July 2024

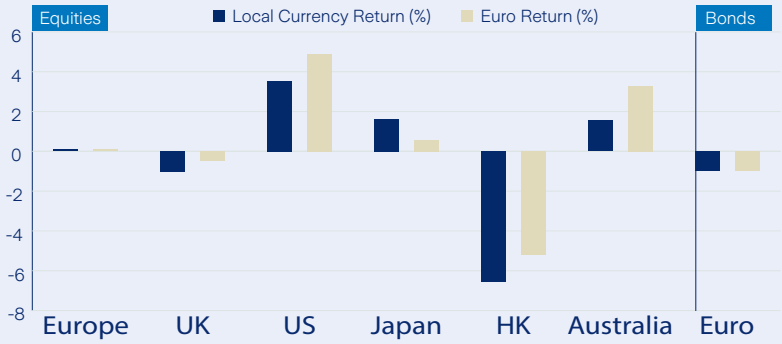
Monthly Investment Review

June saw strong performance for risk assets as inflation continued to moderate across the globe. In the US, headline inflation fell, whilst the labour market appeared to soften which may leave more scope for the Federal Reserve to cut interest rates. In the Eurozone, sentiment was slightly less rosy. An unexpected French snap election saw an increase in volatility, whilst in the UK growth in both manufacturing and services slowed. June saw the European Central Bank (ECB) cut the key Euro Area interest rate for the first time since 2019. The ECB reduced rates by 25 basis points, in line with market expectations, bring the main interbank deposit rate to 3.75%.

Activity

We continue to maintain a broadly balanced asset allocation stance across our multi-asset funds. Both the equity and fixed income components of our portfolio remain neutral as we are ready to pivot materially into either asset class as opportunities present themselves. This is an active neutral position which is being constantly monitored. Within our equity component, we favour cyclical sectors such as Information Technology and Financials. On a geographical basis we maintain a slight preference for US, European and Asia Pacific regions. Our fixed income allocation holds a modest short duration position and a broad geographical preference for so called 'periphery' over 'core' issuers. Our partial Euro/Dollar hedge remains in place.

Equity & Bond % Returns: June 2024



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 2024

Current Positioning

Asset Class	Country	Positive	Neutral	Negative
Equities	US	✓		
	Europe	✓		
	Japan			✓
	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

June was a positive month for equities in most major markets, barring the Eurozone and UK. US equities rallied on improved expectations for lower interest rates in 2024 along with strong performance in growth orientated sectors. US headline inflation figures, released in mid-June, showed that inflation decreased to 3.3% in May, down from 3.4% in April, below consensus expectations. On a US sector basis, Information Technology, Consumer Discretionary and Communication Services performed best, whilst more defensive sectors such Utilities ended the month in negative territory. In the Eurozone, political uncertainty hampered equity returns, with the election in France garnering much attention.

Bonds & Interest Rates

Yields lowered somewhat in June, on the back of lower interest rate expectations. The benchmark 10 Year US Treasury yield finished the month at 4.40%, down from 4.50% at the previous month end. This came as the core Personal Consumption Expenditures Price Index, the Fed's preferred measure of inflation rose by 0.08%, the smallest increase since 2020. Inflation expectations continue to be a primary driver of markets. The ECB cut the main interbank rate, which was positive for Eurozone bond performance, however the aforementioned higher volatility, observed later in the month due to political uncertainty, paired back most of these gains by month end.

Commodities & Currencies

It was another volatile month for commodities, with some major constituents of the sector displaying negative performance. However, Oil rose significantly across the month, largely because of reported lower inventory levels in the US, to finish up 5.8% in euro terms. Precious metals such as Gold were largely flat across the month. Gold has seen strong performance throughout the first half of 2024 due in part to expectations of a Federal Reserve interest rate cut in September. Copper, often used as a barometer of global economic health, was down -4.5% throughout June. At the end of the month 1 Euro purchased 1.07 US Dollars. The US Dollar strengthened against a basket of global currencies across the month.

Zurich Life Annualised Performance to July 2024

		Annualised						
	Year to Date	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	Fund Size (€m)
Multi-Asset Funds								
Prisma Low	1.4%	4.8%	0.4%	Not Started	Not Started	Not Started	Not Started	24
Prisma 2	2.0%	5.3%	0.9%	1.4%	1.2%	Not Started	Not Started	511
Prisma 3	4.6%	8.9%	2.3%	3.6%	3.3%	Not Started	Not Started	2,407
Prisma 4	8.5%	14.7%	4.5%	7.3%	6.8%	Not Started	Not Started	4,292
Prisma 5	14.1%	21.6%	7.2%	11.2%	9.8%	Not Started	Not Started	3,330
Prisma Max	16.3%	24.4%	8.0%	12.5%	9.9%	Not Started	Not Started	350
Active Asset Allocation	8.3%	14.2%	5.0%	7.9%	7.1%	Not Started	Not Started	1,163
Managed Funds								
Cautiously Managed	5.6%	11.2%	3.1%	5.5%	5.6%	6.9%	Not Started	906
Sector Average	3.5%	7.0%	0.8%	2.0%	2.6%	3.7%	3.1%	
Balanced	10.8%	17.0%	5.0%	8.9%	8.4%	9.6%	7.7%	2,708
Sector Average	6.7%	11.0%	2.6%	4.7%	5.0%	6.7%	4.7%	
Performance	13.9%	20.8%	7.0%	11.3%	10.1%	10.9%	8.5%	2,130
Dynamic	15.8%	23.3%	8.0%	12.4%	10.9%	11.7%	9.1%	2,781
FinEx Sector Average	8.1%	12.0%	3.9%	5.9%	6.1%	7.5%	5.2%	
Protected Funds								
Protected 70	11.4%	15.4%	3.6%	6.4%	5.4%	Not Started	Not Started	20
Protected 80	8.4%	11.3%	2.3%	3.9%	3.0%	Not Started	Not Started	30
Cash								
Cash Fund	1.6%	3.3%	1.0%	0.2%	-0.3%	-0.2%	Not Started	2,439
FinEx Sector Average	1.5%	2.8%	0.9%	0.3%	0.0%	0.2%	0.7%	
Bond								
Medium Duration Corporate Bond	-0.1%	6.5%	-3.2%	Not Started	Not Started	Not Started	Not Started	799
Short Duration Corporate Bond	1.1%	4.5%	0.0%	Not Started	Not Started	Not Started	Not Started	1,000
Global Corporate Bond (JP Morgan)	0.1%	4.9%	-4.4%	-1.2%	0.4%	Not Started	Not Started	5
Global Government Bond (JP Morgan)	-1.4%	0.8%	-4.8%	-2.5%	-0.3%	Not Started	Not Started	1
Indexed Eurozone Government Bond (BlackRock)*	-2.4%	2.2%	-5.8%	-3.2%	0.0%	Not Started	Not Started	20
Active Fixed Income	-3.7%	0.8%	-4.5%	-2.6%	0.5%	2.7%	3.3%	996
Inflation-Linked Bond	-2.3%	-0.7%	-1.2%	0.4%	0.8%	Not Started	Not Started	8
Long Bond	-5.0%	-0.9%	-9.3%	-5.0%	0.3%	2.9%	3.5%	67
FinEx Sector Average	-1.5%	3.1%	-4.8%	-2.1%	0.5%	2.2%	2.5%	
Absolute Return/Diversified Assets Funds								
Dynamic Diversified Growth (BlackRock)	3.7%	6.9%	-0.9%	1.8%	1.5%	Not Started	Not Started	11
Commodity Funds								
Gold	15.8%	23.0%	12.8%	11.2%	7.8%	7.5%	Not Started	534
Indexed Global Energy and Metals	11.8%	9.9%	9.4%	8.6%	1.7%	2.0%	Not Started	21
Indexed Commodities	7.9%	6.5%	Not Started	Not Started	Not Started	Not Started	Not Started	360
Equity Funds (Global)								
5 Star 5	20.3%	27.9%	10.2%	15.0%	12.5%	12.1%	9.2%	504
International Equity	18.2%	26.3%	8.9%	13.5%	11.8%	12.7%	9.7%	6,764
Global Select (Threadneedle)	18.8%	28.9%	7.8%	12.1%	12.4%	13.0%	10.1%	14
Indexed Global Equity (BlackRock)*	16.0%	22.4%	10.0%	12.5%	11.5%	Not Started	Not Started	278
FinEx Sector Average	10.8%	15.2%	6.9%	9.3%	8.6%	10.2%	7.0%	
Equity Funds (European)								
5 Star 5 Europe	13.7%	18.9%	9.3%	11.7%	10.7%	12.0%	10.2%	189
European Select (Threadneedle)	10.6%	14.4%	4.9%	9.5%	9.0%	12.1%	9.4%	10
FinEx Sector Average	7.5%	11.1%	3.4%	7.0%	6.3%	8.6%	6.6%	
Equity Funds (Euro)								
Eurozone Equity	9.8%	13.8%	6.9%	10.1%	8.1%	10.1%	8.9%	115
Indexed Eurozone Equity (BlackRock)*	10.3%	11.9%	6.0%	7.9%	6.8%	Not Started	Not Started	8
FinEx Sector Average	8.3%	12.5%	5.0%	7.3%	6.2%	7.9%	5.5%	

		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	22.1%	33.1%	10.3%	17.2%	15.2%	15.1%	11.8%	185
American Select (Threadneedle)	19.3%	28.9%	8.1%	14.5%	14.0%	15.2%	10.9%	13
FinEx Sector Average	15.9%	24.1%	11.2%	14.6%	13.2%	14.8%	9.7%	
Equity Funds (Far East Asia)								
5 Star 5 Asia Pacific	9.1%	17.8%	5.0%	8.3%	8.5%	7.9%	8.2%	94
Asia Pacific Equity	7.3%	15.3%	3.6%	6.9%	7.6%	Not Started	Not Started	15
FinEx Sector Average	8.1%	8.4%	-0.2%	4.5%	5.2%	7.2%	6.9%	
Equity Funds (High Yield)								
Dividend Growth	9.4%	13.5%	8.8%	8.4%	8.1%	10.8%	Not Started	302
FinEx Sector Average	10.8%	15.2%	6.9%	9.3%	8.6%	10.2%	7.0%	
Equity Funds (Emerging Market)								
Emerging Markets Opportunities (JP Morgan)	12.3%	12.4%	-5.1%	2.1%	5.0%	Not Started	Not Started	7
Indexed Emerging Market Equity Fund (BlackRock)	10.8%	13.9%	-2.3%	3.7%	Not Started	Not Started	Not Started	19
Sector Average	9.4%	10.0%	-3.4%	2.4%	3.8%	4.5%	7.1%	
Equity Funds (Specialist)								
Indexed Top Tech 100	22.2%	33.5%	14.8%	22.5%	21.0%	21.3%	14.6%	407
FinEx Sector Average	9.4%	13.2%	6.6%	10.0%	6.6%	6.8%	5.0%	
Property Funds								
Property Fund	-2.2%	-1.0%	-3.2%	-3.5%	Not Started	Not Started	Not Started	19
Indexed European (Ex-UK) Property	-4.1%	23.7%	-10.5%	-4.6%	1.4%	6.2%	Not Started	207
Indexed Australasia Property	-7.4%	-6.4%	-6.9%	-5.2%	2.1%	5.2%	Not Started	216
Sector Average	-2.5%	-2.4%	-2.8%	-2.0%	1.9%	2.6%	0.9%	
Dimensional Funds								
Global Short-term Investment Grade Fixed Income (Dimensional)	1.4%	4.3%	-1.7%	-1.1%	Not Started	Not Started	Not Started	
Euro Inflation Linked Int Duration Fixed Income (Dimensional)	-3.8%	-1.5%	-1.5%	-0.4%	Not Started	Not Started	Not Started	
World Equity (Dimensional)	10.4%	16.8%	7.1%	10.2%	Not Started	Not Started	Not Started	
Global Short Fixed Income (Dimensional)	1.6%	3.4%	-2.4%	-1.7%	Not Started	Not Started	Not Started	
World Allocation 20/80 (Dimensional)	3.3%	6.2%	0.3%	1.2%	Not Started	Not Started	Not Started	
World Allocation 40/60 (Dimensional)	5.1%	9.1%	1.9%	3.4%	Not Started	Not Started	Not Started	
World Allocation 60/40 (Dimensional)	6.6%	11.5%	3.3%	5.6%	Not Started	Not Started	Not Started	
World Allocation 80/20 (Dimensional)	8.1%	14.2%	5.0%	7.6%	Not Started	Not Started	Not Started	
Global Small Companies (Dimensional)	4.2%	10.8%	3.4%	Not Started	Not Started	Not Started	Not Started	
Global Value (Dimensional)	10.5%	16.9%	9.9%	Not Started	Not Started	Not Started	Not Started	
Global Sustainability Core Equity (Dimensional)	12.1%	19.6%	8.2%	Not Started	Not Started	Not Started	Not Started	
Funds Closed to New Business								
Indexed Eurozone Property	-4.4%	18.2%	-10.3%	-4.9%	1.2%	5.5%	Not Started	
Diversified Assets	5.8%	12.1%	3.2%	4.9%	4.6%	6.3%	Not Started	

Source: FE fundinfo as at 01/07/2024

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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