August 2024

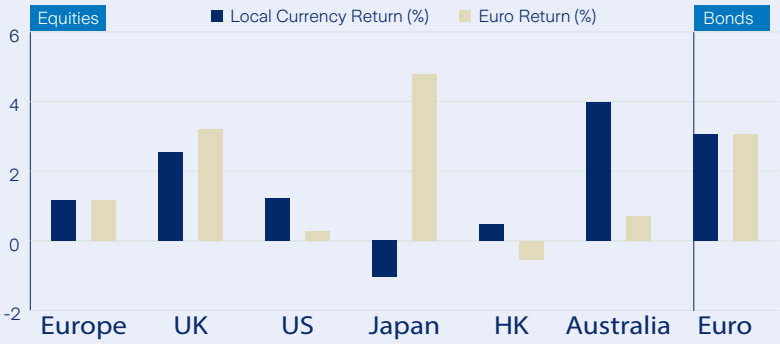
Monthly Investment Review

July saw mixed performance across asset classes with global equities experiencing corrections in some major markets. The month saw US inflation decline to its lowest level in three years, coming in at 3.0% for June, increasing the likelihood of a Federal Reserve rate cut in September. Q2 corporate earnings results also influenced markets in July, with high earnings expectations for tech firms proving difficult to beat. Although the number of companies beating analyst expectations remains above the long-term average, earnings surprises in Q2 have been more modest. The month saw US President Joe Biden withdraw his candidacy from the Presidential Election, which garnered a muted response from markets. The policy implications from this election outcome continue to be a source of uncertainty. In China, the economic picture remained sluggish as demand has struggled to reignite.

Activity

We have maintained our balanced asset allocation throughout July. Within our equity allocation we have a slight bias towards US equities and have availed of opportunities in sectors such as consumer staples amidst a recent rotation in stock market performance. In terms of our fixed income allocation, we maintain our preference for peripheral sovereign issuers such as Ireland and Italy, over more traditional 'core' issuers such as Germany. We are relatively balanced from a duration viewpoint. We may act upon buying opportunities within either equities or fixed income, as they present themselves. Our partial euro/dollar hedge remains in place.

Equity & Bond % Returns: July 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, August 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

Equities witnessed a rotation in terms of sectors and style throughout July. With expectations of lower interest rates persisting, many investors saw opportunities in smaller cap companies, a change to the large-cap dominance prevalent so far in 2024. On a global basis, the Real Estate and Utilities sectors performed best, up 5.7% and 5.5% in euro terms respectively. Sectors such as Information Technology and Communication Services saw the poorest performance, down -3.1% and -4.1% in euro terms. Despite this, these sectors remain the clear outperformers on a year-to-date basis.

Bonds & Interest Rates

Bond markets showed positive returns throughout the month, as yields fell on the growing expectation that inflation would reach levels targeted by central banks before the end of the year. The benchmark US 10 Year Treasury yield finished the month substantially lower at 4.03%, down from 4.40% at the previous month end. Signs of economic weakness in the US also contributed to bond performance, as expectations of interest rate cuts increased. At the end of July, the Federal Reserve opted to hold the benchmark interest rate steady in the 5.25%-5.50% range. In the ensuing press conference however, many commentators observed a notably more dovish tone.

Commodities & Currencies

Gold prices continued their march higher in July, up 4.1% in euro terms. The precious metal has seen impressive performance year-to-date. The base metal Copper, which is often used as a barometer for global economic health, however, saw negative performance, down -4.8% in euro terms. This came as indicators for economic momentum appeared to slow in July. Geopolitical uncertainty was also a feature of the month, particularly as tensions in the middle east remain elevated whilst a US election looms in November. Oil prices were notably lower albeit volatile, down -5.5% in euro terms. At the end of the month, the euro dollar exchange rate continued to oscillate within its recent range, with one euro purchasing 1.08 USD.

Zurich Life Annualised Performance to end 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	2.2%	5.1%	0.6%	Not Started	Not Started	Not Started	Not Started	25
Prisma 2	2.8%	5.4%	1.0%	1.5%	1.3%	Not Started	Not Started	511
Prisma 3	5.3%	8.6%	2.2%	3.6%	3.3%	Not Started	Not Started	2,438
Prisma 4	9.0%	13.2%	4.1%	7.1%	6.8%	Not Started	Not Started	4,370
Prisma 5	14.2%	19.0%	6.5%	10.7%	9.7%	Not Started	Not Started	3,388
Prisma Max	16.3%	21.9%	7.3%	11.9%	9.8%	Not Started	Not Started	355
Active Asset Allocation	8.7%	12.4%	4.4%	7.7%	7.1%	Not Started	Not Started	1,184
Managed Funds								
Cautiously Managed	6.6%	11.2%	3.1%	5.5%	5.6%	6.6%	Not Started	919
Sector Average	4.6%	7.1%	0.9%	2.0%	2.6%	3.6%	3.2%	
Balanced	11.4%	15.9%	4.6%	8.5%	8.4%	9.1%	7.7%	2,736
Sector Average	7.5%	10.3%	2.5%	4.6%	5.0%	6.4%	4.8%	
Performance	14.1%	18.9%	6.4%	10.8%	10.0%	10.3%	8.6%	2,133
Dynamic	15.8%	20.9%	7.3%	11.8%	10.9%	11.1%	9.1%	2,783
FinEx Sector Average	9.4%	11.4%	3.9%	5.9%	6.0%	7.3%	5.4%	
Protected Funds								
Protected 70	11.4%	14.1%	3.1%	6.0%	5.4%	Not Started	Not Started	20
Protected 80	8.2%	10.2%	1.9%	3.7%	3.0%	Not Started	Not Started	30
Cash								
Cash Fund	2.0%	3.5%	1.1%	0.3%	-0.2%	-0.2%	Not Started	2,475
FinEx Sector Average	1.7%	2.9%	1.0%	0.3%	0.1%	0.2%	0.7%	
Bond								
Medium Duration Corporate Bond	2.1%	7.6%	-2.8%	Not Started	Not Started	Not Started	Not Started	834
Short Duration Corporate Bond	2.1%	4.9%	0.3%	Not Started	Not Started	Not Started	Not Started	1,018
Global Corporate Bond (JP Morgan)	1.5%	5.5%	-4.3%	-1.0%	0.5%	Not Started	Not Started	5
Global Government Bond (JP Morgan)	-0.1%	2.5%	-4.7%	-2.4%	-0.2%	Not Started	Not Started	1
Indexed Eurozone Government Bond (BlackRock)*	0.5%	5.4%	-5.4%	-2.9%	0.2%	Not Started	Not Started	20
Active Fixed Income	-1.0%	4.8%	-4.2%	-2.3%	0.6%	2.7%	3.4%	1,255
Inflation-Linked Bond	-0.5%	0.7%	-1.5%	0.2%	0.9%	Not Started	Not Started	9
Long Bond	-1.5%	4.8%	-9.1%	-4.8%	0.5%	2.9%	3.6%	70
FinEx Sector Average	0.4%	5.2%	-4.7%	-2.1%	0.6%	2.2%	2.6%	
Absolute Return/Diversified Assets Funds								
Dynamic Diversified Growth (BlackRock)	4.2%	6.7%	-0.8%	1.9%	1.6%	Not Started	Not Started	11
Commodity Funds								
Gold	19.2%	24.5%	12.7%	11.1%	8.3%	7.6%	Not Started	554
Indexed Global Energy and Metals	7.2%	-0.9%	6.5%	7.0%	1.6%	2.0%	Not Started	20
Indexed Commodities	1.9%	-4.2%	Not Started	Not Started	Not Started	Not Started	Not Started	340
Equity Funds (Global)								
5 Star 5	20.1%	25.2%	9.3%	14.5%	12.4%	11.4%	9.3%	506
International Equity	18.0%	23.5%	8.1%	12.9%	11.8%	12.1%	9.8%	6,614
Global Select (Threadneedle)	16.3%	22.9%	6.4%	11.1%	12.0%	12.4%	10.1%	13
Indexed Global Equity (BlackRock)*	11.3%	16.3%	8.0%	11.7%	11.2%	Not Started	Not Started	280
FinEx Sector Average	12.0%	14.4%	6.7%	9.0%	8.5%	9.8%	7.2%	
Equity Funds (European)								
5 Star 5 Europe	14.7%	17.8%	9.0%	11.8%	10.9%	11.2%	10.3%	190
European Select (Threadneedle)	8.4%	11.4%	2.9%	9.0%	9.3%	11.5%	9.5%	10
FinEx Sector Average	8.7%	10.4%	2.9%	7.3%	6.6%	8.1%	6.8%	
Equity Funds (Euro)								
Eurozone Equity	9.8%	11.5%	6.4%	10.0%	8.5%	9.4%	8.9%	115
Indexed Eurozone Equity (BlackRock)*	5.5%	7.7%	3.8%	7.6%	6.9%	Not Started	Not Started	8
FinEx Sector Average	8.6%	10.7%	4.6%	7.5%	6.4%	7.4%	5.7%	

		Annualised						
	Year to Date	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	Fund Size (€m)
Equity Fund (American)								
5 Star 5 Americas	20.8%	28.9%	8.8%	16.1%	15.0%	14.4%	11.8%	185
American Select (Threadneedle)	13.8%	19.4%	5.7%	12.7%	13.5%	14.5%	10.8%	12
FinEx Sector Average	14.6%	19.7%	9.9%	13.4%	12.8%	14.2%	9.7%	
Equity Funds (Far East Asia)								
5 Star 5 Asia Pacific	11.1%	15.9%	6.8%	8.5%	8.2%	7.5%	8.4%	95
Asia Pacific Equity	9.2%	13.3%	5.1%	7.2%	7.3%	Not Started	Not Started	15
FinEx Sector Average	7.7%	4.2%	1.0%	4.2%	4.5%	6.5%	7.0%	
Equity Funds (High Yield)								
Dividend Growth	12.8%	15.6%	9.3%	8.8%	8.4%	10.6%	Not Started	312
FinEx Sector Average	12.0%	14.4%	6.7%	9.0%	8.5%	9.8%	7.2%	
Equity Funds (Emerging Market)								
Emerging Markets Opportunities (JP Morgan)	9.2%	5.9%	-3.5%	1.2%	4.4%	Not Started	Not Started	7
Indexed Emerging Market Equity Fund (BlackRock)	9.1%	6.8%	-0.6%	3.2%	Not Started	Not Started	Not Started	19
Sector Average	8.5%	4.5%	-2.1%	2.1%	3.2%	3.9%	7.0%	
Equity Funds (Specialist)								
Indexed Top Tech 100	17.8%	25.2%	12.5%	20.6%	20.2%	20.5%	14.8%	399
FinEx Sector Average	10.3%	11.3%	6.4%	9.7%	6.5%	6.4%	5.3%	
Property Funds								
Property Fund	-1.5%	-0.6%	-3.3%	-3.5%	Not Started	Not Started	Not Started	18
Indexed European (Ex-UK) Property	-0.6%	17.1%	-11.0%	-4.3%	2.0%	5.7%	Not Started	221
Indexed Australasia Property	-2.5%	-3.5%	-5.4%	-4.4%	2.0%	4.9%	Not Started	233
Sector Average	-1.4%	-2.1%	-2.8%	-1.9%	1.9%	2.6%	0.9%	
Dimensional Funds								
Global Short-term Investment Grade Fixed Income (Dimensional)	1.9%	4.1%	-1.6%	-1.1%	Not Started	Not Started	Not Started	
Euro Inflation Linked Int Duration Fixed Income (Dimensional)	-2.1%	-0.4%	-1.8%	-0.5%	Not Started	Not Started	Not Started	
World Equity (Dimensional)	12.8%	15.5%	7.8%	10.1%	Not Started	Not Started	Not Started	
Global Short Fixed Income (Dimensional)	2.1%	3.5%	-2.4%	-1.7%	Not Started	Not Started	Not Started	
World Allocation 20/80 (Dimensional)	4.0%	6.0%	0.4%	1.2%	Not Started	Not Started	Not Started	
World Allocation 40/60 (Dimensional)	6.2%	8.4%	2.2%	3.4%	Not Started	Not Started	Not Started	
World Allocation 60/40 (Dimensional)	8.3%	10.8%	3.8%	5.5%	Not Started	Not Started	Not Started	
World Allocation 80/20 (Dimensional)	10.4%	13.4%	5.7%	7.6%	Not Started	Not Started	Not Started	
Global Small Companies (Dimensional)	10.2%	12.9%	5.4%	Not Started	Not Started	Not Started	Not Started	
Global Value (Dimensional)	14.5%	16.8%	11.5%	Not Started	Not Started	Not Started	Not Started	
Global Sustainability Core Equity (Dimensional)	14.9%	19.1%	8.5%	Not Started	Not Started	Not Started	Not Started	
Funds Closed to New Business								
Indexed Eurozone Property	-0.9%	13.8%	-10.6%	-4.6%	1.8%	5.0%	Not Started	
Diversified Assets	6.1%	8.8%	2.5%	4.5%	4.6%	6.1%	Not Started	

Source: FE fundinfo as at 01/08/2024

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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