

Zurich Life Monthly Investment Review

For January 2013



Investment Comment & Outlook

Overall: Strong liquidity conditions as well as reasonable valuations (especially against other assets) continue to support equities, although a short-term reversal is possible. Debt overhang risks remain. Bond yields likely to stay low for some time yet.

Equity Markets

- Equity markets continued their trend of 2012 by starting the new year strongly, with most of the gains occurring on the first trading day. Market participants are generally optimistic about the outlook for equities.
- World equities (in euro terms) rose by close to 2% in January, with this index reaching an all-time high during the month.
- Returns, in local currency terms, for the main markets in January ranged from 3% in Europe to 9% in Japan. Returns to eurozone investors were negatively impacted by the continued strength of the euro currency.
- Sectorwise, there was a mixed bag between cyclical and defensive stocks although financials outperformed in most markets.

Commodities & Currencies

- The CRB Index rose by 3% in January reflecting slightly greater economic optimism.
- Brent oil (European) rose by 4% to \$116 per barrel, while West Texas (US) rose 6% to \$97 per barrel.
- The gold price slipped back again to \$1,661 per troy ounce. Gold reached an all time high of €1,889 in August 2011.
- The euro showed further strength in January against all major currencies (especially against the Japanese yen). The €/£ rate moved from 1.32 to 1.36 at month end.

Bonds & Interest Rates

- The Merrill Lynch Euro over 5 Year Index fell by close to 1% in January, as international investors shifted some cash reserves to equities rather than bonds.
- There was clear outperformance of peripheral eurozone bond markets over the core, a trend which has been in place since the summer of 2012.
- German, Dutch and French bond prices all fell by between 2% and 3% while Italian, Irish and Spanish bonds all rose by between 2% and 3%. The German 10 years bond yield now stands at around 1.6%. The sharp rally in peripheral debt has been on the back policy action by the ECB which has generally led to greater optimism regarding the eurozone crisis.
- A further cut in ECB rates, which had previously been expected, is now unlikely to occur.

Fund Allocations & Activity

Equities: The funds are neutral.

Bonds: The funds are neutral.

Activity: Profits were taken in some technology stocks.

Regionally, the funds are:

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

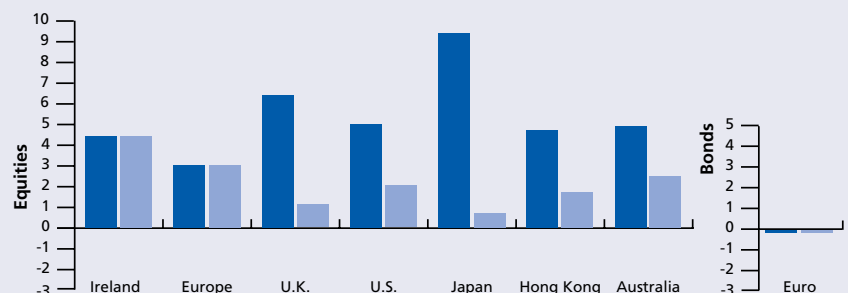
Sectorwise, the funds are:

- underweight basic materials and energy.
- overweight consumer services.
- otherwise reasonably balanced.

Equity & Bond % Returns

This graph shows the performance of the major equity markets over the month of January. 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 (%)



Warning: The value of your investment may go down as well as up. Benefits may be affected by changes in currency exchange rates. Past performance is not a reliable guide to future performance.

To view the latest Zurich Life Global Outlook see our Weekly Investment News at www.zurichlife.ie/funds/

	Year to Date	Annualised						Fund Size (€)
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	
Managed Dynamic								
Zurich Life Dynamic	1.8%	11.3%	8.8%	1.8%	7.3%	4.2%	9.7%	1,086,582,102
Zurich Life Performance	1.4%	10.8%	8.4%	1.9%	7.0%	4.4%	9.4%	941,252,890
Acorn Life Managed Growth	2.8%	12.2%	9.5%	0.9%	7.0%	4.1%	8.5%	218,200,000
Aviva IRL Focused Managed I	1.4%	9.4%	8.4%	-0.6%	4.6%	Not Started	Not Started	Not Available
Lifetime/SSgA Pen Opportunity	1.5%	12.6%	8.1%	1.3%	4.0%	3.1%	7.2%	Not Available
FinEx Sector Average	1.9%	10.1%	7.6%	0.9%	4.8%	3.5%	7.0%	
Managed Balanced								
Zurich Life Balanced	1.2%	11.0%	8.2%	2.6%	6.9%	4.7%	9.5%	1,302,539,778
Acorn Life Managed	2.1%	11.6%	8.8%	1.8%	6.4%	4.3%	8.3%	120,000,000
Ark AIB Pension Managed	1.4%	9.4%	6.9%	-0.8%	3.8%	1.8%	5.9%	111,000,000
Aviva IRL Laser Managed A	1.6%	10.2%	6.6%	-1.6%	3.7%	Not Started	Not Started	468,757,863
Canada Life Setanta Managed	2.5%	12.5%	8.5%	3.0%	6.3%	4.2%	7.8%	Not Available
Friends First Active Managed	1.5%	10.6%	7.1%	-0.1%	4.7%	2.9%	7.2%	521,422,000
Irish Life Ex Active Managed	2.0%	11.5%	6.2%	-0.2%	5.1%	3.3%	6.8%	Not Available
New Ireland Managed	1.3%	13.2%	8.6%	2.2%	5.1%	Not Started	Not Started	1,828,300,000
Stan Life Synergy Balanced Multi Manager	2.7%	13.8%	9.0%	1.2%	Not Started	Not Started	Not Started	Not Available
FinEx Sector Average	1.7%	10.0%	7.1%	0.6%	4.8%	3.3%	7.4%	
Managed Cautious								
Zurich Life Cautiously Managed	-0.3%	9.4%	7.0%	5.0%	Not Started	Not Started	Not Started	120,619,187
Aviva IRL Cautiously Managed	0.6%	6.8%	3.8%	0.0%	3.0%	Not Started	Not Started	478,993
Stan Life Synergy Cautious Managed	0.5%	12.9%	7.4%	4.7%	Not Started	Not Started	Not Started	Not Available
FinEx Sector Average	0.0%	5.7%	4.5%	2.0%	3.9%	3.6%	4.4%	
Bond								
Zurich Life Active Fixed Income	-1.0%	9.6%	6.0%	6.4%	5.3%	6.4%	Not Started	259,599,811
Zurich Life Long Bond	-1.0%	12.4%	6.5%	6.5%	Not Started	Not Started	Not Started	63,451,790
Aviva IRL Laser Gilt	-0.8%	12.8%	3.0%	4.1%	4.2%	Not Started	Not Started	Not Available
Canada Life Setanta Fixed Interest	-0.9%	12.1%	2.6%	3.4%	Not Started	Not Started	Not Started	143,000,000
Friends First Fixed Interest	-2.6%	7.8%	4.0%	4.4%	3.7%	4.6%	7.0%	159,687,000
Irish Life Ex Fixed International	-0.8%	12.1%	5.9%	6.0%	4.8%	5.4%	7.0%	Not Available
New Ireland Gilt Edge	-2.4%	8.5%	4.7%	5.2%	4.4%	Not Started	Not Started	840,747
FinEx Sector Average	-0.9%	8.4%	4.5%	4.3%	4.3%	5.0%	7.2%	
Cash								
Zurich Life Secure	0.0%	0.1%	0.4%	1.1%	1.7%	2.6%	3.8%	453,047,434
Acorn Life Deposit	0.0%	0.2%	1.3%	2.1%	2.7%	3.1%	4.0%	8,300,000
Aviva IRL Cash	0.0%	0.1%	0.8%	1.8%	2.1%	Not Started	Not Started	Not Available
Friends First Cash	-0.1%	-0.5%	0.3%	1.1%	1.7%	2.2%	3.1%	146,596,000
Irish Life Ex Cash	0.0%	0.0%	0.7%	1.6%	1.9%	2.4%	3.2%	Not Available
New Ireland Personal Pension Money	-0.1%	-0.7%	-0.2%	0.7%	1.2%	Not Started	Not Started	596,455
Stan Life Synergy Cash	0.0%	0.0%	0.0%	0.6%	Not Started	Not Started	Not Started	241,100,000
FinEx Sector Average	0.0%	0.1%	0.5%	1.3%	1.7%	2.3%	3.3%	
International Equity								
Zurich Life International Equity	1.9%	11.0%	9.9%	2.9%	7.7%	5.6%	Not Started	248,046,176
Aviva IRL International Equity	1.9%	9.6%	9.6%	1.5%	5.7%	Not Started	Not Started	Not Available
Friends First Inter Equity	2.3%	12.4%	9.3%	2.6%	6.2%	2.4%	6.4%	486,454,000
Irish Life Index Global Equity	1.9%	12.9%	10.3%	1.1%	6.3%	2.2%	Not Started	Not Available
New Ireland International	1.8%	13.7%	9.3%	2.4%	4.6%	Not Started	Not Started	553,000,000
Stan Life Synergy Global Equity Multi Manager	3.9%	13.0%	10.7%	2.4%	Not Started	Not Started	Not Started	11,100,000
FinEx Sector Average	2.4%	11.4%	9.7%	2.1%	5.7%	2.8%	6.9%	

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. 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	
Eurozone Equity								
Zurich Life Eurozone Equity	3.1%	20.6%	7.9%	1.9%	Not Started	Not Started	Not Started	80,879,948
Ark AIB Pension EuroZone	2.3%	23.2%	9.6%	-0.2%	5.7%	Not Started	Not Started	Not Available
Aviva IRL Euro Equity	3.4%	15.9%	3.8%	-2.0%	5.6%	Not Started	Not Started	Not Available
Irish Life IP International Euro Equity	3.7%	19.7%	4.6%	-0.5%	Not Started	Not Started	Not Started	Not Available
FinEx Sector Average	3.3%	14.4%	4.9%	-2.2%	5.6%	2.7%	7.1%	
Irish Equity								
Zurich Life Irish Equity	3.4%	21.8%	10.4%	-8.5%	Not Started	Not Started	Not Started	7,666,377
Ark AIB Pension Irish	4.8%	19.3%	7.7%	-8.6%	0.1%	Not Started	Not Started	Not Available
Aviva IRL Irish Equity	4.9%	19.6%	7.0%	-9.7%	0.8%	Not Started	Not Started	Not Available
Friends First Irish Equity	5.1%	21.3%	9.3%	-8.4%	1.5%	1.1%	7.8%	41,335,000
New Ireland Irish Equity	5.4%	27.2%	11.4%	-7.5%	1.5%	Not Started	Not Started	62,000,000
Irish Life Irish Equity Indexed	4.6%	20.6%	8.2%	-11.1%	Not Started	Not Started	Not Started	Not Available
Stan Life Synergy Irish Equity	4.0%	19.0%	10.7%	-9.3%	Not Started	Not Started	Not Started	9,400,000
FinEx Sector Average	5.0%	20.1%	8.5%	-8.9%	1.2%	0.7%	7.3%	
Specialist Funds ¹								
Zurich Life Dividend Growth	1.7%	16.4%	13.1%	4.1%	Not Started	Not Started	Not Started	136,320,636
Bloxham High Yield 2	1.6%	13.7%	9.6%	2.5%	6.5%	Not Started	Not Started	202,000,000
Canada Life Setanta Equity Dividend Distributing	2.0%	12.5%	9.2%	2.9%	Not Started	Not Started	Not Started	Not Available
Average of selected funds	1.8%	14.2%	10.6%	3.2%	6.5%	N/A	N/A	
Concentrated Funds ¹								
Zurich Life 5 Star 5 Global	0.5%	11.3%	8.0%	0.4%	7.3%	Not Started	Not Started	209,623,960
Zurich Life 5 star 5 Europe	3.5%	26.6%	10.5%	1.5%	Not Started	Not Started	Not Started	77,420,270
Zurich Life 5 star 5 Americas	1.7%	8.4%	9.5%	2.9%	Not Started	Not Started	Not Started	50,918,095
Zurich Life 5 star 5 Asia Pacific	-0.2%	7.2%	5.8%	0.1%	Not Started	Not Started	Not Started	91,270,599
Aviva IRL Target 20	2.5%	10.8%	13.8%	1.0%	3.6%	Not Started	Not Started	Not Available
Canada Life Focus 15 PRSA	4.4%	8.2%	11.6%	8.4%	Not Started	Not Started	Not Started	81,000,000
Average of selected funds	2.1%	12.1%	9.9%	2.4%	5.5%	N/A	N/A	
Multi Asset Funds								
Zurich Life Active Asset Allocation	0.1%	6.7%	Not Started	Not Started	Not Started	Not Started	Not Started	37,648,483
Zurich Life Diversified Assets	0.6%	9.5%	8.7%	2.8%	Not Started	Not Started	Not Started	9,966,185
Zurich Life INDEX TRACKER / ETF FUNDS								
Property Equity Funds								
Australasia Property Fund	2.8%	28.9%	15.7%	3.8%	Not Started	Not Started	Not Started	8,088,558
European Ex UK Property Fund	-1.9%	17.6%	8.6%	2.8%	Not Started	Not Started	Not Started	8,831,667
Eurozone Property*	-2.9%	20.0%	6.0%	-1.0%	Not Started	Not Started	Not Started	24,165,484
Geographic Fund								
India Equity	1.5%	3.8%	0.7%	-3.5%	Not Started	Not Started	Not Started	20,508,367
Sector Fund								
TopTech 100	-0.4%	7.1%	17.4%	10.2%	8.0%	Not Started	Not Started	17,058,918
Commodity Fund								
Global Commodities	1.1%	-3.0%	6.3%	-6.6%	Not Started	Not Started	Not Started	19,232,166
Strategy Funds								
Green Resources	4.6%	-15.0%	-13.3%	Not Started	Not Started	Not Started	Not Started	2,904,623
Earth Resources	1.8%	-12.0%	0.4%	-6.3%	Not Started	Not Started	Not Started	13,734,354

Source: Financial Express as on 01/02/2013

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. 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.

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.

* Note that this fund is no longer open to new business.

¹ This is not a sector on Financial Express but has been created to compare the performance of the Zurich Life fund to that of its closest competitors in this sector. The average shown is the average of the selected funds above.

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

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The Zurich Fund Platform

Prisma is a new fund platform that puts risk, diversification and investment expertise at the heart of your investment solutions. It is an easy to use risk profiler with unique safety checks built in. It can suggest investment solutions - from simple 'managed' portfolios to diversified 'select' portfolios and it will allow you to 'risk rate' your pension, savings and investments. It gives access to funds from Zurich Life, J.P. Morgan, Aberdeen, Pictet, Henderson, BlackRock, Threadneedle and PIMCO.

**For more details contact your
Financial Advisor.**

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