

Monthly investment review

For April 2007

Best Investment
Manager 2007 (MoneyMate)

This monthly investment review is produced by Eagle Star for professional Insurance Intermediaries. It covers the following: **performance of major stock markets, comment on markets, Eagle Star asset allocations, feature on selected stocks, Eagle Star's global outlook and fund performance statistics.**

If you require further information, contact your Eagle Star Broker Consultant or your Sales Support Team.



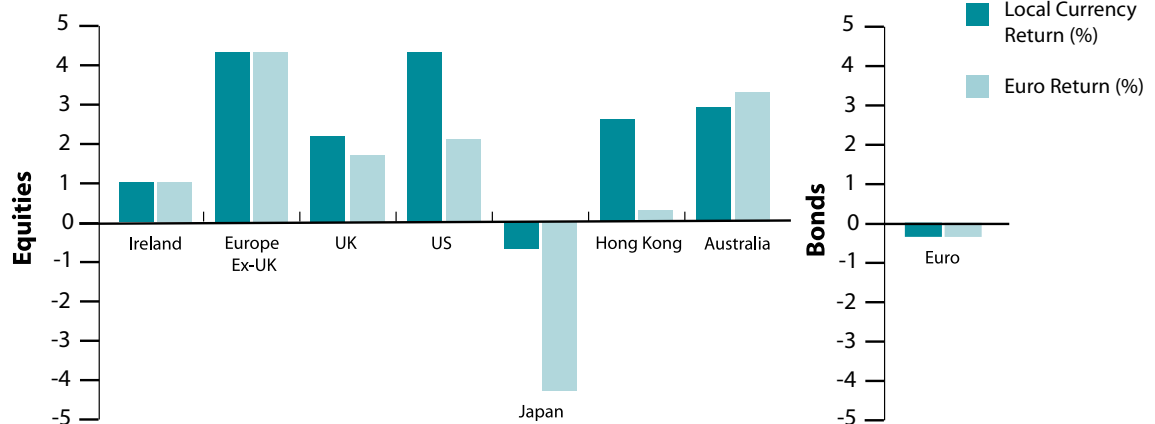
EAGLE STAR

Equity and Bond % Returns

This graph shows the performance of the major equity markets over the month of April.

The returns are shown in both local and euro currencies.

The bond index is the Merrill Lynch over 5 year Euro Government Bond Index.



Investment Comment

- Private equity and merger & acquisition hyper-activity drove equities further ahead during April. A strong corporate earnings results season for Quarter 1 in both the US and Europe also lent support. Markets have now regained all and more of the losses incurred during the brief correction of late February-early March. World equities (in euro terms) ended the month up 2.0%, giving a total return of 3.6% for the first four months of 2007. The best-performing markets in April in local currency terms were Europe and the US. Australia and Hong Kong also performed well. However, some of these gains were eroded for the eurozone investor due to the weakness of the US dollar.
- Equities continue to be supported by the generally positive economic growth and corporate earnings backdrop, as well as relatively benign inflation and reasonable valuations. Further short-term volatility, however, cannot be ruled out due to the recent strong momentum of the markets. Futures markets are now forecasting that eurozone rates will rise by a further 0.50%, to 4.25% at the top of the cycle, an increase from the 4.0% previously expected.
- Sectorwise, there was again no clear distinction between cyclical and defensive sectors over the month. Healthcare stocks in the US performed strongly on the back of stronger-than-expected profits, while basic resources/materials were amongst the weaker sectors.
- Eurozone bonds had another weak month in April (-0.3%) following March's sharp decline. Bond markets in Europe were negatively affected by stronger eurozone economic data, especially in Germany, and a rise in short-term interest rate expectations. US bonds outperformed on the back of more mixed economic numbers.
- Corporate news was brisk in April as the first quarter reporting season got into full swing in both the US and Europe. Of the 434 companies in the US S&P 500 Index which have reported so far, 67% have beaten expectations. Overall, profits grew by 9% over the Quarter 1 2006 results, beating the market expectation of only 4%. Results in Europe were also encouraging. Merger & acquisition activity and rumours continued apace - examples being Newscorp's bid for Dow Jones, RBOS (with Fortis and Santander) bidding for ABN AMRO, Thomson's bid for Reuters and HeidelbergCement's bid for Hanson.
- The US dollar was once again weaker against the euro during April with the €/£ rate ending the period at 1.37 - a new high for the euro on the back of a slight shift in eurozone interest rate expectations.

Eagle Star's Asset Allocation

The funds are slightly overweight in equities and close to neutral in bonds.

Equities

Countries & Markets: Overweight & Underweight positions

The fund managers maintained an overweight position in equities in April, having further increased the content of the higher risk funds during the first half of the period. Regional weightings were mainly unchanged although there were some increases to the European and Asian (ex-Japan) positions. The funds' main positions at the end of April were overweight the Pacific Basin and Europe, underweight the US and Ireland and more neutral in the other regions.

Sectors: Overweight & Underweight positions

The fund managers maintained an overweight position in industrials and an underweight position in oil & gas stocks and utility companies during April. The industrials weighting was further increased with the purchases of ABB and Alstom on the back of strong growth in the power generation equipment market. Consumer goods stocks were also increased to a slightly overweight position with some US purchases. Other positions continue to be pretty balanced.

Bonds

Bonds were slightly stronger in the US during April, as economic data continued to be mixed. Meanwhile in the eurozone the economic releases were viewed as stronger by investors, who raised year-end interest rate expectations slightly. This was reinforced by continued hawkish comment from ECB officials. Investors now anticipate that rates will rise to 4.25% by the end of the year - two further 0.25% increases - and that this will be the peak of this interest rate cycle. The euro gained strongly against the US dollar during April - attaining a record high around 1.37 - but both the ECB and eurozone finance ministers remained relaxed about the move, and did not seem to see any implication for eurozone growth or interest rate prospects. With equity markets also stronger over the period, bonds remained completely sidelined. The Merrill Lynch EMU Government Bond Index fell 0.3% over the month, giving a year to date return of -0.4%.

This review is available each month at www.eaglestarlife.ie along with other investment information.

Spotlight on Stocks

The following stocks are included (at time of going to print) in Eagle Star's funds including the 5★5 Global Fund.

Resources and Infrastructure

Rio Tinto

One of the world's largest mining companies with significant interests in copper, iron-ore, aluminium and coal. A key player in global merger & acquisition activity in the mining sector over the past decade, Rio Tinto's diverse range of assets provides a significant degree of earnings stability. The company has a meaningful proportion of sales to China and has profited accordingly. Rises in commodity prices and volumes have had a great impact on the company's profitability.

Finance

Citigroup

Citigroup Inc. is a diversified financial services holding company that provides a broad range of financial services to consumer and corporate customers around the world. The company's services include investment banking, retail brokerage, corporate banking, and cash management products and services. After a few years of underperformance there is great pressure on management to show improved operating and capital efficiency and to more effectively capitalise on the company's unique franchise. A big tailwind for the company is its product/geography mix with about two thirds of revenues from capital markets and emerging markets. The valuation is attractive with the stock having a dividend yield of around 4%. A potential catalyst for the stock is execution of the planned restructuring to reduce expense growth.

Consumer

Altria

Altria Group Inc. is the parent company of Philip Morris International (PMI), Philip Morris USA (PM USA) and Philip Morris Capital Corporation. It recently spun off its majority stake in the food company Kraft. It is the largest tobacco

company in the world. It is benefiting from price increases on some of its main tobacco brands. The risks associated with the company's tobacco litigation are declining. A potential catalyst for the stock is the expected spin off of its subsidiary PMI to shareholders and a possible subsequent releveraging of PM USA. The valuation of the stock is attractive as it trades at a big discount to the US market.

Information and Communication Technology

Samsung Electronics

Samsung Electronics is one of the world's leading electronic goods manufacturers. Its core businesses consist of semiconductor manufacturing, where it is second only to Intel; mobile handsets, an area in which it supplies mainly high-end models; and TFT-LCD panels for computer monitors and TVs, an area in which Sony recently set up a joint venture with the company. Samsung invests heavily in its businesses to maintain its technological lead and has succeeded in recent years in greatly improving its brand name. The company appears well-positioned to deliver strong earnings growth over the next few years and trades at a significant valuation discount to comparable companies.

Healthcare

Fresenius

Fresenius AG is a German medical equipment company. The company owns 37% of the total capital of Fresenius Medical Care (FMC), the largest fully-integrated dialysis company worldwide. Kabi is the division involved in manufacturing intravenous solutions and has started to see an improvement in its core profitability through selfhelp. In addition, the company owns a division providing healthcare facilities called ProServe. Fresenius AG's current share price values its non-FMC businesses at a discount to their fair value.

Global Outlook

- Forecasters continue to expect some moderation in growth in 2007, from the robust levels of 2006. The major central banks remain focused on the cyclical inflation pressures stemming from strong growth.
- The Fed held rates at 5.25% for the seventh consecutive meeting. Investors have scaled back the expectations of rate cuts by year end – now anticipating less than 0.25% – but the Fed remains firmly on hold for now, waiting to see how inflation and economic growth develop. While calm has been restored to the equity markets – and concerns over the sub-prime mortgage market have waned – the Fed will remain vigilant in assessing the impact of the housing slowdown on the broader economy.
- At the recent ECB meeting there was no rate hike, as anticipated. Investors expect rates to be raised by 0.25% in June and for rates overall to peak at 4.25% around the end of the year. While rates are closer to a neutral level, ECB comments remain hawkish, with upbeat commentary on the economy and little, if any, adverse comment on the high level of the euro exchange rate. Bonds have been over-shadowed by these factors plus the return of calm to equity markets, but have nevertheless reached levels where they may gain support in the short term.
- As long as global risk appetite remains at high levels, equity markets will remain reasonably supported by a strong earnings' background, continued merger & acquisition activity and favourable valuations relative to bonds. As recent experience shows, it is likely that tighter liquidity conditions from higher interest rates will be a concern during the year and periods of volatility are likely.

This outlook does not constitute an offer and should not be taken as a recommendation from Eagle Star.

Advice should always be sought from an appropriately qualified professional.

Investment Performance Report

Annualised Performance to 1st May 2007



Individual Pensions Sector	Year To Date	1 Year	Annualised 3 Years	Annualised 5 Years	Annualised 10 Years	Annualised 15 Years	Fund Size (€)
Cash							
Eagle Star Secure	1.1%	2.9%	2.2%	2.5%	3.8%	5.2%	107,960,000
Acorn Life (Ind) Pension Deposit	1.1%	2.7%	2.0%	2.1%	3.2%	4.9%	2,700,000
Ark Life (Ind) Pension Assured 2	1.0%	2.3%	1.6%	1.7%	2.6%	Not Started	24,910,021
Canada Life (Ind) Setanta Pension Money *	1.0%	2.5%	1.8%	1.8%	2.8%	4.2%	362,588,114
Friends (Ind) Cash	1.0%	2.5%	1.8%	2.0%	2.9%	4.3%	28,582,000
Hibernian L&P Pension Cash	1.0%	2.6%	2.1%	2.0%	Not Started	Not Started	52,468,064
Irish Life (Ind) Exempt Cash 1	1.0%	2.6%	1.9%	1.9%	3.0%	4.2%	324,000
Lifetime/BIAM (Ind) Pen Security	0.9%	2.3%	1.5%	1.6%	2.5%	3.7%	80,144,000
New Irl (Ind) Pension Cash 2 *	1.0%	2.6%	1.8%	1.8%	2.8%	4.3%	80,124,000
Royal Liver (Ind) Money Fund	0.7%	1.8%	1.2%	1.2%	Not Started	Not Started	6,830,735
SL Synergy Cash Fund	0.9%	2.2%	1.5%	Not Started	Not Started	Not Started	35,168,000
MoneyMate Sector Average	1.0%	2.5%	1.7%	1.9%	3.0%	4.4%	
Fixed Interest							
Eagle Star Active Fixed Income	-0.6%	2.6%	4.4%	6.0%	8.2%	Not Started	77,305,000
Eagle Star Long Bond Fund	-1.3%	2.7%	5.9%	Not Started	Not Started	Not Started	18,171,000
Canada Life (Ind) Setanta Pen Fixed Interest *	-1.0%	1.6%	3.1%	4.4%	5.9%	7.3%	221,836,220
Friends (Ind) Fixed Interest	-0.8%	2.0%	3.2%	5.1%	6.3%	8.1%	66,055,000
Hibernian L&P Pension (Hib) H-R Gilt	-0.5%	2.7%	4.1%	6.3%	7.1%	8.2%	52,829,673
Irish Life (Ind) Exempt Fixed Interest 2	-0.6%	1.8%	3.5%	5.2%	6.3%	7.7%	1,126,000
New Irl (Ind) Pension Gilt Edge 2 *	-0.8%	1.5%	3.3%	5.0%	6.4%	7.7%	747,883,000
Royal Liver (Ind) Fixed Interest	0.9%	2.3%	2.9%	4.6%	Not Started	Not Started	23,232,975
SL Synergy Corporate Bond Fund	0.1%	2.5%	Not Started	Not Started	Not Started	Not Started	Not Available
MoneyMate Sector Average	-0.7%	1.9%	3.5%	4.9%	6.5%	7.8%	
International Equity							
Eagle Star International Equity	4.1%	8.2%	16.7%	6.3%	11.0%	Not Started	54,316,000
Ark Life (Ind) Pension Global	4.5%	5.5%	14.4%	3.3%	Not Started	Not Started	8,452,157
Canada Life (Ind) Passive Equity 2	2.6%	6.0%	10.1%	1.8%	Not Started	Not Started	5,564,211
Friends (Ind) International	3.7%	7.6%	14.0%	4.2%	6.0%	8.3%	316,755,000
Hibernian L&P Pension (Hib) H-R International	2.1%	5.6%	13.5%	3.9%	6.8%	9.6%	17,993,104
Irish Life (Ind) Fidelity Managed Intl 4*	6.3%	6.5%	11.8%	1.0%	Not Started	Not Started	14,101,000
New Irl (Ind) Pension International 2 *	2.8%	6.4%	9.4%	1.9%	6.7%	8.9%	2,890,889,000
Royal Liver (Ind) International Equity	3.4%	2.2%	13.0%	4.0%	Not Started	Not Started	11,912,444
SL Synergy Global Equity Tracker	3.3%	7.8%	Not Started	Not Started	Not Started	Not Started	32,741,000
MoneyMate Sector Average	3.5%	7.7%	13.5%	4.4%	7.0%	9.1%	
Managed Aggressive							
Eagle Star Dynamic	4.5%	13.0%	19.4%	9.9%	9.6%	13.7%	835,536,000
Acorn Life (Ind) Pension Managed Growth	3.4%	12.7%	17.6%	8.2%	9.5%	11.2%	246,500,000
Hib Life & Pen NU (Ind) Focussed Managed I	1.6%	11.2%	14.8%	7.1%	10.2%	Not Started	4,850,668
Lifetime/BIAM (Ind) Pen Opportunity	1.2%	7.2%	11.4%	5.5%	8.4%	10.4%	87,776,000
New Irl (Ind) 2016/2040 Series 3 *	1.6%	8.6%	12.9%	6.1%	9.4%	Not Started	1,036,878,000
Royal Liver (Ind) Managed Fund	3.7%	9.8%	14.6%	7.8%	Not Started	Not Started	47,944,362
MoneyMate Sector Average	2.4%	10.3%	14.4%	7.4%	9.1%	11.9%	
Managed Balanced							
Eagle Star Balanced	3.6%	11.4%	16.1%	9.0%	9.5%	12.7%	1,090,948,000
Eagle Star Performance	4.0%	12.3%	18.4%	9.9%	9.7%	13.1%	816,403,000
Acorn Life (Ind) Pension Managed	2.4%	10.5%	14.2%	7.5%	8.8%	10.7%	166,800,000
Ark Life (Ind) Pension Managed 2	3.3%	9.0%	14.1%	5.4%	6.7%	Not Started	509,611,244
Canada Life (Ind) Setanta Pension Managed *	2.3%	7.4%	12.8%	7.1%	7.9%	9.8%	1,027,369,604
Friends (Ind) Managed	2.1%	9.7%	14.2%	7.8%	8.5%	10.4%	480,585,000
Hibernian L&P Pension (Hib) H-R Managed	1.7%	9.4%	13.9%	7.5%	9.1%	10.7%	208,564,014
Irish Life (Ind) Exempt Managed 1	2.4%	10.6%	15.1%	8.3%	9.0%	10.0%	34,383,000
Lifetime/BIAM (Ind) Pen Growth	1.4%	8.1%	11.7%	6.4%	8.9%	10.6%	2,569,138,000
New Irl (Ind) Pension Managed 3	1.5%	7.7%	11.9%	6.6%	9.5%	11.0%	2,544,145,000
SL Synergy Managed	3.9%	12.7%	Not Started	Not Started	Not Started	Not Started	340,266,000
MoneyMate Sector Average	2.0%	9.1%	12.8%	6.8%	8.7%	10.6%	
Irish Equity							
Eagle Star Irish Equity	1.9%	27.1%	Not Started	Not Started	Not Started	Not Started	14,950,000
Ark Life (Ind) Pension Irish	1.4%	17.3%	22.1%	12.1%	Not Started	Not Started	3,100,430
Friends (Ind) Irish Equity	-1.4%	19.0%	22.4%	14.1%	13.6%	15.1%	141,659,000
Hib Life & Pen NU (Ind) Irish Equity *	-1.6%	18.9%	23.2%	14.7%	14.9%	Not Started	3,641,378
New Irl (Ind) Pension Irish Equity 3 *	-0.9%	15.4%	23.3%	14.0%	15.1%	Not Started	452,829,000
Royal Liver (Ind) Irish Equity	2.6%	22.6%	22.4%	14.9%	Not Started	Not Started	14,942,883
SL Synergy Irish Equity Tracker	1.6%	21.4%	Not Started	Not Started	Not Started	Not Started	22,144,000
MoneyMate Sector Average	0.1%	21.0%	22.7%	13.8%	13.6%	14.9%	
Euro Equity²							
Eagle Star Eurozone Equity G	9.1%	21.2%	26.2%	Not Started	Not Started	Not Started	15,025,000
Ark Life Eurozone 2 G	7.5%	12.7%	17.0%	4.6%	Not Started	Not Started	103,648,727
Hibernian L&P Euro Equity G	5.1%	15.4%	19.6%	7.3%	Not Started	Not Started	2,776,285
New Ireland Euroland Equity S 9 G	6.3%	16.9%	17.8%	4.4%	Not Started	Not Started	17,374,000
SL Synergy European Equity Tracker	8.2%	17.0%	Not Started	Not Started	Not Started	Not Started	54,128,000
MoneyMate Sector Average¹	7.3%	16.3%	19.2%	5.9%	N/A	N/A	

Figures highlighted in orange, indicate where Eagle Star has outperformed the average.

Investment Performance Report

Annualised Performance to 1st May 2007

	Year To Date	1 Year	Annualised 3 Years	Annualised 5 Years	Annualised 10 Years	Annualised 15 Years	Fund Size (€)
European Equities²							
Eagle Star 5★5 Europe G	3.6%	7.4%	30.9%	Not Started	Not Started	Not Started	125,615,000
BOI Life - Unit Funds European Ex UK 2 G	7.0%	14.5%	16.3%	4.6%	Not Started	Not Started	1,859,658,000
Canada Life /Setanta European Equity G	3.9%	11.8%	19.0%	7.4%	Not Started	Not Started	14,812,185
Friends First European Equity G	8.1%	17.1%	20.7%	Not Started	Not Started	Not Started	349,692,000
Hibernian L&P European Equity G	5.1%	12.8%	18.7%	7.0%	Not Started	Not Started	4,843,802
Irish Life Europascope 2 G	6.9%	16.5%	18.2%	5.7%	Not Started	Not Started	23,903,000
New Ireland European Equity S 9 G	6.8%	14.0%	15.8%	4.1%	Not Started	Not Started	496,828,000
Royal Liver European Equity G	10.0%	10.7%	21.4%	9.1%	Not Started	Not Started	8,455,976
SL Synergy European Equity	11.4%	21.9%	Not Started	Not Started	Not Started	Not Started	54,128,000
MoneyMate Sector Average¹	8.1%	17.3%	21.2%	8.9%	N/A	N/A	
Far East Equity²							
Eagle Star 5★5 Asia Pacific G	9.4%	22.0%	28.6%	Not Started	Not Started	Not Started	75,014,000
BOI Life - Unit Funds Far East Equity 2 G	-3.3%	-9.3%	8.6%	2.5%	Not Started	Not Started	1,637,000
Hibernian L&P Pacific Basin Equity G	3.1%	10.8%	18.7%	9.9%	Not Started	Not Started	1,191,927
Irish Life Indexed Pacific Basin 1 G	4.8%	11.3%	20.1%	9.6%	Not Started	Not Started	758,000
New Ireland Pacific Basin S 9 G	3.4%	10.9%	18.7%	8.6%	Not Started	Not Started	128,824,000
SL Synergy Pacific Basin Eq Tracker	8.6%	19.3%	Not Started	Not Started	Not Started	Not Started	15,238,000
MoneyMate Sector Average¹	5.2%	10.9%	19.0%	8.3%	N/A	N/A	
American Equity²							
Eagle Star 5★5 Americas G	2.0%	3.6%	15.0%	Not Started	Not Started	Not Started	11,944,000
BOI Life - Unit Funds North American 2 G	0.3%	4.6%	2.3%	-1.9%	Not Started	Not Started	1,187,479,000
Hibernian L&P US Equity G	-2.0%	-3.1%	5.5%	-1.0%	Not Started	Not Started	1,437,075
Irish Life Indexed US 1 G	1.3%	4.8%	7.0%	-0.8%	Not Started	Not Started	1,768,000
New Ireland North American S 9	0.3%	4.1%	1.8%	-2.2%	Not Started	Not Started	293,396,000
SL Synergy North American Equity	4.4%	9.8%	Not Started	Not Started	Not Started	Not Started	37,832,000
MoneyMate Sector Average¹	2.9%	4.7%	7.0%	-0.1%	N/A	N/A	
Concentrated Funds³							
Eagle Star 5★5 Global G	3.1%	4.0%	18.4%	12.2%	Not Started	Not Started	246,119,000
New Ireland Smart Stocks 15 G	1.5%	5.9%	2.7%	-3.7%	Not Started	Not Started	8,188,000
New Ireland Smart Stocks 35 G	0.8%	5.0%	5.1%	-1.9%	Not Started	Not Started	8,789,000
Canada Life /Setanta Focus 15 G	3.1%	13.7%	13.1%	2.6%	Not Started	Not Started	120,878,771
Hib Life & Pens Target 20 G	2.7%	2.7%	10.1%	0.1%	Not Started	Not Started	41,309,797
Average of Selected Funds	2.2%	6.3%	9.9%	1.9%	N/A	N/A	
Property							
Eagle Star Eurozone Property G	4.0%	32.2%	Not Started	Not Started	Not Started	Not Started	117,000,000
BOI Life - Unit Funds Property 2 G	2.2%	15.3%	14.5%	12.2%	Not Started	Not Started	1,018,790,000
Canada Life /Setanta Property G	1.3%	14.0%	14.8%	14.9%	Not Started	Not Started	266,708,159
Friends First Property G	3.2%	17.1%	17.6%	17.6%	18.4%	15.9%	240,623,000
Hibernian L&P Irish Property G	1.2%	13.8%	18.1%	14.7%	Not Started	Not Started	135,234,868
Irish Life Property 1 G	0.9%	17.9%	16.6%	12.5%	Not Started	Not Started	2,136,000
New Ireland Property S 9 G	2.0%	14.7%	13.9%	11.3%	Not Started	Not Started	1,060,960,000
SL Synergy Property	1.8%	9.9%	14.7%	12.1%	Not Started	Not Started	164,000,000
MoneyMate Sector Average¹	5.2%	20.0%	18.1%	13.5%	18.4%	15.9%	
Specialist Funds³							
Eagle Star Dividend Growth G	4.9%	14.2%	Not Started	Not Started	Not Started	Not Started	186,794,000
Hibernian L&P High Yield G	5.1%	16.7%	17.5%	7.2%	Not Started	Not Started	15,450,153
Canada Life CL/Set Equity Div Non Dis G	3.8%	11.6%	16.1%	Not Started	Not Started	Not Started	304,347,164
Bloxxams High Yield Fund 1 G	3.2%	14.2%	18.1%	Not Started	Not Started	Not Started	12,924,000
Average of Selected Funds	4.2%	14.2%	17.2%	7.2%	N/A	N/A	

Figures highlighted in orange, indicate where Eagle Star has outperformed the average.

Warnings: The income you get from this investment may go down as well as up. The Value of your investment may go down as well as up. This benefit may be affected by changes in currency exchange rates. Past performance is not a reliable guide to future performance.

The MoneyMate sector averages shown are the average of all funds in each of the MoneyMate sectors in the individual pensions category except where otherwise stated. The funds highlighted have been chosen to show one of each competitors' open funds. Where a company has no open fund in the category, the best performing closed fund has been chosen. Where more than one fund is applicable the one spanning most time periods has been selected, where there are equal time periods the best performing fund has been selected.

Source: MoneyMate as on 08/05/07.

¹ The average shown is the average of the relevant MoneyMate Irish Domestic Funds (Gross) sector. This sector has been chosen as it contains the most comprehensive selection of competitor funds.

² This MoneyMate regional sector has been chosen as a base comparison for the Eagle Star 5★5 regional fund as there is no regional concentrated fund category.

³ This is not a sector on MoneyMate but has been created to compare the performance of the Eagle Star fund to that of its closest competitors in the Irish Domestic Funds (Gross) sector.

* Note that this fund is no longer open to New Business.