

# Monthly Investment Review

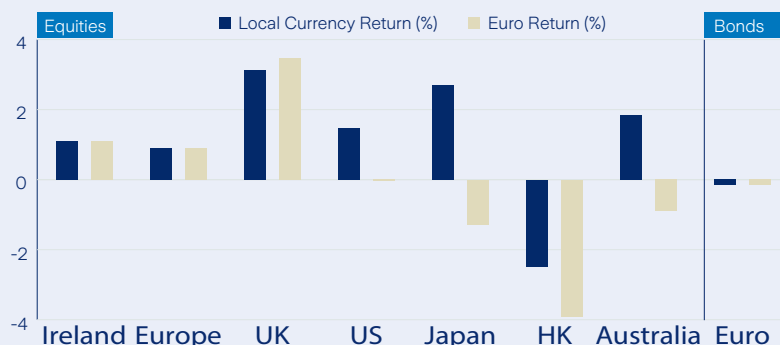
April was characterised by the release of Quarter 1 earnings reports from the world's largest companies. Earnings were broadly mixed, however many companies, particularly tech firms, beat low expectations. Globally, equities saw marginal positive returns with volatility moderating significantly. The outlook for many economies deteriorated in April as indicators suggested contraction in the likes of the US and the UK. Despite this, core inflation remained sticky, leaving a tough task for central banks. Services PMIs in the US suggest that activity in this sector remains robust, which has contributed to stubbornly high inflation figures. On the other hand, manufacturing activity appears to have slowed, pointing to an economic slowdown. Notably, April did see fears that were associated with the March banking turmoil subside. In addition to company earnings, focus shifted back towards monetary policy for many investors with major Central Bank interest rate decisions due in May. Slower growth prospects globally, has meant that a change in the prevailing tight monetary policy seen throughout much of 2022 is now a real possibility. For the most part however, interest rate expectations remained elevated.



## Activity

A preference for equities over other asset classes was maintained in April. Zurich have taken the opportunity to buy into dips and we have added to our equity content within multi-asset funds twice so far in 2023. In terms of fixed income, we have an improved outlook for bonds in 2023 and have moved from negative to neutral. In this respect we have added to the duration of our fixed income holdings. On a geographical basis we hold a current preference for Eurozone, Asia Pacific ex Japan, and the UK. Within equity sectors, we prefer information technology and consumer discretionary. Our Dollar currency hedge remains in place and has been beneficial so far this year.

## Equity & Bond % Returns: April 2023



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 2023.

## Current Positioning

Asset Class	Country	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		✓	

## Market Performance

### Equity Markets

The UK was the best performing major market in Euro terms throughout April, returning 3.84%. This came after a poor previous month for UK equities and was largely driven by a rebound in financial sector stocks. The worst performing major market was Hong Kong, down -3.91% in euro terms. This came as the Asia Pacific region as a whole suffered a down-trend in share prices in the midst of poor US-China relations. Foreign direct investment from US investors to China has declined over recent months, despite strong Chinese GDP growth. On a sectoral basis, Financials witnessed a rebound from their March lows after sentiment improved for US banks. Globally, consumer staples were the best performing sector in April, returning 2.79% in euro terms, this came as Q1 earnings reports suggested strong profitability amongst these companies.






### Bonds & Interest Rates

April saw global bond volatility subside somewhat as the anxiousness following March's banking turmoil appeared to pass and yield spreads tightened. Returns in government bonds were negative however as yields rose modestly on the back of renewed interest rate expectations, with the benchmark BofA 5+ Year Euro Government bond index returning -0.16% in April. Corporate bonds fared better however as the outlook for companies improved in April. Year to Date bonds have still performed well and the outlook has changed from previous years as these assets begin to yield a return. Much of their underperformance in April reflects sentiment about incoming monetary policy decisions in May.

### Commodities & Currencies

Commodity markets have had a volatile year to date and April appeared no different with crude oil in particular appearing to show wide swings in prices. The benchmark West Texas Intermediate Crude Oil finished the week down -0.11% in euro terms as energy prices experienced a slowdown. Meanwhile copper, which is used in a wide range of manufacturing and is often seen as a barometer of global economic health, finished the month down -6.44% in euro terms as demand tapered off amid recession concerns. The euro continued to strengthen against the Dollar throughout April, albeit at a slower rate than previous months. At the end of April 1 Euro purchases 1.1019 US Dollars.

Zurich Life Annualised Performance  
to May 2023

Zurich Life Annualised Performance to May 2023		Annualised						Fund Size (Euros)
		Year to Date	1 Year	3 Years	5 Years	10 Years	15 Years	
Multi-Asset Funds								
Prisma Low	1.5%	-1.5%	Not Started	Not Started	Not Started	Not Started	Not Started	23,792,130
Prisma 	1.5%	-1.3%	0.7%	0.4%	Not Started	Not Started	Not Started	493,332,500
Prisma 	2.3%	-2.2%	2.8%	1.9%	Not Started	Not Started	Not Started	2,098,858,603
Prisma 	3.7%	-3.7%	6.7%	4.8%	Not Started	Not Started	Not Started	3,036,018,891
Prisma 	5.3%	-3.7%	9.6%	7.5%	Not Started	Not Started	Not Started	1,985,576,425
Prisma 	6.4%	-2.1%	9.8%	8.4%	Not Started	Not Started	Not Started	204,400,408
Active Asset Allocation	3.4%	-4.2%	7.8%	5.6%	6.0%	Not Started	Not Started	908,352,749
Managed Funds								
Cautiously Managed	3.6%	-1.8%	4.1%	3.5%	5.1%	5.5%	Not Started	738,744,125
Sector Average	1.6%	-3.5%	1.7%	0.8%	2.2%	2.4%	3.1%	
Balanced	5.2%	-2.2%	6.6%	6.1%	7.5%	6.4%	7.4%	2,116,808,166
Sector Average	2.1%	-3.9%	4.8%	2.9%	4.8%	3.8%	4.9%	
Performance	6.0%	-1.4%	8.8%	7.8%	8.8%	7.0%	8.1%	1,680,163,784
Dynamic	6.3%	-1.2%	9.6%	8.5%	9.4%	7.4%	8.6%	2,038,171,742
FinEx Sector Average	3.2%	-3.1%	6.8%	3.8%	5.6%	4.4%	5.3%	
Protected Funds								
Protected 70	2.7%	-3.6%	4.6%	3.6%	4.5%	Not Started	Not Started	16,788,886
Protected 80	1.7%	-2.9%	2.6%	1.6%	2.4%	Not Started	Not Started	25,867,709
Cash								
Cash Fund	0.6%	0.0%	-0.7%	-0.8%	-0.7%	Not Started	Not Started	1,529,262,547
FinEx Sector Average	0.4%	0.2%	-0.4%	-0.5%	-0.3%	0.2%	0.7%	
Bond								
Medium Duration Corporate Bond	2.6%	-5.4%	Not Started	Not Started	Not Started	Not Started	Not Started	627,386,954
Short Duration Corporate Bond	11%	-1.4%	Not Started	Not Started	Not Started	Not Started	Not Started	1,052,632,359
Global Corporate Bond (JP Morgan)	2.8%	-4.2%	-3.8%	-0.9%	0.3%	Not Started	Not Started	14,835,282
Global Government Bond (JP Morgan)	2.3%	-5.5%	-5.2%	-1.7%	-0.2%	Not Started	Not Started	1,477,642
Indexed Eurozone Government Bond (BlackRock)*	0.3%	-8.0%	-5.8%	-2.3%	0.3%	Not Started	Not Started	17,891,043
Active Fixed Income	1.7%	-6.7%	-4.9%	-2.1%	1.2%	3.3%	3.4%	1,079,012,342
Inflation-Linked Bond	3.0%	-7.9%	1.6%	0.6%	0.7%	Not Started	Not Started	9,919,462
Long Bond	3.1%	-13.1%	-9.3%	-3.3%	1.3%	3.5%	3.7%	41,581,037
FinEx Sector Average	1.6%	-8.6%	-4.7%	-1.7%	0.7%	2.2%	2.6%	
Absolute Return/Diversified Assets Funds								
Global Targeted Returns Fund (Invesco)	2.7%	7.1%	-0.8%	-0.9%	Not Started	Not Started	Not Started	14,389,302
Dynamic Diversified Growth (BlackRock)	1.6%	-2.9%	1.6%	1.1%	1.5%	Not Started	Not Started	12,471,244
Commodity Funds								
Gold	5.9%	-0.9%	4.5%	10.0%	4.2%	Not Started	Not Started	357,018,392
Indexed Global Energy and Metals	-8.7%	-19.3%	17.6%	7.4%	1.4%	-2.5%	Not Started	22,482,663
Equity Funds (Global)								
5 Star 5	6.9%	-3.8%	13.0%	9.7%	10.0%	7.1%	8.6%	344,329,803
International Equity	7.0%	-1.0%	10.2%	8.9%	10.1%	8.3%	9.0%	5,259,643,461
Global Select (Threadneedle)	7.2%	-3.7%	7.2%	8.3%	10.4%	8.6%	9.4%	11,041,906
Indexed Global Equity (BlackRock)*	2.8%	-5.4%	12.2%	9.4%	10.1%	Not Started	Not Started	185,818,710
FinEx Sector Average	3.9%	-2.5%	11.0%	6.7%	7.9%	6.4%	7.0%	
Equity Funds (European)								
5 Star 5 Europe	12.8%	8.4%	15.8%	8.5%	10.4%	7.5%	Not Started	145,315,037
European Select (Threadneedle)	15.3%	8.6%	11.2%	8.6%	8.6%	8.9%	9.9%	9,581,241
FinEx Sector Average	9.9%	3.1%	10.9%	4.8%	6.9%	5.2%	7.2%	
Equity Funds (Euro)								
Eurozone Equity	14.2%	12.0%	16.2%	6.9%	9.0%	6.6%	9.5%	101,549,722
Indexed Eurozone Equity (BlackRock)*	7.6%	12.5%	15.4%	5.2%	7.6%	Not Started	Not Started	7,249,881
FinEx Sector Average	10.1%	8.1%	12.9%	4.3%	6.8%	4.1%	6.1%	
Equity Funds (Irish)								
Irish Equity	19.4%	14.6%	15.6%	6.6%	10.7%	4.8%	Not Started	20,694,952
FinEx Sector Average	16.2%	13.0%	14.4%	5.0%	8.2%	3.1%	4.7%	

		Annualised						Fund Size (Euros)
		Year to Date	1 Year	3 Years	5 Years	10 Years	15 Years	
Equity Fund (American)								
5 Star 5 Americas	6.3%	-5.5%	11.0%	12.7%	13.1%	10.4%	Not Started	113,668,854
American Select (Threadneedle)	3.4%	-7.6%	9.9%	11.1%	12.7%	11.5%	9.9%	10,511,075
FinEx Sector Average	3.6%	-6.0%	12.6%	11.1%	12.0%	10.6%	8.8%	
Equity Funds (Far East Asia)								
5 Star 5 Asia Pacific	-0.6%	-5.5%	10.4%	4.3%	6.7%	4.7%	Not Started	82,637,517
Asia Pacific Equity	-1.2%	-5.9%	10.4%	4.2%	6.1%	Not Started	Not Started	13,614,448
FinEx Sector Average	-1.3%	-6.0%	7.1%	3.0%	4.3%	4.6%	7.7%	
Equity Funds (High Yield)								
Dividend Growth	4.3%	1.1%	14.3%	5.6%	7.7%	7.1%	Not Started	255,922,147
FinEx Sector Average	3.9%	-2.5%	11.0%	6.7%	7.9%	6.4%	7.0%	
Equity Funds (Emerging Market)								
Emerging Markets Opportunities (JP Morgan)	-1.2%	-11.4%	1.6%	-0.2%	Not Started	Not Started	Not Started	7,131,754
Indexed Emerging Market Equity Fund (BlackRock)	-2.2%	-10.2%	4.4%	0.3%	Not Started	Not Started	Not Started	13,035,211
Sector Average	-1.2%	-10.5%	3.6%	-0.4%	2.6%	2.0%	7.0%	
Equity Funds (Specialist)								
Indexed Top Tech 100	17.4%	-4.8%	13.3%	16.9%	18.8%	16.5%	13.3%	203,593,252
FinEx Sector Average	2.7%	-4.3%	11.0%	8.0%	6.3%	3.6%	5.2%	
Property Funds								
Property Fund	-0.1%	-8.2%	-3.1%	-1.8%	Not Started	Not Started	Not Started	31,101,526
Indexed European (Ex-UK) Property	-2.4%	-29.8%	-8.1%	-7.2%	1.3%	1.9%	Not Started	154,596,870
Indexed Australasia Property	-2.2%	-10.4%	2.2%	0.4%	2.1%	3.5%	Not Started	194,667,182
Sector Average	-1.4%	-9.3%	0.3%	-0.4%	3.2%	-0.6%	2.0%	
Dimensional Funds								
Global Short-term Investment Grade Fixed Income (Dimensional)	1.1%	-1.7%	-2.2%	-1.6%	Not Started	Not Started	Not Started	3,350,233
Euro Inflation Linked Int Duration Fixed Income (Dimensional)	2.6%	-8.1%	1.1%	0.6%	Not Started	Not Started	Not Started	6,992,880
World Equity (Dimensional)	2.8%	-3.5%	13.5%	6.9%	Not Started	Not Started	Not Started	18,256,903
Global Short Fixed Income (Dimensional)	0.9%	-2.3%	-3.6%	-2.1%	Not Started	Not Started	Not Started	16,694,008
World Allocation 20/80 (Dimensional)	1.4%	-1.9%	0.5%	0.1%	Not Started	Not Started	Not Started	7,404,025
World Allocation 40/60 (Dimensional)	1.8%	-2.1%	3.6%	2.0%	Not Started	Not Started	Not Started	26,688,827
World Allocation 60/40 (Dimensional)	2.1%	-3.0%	6.5%	3.5%	Not Started	Not Started	Not Started	29,243,790
World Allocation 80/20 (Dimensional)	2.4%	-3.7%	9.9%	4.8%	Not Started	Not Started	Not Started	16,147,525
Global Small Companies (Dimensional)	0.7%	-5.9%	13.5%	Not Started	Not Started	Not Started	Not Started	8,962,200
Global Value (Dimensional)	2.4%	-0.4%	15.9%	Not Started	Not Started	Not Started	Not Started	28,787,454
Global Sustainability Core Equity (Dimensional)	4.6%	-2.5%	13.1%	Not Started	Not Started	Not Started	Not Started	2,880,506
Funds Closed to New Business								
Indexed Eurozone Property	-1.3%	-28.9%	-6.6%	-7.0%	1.7%	0.9%	Not Started	8,232,223
Indexed India Equity	-4.9%	-11.9%	16.4%	6.0%	6.7%	3.9%	Not Started	6,233,807
Income Opportunity (JP Morgan)	0.6%	-0.7%	0.3%	-0.7%	0.0%	Not Started	Not Started	1,455,129
Diversified Assets	-0.8%	-10.8%	6.5%	3.7%	4.2%	3.8%	Not Started	8,865,447
Earth Resources	-3.6%	-16.0%	22.5%	10.1%	3.3%	-0.5%	Not Started	4,238,075
Green Resources	-6.6%	-23.7%	9.0%	12.7%	9.1%	Not Started	Not Started	3,996,695

Source: Financial Express as at 01/05/2023.

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\* 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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