

SuperCAPP – 40 years of Stable, Positive Performance

SuperCAPP is unique amongst Irish investment funds – it is the only fund to have delivered a **stable, positive** performance in each and every one of its 40 years.



Inside you will find:

A consistent approach to investing
SuperCAPP – a lower risk option
The performance of SuperCAPP

SuperCAPP in 2018
Outlook for the future
Reasons to invest

40 years of stable, positive performance

Delivering stable, positive performance – this is our aim. We manage the fund in a prudent and consistent manner and over the last 40 years, our mandate and investment ethos has never changed. As a result SuperCAPP is one of the few remaining ‘with profit’ funds in the market which is still in existence and we have never imposed a Market Level Adjustment (MLA).

To date, since launching the fund 40 years ago, an MLA has never been applied and there are a number of reasons for this:



A prudent investment strategy – SuperCAPP’s investment mandate is to hold a large proportion of the fund in lower risk, high quality government bonds. The fund has not suffered from over exposure to equities like other with-profit funds and therefore has never experienced significant investment falls.



A conservative approach to paying annual and special dividends – the fund does not look to over-promise investment returns in order to chase new investment monies.



Equity and bond protection – Equity protection to reduce the volatility of equity investment and protect against the possibility of large market falls; bond protection to protect against drops in capital values.

These protections, combined with SuperCAPP’s prudent investment strategy, give the security that investors need.

SuperCAPP – a **2** on the volatility scale but that’s not all the story!

Risk Profile	Volatility Range		Types of Funds
	From	To	
1	0%	<0.5%	Cash/Short-term Bonds
2	0.5%	<2%	SuperCAPP
3	2%	<5%	Bonds/Absolute Returns Managed Funds Equity/Property Funds
4	5%	<10%	
5	10%	<15%	
6	15%	<25%	
7	25%+		

Source: Zurich Life, February 2018.

In addition to the above ESMA***2**, there are a number of product guarantees applicable to a SuperCapp investor:

- For single premium investors, a guarantee exists once the policy has been in force for 10 years the value is guaranteed to be at least the initial premium (less charges and any encashments).
- A guarantee that no MLA can be applied on pension products (including PRSAs, excluding ARFs) on the initially chosen retirement date).
- A guarantee that no MLA can be applied on death.

*European Securities and Markets Authority.

SuperCAPP – positive performance since 1978

What's clear to see is that investors have made consistent inflation-beating returns. Not many investment funds can claim that.

SuperCAPP has delivered consistent and smooth inflation beating performance for 40 years. The table below looks at an investment of €100,000 and the returns generated.

Policy Start Date	Value including Special Dividend as at 1 Feb 2018	Annualised Return	Annualised Return (after inflation)
01/01/78	€3,372,669	9.2%	4.8%
01/01/79	€3,038,441	9.1%	4.8%
01/01/80	€2,688,886	9.0%	4.9%
01/01/81	€2,379,545	8.9%	5.2%
01/01/82	€2,105,792	8.8%	5.5%
01/01/83	€1,334,400	7.7%	4.8%
01/01/84	€1,175,683	7.5%	4.9%
01/01/85	€1,040,428	7.3%	4.9%
01/01/86	€928,953	7.2%	4.9%
01/01/87	€825,736	7.0%	4.7%
01/01/88	€664,576	6.5%	4.3%
01/01/89	€593,372	6.3%	4.1%
01/01/90	€529,796	6.1%	4.0%
01/01/91	€480,541	6.0%	3.9%
01/01/92	€435,865	5.8%	3.7%
01/01/93	€389,610	5.6%	3.6%
01/01/94	€356,623	5.4%	3.4%
01/01/95	€326,428	5.3%	3.2%
01/01/96	€298,790	5.1%	3.1%
01/01/97	€273,492	4.9%	2.9%
01/01/98	€250,336	4.7%	2.7%
01/01/99	€244,048	4.8%	2.8%
01/01/00	€227,022	4.6%	2.6%
01/01/01	€211,183	4.5%	2.7%
01/01/02	€196,449	4.3%	2.7%
01/01/03	€184,459	4.1%	2.8%
01/01/04	€160,347	3.4%	2.2%
01/01/05	€155,300	3.4%	2.3%
01/01/06	€150,411	3.4%	2.4%
01/01/07	€145,677	3.5%	2.7%
01/01/08	€141,091	3.5%	3.1%
01/01/09	€130,908	3.0%	3.1%
01/01/10	€126,788	3.0%	2.5%
01/01/11	€122,797	2.9%	2.2%
01/01/12	€119,802	3.0%	2.6%
01/01/13	€117,453	3.2%	3.1%

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 product you may lose some or all of the money you invest.

Source: CSO & Zurich Life, February 2018. All figures assume an initial investment of €100,000, a 0.75% Annual Management Charge and are gross of tax. The values shown are calculated using actual SuperCAPP Annual Dividend and Special Dividend rates and current product charging structures. Special Dividends once declared are only payable on investments of 5 years or more.



SuperCAPP in 2018

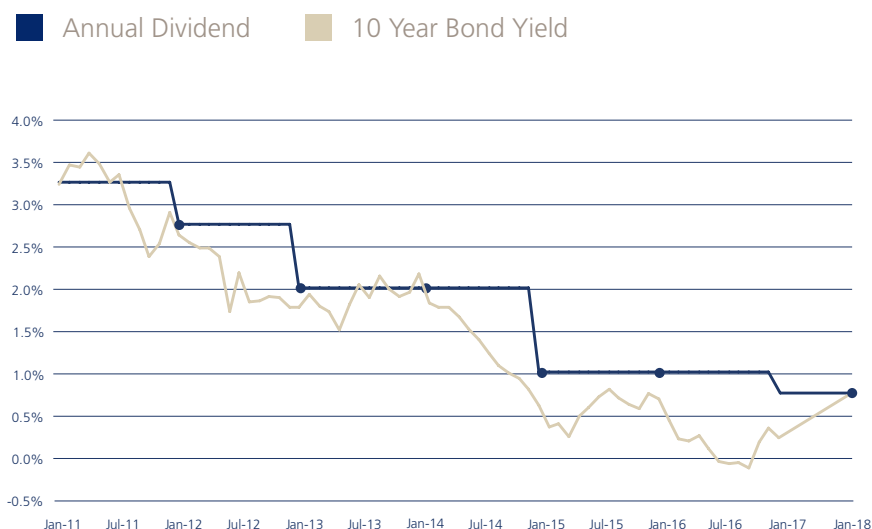
The Annual Dividend – in line with medium-term bond returns...

The annual dividend is forward looking; that is, we declare dividends that we believe the fund can afford and sustain over the typical investment horizon of a SuperCAPP policyholder. Therefore, we invest most of the fund in medium-term, high-quality Eurozone bonds, and we set the annual dividend in line with the yields on these bonds.

Bond prices have risen for the last number of years, boosted by ECB bond buying (Quantitative Easing) and investors searching for safe havens. This in turn has lowered the yield (or return) that has been available to investors. European Sovereign yields remain suppressed, aided by the continuation of the European Quantitative Easing programme. As a result of this, the annual dividend on the SuperCapp remains unchanged at 0.75% for 2018.

An investment of €100,000 in January 2013 would today be worth €117,453, an attractive return in today's low interest rate environment[†]

SuperCAPP Annual Dividend



Source: ECB & Zurich Life, February 2018.

The return is based on an investment in the fund and does not represent the return achieved by individual policies linked to the fund. The graph above illustrates how the SuperCAPP Annual Dividend compares to the yield on 10-year Eurozone Government bonds.

Investment Date	Current Single Premium Special Dividend
2015*	Not eligible yet
2010	14%
2005	19%
2000	31%

Source: Zurich Life, February 2018.

*Only policies that have been in force for a full five years are eligible for a special dividend.

† Source: Zurich Life, February 2018. Figures assume an initial investment of €100,000, a 0.75% Annual Management Charge and are gross of tax. The value shown is calculated using actual SuperCAPP Annual Dividend and Special Dividend rates and current product charging structures. Special Dividends once declared are only payable on investments of 5 years or more.

The Special Dividend – has been increasing over time...

While the annual dividend is forward looking, the special dividend is backward looking. That is, we calculate it as the difference between what the fund has earned and what we have already given to policyholders through annual dividends.

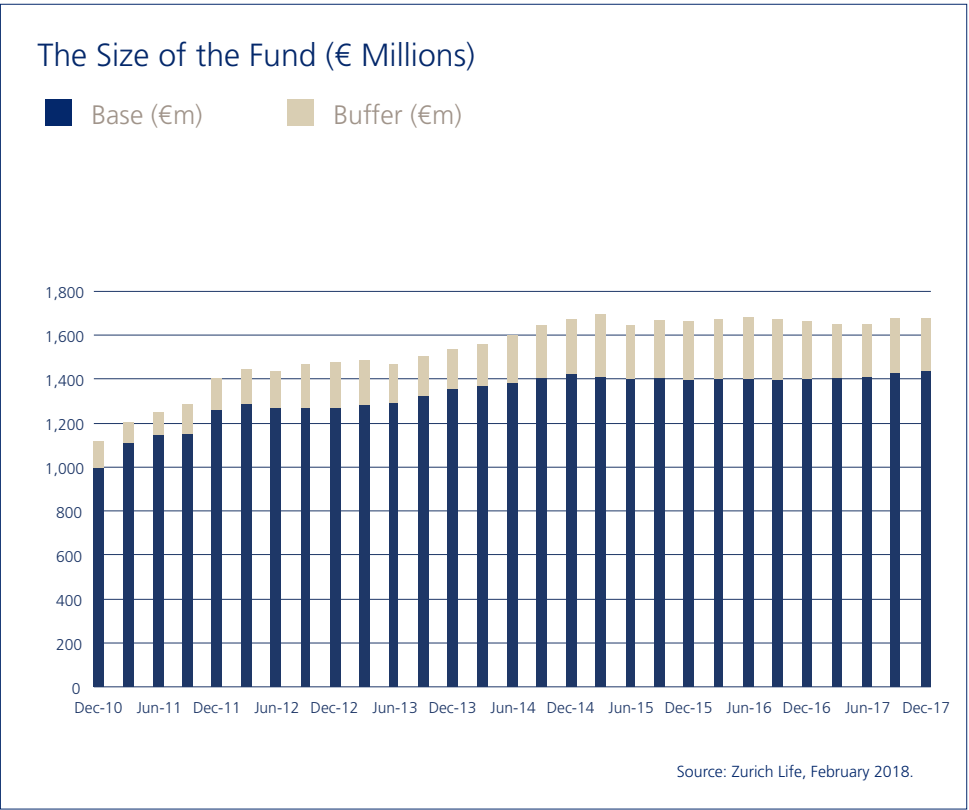
About 25% of the fund is invested in equities, and even though the equity collar is used to smooth out fluctuations (both positive and negative) in equity performance, the portfolio has done well and special dividends have steadily increased over time.

The special dividend varies depending on how long a policy has been in force. The table shows examples of the special dividends declared on single premium policies, in force since those dates. The special dividend is applied upon withdrawal from the fund.

SuperCAPP – outlook remains good for the future

Above the unit value of the SuperCAPP fund there is a buffer of additional assets to provide for the special dividends and to provide further strength and smoothing capability to the fund. The size of this buffer zone is a good indicator of the health of the fund.

It is currently in a strong position; as indicated below.



A conservative approach to paying annual and special dividends – the fund does not look to over-promise investment returns in order to chase new investment monies.



5 reasons to recommend SuperCAPP

1.

SuperCAPP smoothes out stockmarket performance to **deliver consistent, inflation beating, stress-free performance.**

2.

In 40 years, despite all the market volatility that other funds have experienced, **SuperCAPP investors have seen their investments protected.**

3.

The bond portfolio ensures that stable annual dividends can be declared **giving peace of mind to clients**, while the bond protection reduces any capital risk.

4.

The equity portfolio gives clients exposure to higher growth assets that can help deliver the special dividend but with **equity protection to reduce the risk.**

5.

SuperCAPP is not a fund designed to deliver headline chasing returns – as SuperCAPP investors are looking for a **smoother investment journey without the rollercoaster rides** of other investments.

For more information on how your customers could benefit from investing in the **SuperCAPP Fund**, just speak to your Zurich Broker Consultant.

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Zurich Life Assurance plc

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

Telephone: 01 283 1301 Fax: 01 283 1578 Website: www.zurich.ie

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