

# Monthly Investment Review

2025 was a year defined by turbulence and complexity in global markets. Early on, trade tensions surged as the US hiked tariffs to heights not seen since the 1930s, sparking a dramatic sell-off in equities in April. Yet despite these headwinds, markets rallied and global equities closed the year up 6.8% in euro terms. December capped off a strong but complex year, as investors weighed the staying power of the AI-fuelled boom, growing debt concerns, and shifting global dynamics. Amidst short-term fatigue, market leadership broadened, value stocks surpassed growth, and international markets, especially Europe and emerging markets, outperformed. The Fed delivered a widely expected rate cut, but uncertainty lingers about what lies ahead in 2026.



## Activity

In December, we lowered our allocation to Alternatives within the Active Asset Allocation fund and related Prisma funds by reducing our gold holdings. The proceeds were reinvested into the Short-Term Bond Fund. The main reason for selling gold was to realize profits after its substantial gains this year. Additionally, in December, we trimmed the slight equity overweight in the Managed funds, which had passively increased. Of the reduction, 80% was from US equities and the rest from European equities, with proceeds held in cash.

## Equity & Bond % Returns: December 2025



This graph shows the performance of the major equity markets over the month of November. The returns are shown in both local and euro currencies. The bond index is the ICE BofA 5+ Government Bond Index. Source: Bloomberg, January 2026.

## Current Zurich positioning and latest monthly change

Region		Under	Neutral	Over	Market Performance	
Equities	Overall Equity Position		↔		<b>Equity Markets</b> US equities had a muted overall performance in December, though underlying market dynamics shifted noticeably. Mega-cap tech lost momentum as investors rotated into cyclical stocks, indicating a move toward more selective interest in AI-related companies. Eurozone equities finished the year strongly, driven by rising optimism about the region's economic prospects and earnings growth for 2026. Sector results were mixed, eight of eleven declined, while Financials (+3.3%), Materials (+2.7%), and Industrials (+0.8%) gained. Utilities (-4.1%) and Real Estate (-2.9%) were the weakest sectors for the month in euro terms.	
	North America	↔				
	Europe			↔		
	Japan		↔			
	Asia (Ex-Japan)			↔		
Fixed Income	Overall Fixed Income Position		↔		<b>Bonds &amp; Interest Rates</b> Global government bonds delivered negative returns in December as long-term yields increased across most regions. The US 10-year Treasury yield rose to 4.17% after the Fed's December rate cut. In Europe, German Bunds lagged, with 10-year yields up 17 basis points. The Federal Reserve lowered its federal funds rate by 25 basis points to a range of 3.5%–3.75%, marking the third cut of 2025 and matching market expectations. The ECB kept rates unchanged for a fourth straight meeting. The Bank of Japan lifted its policy rate by 25 basis points to 0.75%, the highest in 30 years.	
	Sovereign Eurozone	↔				
	European Credit			↔		
Alternatives	Overall Alternatives Position		↔		<b>Commodities &amp; Currencies</b> Oil prices fell for the fifth consecutive month, with WTI and Brent both ending lower. WTI closed 2025 down 20%, driven by increased expectations of oversupply amid conflicts, higher tariffs, greater OPEC+ production, and ongoing sanctions on Russia, Iran, and Venezuela. Gold gained 1.9% in December, finishing the year up nearly 65% in US Dollar terms, supported by safe-haven demand after notable US actions in Venezuela and tensions over Greenland. The US dollar weakened against the euro, with 1 euro purchasing 1.175 USD by the end of December up from 1.160 at the end of the previous month.	
	Oil		↔			
	Gold			↓		
	Copper		↔			
	Global Property	↔				
Currencies	Soft Commodities		↔			
	USD		↔			
	GBP		↔			
	YEN		↔			

Zurich Life Annualised Performance  
to end December 2025

	Year to Date	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	Fund Size (€m)
<b>Multi-Asset Funds</b>								
Prisma Low	2.0%	2.0%	3.9%	Not Started	Not Started	Not Started	Not Started	50
Prisma <b>2</b>	2.0%	2.0%	4.2%	1.8%	1.4%	Not Started	Not Started	633
Prisma <b>3</b>	3.4%	3.4%	6.9%	3.7%	3.4%	Not Started	Not Started	2,904
Prisma <b>4</b>	5.0%	5.0%	11.0%	6.7%	6.7%	Not Started	Not Started	5,639
Prisma <b>5</b>	7.4%	7.4%	15.9%	9.9%	9.7%	Not Started	Not Started	4,788
Prisma <b>Max</b>	6.3%	6.3%	17.4%	10.4%	10.4%	Not Started	Not Started	521
Active Asset Allocation	5.6%	5.6%	10.9%	7.2%	7.0%	6.8%	Not Started	1,474
<b>Managed Funds</b>								
Cautiously Managed	1.9%	1.9%	8.5%	4.5%	4.8%	6.3%	Not Started	1,033
Sector Average	4.0%	4.0%	5.9%	2.9%	2.7%	3.3%	2.7%	
Balanced	3.6%	3.6%	12.5%	6.9%	7.5%	8.4%	6.7%	3,141
Sector Average	5.6%	5.6%	8.7%	5.4%	4.8%	5.8%	4.1%	
Performance	4.3%	4.3%	14.9%	8.9%	9.2%	9.7%	7.4%	2,327
Dynamic	4.5%	4.5%	16.3%	9.9%	10.0%	10.3%	8.0%	3,205
FinEx Sector Average	7.6%	7.6%	10.9%	7.3%	6.1%	6.7%	4.8%	
<b>Protected Funds</b>								
Protected 70	0.3%	0.3%	9.0%	5.2%	4.6%	5.1%	Not Started	20
Protected 80	-0.2%	-0.2%	6.3%	3.5%	2.5%	2.9%	Not Started	34
<b>Cash</b>								
Cash Fund	1.8%	1.8%	2.6%	1.2%	0.1%	0.0%	0.5%	3,111
FinEx Sector Average	1.4%	1.4%	2.1%	1.0%	0.3%	0.3%	0.8%	
<b>Bond</b>								
Medium Duration Corporate Bond	2.9%	2.9%	5.4%	-0.6%	Not Started	Not Started	Not Started	1,066
Short Duration Corporate Bond	2.9%	2.9%	3.8%	1.1%	Not Started	Not Started	Not Started	1,569
Global Corporate Bond (JP Morgan)	4.2%	4.2%	4.1%	-1.7%	0.8%	Not Started	Not Started	5
Global Government Bond (JP Morgan)	1.5%	1.5%	1.3%	-3.0%	-0.6%	Not Started	Not Started	1
Indexed Eurozone Government Bond (BlackRock)*	0.6%	0.6%	1.9%	-3.3%	-0.3%	Not Started	Not Started	19
Active Fixed Income	-1.2%	-1.2%	2.0%	-2.8%	-0.2%	2.6%	2.7%	896
Inflation-Linked Bond	0.3%	0.3%	1.7%	0.0%	1.0%	1.2%	Not Started	8
Long Bond	-4.0%	-4.0%	1.1%	-6.8%	-1.0%	2.5%	2.4%	320
FinEx Sector Average	0.7%	0.7%	3.0%	-2.5%	0.4%	2.0%	2.0%	
<b>Absolute Return/Diversified Assets Funds</b>								
Dynamic Diversified Growth (BlackRock)	10.7%	10.7%	7.1%	2.5%	2.8%	Not Started	Not Started	12
<b>Commodity Funds</b>								
Gold	47.6%	47.6%	29.1%	18.7%	13.6%	8.1%	Not Started	578
Indexed Global Energy and Metals	13.3%	13.3%	4.0%	13.3%	7.4%	1.9%	Not Started	22
Indexed Commodities	3.6%	3.6%	0.6%	Not Started	Not Started	Not Started	Not Started	420
<b>Equity Funds (Global)</b>								
5 Star 5	6.5%	6.5%	19.9%	12.5%	11.6%	11.2%	8.2%	632
International Equity	5.9%	5.9%	18.5%	11.0%	11.0%	11.2%	8.7%	8,538
Global Select (Threadneedle)	0.3%	0.3%	16.1%	8.8%	10.5%	10.7%	8.4%	13
Indexed Global Equity (BlackRock)*	6.4%	6.4%	16.9%	13.2%	11.2%	Not Started	Not Started	360
FinEx Sector Average	6.1%	6.1%	12.7%	10.0%	8.3%	8.7%	6.4%	
<b>Equity Funds (European)</b>								
5 Star 5 Europe	17.5%	17.5%	15.7%	11.5%	9.6%	10.8%	8.1%	235
European Select (Threadneedle)	5.1%	5.1%	11.1%	6.2%	7.2%	9.2%	7.8%	9
FinEx Sector Average	11.9%	11.9%	11.3%	7.2%	5.9%	7.1%	5.5%	
<b>Equity Funds (Euro)</b>								
Eurozone Equity	24.7%	24.7%	18.6%	12.3%	9.6%	9.6%	8.1%	166
Indexed Eurozone Equity (BlackRock)*	26.7%	26.7%	16.2%	11.9%	8.9%	Not Started	Not Started	13
FinEx Sector Average	20.9%	20.9%	14.6%	9.9%	7.0%	7.4%	5.0%	

	Year to Date	Annualised							Fund Size (₹)m)
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years		
<b>Equity Fund (American)</b>									
5 Star 5 Americas	1.8%	1.8%	21.3%	12.7%	13.5%	13.8%	10.6%	218	
American Select (Threadneedle)	-2.8%	-2.8%	13.8%	9.4%	11.7%	12.8%	9.7%	12	
FinEx Sector Average	4.0%	4.0%	17.2%	13.5%	12.2%	13.0%	9.5%		
<b>Equity Funds (Far East Asia)</b>									
5 Star 5 Asia Pacific	10.1%	10.1%	11.5%	8.2%	9.1%	7.7%	6.4%	112	
Asia Pacific Equity	9.7%	9.7%	10.0%	7.6%	8.6%	7.1%	Not Started	19	
FinEx Sector Average	7.7%	7.7%	7.5%	4.9%	6.4%	5.0%	5.5%		
<b>Equity Funds (High Yield)</b>									
Dividend Growth	5.9%	5.9%	11.1%	12.1%	7.5%	9.1%	6.4%	354	
FinEx Sector Average	6.1%	6.1%	12.7%	10.0%	8.3%	8.7%	6.4%		
<b>Equity Funds (Emerging Market)</b>									
Emerging Markets Opportunities (JP Morgan)	21.7%	21.7%	11.4%	1.9%	7.6%	Not Started	Not Started	8	
Indexed Emerging Market Equity Fund (BlackRock)	17.7%	17.7%	11.7%	4.6%	7.4%	Not Started	Not Started	32	
Sector Average	12.8%	12.8%	9.5%	3.3%	5.6%	2.7%	4.9%		
<b>Equity Funds (Specialist)</b>									
Indexed Top Tech 100	6.5%	6.5%	29.0%	15.8%	18.0%	19.0%	14.9%	552	
FinEx Sector Average	9.2%	9.2%	11.4%	9.5%	8.1%	5.8%	4.7%		
<b>Property Funds</b>									
Property Fund	-0.1%	-0.1%	-0.7%	-1.5%	Not Started	Not Started	Not Started	14	
Indexed European (Ex-UK) Property	8.1%	8.1%	7.8%	-3.2%	0.6%	3.5%	Not Started	12	
Indexed Australasia Property	15.4%	15.4%	1.2%	1.6%	2.2%	3.4%	Not Started	1	
Sector Average	2.7%	2.7%	-0.6%	0.1%	0.7%	2.2%	-0.2%		
<b>Dimensional Funds</b>									
Global Short-term Investment Grade Fixed Income (Dimensional)	2.2%	2.2%	2.9%	-0.3%	Not Started	Not Started	Not Started	4	
Euro Inflation Linked Int Duration Fixed Income (Dimensional)	0.2%	0.2%	0.7%	-0.4%	Not Started	Not Started	Not Started	6	
World Equity (Dimensional)	5.7%	5.7%	12.6%	10.7%	Not Started	Not Started	Not Started	29	
Global Short Fixed Income (Dimensional)	1.8%	1.8%	2.5%	-0.9%	Not Started	Not Started	Not Started	6	
World Allocation 20/80 (Dimensional)	2.8%	2.8%	4.6%	1.9%	Not Started	Not Started	Not Started	8	
World Allocation 40/60 (Dimensional)	3.9%	3.9%	6.8%	4.1%	Not Started	Not Started	Not Started	33	
World Allocation 60/40 (Dimensional)	4.6%	4.6%	8.7%	6.1%	Not Started	Not Started	Not Started	60	
World Allocation 80/20 (Dimensional)	5.6%	5.6%	10.8%	8.3%	Not Started	Not Started	Not Started	25	
Global Small Companies (Dimensional)	1.6%	1.6%	9.2%	8.2%	Not Started	Not Started	Not Started	26	
Global Value (Dimensional)	9.4%	9.4%	12.7%	13.3%	Not Started	Not Started	Not Started	44	
Global Sustainability Core Equity (Dimensional)	4.4%	4.4%	14.9%	11.3%	Not Started	Not Started	Not Started	6	
<b>Funds Closed to New Business</b>									
Indexed Eurozone Property	9.0%	9.0%	6.9%	-2.7%	0.5%	3.3%	2.5%		
Diversified Assets	7.6%	7.6%	7.8%	6.7%	5.5%	5.3%	Not Started	8	

Source: FE fundinfo as at 01/01/2026.

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.

The Financial Express sector averages shown are the average of all funds in each of the Financial Express sectors in the individual pensions category except where otherwise stated.

Figures highlighted in beige indicate where the Zurich Life fund has outperformed the sector average.

**Warning: Annual management fees apply. The fund growth shown is before the full annual management charge is applied on your policy.**

**Warning: Past performance is not a reliable guide to future performance.**

**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.**





Barclays Bank Plc is authorised by the Prudential Regulation Authority and is regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

BlackRock Investment Management (UK) Limited is authorised and regulated by the Financial Conduct Authority.

J.P. Morgan Asset Management Marketing Limited is authorised and regulated by the Financial Conduct Authority.

Columbia Threadneedle Investment Services Limited. Columbia Threadneedle Asset Management Limited. Authorised and Regulated in the UK by the Financial Conduct Authority.

Invesco Management S.A. is authorised in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (CSSF).

Dimensional Fund Advisors Ltd., registered address 20 Triton Street, Regent's Place, London, NW1 3BF, Company Number 02569601, which is authorised and regulated by the Financial Conduct Authority - Firm Reference No.150100.

The information below applies to all graphs and the preceding pages:

Source: MSCI January 2026. The MSCI information may only be used for your internal use, may not be reproduced or redistributed in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)

Source: ICE Data Indices January 2026. ICE Data Indices, LLC ("ICE DATA"), is used with permission. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS AND/OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, INCLUDING THE INDICES, INDEX DATA AND ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM. NEITHER ICE DATA, ITS AFFILIATES NOR THEIR RESPECTIVE THIRD PARTY PROVIDERS SHALL BE SUBJECT TO ANY DAMAGES OR LIABILITY WITH RESPECT TO THE ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE INDICES OR THE INDEX DATA OR ANY COMPONENT THEREOF, AND THE INDICES AND INDEX DATA AND ALL COMPONENTS THEREOF ARE PROVIDED ON AN "AS IS" BASIS AND YOUR USE IS AT YOUR OWN RISK. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY SUPPLIERS DO NOT SPONSOR, ENDORSE, OR RECOMMEND ZURICH LIFE ASSURANCE PLC, OR ANY OF ITS PRODUCTS OR SERVICES.

**This Monthly Investment Review does not constitute an offer and should not be taken as a recommendation from Zurich Life.**

**Advice should always be sought from an appropriately qualified professional.**

#### **Zurich Life Assurance plc**

Zurich House, Frascati Road, Blackrock, Co. Dublin, A94 X9Y3, Ireland.

Telephone: 01 283 1301 Fax: 01 283 1578 Website: [www.zurich.ie](http://www.zurich.ie)

Zurich Life Assurance plc is regulated by the Central Bank of Ireland.