

This Monthly Investment Bulletin should be read in conjunction with the principal brochures for Elite International Bond, Elite Personal/Managed Bond, Vista Retirement Scheme (Vista and Corporate Vista), Supra Savings and Investment Plan (Supra, Supra Wedding and Supra Education Fees) and Magnus. Please note that some of these products are not available in all regions. Please refer to 'Important information' at the end of the bulletin.

## Investment commentary

### US – Weaker dollar boosts exporters' earnings

The US dollar continued to weaken during December, providing a boost to the earnings power of US exporters and helping to support the burgeoning US and global economic recovery. The S&P 500 and the NASDAQ ended the month 4.1% and 0.7% higher respectively in local currency terms. Economic data continued to show the growth baton switching from the consumer to the corporate sector and our funds reflect this theme, with overweights in industrial names and underweights in areas such as retail.

### UK – Market strong into year-end with currency providing a further boost

There was a positive tone in the UK market during December, with encouraging economic data and a pick-up in merger activity helping to support sentiment. The FTSE All Share ended the month 5.5% higher in dollar terms, thanks in part to a strong pound. We have upgraded our earnings forecasts for UK stocks and believe that the market will follow suit in the coming months. This will make valuations look attractive and should provide the scope for prices to move higher.

### Europe – News flow patchy but weak dollar boosts returns

News flow was mixed in December, with strong economic releases, merger activity and selected earnings upgrades on the positive side and the scandal at Italian food company Parmalat on the negative.

Overall, the positive news proved the bigger influence, and the FTSE World Europe ex UK Index ended the month 7.5% higher in dollar terms. We believe that the eurozone economy will continue to recover in 2004 and have upgraded our earnings forecasts accordingly. Our portfolios retain their cyclical focus.

### Japan & Far East – Moving overweight in Japan

The Japanese economy continues its export-led recovery, with the authorities repeatedly intervening to ensure that the recovery is not stifled by a strengthening yen. As long as the global economic recovery continues to unfold as expected and the currency situation does not deteriorate, we expect the Japanese market to perform relatively well, and have moved modestly overweight in Japan. In the rest of Asia, the strengthening global economy and recovering domestic consumption, together with attractive valuations and likely earnings upgrades, make us positive on markets.

### Bonds – Corporate bonds still preferred

Sentiment on interest rates ebbed and flowed during December, but lower than expected inflation readings in the UK and the US ultimately led investors to conclude that rate hikes were not on the short-term agenda. This helped government bonds to edge higher. Corporate bonds continued to perform well, with positive news such as the well-received new issue from GE outweighing poor news from the spectacular demise of Parmalat. Given the improving growth backdrop, we continue to favour corporate bonds over government issues.

## Guaranteed Accumulation funds

### Historical dividend rates (gross)

Currency	GBP	USD	EAGLES	AUS	DEM / EUR	HKD	JPY
2001	7.15%	5.40%	4.15%	7.15%	5.00%	5.40%	2.20%
2002	7.10%	5.30%	4.15%	7.15%	5.00%	5.30%	2.20%

### Guaranteed investment returns over 10 years (gross) effective from 1 March 2003

Currency	GBP	USD	EAGLES	EUR	JPY
Rate	3.50%	3.50%	2.00%	3.00%	0.50%

Source: Zurich International. **Dividends declared in the past are not necessarily a guide to the future.** The guaranteed investment returns are the current returns available to investors holding the funds for the required term. The guaranteed investment returns are declared in the year of the investment and only apply in respect of the first 10 years of your investment or until the maturity date, if earlier. The interim and bonus dividend credited during the period from policy commencement to the 10<sup>th</sup> policy anniversary or maturity date if earlier will not be less than the guaranteed investment returns. For full details of the terms and conditions governing the Guaranteed Accumulation funds, please refer to the 'guide to your investments' booklet, a copy of which is available on request. The guarantor is Zurich International Life Limited.

Source: Zurich International. Figures based on bid prices on the 1<sup>st</sup> day of each month.

**Note: Past performance for all our funds is not necessarily a guide to future performance.**

Fund performance to 1 January 2004				Performance in fund currency <sup>1</sup>							Performance in USD					
	Fund code	Currency	Current bid price	Launch date	1 month	3 months	1 year	5yrs	10yrs/ since launch†	5yrs/ since launch† AGR	1 month	3 months	1 year	5yrs	10yrs/ since launch†	5yrs/ since launch† AGR
<b>Money Market funds</b>																
Sterling Money Market	SEGBP	GBP	2.59	01/03/1988	0.27%	0.78%	2.98%	22.34%	59.48%	4.12%	4.00%	7.46%	14.00%	31.85%	92.30%	5.68%
US Dollar Money Market	SEUSD	USD	1.82	01/03/1988	0.00%	0.00%	0.33%	15.48%	42.75%	2.92%	0.00%	0.00%	0.33%	15.48%	42.75%	2.92%
Euro Money Market	SEEUR	EUR	0.79	01/10/1995	0.13%	0.26%	1.55%	13.06%	22.83%†	2.48%	5.23%	8.13%	21.97%	22.19%	12.15%†	4.09%
Japanese Yen Money Market	SEJPY	JPY	129.70	01/10/1995	0.02%	0.03%	0.15%	2.16%	3.76%†	0.43%	2.48%	3.26%	11.13%	8.53%	-4.62%†	1.65%
Swiss Franc Money	SECHF	CHF	1.24	31/12/2002	-0.08%	-0.16%	-0.72%	-	-0.72%†	-0.72%†	4.26%	6.24%	11.55%	-	19.33%†	19.33%†
Eagle Money Market <sup>1</sup>	SEGL	Eagles	1.58	01/03/1988	-0.82%	-2.14%	0.57%	5.63%	7.68%	1.10%	2.87%	4.35%	11.34%	13.84%	29.83%	2.63%
<b>Managed funds</b>																
Sterling Defensive	DEGBP	GBP	1.30	03/03/2003	2.12%	1.80%	-	-	4.16%†	4.98%†	5.91%	8.54%	-	-	17.42%†	21.11%†
US Dollar Defensive	DFUSD	USD	1.33	03/03/2003	0.91%	1.45%	-	-	6.64%†	7.97%†	0.91%	1.45%	-	-	6.64%†	7.97%†
Euro Defensive	DEEUR	EUR	1.31	31/12/2002	1.01%	0.85%	4.48%	-	4.48%†	4.48%†	6.16%	8.77%	25.48%	-	32.60%†	32.60%†
Sterling Cautious	CAGBP	GBP	1.37	03/03/2003	2.01%	3.09%	-	-	9.52%†	11.46%†	5.80%	9.92%	-	-	23.46%†	28.58%†
US Dollar Cautious	CTUSD	USD	1.40	03/03/2003	1.97%	3.62%	-	-	12.08%†	14.57%†	1.97%	3.62%	-	-	12.08%†	14.57%†
Euro Cautious	CAEUR	EUR	1.35	31/12/2002	1.28%	2.90%	7.92%	-	7.92%†	7.92%†	6.44%	10.98%	29.62%	-	36.97%†	36.97%†
Sterling Blue Chip	BCGBP	GBP	2.58	01/03/1988	1.98%	4.93%	11.51%	-1.15%	57.61%	-0.23%	5.77%	11.88%	23.44%	6.53%	90.05%	1.27%
US Dollar Blue Chip	BCUSD	USD	2.82	01/03/1988	2.96%	6.55%	17.77%	11.17%	123.67%	2.14%	2.96%	6.55%	17.77%	11.17%	123.67%	2.14%
Euro Blue Chip	BCEUR	EUR	1.39	31/12/2002	1.31%	4.74%	11.44%	-	11.44%†	11.44%†	6.48%	12.96%	33.84%	-	41.44%†	41.44%†
Eagle Blue Chip <sup>1</sup>	BCEGL	Eagles	2.26	01/03/1988	1.10%	2.41%	14.24%	6.63%	57.18%	1.29%	4.86%	9.20%	26.47%	14.91%	89.53%	2.82%
Sterling Performance	PFGBP	GBP	2.50	01/03/1988	1.88%	5.85%	15.98%	-1.65%	57.44%	-0.33%	5.66%	12.86%	28.39%	5.98%	89.84%	1.17%
US Dollar Performance	PFUSD	USD	2.56	01/03/1988	4.15%	9.59%	25.94%	9.50%	111.31%	1.83%	4.15%	9.59%	25.94%	9.50%	111.31%	1.83%
Euro Performance	PFEUR	EUR	1.41	31/12/2002	1.08%	5.78%	12.72%	-	12.72%†	12.72%†	6.23%	14.09%	35.38%	-	43.06%†	43.06%†
Eagle Performance <sup>1</sup>	PFEGL	Eagles	2.09	01/03/1988	1.43%	4.14%	17.19%	1.39%	52.92%	0.28%	5.19%	11.04%	29.73%	9.27%	84.38%	1.79%
Sterling Adventurous	ADGBP	GBP	2.09	01/03/1988	0.43%	3.67%	15.29%	4.14%	45.88%	0.81%	4.16%	10.54%	27.63%	12.23%	75.90%	2.33%
US Dollar Adventurous	ADUSD	USD	1.98	01/03/1988	5.16%	10.87%	28.61%	17.46%	91.85%	3.27%	5.16%	10.87%	28.61%	17.46%	91.85%	3.27%
Euro Adventurous	ADEUR	EUR	1.36	31/12/2002	0.15%	4.13%	9.04%	-	9.04%†	9.04%†	5.25%	12.30%	30.96%	-	38.39%†	38.39%†
Eagle Adventurous <sup>1</sup>	ADEGL	Eagles	1.87	01/03/1988	0.97%	4.00%	18.19%	4.48%	52.66%	0.88%	4.72%	10.89%	30.83%	12.60%	84.08%	2.40%
<b>Equity funds</b>																
United Kingdom	EQGBP	GBP	1.88	01/10/1995	1.84%	7.13%	15.36%	-8.66%	50.24%†	-1.79%	5.63%	14.23%	27.70%	-1.56%	69.37%†	-0.31%
North American	EQUSD	USD	2.70	01/10/1995	4.00%	9.17%	22.03%	5.34%	116.24%†	1.05%	4.00%	9.17%	22.03%	5.34%	116.24%†	1.05%
Pacific Basin	PBUSD	USD	1.26	01/10/1995	6.49%	12.17%	47.37%	52.72%	1.04%†	8.84%	6.49%	12.17%	47.37%	52.72%	1.04%†	8.84%
Japanese	EQJPY	JPY	94.64	01/10/1995	4.53%	4.31%	19.93%	-1.48%	-24.29%†	-0.30%	7.11%	7.68%	33.08%	4.67%	-30.40%†	0.92%
European	EQEUR	EUR	1.74	01/10/1995	1.58%	9.16%	12.69%	-3.56%	119.06%†	-0.72%	6.76%	17.73%	35.35%	4.23%	100.02%†	0.83%
Latin American	LAUSD	USD	1.84	01/10/1996	10.44%	20.50%	65.17%	91.07%	47.20%†	13.83%	10.44%	20.50%	65.17%	91.07%	47.20%†	13.83%
Global Select Growth	GSUSD	USD	1.05	01/11/2000	5.55%	11.04%	27.72%	-	-16.32%†	-5.47%†	5.55%	11.04%	27.72%	-	-16.32%†	-5.47%†
UK Smaller Cos	SCGBP	GBP	1.98	01/11/1998	2.97%	5.61%	33.11%	47.50%	58.24%†	8.08%	6.79%	12.60%	47.35%	58.96%	58.96%†	9.71%
US Smaller Cos	SCUSD	USD	1.94	01/10/1996	4.99%	16.57%	35.13%	20.64%	54.18%†	3.82%	4.99%	16.57%	35.13%	20.64%	54.18%†	3.82%
European Smaller Cos	SCEUR	EUR	1.99	01/10/1996	1.32%	10.49%	30.49%	54.68%	156.98%†	9.12%	6.49%	19.17%	56.73%	67.18%	152.96%†	10.82%
Japanese Smaller Cos	SCJPY	JPY	112.32	01/10/1996	2.94%	2.16%	18.67%	28.09%	-10.47%†	5.08%	5.48%	5.47%	31.68%	36.08%	-6.65%†	6.35%
Global Technology <sup>2</sup>	NTUSD	USD	0.48	01/11/2000	2.15%	10.72%	47.06%	-	-62.00%†	-26.33%†	2.15%	10.72%	47.06%	-	-62.00%†	-26.33%†
Global Life Sciences <sup>2</sup>	LSUSD	USD	1.07	01/11/2000	3.57%	9.27%	34.13%	-	-14.16%†	-4.71%†	3.57%	9.27%	34.13%	-	-14.16%†	-4.71%†
<b>Bond funds</b>																
Sterling	BNGBP	GBP	2.07	01/10/1995	2.17%	0.73%	0.44%	10.68%	65.84%†	2.05%	5.96%	7.40%	11.19%	19.27%	86.95%†	3.59%
US Dollar	BNUSD	USD	1.83	01/10/1995	0.77%	0.38%	3.40%	19.88%	46.16%†	3.69%	0.77%	0.38%	3.40%	19.88%	46.16%†	3.69%
European	BNEUR	EUR	1.31	01/10/1995	0.84%	-0.76%	2.02%	13.94%	65.31%†	2.64%	5.99%	7.04%	22.53%	23.14%	50.93%†	4.25%
International	IBUSD	USD	1.75	01/10/1996	3.97%	4.72%	17.97%	25.04%	40.24%†	4.57%	3.97%	4.72%	17.97%	25.04%	40.24%†	4.57%
Emerging Markets	EBUSD	USD	2.69	01/11/1998	3.74%	7.04%	30.95%	103.09%	115.28%†	15.22%	3.74%	7.04%	30.95%	103.09%	103.09%†	15.22%

Source: Zurich International. Figures based on bid prices on the 1<sup>st</sup> day of each month. **Note: Past performance for all our funds is not necessarily a guide to future performance.**

For further information on our funds, please see our website at [www.zurichintl.com](http://www.zurichintl.com)

Fund performance to 1 January 2004				Performance in fund currency						Performance in USD						
Fund code	Currency	Current bid price	Launch date	1 month	3 months	1 year	5yrs	10yrs/ since launch†	5yrs/ since launch† AGR%	1 month	3 months	1 year	5yrs	10yrs/ since launch†	5yrs/ since launch† AGR%	
<b>Mirror funds</b>																
ZI Aberdeen International Technology	ATUSD	USD	0.41	01/11/2000	1.75%	11.51%	43.31%	-	-67.44%†	-29.83%†	1.75%	11.51%	43.31%	-	-67.44%†	-29.83%†
ZI Baring GUF Eastern Europe	NAUSD	USD	3.17	01/11/1998	8.13%	9.74%	52.97%	132.72%	132.72%†	18.40%	8.13%	9.74%	52.97%	132.72%	132.72%†	18.40%
ZI Baring GUF High Yield Bond	NBUSD	USD	1.82	01/11/1998	1.45%	2.83%	13.33%	43.23%	43.23%†	7.45%	1.45%	2.83%	13.33%	43.23%	43.23%†	7.45%
ZI Fidelity International	FAUSD	USD	1.18	01/11/1998	5.72%	12.03%	27.07%	-18.97%	-18.97%†	-4.12%	5.72%	12.03%	27.07%	-18.97%	-18.97%†	-4.12%
ZI Fidelity Korea	FBUSD	USD	1.92	23/07/2001	6.19%	13.59%	30.48%	-	53.76%†	19.25%†	6.19%	13.59%	30.48%	-	53.76%†	19.25%†
ZI Framlington FIP Health	FHUSD	USD	0.88	01/11/2000	7.22%	11.17%	48.73%	-	-29.92%†	-10.62%†	7.22%	11.17%	48.73%	-	-29.92%†	-10.62%†
ZI Franklin US Government	TCUSD	USD	1.34	01/11/2001	0.15%	-0.30%	0.15%	-	7.52%†	3.40%†	0.15%	-0.30%	0.15%	-	7.52%†	3.40%†
ZI Gartmore CSF Sterling Bond	GCGBP	GBP	1.38	01/11/2001	2.60%	0.80%	4.87%	-	10.32%†	4.64%†	6.42%	7.48%	16.09%	-	35.22%†	14.94%†
ZI Gartmore CSF UK Equity	GBGBP	GBP	0.88	01/11/2000	1.50%	4.90%	18.49%	-	-29.76%†	-10.55%†	5.27%	11.85%	31.17%	-	-13.50%†	-4.48%†
ZI Gartmore CSF UK Smaller Cos	GAGBP	GBP	0.84	01/11/2000	2.55%	7.66%	49.73%	-	-32.56%†	-11.70%†	6.36%	14.80%	65.76%	-	-16.95%†	-5.70%†
ZI HSBC Chinese Equity	HBUSD	USD	2.51	01/11/1998	16.74%	37.23%	100.96%	143.69%	143.69%†	19.50%	16.74%	37.23%	100.96%	143.69%	143.69%†	19.50%
ZI HSBC Hong Kong Equity	HAUSD	USD	1.83	01/11/1998	6.14%	14.79%	48.82%	56.58%	56.58%†	9.38%	6.14%	14.79%	48.82%	56.58%	56.58%†	9.38%
ZI HSBC Indian Equity	HCUSD	USD	3.47	23/07/2001	17.55%	40.39%	112.30%	-	177.52%†	51.84%†	17.55%	40.39%	112.30%	-	177.52%†	51.84%†
ZI INVESCO GT European Bond	IEUSD	USD	1.85	01/11/2001	6.09%	7.32%	23.38%	-	47.76%†	19.74%†	6.09%	7.32%	23.38%	-	47.76%†	19.74%†
ZI INVESCO GT Pan European	IVUSD	USD	0.76	01/11/2000	6.91%	15.90%	33.22%	-	-39.36%†	-14.61%†	6.91%	15.90%	33.22%	-	-39.36%†	-14.61%†
ZI JF ASEAN	JCUSD	USD	1.98	01/11/1998	9.94%	18.72%	73.90%	54.61%	54.61%†	9.11%	9.94%	18.72%	73.90%	54.61%	54.61%†	9.11%
ZI JF Eastern	JBUSD	USD	2.46	01/11/1998	7.43%	13.28%	38.34%	95.00%	95.00%†	14.29%	7.43%	13.28%	38.34%	95.00%	95.00%†	14.29%
ZI JF Pacific Securities	JAUSD	USD	3.10	01/11/1998	10.41%	15.52%	38.51%	131.12%	131.12%†	18.24%	10.41%	15.52%	38.51%	131.12%	131.12%†	18.24%
ZI Merrill Lynch IIF European Opps	MBUSD	USD	1.44	01/11/1998	3.97%	15.30%	56.07%	11.55%	11.55%†	2.21%	3.97%	15.30%	56.07%	11.55%	11.55%†	2.21%
ZI Merrill Lynch IIF Japan Opps	MCUSD	USD	1.09	01/11/2000	7.90%	13.97%	54.82%	-	-12.56%†	-4.15%†	7.90%	13.97%	54.82%	-	-12.56%†	-4.15%†
ZI Merrill Lynch IIF ST New Energy	MEUSD	USD	0.80	01/11/2001	4.73%	8.73%	44.38%	-	-36.24%†	-18.75%†	4.73%	8.73%	44.38%	-	-36.24%†	-18.75%†
ZI Merrill Lynch IIF US Equity	MAUSD	USD	1.04	01/11/1998	5.29%	10.22%	20.63%	-27.11%	-27.11%†	-6.13%	5.29%	10.22%	20.63%	-27.11%	-27.11%†	-6.13%
ZI Merrill Lynch IIF US Small Cap Value	MFUSD	USD	1.49	01/07/2002	4.27%	15.14%	41.19%	-	19.28%†	12.44%†	4.27%	15.14%	41.19%	-	19.28%†	12.44%†
ZI Merrill Lynch IIF World Gold	MDUSD	USD	3.81	01/11/2001	2.17%	22.68%	48.87%	-	205.12%†	67.32%†	2.17%	22.68%	48.87%	-	205.12%†	67.32%†
ZI Morgan Stanley SICAV Asian Property	DCUSD	USD	1.57	01/11/2001	6.24%	7.85%	40.57%	-	25.28%†	10.96%†	6.24%	7.85%	40.57%	-	25.28%†	10.96%†
ZI Morgan Stanley SICAV European Property	DBUSD	USD	2.12	01/11/2001	7.79%	20.41%	41.58%	-	69.44%†	27.55%†	7.79%	20.41%	41.58%	-	69.44%†	27.55%†
ZI Morgan Stanley SICAV Global Bond	DBUSD	USD	1.57	01/11/1998	3.70%	5.65%	16.21%	23.62%	23.62%†	4.33%	3.70%	5.65%	16.21%	23.62%	23.62%†	4.33%
ZI Morgan Stanley SICAV Japanese Value Equity	DAJPY	JPY	128.34	01/11/1998	3.76%	2.38%	18.38%	-2.37%	-2.37%†	-0.48%	6.32%	5.69%	31.36%	3.72%	3.72%†	0.73%
ZI Morgan Stanley SICAV US Property	DEUSD	USD	1.78	01/11/2001	3.43%	8.41%	34.87%	-	42.32%†	17.69%†	3.43%	8.41%	34.87%	-	42.32%†	17.69%†
ZI Saudi Arabian Investment Fund	SBUSD	USD	1.97	23/07/2001	-0.15%	-0.20%	47.49%	-	57.76%†	20.51%†	-0.15%	-0.20%	47.49%	-	57.76%†	20.51%†
ZI Schroder (SISF) US Smaller Cos <sup>3</sup>	CAUSD	USD	2.27	01/11/1998	4.27%	14.64%	38.05%	81.68%	81.68%†	12.68%	4.27%	14.64%	38.05%	81.68%	81.68%†	12.68%
ZI Templeton Emerging Markets	TBUSD	USD	1.87	01/11/1998	9.28%	18.62%	53.27%	46.33%	46.33%†	7.91%	9.28%	18.62%	53.27%	46.33%	46.33%†	7.91%
ZI Templeton Global Smaller Cos	TAUSD	USD	1.85	01/11/1998	5.30%	15.27%	52.81%	50.33%	50.33%†	8.49%	5.30%	15.27%	52.81%	50.33%	50.33%†	8.49%
ZI UBS Swiss Franc Bond	UBCHF	CHF	1.25	31/12/2002	0.64%	0.32%	0.08%	-	0.08%†	0.08%†	5.01%	6.75%	12.45%	-	20.29%†	20.29%†

The value of any investment and the income from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested. You should note that investing in some of these markets could result in the possibility of large and sudden falls in the price of units. The shortfalls on cancellation or loss on realisation could be considerable. The figures above are shown net of the standard management charge. Details of the individual fund performances are available on request. Mirror fund performance may not completely reflect the underlying fund performance due to some management charges incurred. The charges, expenses and taxation of the underlying fund are different from those of the Zurich International funds and therefore its performance may differ. Please refer to the 'guide to mirror funds' booklet for details. Mirror funds are not available in the Middle East. The ZI UBS Swiss Franc Bond is not available in Hong Kong.

† Where a fund has been launched within the past 5 or 10 years (as applicable) the since launch performance is indicated instead.

<sup>1</sup>Eagle fund performance is shown in sterling.

<sup>2</sup>These funds are not available in the UAE or Bahrain and are managed externally by DWS Investments, part of the Deutsche Bank Group.

<sup>3</sup>The ZI Schroder (SISF) US Smaller Cos fund was closed to new business on 1 August 2002.

Source: Zurich International. Figures based on bid prices on the 1<sup>st</sup> day of each month. **Note: Past performance for all our funds is not necessarily a guide to future performance.**

**For further information on our funds, please see our website at [www.zurichintlif.com](http://www.zurichintlif.com)**

Zurich International											
Retirement investment strategies		Performance in strategy currency <sup>2</sup>					Performance in USD				
Performance to 1 January 2004		1 month	3 months	1 year	5 years	10 years	1 month	3 months	1 year	5 years	10 years
<b>Sterling strategies launched 1.9.1989</b>											
Strategy	1	1.47%	4.92%	14.43%	0.23%	54.02%	5.24%	11.87%	26.68%	8.02%	85.72%
	2	1.46%	4.41%	12.39%	6.67%	66.21%	5.23%	11.33%	24.42%	14.96%	100.42%
	3	1.45%	3.90%	10.35%	13.11%	78.40%	5.22%	10.79%	22.16%	21.90%	115.11%
	4	0.87%	2.38%	7.17%	25.04%	89.21%	4.62%	9.16%	18.64%	34.75%	128.14%
	5	0.63%	1.68%	5.70%	32.27%	99.64%	4.37%	8.42%	17.01%	42.55%	140.71%
<b>Dollar strategies launched 1.9.1989</b>											
Strategy	1	4.10%	9.06%	24.29%	12.39%	109.18%	4.10%	9.06%	24.29%	12.39%	109.18%
	2	3.20%	7.24%	19.64%	15.04%	110.37%	3.20%	7.24%	19.64%	15.04%	110.37%
	3	2.31%	5.41%	14.98%	17.68%	111.56%	2.31%	5.41%	14.98%	17.68%	111.56%
	4	1.16%	2.93%	8.47%	22.14%	91.79%	1.16%	2.93%	8.47%	22.14%	91.79%
	5	0.59%	1.75%	5.44%	25.73%	88.21%	0.59%	1.75%	5.44%	25.73%	88.21%
<b>Eagle strategies<sup>2</sup> launched 1.9.1989</b>											
Strategy	1	1.19%	3.58%	16.60%	3.89%	54.12%	4.95%	10.44%	29.08%	11.96%	85.83%
	2	1.22%	3.29%	14.00%	7.88%	59.75%	4.97%	10.14%	26.20%	16.26%	92.62%
	3	1.24%	3.01%	11.39%	11.87%	65.38%	5.00%	9.83%	23.31%	20.55%	99.42%
	4	0.86%	2.05%	6.64%	15.33%	60.44%	4.60%	8.81%	18.05%	24.29%	93.45%
	5	0.86%	2.00%	4.62%	19.00%	65.39%	4.60%	8.76%	15.82%	28.24%	99.42%
<b>Euro strategies launched 31.12.02</b>											
Strategy	1	0.87%	4.97%	11.23%	-	-	6.01%	13.22%	33.59%	-	-
	2	0.87%	4.25%	10.05%	-	-	6.01%	12.44%	32.17%	-	-
	3	0.87%	3.52%	8.86%	-	-	6.01%	11.66%	30.75%	-	-
	4	0.46%	1.81%	5.34%	-	-	5.58%	9.81%	26.52%	-	-
	5	0.29%	1.00%	3.80%	-	-	5.40%	8.93%	24.67%	-	-

Source: Zurich International. Past performance is not necessarily a guide to future performance.

<sup>2</sup> Eagle strategy performance is shown in sterling

## The Eagle

The Eagle currency is a basket of four globally recognised currencies. Whilst the Eagle is designed to spread currency risk, it cannot remove volatility and the value of the Eagle exchange rate, like any currency, can change daily. Each Eagle is made up of 1 sterling, 2 US dollars, approximately 2.05 euros plus 500 Japanese yen.

The Eagle is currently worth (buying price as at 1 January 2004):

USD	11.04	GBP	6.19
-----	-------	-----	------

It must be remembered that the value of the Eagle can fluctuate and past performance is not necessarily a guide to future performance.

## Currency equivalents

Currency	USD	GBP	EUR
1 USD is currently worth		0.560	0.793
1 GBP is currently worth	1.784		1.415
1 EUR is currently worth	1.261	0.707	

  

Currency	USD	GBP	EUR
1 HKD is currently worth	0.129	0.072	0.102
1 JPY is currently worth	0.009	0.005	0.007
1 Eagle is currently worth	11.041	6.188	8.758

Currency equivalents, based on exchange rates at 1 January 2004, are provided for illustrative purposes only. Source: Zurich International.

## Important information

- Except for the Guaranteed Accumulation funds, the figures shown above include the deduction of the standard management charge.
- The figures have been calculated on bid prices on the first day of each month.
- Details of the individual fund performances are available on request.

Past performance is not necessarily a guide to future performance. The price of units can fall as well as rise. The value of any investment and the income from it can fall as well as rise, as a result of market and currency fluctuations and you may not get back the amount originally invested.

You should note that investing in some of these markets could result in the possibility of large and sudden falls in the price of units. The shortfalls on cancellation or loss on realisation could be considerable. You could get back nothing at all.

Except in the Guaranteed Accumulation funds, the price of units can fall as well as rise, not only due to movements in the value of investments, but also on account of currency movements where investments are not held in the currency of the fund.

For full details of the available range of funds and their charges, please refer to the 'guide to your investments' and 'guide to mirror funds' booklets, copies of which are available on request.

The value of Guaranteed Accumulation funds is only guaranteed on the 10th anniversary of the policy commencement date or at the normal retirement date, if earlier, and on each following 10 year anniversary. For details of the terms and conditions governing the Guaranteed Accumulation funds, please refer to the 'guide to your investments' booklet, a copy of which is available on request. anniversary.

For full details of the products please refer to the individual product brochure and individual policy terms and conditions for further details, copies of which are available upon request.

Nothing contained in this report should be construed as guidance to the suitability of the markets mentioned. Anyone considering investing in these markets should seek professional guidance. The information contained in this report is only a summary and may be subject to change without notice. It was obtained from what we believe to be reliable sources. However its accuracy or completeness cannot be guaranteed. Neither Zurich International Life Limited, nor any companies in the Zurich group nor representatives, can accept responsibility for any errors or omissions.

Threadneedle is the brand name for Threadneedle Asset Management Limited. Threadneedle Asset Management Limited is the primary fund manager to Zurich International Life Limited.

Threadneedle Asset Management Limited is regulated by the Financial Services Authority.

Zurich International is a business name of Zurich International Life Limited. Zurich International Life Limited provides life assurance and investment products and is regulated by the Financial Services Authority for UK business only. Zurich International Life Limited is registered in the Isle of Man No. 20126 and is fully authorised under the Isle of Man Insurance Act 1986 which ensures that the Company has sound and professional management and provision has been made to protect policy owners. Owners of policies issued by Zurich International Life Limited will be protected by the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991 if the Company should become unable to meet its liabilities. Policyholders will not be protected by the UK Financial Services Compensation Scheme. This bulletin is not intended as an offer to invest. The rules and regulations made by the Financial Services Authority and made under the Financial Services and Markets Act 2000 may not apply to policy owners outside the United Kingdom. Details of individual fund performances are available on request.

Registered office: 43-51 Athol Street, Douglas, Isle of Man IM99 1EF, British Isles Telephone: +44 1624 662266 Telefax: +44 1624 662038