

Monthly Investment review

For November 2005

Eagle Star
Winner of the 2005 Investment
Management Excellence Award*
* Financial Services Excellence Awards

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.



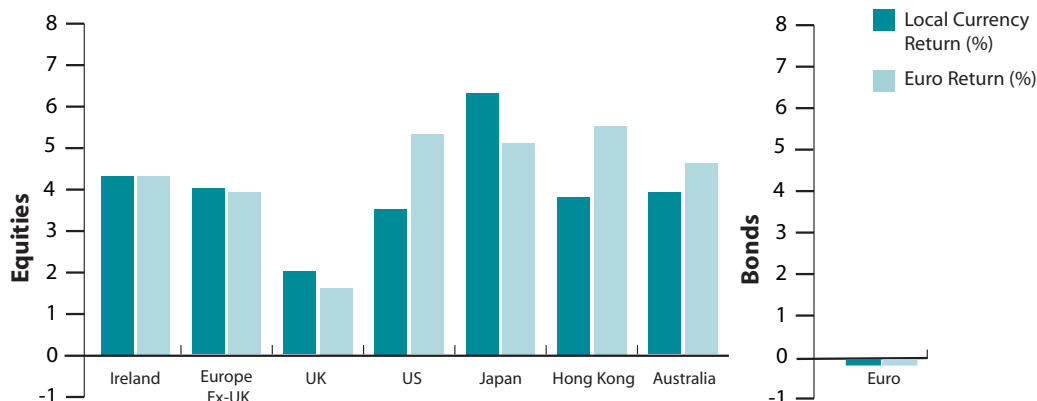
EAGLE STAR

Equity and Bond % Returns

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

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

- Following a brief interlude in October equity markets resumed their upward trend in November helped by general optimism over economic growth and corporate earnings. Less hawkish rhetoric towards the end of the month from the Federal Reserve in the US and the ECB in Europe also supported markets. World equities (in euro terms) rose by over 5% in November giving a total return of over 25% for the first 11 months. The equivalent 11 month return in dollar terms was just under 9%, partly reflecting the weakness of the euro against a number of the main international currencies (especially the US dollar). The major equity markets rose by between 2% (UK) and 6% (Japan) in local currency terms. The Japanese market continued to outperform as market participants became more confident that Japan's 16 year slump may be ending.
- Sectorwise, there was a clear differential between cyclical and defensive areas with basic materials, industrials and technology sectors outperforming while utilities, pharmaceuticals and consumer staples underperformed. Financials stocks performed roughly in line with the rising markets. Mining stocks, such as Rio Tinto (+10%), continued to perform well as many commodity prices such as copper and zinc hit new highs. Gold touched \$500 per ounce - the first time it has done so since the early 1980's.
- Eurozone bonds were more or less flat on the month stemming the decline of late September and October. Although prices declined early in November, as traders fretted about the upcoming first ECB rate hike in a number of years, bonds subsequently rallied as interest rate expectations declined slightly following the ECB President's comments.
- Corporate news was relatively slack following the third quarter reporting season in October which saw better than expected results. The main features in November were good earnings results from Hewlett Packard, Wal-Mart and TimeWarner in the US, European financial companies UBS, ING and Zurich Financial Services, and Japanese electronics company Sony. There was also a significant amount of M&A activity.
- The US dollar was stronger during November against most currencies. So far this year the dollar has risen by over 13% against the euro mainly due to the rising interest rate differential.

Eagle Star's Asset Allocation

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

Equities

Countries & Markets: overweight & underweight positions

The fund managers maintained a slightly overweight equity position throughout most of the period, taking advantage of the generally positive environment for equities. The major regional move in November was the increase in the US position from underweight to close to neutral and a corresponding decrease in European and Pacific Basin equities. The US is nearing the top of its interest rate cycle while the eurozone is just beginning (albeit that the markets only expect modest rises in eurozone rates). The funds' main positions at the end of November were overweight Pacific Basin and Europe (marginally), neutral in Japan and underweight the UK, Ireland and the US (marginally).

Sectors: overweight & underweight positions

The funds remained broadly neutral from a sector point of view given the underlying changes in the global economic cycle. The main moves during the month were some profit taking in European and Pacific Basin financials and some purchases of technology and general industrials stocks in both Europe and the US. The funds continue to have a slight cyclical bias.

Bonds

Bond markets fared better in November following the sharp falls of the previous month. In the US bonds staged a modest rally but were essentially flat in the eurozone for the period. Considerable volatility was seen in the eurozone as the ECB prepared the market for its first rate hike in five years, which was duly delivered on 1st December. By the end of November the market had discounted the increase and the ECB rhetoric that it had no plans for a series of rate moves. This allowed bond prices to rally and recover earlier lost ground. The market still anticipates that the ECB will raise rates by a further 0.5% by the end of next year. The total return for the Merrill Lynch Over Five Year EMU Government Bond Index was -0.1% for the month, a return of 6.1% for the year.

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

CRH

CRH is a major international producer and distributor of building materials, with a diversified business profile in product and geographical terms. It operates in four main regions: the Americas, Ireland, continental Europe and the UK. CRH is a proven leader in its sector with a quality management team focused on creating long term shareholder value. This is illustrated by a 23% CAGR in EPS over the last ten years. This growth has been achieved through strong organic growth and value enhancing acquisitions. Evidence of recovery in construction remains patchy but improving economic data and the group's record of execution on its development strategy, leave the material upside potential.

Finance

ING Group

ING Group is a global financial institution offering banking, insurance and asset management. The company has leading positions in its operations in the Americas, the Netherlands and Central and Eastern Europe. The company led by its new CEO is in the process of divesting some non-core and low return businesses and re-allocating the capital to its core businesses, thereby becoming a more focused entity. The recent announcement of a cash dividend demonstrates improved confidence from the management about the company's prospects. ING is currently trading at a discount to its European peers despite having superior long-term growth prospects.

Consumer

McDonalds

McDonald's is the world's largest restaurant chain. It operates or franchises 12,000+ units in the US and 15,000+ international facilities. Growth is being fuelled by stepped-up international expansion plans, share repurchase and strong free cash flow. Domestic market share prospects are improving. International operations (including the key European market) are expected to

contribute to more consistent earnings growth. Europe appears to be stabilising after the negative impact of BSE and Foot and Mouth disease, while the valuation is close to a four year relative low.

Technology and Telecoms

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 improving greatly 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

Teva Pharmaceutical Industries

Teva is one of the largest generic pharmaceutical manufacturers in the world. Although Israeli based, a large proportion of the company's sales are in the US. The generics industry is benefiting as governments and employers seek to control healthcare costs. The generics industry is also being more successful in challenging existing patents. Catalysts for the stock include the closing of the IVAX acquisition and an acceleration in patent expires on branded drugs over the next few months. The valuation is attractive to its forecasted growth rate.

Global Outlook

- Global growth continues to be healthy despite high oil prices and interest rate tightening in the US and Asia. Inflation vigilance is high among the major central banks.
- For the Federal Reserve, inflation data is central to its policy of gradually raising rates. Investors expect a further 0.25% increase in December, with rates peaking at 4.75% in 2006.
- In the Eurozone bond markets remain on watch for data that may sway the ECB to further rate increases. In the background is still moderate inflation and pension fund liability matching which should continue to offer support to longer dated bonds.
- Equity markets remain supported by a strong earnings' background and favourable valuations relative to bonds and cash; high oil prices and tighter liquidity conditions from higher interest rates should constrain the upside to markets.

Investment Performance Report

Annualised Performance to 1st December 2005



EAGLE STAR

	Year to Date	1 Year	Annualised 3 Years	Annualised 5 Years	Annualised 10 Years	Annualised 15 Years	Fund Size (€)
Cash							
Eagle Star Secure	1.59%	1.78%	2.01%	2.89%	4.23%	5.87%	103,025,000
Acorn Life Pension Deposit	1.49%	1.65%	1.76%	2.49%	3.69%	5.60%	2,900,000
Ark Life Pension Assured 2	0.98%	1.23%	1.30%	1.95%	Not Started	Not Started	20,917,000
Canada Life Setanta Pension Money	1.27%	1.37%	1.47%	2.23%	3.13%	4.92%	41,200,000
Friends Cash	1.24%	1.35%	1.86%	2.42%	3.26%	5.02%	43,801,000
Hibernian L&P Pension Cash	1.41%	1.53%	1.68%	2.41%	Not Started	Not Started	42,400,000
Irish Life Exempt Cash 1	1.32%	1.44%	1.59%	2.28%	3.30%	4.91%	400,000
Lifetime/BIAM Pen Security	0.98%	1.04%	1.22%	1.85%	2.87%	4.51%	9,502,000
New Irl Pension Cash 2	1.23%	1.32%	1.50%	2.04%	3.10%	4.93%	36,065,000
Royal Liver Money Fund	0.70%	0.77%	0.89%	Not Started	Not Started	Not Started	4,837,889
Standard Cash 1 G	1.14%	1.26%	1.36%	2.05%	3.04%	4.80%	40,043
MoneyMate Sector Average	1.17%	1.28%	1.55%	2.31%	3.36%	5.12%	
Fixed Interest							
Eagle Star Active Fixed Income	5.98%	7.28%	7.35%	7.82%	10.07%	Not Started	73,772,000
Eagle Star Long Bond Fund	8.57%	10.70%	Not Started	Not Started	Not Started	Not Started	13,702,000
Canada Life Setanta Pen Fixed Interest	4.73%	5.62%	6.10%	6.30%	7.25%	8.82%	11,140,000
Friends Fixed Interest	4.78%	6.10%	6.89%	6.88%	8.07%	9.65%	150,783,000
Hibernian L&P Pension (Hib) H-R Gilt	5.49%	6.50%	8.06%	8.06%	8.71%	9.43%	10,000,000
Irish Life Exempt Fixed Interest 2	5.05%	6.25%	6.84%	6.72%	7.95%	9.16%	4,000,000
New Irl Pension Gilt Edge 2	5.04%	5.99%	6.57%	6.84%	8.01%	9.13%	628,458,000
Royal Liver (Fixed Interest)	4.34%	5.68%	6.07%	Not Started	Not Started	Not Started	26,960,084
Standard Fixed Interest 1 G	8.42%	9.83%	8.10%	6.64%	7.44%	8.98%	10,050
MoneyMate Sector Average	5.34%	6.56%	6.96%	7.04%	8.14%	9.20%	
International Equity							
Eagle Star International Dynamic	30.20%	33.07%	13.99%	-0.44%	Not Started	Not Started	41,161,000
Ark Life Pension Global	21.01%	22.69%	10.01%	Not Started	Not Started	Not Started	5,437,000
Canada Life Passive Equity 1	22.72%	24.94%	8.07%	Not Started	Not Started	Not Started	1,980,000
Friends International	23.26%	25.29%	9.86%	-4.08%	7.17%	8.39%	596,447,000
Hibernian L&P Pension (Hib) H-R International	25.81%	27.62%	10.80%	-2.88%	8.17%	10.42%	17,000,000
Irish Life Fidelity Managed Intl	28.27%	28.66%	7.79%	-6.79%	Not Started	Not Started	Not Available
New Irl Pension International 2	16.33%	18.91%	7.25%	-2.81%	8.24%	9.17%	1,702,914,000
Royal Liver International Equity	29.47%	29.74%	11.86%	Not Started	Not Started	Not Started	11,196,279
Standard International Equity 1 G	25.25%	26.35%	9.89%	-2.32%	8.19%	10.15%	32,558
MoneyMate Sector Average	23.40%	25.17%	9.49%	-3.05%	7.65%	9.52%	
Managed Aggressive							
Eagle Star Dynamic	23.16%	26.35%	14.03%	2.28%	10.08%	14.70%	508,969,000
Acorn Life Pension Managed Growth	21.60%	24.17%	12.52%	-0.03%	10.29%	11.17%	203,200,000
Hib Life & Pen NU Focussed Managed D	13.32%	15.26%	9.88%	2.46%	Not Started	Not Started	12,100,000
Lifetime/BIAM Pen Opportunity	15.07%	17.75%	9.59%	2.49%	9.62%	11.37%	7,325,000
New Irl 2016/2040 Series 3	15.48%	18.87%	10.35%	2.55%	10.56%	Not Started	613,474,000
Royal Liver Managed Fund	15.77%	17.61%	11.37%	Not Started	Not Started	Not Started	35,929,499
MoneyMate Sector Average	17.68%	20.12%	10.94%	1.33%	10.14%	12.58%	
Managed Balanced							
Eagle Star Balanced	18.93%	21.59%	12.26%	3.14%	10.46%	14.20%	725,349,000
Eagle Star Performance	22.10%	25.14%	13.59%	2.99%	10.36%	14.14%	558,688,000
Acorn Life Pension Managed	17.46%	19.62%	10.82%	1.59%	9.85%	10.62%	148,300,000
Ark Life Pension Managed 2	17.46%	19.22%	9.64%	-0.61%	Not Started	Not Started	414,973,000
Canada Life Setanta Pension Managed	18.76%	20.53%	11.91%	2.34%	9.21%	10.03%	251,490,000
Friends Managed	17.35%	19.84%	11.59%	1.78%	9.49%	10.26%	789,671,000
Hibernian L&P Pension (Hib) H-R Managed	16.83%	19.00%	11.22%	2.33%	10.00%	10.79%	416,000,000
Irish Life Exempt Active Managed 2	18.18%	20.91%	12.57%	3.25%	9.38%	9.86%	588,000,000
Lifetime/BIAM Pen Growth	13.80%	16.72%	9.85%	3.63%	9.96%	11.20%	461,774,000
New Irl Pension Managed 2	14.06%	17.03%	10.07%	3.61%	10.79%	10.99%	1,896,664,000
Standard Managed 1 G	18.96%	20.74%	11.18%	1.62%	8.30%	10.16%	488,449
MoneyMate Sector Average	16.06%	18.15%	10.47%	2.00%	9.51%	10.85%	
Irish Equity*							
Eagle Star Irish Equity	8.00%	Not Started	Not Started	Not Started	Not Started	Not Started	2,522,000
Ark Life Pension Irish	9.92%	18.89%	15.59%	Not Started	Not Started	Not Started	1,791,000
Friends Irish Equity	7.62%	15.76%	16.74%	7.44%	13.74%	13.92%	194,373,000
Hibernian L&P Pension Irish Equity	10.19%	18.38%	18.41%	9.65%	Not Started	Not Started	9,000,000
New Irl Pension Irish Equity 3	12.25%	21.42%	17.85%	11.91%	15.61%	Not Started	1,017,279,000
Royal Liver Irish Equity	5.59%	13.16%	16.13%	Not Started	Not Started	Not Started	10,454,581
Standard Irish Equity 1 G	8.39%	15.91%	16.97%	5.15%	12.58%	13.28%	21,027
MoneyMate Sector Average	8.48%	16.67%	16.36%	6.52%	13.69%	13.60%	

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

Investment Performance Report

Annualised Performance to 1st December 2005



	Year to Date	1 Year	Annualised 3 Years	Annualised 5 Years	Annualised 10 Years	Annualised 15 Years	Fund Size (€)
Euro Equity²							
Eagle Star Eurozone G	28.10%	32.50%	Not Started	Not Started	Not Started	Not Started	3,339,000
Ark Life Eurozone 2 G	18.89%	20.58%	10.35%	Not Started	Not Started	Not Started	116,941,000
Hibernian L&P Euro Equity G	24.57%	24.57%	12.99%	Not Started	Not Started	Not Started	31,300,000
New Ireland Euroland Equity S 8	17.56%	20.50%	10.40%	Not Started	Not Started	Not Started	13,601,000
MoneyMate Sector Average¹	20.33%	23.05%	10.75%	N/A	N/A	N/A	
European Equity²							
Eagle Star 5★5 Europe	39.51%	45.67%	Not Started	Not Started	Not Started	Not Started	37,027,000
BOI Life - Unit Funds European Ex UK 2 G	21.41%	24.24%	10.17%	Not Started	Not Started	Not Started	4,089,000
Canada Life/Setanta European Equity G	21.59%	26.48%	12.58%	Not Started	Not Started	Not Started	12,613,829
Friends First European Equity	23.83%	27.30%	13.23%	Not Started	Not Started	Not Started	214,382,000
Hibernian L&P European Equity G	24.26%	26.90%	13.07%	Not Started	Not Started	Not Started	5,000,000
Irish Life Europascope 2 G	18.67%	21.73%	10.67%	Not Started	Not Started	Not Started	16,960,000
New Ireland European Equity S 8 G	22.59%	25.58%	11.36%	Not Started	Not Started	Not Started	342,599,000
Royal Liver European Equity G	23.99%	26.40%	16.16%	Not Started	Not Started	Not Started	6,992,210
Standard Life MW European Equity 5 G	25.76%	27.41%	12.17%	Not Started	Not Started	Not Started	12,044,000
MoneyMate Sector Average¹	23.35%	26.93%	13.63%	-2.71%	N/A	N/A	
Far East Equity²							
Eagle Star 5★5 Asia Pacific	37.73%	38.67%	Not Started	Not Started	Not Started	Not Started	27,348,000
BOI Life - Unit Funds Far East Equity 2 G	32.89%	37.20%	11.04%	Not Started	Not Started	Not Started	60,804,000
Hibernian L&P Pacific Basin Equity G	30.88%	31.86%	17.04%	Not Started	Not Started	Not Started	2,100,000
Irish Life Indexed Pacific Basin 1 G	31.20%	33.47%	16.46%	Not Started	Not Started	Not Started	350,000
New Ireland Pacific Basin S 8 G	31.29%	32.45%	14.62%	Not Started	Not Started	Not Started	63,212,000
Standard Life MW Pacific Basin Equity 5 G	29.53%	28.83%	13.25%	Not Started	Not Started	Not Started	2,237,000
MoneyMate Sector Average¹	32.33%	34.26%	15.95%	11.20%	N/A	N/A	
American Equity²							
Eagle Star 5★5 Americas	35.18%	39.28%	Not Started	Not Started	Not Started	Not Started	5,916,000
BOI Life - Unit Funds North American 2 G	8.64%	10.07%	3.21%	Not Started	Not Started	Not Started	310,174,000
Hibernian L&P US Equity G	25.49%	27.24%	7.58%	Not Started	Not Started	Not Started	2,700,000
Irish Life Indexed US 1 G	21.57%	22.80%	5.38%	Not Started	Not Started	Not Started	330,000
New Ireland North American S 8	9.59%	11.12%	4.34%	Not Started	Not Started	Not Started	366,384,000
Standard Life MW North American Equity 5 G	20.14%	20.42%	4.36%	Not Started	Not Started	Not Started	7,383,000
MoneyMate Sector Average¹	18.91%	21.19%	5.39%	-3.46%	N/A	N/A	
Concentrated Funds³							
Eagle Star 5★5	30.45%	34.48%	19.36%	Not Started	Not Started	Not Started	200,996,000
New Ireland Smart Stocks 15	9.33%	10.39%	0.16%	Not Started	Not Started	Not Started	113,887,000
New Ireland Smart Stocks 35	13.80%	15.15%	3.03%	Not Started	Not Started	Not Started	10,689,000
Canada Life/Setanta Focus 15	24.01%	27.56%	7.85%	Not Started	Not Started	Not Started	122,562,183
Hib Life & Pens Target 20	17.47%	21.30%	6.73%	Not Started	Not Started	Not Started	28,000,000
Average of Selected Funds	19.01%	21.77%	7.43%	N/A	N/A	N/A	
Property[*]							
Eagle Star Eurozone Property Fund G	18.50%	Not Started	Not Started	Not Started	Not Started	Not Started	12,940,000
BOI Life - Unit Funds Property 2 G	7.63%	13.80%	10.80%	Not Started	Not Started	Not Started	208,339,000
Canada Life/Setanta Property G	9.80%	14.55%	15.22%	Not Started	Not Started	Not Started	174,809,486
Friends First Property G	14.69%	19.12%	19.59%	13.15%	18.23%	14.42%	57,045,000
Hibernian L&P Irish Property G	19.22%	27.47%	15.93%	Not Started	Not Started	Not Started	110,000,000
Hibernian L&P UK Property G	8.67%	20.19%	10.97%	Not Started	Not Started	Not Started	33,000,000
Irish Life Property 1 G	7.66%	11.26%	11.14%	Not Started	Not Started	Not Started	1,290,000
Irish Life UK Property 1 G	6.02%	9.75%	Not Started	Not Started	Not Started	Not Started	Not Available
New Ireland Property S 8 G	8.39%	14.97%	11.90%	Not Started	Not Started	Not Started	217,415,000
New Ireland UK Geared Property	7.23%	17.43%	Not Started	Not Started	Not Started	Not Started	Not Available
Standard Life MW Property 5 G	13.77%	15.74%	11.47%	Not Started	Not Started	Not Started	51,207,000
MoneyMate Sector Average¹	10.03%	16.85%	13.51%	13.15%	18.23%	14.42%	

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

Source: MoneyMate as at 01/12/2005.

Returns are based on offer/offer performance of the funds and do not represent the returns achieved by individual policies linked to the funds. Unit prices in the funds are not guaranteed and may fall as well as rise. Benefits may be affected by fluctuations in exchange rates between the currency of the underlying investment and the policy currency. Past performance may not be a reliable guide to future returns which are dependent on future investment conditions. 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 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.

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 5★5 fund to that of its closest competitors in the Irish Domestic Funds (Gross) sector.

* The Year to Date figures for these sectors are taken from the start date of the Eagle Star funds i.e. 1st February 2005 for Irish Equity & 1st April 2005 for Property.