

Zurich Life Monthly Investment Review

For November 2013



Investment Comment & Outlook

Overall: Central banks will have to finesse the tapering off of QE (the printing of money) against improving economic conditions in order to avoid increased volatility in markets. Tapering will probably begin in the US as early as Q1 2014. Inflows from other asset classes continue to support equities although valuations are no longer attractive.

Equity Markets

- Equities pushed ahead again during November, as the close-to-five-year bull market continued apace. Markets reacted positively to further good corporate earnings in the US and strong asset allocation flows from bonds into equities. Also supporting equities is the view that short rates will remain lower for longer to compensate for the tapering off of QE.
- World equities (in euro terms) rose by 1.4% in November, giving a total return of 18.5% for the first eleven months of 2013. Returns were mixed in local currency terms in November, ranging from plus 5% in Japan to minus 2% in Australia. The US and Japan have led the rally so far this year, but these markets have now been joined by Europe.
- Sectorwise, there was little difference between cyclical stocks and defensives. Bond proxy sectors (such as utilities) did, however, under-perform in the US.

Commodities & Currencies

- Commodities retreated again during the month with the CRB Index falling by a further 1%.
- Brent oil (European) was slightly higher in November at \$109 per barrel, but West Texas (US) fell by 4% to \$93 per barrel.
- The gold price fell sharply again (-6%) in November, to end at \$1,251 per troy ounce. Gold had reached an all-time-high of €1,889 in August 2011. Its 2013 high has been just under €1,700.
- The euro was little changed against a number of major currencies during November. The €/£ rate began and ended the month at 1.36. Sterling was about 2% stronger against the euro over the period.

Bonds & Interest Rates

- The Merrill Lynch Euro over 5 Year Index rose by close to 0.4% in November, giving a return of almost 3.3% for the first eleven months. There was little difference between the core and periphery eurozone markets over the month. Year-to-date, however, peripheral markets like Spain (+15%) and Italy (+9%) have sharply outperformed core markets such as Germany (-2%) and the Netherlands (-2%).
- The German 10-year bond yield was virtually unchanged in November at 1.69% although it is up from its 2013 low of around 1.2%. Equivalent US rates rose from 2.55% to 2.74% during the month.
- The ECB cut short rates again at its November meeting, from 0.5% to a record low 0.25%. The Fed and the Bank of England both kept interest rates at record low levels.

Fund Allocations & Activity

Equities: The funds are slightly overweight.

Bonds: The funds are close to neutral.

Activity: There were no material changes during the month.

Regionally, the funds are:

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

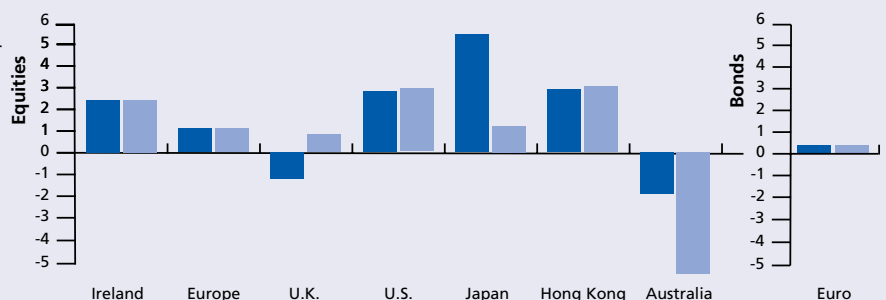
Sectorwise, the funds are:

- underweight utilities and energy.
- overweight consumer services.
- otherwise broadly balanced.

Equity & Bond % Returns

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 Merrill Lynch over 5 Year Euro Government Bond Index.

■ Local Currency Return (%)
■ Euro Return (%)



Warning: Past performance is not a reliable guide to future performance. The value of your investment may go down as well as up. Benefits may be affected by changes in currency exchange rates. If you invest in this fund you may lose some or all of the money you invest.

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	17.9%	18.9%	10.3%	12.4%	7.4%	4.4%	8.4%	1,315,282,848
Zurich Life Performance	16.3%	17.4%	9.8%	11.7%	7.1%	4.5%	8.2%	1,080,547,973
Acorn Life Managed Growth	17.4%	18.7%	9.8%	12.8%	6.5%	4.5%	7.4%	246,800,000
Aviva IRL Focused Managed I	13.2%	13.4%	8.7%	10.5%	4.3%	Not Started	Not Started	Not Available
Lifetime/SSgA Pen Opportunity	16.9%	18.3%	10.3%	11.6%	4.1%	3.6%	6.3%	Not Available
FinEx Sector Average	13.1%	13.7%	8.1%	10.3%	4.6%	3.7%	5.9%	
Managed Balanced								
Zurich Life Balanced	15.3%	16.3%	9.7%	11.1%	7.0%	4.8%	8.3%	1,431,560,013
Acorn Life Managed	14.2%	15.3%	9.0%	11.8%	6.1%	4.5%	7.4%	127,600,000
Ark AIB Pension Managed	14.8%	16.1%	8.2%	9.0%	4.0%	2.2%	5.3%	111,000,000
Aviva IRL Euro Managed	17.7%	19.7%	9.1%	10.1%	5.4%	Not Started	Not Started	Not Available
Canada Life Setanta Managed	17.6%	18.7%	11.3%	11.2%	6.4%	4.5%	7.0%	Not Available
Friends First Active Managed	15.8%	16.1%	8.7%	10.4%	4.5%	3.1%	6.3%	526,924,000
Irish Life Ex Active Managed	16.9%	18.4%	9.6%	11.2%	5.1%	4.1%	6.1%	Not Available
New Ireland Managed	16.1%	17.3%	10.8%	11.7%	5.1%	Not Started	Not Started	1,214,000,000
Standard Life Synergy Managed	18.9%	18.9%	11.3%	13.1%	Not Started	Not Started	Not Started	387,400,000
FinEx Sector Average	13.3%	14.0%	8.2%	9.7%	4.6%	3.4%	6.4%	
Managed Cautious								
Zurich Life Cautiously Managed	6.8%	7.8%	7.6%	8.0%	Not Started	Not Started	Not Started	199,281,213
Aviva IRL Cautiously Managed	6.0%	6.5%	4.7%	3.2%	3.0%	Not Started	Not Started	478,993
Stan Life Synergy Cautious Managed	9.0%	9.5%	7.8%	8.4%	Not Started	Not Started	Not Started	Not Available
FinEx Sector Average	3.6%	4.0%	4.1%	5.5%	3.7%	3.4%	4.2%	
Bond								
Zurich Life Active Fixed Income	3.1%	4.1%	6.8%	5.9%	5.7%	5.8%	Not Started	321,703,839
Zurich Life Long Bond	2.4%	4.1%	6.8%	5.8%	6.0%	Not Started	Not Started	68,694,042
Aviva IRL Laser Gilt	2.9%	4.0%	6.0%	4.7%	4.4%	Not Started	Not Started	Not Available
Canada Life Setanta Fixed Interest	3.7%	4.8%	5.5%	3.7%	Not Started	4.3%	5.5%	Not Available
Friends First Fixed Interest	-1.2%	-0.1%	4.3%	4.2%	3.6%	4.0%	5.6%	159,687,000
Irish Life Ex Fixed International	2.8%	3.7%	6.3%	5.5%	5.1%	5.0%	6.0%	Not Available
New Ireland Gilt Edge	-1.4%	-0.3%	4.5%	4.4%	4.4%	Not Started	Not Started	840,747
FinEx Sector Average	1.5%	2.5%	4.8%	5.0%	4.3%	4.4%	5.9%	
Cash								
Zurich Life Secure	0.0%	0.0%	0.3%	0.5%	1.6%	2.2%	3.4%	446,408,858
Acorn Life Deposit	0.1%	0.1%	0.8%	1.4%	2.5%	2.8%	3.6%	6,600,000
Aviva IRL Cash	0.0%	0.0%	0.3%	1.1%	1.9%	Not Started	Not Started	Not Available
Friends First Cash	-0.6%	-0.7%	-0.2%	0.4%	1.4%	1.9%	2.7%	180,559,000
Irish Life Ex Cash	0.0%	0.0%	0.1%	1.0%	1.7%	2.1%	2.9%	Not Available
New Ireland Personal Pension Money	-0.8%	-0.9%	-0.5%	0.0%	1.0%	Not Started	Not Started	596,455
Stan Life Synergy Cash	0.0%	0.0%	0.0%	0.1%	Not Started	Not Started	Not Started	241,100,000
FinEx Sector Average	0.0%	0.0%	0.3%	0.7%	1.5%	2.0%	2.9%	
International Equity								
Zurich Life International Equity	19.4%	20.3%	10.9%	12.9%	7.4%	5.6%	Not Started	326,842,421
Aviva IRL International Equity	15.7%	15.9%	9.6%	12.5%	5.4%	Not Started	Not Started	Not Available
Friends First Inter Equity	19.5%	19.7%	10.2%	14.2%	6.1%	2.9%	5.7%	455,707,000
Irish Life Index Global Equity	18.6%	19.9%	11.4%	14.1%	6.2%	4.0%	Not Started	Not Available
New Ireland International	19.0%	20.5%	11.1%	13.6%	4.7%	Not Started	Not Started	648,000,000
Stan Life Synergy Global Selector	23.3%	23.1%	12.4%	16.5%	Not Started	Not Started	Not Started	51,800,000
FinEx Sector Average	18.6%	19.0%	10.4%	13.7%	5.7%	3.3%	6.1%	

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	24.1%	27.4%	12.6%	14.1%	9.8%	Not Started	Not Started	84,801,197
Ark AIB Pension EuroZone	20.4%	21.9%	14.2%	13.4%	5.3%	Not Started	Not Started	Not Available
Aviva IRL Euro Equity	26.0%	28.8%	10.7%	11.5%	5.7%	Not Started	Not Started	Not Available
Irish Life IP International Euro Equity	25.6%	28.0%	10.9%	14.1%	Not Started	Not Started	Not Started	Not Available
FinEx Sector Average	21.7%	23.4%	10.0%	11.9%	5.2%	3.2%	6.7%	
Irish Equity								
Zurich Life Irish Equity	33.1%	37.1%	22.0%	15.4%	Not Started	Not Started	Not Started	14,203,985
Ark AIB Pension Irish	32.3%	35.9%	20.8%	13.3%	0.6%	Not Started	Not Started	Not Available
Aviva IRL Irish Equity	32.7%	36.4%	20.0%	12.5%	1.3%	Not Started	Not Started	Not Available
Friends First Irish Equity	33.3%	36.2%	21.2%	14.5%	2.0%	2.0%	7.1%	38,831,000
New Ireland Irish Equity	40.4%	44.8%	25.6%	17.0%	2.2%	Not Started	Not Started	65,000,000
Irish Life Irish Equity Indexed	34.4%	39.1%	21.5%	13.9%	Not Started	Not Started	Not Started	Not Available
Stan Life Synergy Irish Equity	15.1%	17.8%	15.6%	10.5%	Not Started	Not Started	Not Started	9,400,000
FinEx Sector Average	31.1%	34.4%	19.6%	13.4%	1.5%	1.5%	6.7%	
Specialist Funds ¹								
Zurich Life Dividend Growth	20.4%	23.0%	14.1%	15.6%	Not Started	Not Started	Not Started	185,229,021
Davy High Yield 2	16.5%	18.1%	9.9%	11.6%	6.3%	Not Started	Not Started	200,200,000
Canada Life Setanta Equity Dividend Distributing	21.5%	23.4%	12.8%	13.7%	7.1%	Not Started	Not Started	Not Available
Average of selected funds	19.4%	21.5%	12.3%	13.6%	6.7%	N/A	N/A	
Concentrated Funds ¹								
Zurich Life 5 Star 5 Global	16.1%	17.8%	9.3%	8.9%	6.7%	Not Started	Not Started	223,576,088
Zurich Life 5 star 5 Europe	21.2%	23.8%	15.1%	13.2%	Not Started	Not Started	Not Started	97,961,881
Zurich Life 5 star 5 Americas	22.3%	20.9%	11.3%	9.6%	Not Started	Not Started	Not Started	57,905,027
Zurich Life 5 star 5 Asia Pacific	5.4%	7.3%	5.4%	11.0%	Not Started	Not Started	Not Started	89,001,352
Aviva IRL Target 20	17.6%	17.7%	12.2%	11.8%	4.0%	Not Started	Not Started	Not Available
Canada Life Focus 15 PRSA	18.8%	19.5%	11.0%	17.7%	Not Started	Not Started	Not Started	81,000,000
Average of selected funds	16.9%	17.8%	10.7%	12.0%	5.4%	N/A	N/A	
Multi Asset Funds								
Zurich Life Active Asset Allocation	4.2%	4.3%	5.3%	Not Started	Not Started	Not Started	Not Started	94,087,610
Zurich Life Diversified Assets	4.1%	4.1%	5.7%	8.9%	Not Started	Not Started	Not Started	12,085,557
Zurich Life INDEX TRACKER / ETF FUNDS								
Property Equity Funds								
Australasia Property Fund	-6.6%	-6.5%	3.1%	15.4%	Not Started	Not Started	Not Started	8,953,982
European Ex UK Property Fund	5.3%	5.5%	7.4%	15.2%	Not Started	Not Started	Not Started	12,098,682
Eurozone Property*	5.2%	7.0%	7.0%	13.7%	Not Started	Not Started	Not Started	23,206,146
Geographic Fund								
India Equity	-10.8%	-11.9%	-10.1%	10.7%	Not Started	Not Started	Not Started	15,471,554
Sector Fund								
TopTech 100	27.9%	25.5%	16.8%	22.8%	8.0%	Not Started	Not Started	20,837,943
Commodity Fund								
Global Commodities	-6.2%	-8.0%	-0.9%	-1.1%	Not Started	Not Started	Not Started	16,375,100
Strategy Funds								
Green Resources	43.5%	49.0%	-6.5%	-0.8%	Not Started	Not Started	Not Started	4,882,179
Earth Resources	1.0%	-0.8%	-6.6%	0.3%	Not Started	Not Started	Not Started	9,899,909

Source: Financial Express as on 02/12/2013

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

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.

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