

Quarterly Board Report

Zurich Target Date Funds

Zurich TDF 2025



Market Commentary

Market Commentary:

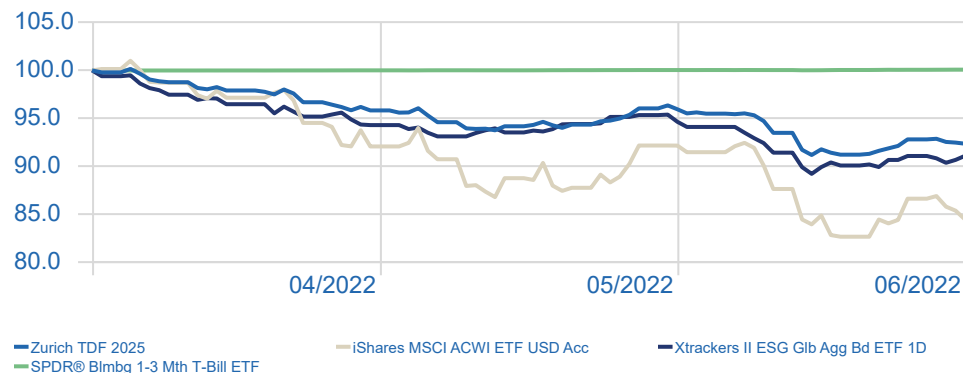
For just the second time in 40 years, bonds and stocks both posted losses for two consecutive quarters. This is an obvious concern for investors as they weigh four key developments: 1) An inflationary squeeze, 2) Rising interest rates, 3) Recessionary preconditions, and 4) Tightening corporate profit margins.

Of the four developments, the primary driver of the 2022 downturn continues to be inflation and the consequential reset in investor expectations. In this regard, uncomfortably high and persistent inflation has spurred central banks to raise interest rates, while the war in Ukraine pushes up energy prices, tangling supply chains, and casting a cloud over the global economy. Prominently, the U.S. Federal Reserve raised rates in May and June by a combined 125 basis points (1.25%) and promised more hikes until inflation shrinks toward the 2% goal.

The strong U.S. dollar has also significantly contributed to outcomes, especially for international unhedged holdings. Currency exposure therefore remains an important risk mitigation tool.

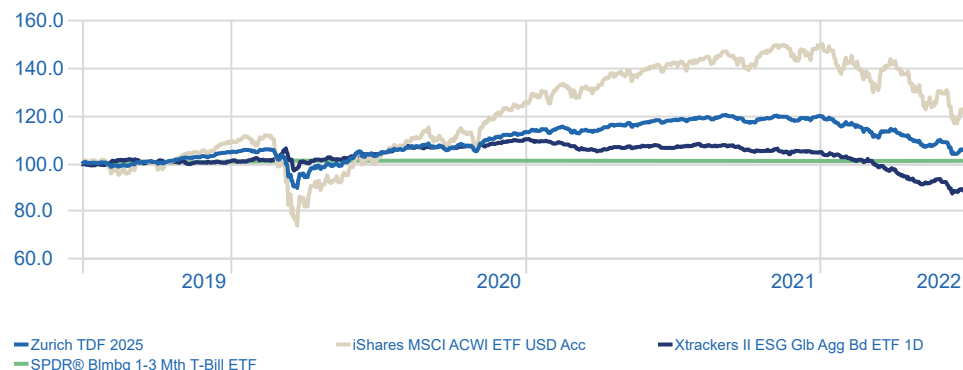
Market Performance (%): Quarter

Time Period: 01/04/2022 to 30/06/2022



Market Performance (%): 3 Year

Time Period: 01/07/2019 to 30/06/2022



Source: Morningstar Direct. The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost. The returns shown assume all dividends and capital gains distributions are reinvested and are net of the underlying holdings' fees and expenses. The Zurich TDF products launched on 03/07/2017.

Zurich TDF 2025

Portfolio & Performance Review

Portfolio & Attribution Commentary

Portfolio Commentary

Performance was negative over the quarter as both equity and bond markets continued their price decline as investors priced in the risk of higher interest rates to combat inflation, and the increased risk of recession. This has been a difficult year so far for multi asset portfolios as both bonds and equities have performed in a similar way, not providing the expected diversification benefit.

Equities are flirting around “official” bear market levels, however it remains a fragmented story. At the sector level, energy stocks are the standout performer, while defensive value-oriented areas of the market, for example healthcare, utilities, and consumer staples, have lived up to their reputation and held up relatively well during the downdraft.

Turning to fixed income, bonds of all kinds ended the quarter in the red, as the rise in yields and decline in prices seen during the first quarter rolled on. While central banks were raising short-term rates, the bond market pushed long-term rates higher. Long-term bonds continue to take a heavy punch thanks to their vulnerability to rising interest rates.

Attribution Commentary

Top Contributors:

Our overweight exposure to Emerging Market Equity benefited returns as Chinese equities performed positively. After a poor start to 2022, China’s stock market benefited as they reopened for business following their covid policy lockdowns. Brazil continued to underperform due to political uncertainty, and South Korea and Taiwan, lagged as the outlook for global trade deteriorated.

Our exposure to Japanese stocks helped excess returns over the period as prices fell less than the broad global equity index. Stock prices were helped by the corporate results season for the fiscal year that ended in March. Overall the results were better than expected. The yen continued to weaken over the period detracting from returns. With the yen being extremely weak versus other currencies, attention now shifts to the Bank of Japan and whether or not they will tighten monetary policy.

Our overweight exposure to UK stocks continued to benefit the portfolio as high inflation helped the energy and basic materials sectors outperform. In addition, the UK stock market has a large allocation to defensive sectors such as healthcare and consumer staples which better protected capital over the period.

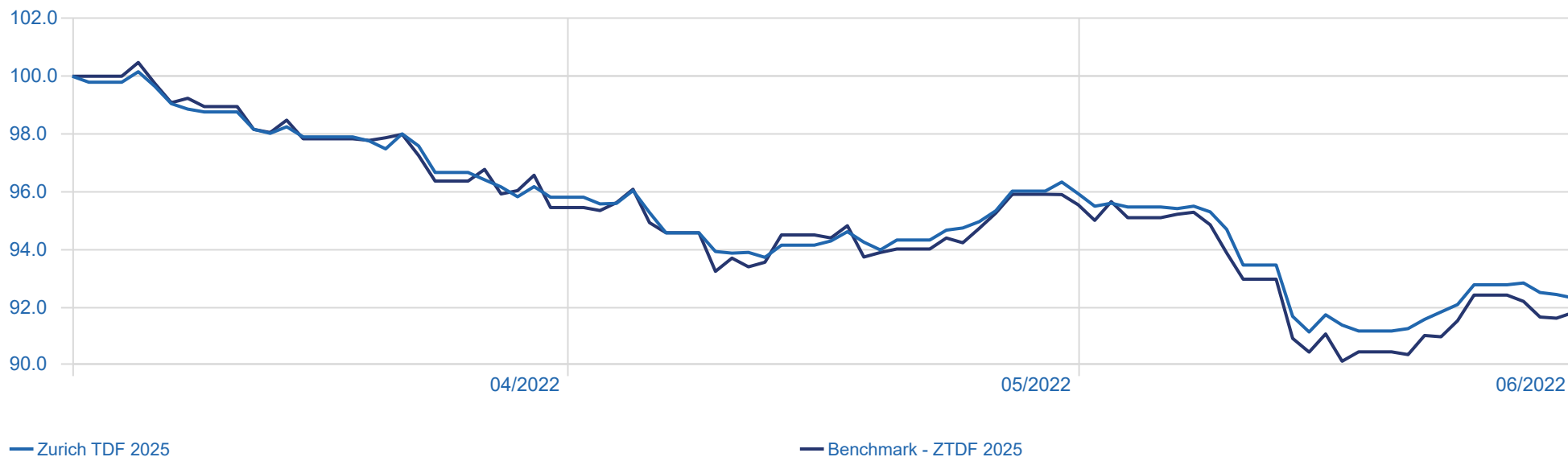
Top Detractors:

Our exposure to high yield bonds detracted from returns as yields rose, and spreads widened. Higher quality bonds outperformed more risky corporate bonds, and shorter maturity bonds outperformed longer maturity bonds over the period.

Exposure to inflation linked government bonds detracted from returns as many central banks take action to reduce inflation. This meant that long term inflation expectations fell over the quarter.

Investment Growth (%)

Time Period: 01/04/2022 to 30/06/2022



Trailing Returns (%)

Data Point: Return

	Since Inception (03/07/2017)	3 Years	Quarter	YTD	01/07/2021 - 30/06/2022	01/07/2020 - 30/06/2021	01/07/2019 - 30/06/2020	01/07/2018 - 30/06/2019	01/07/2017 - 30/06/2018
Zurich TDF 2025	15.82	5.47	-7.68	-12.13	-10.62	13.89	3.60	5.22	4.38
Benchmark - ZTDF 2025	18.93	6.15	-8.19	-12.90	-11.03	13.11	5.47	6.63	5.07

Source: Morningstar Direct. The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost. The returns shown assume all dividends and capital gains distributions are reinvested and are net of the underlying holdings' fees and expenses. The Zurich TDF products launched on 03/07/2017.

Portfolio Positioning & Outlook

Recent Changes

The key changes made over the quarter are outlined below:

Equity allocation

We have increased our exposure to USA equities, with a tilt towards quality growth stocks that look attractively priced.

Fixed income allocation

We took the opportunity to add to global high yield bonds where corporate spreads aggressively widened and provided an attractive entry point to lock in an attractive coupon. Finally, we reduced our cash holding, and invested into short term government bonds where yields have risen sharply.

Positioning Update and Outlook

There's no use sugar-coating how badly the second quarter played out for most investors. For investors with goals in mind (which is the majority) it may feel like two steps forward and one step back. And as the second half of the year begins, attention is likely to continue surrounding the inflation threat and a potential economic recession. Behaviourally, this is an important time to remain grounded principally.

Looking ahead, we continue to believe stocks and bonds are fabulous assets to help people reach their goals, especially following the healthy rebound in yields. Stocks and bonds offer different mechanics, performing differently in various market environments—making them ideal core assets for the majority of investors. Further, following recent losses, the valuations for both stocks and bonds have improved, which is a broad positive that will help investors in the next chapter of their investment journey.

Within equity markets, our allocation is balanced across the different regions. We continue to see the US market as being the least attractive from a relative perspective, however due to recent weakness we have been adding to US allocation. Overall, we favour markets that offer better value and offer diversification benefits, such as Japan, the UK, or the Global Healthcare sector.






The portfolio holds significant exposure to global bonds, with a preference for US bonds. The fixed income allocation is broadly diversified with significant exposure to more defensive assets such as governments bonds combined with exposures to both investment grade, high yield, and Emerging Markets debt.

Zurich TDF 2025

Portfolio Holdings

Zurich TDF 2025 - Holdings

Portfolio Date: 30/06/2022

	Portfolio Weighting %	Morningstar Analyst Rating	3 Mth Rtn to Qtr End (%)	YTD Rtn to Qtr End (%)	1 Yr Rtn to Qtr End (%)
Vanguard U.S. Govt Bd Idx \$ Acc	19.50	 Silver	-3.74	-9.00	-8.91
Stt Strt Gbl Trs Bd Idx I USD Acc Hdg	12.10				
iShares US Index (IE) Instl Acc USD	8.90		-16.25	-20.32	-11.04
Vanguard Global S/T Bd Idx USD H Acc	7.00		-1.40	-4.23	-4.72
Vanguard U.S. 500 Stk Idx \$ Acc	6.30	 Gold	-16.22	-20.17	-11.07
PIMCO GIS GInGd Crdt Instl USD Acc	5.85	 Bronze	-7.32	-14.89	-15.54
iShares US Corp Bd Idx (IE) Instl AccUSD	5.55		-6.78	-13.39	-13.35
iShares EmergMkts Idx (IE) Instl Acc USD	5.40		-11.38	-17.15	-25.51
Colchester Lcl Mkts Bd \$ Unhgd Accl	4.80		-8.68	-14.18	-18.46
ILF USD Liquidity 4	4.10		0.14	0.13	0.13
Vanguard Jpn Stk Idx \$ Acc	4.10		-14.63	-20.29	-20.04
Vanguard European Stock Idx USD Acc	3.20		-14.33	-20.61	-17.35
Fundsmith Equity I Acc	3.00	 Gold	-15.95	-26.24	-21.87
iShares UK Index (IE) Instl Acc GBP	2.20		-10.49	-9.12	-4.19
AXAWF Global High Yield Bds I Cap USD	2.00	Neutral	-9.63	-12.76	-11.66
BGF World Healthscience A2	2.00	Neutral	-6.98	-10.00	-5.59
BSF Fixed Income Strategies A2 USD H	2.00	 Bronze	-1.42	-2.69	-3.09
PIMCO GIS Glb Lw Dur RI Rt Ins USD Acc	2.00		-1.08	-0.67	1.37

Source: Morningstar Direct. The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost. The returns shown assume all dividends and capital gains distributions are reinvested and are net of the underlying holdings' fees and expenses. The Zurich TDF products launched on 03/07/2017.

Analyst Ratings are subjective in nature and should not be used as the sole basis for investment decisions. Analyst Ratings are based on Morningstar analysts' current expectations about future events and therefore involve unknown risks and uncertainties that may cause Morningstar's expectations not to occur or to differ significantly from what was expected. Morningstar does not represent its Analyst Ratings to be guarantees nor should they be viewed as an assessment of a fund's or the fund's underlying securities' creditworthiness.

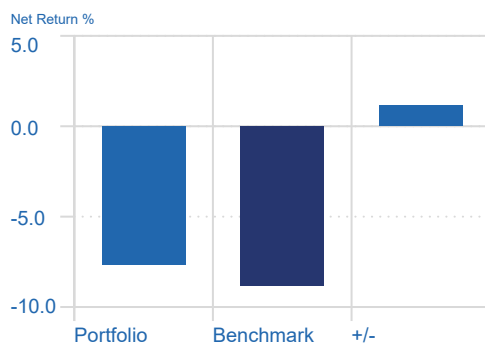
Zurich TDF 2025

Asset Class Attribution

Source: Morningstar Direct. The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost. The returns shown assume all dividends and capital gains distributions are reinvested and are net of the underlying holdings' fees and expenses. The Zurich TDF products launched on 03/07/2017.

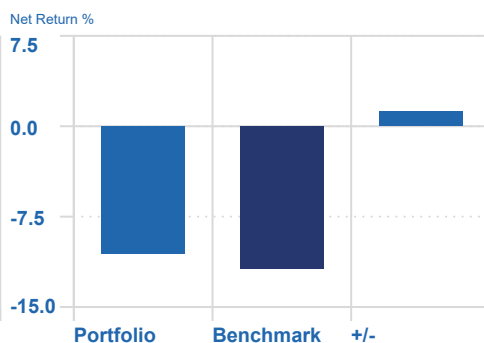
Total Portfolio Returns (%): Quarter

Time Period: 01/04/2022 to 30/06/2022



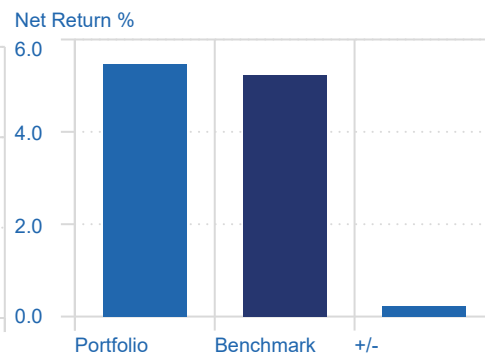
Total Portfolio Returns (%): 1 Year

Time Period: 01/07/2021 to 30/06/2022



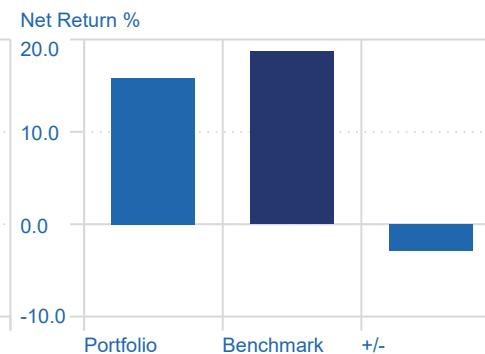
Total Portfolio Returns (%): 3 Year

Time Period: 01/07/2019 to 30/06/2022

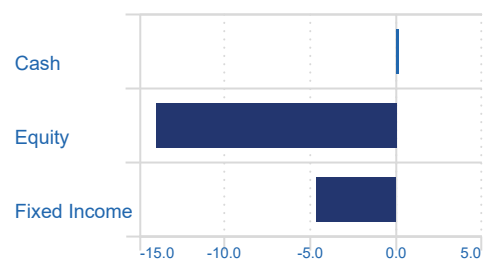


Total Portfolio Returns (%): Since Inception

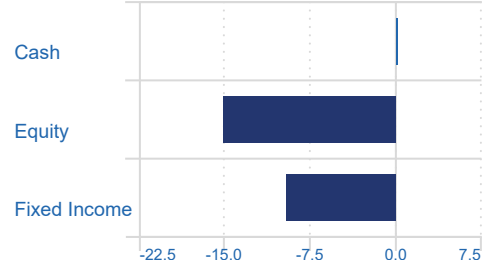
Time Period: 03/07/2017 to 30/06/2022



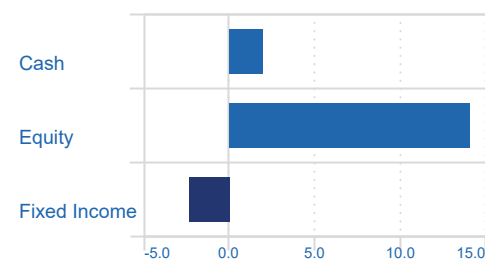
Asset Class Returns (%): Quarter



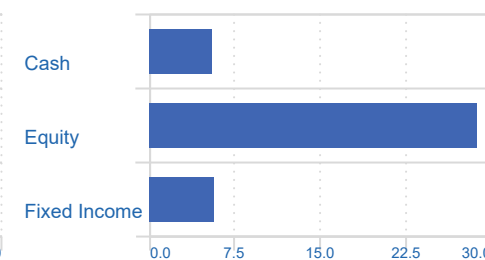
Asset Class Returns (%): 1 Year



Asset Class Returns (%): 3 Year



Asset Class Returns (%): Since Inception



Asset Class Attribution (%): Quarter

	Portfolio Weights	Benchmark Weights	Portfolio Return	Benchmark Return	Portfolio Contribution	Active Return
Cash	4.69	6.20	0.14	0.08	0.01	-0.10
Equity	34.33	34.92	-14.04	-15.16	-5.04	0.44
Fixed Income	60.98	58.88	-4.66	-4.83	-2.65	0.20

Asset Class Attribution (%): 1 Year

	Portfolio Weights	Benchmark Weights	Portfolio Return	Benchmark Return	Portfolio Contribution	Active Return
Cash	6.20	6.06	0.13	0.05	0.01	-0.03
Equity	36.98	35.57	-15.11	-15.59	-5.32	0.24
Fixed Income	56.82	58.37	-9.57	-9.74	-5.30	0.28

Asset Class Attribution (%): 3 Year

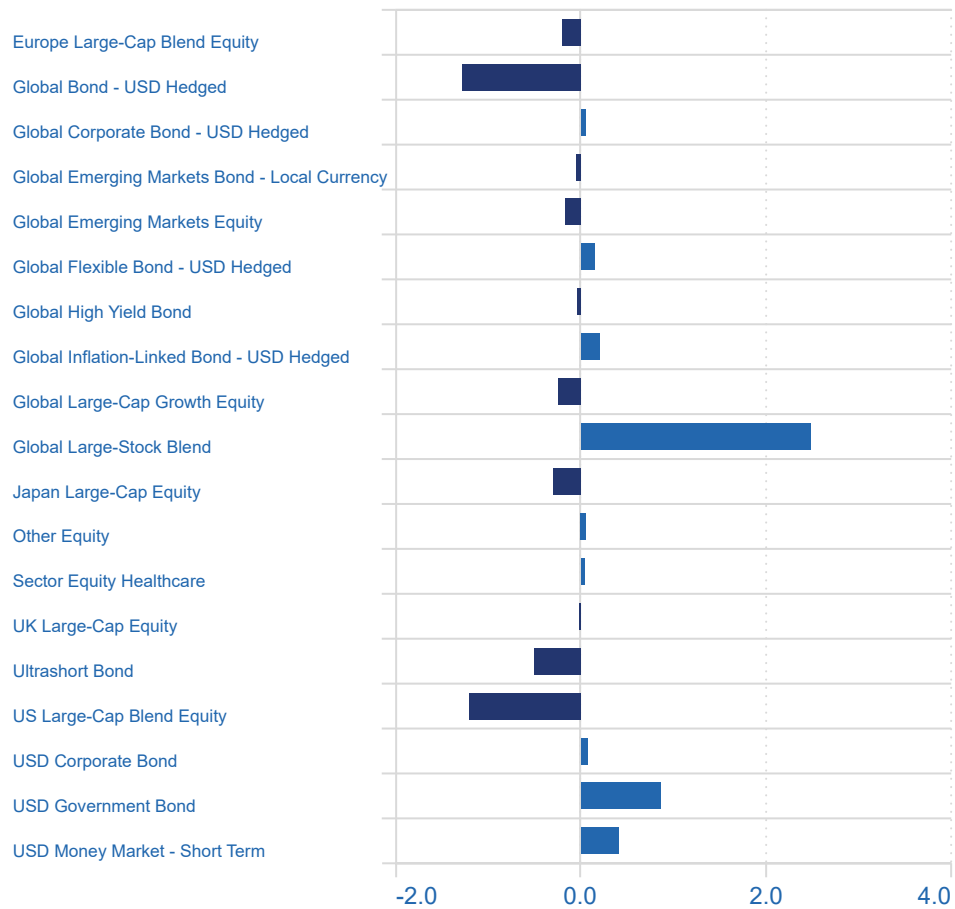
	Portfolio Weights	Benchmark Weights	Portfolio Return	Benchmark Return	Portfolio Contribution	Active Return
Cash	10.61	5.80	1.95	1.30	0.31	-0.90
Equity	37.14	37.15	14.05	20.16	7.74	-1.76
Fixed Income	52.25	57.05	-2.37	-4.57	-2.58	1.95

Asset Class Attribution (%): Since Inception

	Portfolio Weights	Benchmark Weights	Portfolio Return	Benchmark Return	Portfolio Contribution	Active Return
Cash	12.72	6.92	5.50	4.66	0.92	-1.81
Equity	37.31	38.82	28.75	41.27	13.90	-3.94
Fixed Income	49.98	54.25	5.66	2.96	1.00	2.47

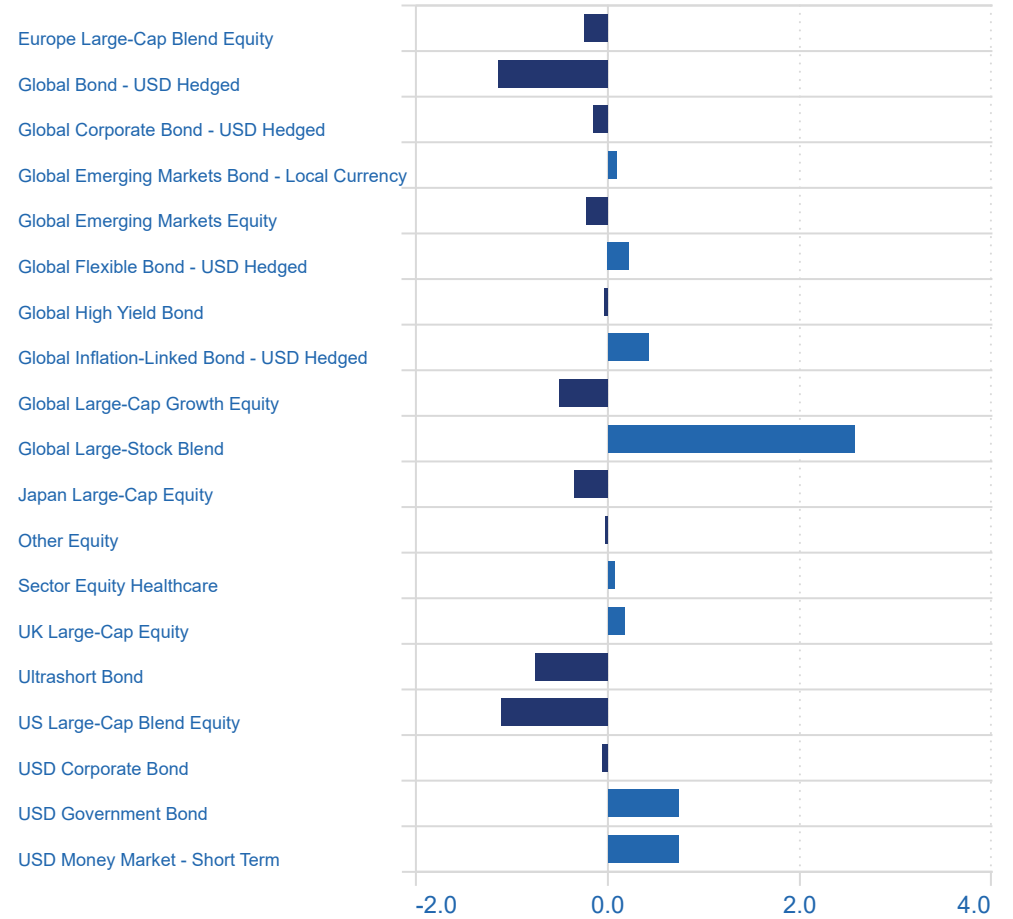
Allocation Effect: (%) : Quarter

Time Period: 01/04/2022 to 30/06/2022



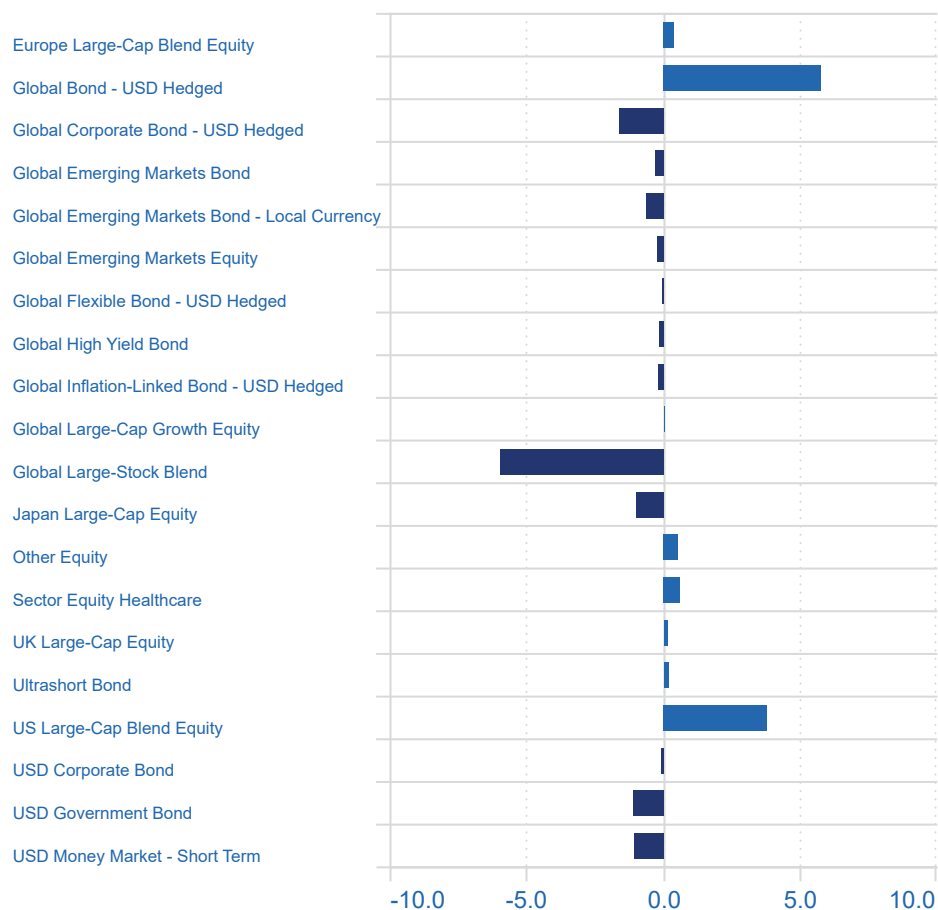
Allocation Effect: (%) : 1 Year

Time Period: 01/01/2022 to 30/06/2022



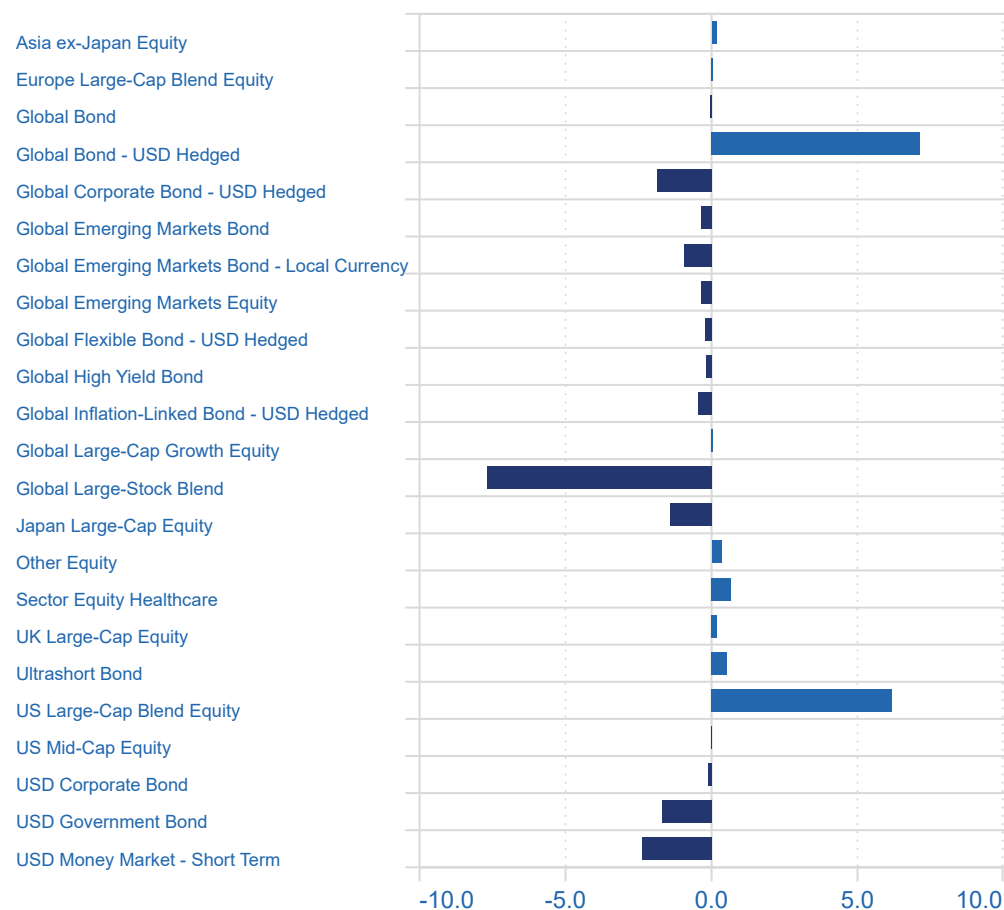
Allocation Effect: (%) : 3 Year

Time Period: 01/07/2019 to 30/06/2022



Allocation Effect: (%) : Since Inception

Time Period: 03/07/2017 to 30/06/2022



Zurich TDF 2025

Important information

Zurich International Life Limited is fully authorised under the Isle of Man Insurance Act 2008 and is regulated by the Isle of Man Financial Services Authority which ensures that the company has sound and professional management and provision has been made to protect planholders.

For life assurance companies authorised in the Isle of Man, the Isle of Man's Life Assurance (Compensation of Policyholders) Regulations 1991, ensure that in the event of a life assurance company being unable to meet its liabilities to its planholders, up to 90% of the liability to the protected planholders will be met.

The protection only applies to the solvency of Zurich International Life Limited and does not extend to protecting the value of the assets held within any unit-linked funds linked to your plan.

Zurich International Life Limited is not authorised to offer insurance products for sale in the United States.

Materials are not intended as an offer to invest and do not constitute an offer or a solicitation of an offer to buy securities in any other country or other jurisdiction in which it is unlawful to make such an offer or solicitation.

Zurich International Life Limited, Bahrain Branch, which is registered in Bahrain under Commercial Registration No. 17444 and is licensed as an Overseas Insurance Firm – Life Insurance by the Central Bank of Bahrain. Branch offices: 27th Floor, Almoayyed Tower, Seef District, Kingdom of Bahrain. Telephone +973 1756 3322.

Zurich International Life Limited, UAE Branch, which is registered (Registration No. 63) under UAE Federal Law Number 6 of 2007, and its activities in the UAE governed by such law. Registered offices at Unit 601, Building 6, Emaar Square, Dubai. (PO Box 50389 Dubai) Telephone: +971 4 425 2300 www.zurich.ae

Zurich International Life Limited, Qatar Branch, which is authorised by the Qatar Financial Centre Regulatory Authority. Branch offices: Office No. 404, 4th Floor, Qatar Financial Centre Tower, West Bay, Doha, Qatar. Telephone: + 974 4428 6322.

Zurich International Life Limited provides life assurance, investment and protection products and is authorised by the Isle of Man Financial Services Authority. Registered in the Isle of Man number 20126C. Registered office: Zurich House, Isle of Man Business Park, Douglas, Isle of Man, IM2 2QZ, British Isles. Telephone +44 1624 662266 Telefax +44 1624 662038 www.zurich.com

Active Managers' Disclaimer:

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost. The returns shown assume all dividends and capital gains distributions are reinvested and are net of the underlying holdings' fees and expenses.

Reference to specific securities is not an indication to buy or sell those securities'

Model Portfolio Performance Disclaimer:

The Models' past performance is provided for informational purposes only and not a guarantee of future results. The returns shown assume all dividends and capital gains distributions are reinvested and are net of the underlying holdings' fees and expenses. The returns do not reflect the deduction of brokerage or other commissions/expenses, do not include any fees charges by Zurich and do not take into account taxes and other charges. Imposition of such fees and charges would cause actual performance to be lower than the performance shown. All indices noted are unmanaged and cannot be directly invested in.