May 2022

Monthly Investment Review

April was another negative month for both equities and bonds and the 'bull-bear' spread, published by the American Institute of Individual Investors, has fallen to a 13-year low, with the bull component at a 30-year low. Whilst there has been just cause for such pessimism, investor sentiment now appears to be extended to the downside.

Interest rates are expected to move higher in both the US and the UK throughout the month of May, as central banks globally continue to grapple with above average inflation. Surging commodity and goods inflation, driven by a number of factors such as the war in Ukraine and supply chain issues, have led to a more hawkish stance from central banks. Inflation is no longer considered 'transitory' and consequently risk assets have been negatively affected. China's perseverance in relation to a 'zero-covid' policy continues to weigh on industrial production which has an ensuing impact on producer inputs globally. On currency markets, dollar strength continues to soften the blow for euro investors across global investment markets.

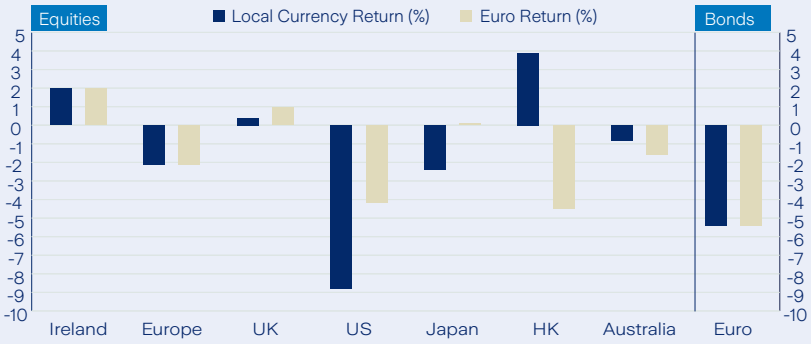


Richard Temperley
Head of Investment Development

Activity

We maintain our current position of favouring equities over other asset classes, namely sovereign bonds and cash. However, whilst the valuation gap has narrowed in recent months, we contend that relative valuations continues to favour equities. The US continues to be our main underweight region on a geographical basis, which results in a positive bias across the other main regions. On a sector basis, we are more neutrally positioned today than in the recent past, although positive biases towards technology, healthcare, and industrials remain are still present. Within fixed income, our short duration positioning within eurozone sovereign bond allocations is maintained.

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 ICE BofA 5+ Government Bond Index. Source: Bloomberg, May 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		✓	
	Indexed Commodities		✓	

Market Performance

Equity Markets

- World equities (in euro terms) fell 3.3% throughout April and has now returned -6.3% for the year so far. This represents a poor start to the year versus history. In euro terms, returns ranged from 1.0% in the UK to -4.5% in Japan. In local terms, the best performing region remained the UK (+0.4%) to the US, which returned -8.8% in US dollar terms.
- Within the US, so far this year in dollar terms, energy remains the best performing sector with a return of 47.7%, mainly predicated on higher oil prices. During April, returns ranged from consumer staples (+7.8%) to communication services (-11.3%).

Bonds & Interest Rates

- The Over Five Year Euro Government Bond returned -5.4% throughout the month of April, which leaves the year-to-date performance at -12.2%. Eurozone sovereign bonds have historically not seen this level of short term weakness. Bonds continued to be negatively affected by the continued concerns regarding inflation and ensuing shifting interest rate expectations.
- The German ten year bund yield once again last month to finish at 0.94% and is now closing in on the key psychological level of 1.0% which has not been breached since 2015. The benchmark US 10 year treasury yield rose 0.60% to finish at 2.93% and looks set to breach the 3.0% during May. With the move higher in the 10 year rate, the previously discussed scenario of 'yield curve inversion' is no longer applicable.

Commodities & Currencies

- The overall commodity index rose higher throughout April, with a gain of just short of 10%. The oil price has consolidated above $100 a barrel. Other commodities such as softs, copper and gold have also traded strongly.
- Gold had a negative month. It closed the month at $1896 per troy ounce. The price of copper fell over 5% during April, as concerns regarding slower industrial production lead to a slide in demand.
- On the currency markets, the EUR/USD rate closed at 1.05 as the euro weakened further. The euro was broadly flat versus sterling over the month and closed at 0.84.

Zurich Life Annualised Performance to 01/05/2022

		Annualised						
	Year to Date	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	Fund Size (Euros)
Multi-Asset Funds								
Prisma 2	-3.0%	-1.5%	0.8%	0.6%	Not Started	Not Started	Not Started	479,498,962
Prisma 3	-4.4%	-0.2%	3.2%	2.6%	Not Started	Not Started	Not Started	1,929,799,862
Prisma 4	-6.6%	2.6%	7.5%	6.2%	Not Started	Not Started	Not Started	2,662,608,192
Prisma 5	-9.0%	3.7%	10.9%	9.1%	Not Started	Not Started	Not Started	1,585,706,349
Prisma Max	-12.1%	0.8%	11.0%	9.5%	Not Started	Not Started	Not Started	159,966,393
Active Asset Allocation	-5.2%	5.2%	8.8%	7.1%	7.5%	Not Started	Not Started	842,646,128
Managed Funds								
Cautiously Managed	-7.4%	-1.1%	4.9%	4.1%	6.6%	Not Started	Not Started	706,126,170
Sector Average	-4.4%	-0.7%	1.8%	1.8%	3.3%	2.3%	3.0%	
Balanced	-10.7%	-0.7%	8.2%	6.9%	9.2%	5.8%	6.6%	2,169,484,189
Sector Average	-5.2%	0.9%	4.7%	4.0%	6.5%	3.2%	4.0%	
Performance	-11.7%	0.4%	10.1%	8.7%	10.5%	6.2%	7.1%	1,729,449,223
Dynamic	-12.3%	0.4%	10.8%	9.3%	11.1%	6.5%	7.3%	2,045,346,464
FinEx Sector Average	-5.7%	2.3%	5.6%	4.9%	7.1%	3.7%	4.5%	
Protected Funds								
Protected 70	-10.4%	-0.8%	5.1%	4.2%	5.9%	Not Started	Not Started	18,167,557
Protected 80	-8.0%	-0.9%	2.7%	2.0%	3.3%	Not Started	Not Started	28,051,038
Cash								
Cash Fund	-0.5%	-1.1%	-1.0%	-0.9%	-0.7%	Not Started	Not Started	1,382,066,356
FinEx Sector Average	-0.3%	-0.7%	-0.7%	-0.6%	-0.3%	0.4%	0.8%	
Bond								
Medium Duration Corporate Bond	-8.6%	-9.5%	Not Started	Not Started	Not Started	Not Started	Not Started	600,690,644
Short Duration Corporate Bond	-2.4%	-2.9%	Not Started	Not Started	Not Started	Not Started	Not Started	1,115,020,473
Global Corporate Bond (JP Morgan)	-10.2%	-10.2%	-0.8%	-0.2%	Not Started	Not Started	Not Started	9,413,586
Global Government Bond (JP Morgan)	-6.9%	-7.8%	-1.3%	-0.6%	Not Started	Not Started	Not Started	1,577,928
Indexed Eurozone Government Bond (BlackRock)*	-9.2%	-9.9%	-1.8%	-0.4%	2.2%	Not Started	Not Started	17,693,446
Active Fixed Income	-7.4%	-7.7%	-1.6%	-0.5%	3.1%	4.0%	4.5%	247,988,665
Inflation-Linked Bond	0.2%	5.8%	4.3%	2.9%	2.1%	Not Started	Not Started	8,803,105
Long Bond	-13.7%	-13.7%	-2.0%	0.0%	4.3%	4.5%	Not Started	40,841,730
FinEx Sector Average	-9.0%	-8.2%	-0.7%	0.3%	2.6%	2.8%	3.5%	
Absolute Return/Diversified Assets Funds								
Global Targeted Returns Fund (Invesco)	-6.1%	-5.7%	-2.8%	-2.8%	Not Started	Not Started	Not Started	17,880,805
Dynamic Diversified Growth (BlackRock)	-7.2%	-5.2%	2.0%	2.2%	2.4%	Not Started	Not Started	17,676,932
Commodity Funds								
Gold	12.9%	22.4%	15.8%	8.5%	3.0%	Not Started	Not Started	307,668,112
Indexed Global Energy and Metals	35.6%	65.2%	19.4%	12.8%	2.6%	0.6%	Not Started	28,259,605
Equity Funds (Global)								
5 Star 5	-10.0%	4.1%	14.3%	12.0%	11.7%	6.9%	8.2%	350,568,459
International Equity	-13.2%	0.0%	11.4%	9.8%	11.8%	7.5%	7.2%	4,418,324,605
Global Select (Threadneedle)	-11.4%	-0.3%	10.2%	10.7%	12.2%	8.1%	7.5%	13,890,672
Indexed Global Equity (BlackRock)*	-3.5%	12.3%	13.5%	11.1%	12.5%	Not Started	Not Started	208,045,414
FinEx Sector Average	-5.2%	6.7%	9.1%	7.6%	9.6%	5.5%	5.2%	
Equity Funds (European)								
5 Star 5 Europe	-6.6%	2.4%	10.4%	8.1%	11.9%	6.1%	Not Started	130,745,383
European Select (Threadneedle)	-17.0%	-3.7%	8.5%	7.1%	10.2%	6.7%	7.6%	10,342,258
FinEx Sector Average	-11.2%	-0.8%	6.5%	4.8%	8.6%	3.9%	5.1%	
Equity Funds (Euro)								
Eurozone Equity	-11.4%	-3.3%	7.2%	5.8%	10.0%	5.2%	Not Started	112,406,817
Indexed Eurozone Equity (BlackRock)*	-13.8%	-4.4%	4.5%	3.7%	8.5%	Not Started	Not Started	5,840,772
FinEx Sector Average	-10.5%	-2.8%	4.4%	3.5%	7.6%	2.3%	3.8%	
Equity Funds (Irish)								
Irish Equity	-12.5%	-7.4%	7.3%	4.2%	11.5%	1.4%	Not Started	21,522,594
FinEx Sector Average	-11.9%	-7.8%	5.3%	2.3%	8.9%	-0.4%	3.2%	

		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	-15.6%	2.9%	16.2%	14.4%	14.9%	10.5%	Not Started	111,181,938
American Select (Threadneedle)	-8.9%	5.7%	14.5%	13.5%	14.8%	10.9%	8.1%	14,610,308
FinEx Sector Average	-4.2%	13.3%	15.2%	12.7%	14.2%	9.8%	7.3%	
Equity Funds (Far East Asia)								
5 Star 5 Asia Pacific	2.5%	1.4%	9.0%	7.9%	8.5%	4.7%	Not Started	93,493,461
Asia Pacific Equity	3.3%	2.1%	7.9%	7.7%	8.1%	Not Started	Not Started	14,271,344
FinEx Sector Average	-1.8%	-1.6%	5.8%	5.7%	6.1%	4.8%	6.2%	
Equity Funds (High Yield)								
Dividend Growth	-1.6%	12.2%	6.8%	4.9%	9.9%	5.0%	Not Started	239,287,370
FinEx Sector Average	-5.2%	6.7%	9.1%	7.6%	9.6%	5.5%	5.2%	
Equity Funds (Emerging Market)								
Emerging Markets Opportunities (JP Morgan)	-12.2%	-15.7%	1.6%	5.2%	Not Started	Not Started	Not Started	7,991,997
Indexed Emerging Market Equity Fund (BlackRock)	-6.4%	-7.9%	3.2%	4.3%	Not Started	Not Started	Not Started	11,260,914
Sector Average	-8.1%	-8.2%	2.4%	3.3%	4.0%	3.6%	4.7%	
Equity Funds (Specialist)								
Indexed Top Tech 100	-14.2%	8.6%	21.8%	19.7%	20.2%	16.1%	11.5%	188,852,877
FinEx Sector Average	0.9%	12.6%	12.3%	9.1%	7.0%	4.0%	3.9%	
Property Funds								
Property Fund	-0.7%	2.3%	-1.8%	Not Started	Not Started	Not Started	Not Started	39,457,274
Indexed European (Ex-UK) Property	-13.2%	-7.0%	-1.4%	1.8%	7.2%	Not Started	Not Started	190,561,241
Indexed Australasia Property	0.6%	4.2%	-0.7%	2.3%	6.1%	Not Started	Not Started	189,991,276
Sector Average	0.8%	8.7%	1.1%	2.5%	4.6%	-1.0%	2.7%	
Dimensional Funds								
Global Short-term Investment Grade Fixed Income (Dimensional)	-5.3%	-6.8%	-2.3%	-1.7%	Not Started	Not Started	Not Started	2,520,988
Euro Inflation Linked Int Duration Fixed Income (Dimensional)	1.3%	6.7%	3.4%	2.7%	Not Started	Not Started	Not Started	8,242,287
World Equity (Dimensional)	-3.6%	8.3%	10.5%	8.1%	Not Started	Not Started	Not Started	14,409,494
Global Short Fixed Income (Dimensional)	-6.2%	-8.0%	-2.9%	-2.1%	Not Started	Not Started	Not Started	9,242,878
World Allocation 20/80 (Dimensional)	-4.5%	-3.4%	0.3%	0.3%	Not Started	Not Started	Not Started	10,271,614
World Allocation 40/60 (Dimensional)	-4.7%	-0.9%	2.8%	2.3%	Not Started	Not Started	Not Started	26,992,920
World Allocation 60/40 (Dimensional)	-4.8%	1.7%	5.4%	4.2%	Not Started	Not Started	Not Started	28,685,939
World Allocation 80/20 (Dimensional)	-4.3%	5.1%	7.6%	5.9%	Not Started	Not Started	Not Started	12,641,650
Global Small Companies (Dimensional)	-5.6%	3.6%	Not Started	Not Started	Not Started	Not Started	Not Started	5,928,239
Global Value (Dimensional)	2.8%	14.8%	Not Started	Not Started	Not Started	Not Started	Not Started	15,996,798
Global Sustainability Core Equity (Dimensional)	-7.3%	6.7%	Not Started	Not Started	Not Started	Not Started	Not Started	1,202,427
Funds Closed to New Business								
Indexed Eurozone Property	-7.0%	-4.2%	-1.5%	2.3%	7.5%	1.1%	Not Started	13,054,130
Indexed India Equity	2.7%	30.9%	12.0%	8.6%	9.3%	Not Started	Not Started	9,311,188
Income Opportunity (JP Morgan)	-0.6%	-1.2%	-0.7%	-0.7%	Not Started	Not Started	Not Started	1,673,756
Diversified Assets	3.2%	14.5%	8.0%	6.7%	6.4%	Not Started	Not Started	10,731,119
Earth Resources	15.1%	22.8%	21.1%	14.7%	4.2%	Not Started	Not Started	6,231,517
Green Resources	-19.0%	-22.7%	24.6%	20.1%	12.3%	Not Started	Not Started	6,767,012

Source: Financial Express as at 01/05/2022

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 May 2022. The MSCI information may only be used for your internal use, may not be reproduced or redisseminated 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 May 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: 6975 Print Ref: ZL ISA 76 0522

ZURICH