

# Monthly Investment Review

Medium-term, global consumption should benefit from an increase in the Covid vaccination rate in many regions, though the risk of new variants is everpresent. Supply chain disruptions seem to have peaked, but a return to normal will take more time than consensus had previously expected. China's ongoing slowdown is a concern, but some targeted stimulus is expected to come through. Overall, our outlook for risk assets, particularly equities, remains constructive. Following the rise in bond yields, the recent drift lower should be no surprise, but does not change our view that some upside potential remains in place given the central banks' recognition of inflationary pressures. We stick to our view that the surge in inflation is largely transitory as some commodity prices like natural gas and copper appear to be topping out and as yet we do not yet see a broad-based impact on wages. Both the US and Eurozone Q3 earnings season is in full swing, with more than half of all companies having reported. In the US, the beat-miss ratio of 82% stands above its historical average.

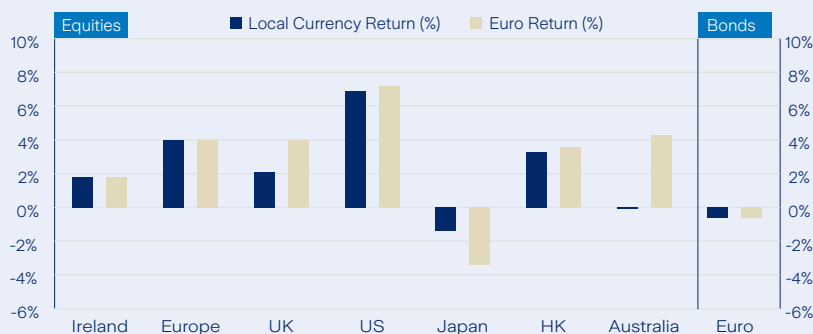


Richard Temperley  
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## Activity

Equity positions in our multi-asset funds were unchanged during October and remain well above benchmark. With regards to geographic positions, the main bias is towards Europe. Sector-wise, the funds are positively biased towards technology, consumer discretionary stocks and financials and negatively biased towards 'bond proxy' areas such as utilities and consumer staples. 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 18 months.

## Equity & Bond % Returns: October



This graph shows the performance of the major equity markets over the month of October. The returns are shown in both local and euro currencies. The bond index is the ICE BofA 5+ Government Bond Index. Source: Bloomberg, November 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		✓	
	Indexed Commodities		✓	

## Market Performance

### Equity Markets

World equities (in euro terms) rose by 5.8% in October, giving a strong total return of 26.3% for the first ten months of 2021. Significant euro currency weakness during 2021 has accentuated returns in a number of key markets, primarily the US and the UK. Year-to-date the strongest markets in local currency terms have been the US (+22.6%) and Europe (+18.7%). Regarding sectors in the US during the month, the strongest returns came from consumer discretionary stocks (+10.9%), energy (+10.4%) and technology (+8.2%). The main underperforming sectors were consumer staples and utilities. So far this year, the best performing sectors have been energy (+57.9%) and financials (+38.5%).






### Bonds & Interest Rates

The Over Five Year Euro Government Bond Index fell by 0.6% during October. The German ten-year bond yield rose from minus 0.20% to minus 0.11%. Equivalent US rates rose from 1.49% to 1.56%, due to concerns over rising inflation. The Federal Reserve and other central banks have introduced a wave of liquidity since the outbreak of COVID-19 to support economies and businesses. The Fed is now becoming slightly more hawkish and is keeping a weather eye on inflation.

### Commodities & Currencies

Overall commodity prices rose by 3.8% during October in dollar terms led by energy prices. They are now up 42% year-to-date fueling concerns over higher inflation. Oil prices rose by 9% in October and are up 65% so far in 2021. The gold price rose by 1.6% in October to \$1,784 per troy ounce. The copper price rose by 6.8% during the month. The euro currency was virtually unchanged in October against the US dollar with the EUR/USD rate remaining at 1.16. It began the year at 1.22.

Zurich Life Annualised Performance  
to 01/11/2021

Zurich Life Annualised Performance to 01/11/2021		Annualised						Fund Size (Euros)
		Year to Date	1 Year	3 Years	5 Years	10 Years	15 Years	
Multi-Asset Funds								
Prisma 	2.4%	4.0%	2.2%	1.4%	Not Started	Not Started	Not Started	434,271,326
Prisma 	6.8%	10.8%	5.4%	4.1%	Not Started	Not Started	Not Started	1,813,185,809
Prisma 	15.1%	23.9%	11.4%	9.0%	Not Started	Not Started	Not Started	2,588,630,297
Prisma 	21.4%	34.7%	16.9%	12.9%	Not Started	Not Started	Not Started	1,534,191,242
Prisma 	22.5%	37.1%	18.5%	14.4%	Not Started	Not Started	Not Started	151,427,934
Active Asset Allocation	16.8%	25.9%	12.3%	9.6%	8.6%	Not Started	Not Started	828,583,093
Managed Funds								
Cautiously Managed	10.2%	16.1%	8.6%	6.7%	8.1%	Not Started	Not Started	703,742,031
Sector Average	5.9%	10.4%	4.3%	3.2%	4.1%	2.7%	3.3%	
Balanced	15.8%	25.9%	14.1%	11.0%	11.3%	70%	73%	2,354,867,578
Sector Average	11.4%	20.3%	8.0%	6.1%	7.7%	3.8%	4.4%	
Performance	20.3%	32.7%	16.9%	13.4%	12.6%	7.5%	7.9%	1,939,178,349
Dynamic	21.8%	35.5%	18.1%	14.4%	13.4%	7.9%	8.3%	2,300,379,287
FinEx Sector Average	15.0%	25.9%	9.3%	7.5%	8.4%	4.3%	4.9%	
Protected Funds								
Protected 70	16.2%	25.1%	10.4%	7.8%	7.4%	Not Started	Not Started	20,724,881
Protected 80	11.3%	16.8%	6.2%	4.4%	4.4%	Not Started	Not Started	30,148,809
Cash								
Cash Fund	-0.7%	-0.9%	-0.9%	-0.9%	-0.7%	Not Started	Not Started	1,237,167,253
FinEx Sector Average	-0.6%	-0.7%	-0.7%	-0.6%	-0.2%	0.5%	0.9%	
Bond								
Medium Duration Corporate Bond	-1.6%	-0.7%	Not Started	Not Started	Not Started	Not Started	Not Started	604,811,321
Short Duration Corporate Bond	-0.6%	-0.4%	Not Started	Not Started	Not Started	Not Started	Not Started	1,048,288,770
Global Corporate Bond (JP Morgan)	-1.9%	0.8%	4.5%	2.1%	Not Started	Not Started	Not Started	15,355,449
Global Government Bond (JP Morgan)	-3.7%	-3.7%	2.3%	0.50%	Not Started	Not Started	Not Started	1,788,862
Indexed Eurozone Government Bond (BlackRock)*	-3.4%	-3.3%	3.0%	1.3%	3.7%	Not Started	Not Started	16,625,530
Active Fixed Income	-3.7%	-3.5%	1.9%	0.6%	4.6%	4.4%	4.7%	261,561,587
Inflation-Linked Bond	4.1%	6.3%	4.0%	2.3%	2.4%	Not Started	Not Started	6,816,150
Long Bond	-6.2%	-5.8%	4.9%	2.0%	6.7%	5.3%	Not Started	46,785,739
FinEx Sector Average	-1.9%	-0.5%	3.8%	1.9%	4.0%	3.4%	3.9%	
Absolute Return/Diversified Assets Funds								
Global Targeted Returns Fund (Invesco)	-2.9%	-1.6%	-0.9%	-1.4%	Not Started	Not Started	Not Started	21,518,829
Dynamic Diversified Growth (BlackRock)	3.6%	9.1%	5.9%	4.4%	3.5%	Not Started	Not Started	13,184,173
Commodity Funds								
Gold	-0.3%	-5.3%	12.1%	5.1%	1.6%	Not Started	Not Started	237,153,957
Indexed Global Energy and Metals	39.1%	38.5%	9.0%	6.4%	0.5%	-1.6%	Not Started	17,398,015
Equity Funds (Global)								
5 Star 5	26.4%	42.4%	21.0%	17.1%	14.4%	7.9%	9.2%	373,921,861
International Equity	23.1%	38.3%	19.3%	15.1%	14.3%	8.9%	8.3%	4,794,323,216
Global Select (Threadneedle)	19.4%	30.9%	19.3%	15.5%	14.8%	9.2%	8.2%	15,260,441
Indexed Global Equity (BlackRock)*	27.3%	38.1%	17.1%	14.6%	14.2%	Not Started	Not Started	202,852,437
FinEx Sector Average	22.1%	37.2%	13.0%	10.6%	11.0%	6.1%	5.6%	
Equity Funds (European)								
5 Star 5 Europe	21.1%	45.0%	15.1%	12.2%	13.3%	7.0%	Not Started	140,860,459
European Select (Threadneedle)	22.7%	38.6%	18.9%	13.8%	13.5%	8.8%	8.9%	12,618,260
FinEx Sector Average	20.2%	39.3%	13.0%	9.7%	10.3%	5.3%	6.0%	
Equity Funds (Euro)								
Eurozone Equity	21.9%	46.1%	14.7%	11.5%	11.3%	6.8%	Not Started	127,422,650
Indexed Eurozone Equity (BlackRock)*	21.4%	39.4%	11.9%	10.4%	10.5%	Not Started	Not Started	6,647,715
FinEx Sector Average	19.5%	41.4%	11.3%	8.6%	9.0%	3.6%	4.6%	
Equity Funds (Irish)								
Irish Equity	18.2%	36.5%	15.0%	10.6%	15.0%	3.2%	Not Started	29,793,961
FinEx Sector Average	15.8%	33.3%	12.2%	7.7%	12.1%	1.2%	4.1%	

	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	32.1%	43.9%	26.1%	20.4%	18.3%	11.8%	Not Started	131,208,631
American Select (Threadneedle)	30.9%	47.3%	23.9%	19.3%	17.9%	11.8%	8.9%	16,036,287
FinEx Sector Average	27.7%	41.2%	18.7%	15.3%	16.0%	9.9%	7.3%	
Equity Funds (Far East Asia)								
5 Star 5 Asia Pacific	8.8%	25.2%	12.0%	10.1%	9.0%	5.7%	Not Started	91,349,332
Asia Pacific Equity	11.0%	27.3%	11.6%	9.9%	8.9%	Not Started	Not Started	13,924,213
FinEx Sector Average	9.2%	22.5%	11.3%	8.4%	7.4%	5.8%	7.4%	
Equity Funds (High Yield)								
Dividend Growth	28.1%	41.6%	8.8%	6.6%	10.5%	5.4%	Not Started	227,666,444
FinEx Sector Average	22.1%	37.2%	13.0%	10.6%	11.0%	6.1%	5.6%	
Equity Funds (Emerging Market)								
Emerging Markets Opportunities (JP Morgan)	1.8%	17.2%	12.3%	10.7%	Not Started	Not Started	Not Started	9,469,202
Indexed Emerging Market Equity Fund (BlackRock)	4.8%	17.1%	9.3%	8.1%	Not Started	Not Started	Not Started	9,827,316
Sector Average	8.8%	21.4%	10.9%	7.1%	5.5%	5.1%	6.3%	
Equity Funds (Specialist)								
Indexed Top Tech 100	30.1%	42.9%	30.4%	25.6%	23.5%	16.9%	11.6%	196,975,802
FinEx Sector Average	19.6%	31.6%	14.4%	9.8%	7.1%	4.1%	3.6%	
Property Funds								
Property Fund	3.3%	-0.3%	-0.5%	Not Started	Not Started	Not Started	Not Started	39,701,788
Indexed European (Ex-UK) Property	9.0%	27.1%	5.4%	5.9%	8.6%	Not Started	Not Started	203,064,436
Indexed Australasia Property	12.9%	24.1%	4.9%	2.9%	7.3%	Not Started	Not Started	174,971,223
Sector Average	8.5%	12.1%	1.4%	2.8%	4.5%	-0.9%	2.7%	
Dimensional Funds								
Global Short-term Investment Grade Fixed Income (Dimensional)	-1.4%	-1.0%	0.0%	-0.6%	Not Started	Not Started	Not Started	1,651,259
Euro Inflation Linked Int Duration Fixed Income (Dimensional)	4.2%	5.7%	2.6%	1.8%	Not Started	Not Started	Not Started	7,448,055
World Equity (Dimensional)	24.6%	42.3%	13.7%	11.0%	Not Started	Not Started	Not Started	14,517,998
Global Short Fixed Income (Dimensional)	-2.2%	-2.3%	-0.5%	-1.0%	Not Started	Not Started	Not Started	3,687,307
World Allocation 20/80 (Dimensional)	3.2%	5.9%	2.4%	1.5%	Not Started	Not Started	Not Started	11,946,617
World Allocation 40/60 (Dimensional)	8.2%	14.2%	5.4%	4.0%	Not Started	Not Started	Not Started	28,800,950
World Allocation 60/40 (Dimensional)	13.1%	22.4%	8.2%	6.4%	Not Started	Not Started	Not Started	30,911,356
World Allocation 80/20 (Dimensional)	18.1%	31.8%	10.5%	8.3%	Not Started	Not Started	Not Started	12,338,478
Global Small Companies (Dimensional)	26.7%	49.4%	Not Started	Not Started	Not Started	Not Started	Not Started	4,391,396
Global Value (Dimensional)	26.6%	46.8%	Not Started	Not Started	Not Started	Not Started	Not Started	5,032,901
Global Sustainability Core Equity (Dimensional)	25.6%	42.5%	Not Started	Not Started	Not Started	Not Started	Not Started	645,764
Funds Closed to New Business								
Indexed Eurozone Property	7.2%	29.8%	3.0%	4.9%	8.2%	2.7%	Not Started	14,779,301
Indexed India Equity	31.4%	50.3%	16.8%	9.7%	8.0%	Not Started	Not Started	9,617,339
Income Opportunity (JP Morgan)	-0.2%	0.2%	-0.4%	-0.1%	Not Started	Not Started	Not Started	1,803,113
Diversified Assets	18.1%	25.3%	9.0%	6.8%	6.9%	Not Started	Not Started	11,027,115
Earth Resources	24.3%	49.3%	19.6%	12.7%	3.2%	Not Started	Not Started	6,151,401
Green Resources	0.6%	44.0%	48.8%	31.6%	15.4%	Not Started	Not Started	9,990,534

Source: Financial Express as at 01/11/2021

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: 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.**





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