

Monthly Investment Review

- Risk assets continued to rally in March, amid a dovish pivot by central banks. At its latest meeting, the
 Federal Reserve downgraded its growth and inflation forecasts while there is now talk that the next
 move in US rates may be downwards. US rates had been increased nine times since the cycle turned.
- The ECB also downgraded its growth forecasts. Weak eurozone data has pushed German 10-year bond yields back to negative levels for the first time since 2016.
- Equity markets are closely watching developments in the US-China trade negotiations, Chinese economic data as well as the Q1 earnings results season in the US. Whilst remaining constructive on equities in the longer term, it is possible that the excessive pessimism of late 2018 has given way to over-optimism today. In addition, equity valuations, which were attractive at the beginning of the year, have now normalised.



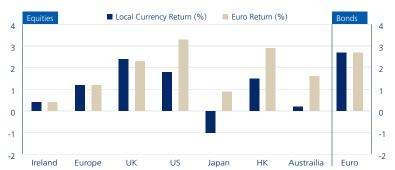
Richard Temperley Head of Investment Development

Activity

Equity positions are towards the middle of ranges in all of the multi-asset portfolios following the decision to take profits at the very start of March. Despite this tactical move, Zurich remains reasonably constructive on equities in general. With regards to geographic positions, the main bias is towards Asia-Pacific while other areas are closer to neutral. Sector positions were broadly maintained during March. The funds are positively biased towards technology and financial stocks and negatively biased towards utilities and real estate. Bond positions are towards the bottom of ranges whilst the duration of the remaining bonds is low. Zurich has recently been increasing its exposure to corporate bonds at the expense of sovereign debt.

CURRENT POSITIONING Asset Class Positive Neutral Negative Country North America Europe **Equities** Japan UK Asia-Ex Japan Eurozone **Fixed Income** US UK LISD Currencies GBP YEN Gold Copper **Alternatives** Global Property Commodities Water

Equity & Bond % Returns: March 2019



This graph shows the performance of the major equity markets over the month of March. The returns are shown in both local and euro currencies. The bond index is the Merrill Lynch Over Five Year Euro Government Bond Index.

Source: Bloomberg, April 2019.

MARKET PERFORMANCE

Equities

World equities (in euro terms) rose by 2.6% in March and have given a strong total return of 14.1% in the first quarter 2019. Local currency returns in March for the major markets ranged from plus 2.4% in the UK to minus 1.0% in Japan. The influential US market was up by 1.8%. Euro currency weakness during the month bolstered returns for eurozone investors. Regarding sectors in the US during March, there was no clear distinction between economically sensitive cyclical stocks and defensive areas. The best performing sector was technology (+4.8%); the worst, financial stocks (-2.8%). Year-to-date, the best performing sectors have been technology (+19.4%), industrials (+16.6%) and energy (+15.2%); the poorest being healthcare (+6.1%) and financials (+7.9%).



Fixed Income & Currencies

The Over Five Year Euro Government Bond Index rose by a strong 2.7% in March and is up by 3.8% so far in 2019. European bond prices have reacted positively to weaker eurozone economic data. US bonds also performed well last month. The German ten-year bond yield fell during March, moving from plus 0.18% to minus 0.07%. Equivalent US rates moved from 2.72% to 2.41%. Given the Federal Reserve's recent dovish tone, the markets now expect no further rate rises in 2019. In fact, there is now a 50% chance of a cut in rates in December. This is a significant change from six months ago. The euro currency weakened during March against the US dollar with the EUR/USD rate moving from at 1.14 to 1.12.



Alternatives

March saw commodity prices continue their impressive start to 2019 rising by just over 1%, giving a Q1 return of over 8%. Energy prices rose by 3.3% in March whilst non-energy prices declined by 0.3%. After severe declines during much of 2018, the oil price jumped again in March (\pm 5%) and is now up around 30% so far this year on hopes that economic growth concerns in the US and China may have been somewhat exaggerated. The gold price fell by 2% during the month finishing at \$1,293 per troy ounce while the copper price was flat.



Zurich Life Annualised Performance to 1 April 2019		Annualised							
.0 T April 2019	Year to Date	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	Fund Size (Euros)	
Prisma Multi-Asset Funds									
Prisma 2	1.6%	0.7%	0.8%	1.1%	Not Started	Not Started	Not Started	210,782,779	
Prisma 3	4.2%	2.9%	2.9%	3.2%	Not Started	Not Started	Not Started	948,977,715	
	9.0%		6.6%						
Prisma 4		6.9%		6.9%	Not Started	Not Started	Not Started	1,150,124,77	
Prisma 5	13.2%	10.0%	9.6%	9.1%	Not Started	Not Started	Not Started	533,184,671	
Prisma 6	13.5%	11.0%	10.5%	7.8%	Not Started	Not Started	Not Started	48,669,581	
Managed Funds									
Cautiously Managed	5.8%	4.6%	4.5%	6.5%	8.0%	Not Started	Not Started	443,678,579	
Sector Average	4.7%	2.0%	2.8%	3.5%	5.0%	3.4%	3.2%		
Balanced	9.3%	8.0%	7.2%	8.2%	10.8%	7.1%	5.3%	1,732,977,096	
Sector Average	7.8%	4.5%	4.8%	5.8%	8.8%	4.7%	3.6%		
Performance	11.7%	10.2%	9.1%	9.3%	11.8%	7.5%	5.4%	1,384,062,470	
Dynamic	13.1%	11.4%	10.0%	9.9%	12.6%	7.9%	5.4%	1,549,462,780	
FinEx Sector Average	9.2%	5.3%	6.0%	6.7%	9.4%	5.0%	4.0%		
Protected Funds									
Protected 70	8.7%	5.8%	4.4%	4.8%	Not Started	Not Started	Not Started	19,936,607	
Protected 80	5.1%	2.5%	1.8%	2.5%	Not Started	Not Started	Not Started	33,470,048	
Cash									
Secure	0.0%	0.0%	0.0%	0.0%	0.2%	1.0%	1.6%	206,048,106	
Cash Fund	-0.2%	-0.9%	-0.8%	-0.7%	-0.4%	Not Started	Not Started	729,792,024	
FinEx Sector Average	-0.2%	-0.6%	-0.4%	-0.1%	0.2%	0.9%	1.4%		
Bond									
Global Corporate Bond (JP Morgan)	4.1%	1.2%	1.0%	1.9%	Not Started	Not Started	Not Started	9,983,104	
Global Government Bond (JP Morgan)	1.70%	1.00%	-0.20%	1.80%	Not Started	Not Started	Not Started	1,076,245	
Indexed Eurozone Government Bond (BlackRock)*	2.10%	1.40%	0.60%	3.00%	Not Started	Not Started	Not Started	6,757,277	
Active Fixed Income	1.80%	0.90%	0.20%	4.00%	5.30%	5.20%	5.50%	179,143,602	
Inflation-Linked Bond	1.10%	-2.00%	0.60%	1.30%	Not Started	Not Started	Not Started	6,717,010	
Long Bond	3.8%	2.8%	0.7%	5.9%	6.5%	6.0%	Not Started	58,130,103	
FinEx Sector Average	3.6%	2.1%	1.3%	3.3%	4.5%	3.9%	4.1%		
Absolute Return/Diversified Assets Funds									
Global Targeted Returns Fund (Invesco)	2.2%	-2.7%	-0.4%	Not Started	Not Started	Not Started	Not Started	71,941,101	
Dynamic Diversified Growth (BlackRock)	5.6%	2.3%	2.2%	1.3%	Not Started	Not Started	Not Started	13,812,277	
Active Asset Allocation	10.0%	7.7%	7.0%	7.0%	Not Started	Not Started	Not Started	408,757,397	
Commodity Funds									
Gold	2.7%	6.5%	1.4%	3.6%	Not Started	Not Started	Not Started	94,412,227	
Indexed Global Energy and Metals	9.7%	8.0%	7.2%	-3.6%	0.8%	Not Started	Not Started	13,397,724	
Equity Funds (Global)								,,,,,,	
5 Star 5	13.0%	8.8%	10.2%	10.1%	11.5%	7.2%	Not Started	204,346,093	
International Equity	13.7%	11.1%	10.8%	10.8%	13.4%	8.2%	6.2%	1,554,659,16	
Global Select (Threadneedle)	18.8%	14.3%	12.6%	12.5%	14.3%	9.1%	Not Started	7,687,494	
Indexed Global Equity (BlackRock)*	17.6%	15.5%	11.7%	11.1%	Not Started	Not Started	Not Started	107,441,147	
FinEx Sector Average	12.8%	9.1%	8.3%	8.5%	12.2%	6.2%	3.9%		
Equity Funds (European)	14.424	2.201	0.264	0.604	12.60/	0.504	Net St. 1	102.005.75	
5 Star 5 Europe	11.4%	2.2%	8.2%	8.6%	12.6%	9.5%	Not Started	102,696,784	
European Select (Threadneedle)	14.2%	4.3%	6.9%	7.4%	14.1%	8.9%	Not Started	9,897,496	
FinEx Sector Average	12.7%	0.5%	5.3%	5.2%	11.0%	6.4%	5.3%		
Equity Funds (Euro)									
Eurozone Equity	11.7%	0.9%	8.1%	5.9%	11.7%	8.3%	Not Started	81,633,943	
Indexed Eurozone Equity (BlackRock)*	15.4%	3.6%	8.8%	5.5%	Not Started	Not Started	Not Started	8,327,852	
Sector Average	11.1%	-0.7%	5.4%	4.5%	10.0%	4.9%	3.4%		

		Annualised								
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Equity Funds (Irish)										
Irish Equity	12.9%	-3.9%	1.2%	7.1%	13.8%	Not Started	Not Started	14,636,592		
FinEx Sector Average	12.4%	-6.9%	-1.6%	4.4%	11.4%	2.6%	2.2%			
Equity Fund (American)										
5 Star 5 Americas	15.2%	19.8%	14.4%	13.7%	14.1%	9.9%	Not Started	67,585,882		
American Select (Threadneedle)	16.9%	20.1%	14.5%	13.8%	16.7%	9.7%	Not Started	12,016,976		
FinEx Sector Average	15.1%	15.9%	11.9%	12.7%	15.9%	8.0%	4.7%			
Equity Funds (Far East Asia)										
5 Star 5 Asia Pacific	14.1%	2.3%	12.0%	9.9%	10.1%	8.0%	Not Started	77,985,038		
Asia Pacific Equity	14.0%	5.4%	13.0%	9.4%	Not Started	Not Started	Not Started	10,473,808		
FinEx Sector Average	12.4%	5.3%	10.3%	7.2%	10.9%	7.2%	6.9%			
Equity Funds (High Yield)										
Dividend Growth	13.6%	5.8%	7.6%	8.6%	13.4%	Not Started	Not Started	213,541,259		
FinEx Sector Average	12.8%	9.1%	8.3%	8.5%	12.2%	6.2%	3.9%			
Equity Funds (Emerging Market)										
Emerging Markets Opportunities (JP Morgan)	13.2%	4.7%	16.0%	9.1%	Not Started	Not Started	Not Started	7,080,451		
FinEx Sector Average	10.9%	0.9%	9.8%	7.0%	8.6%	8.7%	Not Started			
Equity Funds (Specialist)										
Indexed Top Tech 100	18.9%	23.1%	19.0%	20.7%	22.0%	12.3%	Not Started	62,999,850		
FinEx Sector Average	11.3%	10.5%	6.6%	4.2%	6.9%	3.6%	2.8%			
Property Funds										
Fund of REITs	11.1%	-0.7%	4.2%	Not Started	Not Started	Not Started	Not Started	17,275,315		
Indexed European (Ex-UK) Property	12.5%	8.5%	6.6%	11.0%	13.8%	Not Started	Not Started	95,705,964		
Indexed Australasia Property	16.5%	23.9%	10.0%	12.0%	13.6%	Not Started	Not Started	81,806,614		
Sector Average	3.7%	5.0%	4.0%	6.8%	5.0%	2.1%	4.5%			
Dimensional Funds										
Global Short-term Investment Grade Fixed Income (Dimensional)	1.0%	0.3%	Not Started	243,242						
Euro Inflation Linked Int Duration Fixed Income (Dimensional)	2.2%	1.0%	Not Started	5,259,483						
World Equity (Dimensional)	13.8%	6.2%	Not Started	6,230,077						
Global Short Fixed Income (Dimensional)	0.9%	0.5%	Not Started	1,278,343						
World Allocation 20/80 (Dimensional)	3.1%	1.4%	Not Started	9,466,203						
World Allocation 40/60 (Dimensional)	5.8%	2.9%	Not Started	16,994,620						
World Allocation 60/40 (Dimensional)	8.4%	4.3%	Not Started	16,002,717						
World Allocation 80/20 (Dimensional)	10.8%	4.8%	Not Started	5,247,388						
Funds Closed to New Business										
Indexed Eurozone Property	11.9%	6.7%	7.1%	11.1%	13.2%	Not Started	Not Started	19,305,913		
Indexed India Equity	8.8%	13.7%	9.6%	10.0%	11.1%	Not Started	Not Started	10,048,544		
Income Opportunity (JP Morgan)	1.5%	-0.9%	1.6%	0.2%	Not Started	Not Started	Not Started	5,985,231		
Diversified Assets	9.9%	9.1%	6.6%	5.5%	8.4%	Not Started	Not Started	11,744,463		
Earth Resources	14.7%	9.2%	5.9%	-3.6%	0.3%	Not Started	Not Started	4,366,176		
Green Resources	25.0%	18.1%	11.3%	2.3%	3.3%	Not Started	Not Started	4,013,128		
Small Cap Europe (Pictet)	17.4%	-0.5%	7.2%	6.8%	Not Started	Not Started	Not Started	1,910,496		

Source: Financial Express as at 01/04/2019

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.

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.

^{*} Performance using most recent data available.













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