

Monthly Investment Review

Global equity markets hit record highs in December due to positive seasonality, aided by strong year-to-date returns, and continued low interest rates. COVID-19 remains a concern and stubbornly high inflation, although expected to be temporary, is also problematic. Continued strong economic growth in 2022 and reasonable earnings expectations underpin equities, although increased volatility is likely due to monetary stimulus being tapered and the potential for modestly higher interest rates in the US.

Our outlook for equities remains positive. This positive bias is mainly based on the relative value argument that equities remain more attractively valued against fixed income investments. As the medium-term growth dynamics are still positive, we expect government bond yields to gradually move higher.

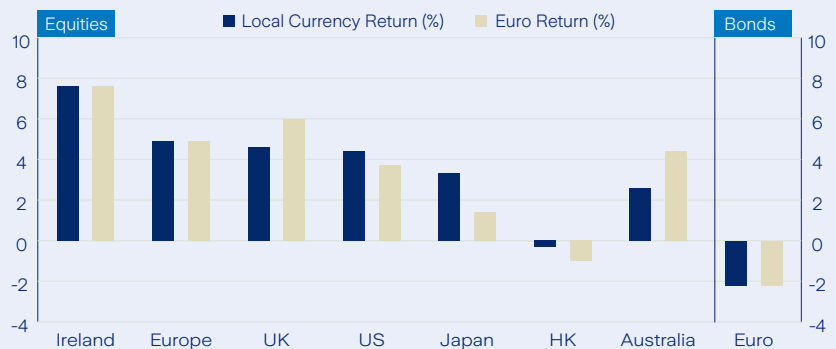


Richard Temperley
Head of Investment Development

Activity

Equity positions in our multi-asset funds remain above benchmark although some profits were taken towards the end of the year on a tactical basis. With regards to geographic positions, the main bias is towards Europe and Japan. Sector-wise, the funds are positively biased towards technology and consumer discretionary stocks and negatively biased towards 'bond proxy' areas such as telecoms 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 two years.

Equity & Bond % Returns: December



This graph shows the performance of the major equity markets over the month of December. The returns are shown in both local and euro currencies. The bond index is the ICE BofA 5+ Government Bond Index. Source: Bloomberg, January 2022.

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 3.2% in December, giving a strong total return of 31.1% for 2021. Significant euro currency weakness during 2021 has accentuated returns in a number of key markets, primarily the US and the UK. For the year as a whole, the strongest markets in local currency terms have been the US (+26.9%) and Europe (+20.4%).
- Regarding sectors in the US during the month, there was some position squaring. The strongest returns came from consumer staples (+10.3%) and utilities (+9.6%). The main underperforming sectors were consumer discretionary stocks (-0.3%) and consumer services (2.5%). Overall, energy was the best performing sector (+53%) as firms tracked the recovery in oil prices, albeit from record lows. Technology (+40%), real estate (+39%), and financials (+38%) also outperformed.

Bonds & Interest Rates

- The Over Five Year Euro Government Bond Index fell by 2.2% during December, giving a total return of minus 4.7% for the full year. Medium-dated bond prices struggled in 2021 due to strong economic growth, rising inflation and the prospect of tapering of quantitative easing. In addition, it is now expected that there could be up to three 25bps rate rises in the US in 2022.
- The German ten-year bond yield rose from minus 0.35% to minus 0.18%. Equivalent US rates rose from 1.45% to 1.51%.

Commodities & Currencies

- Overall commodity prices rose by 6.0% during December in dollar terms led by energy prices. For the year as a whole, overall commodity prices were up by 38.5%.
- Oil prices rose by c.12% in December and were up over 50% for 2021. The gold price rose by 3.1% in December to \$1,829 per troy ounce. The copper price rose by 4.3% during the month.
- The euro currency was virtually unchanged during December against the US dollar with the EUR/USD staying at around from 1.14. It began the year at 1.22.

Zurich Life Annualised Performance
to 01/01/2022

	Annualised							Fund Size (Euros)
	Year to Date	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	
Multi-Asset Funds								
Prisma 2	2.6%	2.6%	2.5%	1.3%	Not Started	Not Started	Not Started	459,481,660
Prisma 3	7.6%	7.6%	6.4%	3.7%	Not Started	Not Started	Not Started	1,926,362,624
Prisma 4	16.8%	16.8%	13.7%	8.2%	Not Started	Not Started	Not Started	2,744,133,143
Prisma 5	23.9%	23.9%	20.3%	11.9%	Not Started	Not Started	Not Started	1,669,784,161
Prisma Max	25.3%	25.3%	22.2%	13.4%	Not Started	Not Started	Not Started	165,960,726
Active Asset Allocation	18.6%	18.6%	14.9%	8.8%	8.6%	Not Started	Not Started	865,370,269
Managed Funds								
Cautiously Managed	11.5%	11.5%	10.1%	6.2%	7.9%	Not Started	Not Started	735,717,571
Sector Average	7.1%	7.1%	5.4%	3.1%	4.1%	2.6%	3.3%	
Balanced	18.0%	18.0%	16.7%	10.2%	11.2%	6.8%	7.2%	2,418,448,172
Sector Average	13.3%	13.3%	9.9%	5.7%	7.7%	3.7%	4.3%	
Performance	23.0%	23.0%	20.3%	12.5%	12.6%	7.3%	7.7%	1,978,554,044
Dynamic	24.6%	24.6%	21.8%	13.4%	13.4%	7.7%	8.0%	2,338,367,848
FinEx Sector Average	17.7%	17.7%	11.9%	7.0%	8.5%	4.3%	4.7%	
Protected Funds								
Protected 70	17.9%	17.9%	13.1%	7.3%	7.5%	Not Started	Not Started	20,738,517
Protected 80	12.4%	12.4%	7.9%	4.1%	4.5%	Not Started	Not Started	29,845,255
Cash								
Cash Fund	-0.9%	-0.9%	-0.9%	-0.9%	-0.7%	Not Started	Not Started	1,279,191,063
FinEx Sector Average	-0.7%	-0.7%	-0.7%	-0.6%	-0.2%	0.5%	0.9%	
Bond								
Medium Duration Corporate Bond	-1.5%	-1.5%	Not Started	Not Started	Not Started	Not Started	Not Started	623,468,039
Short Duration Corporate Bond	-0.7%	-0.7%	Not Started	Not Started	Not Started	Not Started	Not Started	1,090,829,117
Global Corporate Bond (JP Morgan)	-2.8%	-2.8%	4.3%	2.2%	Not Started	Not Started	Not Started	15,931,648
Global Government Bond (JP Morgan)	-4.1%	-4.1%	1.50%	0.80%	Not Started	Not Started	Not Started	1,723,896
Indexed Eurozone Government Bond (BlackRock)*	-4.2%	-4.2%	2.10%	1.50%	3.50%	Not Started	Not Started	17,686,716
Active Fixed Income	-3.8%	-3.8%	1.50%	0.80%	4.30%	4.50%	4.90%	264,114,565
Inflation-Linked Bond	6.0%	6.0%	4.70%	2.50%	2.60%	Not Started	Not Started	7,818,391
Long Bond	-6.6%	-6.6%	4.2%	2.4%	6.2%	5.4%	Not Started	45,733,587
FinEx Sector Average	-1.7%	-1.7%	3.7%	2.1%	4.0%	3.4%	4.0%	
Absolute Return/Diversified Assets Funds								
Global Targeted Returns Fund (Invesco)	-1.1%	-1.1%	-0.2%	-1.2%	Not Started	Not Started	Not Started	21,011,549
Dynamic Diversified Growth (BlackRock)	3.6%	3.6%	6.7%	4.4%	3.5%	Not Started	Not Started	13,275,213
Commodity Funds								
Gold	3.6%	3.6%	11.9%	7.1%	2.1%	Not Started	Not Started	259,764,660
Indexed Global Energy and Metals	38.7%	38.7%	11.4%	4.5%	-0.2%	-1.3%	Not Started	17,057,094
Equity Funds (Global)								
5 Star 5	29.1%	29.1%	25.3%	15.5%	14.2%	7.8%	8.7%	388,213,525
International Equity	26.1%	26.1%	23.3%	14.1%	14.3%	8.9%	7.9%	4,662,747,665
Global Select (Threadneedle)	22.3%	22.3%	23.6%	14.8%	14.6%	9.2%	7.9%	15,697,040
Indexed Global Equity (BlackRock)*	30.6%	30.6%	21.8%	12.4%	13.6%	Not Started	Not Started	214,758,248
FinEx Sector Average	26.1%	26.1%	16.9%	9.9%	13.6%	6.1%	5.4%	
Equity Funds (European)								
5 Star 5 Europe	24.2%	24.2%	19.0%	11.5%	13.9%	6.9%	Not Started	144,502,792
European Select (Threadneedle)	26.2%	26.2%	22.6%	13.3%	13.4%	8.6%	8.5%	12,752,055
FinEx Sector Average	23.3%	23.3%	17.1%	9.2%	10.9%	5.2%	5.7%	
Equity Funds (Euro)								
Eurozone Equity	23.4%	23.4%	17.8%	10.4%	12.1%	6.6%	Not Started	131,214,558
Indexed Eurozone Equity (BlackRock)*	24.3%	24.3%	16.3%	8.7%	10.2%	Not Started	Not Started	6,568,322
FinEx Sector Average	20.7%	20.7%	14.1%	7.7%	9.5%	3.4%	4.2%	
Equity Funds (Irish)								
Irish Equity	16.7%	16.7%	18.8%	8.1%	14.1%	2.5%	Not Started	29,420,803
FinEx Sector Average	15.3%	15.3%	16.6%	6.0%	11.6%	0.5%	3.7%	

	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	35.5%	35.5%	30.7%	18.3%	18.0%	11.9%	Not Started	134,928,461
American Select (Threadneedle)	30.9%	30.9%	27.0%	16.5%	17.0%	11.9%	8.3%	16,267,134
FinEx Sector Average	34.8%	34.8%	24.4%	14.6%	15.9%	10.2%	7.1%	
Equity Funds (Far East Asia)								
5 Star 5 Asia Pacific	9.6%	9.6%	13.3%	9.9%	9.4%	5.2%	Not Started	90,440,134
Asia Pacific Equity	10.3%	10.3%	12.0%	9.4%	8.9%	Not Started	Not Started	13,761,143
FinEx Sector Average	9.0%	9.0%	11.5%	8.2%	7.5%	5.3%	6.7%	
Equity Funds (High Yield)								
Dividend Growth	35.1%	35.1%	13.3%	6.0%	10.9%	5.5%	Not Started	238,790,819
FinEx Sector Average	26.1%	26.1%	16.9%	9.9%	11.2%	6.1%	5.4%	
Equity Funds (Emerging Market)								
Emerging Markets Opportunities (JP Morgan)	0.8%	0.8%	11.8%	10.2%	Not Started	Not Started	Not Started	10,129,529
Indexed Emerging Market Equity Fund (BlackRock)	4.8%	4.8%	10.9%	7.2%	Not Started	Not Started	Not Started	11,023,777
Sector Average	7.8%	7.8%	10.1%	7.3%	5.9%	4.5%	5.8%	
Equity Funds (Specialist)								
Indexed Top Tech 100	39.5%	39.5%	38.4%	26.1%	24.0%	17.5%	11.1%	216,526,290
FinEx Sector Average	21.5%	21.5%	16.6%	9.6%	7.4%	4.0%	3.1%	
Property Funds								
Property Fund	3.7%	3.7%	-0.1%	Not Started	Not Started	Not Started	Not Started	39,480,059
Indexed European (Ex-UK) Property	8.6%	8.6%	6.8%	5.4%	9.4%	Not Started	Not Started	212,107,662
Indexed Australasia Property	13.4%	13.4%	3.5%	3.3%	7.4%	Not Started	Not Started	186,450,403
Sector Average	10.4%	10.4%	2.2%	2.6%	4.8%	-1.0%	2.8%	
Dimensional Funds								
Global Short-term Investment Grade Fixed Income (Dimensional)	-1.8%	-1.8%	-0.1%	-0.5%	Not Started	Not Started	Not Started	1,935,773
Euro Inflation Linked Int Duration Fixed Income (Dimensional)	5.8%	5.8%	3.7%	2.1%	Not Started	Not Started	Not Started	7,289,154
World Equity (Dimensional)	28.6%	28.6%	18.1%	9.8%	Not Started	Not Started	Not Started	15,182,647
Global Short Fixed Income (Dimensional)	-2.3%	-2.3%	-0.6%	-0.7%	Not Started	Not Started	Not Started	3,632,722
World Allocation 20/80 (Dimensional)	3.8%	3.8%	3.1%	1.4%	Not Started	Not Started	Not Started	10,826,779
World Allocation 40/60 (Dimensional)	9.6%	9.6%	7.0%	3.7%	Not Started	Not Started	Not Started	28,487,844
World Allocation 60/40 (Dimensional)	15.6%	15.6%	10.8%	5.8%	Not Started	Not Started	Not Started	31,481,449
World Allocation 80/20 (Dimensional)	21.8%	21.8%	14.2%	7.5%	Not Started	Not Started	Not Started	12,930,370
Global Small Companies (Dimensional)	28.9%	28.9%	Not Started	Not Started	Not Started	Not Started	Not Started	5,159,548
Global Value (Dimensional)	30.5%	30.5%	Not Started	Not Started	Not Started	Not Started	Not Started	5,470,860
Global Sustainability Core Equity (Dimensional)	30.4%	30.4%	Not Started	Not Started	Not Started	Not Started	Not Started	907,166
Funds Closed to New Business								
Indexed Eurozone Property	6.1%	6.1%	4.6%	4.6%	9.1%	1.9%	Not Started	14,443,319
Indexed India Equity	33.9%	33.9%	14.3%	11.2%	10.1%	Not Started	Not Started	9,613,545
Income Opportunity (JP Morgan)	-0.5%	-0.5%	0.1%	-0.4%	Not Started	Not Started	Not Started	1,747,925
Diversified Assets	18.8%	18.8%	10.5%	6.1%	6.7%	Not Started	Not Started	10,579,076
Earth Resources	19.3%	19.3%	22.0%	11.3%	2.7%	Not Started	Not Started	5,634,014
Green Resources	-11.5%	-11.5%	46.4%	27.5%	14.8%	Not Started	Not Started	8,656,254

Source: Financial Express as at 01/01/2022

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.





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 January 2022. 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 January 2022. 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, A94 X9Y3, 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: 6550 Print Ref: ZL ISA 76 1221

