



OVERALL

From equities to bonds to commodities, world financial markets have rallied in unison during the first half of 2014, a feat not seen in more than 20 years and a reflection of investors' optimism that central-bank policies will boost growth and stem the risk of deflation. Equities continue to be supported by the expectation of reasonably strong corporate earnings' growth and low interest rates. Valuations, however, have crept up somewhat with the 2014 price earnings (P/E) multiple now trading at 15X. Government bond yields are expected to eventually rise.

ZURICH LIFE FUND ALLOCATIONS & ACTIVITY

Equities: The funds are overweight.

Bonds: The funds are underweight.

Activity: The bond position was cut back from neutral to underweight.

Regionally, the funds are:

- Underweight in the UK and Asia Pacific.
- Neutral in Japan and Europe.
- Overweight in the US and Ireland.

Sectorwise, the funds are:

- Underweight financials and energy.
- Overweight consumer goods and technology.
- Otherwise broadly balanced.

EQUITY MARKETS

- Equities rose for a fifth straight month in June with the global index hitting a fresh all-time high on 20th. During the first three weeks of the month, the markets were supported by better US economic data and lower eurozone interest rates. Markets were somewhat perturbed by spreading geo-political tensions in Iraq. The final week saw equities retreat slightly on the back of weak US GDP data.
- World equities (in euro terms) rose by 1.6% in June giving a total return of 7.3% for the first half of the year. However, there was a mixed bag of returns in local currency terms during the month ranging from +5.1% in Japan to minus 4.1% in Ireland. The bellwether US market was up close to 2%.
- Sectorwise, June saw no clear distinction between cyclical and defensive stocks. The two strongest sectors in the US were energy (+4.9%) and utilities (+4.2%). Year-to-date, however, there has been some significant sector rotation.

BONDS & INTEREST RATES

- The Merrill Lynch Euro over 5 Year Index rose by a further 1.6% in June giving an impressive return of 10.5% for the first six months of the year. Bond prices have risen in Europe, to the surprise of many commentators, on

deflationary concerns as well as a further cut in interest rates by the ECB and speculation about the introduction of some form of QE.

- The German 10-year bond yield fell further from 1.36% to 1.24% in June, its 2013 low was 1.17%. Equivalent US rates rose from 2.48% to 2.53% during the month.
- As expected the ECB cut rates to 0.15% bringing ECB deposit rate into negative territory (-0.10%). The Fed is now expected to keep interest rates at record low levels until H1 2015 whilst there is a 50% chance that the Bank of England will begin to increase rates in Q4 2014.

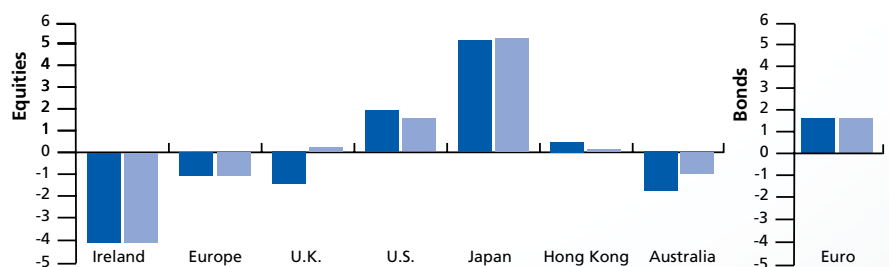
COMMODITIES & CURRENCIES

- Commodity prices overall rose by almost 1% (in dollar terms) in June and are up a strong 10% in the first half of 2014, led by livestock and soft commodities.
- Both Brent (European) and West Texas (US) oil prices were up on the month ending at \$113 and \$105 per barrel respectively.
- The gold price, which had fallen by 28% in 2013, had somewhat reversed the trend in 2014 and was up 6% in June and 10% year-to-date at \$1,322 per troy ounce.
- The major currencies saw little movement against the euro during June. The €/£ rate moved from 1.36 to 1.37 during the month.

EQUITY & BOND % RETURNS

This graph shows the performance of the major equity markets over the month of June. 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 1ST JULY 2014

	Year to Date	Annualised						Fund Size (€)
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	
Pathway Multi-Asset Funds								
Pathway 2	1.8%	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started	15,575,822
Pathway 3	3.5%	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started	42,335,477
Pathway 4	6.6%	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started	66,823,640
Pathway 5	6.8%	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started	26,263,152
Pathway 6	6.2%	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started	4,284,284
Managed Funds								
Cautiously Managed	8.4%	13.3%	10.5%	9.4%	Not Started	Not Started	Not Started	242,108,677
<i>FinEx Sector Average</i>	4.3%	7.1%	5.5%	6.0%	3.6%	3.3%	4.3%	
Balanced	5.7%	15.5%	11.5%	11.9%	6.9%	4.8%	8.6%	1,504,820,956
<i>FinEx Sector Average</i>	5.2%	13.0%	9.4%	10.2%	4.4%	3.1%	6.8%	
Performance	6.1%	16.6%	11.7%	12.6%	7.0%	4.5%	8.5%	1,116,009,226
Dynamic	5.6%	16.9%	12.0%	13.2%	7.2%	4.3%	8.5%	1,368,110,667
<i>FinEx Sector Average</i>	5.3%	12.7%	9.1%	10.5%	4.4%	3.3%	6.3%	
Protected Funds								
Protected 70	3.5%	11.4%	6.7%	Not Started	Not Started	Not Started	Not Started	7,778,952
Protected 80	2.4%	7.9%	4.2%	Not Started	Not Started	Not Started	Not Started	24,382,641
Protected 90	0.7%	2.6%	0.6%	Not Started	Not Started	Not Started	Not Started	8,304,178
Cash Fund								
Secure	0.0%	0.0%	0.2%	0.3%	1.5%	2.1%	3.2%	389,099,810
<i>FinEx Sector Average</i>	0.1%	0.1%	0.2%	0.5%	1.4%	1.9%	2.8%	
Bond Funds								
Global Corporate Bond (JP Morgan)*	4.7%	7.6%	Not Started	Not Started	Not Started	Not Started	Not Started	3,015,400,000
Global Government Bond (JP Morgan)*	3.6%	4.1%	Not Started	Not Started	Not Started	Not Started	Not Started	274,600,000
Indexed Eurozone Government Bond (BlackRock)	6.7%	8.7%	7.4%	Not Started	Not Started	Not Started	Not Started	6,248,126
Active Fixed Income	10.5%	13.2%	10.4%	7.4%	6.3%	6.5%	Not Started	392,841,846
Inflation-Linked Bond	4.1%	3.7%	1.6%	Not Started	Not Started	Not Started	Not Started	6,179,768
Long Bond	13.6%	15.7%	12.2%	8.3%	6.7%	Not Started	Not Started	51,691,757
Global Real Return (PIMCO)*	6.0%	4.1%	Not Started	Not Started	Not Started	Not Started	Not Started	3,200,000,000
Emerging Local Currency Debt (Pictet)*	5.6%	-3.6%	Not Started	Not Started	Not Started	Not Started	Not Started	8,098,039,962
<i>FinEx Sector Average</i>	6.8%	8.4%	7.2%	5.7%	4.6%	4.7%	6.6%	
Absolute Return/Diversified Assets Funds								
Income Opportunity (JP Morgan)*	0.6%	1.6%	Not Started	Not Started	Not Started	Not Started	Not Started	10,434,700,000
Dyanmic Diversified Growth (BlackRock)	3.5%	8.5%	Not Started	Not Started	Not Started	Not Started	Not Started	16,414,336
Diversified Assets	8.4%	11.8%	7.9%	9.9%	Not Started	Not Started	Not Started	12,514,370
Active Asset Allocation	7.0%	11.5%	8.1%	Not Started	Not Started	Not Started	Not Started	106,264,608
Commodity Funds								
Gold	10.1%	2.3%	-3.2%	Not Started	Not Started	Not Started	Not Started	28,448,383
Earth Resources	10.9%	10.0%	-1.3%	2.6%	Not Started	Not Started	Not Started	9,795,684
Global Commodities	4.3%	2.7%	0.8%	2.7%	Not Started	Not Started	Not Started	16,466,368
CommoditiesPLUS Strategy (PIMCO)*	6.7%	7.1%	Not Started	Not Started	Not Started	Not Started	Not Started	331,200,000
Green Resources	9.3%	23.4%	0.4%	-0.3%	Not Started	Not Started	Not Started	5,139,265

Source: Financial Express as at 01/07/2014

The Financial Express sector averages shown are the average of all funds in each of the Financial Express sectors in the individual pensions category.

Annual management charges (AMC) apply. The fund returns shown are net of the AMC deducted by Zurich Life in our unit prices. 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.

* External fund size: Where external funds have been on the Zurich platform for less than two years, we have used the fund size of the underlying external fund.

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

	Year to Date	Annualised						Fund Size (€)
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	
Equity Funds (Global)								
5 Star 5	1.6%	10.4%	11.5%	11.3%	6.0%	Not Started	Not Started	218,135,763
International Equity	5.7%	17.3%	13.0%	14.3%	7.6%	4.6%	Not Started	412,589,308
Global Select (Threadneedle)	3.8%	15.1%	11.5%	14.2%	7.8%	Not Started	Not Started	9,084,122
Global Equity (MFS Meridian)*	6.2%	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started	4,728,600,000
Indexed Global Equity (BlackRock)	7.5%	18.1%	13.6%	Not Started	Not Started	Not Started	Not Started	54,777,054
<i>FinEx Sector Average</i>	5.2%	14.2%	11.2%	13.5%	5.4%	2.5%	6.4%	
Equity Funds (European)								
Euro Markets Fund (BlackRock)*	3.1%	Not Started	Not Started	Not Started	Not Started	4.9%	Not Started	5,247,461,271
5 Star 5 Europe	0.8%	18.4%	13.3%	14.5%	9.8%	Not Started	Not Started	98,774,826
European Select (Threadneedle)	7.2%	15.5%	14.6%	18.5%	9.7%	Not Started	Not Started	21,946,031
Small Cap Europe (Pictet)*	3.0%	Not Started	Not Started	Not Started	Not Started	8.7%	9.3%	385,560,412
<i>FinEx Sector Average</i>	2.4%	16.0%	8.8%	14.1%	6.9%	4.9%	Not Started	
Equity Funds (Eurozone)								
Eurozone Equity	5.6%	27.2%	10.9%	14.2%	9.6%	Not Started	Not Started	87,467,100
Europe ex-UK Index (BlackRock)	6.6%	23.7%	9.7%	12.7%	Not Started	Not Started	Not Started	3,708,459
Indexed Eurozone Equity (BlackRock)	8.0%	26.5%	8.4%	Not Started	Not Started	Not Started	Not Started	
<i>FinEx Sector Average</i>	5.1%	20.0%	9.0%	11.3%	4.9%	3.1%	7.1%	
Equity Funds (Irish)								
Irish Equity	6.0%	18.6%	20.0%	15.2%	Not Started	Not Started	Not Started	15,993,957
<i>FinEx Sector Average</i>	4.4%	17.8%	16.9%	12.9%	0.7%	1.8%	7.1%	
Equity Funds (American)								
5 Star 5 Americas	8.7%	20.0%	15.4%	15.0%	8.5%	Not Started	Not Started	60,382,775
American Select (Threadneedle)	5.2%	20.7%	16.9%	17.8%	7.9%	Not Started	Not Started	19,889,988
<i>FinEx Sector Average</i>	7.3%	18.7%	17.2%	18.0%	6.2%	1.8%	5.9%	
Equity Fund (UK)								
UK Growth (M&G)*	5.8%	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started	727,280,000
UK Index (BlackRock)	5.7%	19.6%	12.1%	14.5%	Not Started	Not Started	Not Started	2,016,485
<i>FinEx Sector Average</i>	3.5%	17.0%	11.6%	14.4%	5.9%	2.1%	5.7%	
Equity Funds (Far East Asia)								
5 Star 5 Asia Pacific	5.8%	11.3%	6.0%	6.8%	7.9%	Not Started	Not Started	83,476,854
Asia Pacific Equity	5.9%	11.6%	6.5%	Not Started	Not Started	Not Started	Not Started	6,955,608
<i>FinEx Sector Average</i>	6.0%	11.2%	5.2%	11.4%	8.7%	5.4%	4.9%	
Equity Funds (Japan)								
Japan Index (BlackRock)	0.9%	3.2%	9.1%	7.3%	Not Started	Not Started	Not Started	4,254,493
<i>FinEx Sector Average</i>	-0.2%	2.9%	9.1%	7.9%	0.8%	-0.1%	-0.6%	
Equity Funds (High Yield)								
Dividend Growth	6.0%	17.3%	15.0%	16.5%	Not Started	Not Started	Not Started	194,434,365
Global Dividend (M&G)*	6.9%	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started	9,007,390,000
<i>FinEx Sector Average</i>	5.2%	14.2%	11.2%	13.5%	5.4%	2.5%	6.4%	
Equity Funds (Emerging Market)								
India Equity	20.8%	19.8%	0.3%	6.2%	Not Started	Not Started	Not Started	16,290,207
Emerging Markets Opportunities (JP Morgan)*	5.2%	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started	2,698,200,000
<i>FinEx Sector Average</i>	8.1%	10.6%	-0.3%	5.9%	10.4%	Not Started	Not Started	
Equity Funds (Specialist)								
Top Tech 100	8.1%	26.3%	21.1%	22.0%	8.5%	Not Started	Not Started	22,805,726
<i>FinEx Sector Average</i>	6.9%	17.3%	3.7%	7.2%	3.5%	2.5%	3.6%	
Property Funds								
European (Ex-UK) Property	16.2%	22.9%	6.9%	16.4%	Not Started	Not Started	Not Started	19,108,343
Global Property Equities (Henderson Horizon)*	9.6%	4.2%	Not Started	Not Started	Not Started	Not Started	Not Started	1,050,000,000
Australasia Property	10.5%	2.5%	7.5%	11.7%	Not Started	Not Started	Not Started	10,850,905
<i>FinEx Sector Average</i>	6.9%	11.5%	3.8%	4.0%	0.0%	3.7%	7.1%	
Funds Closed to New Business								
Eurozone Property	17.7%	23.5%	6.6%	14.5%	Not Started	Not Started	Not Started	24,880,184
Global Emerging Markets Equity (Aberdeen)*	8.8%	4.0%	Not Started	Not Started	Not Started	Not Started	Not Started	9,800,000,000

Warning: The income you get from this investment may go down as well as up.
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: Past performance is not a reliable guide to future performance.



P I M C O



Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland.

Barclays Bank Plc is authorised by the Prudential Regulation Authority and is regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

BlackRock Investment Management (UK) Limited is authorised and regulated by the Financial Conduct Authority.

Coöperatieve Centrale Raiffeisen-Boerenleenbank, B.A., trading as RaboDirect is licensed by the Dutch Central Bank in the Netherlands and is regulated by the Central Bank of Ireland for conduct of business rules.

Henderson Global Investors is the name under which Henderson Global Investors Limited (reg. no. 906355), Henderson Fund Management Limited (reg. no. 2607112), Henderson Investment Funds Limited (reg. no. 2678531), Henderson Investment Management Limited (reg. no. 1795354), Henderson Alternative Investment Advisor Limited (reg. no. 962757), Henderson Equity Partners Limited (reg. no.2606646), Optimum Investment Management Limited (reg. no. 1137353), (incorporated and registered in England and Wales with registered office at 201 Bishopsgate, London EC2M 3AE) are authorised and regulated by the Financial Conduct Authority to provide investment products and services.

JPMorgan Asset Management Marketing Limited is authorised and regulated by the Financial Conduct Authority.

MFS International (UK) Ltd. is a private limited company registered in England and Wales with the company number 03062718, and is authorised and regulated by the Financial Conduct Authority.

M&G Securities Limited is authorised and regulated by the Financial Conduct Authority.

Pictet North America S.A.'s representative office in the UK is an appointed representative of Pictet Investment Company Limited, authorised and regulated by the Financial Conduct Authority.

PIMCO Europe Ltd, PIMCO Europe Ltd Munich Branch, PIMCO Europe Ltd Amsterdam Branch and PIMCO Europe Ltd - Italy are authorised and regulated by the Financial Conduct Authority.

Threadneedle Investment Services Limited is authorised and regulated by the Financial Conduct Authority.

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.