October 2024

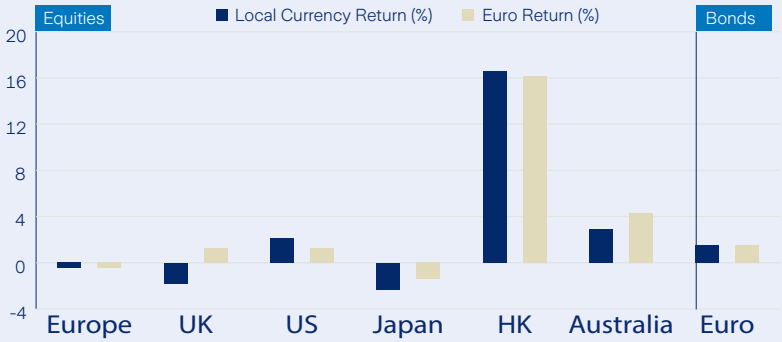
Monthly Investment Review

September was a busy month for global central banks as the US Federal Reserve implemented a 50-basis point rate cut. Inflation in the US decreased to 2.5% year-over-year in August, the lowest since February 2021, and a weak nonfarm payroll report supported a 50-basis point cut over a 25-basis point cut. Equity markets reacted positively to the Fed's decision, with global equity markets hitting new all-time highs, though the bond market rally's momentum slowed after the decision. It is anticipated that the Fed will continue to ease policy gradually in the coming months and may accelerate the pace if economic data fails to meet expectations. Meanwhile, in Europe, the European Central Bank (ECB) executed its second rate cut of the year in September, reducing the deposit facility rate to 3.5%. Economic activity in the Eurozone has been somewhat disappointing, with unsatisfactory growth and persistently high service inflation, though improving global monetary conditions could provide a boost.

Activity

Throughout September there have been no material changes in asset allocation. Our current positioning is broadly neutral equities. We prefer equities in regions such as Asia and Europe. We are underweight equity in North America (which includes both the US and Canada) and Japan. We have an equity sector preference for consumer discretionary and industrials, while we are underweight in sectors such as energy and healthcare. In fixed income allocation, we hold an overweight position in short-dated bonds over long-dated government bonds. We are overweight Gold in the Active Asset Allocation fund. Additionally, our partial Euro/Dollar hedge remains in place.

Equity & Bond % Returns: September 2024



This graph shows the performance of the major equity markets over the month of August. The returns are shown in both local and euro currencies. The bond index is the ICE BofA 5+ Government Bond Index. Source: Bloomberg, October 2024

Current Positioning

Asset Class	Country	Positive	Neutral	Negative
Equities	North America			✓
	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

Global equities posted another positive month in September. Equities gained momentum leading up to the FOMC meeting on September 18th, where the US Federal Reserve's 50-basis point rate cut exceeded earlier expectations and boosted investor confidence. In contrast, European markets slowed in September. Economic growth has stagnated in many parts of the region, while inflationary pressures have largely eased. Nine out of eleven sectors ended September positively in Euro terms, with Utilities and Consumer Discretionary leading the gains at 4.6% and 4.4%, respectively. The Energy and Health Care sectors declined, with the Energy sector returning -4.0% and Health Care decreasing by -3.7%.

Bonds & Interest Rates

Bond markets delivered positive returns throughout September as yields declined in response to the Fed's first rate cut. The benchmark US 10-Year Treasury yield ended the month lower at 3.78%, down from 3.90% at the close of August. The Federal Reserve implemented a 50-basis point rate cut at its September meeting. Inflation and labour market data supported the Fed's decision. The Consumer Price Index rose by 2.5% and Core Personal Consumption Expenditures by 2.7% year-over-year, while nonfarm payrolls missed expectations for the second month in a row.

Commodities & Currencies

Commodity markets showed mixed performance in September. Oil prices were notably volatile, ending the month down -8.0% in Euro terms. In contrast, Gold continued to reach new highs, gaining 4.4% in Euro terms, driven partially by what is expected to be a series of interest rate cuts by the Federal Reserve. Copper also had a strong month, with the base metal often considered a gauge of global economic health, experiencing a rise of 5.5%. The USD weakened against the Euro, with one Euro buying 1.11 USD by the end of the month.

Zurich Life Annualised Performance to end September 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	3.3%	6.5%	1.0%	Not Started	Not Started	Not Started	Not Started	30
Prisma 2	3.8%	6.8%	1.4%	1.6%	1.3%	Not Started	Not Started	538
Prisma 3	6.6%	11.1%	2.7%	3.6%	3.3%	Not Started	Not Started	2,494
Prisma 4	10.9%	17.7%	4.7%	7.1%	6.7%	Not Started	Not Started	4,549
Prisma 5	16.6%	24.6%	7.3%	10.7%	9.6%	Not Started	Not Started	3,547
Prisma Max	18.5%	27.5%	8.0%	11.8%	10.1%	Not Started	Not Started	365
Active Asset Allocation	10.7%	16.8%	5.1%	7.7%	7.0%	Not Started	Not Started	1,212
Managed Funds								
Cautiously Managed	8.0%	15.8%	3.6%	5.5%	5.4%	6.5%	Not Started	946
Sector Average	6.3%	10.5%	1.6%	2.2%	2.6%	3.4%	3.2%	
Balanced	13.0%	20.6%	5.2%	8.4%	8.1%	8.9%	7.7%	2,796
Sector Average	9.8%	15.2%	3.5%	4.8%	5.0%	6.2%	4.9%	
Performance	15.8%	23.8%	6.9%	10.7%	9.8%	10.0%	8.6%	2,164
Dynamic	17.6%	26.0%	7.8%	11.7%	10.6%	10.7%	9.1%	2,835
FinEx Sector Average	11.6%	17.1%	4.8%	6.1%	6.1%	7.0%	5.4%	
Protected Funds								
Protected 70	12.1%	16.8%	3.3%	5.8%	5.1%	Not Started	Not Started	20
Protected 80	8.9%	12.1%	2.2%	3.6%	2.8%	Not Started	Not Started	31
Cash								
Cash Fund	2.4%	3.4%	1.3%	0.4%	-0.2%	-0.2%	Not Started	2,571
FinEx Sector Average	2.2%	2.9%	1.2%	0.4%	0.1%	0.2%	0.8%	
Bond								
Medium Duration Corporate Bond	3.7%	10.5%	-1.9%	Not Started	Not Started	Not Started	Not Started	865
Short Duration Corporate Bond	3.3%	5.9%	0.8%	Not Started	Not Started	Not Started	Not Started	1,044
Global Corporate Bond (JP Morgan)	4.3%	11.4%	-3.0%	-0.8%	0.7%	Not Started	Not Started	6
Global Government Bond (JP Morgan)	1.9%	7.1%	-3.6%	-2.4%	-0.2%	Not Started	Not Started	1
Indexed Eurozone Government Bond (BlackRock)*	1.9%	10.2%	-4.3%	-2.9%	0.1%	Not Started	Not Started	20
Active Fixed Income	0.7%	11.7%	-3.1%	-2.3%	0.5%	2.8%	3.4%	1,299
Inflation-Linked Bond	0.4%	5.6%	-1.2%	0.2%	1.0%	Not Started	Not Started	9
Long Bond	0.2%	13.9%	-7.8%	-5.2%	0.3%	2.9%	3.5%	71
FinEx Sector Average	2.0%	10.0%	-3.7%	-2.1%	0.6%	2.1%	2.6%	
Absolute Return/Diversified Assets Funds								
Dynamic Diversified Growth (BlackRock)	6.8%	13.8%	0.2%	2.7%	1.8%	Not Started	Not Started	11
Commodity Funds								
Gold	25.8%	34.1%	15.2%	11.3%	8.7%	7.9%	Not Started	518
Indexed Global Energy and Metals	7.4%	-3.8%	5.1%	6.8%	1.8%	2.4%	Not Started	20
Indexed Commodities	3.9%	-5.5%	Not Started	Not Started	Not Started	Not Started	Not Started	
Equity Funds (Global)								
5 Star 5	20.5%	29.6%	9.4%	14.2%	11.7%	11.3%	9.2%	512
International Equity	19.8%	28.9%	8.7%	12.7%	11.4%	11.8%	9.9%	6,888
Global Select (Threadneedle)	19.0%	29.4%	7.7%	11.2%	11.8%	12.2%	10.0%	14
Indexed Global Equity (BlackRock)*	18.0%	26.4%	10.5%	12.9%	11.4%	Not Started	Not Started	292
FinEx Sector Average	14.2%	20.6%	7.5%	9.2%	8.5%	9.4%	7.3%	
Equity Funds (European)								
5 Star 5 Europe	13.5%	22.1%	9.0%	10.9%	10.2%	10.5%	10.0%	189
European Select (Threadneedle)	10.5%	22.0%	4.3%	9.4%	9.0%	11.4%	9.4%	10
FinEx Sector Average	10.9%	17.9%	4.0%	7.3%	6.7%	7.6%	6.8%	
Equity Funds (Euro)								
Eurozone Equity	12.1%	21.2%	7.5%	9.9%	8.5%	8.8%	8.9%	116
Indexed Eurozone Equity (BlackRock)*	12.6%	22.2%	7.3%	8.9%	7.3%	Not Started	Not Started	8
FinEx Sector Average	11.9%	19.6%	6.1%	7.7%	6.7%	6.8%	5.8%	

		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	22.3%	31.5%	9.2%	15.8%	14.2%	14.2%	11.9%	187
American Select (Threadneedle)	15.1%	26.8%	6.5%	12.8%	12.7%	14.1%	10.8%	12
FinEx Sector Average	15.9%	24.2%	10.4%	13.5%	12.4%	14.0%	9.9%	
Equity Funds (Far East Asia)								
5 Star 5 Asia Pacific	18.9%	29.7%	10.3%	10.1%	9.4%	8.1%	8.4%	102
Asia Pacific Equity	16.6%	26.4%	8.6%	8.8%	8.3%	Not Started	Not Started	16
FinEx Sector Average	16.5%	17.8%	3.3%	6.0%	5.6%	6.6%	7.1%	
Equity Funds (High Yield)								
Dividend Growth	14.5%	19.2%	10.5%	8.3%	8.2%	10.3%	Not Started	316
FinEx Sector Average	14.2%	20.6%	7.5%	9.2%	8.5%	9.4%	7.3%	
Equity Funds (Emerging Market)								
Emerging Markets Opportunities (JP Morgan)	11.0%	13.9%	-3.3%	1.7%	4.6%	Not Started	Not Started	7
Indexed Emerging Market Equity Fund (BlackRock)	18.0%	21.7%	1.9%	5.1%	Not Started	Not Started	Not Started	20
Sector Average	13.8%	14.9%	-0.7%	3.3%	3.7%	3.9%	7.4%	
Equity Funds (Specialist)								
Indexed Top Tech 100	18.3%	28.3%	12.0%	20.4%	19.0%	20.2%	14.9%	410
FinEx Sector Average	12.1%	16.0%	7.0%	9.8%	6.7%	6.2%	5.4%	
Property Funds								
Property Fund	0.2%	1.9%	-2.6%	-3.3%	Not Started	Not Started	Not Started	18
Indexed European (Ex-UK) Property	9.6%	33.1%	-5.9%	-3.6%	3.1%	5.1%	Not Started	238
Indexed Australasia Property	2.6%	6.1%	-2.9%	-3.7%	2.5%	4.9%	Not Started	241
Sector Average	0.6%	2.4%	-2.2%	-1.8%	1.9%	2.6%	1.0%	
Dimensional Funds								
Global Short-term Investment Grade Fixed Income (Dimensional)	2.5%	4.5%	-1.2%	-0.9%	Not Started	Not Started	Not Started	
Euro Inflation Linked Int Duration Fixed Income (Dimensional)	-1.7%	2.9%	-1.6%	-0.3%	Not Started	Not Started	Not Started	
World Equity (Dimensional)	13.7%	20.2%	7.9%	10.1%	Not Started	Not Started	Not Started	
Global Short Fixed Income (Dimensional)	2.6%	3.6%	-1.9%	-1.5%	Not Started	Not Started	Not Started	
World Allocation 20/80 (Dimensional)	4.7%	6.8%	0.8%	1.3%	Not Started	Not Started	Not Started	
World Allocation 40/60 (Dimensional)	7.0%	10.4%	2.5%	3.5%	Not Started	Not Started	Not Started	
World Allocation 60/40 (Dimensional)	9.1%	13.8%	4.1%	5.6%	Not Started	Not Started	Not Started	
World Allocation 80/20 (Dimensional)	11.3%	17.3%	5.8%	7.7%	Not Started	Not Started	Not Started	
Global Small Companies (Dimensional)	9.3%	17.9%	4.7%	Not Started	Not Started	Not Started	Not Started	
Global Value (Dimensional)	13.9%	17.8%	10.8%	Not Started	Not Started	Not Started	Not Started	
Global Sustainability Core Equity (Dimensional)	16.3%	25.0%	8.9%	Not Started	Not Started	Not Started	Not Started	
Funds Closed to New Business								
Indexed Eurozone Property	9.8%	30.9%	-5.0%	-3.6%	3.0%	4.4%	Not Started	
Diversified Assets	9.3%	13.1%	3.5%	4.8%	4.7%	6.0%	Not Started	

Source: FE fundinfo as at 01/10/2024

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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