

Planning for your future

**Investing in cash is not
the only option**



PLANNING FOR YOUR FUTURE.

INVESTING IN CASH IS NOT THE ONLY OPTION.

Planning for your future is a key part of life - whether it is saving for your children's education, supplementing your lifestyle or even your retirement.

However, with interest rates at historic lows, the returns you are getting from savings held in bank accounts are probably not delivering the long-term returns you need. Over the last number of years, returns from investments such as equities and bonds have far outstripped that of cash. That is why we see more investors once again looking at alternatives to holding money on deposit.

We know that taking the first step back into the investment markets can be daunting, so we recommend that you seek professional financial advice from a Financial Broker or Advisor. It is their job to help guide you into making the correct decision about where to invest your money.

To help you with any conversation you might have, over the next few pages, we have outlined some core concepts that you should consider; from being aware of the effect inflation can have on your money, through to the benefits of building a diversified investment portfolio, these are core themes that you should discuss with your Advisor.

Saving for the future is essential if you want your goals to be achieved and it is important that you make use of all the options available to you.

Warning: The value of your investment may go down as well as up.

Warning: Past performance is not a reliable guide to future performance.

Warning: The returns are based on an investment in the funds and do not represent the returns achieved by individual policies linked to the funds.

Warning: Benefits may be affected by changes in currency exchange rates.



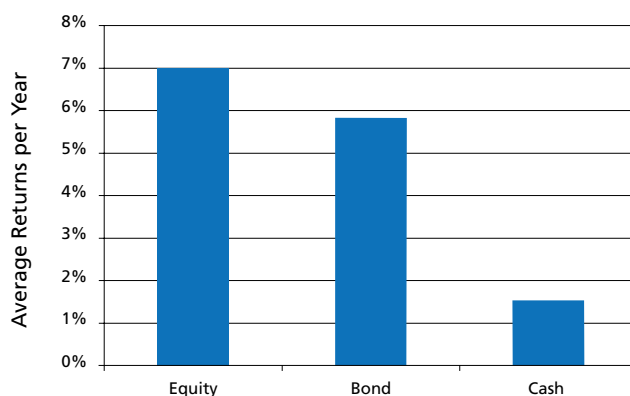
Alternatives to cash

Holding your money in cash or on deposit may make sense for people who are totally risk averse and/or have short-term goals. However over the last number of years holding too much of your savings in cash has been costly. Generally, people are rewarded for taking some risk with their investment and assets such as equities and bonds have the potential to earn you higher returns than cash.

The graph below shows how equities and bonds have outperformed cash over the past ten years. It is important to be aware that investing in other asset classes, such as equities and bonds, carries the potential for higher returns than cash, but it also carries the risk of higher losses to your investment.

EQUITIES AND BONDS HAVE OUTPERFORMED CASH OVER 10 YEARS

€10,000 HYPOTHETICAL INVESTMENT



Returns on cash have struggled to keep up with inflation over the last 10 years and this is why investors may need to consider the benefits of additional investments such as bonds and equities.

10 year inflation = 1.7% per annum

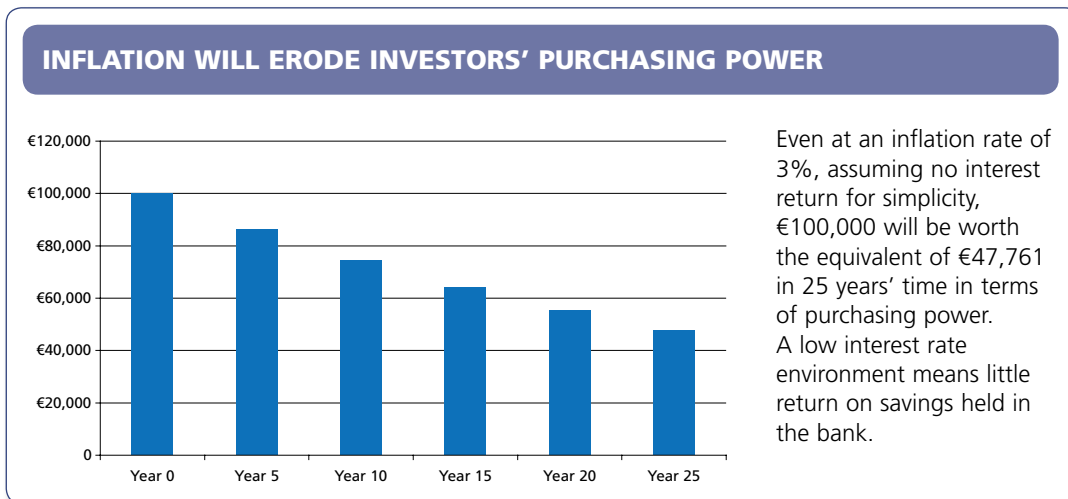
Source: Zurich Life. All data from 10/12/2003 to 10/12/2013.

The information provided is for illustrative purposes only and is not meant to represent the future performance of any specific asset. Equities are represented by the Zurich Life International Equities fund. Bonds are represented by the Zurich Life Active Fixed Income fund. Cash is represented by the Zurich Life Secure Fund. All returns in euro terms.

€↑ Don't ignore inflation

While many of us are enjoying the benefits of historically low interest rates (just think about tracker mortgages), these same rates are playing havoc with the returns you earn on any cash savings. Even today, the European Central Bank refuses to rule out reducing interest rates to 0%, or even below!

What this means is that the spectre of inflation once again becomes a force and over time it will erode the value of any money you hold in cash. Looking at the chart below you see how the purchasing power of your money could be eroded over time.



Source: Zurich Life, February 2014. Assumptions: Constant annual inflation of 3% and no interest returns for simplicity.

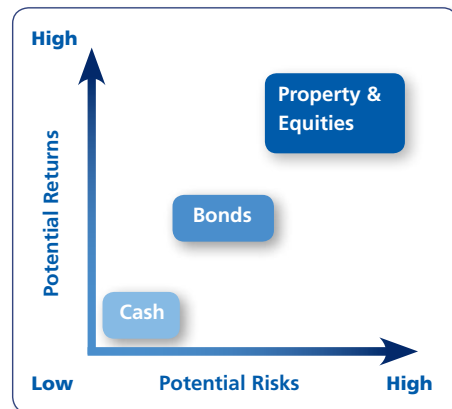




The Benefits of Diversification

There are four main types of investment, which are often called 'asset classes'. Each one works in a different way and carries its own particular rewards and risks. It is important to understand how they work.

- **Cash:** money on deposit (e.g. cash in a bank).
- **Property:** bricks and mortar, or property shares.
- **Equities:** shares in individual companies.
- **Bonds:** loans to companies or governments.



Source: Zurich Life.

An investment fund will generally hold some or all of these different asset classes. The fund manager will buy and sell the different asset classes hoping that their value will increase over time. The diagram above shows the potential risks and returns attached to each asset class.

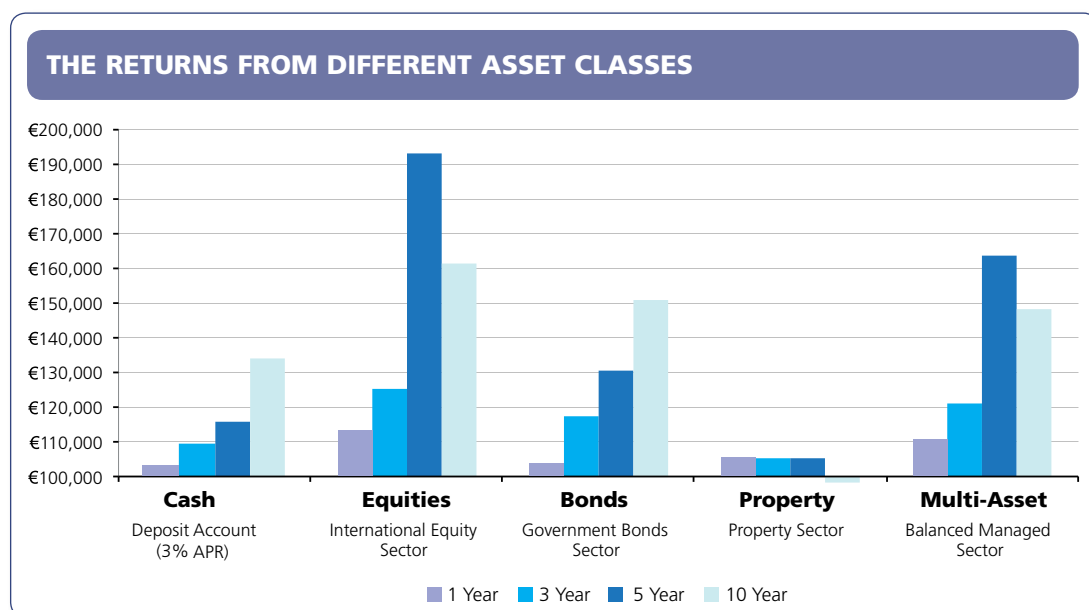
Multi-Asset Funds

Some funds may invest in a mix of assets (for example, equities and bonds). These include managed and multi-asset funds. These funds allow you to invest in a range of assets, countries and market sectors, spreading your investment across many different companies and bonds. The fund manager is able to adjust the asset mix of the fund in anticipation of changing market conditions.

Funds that invest in a wide range of asset classes can carry less risk as they are well diversified!

The world's stockmarkets are difficult to predict - perhaps that's why so many Irish investors have followed a 'wait and see' strategy and remained invested in cash. However, by diversifying investments across different asset classes - whether as part of an investment portfolio or through a single fund solution, over the longer term, the benefits can be very attractive.

See how different assets have delivered over the years, just look at the graph below.

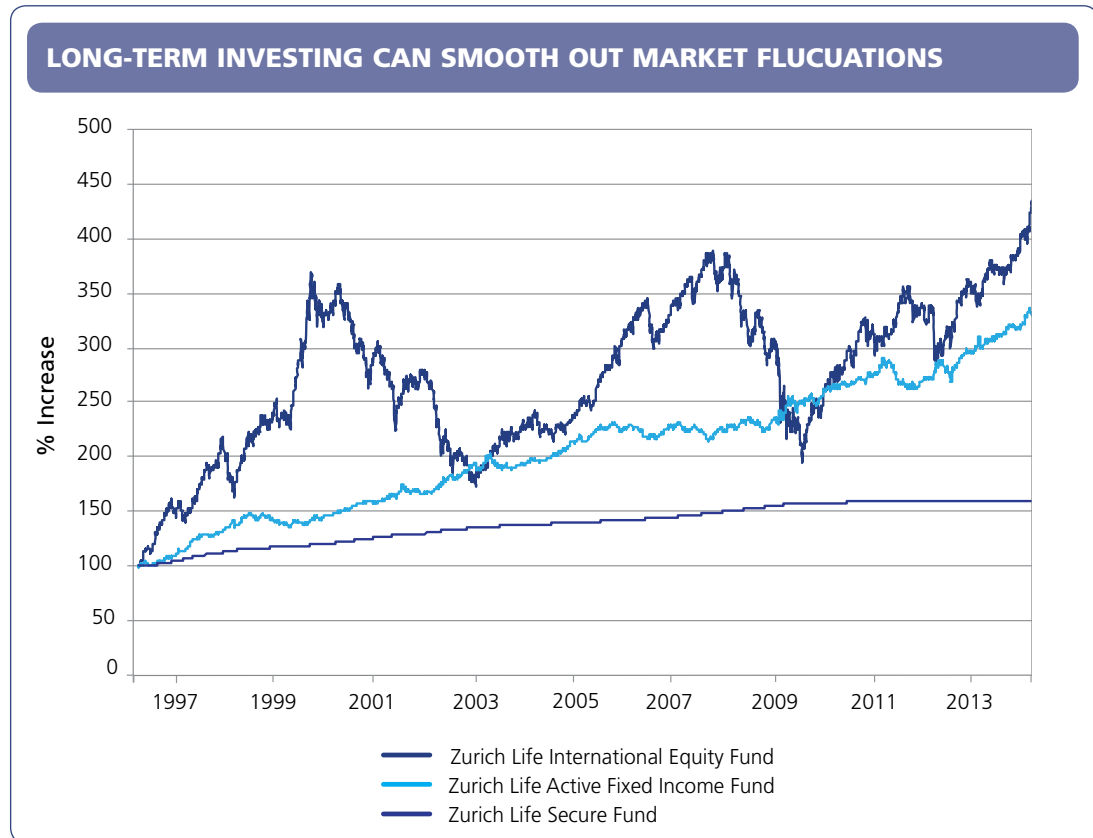


Source: Zurich Life, Financial Express, 03.03.14. Each sector is priced bid-bid and is NET of Fund Management Charges. Deposit Interest of 3% APR compounded and calculated annually. Deposit Interest Retention Tax (DIRT) has not been included. Cumulative Performance Time periods used - 1 Year: 31/01/2013 - 31/01/2014; 3 Year: 31/01/2011 - 31/01/2014; 5 Year: 31/01/2009 - 31/01/2014; 10 Year: 31/01/2004 - 31/01/2014.



Invest for the long-term

Your savings goals are probably balanced between short-term needs such as saving for a holiday or a new car - and longer term needs such as your retirement or saving for your children's education. A key determinant of where you should save is how long you can afford to tie up the money. The graph below shows how short-term fluctuations in stockmarkets are effectively smoothed out over time – so if your goal is far in the future, you may be able to invest in the stockmarket.



Source: Zurich Life, Financial Express, March 2014. Time period used 01.01.97 to 31.12.13.





FIND OUT WHAT TYPE OF INVESTOR YOU ARE

You may have to accept some level of risk when you make an investment but how much depends on what you want to achieve. Only you know what your goals are and how much risk you are prepared to accept to reach them.

Deciding what you want to achieve with your investment is important because it will help you make decisions about where to put your money. Usually, your decision will be based on three things:

1. What do you want to achieve with your money?
2. What levels of investment risk are you comfortable with?
3. For how long would you be happy to invest your money?

Understanding your risk/reward profile

With your Financial Broker or Advisor, you can access the online **Prisma Risk Profiler**, which can help you understand more about investment risk and what levels of risk you feel comfortable with.



WHY ZURICH LIFE

Zurich Life Assurance plc ('Zurich Life') is one of Ireland's most successful life insurance companies, offering a full range of Pension, Investment and Protection products. We have been meeting our customers' needs in Ireland for over 30 years. Our investment team, based in Blackrock, Co. Dublin, is responsible for funds under management of approximately €15.1 billion, of which pension assets amount to €8.1 billion (as at 31 December 2013).

We are committed to the provision of excellent customer service. We have won a number of industry service awards, including the Professional Insurance Brokers Association 'Broker Service Award of Excellence' eight times in a row (2002 - 2010) and the Irish Brokers Association 'Service Excellence Award' fourteen times (most recently in 2009). In 2013, Zurich Life was awarded first place as the Most Reputable Financial Services Company in Ireland (source: RepTrak 2013 study), and was also selected as 'Best in Financial Services' at the In Business Editor's Choice Awards, presented by Chambers Ireland.

Zurich Insurance Group (Zurich) is a leading multi-line insurer that serves its customers in global and local markets. With more than 55,000 employees, it provides a wide range of general insurance and life insurance products and services. Zurich's customers include individuals, small businesses, and mid-sized and large companies, including multinational corporations, in more than 170 countries. The Group is headquartered in Zurich, Switzerland, where it was founded in 1872.

Talk to your Financial Broker or Advisor today to find out more on how to invest in some of our top performing funds or visit our website for more information zurichlife.ie

Zurich Life Assurance plc

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

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

Zurich Life Assurance plc is regulated by the Central Bank of Ireland.

Intended for distribution within the Republic of Ireland.

