have now reached enthusiastic levels. We stick to our constructive view on risk assets. Stand-alone equity valuations remain rich, but we believe that earnings growth is still underestimated, which suggests that forward P/E multiples have scope to moderate. Government bond yields may pause following the recent surge, but still have some upside potential. Despite the rises in bond yields, especially in the US, equities remain attractive relative to government bonds and cash.

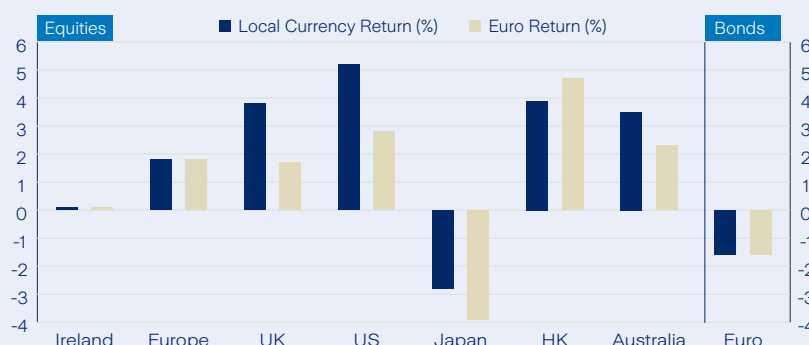


Richard Temperley
Head of Investment
Development

Activity

Equity positions in our multi-asset funds were unchanged during April and remain well above benchmark. With regards to geographic positions, the main bias is towards Asia, Europe and the UK. The US position is slightly underweight whilst Japan has been reduced to neutral with the proceeds directed towards European equities. Sector-wise, the funds are positively biased towards technology and consumer discretionary stocks and negatively biased towards 'bond proxy' areas such as healthcare, utilities and consumer staples. Financials were increased from underweight to neutral during the previous month. Within the technology sector there has been a tilt towards software stocks in the US and semiconductor stocks internationally. Bond positions are well below the middle of ranges whilst the duration of these bonds is below benchmark. Corporate bonds have been increased at the expense of sovereign bonds over the last 12 months.

Equity & Bond % Returns: April



This graph shows the performance of the major equity markets over the month of April. 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, May 2021.

Current Positioning

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

Market Performance

Equity Markets

World equities (in euro terms) rose by 2.2% in April, giving a strong total return of 11.6% for the first four months of 2021. Euro currency strength during April resulted in reduced returns in most overseas markets. Local currency returns for the month for the major markets ranged from 5.2% in the US to minus 2.8% in Japan. Year-to-date the strongest market has been the US, up 11.3%, followed by Europe, up 10.7%. Regarding sectors in the US during the month, the strongest returns came from real estate (+8.3%), consumer discretionary stocks (+7.1%) and financials (+6.6%). Underperforming sectors were energy (+0.6%) and consumer staples (+2.2%). There has been some rotation out of growth stocks into some cyclical or value stocks this year; however, the long term trend favouring growth remains intact.






Bonds & Interest Rates

The Over Five Year Euro Government Bond Index fell by 1.6% during April, giving a total return of minus 4.9% for the first four months of 2021. The German ten-year bond yield rose from minus 0.29% to minus 0.20% with Eurozone bonds continuing to offer no long term value. After a notable rise in the last six months, equivalent US rates fell back somewhat moving from 1.74% to 1.63%; they began the year at 0.92%. The Federal Reserve and other central banks have introduced a wave of liquidity since the outbreak of COVID-19 which has included various forms of asset purchases, to support economies and businesses.

Commodities & Currencies

April saw overall commodity prices rise by a strong 8.0% in dollar terms, fueling talk about the possibility of slightly higher inflation. Oil prices rose by 7% in April and are up 32% year-to-date. The gold price rose by 3.2% during the month, to \$1,768 per troy ounce. The copper price rose by 12.1% during the month. The euro currency strengthened in April against the US dollar with the EUR/USD rate moving from 1.17 to 1.20.

Zurich Life Annualised Performance
to May 2021

Zurich Life Annualised Performance to May 2021		Annualised						Fund Size (Euros)
		Year to Date	1 Year	3 Years	5 Years	10 Years	15 Years	
Prisma Multi-Asset Funds								
Prisma 	11%	4.9%	1.5%	1.3%	Not Started	Not Started	Not Started	379,033,125
Prisma 	3.0%	11.2%	4.1%	3.7%	Not Started	Not Started	Not Started	1,573,997,223
Prisma 	6.3%	23.1%	8.6%	8.1%	Not Started	Not Started	Not Started	2,139,480,403
Prisma 	8.8%	31.9%	12.9%	11.8%	Not Started	Not Started	Not Started	1,207,852,828
Prisma 	9.3%	33.9%	14.8%	13.4%	Not Started	Not Started	Not Started	116,821,558
Managed Funds								
Cautiously Managed	4.4%	16.0%	6.9%	6.1%	7.7%	Not Started	Not Started	609,913,395
Sector Average	3.0%	9.9%	2.8%	3.1%	3.8%	2.8%	3.1%	
Balanced	6.1%	24.8%	11.4%	10.0%	9.9%	6.6%	6.4%	2,121,311,542
Sector Average	6.5%	18.8%	6.0%	5.6%	6.7%	3.7%	3.7%	
Performance	8.2%	30.2%	13.7%	12.1%	11.0%	7.0%	6.7%	1,763,788,565
Dynamic	8.8%	32.6%	14.8%	13.1%	11.5%	7.3%	6.9%	2,056,014,742
FinEx Sector Average	8.4%	23.0%	6.7%	6.7%	7.2%	4.2%	4.1%	
Protected Funds								
Protected 70	6.6%	19.6%	7.6%	6.4%	5.9%	Not Started	Not Started	19,884,811
Protected 80	4.4%	12.1%	4.0%	3.2%	3.2%	Not Started	Not Started	30,074,419
Cash								
Secure	0.0%	0.0%	0.0%	0.0%	0.1%	0.8%	1.2%	142,061,741
Cash Fund	-0.3%	-1.0%	-0.9%	-0.8%	-0.6%	Not Started	Not Started	1,057,156,724
FinEx Sector Average	-0.2%	-0.7%	-0.7%	-0.5%	-0.2%	0.6%	1.0%	
Bond								
Medium Duration Corporate Bond	-0.6%	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started	550,631,469
Short Duration Corporate Bond	-0.1%	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started	928,809,939
Global Corporate Bond (JP Morgan)	-2.8%	3.3%	3.5%	2.2%	Not Started	Not Started	Not Started	13,593,550
Global Government Bond (JP Morgan)	-3.2%	-2.4%	1.80%	0.70%	Not Started	Not Started	Not Started	2,940,598
Indexed Eurozone Government Bond (BlackRock)*	-3.4%	0.8%	2.40%	1.60%	4.00%	Not Started	Not Started	14,060,456
Active Fixed Income	-3.4%	-0.1%	1.40%	1.10%	5.10%	4.70%	5.20%	252,758,459
Inflation-Linked Bond	0.3%	7.6%	1.80%	1.90%	1.70%	Not Started	Not Started	5,603,696
Long Bond	-6.6%	-0.5%	4.0%	2.7%	6.9%	5.7%	Not Started	46,286,142
FinEx Sector Average	-2.5%	3.1%	3.0%	2.2%	4.2%	3.6%	4.1%	
Absolute Return/Diversified Assets Funds								
Global Targeted Returns Fund (Invesco)	-1.5%	-3.3%	-1.8%	-1.0%	Not Started	Not Started	Not Started	26,149,274
Dynamic Diversified Growth (BlackRock)	1.5%	13.7%	4.6%	3.8%	Not Started	Not Started	Not Started	12,980,809
Active Asset Allocation	6.9%	24.3%	9.3%	8.50%	7.7%	Not Started	Not Started	698,518,032
Commodity Funds								
Gold	-4.5%	-6.1%	9.9%	4.7%	2.8%	Not Started	Not Started	202,720,503
Indexed Global Energy and Metals	13.8%	21.8%	2.4%	3.6%	-2.5%	-4.3%	Not Started	13,635,436
Equity Funds (Global)								
5 Star 5	11.7%	44.1%	16.6%	15.1%	12.3%	6.9%	7.9%	319,318,995
International Equity	9.5%	35.2%	15.7%	14.1%	12.5%	8.1%	6.7%	3,953,808,920
Global Select (Threadneedle)	8.7%	28.2%	15.7%	15.0%	12.8%	8.6%	6.8%	14,093,377
Indexed Global Equity (BlackRock)*	12.2%	32.9%	13.8%	13.1%	12.1%	Not Started	Not Started	173,123,504
FinEx Sector Average	12.1%	31.5%	9.9%	9.4%	9.3%	5.6%	4.3%	
Equity Funds (European)								
5 Star 5 Europe	13.2%	39.8%	10.7%	11.4%	11.5%	6.5%	Not Started	129,693,080
European Select (Threadneedle)	8.8%	31.6%	13.0%	10.9%	11.1%	8.2%	7.0%	10,606,183
FinEx Sector Average	10.3%	33.5%	7.3%	7.8%	7.8%	4.9%	4.5%	
Equity Funds (Euro)								
Eurozone Equity	13.0%	44.7%	8.8%	10.9%	8.8%	6.7%	Not Started	111,891,789
Indexed Eurozone Equity (BlackRock)*	12.0%	42.8%	6.1%	9.5%	6.9%	Not Started	Not Started	6,138,260
FinEx Sector Average	11.2%	36.3%	5.4%	7.0%	6.7%	3.5%	3.3%	
Equity Funds (Irish)								
Irish Equity	10.3%	45.7%	9.1%	8.3%	13.4%	3.6%	Not Started	25,902,318
FinEx Sector Average	10.2%	42.9%	6.8%	5.3%	10.7%	1.5%	3.3%	

		Annualised						
	Year to Date	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	Fund Size (Euros)
Equity Fund (American)								
5 Star 5 Americas	11.2%	40.6%	23.2%	19.0%	15.7%	10.5%	Not Started	107,853,060
American Select (Threadneedle)	12.9%	35.9%	20.1%	17.9%	16.0%	10.8%	6.9%	14,585,226
FinEx Sector Average	14.0%	34.0%	16.7%	14.2%	14.4%	9.2%	5.9%	
Equity Funds (Far East Asia)								
5 Star 5 Asia Pacific	10.8%	40.6%	8.8%	12.9%	8.6%	6.0%	Not Started	95,639,859
Asia Pacific Equity	11.7%	40.0%	8.6%	12.7%	8.1%	Not Started	Not Started	13,766,933
FinEx Sector Average	8.8%	33.0%	7.9%	10.3%	6.3%	5.7%	6.5%	
Equity Funds (High Yield)								
Dividend Growth	18.5%	31.7%	5.0%	6.8%	9.5%	5.2%	Not Started	213,028,316
FinEx Sector Average	12.1%	31.5%	9.9%	9.4%	9.3%	5.6%	4.3%	
Equity Funds (Emerging Market)								
Emerging Markets Opportunities (JP Morgan)	5.0%	40.6%	9.9%	15.3%	Not Started	Not Started	Not Started	10,074,246
Indexed Emerging Market Equity Fund (BlackRock)	6.6%	37.5%	7.1%	11.4%	Not Started	Not Started	Not Started	7,436,823
Sector Average	7.9%	35.3%	6.1%	9.4%	4.1%	5.2%	6.1%	
Equity Funds (Specialist)								
Indexed Top Tech 100	10.2%	40.6%	28.4%	25.2%	22.1%	15.6%	Not Started	150,814,328
FinEx Sector Average	8.8%	27.2%	10.9%	8.5%	4.8%	3.5%	2.1%	
Property Funds								
Property Fund	0.6%	-3.0%	-0.9%	Not Started	Not Started	Not Started	Not Started	38,117,423
Indexed European (Ex-UK) Property	1.3%	18.9%	1.7%	4.5%	6.6%	Not Started	Not Started	144,222,742
Indexed Australasia Property	9.5%	14.3%	3.1%	3.7%	6.2%	Not Started	Not Started	125,336,811
Sector Average	2.4%	2.5%	-0.1%	1.4%	3.6%	-0.6%	2.2%	
Dimensional Funds								
Global Short-term Investment Grade Fixed Income (Dimensional)	-0.3%	2.0%	0.2%	Not Started	Not Started	Not Started	Not Started	859,686
Euro Inflation Linked Int Duration Fixed Income (Dimensional)	0.4%	5.3%	1.6%	Not Started	Not Started	Not Started	Not Started	7,011,034
World Equity (Dimensional)	14.5%	40.0%	10.1%	Not Started	Not Started	Not Started	Not Started	14,249,556
Global Short Fixed Income (Dimensional)	-0.3%	-0.2%	0.0%	Not Started	Not Started	Not Started	Not Started	4,207,143
World Allocation 20/80 (Dimensional)	2.6%	7.2%	2.0%	Not Started	Not Started	Not Started	Not Started	11,975,173
World Allocation 40/60 (Dimensional)	5.5%	14.8%	4.4%	Not Started	Not Started	Not Started	Not Started	27,217,248
World Allocation 60/40 (Dimensional)	8.3%	22.5%	6.4%	Not Started	Not Started	Not Started	Not Started	29,188,802
World Allocation 80/20 (Dimensional)	10.9%	31.0%	7.7%	Not Started	Not Started	Not Started	Not Started	10,623,317
Global Small Companies (Dimensional)	17.5%	50.1%	Not Started	Not Started	Not Started	Not Started	Not Started	2,410,303
Global Value (Dimensional)	16.9%	36.2%	Not Started	Not Started	Not Started	Not Started	Not Started	3,380,380
Global Sustainability Core Equity (Dimensional)	13.2%	39.0%	Not Started	Not Started	Not Started	Not Started	Not Started	148,791
Funds Closed to New Business								
Indexed Eurozone Property	3.0%	19.7%	0.6%	4.3%	6.2%	3.3%	Not Started	15,082,923
Indexed India Equity	5.1%	36.7%	5.1%	7.5%	4.5%	Not Started	Not Started	7,656,461
Income Opportunity (JP Morgan)	0.1%	2.9%	-0.6%	0.5%	Not Started	Not Started	Not Started	3,635,595
Diversified Assets	7.1%	18.4%	5.5%	5.7%	5.3%	Not Started	Not Started	10,429,212
Earth Resources	11.8%	78.2%	16.1%	10.6%	0.5%	Not Started	Not Started	5,420,519
Green Resources	-7.2%	119.8%	45.5%	29.0%	10.7%	Not Started	Not Started	9,082,286

Source: Financial Express as at 01/05/2021

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.

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Warning: If you invest in this fund you may lose some or all of the money you invest.





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