



*guaranteed*  
Dynamic 100 Bond

Limited Offer to 27th June 2007



# guaranteed Dynamic 100 Bond

The Guaranteed Dynamic 100 Bond is an innovative new product that is available for single premium investment in the **Dynamic 100 Fund**.

It offers a **capital guarantee on 3rd July 2013** in addition to having a **Protected Price** equal to 80% of the fund's highest ever unit price, available on encashment at any time.

- ! This product is only available for a limited time period. The fund will close to investments on, or before (if fully subscribed), **27th June 2007**.

## Key features of the Guaranteed Dynamic 100 Bond



- ▶ The capital you invest is **100% guaranteed on 3rd July 2013** (the amount guaranteed is reduced proportionately by any encashments you make).
- ▶ The Dynamic 100 Fund has a **Protected Price** equal to 80% of the fund's highest ever unit price. This protection is available on encashment at any time.
- ▶ For money invested on or before the 27th June 2007, a return of **5% per annum** will apply until the fund opens on 2nd July 2007. This beats the return available from most banks on lump sum deposits.
- ▶ The Dynamic 100 Fund has up to 70% exposure to the returns of the Eagle Star Dynamic Fund. The Dynamic Fund has a high equity content, giving you the opportunity to make real returns.
- ▶ Online access to your bond details, including up-to-date encashment value.

## Key features of the Protected Price

- ▶ The Protected Price is 80% of the highest ever unit price of the Dynamic 100 Fund.
- ▶ It can never fall.
- ▶ It is available on encashment at **any time**.
- ▶ It increases every time the unit price increases above its previous highest point.

The table opposite shows how the Protected Price would change as the unit price of the Dynamic 100 Fund changes.

Time	Fund Unit Price (cent)	Protected Price (cent)
Launch	100	80
Month 1	110	88
Month 2	106	88
Month 3	113	90
Month 4	109	90
Month 5	115	92
Month 6	127	102

The unit prices shown are intended to illustrate how the Protected Price changes as the unit price of the Dynamic 100 Fund moves up and down. They do not in any way represent the actual or expected performance of the fund.

## The role of Barclays Bank plc

Eagle Star has entered into contracts with Barclays Bank plc ("Barclays") designed to provide to Eagle Star, together with the assets of the Dynamic 100 Fund, amounts sufficient to fund (a) the return on the Dynamic 100 Fund referred to below and (b) the capital protection and Protected Price in relation to the Dynamic 100 Fund. Your contract is with Eagle Star and you do not have any contract with Barclays or any recourse to it. In the event that Barclays does not meet its obligations to Eagle Star, or the return to Eagle Star on the Barclays contracts is otherwise insufficient no other assets of Eagle Star shall be used to make up the difference. Eagle Star's obligations in respect of that return, capital protection and protected bid price on the Dynamic 100 Fund are limited accordingly and the value of your policy will reflect this.

Barclays is rated 'AA' or 'Very Strong' for financial strength by credit rating agency Standard & Poor's (as at March 2007). For more information on Barclays, go to [www.barclays.com](http://www.barclays.com).

## The return on the Dynamic 100 Fund

The return from the Eagle Star Dynamic 100 Fund is based on a mixture of the returns from the Eagle Star Dynamic Fund and an Eagle Star Cash Fund. Some or all of the Dynamic 100 Fund may be invested in assets with Barclays Bank plc, which are designed to provide this return. The exposure of the Dynamic 100 Fund to the returns of the Eagle Star Dynamic Fund varies between 0% and 70% depending on investment conditions and how close the unit price of the Dynamic 100 Fund is to its Protected Price.

### Eagle Star's Cash Fund

This fund is invested in deposits with leading institutions and money market instruments. Therefore, the fund is protected from the volatility of equity market investment.

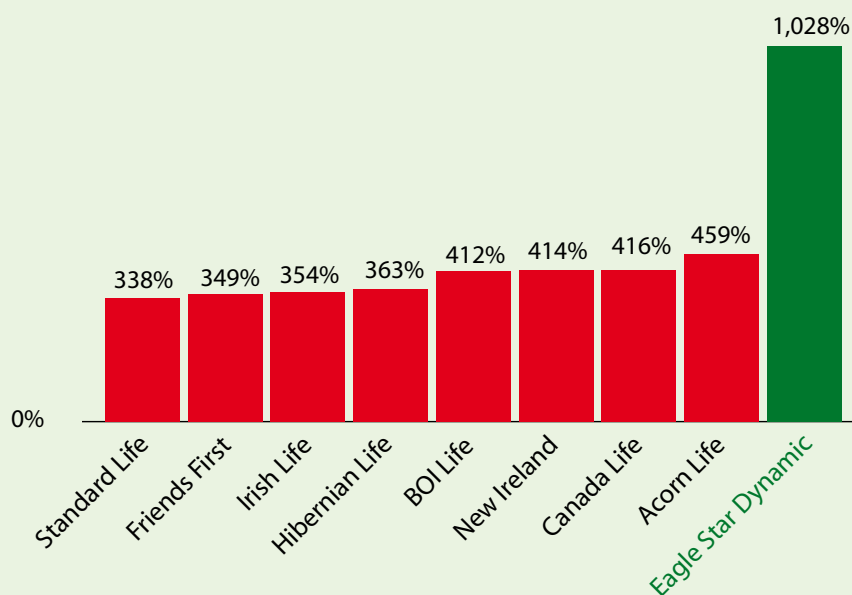
### Eagle Star's Dynamic Fund

The Eagle Star Dynamic Fund is a managed fund which was launched on 1st November 1989. It has provided excellent performance historically. Below is the annualised investment performance of the Dynamic Fund as at 31/12/2006.

Period	1 year	3 years	5 years	10 years	15 years
Annualised Performance	17.9%	19.5%	8.8%	10.5%	14.3%

## Performance of the Dynamic Fund

The Dynamic Fund has consistently outperformed competitors' funds. The following graph demonstrates this outperformance since its launch on 1/11/1989 to 31/12/2006:



Source: MoneyMate. All figures relate to individual pension managed balanced and managed aggressive sectors. Returns are based on offer to offer performance and do not relate to premiums paid into a policy.

**Warning: Past performance is not a reliable guide to future performance The value of your investment may go down as well as up. This product may be affected by changes in currency exchange rates.**

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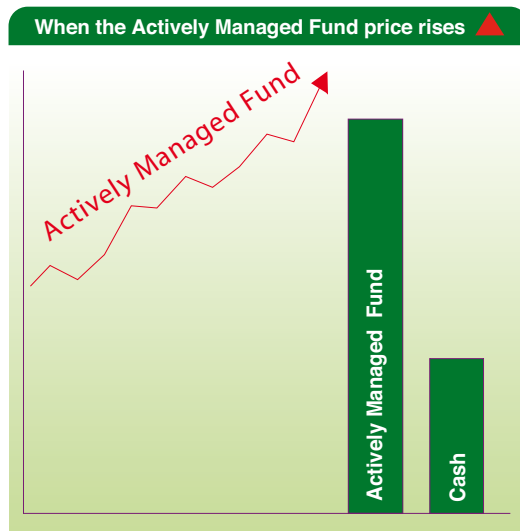
## How the Dynamic 100 Fund works: examples

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To demonstrate how the Dynamic 100 Fund works, it is best to look at some examples:

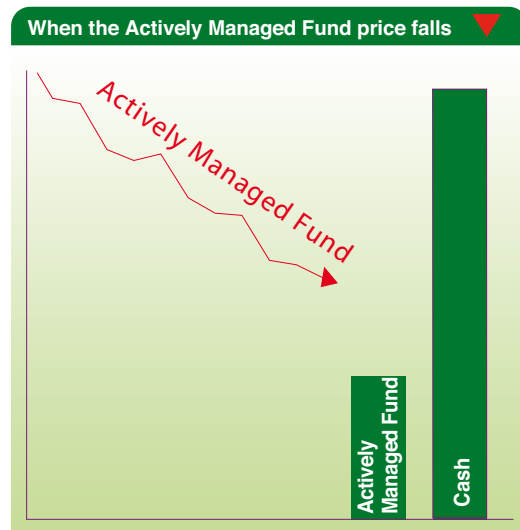
### Example 1

- ▲ If the unit price of the Dynamic Fund is rising, then the exposure of the Dynamic 100 Fund to the performance of the Dynamic Fund increases so that you can benefit from future rises.



### Example 2

- ▼ If the unit price of the Dynamic Fund is falling, then the exposure of the Dynamic 100 Fund to the performance of the Dynamic Fund reduces and the exposure to the Cash Fund increases so that you are protected from future falls.



You should note that, in extreme circumstances, it is possible for the returns on the Dynamic 100 Fund to be based entirely on the performance of the Cash Fund.

## How investment conditions could affect performance

In order to give you an indication of how the Dynamic 100 Fund could perform in different investment conditions we have simulated the performance of the fund over two different six-year historic investment periods.

### Example 1: 1/4/1998 - 1/4/2004

The graph below demonstrates the value of the Protected Price and the capital guarantee in times of falling markets by considering a €10,000 investment in the Dynamic 100 Fund. The value of the investment in the Dynamic 100 Fund would have hit a low of €8,926 during the period. At the end of the six-year period, the fund value would have been €9,292. As this is less than the value of the initial investment, the fund value is increased to €10,000 because of the capital guarantee after 6 years.



### Example 2: 1/1/1993 - 1/1/1999

If you had invested €10,000 in the Dynamic 100 Fund on 1st January 1993, your investment would have been worth €24,882 on 1st January 1999. The investment in the Dynamic 100 Fund would, at all times, be protected from falling below 80% of its highest ever value and, by 1st January 1999, the Protected Price would have risen so that 209% of your original investment would be protected at that date. The graph below of the period demonstrates the growth and guarantees built up due to exposure to the top performing Dynamic Fund.



**Warning:** These figures are estimates only. They are not a reliable guide to the future performance of this investment. The value of your investment may go down as well as up. This product may be affected by changes in currency exchange rates.



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## Yes, we make a charge

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As 100% of your money is invested from day one, the only charge is the annual management charge of between 1.75% and 2.25%, provided you invest for at least 6 years.

Early encashment charges apply in the first 6 years. These charges are 6% in year 1, 5% in year 2, 4% in year 3, 3% in year 4, 2% in year 5 and 1% in year 6. These apply on full and partial encashment.

In addition, a €20 fee applies to any partial encashment you take from your policy.

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## What about tax?

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Whenever monies are paid out of your Guaranteed Dynamic 100 Bond (on death, encashment, partial encashment or by assignment), tax is payable on any gains made. A tax on gains will also be payable every 8 years. Eagle Star will deduct the tax from your policy and pay it to the Revenue Commissioners, leaving you with no further tax liability on the monies you receive from Eagle Star. The rate of tax (currently 23%) is equal to the standard rate of income tax plus 3%.



### Grow your investment without worry.

If you want to benefit from the upside of equity returns, and you want to limit the downside by having an ongoing level of protection and having your investment guaranteed at the sixth anniversary,

simply contact:

- ▶ your Financial Advisor or
- ▶ Eagle Star on 1850 202 102 or
- ▶ visit [www.eaglestarlife.ie](http://www.eaglestarlife.ie)



**EAGLE STAR**

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EAGLE STAR HOUSE FRASCATI ROAD BLACKROCK CO DUBLIN IRELAND TELEPHONE 01 283 1301 FAX 01 283 1578 WEBSITE [www.eaglestarlife.ie](http://www.eaglestarlife.ie)

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The tax and legislative information contained herein is based on Eagle Star's understanding of current practice as at March 2007 and may change in the future.

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