

# Monthly Investment Review

With the exception of the oil price, January was a poor month for most asset classes including equities and government bonds. The downturn in equities was led by the US market and technology stocks in particular. While the Omicron wave still weighs on economic activity in many regions there are growing signs that its impact is abating. Some Covid induced disruptions are likely to persist in the near future, but the global growth dynamic remains favourable. Although there are increasing indications that inflation rates will fall back over the course of the year current rates remain stubbornly high, leading global central banks and particularly the Fed to take a more hawkish stance.

The rise in bond yields is relatively mild by historic standards and yields are expected to move higher longer term. Given relatively low yields and a positive growth outlook, equities will become increasingly attractive once markets have stabilised.

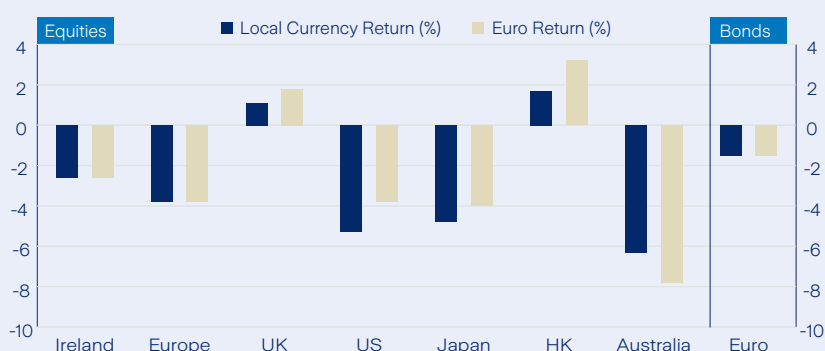


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## Activity

Equity positions in our multi-asset funds remain above benchmark although some profits were taken towards the end of last year on a tactical basis. With regards to geographic positions, the main bias is towards Europe and Japan, with a slight increase in Asia. Sector-wise, the funds are positively biased towards technology (although less than previously) and consumer discretionary stocks and negatively biased towards 'bond proxy' areas such as healthcare 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: January



This graph shows the performance of the major equity markets over the month of January. The returns are shown in both local and euro currencies. The bond index is the ICE BofA 5+ Government Bond Index. Source: Bloomberg, February 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) fell by 3.9% in January, following a strong total return of 31.1% for 2021. Euro currency weakness was once again a factor. Local currency returns for the month for the major markets ranged from plus 1.7% in Hong Kong to minus 5.3% in the US. For the year of 2021, the strongest markets in local currency terms were the US (+26.9%) and Europe (+20.4%).
- Regarding sectors in the US during the month, there was some further position squaring. The strongest returns came from energy (+17.3%) and financials (+2.1%). The main underperforming sectors were consumer discretionary stocks (-7.1%) and technology (-7.1%).

### Bonds & Interest Rates

- The Over Five Year Euro Government Bond Index fell by 1.5% during January, following a total return of minus 4.7% for the year of 2021. Medium-dated bond prices have struggled due to strong economic growth, rising inflation and the prospect of tapering of central bank support. In addition, it is now expected that there could be up to four 25bps rate rises in the US in 2022.
- The German ten-year bond yield rose from minus 0.18% to plus 0.01%. Equivalent US rates rose from 1.51% to 1.78%.

### Commodities & Currencies

- Overall commodity prices rose by circa 10% during January in dollar terms totally led by energy prices.
- Oil prices rose by circa 17% in January not helping the inflationary outlook. The gold price fell by 1.8% in January to \$1,795 per troy ounce. The copper price fell by 3.1% during the month.
- The euro currency weakened during January against the US dollar with the EUR/USD rate moving from 1.14 to 1.12.

Zurich Life Annualised Performance  
to 01/02/2022

Zurich Life Annualised Performance to 01/02/2022		Annualised						Fund Size (Euros)
		Year to Date	1 Year	3 Years	5 Years	10 Years	15 Years	
Multi-Asset Funds								
Prisma <span>2</span>	-0.9%	2.2%	1.8%	1.1%	Not Started	Not Started	Not Started	467,949,690
Prisma <span>3</span>	-1.9%	6.3%	4.9%	3.4%	Not Started	Not Started	Not Started	1,916,697,377
Prisma <span>4</span>	-3.2%	14.3%	10.6%	7.5%	Not Started	Not Started	Not Started	2,680,916,893
Prisma <span>5</span>	-4.6%	20.1%	15.8%	10.8%	Not Started	Not Started	Not Started	1,603,009,871
Prisma <span>Max</span>	-5.7%	20.5%	17.2%	12.1%	Not Started	Not Started	Not Started	158,621,384
Active Asset Allocation	-3.0%	16.3%	11.7%	8.2%	7.9%	Not Started	Not Started	847,578,426
Managed Funds								
Cautiously Managed	-2.9%	9.4%	7.9%	5.6%	7.4%	Not Started	Not Started	724,410,785
Sector Average	-1.7%	5.2%	3.9%	2.8%	3.8%	2.5%	3.2%	
Balanced	-4.3%	14.6%	13.2%	9.3%	10.4%	6.5%	6.9%	2,317,983,067
Sector Average	-2.6%	9.8%	7.4%	5.1%	7.1%	3.5%	4.1%	
Performance	-5.2%	18.6%	15.9%	11.3%	11.6%	6.9%	7.5%	1,869,710,625
Dynamic	-5.6%	19.9%	17.0%	12.1%	12.3%	7.2%	7.7%	2,203,524,474
FinEx Sector Average	-3.0%	13.4%	8.8%	6.2%	7.8%	4.0%	4.6%	
Protected Funds								
Protected 70	-5.0%	14.0%	9.6%	6.2%	6.7%	Not Started	Not Started	19,580,207
Protected 80	-3.9%	9.4%	5.7%	3.2%	3.9%	Not Started	Not Started	29,291,351
Cash								
Cash Fund	-0.1%	-1.0%	-0.9%	-0.9%	-0.7%	Not Started	Not Started	1,279,981,862
FinEx Sector Average	-0.1%	-0.7%	-0.7%	-0.6%	-0.3%	0.5%	0.8%	
Bond								
Medium Duration Corporate Bond	-1.6%	-3.0%	Not Started	Not Started	Not Started	Not Started	Not Started	619,930,462
Short Duration Corporate Bond	-0.3%	-1.0%	Not Started	Not Started	Not Started	Not Started	Not Started	1,101,742,642
Global Corporate Bond (JP Morgan)	-2.0%	-3.9%	3.0%	1.8%	Not Started	Not Started	Not Started	15,629,643
Global Government Bond (JP Morgan)	-1.0%	-4.3%	1.1%	0.7%	Not Started	Not Started	Not Started	1,692,539
Indexed Eurozone Government Bond (BlackRock)*	-1.2%	-4.4%	1.5%	1.5%	3.2%	Not Started	Not Started	17,498,317
Active Fixed Income	-0.9%	-4.0%	1.0%	1.0%	4.0%	4.5%	4.8%	264,199,108
Inflation-Linked Bond	-0.8%	4.8%	4.2%	2.8%	2.3%	Not Started	Not Started	7,931,262
Long Bond	-1.6%	-7.0%	3.1%	2.9%	5.9%	5.4%	Not Started	44,864,358
FinEx Sector Average	-1.4%	-2.5%	2.7%	2.2%	3.6%	3.4%	3.9%	
Absolute Return/Diversified Assets Funds								
Global Targeted Returns Fund (Invesco)	-1.7%	-2.4%	-0.9%	-1.4%	Not Started	Not Started	Not Started	19,959,568
Dynamic Diversified Growth (BlackRock)	-2.9%	0.6%	4.6%	3.7%	2.9%	Not Started	Not Started	13,080,930
Commodity Funds								
Gold	0.2%	4.2%	10.9%	6.7%	1.2%	Not Started	Not Started	263,486,906
Indexed Global Energy and Metals	6.9%	44.3%	12.0%	6.5%	0.3%	-0.8%	Not Started	18,544,616
Equity Funds (Global)								
5 Star 5	-3.8%	24.3%	21.3%	14.5%	13.2%	7.5%	8.5%	372,648,755
International Equity	-6.1%	20.9%	18.1%	12.6%	13.1%	8.3%	7.6%	4,415,661,253
Global Select (Threadneedle)	-6.7%	15.3%	16.8%	13.4%	13.2%	8.5%	7.5%	14,639,482
Indexed Global Equity (BlackRock)*	-2.4%	22.7%	17.2%	12.3%	13.0%	Not Started	Not Started	202,681,468
FinEx Sector Average	-4.0%	20.2%	12.8%	8.9%	10.2%	5.7%	5.2%	
Equity Funds (European)								
5 Star 5 Europe	-2.6%	20.8%	15.9%	10.8%	13.0%	6.7%	Not Started	140,663,358
European Select (Threadneedle)	-10.6%	14.1%	16.0%	10.9%	11.7%	7.6%	8.0%	11,592,241
FinEx Sector Average	-6.0%	16.6%	12.3%	7.7%	9.5%	4.6%	5.5%	
Equity Funds (Euro)								
Eurozone Equity	-3.4%	20.2%	14.1%	9.8%	11.0%	6.2%	Not Started	127,400,602
Indexed Eurozone Equity (BlackRock)*	-4.0%	18.0%	11.8%	8.1%	9.2%	Not Started	Not Started	6,421,007
FinEx Sector Average	-4.0%	16.2%	10.4%	6.7%	8.4%	3.0%	4.1%	
Equity Funds (Irish)								
Irish Equity	-2.4%	19.7%	15.8%	8.0%	13.7%	2.4%	Not Started	29,467,992
FinEx Sector Average	-2.7%	17.0%	13.1%	5.6%	10.9%	0.4%	3.7%	

	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	-6.9%	29.4%	24.4%	16.8%	16.8%	11.2%	Not Started	125,549,855
American Select (Threadneedle)	-3.8%	27.8%	21.1%	15.9%	16.2%	11.2%	8.0%	15,644,830
FinEx Sector Average	-4.6%	27.3%	19.1%	13.3%	14.9%	9.7%	6.9%	
Equity Funds (Far East Asia)								
5 Star 5 Asia Pacific	-3.1%	4.8%	9.6%	8.2%	8.1%	4.7%	Not Started	88,418,237
Asia Pacific Equity	-3.0%	5.4%	8.5%	7.7%	7.7%	Not Started	Not Started	12,964,702
FinEx Sector Average	-1.6%	3.7%	8.6%	6.9%	6.4%	5.1%	6.3%	
Equity Funds (High Yield)								
Dividend Growth	-2.3%	29.0%	8.9%	5.6%	10.2%	5.2%	Not Started	233,716,421
FinEx Sector Average	-4.0%	20.2%	12.8%	8.9%	10.2%	5.7%	5.2%	
Equity Funds (Emerging Market)								
Emerging Markets Opportunities (JP Morgan)	-1.7%	-4.8%	8.0%	9.0%	Not Started	Not Started	Not Started	8,979,751
Indexed Emerging Market Equity Fund (BlackRock)	-1.5%	-1.1%	7.1%	6.5%	Not Started	Not Started	Not Started	11,244,840
Sector Average	-1.3%	2.4%	7.2%	6.2%	4.6%	4.2%	5.2%	
Equity Funds (Specialist)								
Indexed Top Tech 100	-10.3%	22.3%	29.7%	22.8%	21.8%	16.4%	10.4%	195,981,965
FinEx Sector Average	-2.6%	16.2%	13.1%	8.7%	6.4%	3.7%	3.1%	
Property Funds								
Property Fund	0.2%	3.9%	-0.4%	Not Started	Not Started	Not Started	Not Started	39,719,036
Indexed European (Ex-UK) Property	-1.9%	10.2%	3.1%	5.7%	8.8%	Not Started	Not Started	210,004,891
Indexed Australasia Property	-3.5%	8.1%	-0.6%	2.3%	6.2%	Not Started	Not Started	181,559,029
Sector Average	-0.4%	10.1%	1.2%	2.6%	4.6%	-1.0%	2.7%	
Dimensional Funds								
Global Short-term Investment Grade Fixed Income (Dimensional)	-1.1%	-2.9%	-0.6%	-0.7%	Not Started	Not Started	Not Started	1,979,356
Euro Inflation Linked Int Duration Fixed Income (Dimensional)	-0.5%	4.9%	3.3%	2.4%	Not Started	Not Started	Not Started	7,358,023
World Equity (Dimensional)	-2.6%	24.6%	13.9%	9.1%	Not Started	Not Started	Not Started	14,010,199
Global Short Fixed Income (Dimensional)	-1.6%	-3.8%	-1.3%	-1.0%	Not Started	Not Started	Not Started	3,644,460
World Allocation 20/80 (Dimensional)	-1.3%	2.4%	2.1%	1.1%	Not Started	Not Started	Not Started	10,319,674
World Allocation 40/60 (Dimensional)	-1.8%	7.3%	5.1%	3.3%	Not Started	Not Started	Not Started	28,049,485
World Allocation 60/40 (Dimensional)	-2.4%	12.3%	8.1%	5.2%	Not Started	Not Started	Not Started	30,128,108
World Allocation 80/20 (Dimensional)	-3.1%	17.0%	10.4%	6.7%	Not Started	Not Started	Not Started	12,225,318
Global Small Companies (Dimensional)	-5.1%	19.6%	Not Started	Not Started	Not Started	Not Started	Not Started	5,162,623
Global Value (Dimensional)	1.5%	32.3%	Not Started	Not Started	Not Started	Not Started	Not Started	6,423,604
Global Sustainability Core Equity (Dimensional)	-4.3%	25.1%	Not Started	Not Started	Not Started	Not Started	Not Started	903,409
Funds Closed to New Business								
Indexed Eurozone Property	0.2%	8.8%	1.6%	5.2%	8.6%	1.7%	Not Started	14,275,611
Indexed India Equity	-0.3%	35.6%	14.8%	10.4%	8.2%	Not Started	Not Started	9,384,109
Income Opportunity (JP Morgan)	-0.1%	-0.8%	-0.3%	-0.5%	Not Started	Not Started	Not Started	1,724,480
Diversified Assets	-0.7%	18.1%	8.3%	6.2%	6.3%	Not Started	Not Started	10,479,718
Earth Resources	1.2%	12.4%	18.6%	11.6%	2.3%	Not Started	Not Started	5,651,457
Green Resources	-17.0%	-34.9%	30.7%	22.9%	11.6%	Not Started	Not Started	7,182,222

Source: Financial Express as at 01/02/2022

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.

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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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