

## Investment Comment & Outlook

**Overall:** Despite a sharp rally in equities on the back of reasonable equity valuations and better US economic data, equity markets are likely to be volatile over coming months until the outcome of the eurozone debt crisis becomes clearer. The rate of slowdown of the Chinese economy will also be watched closely. Bond yields are expected to remain low.

### Equity Markets

- Equity markets rose for the fifth straight month in February as investors continued to 'climb the wall of worry'. A number of indices have now moved up to strong technical resistance levels and are somewhat 'over-bought'. Stronger economic data in the US was the main catalyst for the rise.
- World equities (in euro terms) rose by almost 3% during February, leaving the total return for the first two months of 2012 at close to 8%.
- Returns, in local currency terms, for the main markets in February ranged from 1% in Australia to 11% in Japan. Japanese exporters rose sharply on the back of Bank of Japan induced yen weakness. Euro strength against almost all major currencies reduced gains for eurozone investors.
- Generally speaking, cyclical sectors outperformed defensives with technology stocks to the fore. Financial stocks also performed well.

### Bonds & Interest Rates

- Bond prices moved higher again in February with the Merrill Lynch Euro over 5 Year Index increasing by 2.4%, adding to January's 2.2% rise. Once again, there was significant divergence between some of the peripheral markets, which performed well, and German government bonds which were flat.
- Returns by eurozone country ranged from 0% in Germany to 7% in Italy.
- ECB policy remained bond-positive with the additional liquidity provided by the second LTRO supporting prices.
- Markets are 50/50 between those expecting one more cut of 25bps in eurozone rates and those who think rates have bottomed. Predictions for the UK and US continue to suggest no movement in emergency low rates in either jurisdiction until 2014.

### Commodities & Currencies

- Commodity prices were up again in February with the CRB Index rising over 3%.
- Brent oil (European) ended February at almost \$123 per barrel, up about \$12 on the month. West Texas (US) also rose sharply to \$107 per barrel.
- Conversely, the gold price fell back slightly in February finishing the month at \$1,711 per troy ounce. The metal reached an all-time high of \$1,889 in August 2011.
- The euro was strong across the board in February as markets reacted positively to ECB policy action. The €/ \$ rate moved from 1.31 to 1.34 during the period.

### Fund Allocations & Activity

**Equities:** The funds are underweight.

**Bonds:** The funds are slightly overweight.

**Activity:** European equities were increased on improving investor sentiment.

#### Regionally, the funds are:

- underweight in Ireland, Japan, the UK and Europe.
- neutral in the Pacific Basin.
- slightly overweight in the US.

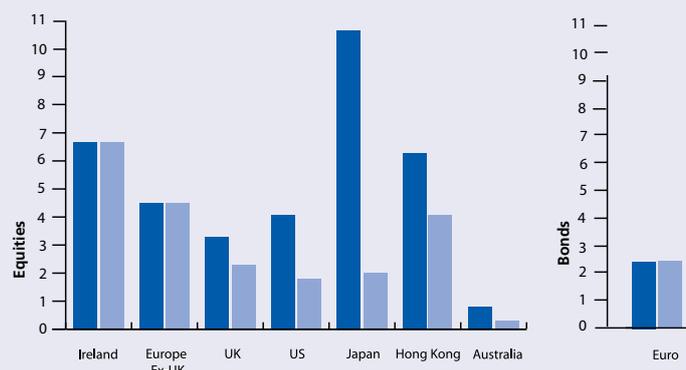
#### Sectorwise, the funds are:

- overweight technology.
- underweight financials and basic materials.
- otherwise reasonably balanced.

## Equity and Bond % Returns

This graph shows the performance of the major equity markets over the month of February. The returns are shown in both local and euro currencies. The bond index is the Merrill Lynch over 5 Year Euro Government Bond Index.

- Local Currency Return (%)
- Euro Return (%)



	Year to Date	Annualised						Fund Size (€)
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	
<b>Managed Dynamic</b>								
<i>Zurich Life (Ind) Dynamic</i>	6.0%	1.1%	17.4%	-1.6%	3.7%	5.7%	9.9%	1,044,472,214
<i>Zurich Life (Ind) Performance</i>	5.6%	2.1%	16.4%	-1.4%	3.8%	5.9%	9.5%	911,151,557
Acorn Life (Ind) Pension Managed Growth	9.3%	2.1%	18.6%	-3.0%	2.3%	5.3%	7.3%	--
Aviva L&P Pension Focused Managed I	7.7%	3.1%	16.4%	-3.8%	1.2%	Not Started	Not Started	6,904,196
Lifetime/SSgA (Ind) Pen Opportunity	8.1%	0.1%	16.0%	-3.6%	0.8%	4.1%	6.7%	6,002,000
<i>MoneyMate Sector Average</i>	6.8%	1.3%	14.5%	-3.0%	1.9%	4.7%	7.4%	
<b>Managed Balanced</b>								
<i>Zurich Life (Ind) Balanced</i>	5.7%	2.5%	14.8%	-0.3%	4.0%	6.1%	9.5%	1,299,350,143
Acorn Life (Ind) Pension Managed	8.4%	3.2%	16.7%	-1.5%	2.8%	5.4%	7.5%	--
Ark Life (Ind) Pension Managed *	6.8%	1.9%	12.4%	-3.9%	0.5%	3.2%	5.8%	--
Canada Life (Ind) Setanta Pension Managed *	6.3%	4.3%	13.9%	-0.1%	3.1%	5.0%	7.1%	1,027,369,604
Friends (Ind) Managed	6.0%	-0.4%	14.1%	-3.8%	1.6%	4.3%	6.6%	691,070,000
Aviva L&P Pen Laser Pension Managed Fund	6.5%	-0.1%	12.4%	-4.6%	0.7%	4.0%	5.8%	376,832,448
Irish Life (Ind) Exempt Managed 1	6.8%	-1.2%	14.8%	-3.7%	1.9%	4.6%	6.4%	1,266,373,498
Lifetime/SSgA (Ind) Pen Growth	7.7%	0.9%	14.2%	-3.4%	1.3%	4.5%	6.9%	--
New Irl (Ind) Pension Managed 3	7.8%	1.2%	14.5%	-3.1%	1.4%	5.3%	7.2%	1,961,900,000
SL Synergy Balanced MultiManager	7.5%	2.8%	15.0%	-4.0%	Not Started	Not Started	Not Started	--
<i>MoneyMate Sector Average</i>	6.2%	1.4%	13.2%	-2.4%	1.6%	4.0%	6.4%	
<b>Managed Defensive</b>								
<i>Zurich Life (Ind) Cautiously Managed</i>	4.2%	7.9%	10.6%	Not Started	Not Started	Not Started	Not Started	98,615,844
Aviva L&P GMP Pension Cautiously Managed Fund *	3.4%	2.6%	4.2%	-0.7%	2.2%	Not Started	Not Started	483,217
SL Synergy Cautious Managed	5.7%	5.2%	9.3%	2.0%	Not Started	Not Started	Not Started	--
<i>MoneyMate Sector Average</i>	3.2%	4.0%	5.8%	0.7%	2.7%	3.5%	3.6%	
<b>Bond</b>								
<i>Zurich Life (Ind) Active Fixed Income</i>	3.8%	11.4%	5.8%	5.4%	5.8%	7.3%	Not Started	238,921,318
<i>Zurich Life (Ind) Long Bond Fund</i>	3.4%	11.2%	5.8%	4.5%	Not Started	Not Started	Not Started	62,376,076
Canada Life (Ind) Setanta Pen Fixed Interest *	5.1%	3.5%	2.3%	2.3%	3.4%	4.7%	6.1%	221,836,220
Friends (Ind) Fixed Interest	1.7%	6.4%	5.0%	2.8%	4.1%	5.2%	6.9%	70,420,000
Aviva L&P Pen Laser Pension Bond *	3.5%	8.0%	4.0%	2.8%	4.3%	5.3%	6.5%	54,949,651
Irish Life (Ind) Exempt Fixed Interest 2	4.4%	7.8%	5.0%	4.5%	4.9%	5.8%	6.9%	1,044,835
New Irl (Ind) Pension Gilt Edge 2 *	4.0%	8.2%	4.5%	4.0%	4.5%	5.6%	6.8%	675,093,000
<i>MoneyMate Sector Average</i>	3.1%	6.5%	4.4%	3.3%	4.3%	5.7%	6.8%	
<b>Money Market</b>								
<i>Zurich Life (Ind) Secure</i>	0.1%	0.6%	0.6%	1.8%	2.1%	3.1%	4.3%	476,876,213
Acorn Life (Ind) Pension Deposit	0.1%	1.7%	1.9%	2.8%	2.4%	3.1%	4.4%	--
Canada Life (Ind) Setanta Pension Money *	0.0%	0.3%	0.4%	1.7%	1.8%	2.5%	3.6%	362,588,114
Friends (Ind) Cash	0.0%	0.2%	0.8%	1.9%	1.9%	2.6%	3.7%	83,260,000
Aviva L&P Pension Cash	0.0%	0.3%	1.4%	2.2%	2.1%	Not Started	Not Started	172,843,642
Irish Life (Ind) Exempt Cash 1	0.0%	0.3%	1.3%	2.3%	2.1%	2.8%	3.8%	905,875
Lifetime/SSgA (Ind) Pen Security	-0.1%	0.0%	0.2%	1.3%	1.4%	2.1%	3.2%	1,839,000
New Irl (Ind) Pension Cash 2 *	0.0%	0.3%	0.4%	1.6%	1.7%	2.4%	3.6%	693,817,000
SL Synergy Cash Fund	0.0%	0.0%	0.0%	1.2%	Not Started	Not Started	Not Started	239,600,000
<i>MoneyMate Sector Average</i>	0.0%	0.4%	0.7%	1.8%	1.9%	2.7%	3.9%	
<b>Flexible Equity</b>								
<i>Zurich Life (Ind) International Equity</i>	6.6%	1.0%	19.0%	0.1%	2.7%	7.8%	Not Started	233,385,961
Canada Life (Ind) Passive Equity 2	6.0%	-0.8%	18.1%	-3.0%	Not Started	Not Started	Not Started	5,564,211
Friends (Ind) International	7.6%	-1.0%	20.0%	-1.1%	0.9%	3.7%	5.6%	178,100,000
Aviva L&P Pen Laser Pension International Eq	9.0%	2.2%	20.0%	-1.3%	0.5%	3.9%	5.6%	40,207,818
Irish Life (Ind) Indexed Global Equity P	7.8%	0.6%	21.0%	-3.4%	Not Started	Not Started	Not Started	195,167,952
New Irl (Ind) Pension International 2 *	9.0%	-1.1%	19.9%	-1.8%	-0.4%	3.9%	5.9%	651,516,000
SL Synergy Global Equity Tracker	6.7%	1.8%	20.7%	-1.2%	Not Started	Not Started	Not Started	200,000
<i>MoneyMate Sector Average</i>	7.9%	0.5%	18.9%	-1.8%	1.2%	4.1%	6.5%	

**Warning: The income you get from this investment may go down as well as up. The value of your investment may go down as well as up. Returns are based on an investment in the funds and do not represent the returns achieved by individual policies linked to the funds. Benefits may be affected by changes in currency exchange rates. Past performance is not a reliable guide to future performance.**

	Year to Date	Annualised						Fund Size (€)
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	
<b>Eurozone Equity <sup>1</sup></b>								
<b>Zurich Life Eurozone Equity G</b>	<b>10.4%</b>	-9.4%	<b>16.8%</b>	<b>-1.7%</b>	Not Started	Not Started	Not Started	<b>76,902,028</b>
AlB Inv Mgr Ltd Eurozone Equity Indexmaster B	11.7%	-10.2%	14.8%	-5.6%	0.8%	Not Started	Not Started	67,630,936
Ark Life Eurozone 2 G	11.7%	-3.6%	15.5%	-5.5%	-1.4%	Not Started	Not Started	72,080,973
Aviva L&P Euro Equity Fund	6.9%	-10.7%	13.6%	-5.6%	-0.1%	Not Started	Not Started	11,959,507
New Ireland Euroland Equity S9	11.4%	-10.4%	14.1%	-6.2%	-1.6%	Not Started	Not Started	5,026,000
<b>MoneyMate Sector Average</b>	<b>9.5%</b>	<b>-7.3%</b>	<b>16.7%</b>	<b>-3.8%</b>	<b>0.9%</b>	<b>Not Started</b>	<b>Not Started</b>	
<b>Irish Equity</b>								
<b>Zurich Life (Ind) Irish Equity</b>	<b>7.3%</b>	<b>9.4%</b>	<b>18.0%</b>	<b>-16.3%</b>	Not Started	Not Started	Not Started	<b>8,146,867</b>
Ark Life (Ind) Pension Irish	9.6%	10.9%	16.9%	-16.6%	-2.8%	Not Started	Not Started	3,178,494
Friends (Ind) Irish Equity	9.5%	9.4%	18.0%	-16.3%	-1.7%	2.8%	6.4%	32,270,000
Hib Life & Pen NU (Ind) Irish Equity *	9.1%	8.0%	15.8%	-17.2%	-2.1%	1.5%	Not Started	3,571,281
Irish Life (Ind) Irish Equity Indexed Fund P	10.4%	9.5%	18.1%	-18.2%	Not Started	Not Started	Not Started	62,489,161
New Irl (Ind) Pension Irish Equity 3 *	11.6%	10.5%	18.0%	-17.4%	-2.1%	3.2%	Not Started	81,096,000
SL Synergy Irish Equity Tracker	9.8%	9.4%	18.5%	-18.3%	Not Started	Not Started	Not Started	11,800,000
<b>MoneyMate Sector Average</b>	<b>9.3%</b>	<b>10.6%</b>	<b>17.4%</b>	<b>-17.3%</b>	<b>-2.5%</b>	<b>2.1%</b>	<b>5.9%</b>	
<b>Specialist Funds <sup>1&amp;2</sup></b>								
<b>Zurich Life Dividend Growth G</b>	<b>7.0%</b>	<b>5.3%</b>	<b>20.8%</b>	<b>-3.2%</b>	Not Started	Not Started	Not Started	<b>133,493,045</b>
Aviva L&P High Yield	7.4%	5.9%	21.4%	0.9%	3.5%	Not Started	Not Started	5,897,305
Canada Life CL/Set Equity Div Non Dis G	6.9%	-0.1%	16.9%	-2.0%	Not Started	Not Started	Not Started	304,347,164
Bloxham High Yield Fund 1 G *	3.6%	1.8%	16.2%	-3.7%	Not Started	Not Started	Not Started	224,439,921
Merrion SB Ltd Merrion High Yield Fund G	1.8%	-12.7%	23.3%	-14.5%	Not Started	Not Started	Not Started	12,205,610
<b>Average of selected funds</b>	<b>5.2%</b>	<b>0.6%</b>	<b>19.7%</b>	<b>-4.5%</b>	<b>3.5%</b>	<b>N/A</b>	<b>N/A</b>	
<b>Concentrated Funds <sup>1&amp;2</sup></b>								
<b>Zurich Life 5 Star 5 Global G</b>	<b>7.9%</b>	<b>1.7%</b>	<b>14.8%</b>	<b>-2.1%</b>	<b>4.4%</b>	Not Started	Not Started	<b>203,547,890</b>
<b>Zurich Life 5 Star 5 Europe G</b>	<b>9.8%</b>	<b>-2.6%</b>	<b>14.0%</b>	<b>-3.8%</b>	Not Started	Not Started	Not Started	<b>77,567,123</b>
<b>Zurich Life 5 Star 5 Americas G</b>	<b>5.6%</b>	<b>1.6%</b>	<b>14.4%</b>	<b>2.0%</b>	Not Started	Not Started	Not Started	<b>50,640,068</b>
<b>Zurich Life 5 Star 5 Asia Pacific G</b>	<b>9.4%</b>	<b>4.3%</b>	<b>17.5%</b>	<b>-1.6%</b>	Not Started	Not Started	Not Started	<b>98,719,934</b>
BOI Life - Smart Funds Spotlight S9	10.2%	-3.0%	19.8%	-1.4%	Not Started	Not Started	Not Started	6,168,000
Canada Life/Setanta Focus 15 G	6.3%	3.6%	26.6%	3.1%	1.8%	Not Started	Not Started	120,878,771
Aviva L&P Target 20 Fund	12.5%	7.1%	19.9%	-2.2%	-4.1%	Not Started	Not Started	12,421,427
<b>Average of selected funds</b>	<b>8.8%</b>	<b>1.8%</b>	<b>18.1%</b>	<b>-0.8%</b>	<b>0.7%</b>	<b>N/A</b>	<b>N/A</b>	
<b>Multi Asset Funds</b>								
<b>Zurich Life Active Asset Allocation</b>	<b>4.7%</b>	<b>3.3%</b>	Not Started	Not Started	Not Started	Not Started	Not Started	<b>29,006,872</b>
<b>Zurich Life (Ind) Diversified Assets</b>	<b>5.5%</b>	<b>1.8%</b>	<b>15.6%</b>	Not Started	Not Started	Not Started	Not Started	<b>9,103,233</b>
<b>Zurich Life INDEX TRACKER / ETF FUNDS</b>								
<b>Property Equity Funds</b>								
<b>Australasia Property Fund G</b>	14.2%	1.4%	28.8%	Not Started	Not Started	Not Started	Not Started	7,570,663
<b>European Ex UK Property Fund G</b>	4.0%	-10.9%	18.0%	Not Started	Not Started	Not Started	Not Started	7,937,444
<b>Eurozone Property* G</b>	5.5%	-13.7%	15.5%	-11.1%	Not Started	Not Started	Not Started	23,725,228
<b>Geographic Funds</b>								
<b>India Equity (Ind)</b>	21.4%	-6.0%	26.5%	Not Started	Not Started	Not Started	Not Started	27,847,039
<b>Sector Fund</b>								
<b>TopTech 100 G</b>	11.9%	15.3%	30.8%	7.9%	1.8%	Not Started	Not Started	14,332,441
<b>Commodity Funds</b>								
<b>Global Commodities (Ind)</b>	3.7%	0.8%	12.8%	-2.8%	Not Started	Not Started	Not Started	20,271,499
<b>Strategy Funds</b>								
<b>Green Resources (Ind)</b>	8.9%	-33.7%	0.9%	Not Started	Not Started	Not Started	Not Started	3,454,510
<b>Earth Resources (Ind)</b>	4.9%	-12.2%	9.5%	Not Started	Not Started	Not Started	Not Started	15,876,304

The returns shown are net of the annual management charge 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 MoneyMate sector averages shown are the average of all funds in each of the MoneyMate sectors in the individual pensions category except where otherwise stated. The funds highlighted have been chosen to show one of each competitors' funds, and to show the performance of competitors over short, medium and long terms.

Source: MoneyMate as on 06/03/2012.

- 1 The average shown is the average of the relevant MoneyMate Irish Domestic Funds (Gross) sector. This sector has been chosen as it contains the most comprehensive selection of competitor funds.
- 2 This is not a sector on MoneyMate but has been created to compare the performance of the Zurich Life fund to that of its closest competitors in the Irish Domestic Funds (Gross) sector. The average shown is the average of the selected funds above.

\* Note that this fund is no longer open to new business. Other similar funds which are open to new business may be available from the relevant fund manager.

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

# Dynamic Diversified Growth Fund

with BlackRock Investment Management (UK) Limited

The **Dynamic Diversified Growth Fund** seeks to deliver long-term capital growth with a low tolerance for capital loss. The fund aims to outperform cash returns. To achieve this, the fund invests in the BlackRock Strategic Funds ('BSF') Euro Dynamic Diversified Growth Fund which is an actively managed fund with a transparent and a well-diversified portfolio.

## Key features of the fund:

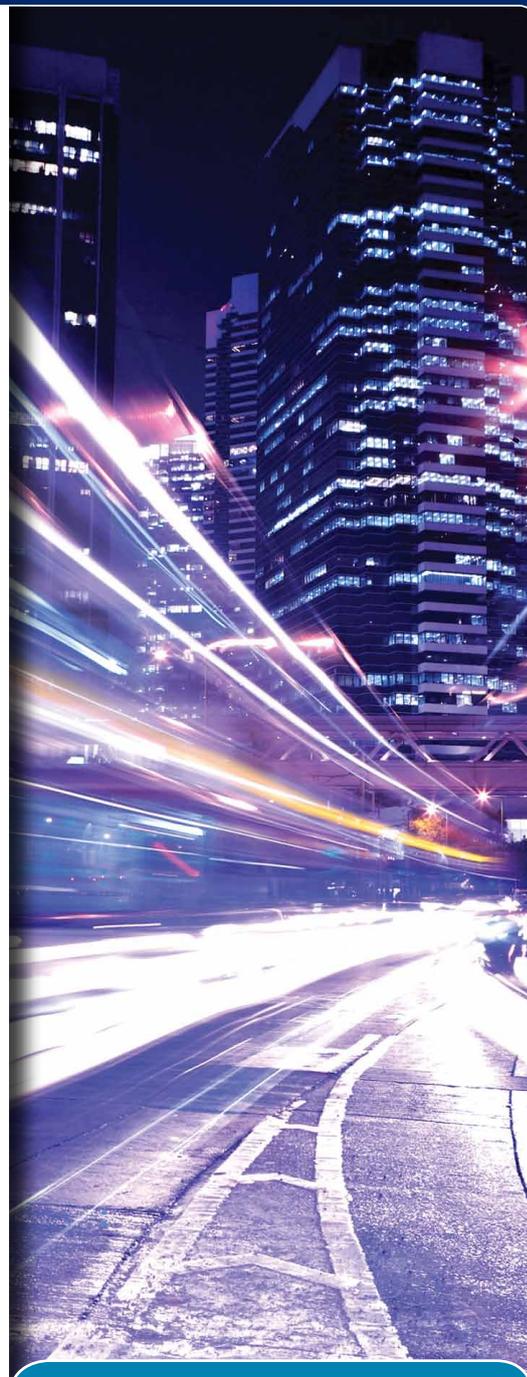
- ✓ Actively managed multi-asset **BlackRock** fund.
- ✓ Part of the **Matrix** range of funds.
- ✓ Seeks long-term **capital growth** with low tolerance for capital loss.
- ✓ **Target** to outperform cash returns.
- ✓ **Diversified portfolio** of equities, bonds, alternatives and cash.
- ✓ Dynamic investment process allowing **wide ranges of asset splits**.
- ✓ **Protection strategies** (e.g. options) to control risk.

**Performance Target: Cash + 4% p.a. (gross of fees)\***

\* The performance target of the BSF Euro DDG Fund is based over a rolling three year period. Please note the primary objective of the fund is to deliver capital growth. The target reflects a long term goal for the investment manager and fund performance may deviate from this target significantly due to the strategy's exposure to assets that may go up or down in value.

Cash is measured as the Euro Overnight Index Average (EONIA) interest rate. EONIA is the weighted average of all overnight unsecured lending transactions in the interbank market. The EONIA average for the year ending 29th February 2012 was 0.82%.

**Warning: The value of your investment may go down as well as up. Benefits may be affected by changes in currency exchange rates.**



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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.zurichlife.ie](http://www.zurichlife.ie)

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