

Monthly investment review

For March 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.



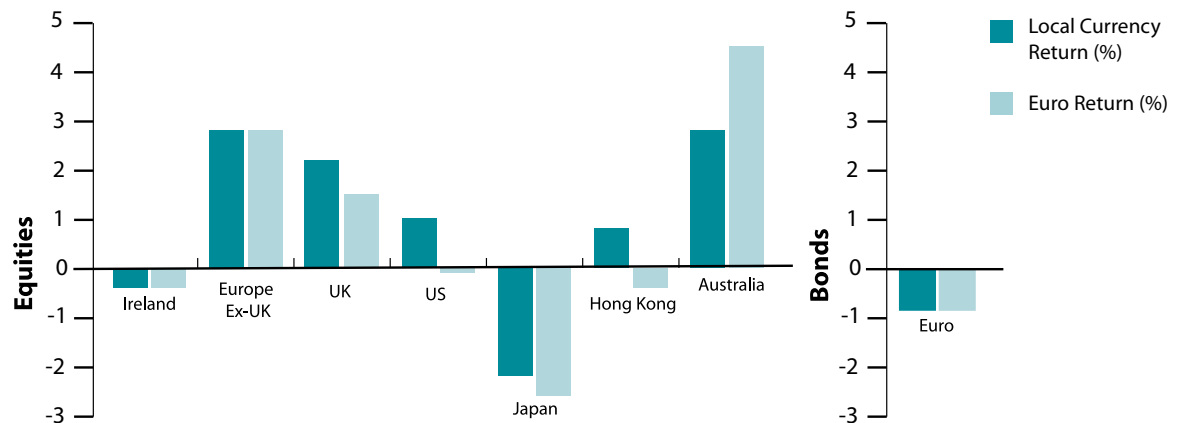
EAGLE STAR

Equity and Bond % Returns

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

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

- A roller coaster month for equities. Markets continued to decline in the first week of March as investors reacted to the sharp one-day fall on the Shanghai exchange at the end of February and reported comments from ex-Fed Governor Greenspan regarding a possible recession in the US in 2007. Equities remained volatile for the rest of the month, ebbing and flowing between concerns over the US sub-prime lending market and the Iranian mini-crisis on the one hand and the positive fundamentals for markets on the other. World equities (in euro terms) ended the month up 1.2%, giving a total return of 1.6% for the first quarter of 2007. The best-performing markets in March were Europe, Australia and the UK, while Japan and Ireland (where the financial stocks were particularly weak) underperformed.
- Despite recent volatility, equities continue to be supported by the generally positive economic growth and corporate earnings backdrop, as well as relatively benign inflation and reasonable valuations. Futures markets continue to forecast that eurozone rates will rise by a further 0.25%, to 4% at the top of the cycle. Eurozone rates rose, as expected, by 0.25% to 3.75% in early March.
- Sectorwise, there was again no clear distinction between cyclical and defensive sectors over the month. Energy stocks performed strongly on the back of a sharp pick up in the oil price (from \$60 to \$68 per barrel), due to events in Iran, while financial stocks were weak in most markets, due to mortgage issues in the US.
- Eurozone bonds had a poor month in March (-0.8%) following significant strength in the previous month. Bonds on both sides of the Atlantic reacted negatively to the rise in the oil price, which raised concerns over inflation, as well as the reversal of their 'safe-haven status' as money flowed back into equities.
- Corporate earnings' news was relatively subdued ahead of the first quarter reporting season which begins in early April. However, merger & acquisition activity continued apace, especially in Europe, where one of the big stories was the confirmation by ABN Amro that it is in exclusive talks with Barclays Bank regarding a possible merger.
- The US dollar was once again weaker against the euro during March with the €/£ rate ending the period at 1.34. Apart from the Australian dollar, most other currencies were also slightly weaker against the euro.

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 reduced equity weightings at the beginning of the period but, by the end of the month, equities had been brought back to a slightly overweight position. Regional weightings, which had been altered over the last few months, were little changed during the period. The funds' main positions at the end of March 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 a slightly underweight position in oil & gas stocks and utility companies during March. Holdings of European financial stocks were reduced during the first half of March (mainly with the sale of some French and Swiss banks) as concerns mounted over the US sub-prime lending market. This action was, however, reversed by month end with the purchase of some Norwegian bank stocks. Other positions continue to be pretty balanced.

Bonds

Bond markets performed well over the first half of March before selling off towards month end. The early part of the month saw a volatile time as worries about an implosion of the US sub-prime mortgage market and related sharp equity market falls gave a flight-to-quality bid to bond markets. As growth fears receded, equity markets recovered and bond markets suffered, giving back much of their recent gains. A number of US economic releases were weaker than expected, including housing and orders data, although labour market data continued to show resilience with little evidence of large scale layoffs resulting from the housing market slowdown. Eurozone data, meanwhile, continued to show strength with key manufacturing and service surveys showing high confidence, which should translate into continued solid economic growth. The Merrill Lynch EMU Government Bond Index fell 0.8% over the month, giving a year-to-date return of -0.1%.

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 and 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. Its strong balance sheet and very high level of cashflow are being used by the company to enhance shareholder return through increased dividends and share buybacks, while still having the capacity to engage in further industry consolidation should opportunities arise.

Finance

JP Morgan Chase

JP Morgan Chase is a global financial services firm with assets of \$1.3 trillion (as of June 30, 2006) and operations in more than 50 countries. The firm's business segments are investment banking, retail banking, credit cards, commercial banking, financial transaction processing and asset and wealth management. The company has a very well regarded CEO in Jaime Dimon, who has successfully overseen the merger with Bank One and is improving profitability and returns. The valuation of the stock is attractive relative to peers, especially on a price-to-book basis. Catalysts for the stock include more positive earnings surprises and analyst estimate revisions.

Consumer

Altria

Altria Group Inc. is the parent company of Philip Morris International (PMI), Philip Morris USA, and Philip Morris Capital Corporation. It also owns a 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 remaining stake in Kraft to shareholders and a possible subsequent demerger of PMI. The valuation of the stock is attractive as it trades at a big discount to the US market.

Technology and Telecoms

Nokia

Nokia is the world's number one mobile phone handset provider and is a leading telecommunications and networking company. The company has built a very strong market share in developing and emerging markets with its low cost / low price handsets. The company is also working hard to improve and develop its mid-to-higher end range, which it hopes will allow it to compete and successfully maintain its market share in its more mature markets. Nokia is in negotiations with Siemens to create a joint venture for its networks business in order to benefit from scale and market synergies.

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 its fair value.

Global Outlook

- Forecasters continue to expect some moderation in growth in 2007, from the robust levels of 2006. The major central banks will likely remain focused on the cyclical inflation pressures stemming from strong growth.
- At its last meeting the Fed held rates at 5.25% for the sixth consecutive meeting with the minutes dropping any reference to additional increases. Investors continue to expect rates to be reduced by around 0.40% by year end but the Fed remains firmly on hold for now, waiting to see how inflation and economic growth develop over the coming quarter. It would be more concerned about a spill-over of problems from the sub-prime mortgage market to the broader financial system (it sees none of this yet) than general volatility in financial markets.
- The ECB hiked rates to 3.75% at its meeting in March. ECB comments since then have suggested that rates are now closer to a desired level (they were described as "moderate" after the hike rather than "low" after the previous increase). Investors will look to comments after the next meeting – where no rate hike is forecast – to gauge whether this view has changed or not. Bonds have been overshadowed by the return of calm to equity markets but have 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 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 as at 2nd April 2007



	Year To Date	1 Year	Annualised 3 Years	Annualised 5 Years	Annualised 10 Years	Annualised 15 Years	Fund Size (€)
Cash							
Eagle Star Secure	0.8%	2.8%	2.1%	2.5%	3.8%	5.2%	121,823,000
Acorn Life (Ind) Pension Deposit	0.9%	2.7%	2.0%	2.1%	3.2%	4.9%	2,700,000
Ark Life (Ind) Pension Assured 2	0.7%	2.2%	1.6%	1.6%	2.6%	Not Started	24,910,021
Canada Life (Ind) Setanta Pension Money *	0.7%	2.4%	1.7%	1.8%	2.8%	4.2%	362,588,114
Friends (Ind) Cash	0.7%	2.4%	1.8%	2.0%	2.9%	4.3%	28,582,000
Hibernian L&P Pension Cash	0.7%	2.5%	2.0%	2.0%	Not Started	Not Started	52,468,064
Irish Life (Ind) Exempt Cash 1	0.7%	2.5%	1.8%	1.9%	3.0%	4.2%	324,000
Lifetime/BIAM (Ind) Pen Security	0.7%	2.2%	1.5%	1.6%	2.5%	3.8%	80,144,000
New Irl (Ind) Pension Cash 2 *	0.8%	2.4%	1.7%	1.8%	2.8%	4.3%	30,575,000
Royal Liver (Ind) Money Fund	0.5%	1.8%	1.1%	1.2%	Not Started	Not Started	6,830,735
SL Synergy Cash Fund	0.7%	2.2%	1.5%	Not Started	Not Started	Not Started	35,168,000
MoneyMate Sector Average	0.7%	2.3%	1.7%	1.9%	3.1%	4.5%	
Fixed Interest							
Eagle Star Active Fixed Income	-0.2%	1.3%	4.2%	6.4%	8.5%	Not Started	78,214,000
Eagle Star Long Bond Fund	-0.8%	0.8%	5.6%	Not Started	Not Started	Not Started	18,491,000
Canada Life (Ind) Setanta Pen Fixed Interest *	-0.5%	0.6%	2.8%	4.7%	6.1%	7.4%	221,836,220
Friends (Ind) Fixed Interest	-0.2%	1.1%	3.1%	5.5%	6.5%	8.2%	66,055,000
Hibernian L&P Pension (Hib) H-R Gilt	-0.1%	1.4%	4.1%	6.7%	7.3%	8.3%	52,829,673
Irish Life (Ind) Exempt Fixed Interest 2	-0.2%	0.7%	3.2%	5.4%	6.6%	7.8%	1,126,000
New Irl (Ind) Pension Gilt Edge 2 *	-0.4%	0.3%	2.9%	5.2%	6.6%	7.8%	747,883,000
Royal Liver (Ind) Fixed Interest	0.5%	-0.9%	2.3%	4.9%	Not Started	Not Started	23,232,975
SL Synergy Corporate Bond Fund	0.5%	2.5%	Not Started	Not Started	Not Started	Not Started	Not Available
MoneyMate Sector Average	-0.2%	1.0%	3.2%	5.2%	6.7%	7.9%	
International Equity							
Eagle Star International Equity	1.6%	6.0%	15.1%	4.9%	12.1%	Not Started	50,930,000
Ark Life (Ind) Pension Global	1.7%	2.7%	13.4%	1.7%	Not Started	Not Started	8,452,157
Canada Life (Ind) Passive Equity 2	1.3%	3.4%	9.8%	0.4%	Not Started	Not Started	5,564,211
Friends (Ind) International	1.3%	5.5%	12.9%	2.8%	6.4%	8.4%	316,755,000
Hibernian L&P Pension (Hib) H-R International	-0.4%	3.1%	12.7%	2.4%	7.4%	9.6%	17,993,104
Irish Life (Ind) Fidelity Managed Intl 4 *	3.2%	2.3%	10.6%	-0.9%	Not Started	Not Started	14,101,000
New Irl (Ind) Pension International 2 *	-0.1%	2.7%	8.7%	0.8%	7.1%	8.7%	105,865,000
Royal Liver (Ind) International Equity	1.2%	1.5%	12.1%	2.7%	Not Started	Not Started	11,912,444
SL Synergy Global Equity Tracker	0.9%	4.5%	Not Started	Not Started	Not Started	Not Started	32,741,000
MoneyMate Sector Average	1.1%	5.2%	12.6%	2.8%	7.3%	9.1%	
Managed Aggressive							
Eagle Star Dynamic	2.3%	11.4%	18.6%	9.0%	9.8%	14.4%	811,082,000
Acorn Life (Ind) Pension Managed Growth	1.6%	11.3%	17.1%	7.0%	9.7%	11.3%	246,500,000
Hib Life & Pen NU (Ind) Focussed Managed 1	-0.4%	8.5%	14.1%	5.9%	10.3%	Not Started	4,850,668
Lifetime/BIAM (Ind) Pen Opportunity	-0.5%	4.4%	11.1%	4.8%	8.3%	10.5%	87,776,000
New Irl (Ind) 2016/2040 Series 3 *	-0.3%	5.9%	12.6%	5.5%	9.7%	Not Started	1,036,878,000
Royal Liver (Ind) Managed Fund	1.6%	8.0%	14.0%	7.0%	Not Started	Not Started	47,944,362
MoneyMate Sector Average	0.5%	8.1%	14.1%	6.4%	9.3%	12.3%	
Managed Balanced							
Eagle Star Balanced	1.8%	9.8%	15.4%	8.3%	9.8%	13.2%	1,064,842,000
Eagle Star Performance	1.9%	10.5%	17.6%	9.1%	9.9%	13.6%	794,588,000
Acorn Life (Ind) Pension Managed	1.3%	9.6%	13.8%	6.7%	9.0%	10.8%	166,800,000
Ark Life (Ind) Pension Managed 2	1.5%	7.0%	13.3%	4.5%	7.0%	Not Started	509,611,244
Canada Life (Ind) Setanta Pension Managed *	1.0%	5.8%	12.5%	6.3%	8.0%	9.8%	1,027,369,604
Friends (Ind) Managed	0.9%	8.3%	13.8%	7.1%	8.9%	10.5%	480,585,000
Hibernian L&P Pension (Hib) H-R Managed	-0.1%	7.6%	13.4%	6.6%	9.4%	10.7%	208,564,014
Irish Life (Ind) Exempt Managed 1	1.0%	8.9%	14.7%	7.4%	9.3%	10.1%	34,383,000
Lifetime/BIAM (Ind) Pen Growth	-0.3%	5.5%	11.3%	5.8%	8.8%	10.6%	2,569,138,000
New Irl (Ind) Pension Managed 3	-0.2%	5.5%	11.4%	6.0%	10.0%	11.1%	2,591,995,000
SL Synergy Managed	1.7%	10.1%	Not Started	Not Started	Not Started	Not Started	340,266,000
MoneyMate Sector Average	0.5%	7.1%	12.4%	6.0%	8.9%	10.7%	
Irish Equity							
Eagle Star Irish Equity	0.3%	24.0%	Not Started	Not Started	Not Started	Not Started	14,640,000
Ark Life (Ind) Pension Irish	0.1%	13.7%	22.1%	11.9%	Not Started	Not Started	3,100,430
Friends (Ind) Irish Equity	-0.4%	18.4%	23.9%	14.4%	14.1%	15.5%	141,659,000
Hib Life & Pen NU (Ind) Irish Equity *	-2.8%	15.7%	23.8%	14.7%	15.1%	Not Started	3,641,378
New Irl (Ind) Pension Irish Equity 3 *	-0.8%	14.5%	24.1%	14.0%	15.5%	Not Started	465,400,000
Royal Liver (Ind) Irish Equity	1.1%	20.0%	23.0%	14.7%	Not Started	Not Started	14,942,883
SL Synergy Irish Equity Tracker	-0.5%	17.5%	Not Started	Not Started	Not Started	Not Started	22,144,000
MoneyMate Sector Average	-1.0%	18.0%	23.2%	13.6%	13.9%	15.1%	
Euro Equity²							
Eagle Star Eurozone Equity	4.3%	16.5%	24.7%	Not Started	Not Started	Not Started	13,839,000
Ark Life Eurozone 2 G	3.8%	8.4%	15.6%	2.5%	Not Started	Not Started	103,648,727
Hibernian L&P Euro Equity G	0.1%	9.6%	17.8%	5.4%	Not Started	Not Started	2,776,285
New Ireland Euroland Equity S 9 G	0.7%	10.8%	16.3%	2.6%	Not Started	Not Started	19,731,000
SL Synergy European Equity Tracker	3.2%	12.2%	Not Started	Not Started	Not Started	Not Started	54,128,000
MoneyMate Sector Average¹	2.4%	11.4%	17.3%	3.9%	N/A	N/A	

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

Investment Performance Report

Annualised Performance as at 2nd April 2007

	Year To Date	1 Year	Annualised 3 Years	Annualised 5 Years	Annualised 10 Years	Annualised 15 Years	Fund Size (€)
European Equity²							
Eagle Star 5★5 Europe	2.5%	9.2%	30.7%	Not Started	Not Started	Not Started	123,155,000
BOI Life - Unit Funds European Ex UK 2 G	1.1%	9.0%	15.0%	2.8%	Not Started	Not Started	1,859,658,000
Canada Life /Setanta European Equity G	0.2%	9.4%	18.1%	6.1%	Not Started	Not Started	14,812,185
Friends First European Equity G	2.2%	11.6%	18.7%	Not Started	Not Started	Not Started	349,692,000
Hibernian L&P European Equity G	-0.3%	7.9%	17.1%	5.1%	Not Started	Not Started	4,843,802
Irish Life Europascope 2 G	1.4%	10.3%	16.2%	3.4%	Not Started	Not Started	23,903,000
New Ireland European Equity S 9 G	0.9%	8.6%	14.4%	2.3%	Not Started	Not Started	506,818,000
Royal Liver European Equity G	5.1%	9.7%	20.3%	7.2%	Not Started	Not Started	8,455,976
SL Synergy European Equity	5.7%	17.5%	Not Started	Not Started	Not Started	Not Started	54,128,000
MoneyMate Sector Average¹	3.0%	13.2%	19.8%	7.0%	N/A	N/A	
Far East Equity²							
Eagle Star 5★5 Asia Pacific	6.9%	23.6%	26.4%	Not Started	Not Started	Not Started	71,523,000
BOI Life - Unit Funds Far East Equity 2 G	-1.7%	-8.9%	8.6%	2.7%	Not Started	Not Started	1,637,000
Hibernian L&P Pacific Basin Equity G	0.8%	11.6%	16.3%	8.7%	Not Started	Not Started	1,191,927
Irish Life Indexed Pacific Basin 1 G	3.3%	13.8%	18.0%	8.7%	Not Started	Not Started	758,000
New Ireland Pacific Basin S 9 G	2.9%	11.0%	16.7%	8.8%	Not Started	Not Started	127,089
SL Synergy Pacific Basin Eq Tracker	5.5%	21.1%	Not Started	Not Started	Not Started	Not Started	15,238,000
MoneyMate Sector Average¹	3.5%	12.7%	17.3%	7.5%	N/A	N/A	
American Equity²							
Eagle Star 5★5 Americas	-1.0%	-1.0%	13.3%	Not Started	Not Started	Not Started	11,197,000
BOI Life - Unit Funds North American 2 G	-3.4%	-2.6%	1.2%	-3.6%	Not Started	Not Started	1,187,479,000
Hibernian L&P US Equity G	-3.5%	-5.9%	5.3%	-3.1%	Not Started	Not Started	1,437,075
Irish Life Indexed US 1 G	-0.4%	0.2%	6.5%	-3.1%	Not Started	Not Started	1,768,000
New Ireland North American S 9	-3.4%	-3.1%	0.7%	-4.0%	Not Started	Not Started	229,640
SL Synergy North American Equity	2.3%	3.1%	Not Started	Not Started	Not Started	Not Started	37,832,000
MoneyMate Sector Average¹	0.2%	-0.7%	6.2%	-2.2%	8.3%	N/A	
Concentrated Funds³							
Eagle Star 5★5	1.7%	3.1%	17.7%	11.1%	Not Started	Not Started	263,465,000
New Ireland Smart Stocks 15 G	1.7%	3.9%	3.4%	-4.5%	Not Started	Not Started	8,188,000
New Ireland Smart Stocks 35 G	0.8%	3.3%	5.7%	-2.6%	Not Started	Not Started	8,789,000
Canada Life /Setanta Focus 15 G	-0.1%	9.7%	13.0%	0.4%	Not Started	Not Started	120,878,771
Hib Life & Pens Target 20 G	-0.5%	-1.0%	8.7%	-1.7%	Not Started	Not Started	41,309,797
Average of Selected Funds	0.7%	3.8%	9.7%	0.5%	N/A	N/A	
Property							
Eagle Star Eurozone Property	7.0%	33.2%	Not Started	Not Started	Not Started	Not Started	116,107,000
BOI Life - Unit Funds Property 2 G	1.5%	15.8%	14.5%	12.0%	Not Started	Not Started	1,018,790,000
Canada Life /Setanta Property G	1.2%	14.8%	15.0%	14.9%	Not Started	Not Started	266,708,159
Friends First Property G	3.0%	19.1%	17.6%	17.6%	18.6%	15.9%	240,623,000
Hibernian L&P Irish Property G	0.9%	13.8%	18.4%	14.5%	Not Started	Not Started	135,234,868
Irish Life Property 1 G	0.6%	18.7%	16.7%	12.5%	Not Started	Not Started	2,136,000
New Ireland Property S 9 G	1.3%	15.2%	13.9%	11.1%	Not Started	Not Started	1,018,790,000
SL Synergy Property	1.7%	12.3%	14.8%	12.0%	Not Started	Not Started	164,000,000
MoneyMate Sector Average^{1 **}	2.8%	17.6%	16.9%	13.5%	18.6%	15.9%	
Specialist Funds³							
Eagle Star Dividend Growth	1.7%	11.8%	Not Started	Not Started	Not Started	Not Started	173,055,000
Hibernian L&P High Yield G	1.8%	12.4%	15.9%	6.2%	Not Started	Not Started	15,450,153
Canada Life CL/Set Equity Div Non Dis G	1.2%	10.3%	16.5%	Not Started	Not Started	Not Started	304,347,164
Bloxxams High Yield Fund 1 G	1.7%	13.3%	18.3%	Not Started	Not Started	Not Started	12,924,000
Average of Selected Funds	1.6%	11.9%	16.9%	N/A	N/A	N/A	

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

Warnings: The income you get from an investment may go down as well as up. The value of your investment may go down as well as up. Benefits 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 02/04/2007.

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.

** This sector average excludes the Eagle Star Eurozone Property Fund.