

OVERALL

Despite a set-back in January due to emerging market currency concerns, equities remain supported by liquidity conditions and the expectation of good earnings' growth. Valuations, however, are now more in line with historical norms while markets will have to deal with further tapering of US QE. Short term interest rates to remain low for an extended period.

ZURICH LIFE 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 Europe.
- Neutral in Japan and the Pacific Basin.
- Overweight in Ireland and the US.

Sectorwise, the funds are:

- Underweight basic materials and energy.
- Overweight consumer services and industrials.
- Otherwise broadly balanced.

EQUITY MARKETS

- Equities fell in January, although the close-to-five-year bull market remains intact. The global index is trading just above its 200-day moving average and this should offer support. Risk-off sentiment pushed investors towards safe haven assets during January. The main concern for equities was the volatility within emerging market asset classes as central banks in these countries took more aggressive steps to stabilise their declining currencies.
- World equities (in euro terms) fell by close to 2% in January. Apart from some of the peripheral eurozone markets such as Ireland, markets across the world fell in local currency terms, ranging from minus 2% in Europe to minus 6% in Japan. Negative returns to the eurozone investor were reduced by weakness of the euro against most major currencies.
- Sectorwise, and in line with the risk-off sentiment, defensive areas (such as utilities and telecoms) outperformed more economically sensitive areas (such as energy and basis materials) in January. European banks performed particularly well.

BONDS & INTEREST RATES

- The Merrill Lynch Euro over 5 Year Index rose by an impressive 3.3% in January. Contrary to the prevailing trend in 2013, both core and peripheral markets performed in-line. During 2013, peripheral markets like Spain (+15%) and Italy (+9%) sharply

outperformed core markets such as Germany (-4%) and the Netherlands (-4%). US treasuries also suffered in 2013.

- The German 10-year bond yield fell from 1.93% to 1.66% in January, its 2013 low was around 1.2%. Equivalent US rates fell from 3.03% to 2.64% during the month.
- There was no change in ECB short rates following the cut in November 2013 although a final cut to zero percent is possible. The Fed and the Bank of England are both expected to keep interest rates at record low levels until 2015, with the UK likely to be the first to make an upward move. Rates in the eurozone are unlikely to move upwards until 2016.

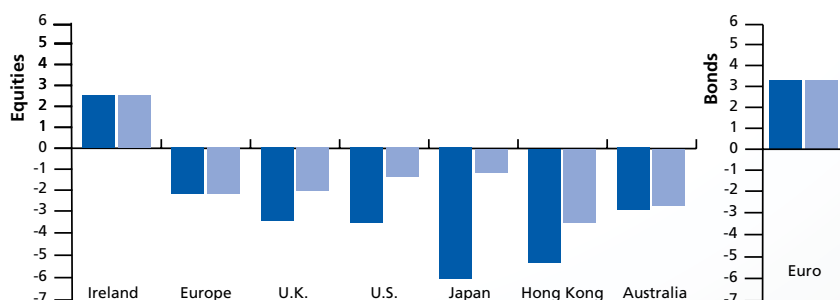
COMMODITIES & CURRENCIES

- Commodities rose overall by 1% in January reflecting a slight improvement in economic indicators in developed markets.
- Brent oil (European) fell 4% during the month to end at \$106 per barrel, while West Texas (US) fell by just 1% in January to finish at \$97 per barrel.
- The gold price, which had fallen by 28% in 2013, reversed the trend in January, rising by 3% to \$1,240 per troy ounce. Gold had reached an all-time-high of \$1,889 in August 2011 and a 2013 high of just under \$1,700.
- The euro was weaker against a number of major currencies during January. The €/£ rate moved from 1.38 to 1.35 during the month.

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: 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.



ZURICH LIFE ANNUALISED PERFORMANCE TO 3RD FEBRUARY 2014

	Year to Date	Annualised						Fund Size (€)
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	
Managed Dynamic								
Zurich Life Dynamic	-1.4%	15.2%	8.7%	13.5%	6.7%	3.8%	7.6%	1,307,218,219
Zurich Life Performance	-0.9%	14.5%	8.7%	12.8%	6.5%	4.0%	7.5%	1,077,724,663
Acorn Life Managed Growth	0.2%	13.2%	7.7%	13.4%	5.8%	3.9%	6.8%	246,800,000
Aviva IRL Focused Managed I	-1.4%	9.8%	7.1%	11.4%	3.6%	3.0%	Not Started	Not Available
Lifetime/SSgA Pen Opportunity	-1.8%	13.4%	8.1%	12.3%	3.5%	3.2%	5.8%	Not Available
FinEx Sector Average	-0.8%	9.8%	6.3%	10.9%	4.0%	3.3%	5.4%	
Managed Balanced								
Zurich Life Balanced	-0.8%	13.8%	8.6%	12.0%	6.5%	4.2%	7.6%	1,427,090,369
Acorn Life Managed	0.4%	11.4%	7.5%	12.3%	5.6%	4.1%	7.0%	138,000,000
Ark AIB Pension Managed	-1.0%	12.4%	7.0%	9.9%	3.6%	1.6%	4.8%	111,000,000
Aviva IRL Laser Managed A	-1.8%	13.1%	7.5%	11.3%	4.9%	3.7%	Not Started	Not Available
Canada Life Setanta Managed	-1.0%	14.1%	9.9%	11.9%	5.8%	4.2%	6.6%	Not Available
Friends First Active Managed	-0.5%	13.5%	7.3%	11.1%	4.0%	2.7%	5.9%	451,252,000
Irish Life Ex Active Managed	-0.8%	14.4%	7.7%	12.0%	4.6%	3.6%	6.0%	Not Available
New Ireland Managed	-1.1%	13.4%	8.9%	12.5%	4.6%	Not Started	Not Started	1,213,000,000
Stan Life Synergy Managed	-1.0%	16.2%	10.3%	13.7%	Not Started	Not Started	Not Started	387,400,000
FinEx Sector Average	-0.8%	10.4%	6.6%	10.4%	4.0%	2.9%	5.9%	
Managed Cautious								
Zurich Life Cautiously Managed	1.3%	8.4%	8.1%	8.9%	Not Started	Not Started	Not Started	209,667,092
Aviva IRL Cautiously Managed	0.2%	5.7%	4.7%	4.4%	2.9%	3.1%	Not Started	478,993
Stan Life Synergy Cautious Managed	1.4%	10.0%	8.1%	9.0%	Not Started	Not Started	Not Started	Not Available
FinEx Sector Average	0.0%	3.3%	3.8%	5.8%	3.4%	3.2%	4.1%	
Bond								
Zurich Life Active Fixed Income	3.3%	6.8%	8.6%	6.6%	5.8%	5.7%	Not Started	337,778,567
Zurich Life Long Bond	4.2%	6.9%	9.1%	6.9%	6.1%	Not Started	Not Started	69,912,901
Aviva IRL Laser Gilt	3.1%	6.3%	8.0%	5.7%	4.4%	4.5%	Not Started	Not Available
Canada Life Setanta Fixed Interest	2.7%	6.8%	6.4%	4.4%	3.9%	4.2%	5.5%	Not Available
Friends First Fixed Interest	2.5%	2.5%	5.1%	4.7%	3.6%	3.8%	5.4%	109,874,000
Irish Life Ex Fixed International	3.2%	5.7%	7.7%	6.2%	5.1%	4.9%	6.3%	Not Available
New Ireland Gilt Edge	3.1%	2.7%	5.8%	5.0%	4.4%	Not Started	Not Started	840,747
FinEx Sector Average	1.6%	3.5%	5.5%	5.5%	4.2%	4.2%	5.7%	
Cash								
Zurich Life Secure	0.0%	0.0%	0.3%	0.4%	1.5%	2.2%	3.3%	414,276,945
Acorn Life Deposit	0.0%	0.1%	0.7%	1.2%	2.5%	2.7%	3.6%	6,000,000
Aviva IRL Cash	0.0%	0.0%	0.3%	1.0%	1.9%	2.4%	Not Started	Not Available
Friends First Cash	-0.1%	-0.7%	-0.3%	0.3%	1.3%	1.8%	2.7%	189,680,000
Irish Life Ex Cash	0.0%	0.0%	0.1%	0.8%	1.7%	2.1%	2.8%	Not Available
New Ireland Personal Pension Money	-0.1%	-0.9%	-0.5%	-0.2%	0.9%	Not Started	Not Started	596,455
Stan Life Synergy Cash	0.0%	0.0%	0.0%	0.0%	Not Started	Not Started	Not Started	241,100,000
FinEx Sector Average	0.0%	-0.1%	0.2%	0.6%	1.5%	2.0%	2.8%	
International Equity								
Zurich Life International Equity	-1.9%	16.1%	9.1%	14.2%	6.9%	4.7%	Not Started	347,042,939
Aviva IRL International Equity	-2.3%	10.6%	7.1%	13.5%	4.6%	Not Started	Not Started	Not Available
Friends First Inter Equity	-1.4%	15.5%	8.2%	14.7%	5.4%	2.4%	5.2%	451,090,000
Irish Life Index Global Equity	-1.6%	15.3%	9.1%	15.4%	5.7%	3.1%	Not Started	Not Available
New Ireland International	-2.4%	14.4%	8.4%	14.6%	4.1%	Not Started	Not Started	648,000,000
Stan Life Synergy Global Selector	-1.4%	17.6%	10.2%	16.2%	Not Started	Not Started	Not Started	51,800,000
FinEx Sector Average	-1.7%	12.7%	7.8%	14.0%	4.9%	2.6%	5.4%	

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	Year to Date	Annualised						Fund Size (€)
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	
Eurozone Equity								
Zurich Life Eurozone Equity	-1.9%	19.5%	8.6%	14.9%	8.9%	Not Started	Not Started	81,103,327
Ark AIB Pension EuroZone	-2.3%	16.8%	10.9%	14.0%	4.7%	Not Started	Not Started	Not Available
Aviva IRL Euro Equity	-1.0%	20.8%	7.0%	12.2%	4.9%	Not Started	Not Started	Not Available
Irish Life IP International Euro Equity	-0.7%	21.0%	7.2%	15.1%	Not Started	Not Started	Not Started	Not Available
FinEx Sector Average	-0.4%	17.5%	7.0%	13.0%	4.6%	2.8%	6.2%	
Irish Equity								
Zurich Life Irish Equity	4.5%	35.1%	21.3%	18.3%	Not Started	Not Started	Not Started	15,487,799
Ark AIB Pension Irish	2.6%	30.2%	18.9%	15.8%	0.3%	Not Started	Not Started	Not Available
Aviva IRL Irish Equity	4.3%	32.4%	18.6%	15.4%	1.0%	1.9%	Not Started	Not Available
Friends First Irish Equity	2.8%	31.5%	19.0%	17.0%	1.5%	1.7%	6.7%	38,679,000
New Ireland Irish Equity	2.8%	39.2%	23.8%	19.8%	1.8%	Not Started	Not Started	78,000,000
Irish Life Irish Equity Indexed	2.6%	33.5%	20.0%	16.9%	Not Started	Not Started	Not Started	Not Available
Stan Life Synergy Irish Equity	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started	9,400,000
FinEx Sector Average	2.4%	28.5%	17.5%	15.8%	0.9%	1.2%	6.2%	
Specialist Funds ¹								
Zurich Life Dividend Growth	-2.3%	15.3%	11.6%	15.9%	Not Started	Not Started	Not Started	179,547,626
Bloxham High Yield 2	-2.4%	11.3%	8.4%	12.4%	5.4%	Not Started	Not Started	200,200,000
Canada Life Setanta Equity Dividend Distributing	-1.2%	17.7%	9.3%	14.5%	6.6%	Not Started	Not Started	Not Available
Average of selected funds	-2.0%	14.8%	9.8%	14.3%	6.0%	N/A	N/A	
Concentrated Funds ¹								
Zurich Life 5 Star 5 Global	-2.9%	13.6%	7.7%	11.0%	6.0%	Not Started	Not Started	216,787,322
Zurich Life 5 star 5 Europe	-0.8%	18.4%	13.0%	15.0%	9.8%	Not Started	Not Started	99,383,613
Zurich Life 5 star 5 Americas	-0.6%	21.8%	10.8%	11.5%	7.9%	Not Started	Not Started	58,191,507
Zurich Life 5 star 5 Asia Pacific	-4.6%	-2.0%	1.7%	10.4%	7.0%	Not Started	Not Started	80,163,953
Aviva IRL Target 20	-2.5%	11.2%	10.0%	13.4%	3.2%	Not Started	Not Started	Not Available
Canada Life Focus 15 PRSA	-2.4%	10.9%	7.7%	17.6%	7.7%	Not Started	Not Started	81,000,000
Average of selected funds	-2.3%	12.3%	8.5%	13.2%	6.9%	N/A	N/A	
Multi Asset Funds								
Zurich Life Active Asset Allocation	0.3%	4.5%	4.6%	Not Started	Not Started	Not Started	Not Started	96,473,972
Zurich Life Diversified Assets	-0.3%	2.9%	4.4%	9.7%	Not Started	Not Started	Not Started	11,640,026
Zurich Life INDEX TRACKER / ETF FUNDS								
Property Equity Funds								
Australasia Property Fund	-2.0%	-14.4%	0.9%	13.9%	Not Started	Not Started	Not Started	8,355,741
European Ex UK Property Fund	-1.2%	4.6%	3.9%	13.5%	Not Started	Not Started	Not Started	12,387,185
Eurozone Property*	-1.4%	3.6%	3.0%	11.6%	Not Started	Not Started	Not Started	21,559,494
Geographic Fund								
India Equity	-2.9%	-13.2%	-6.9%	10.1%	Not Started	Not Started	Not Started	14,469,136
Sector Fund								
TopTech 100	0.1%	30.6%	16.6%	23.5%	8.1%	Not Started	Not Started	21,062,064
Commodity Fund								
Global Commodities	-0.3%	-6.8%	-2.5%	3.3%	Not Started	Not Started	Not Started	16,012,872
Strategy Funds								
Green Resources	3.7%	42.7%	-6.0%	1.7%	Not Started	Not Started	Not Started	5,145,133
Earth Resources	3.3%	1.5%	-6.8%	1.9%	Not Started	Not Started	Not Started	9,602,330

Source: Financial Express as on 03/02/2014

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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Zurich Life Assurance plc

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

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

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