

Monthly Investment Review

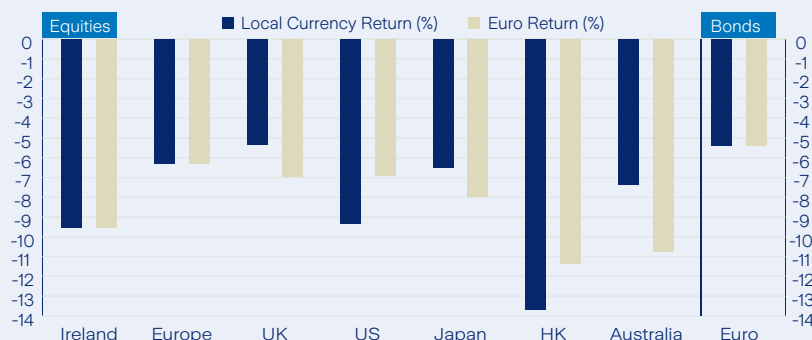
Global equities suffered one of their worst months in years in September, as aggressive monetary tightening weighed on investors' minds. Markets fell below their previous year-to-date low in June and each of the first three quarters of 2022 have now delivered negative returns. The Federal Reserve delivered its third consecutive 0.75% interest rate hike as the ECB also moved higher. With inflation proving sticky, interest rate expectations remain elevated. Economic growth is expected to slow from this point and leading indicators such as PMI data supports this perspective. Within equity markets, the focus now begins to shift toward the Q3 earnings season. Investor sentiment remains at a low level, with the American Association of Individual Investors survey showing bears outnumbering bulls by the largest margin since 2009. Global sentiment was dealt another blow following the 'mini-budget' announcement from the new UK government which triggered volatility across UK bond and equities markets whilst sending Sterling into a brief tailspin against the US dollar. Intervention from the Bank of England briefly calmed markets, although the full fall out from the budgetary announcements remains to be seen.



Activity

In the second week of August, Zurich implemented a modest reduction in equity content across our multi-asset funds, which has helped to insulate investors from some of the negative moves in equities since mid-August. However, we do remain above the mid-point of equity ranges across our main multi-asset funds, where we maintain a bias for equities over fixed income (albeit less so than at times in recent years). Within our equity and alternative allocations, positions are broadly unchanged. Our most recent update to our asset allocation has been to increase the duration of sovereign bonds across relevant portfolios, moving from a strong underweight stance to being more neutrally positioned. With core eurozone yields close to their highest levels in a decade, we may be experiencing a structural inflection point within sovereign fixed income markets.

Equity & Bond % Returns: September 2022



This graph shows the performance of the major equity markets over the month of September 2022. The returns are shown in both local and euro currencies. The bond index is the ICE BofA 5+ Government Bond Index. Source: Bloomberg, October 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, returned -6.9% in September, down -13.4% so far in 2022. Europe was the best performing market in Euro terms in September, albeit with a return of -6%. The worst performer of the main geographical areas was Hong Kong, slipping -11% in Euro terms as China's Zero-Covid policy continues to affect growth prospects throughout Asia. Within US equities only the healthcare sector produced positive returns of 0.03% as cash flowed into safer sectors on the back of the recent decline in market sentiment. This year so far, the energy sector remains to be the clear outperformer returning 56.41% in euro terms within the US. The past month has seen more volatile energy prices with European governments in a critical position, and the energy sector is down -6.8% globally this month in Euro terms.






Fixed Income

A number of prominent global central banks raised interest rates in September, as they continue to grapple with high inflation and the ensuing fears surrounding economic growth prospects. This prompted a sell-off in government bonds with the Over 5 Year Euro Government Bond returning -5.4%. So far in 2022 the 5 year Euro bond index is down -22.61%. Longer-dated UK gilts underperformed in September with yields on the 10 Year Gilt rising above 4.4% on the back of the UK Governments mini budget announcement. The BoE intervened by deciding to buy an unlimited number of long-term gilts to restore orderly market conditions. The 10 Year US Treasury note rose above 4% for the first time in over a decade in September, as investors interest rate expectations continued to move higher. In Europe, energy costs pose a difficult challenge heading into this winter which further complicates the policy backdrop from the ECB's perspective.

Commodities & Currencies

The US Dollar continued to rise versus its main trading peers in September as risk-off sentiment persisted as higher interest rates materialised. This, combined with the Pound Sterling's drop-off following the UK mini-budget announcement, meant the Dollar strengthened considerably in September. The US Dollar Index has gained 17.2% this year, its highest annual gain in over 50 years while the Euro finished the month with 1 euro buying 0.98 Dollars, down 2.5% from last month. Commodities declined in September with the broad Commodity index down -5.1% in Euro terms. Weaker energy prices, along with lower demand for industrial and precious metals, meant that Copper, a barometer of world economic growth was down -4% in Euro terms as demand slowed.

Zurich Life Annualised Performance
to October 2022

Zurich Life Annualised Performance to October 2022		Annualised						Fund Size (Euros)
		Year to Date	1 Year	3 Years	5 Years	10 Years	15 Years	
Multi-Asset Funds								
Prisma Low	-5.9%	-5.5%	Not Started	Not Started	Not Started	Not Started	Not Started	28,925,389
Prisma 	-5.8%	-5.1%	-0.5%	0.1%	Not Started	Not Started	Not Started	490,268,930
Prisma 	-9.2%	-7.0%	0.9%	1.6%	Not Started	Not Started	Not Started	1,941,199,050
Prisma 	-14.2%	-9.7%	3.5%	4.5%	Not Started	Not Started	Not Started	2,618,422,265
Prisma 	-18.1%	-12.0%	5.8%	6.9%	Not Started	Not Started	Not Started	1,544,461,982
Prisma 	-21.1%	-14.6%	5.9%	7.2%	Not Started	Not Started	Not Started	157,395,560
Active Asset Allocation	-12.9%	-7.9%	4.8%	5.4%	6.1%	Not Started	Not Started	820,805,891
Managed Funds								
Cautiously Managed	-13.0%	-9.6%	2.1%	2.9%	5.5%	Not Started	Not Started	682,995,699
Sector Average	-10.2%	-8.3%	-0.7%	0.5%	2.4%	1.9%	3.1%	
Balanced	-18.2%	-13.0%	3.8%	5.1%	7.8%	5.2%	7.1%	1,982,286,253
Sector Average	-12.5%	-9.0%	1.2%	2.4%	5.2%	2.7%	4.7%	
Performance	-19.7%	-13.5%	5.5%	6.6%	9.0%	5.5%	7.7%	1,559,322,258
Dynamic	-20.5%	-14.1%	6.0%	7.1%	9.6%	5.8%	8.1%	1,855,207,657
FinEx Sector Average	-13.8%	-9.1%	2.0%	3.1%	5.8%	3.2%	5.0%	
Protected Funds								
Protected 70	-16.4%	-11.3%	2.2%	3.0%	4.9%	Not Started	Not Started	16,766,127
Protected 80	-12.4%	-8.5%	0.8%	1.1%	2.7%	Not Started	Not Started	26,632,996
Cash								
Cash Fund	-1.0%	-1.3%	-1.0%	-1.0%	-0.8%	Not Started	Not Started	1,456,716,089
FinEx Sector Average	-0.5%	-0.7%	-0.7%	-0.7%	-0.3%	0.3%	0.7%	
Bond								
Medium Duration Corporate Bond	-16.4%	-17.2%	Not Started	Not Started	Not Started	Not Started	Not Started	576,476,817
Short Duration Corporate Bond	-5.3%	-5.6%	Not Started	Not Started	Not Started	Not Started	Not Started	1,141,600,209
Global Corporate Bond (JP Morgan)	-17.8%	-18.9%	-5.1%	-2.3%	Not Started	Not Started	Not Started	6,907,031
Global Government Bond (JP Morgan)	-13.1%	-13.8%	-5.1%	-1.90%	Not Started	Not Started	Not Started	1,076,449
Indexed Eurozone Government Bond (BlackRock)*	-15.1%	-15.9%	-6.1%	-1.8%	1.1%	Not Started	Not Started	17,038,754
Active Fixed Income	-13.3%	-13.8%	-5.6%	-1.8%	1.9%	3.5%	3.7%	487,743,869
Inflation-Linked Bond	-11.6%	-10.0%	-1.9%	0.2%	0.50%	Not Started	Not Started	9,281,741
Long Bond	-24.1%	-24.9%	-9.9%	-2.6%	2.3%	3.7%	Not Started	37,996,074
FinEx Sector Average	-17.9%	-17.8%	-6.2%	-1.8%	1.1%	2.1%	2.7%	
Absolute Return/Diversified Assets Funds								
Global Targeted Returns Fund (Invesco)	-6.4%	-6.2%	-3.0%	-2.6%	Not Started	Not Started	Not Started	15,878,578
Dynamic Diversified Growth (BlackRock)	-12.7%	-11.4%	0.1%	0.5%	1.7%	Not Started	Not Started	17,953,261
Commodity Funds								
Gold	6.3%	11.8%	7.6%	8.8%	1.5%	Not Started	Not Started	314,692,252
Indexed Global Energy and Metals	28.2%	33.2%	16.9%	12.2%	1.9%	-0.4%	Not Started	28,618,408
Equity Funds (Global)								
5 Star 5	-19.9%	-12.1%	9.3%	9.2%	10.1%	5.9%	8.8%	310,682,842
International Equity	-21.8%	-15.2%	6.3%	7.5%	10.1%	6.6%	8.4%	4,072,126,445
Global Select (Threadneedle)	-19.5%	-14.2%	5.3%	8.1%	10.9%	7.1%	8.8%	10,415,923
Indexed Global Equity (BlackRock)*	-9.7%	-0.8%	10.5%	9.6%	11.2%	Not Started	Not Started	198,115,285
FinEx Sector Average	-13.6%	-6.7%	5.2%	5.9%	8.1%	4.9%	6.5%	
Equity Funds (European)								
5 Star 5 Europe	-18.3%	-12.7%	4.1%	4.3%	9.6%	5.3%	Not Started	112,521,109
European Select (Threadneedle)	-27.7%	-22.2%	2.4%	3.5%	7.7%	6.0%	8.7%	7,459,147
FinEx Sector Average	-24.6%	-19.6%	0.6%	1.0%	6.2%	2.8%	6.1%	
Equity Funds (Euro)								
Eurozone Equity	-22.6%	-18.2%	1.9%	2.1%	7.7%	4.1%	Not Started	95,316,386
Indexed Eurozone Equity (BlackRock)*	-20.0%	-12.9%	2.5%	1.6%	6.7%	Not Started	Not Started	5,305,741
FinEx Sector Average	-21.9%	-18.4%	-0.3%	0.0%	5.7%	1.5%	5.2%	
Equity Funds (Irish)								
Irish Equity	-25.4%	-25.1%	1.8%	0.6%	9.4%	1.5%	Not Started	16,127,089
FinEx Sector Average	-23.7%	-23.3%	1.4%	-0.7%	7.2%	-0.1%	3.7%	

		Annualised						Fund Size (Euros)
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Equity Fund (American)								
5 Star 5 Americas	-22.2%	-13.7%	11.4%	13.0%	13.6%	9.6%	Not Started	103,598,047
American Select (Threadneedle)	-15.4%	-8.4%	11.4%	11.9%	13.6%	10.0%	9.5%	10,663,118
FinEx Sector Average	-11.0%	-1.4%	11.3%	11.5%	12.8%	9.2%	8.7%	
Equity Funds (Far East Asia)								
5 Star 5 Asia Pacific	-8.0%	-3.2%	5.2%	4.8%	7.1%	3.1%	Not Started	79,819,556
Asia Pacific Equity	-7.2%	-3.8%	4.5%	4.9%	6.5%	Not Started	Not Started	12,735,074
FinEx Sector Average	-9.3%	-8.4%	3.6%	3.8%	5.0%	3.3%	7.3%	
Equity Funds (High Yield)								
Dividend Growth	-8.3%	1.0%	3.7%	4.1%	8.4%	5.2%	Not Started	226,658,254
FinEx Sector Average	-13.6%	-6.7%	5.2%	5.9%	8.1%	4.9%	6.5%	
Equity Funds (Emerging Market)								
Emerging Markets Opportunities (JP Morgan)	-22.4%	-21.5%	-1.8%	0.9%	Not Started	Not Started	Not Started	7,175,727
Indexed Emerging Market Equity Fund (BlackRock)	-15.8%	-15.0%	0.9%	1.2%	Not Started	Not Started	Not Started	11,369,102
Sector Average	-16.7%	-16.3%	0.3%	0.9%	2.9%	1.4%	6.4%	
Equity Funds (Specialist)								
Indexed Top Tech 100	-21.2%	-10.1%	17.4%	18.0%	18.5%	14.9%	14.0%	179,693,587
FinEx Sector Average	-5.7%	0.0%	9.2%	7.9%	6.0%	2.9%	5.4%	
Property Funds								
Property Fund	-4.5%	-3.1%	-3.9%	Not Started	Not Started	Not Started	Not Started	38,030,985
Indexed European (Ex-UK) Property	-40.4%	-38.2%	-14.9%	-6.6%	2.4%	1.2%	Not Started	141,748,225
Indexed Australasia Property	-7.1%	-4.4%	-4.7%	1.8%	3.9%	2.0%	Not Started	186,905,488
Sector Average	-4.8%	-1.8%	-1.4%	1.0%	3.8%	-1.3%	2.4%	
Dimensional Funds								
Global Short-term Investment Grade Fixed Income (Dimensional)	-8.6%	-9.6%	-3.5%	-2.3%	Not Started	Not Started	Not Started	2,670,403
Euro Inflation Linked Int Duration Fixed Income (Dimensional)	-10.5%	-9.1%	-2.0%	0.0%	Not Started	Not Started	Not Started	6,997,156
World Equity (Dimensional)	-11.4%	-4.8%	7.0%	6.5%	Not Started	Not Started	Not Started	13,800,364
Global Short Fixed Income (Dimensional)	-9.0%	-10.2%	-4.1%	-2.7%	Not Started	Not Started	Not Started	11,530,974
World Allocation 20/80 (Dimensional)	-8.1%	-7.4%	-1.2%	-0.4%	Not Started	Not Started	Not Started	8,319,533
World Allocation 40/60 (Dimensional)	-9.3%	-7.2%	0.8%	1.4%	Not Started	Not Started	Not Started	25,567,683
World Allocation 60/40 (Dimensional)	-10.9%	-7.2%	2.7%	3.0%	Not Started	Not Started	Not Started	25,930,801
World Allocation 80/20 (Dimensional)	-11.5%	-6.5%	4.6%	4.4%	Not Started	Not Started	Not Started	12,333,567
Global Small Companies (Dimensional)	-13.0%	-7.8%	Not Started	Not Started	Not Started	Not Started	Not Started	6,788,675
Global Value (Dimensional)	-5.3%	1.8%	Not Started	Not Started	Not Started	Not Started	Not Started	20,825,742
Global Sustainability Core Equity (Dimensional)	-14.8%	-6.9%	Not Started	Not Started	Not Started	Not Started	Not Started	1,555,203
Funds Closed to New Business								
Indexed Eurozone Property	-35.2%	-34.3%	-13.9%	-6.1%	2.9%	0.0%	Not Started	8,789,913
Indexed India Equity	2.4%	3.9%	12.8%	9.7%	8.0%	4.0%	Not Started	8,590,627
Income Opportunity (JP Morgan)	-1.6%	-2.0%	-0.8%	-0.9%	Not Started	Not Started	Not Started	1,577,820
Diversified Assets	-6.3%	-2.4%	3.6%	4.8%	4.9%	Not Started	Not Started	9,487,698
Earth Resources	12.7%	16.4%	18.8%	15.2%	4.2%	Not Started	Not Started	5,985,270
Green Resources	-18.5%	-19.3%	22.1%	19.5%	13.4%	Not Started	Not Started	6,638,159

Source: Financial Express as at 01/10/2022.

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: 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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