

# Monthly Investment Review

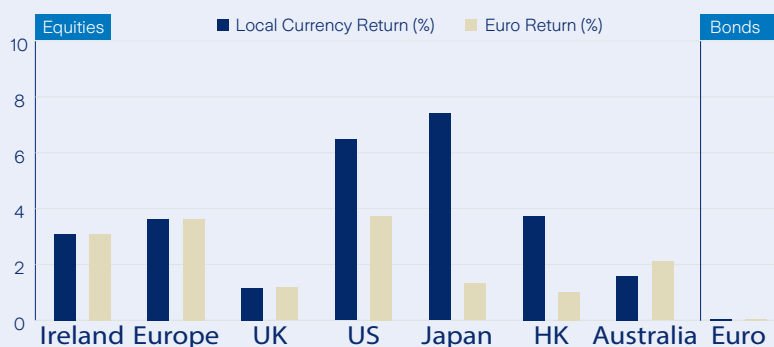
June saw global stocks enter bull market territory despite indications of a US led recession. Risk assets outperformed as economic growth and earnings surprised to the upside leading to a more positive outlook for equity markets. The narrow cohort of technology/AI themed stocks has broadened into a rising market throughout June. Despite this optimism in markets, economic indicators appeared to diverge somewhat in June. Services activity, which throughout the majority of 2023 have remained strong, began to weaken in June, with Purchasing Managers Indexes indicating a decline in momentum globally. Still troubling is that core inflation remains high. Central banks throughout the world have repeatedly pointed out that inflation at this level will require further work in terms of policy tightening measures.



## Activity

Throughout June we maintained our preference for equities. For example, our Active Asset Allocation fund currently holds around 57% which is towards the upper end of its 15%-65% equity range. Geographically we are overweight US equities which year to date has been positive for fund returns and relative performance. Within our equity holdings we have a bias towards growth and quality companies. So far in 2023 we have seen better value in fixed income and have moved from negative to neutral, where allocations allow. Within our fixed income allocation, we have lengthened the duration of bond holdings throughout 2023.

## Equity & Bond % Returns: June 2023



This graph shows the performance of the major equity markets over the month of June. The returns are shown in both local and euro currencies. The bond index is the ICE BofA 5+ Government Bond Index. Source: Bloomberg, July 2023.

## Current Positioning

Asset Class	Country	Positive	Neutral	Negative
Equities	US		✓	
	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

On a global sector basis Consumer Discretionary was the major outperformer, returning 762% in euro terms. Year to date, Information Technology along with Consumer Discretionary continue to be top performers, whilst the Energy sector has lagged markedly on the back of lower oil prices. Globally Energy stocks are down -5.20% in euro terms year to date. Throughout June the top performing major market was the US, up 3.74% in euro terms. Whilst Japan outperformed in local terms, currency movements have negated much of Japanese equity returns.






### Bonds & Interest Rates

June saw the US Federal Reserve pause in its rate hiking policy for the first time in over a year. Despite this, the Federal Reserve still signalled that further hikes are likely in the coming months. US bond yields rose throughout the month because of this forward guidance, with the benchmark 10 Year US Treasury Yield finishing the month of June higher at 3.84%. In the Eurozone, the European Central Bank raised rates by 25 basis points and reiterated their concerns about elevated inflation. Despite higher interest rates, the ICE BofA Euro Government Index finished the month -0.29% because of higher rate expectations. Eurozone corporate bonds remained broadly flat throughout the month.

### Commodities & Currencies

Global commodities had a broadly flat month as the flow of funds favoured equities and other risk assets which showed outperformance. Precious metals such as Gold showed negative returns as the traditionally safe-haven asset saw outflows towards relative outperforming asset classes. Copper, often used as a barometer for global economic health was up slightly, returning 1.07% in euro terms despite signs of macroeconomic deterioration. At the end of the month 1 Euro purchased 1.09 US Dollars, with the USD slightly stronger despite deteriorating headwinds.

Zurich Life Annualised Performance  
to July 2023

Zurich Life Annualised Performance to July 2023		Annualised						Fund Size (Euros)
		Year to Date	1 Year	3 Years	5 Years	10 Years	15 Years	
Multi-Asset Funds								
Prisma Low	2.0%	0.7%	Not Started	Not Started	Not Started	Not Started	Not Started	22,619,850
Prisma 	2.3%	1.4%	0.5%	0.5%	Not Started	Not Started	Not Started	493,252,373
Prisma 	4.2%	3.2%	2.4%	2.2%	Not Started	Not Started	Not Started	2,161,789,791
Prisma 	7.4%	6.2%	6.0%	5.3%	Not Started	Not Started	Not Started	3,233,002,053
Prisma 	11.0%	10.2%	9.1%	8.3%	Not Started	Not Started	Not Started	2,216,527,495
Prisma 	13.4%	13.6%	9.5%	9.2%	Not Started	Not Started	Not Started	231,470,794
Active Asset Allocation	7.1%	5.8%	7.0%	6.0%	6.9%	Not Started	Not Started	950,102,999
Managed Funds								
Cautiously Managed	7.3%	6.2%	3.9%	3.9%	5.8%	6.1%	Not Started	771,342,475
Sector Average	3.0%	1.8%	1.6%	1.1%	2.6%	2.8%	3.1%	
Balanced	10.5%	9.6%	6.4%	6.6%	8.2%	7.2%	7.5%	2,232,402,170
Sector Average	4.6%	4.3%	4.8%	3.2%	5.2%	4.5%	4.8%	
Performance	12.5%	12.8%	8.7%	8.4%	9.7%	8.0%	8.2%	1,776,845,998
Dynamic	13.7%	14.3%	9.5%	9.2%	10.3%	8.5%	8.8%	2,183,743,040
FinEx Sector Average	6.6%	6.9%	7.0%	4.3%	6.1%	5.2%	5.3%	
Protected Funds								
Protected 70	6.4%	5.4%	4.6%	3.8%	5.0%	Not Started	Not Started	17,025,990
Protected 80	4.1%	3.0%	2.6%	1.8%	2.7%	Not Started	Not Started	26,435,326
Cash								
Cash Fund	1.1%	0.7%	-0.4%	-0.6%	-0.6%	Not Started	Not Started	1,550,217,683
FinEx Sector Average	0.7%	0.6%	-0.3%	-0.4%	-0.2%	0.2%	0.7%	
Bond								
Medium Duration Corporate Bond	2.2%	-1.0%	Not Started	Not Started	Not Started	Not Started	Not Started	690,285,054
Short Duration Corporate Bond	1.0%	0.2%	Not Started	Not Started	Not Started	Not Started	Not Started	1,016,017,602
Global Corporate Bond (JP Morgan)	1.1%	-2.2%	-5.0%	-1.1%	0.6%	Not Started	Not Started	15,181,694
Global Government Bond (JP Morgan)	0.9%	-4.4%	-5.8%	-1.9%	0.0%	Not Started	Not Started	1,431,714
Indexed Eurozone Government Bond (BlackRock)*	-0.5%	-5.9%	-6.5%	-2.4%	0.6%	Not Started	Not Started	18,563,694
Active Fixed Income	2.3%	-3.2%	-5.0%	-1.80%	1.7%	3.6%	3.3%	1,109,953,942
Inflation-Linked Bond	3.5%	-0.7%	0.9%	0.80%	1.2%	Not Started	Not Started	10,161,735
Long Bond	4.1%	-7.0%	-9.4%	-3.0%	1.9%	3.8%	3.6%	42,713,333
FinEx Sector Average	1.9%	-3.2%	-5.2%	-1.6%	1.0%	2.4%	2.5%	
Absolute Return/Diversified Assets Funds								
Global Targeted Returns Fund (Invesco)	2.1%	9.5%	-0.5%	-0.9%	Not Started	Not Started	Not Started	13,505,689
Dynamic Diversified Growth (BlackRock)	1.4%	1.7%	0.3%	1.1%	1.7%	Not Started	Not Started	12,580,014
Commodity Funds								
Gold	3.1%	1.1%	2.9%	9.7%	5.8%	Not Started	Not Started	355,844,544
Indexed Global Energy and Metals	-11.8%	-18.6%	14.6%	5.8%	1.0%	-3.8%	Not Started	21,425,851
Indexed Commodities	-10.0%	-16.0%	Not Started	Not Started	Not Started	Not Started	Not Started	214,334,635
Equity Funds (Global)								
5 Star 5	15.1%	14.8%	12.3%	10.9%	10.8%	8.1%	8.9%	373,872,190
International Equity	14.9%	15.6%	10.2%	9.8%	11.0%	9.4%	9.1%	5,784,221,655
Global Select (Threadneedle)	14.1%	12.9%	7.8%	8.9%	11.1%	9.6%	9.5%	11,742,080
Indexed Global Equity (BlackRock)*	10.9%	10.7%	12.5%	10.3%	11.1%	Not Started	Not Started	190,706,605
FinEx Sector Average	8.9%	10.3%	11.4%	7.2%	8.5%	7.3%	7.0%	
Equity Funds (European)								
5 Star 5 Europe	13.6%	20.1%	12.4%	8.8%	10.7%	8.2%	Not Started	149,363,515
European Select (Threadneedle)	18.0%	25.8%	9.2%	8.6%	9.1%	9.8%	9.7%	9,808,623
FinEx Sector Average	10.6%	15.2%	8.6%	4.9%	7.1%	5.8%	6.9%	
Equity Funds (Euro)								
Eurozone Equity	16.3%	24.9%	12.7%	7.8%	9.3%	7.5%	9.3%	104,788,772
Indexed Eurozone Equity (BlackRock)*	10.4%	23.9%	10.9%	6.2%	8.1%	Not Started	Not Started	7,517,318
FinEx Sector Average	11.3%	18.5%	10.2%	5.0%	6.9%	4.8%	5.9%	
Equity Funds (Irish)								
Irish Equity	23.6%	38.3%	14.7%	6.7%	10.6%	6.2%	Not Started	21,466,647
FinEx Sector Average	20.1%	35.0%	13.4%	5.3%	8.4%	4.5%	4.8%	

		Annualised						Fund Size (Euros)
		Year to Date	1 Year	3 Years	5 Years	10 Years	15 Years	
Equity Fund (American)								
5 Star 5 Americas	174%	14.1%	11.1%	13.3%	14.0%	11.6%	Not Started	127,087,239
American Select (Threadneedle)	10.1%	7.0%	9.9%	11.1%	13.2%	12.5%	10.1%	10,791,283
FinEx Sector Average	12.5%	12.3%	14.6%	11.7%	12.7%	11.7%	9.1%	
Equity Funds (Far East Asia)								
5 Star 5 Asia Pacific	2.0%	5.1%	9.3%	5.2%	7.9%	5.6%	Not Started	84,135,710
Asia Pacific Equity	0.3%	2.6%	9.0%	4.7%	7.3%	Not Started	Not Started	13,286,793
FinEx Sector Average	-0.1%	-1.6%	6.4%	3.5%	5.5%	5.4%	7.4%	
Equity Funds (High Yield)								
Dividend Growth	8.3%	10.8%	15.1%	6.1%	8.4%	8.3%	Not Started	267,513,768
FinEx Sector Average	8.9%	10.3%	11.4%	7.2%	8.5%	7.3%	7.0%	
Equity Funds (Emerging Market)								
Emerging Markets Opportunities (JP Morgan)	2.2%	-2.7%	0.4%	1.1%	Not Started	Not Started	Not Started	7,333,515
Indexed Emerging Market Equity Fund (BlackRock)	0.5%	-2.6%	2.7%	1.8%	Not Started	Not Started	Not Started	14,053,454
Sector Average	2.3%	-2.6%	3.1%	1.2%	3.8%	3.1%	7.0%	
Equity Funds (Specialist)								
Indexed Top Tech 100	372%	261%	15.5%	18.2%	20.3%	18.2%	13.9%	245,673,121
FinEx Sector Average	5.8%	5.9%	10.7%	8.2%	6.9%	4.3%	5.1%	
Property Funds								
Property Fund	-1.6%	-7.2%	-3.6%	-2.2%	Not Started	Not Started	Not Started	30,109,768
Indexed European (Ex-UK) Property	-9.0%	-19.1%	-11.7%	-8.7%	1.4%	2.5%	Not Started	148,125,787
Indexed Australasia Property	-6.9%	-10.1%	0.4%	-0.8%	3.0%	4.3%	Not Started	192,420,444
Sector Average	-2.8%	-8.5%	0.2%	-0.9%	3.2%	-0.4%	1.8%	
Dimensional Funds								
Global Short-term Investment Grade Fixed Income (Dimensional)	0.5%	-1.3%	-2.8%	-1.7%	Not Started	Not Started	Not Started	3,338,195
Euro Inflation Linked Int Duration Fixed Income (Dimensional)	2.6%	-1.3%	0.4%	0.1%	Not Started	Not Started	Not Started	6,911,375
World Equity (Dimensional)	7.3%	8.9%	13.2%	7.3%	Not Started	Not Started	Not Started	19,195,622
Global Short Fixed Income (Dimensional)	0.8%	-1.6%	-3.7%	-2.1%	Not Started	Not Started	Not Started	17,797,491
World Allocation 20/80 (Dimensional)	2.0%	0.9%	0.3%	0.2%	Not Started	Not Started	Not Started	7,277,133
World Allocation 40/60 (Dimensional)	3.3%	2.8%	3.4%	2.0%	Not Started	Not Started	Not Started	26,553,104
World Allocation 60/40 (Dimensional)	4.6%	4.6%	6.3%	3.7%	Not Started	Not Started	Not Started	29,441,882
World Allocation 80/20 (Dimensional)	5.8%	6.7%	9.6%	5.1%	Not Started	Not Started	Not Started	16,647,949
Global Small Companies (Dimensional)	5.4%	7.4%	13.2%	Not Started	Not Started	Not Started	Not Started	9,700,312
Global Value (Dimensional)	5.1%	9.6%	15.8%	Not Started	Not Started	Not Started	Not Started	30,974,128
Global Sustainability Core Equity (Dimensional)	10.4%	11.6%	12.9%	Not Started	Not Started	Not Started	Not Started	3,274,698
Funds Closed to New Business								
Indexed Eurozone Property	-7.2%	-18.4%	-9.5%	-8.5%	1.7%	1.6%	Not Started	7,550,335
Diversified Assets	-0.9%	-5.0%	5.2%	3.3%	4.6%	3.9%	Not Started	8,740,072

Source: Financial Express as at 01/07/2023.

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: 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.**





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