

# Eagle Star Investments

## Monthly Review For September 2010

Best  
Investment  
Fund Manager  
(Most recent  
MoneyMate Award  
2008)



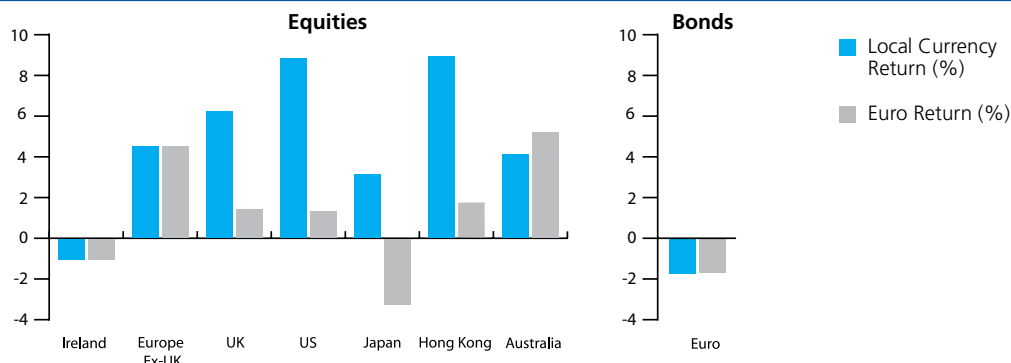
This monthly investment review is produced for professional Insurance Intermediaries. It covers the following: **performance of major stock markets, comment on markets, Eagle Star Funds asset allocation, feature on selected stocks, global outlook and fund performance statistics.** If you require further information, contact your Broker Consultant or your Sales Support Team.

## Equity and Bond % Returns

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

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

- The wild swings in equity markets continued in September, this time in an upward direction. Equities reacted positively to the expectation of a second round of quantitative easing ("QE2"), some stronger economic data and the upcoming corporate earnings results season. Technically, a number of equity markets broke out on the upside. Economic data that showed some weakness was ignored while concerns over sovereign debt default risk were put on the back-burner. Returns from equities for the eurozone investor, however, were significantly scaled back by the strength of the euro against the US dollar, the Japanese yen and the British pound. Although the economic environment still looks difficult for equities, there is support available in the form of continuing low interest rates, decent corporate earnings and reasonable valuations. Economic data releases will continue to be monitored carefully.
- World equities (in euro terms) rose by just over 2% during September, leaving the total return for the first nine months of 2010 at 8.7%. Almost all of the major markets rose sharply during the month, in local currency terms, ranging from 3% in Japan to 9% in both the US and Hong Kong. The two laggards were China (+1%) and Ireland (-1%). The move in the US was the strongest September rally for that market since the dawn of the Second World War.
- There were no changes in key interest rates in the major economies with US, UK and eurozone short rates maintained at 0.25%, 0.5% and 1% respectively. These rates would generally be considered as emergency levels and the futures markets would suggest that there will be very little, if any, change for the foreseeable future. At this point, eurozone rates are likely to remain unchanged until September 2012, while US rates are forecast not to rise until the first quarter of 2012. Elsewhere, in some of the stronger economies of the Asia Pacific region, rates have been on the rise in such countries as India and Australia. Rates have also risen in Canada. On commodity exchanges, the gold price continued its seemingly unstoppable rise, hitting an all-time high of \$1,308 per troy ounce. Having been weak the previous month, the oil price also rose in September from \$75 to \$82 per barrel.
- The monthly ebbing and flowing of relative sector returns continued during September. Cyclical sectors, such as technology, industrials and energy, significantly outperformed defensives, such as utilities and consumer staples, during the month. Financial stocks also under-performed in both Europe and the US.
- Corporate earnings news was slack ahead of the third quarter results season, which kicks off in the second week of October. Markets are expecting a further

improvement in the earnings picture. Merger & acquisition (M&A) activity was quiet in September following a plethora of deals the previous month.

- On currency markets, the euro strengthened significantly against the US dollar on the back of expectations of further money printing in the US, as well as strong flows into the perceived safe-haven of German bunds. The €/ \$ rate moved from 1.27 to 1.36 during the month. The euro was also strong against the Japanese yen and the British pound.

## Eagle Star Funds - Asset Allocation

**The funds are slightly underweight in equities and overweight in bonds.**

### Equities

#### Countries & Markets: Overweight & Underweight positions

The fund managers maintained a neutral to slightly underweight equity position in the managed funds during September, given the challenging economic climate. The funds' main positions at the end of September were underweight in Ireland and the UK, overweight in Europe and the Pacific Basin and close to neutral in the other markets.

#### Sectors: Overweight & Underweight positions

There was little change in sectoral positions during the month. Overall, the funds' main positions at the end of September were overweight in technology and slightly underweight in utilities. Other positions were pretty balanced.

### Bonds

Eurozone bonds gave back some recent gains in September. The divergence in performance between different eurozone countries was less than in previous months, although Ireland and Portugal remained under pressure. In particular, there were renewed worries about Ireland's banking sector. Upwards pressure on Irish yields forced a response from the Government. They effectively nationalised Allied Irish Banks and revised the expected losses for Anglo Irish Bank and Irish Nationwide higher again. German 10-year yields pushed high over the course of the month, having posted all-time yield lows at the end of August. Towards the end of the month, markets began to price in additional quantitative easing from central banks around the world which helped yields lower somewhat. Elsewhere, €/ \$ moved substantially higher over the course of the month. There are fears that this will hurt Europe's export-led recovery in the future. The Merrill Lynch over 5 year eurozone government bond index lost 1.7% for the month.

# Spotlight on Stocks

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

## Health, Personal Care & Leisure Sector

### Novartis

Novartis is one of the world's largest pharmaceutical companies and is based in Switzerland. The company has broad therapeutic franchises in a number of areas such as hypertension, oncology and cardiovascular diseases. Its pharmaceutical sales are driven by blockbuster drugs such as Diovan and Glivec. Novartis has a strong product pipeline and it has a strategy of diversification into adjacent healthcare product areas which act as a buffer for the more risky pharmaceuticals division. About one third of the group is now comprised of generic drugs, consumer healthcare and vaccines. Novartis has a very strong balance sheet and the company trades in line with its peers.

## Resources and Infrastructure Sector

### Rio Tinto

Rio Tinto is 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.

## Information and Communication Technology Sector

### Apple

Apple is the largest technology company in the world by market value. The company is benefiting from a very strong new product cycle including the iPhone 4 and iPad. The company enjoys much higher margins on the iPhone compared to its PC business and this is leading to very strong margin expansion overall. One of the company's main competitive

advantages is its app store which now contains over 200,000 apps. Potential catalysts include the launch of a CDMA iPhone which would lead to a big increase in its addressable market. Valuation is attractive relative to its growth, especially if account is taken of Apple's net cash position of nearly \$50 per share (versus its current share price of around \$260).

## Finance and Real Estate Sector

### DBS Group Holdings

Established in 1968, DBS Group (27% owned by the government) is Singapore's largest bank by group assets (\$257 billion at December 2008). Although originally conceived as a development bank, DBS is now a fully fledged commercial bank with growing involvement in activities outside traditional commercial lending, such as merchant banking, investment banking, treasury and stock broking. It has, in recent years, significantly enhanced its regional presence with acquisitions in Thailand, Hong Kong, and the Philippines. Its primary focus is Singapore (approximately 62% of group profit before tax) and Hong Kong (approximately 21% of group profit before tax).

## Consumer Sector

### Coca-Cola

The Coca-Cola Company is a leading global beverage manufacturer, selling over 3,000 beverage products in over 200 countries around the world. Coke's emerging market volume growth should remain strong with improvement starting to occur in developed markets, as evidenced by the better than expected 5% volume growth in Q2 2010. The acquisition of its US bottling business should also be a positive for future volume growth in the US. Coke's cash generation is strong and this is enabling it to resume stock buyback shortly and pay a healthy dividend (current dividend yield is over 3%).

# Global Outlook

- Global growth forecasts are still quite healthy enough for this year and next (3.6% and 3.3%). However, weak bank lending and financial market volatility add to downside risks to both forecasts and there have been some concerns over a double-dip in the US economy. Inflation pressures globally remain modest, reflecting weaker data in developed economies and stronger readings in emerging economies and Asia. Indeed, further disinflation is a greater near-term concern than inflation. Exports are very strong from some European economies but domestic demand remains subdued and the global economy is still very lopsided. The underlying strength of private sector demand in Europe and the US is a key concern.
- Central banks continue to set interest rates at emergency levels in Europe and the US, although they have risen somewhat in some of the stronger economies such as Canada, India and China. By extension, 2011 rate expectations are close to or have reached new cycle lows in the US, UK and eurozone, which underlines the risks facing the global economy. Worryingly, ECB rhetoric suggests anxiety about normalising short-term interest rates, which seems premature at this stage. Thus, the chances of a policy error have risen, albeit remaining quite low still.
- Low short-term interest rates and disinflation concerns, have been a support to major bond markets such as Germany, the US and Japan; long-term interest rates have recently fallen to record or near record levels in the US and Germany. Irish bond spreads versus Germany had widened by 2.5% since mid-year but narrowed 0.25% after the recent banking announcements and the cancelling of debt auctions. However, it remains to be seen whether the latter will have the desired market impact. Ireland has certainly funded well this year and has a large cash buffer. However, the risk remains that investors continue to probe the credibility of the rescue mechanism in place for eurozone countries; if so, a rocky road still lies ahead for Irish bonds.
- While global equities are ahead this year, it has been a period of very high volatility with several large gains and falls over the period. Partly because of this, investors' convictions have been low and holding periods quite short. Low interest rates certainly provide some forward support to risk markets but the dominant theme currently is that the Fed will ride to the rescue with further quantitative easing policy, although the Fed's recent comments suggest a division on the scale and timing of additional actions. After the latest rally it is possible that equities push on further. However, sentiment has already rebounded, meaning that the fuel for further gains may be limited. On balance, we remain slightly cautious at these levels; additionally, the fact that bond yields continue to fall or remain very low in major markets suggests that the macro risks are still high.

# Eagle Star Investments

Annualised Performance to 1st October 2010

	Year to Date	1 Year	Annualised 3 Years	Annualised 5 Years	Annualised 10 Years	Annualised 15 Years	Annualised 20 Years	Fund Size (€)
<b>Cash</b>								
<b>Eagle Star (Ind) Secure</b>	<b>0.3%</b>	<b>0.4%</b>	<b>2.0%</b>	<b>2.3%</b>	<b>2.7%</b>	<b>3.7%</b>	<b>5.1%</b>	<b>405,085,302</b>
Acorn Life (Ind) Pension Deposit	1.4%	1.9%	3.1%	2.9%	2.7%	3.5%	5.0%	3,400,000
Ark Life (Ind) Pension Assured 2	0.2%	0.3%	1.7%	1.9%	2.0%	Not Started	Not Started	27,588,804
Canada Life (Ind) Setanta Pension Money *	0.1%	0.2%	2.1%	2.2%	2.3%	2.9%	4.3%	362,588,114
Friends (Ind) Cash	0.9%	1.3%	2.3%	2.3%	2.4%	3.0%	4.4%	83,260,000
Hibernian L&P Pension Cash	1.5%	2.4%	2.8%	2.7%	2.6%	Not Started	Not Started	172,843,642
Irish Life (Ind) Exempt Cash 1	1.6%	2.1%	3.0%	2.8%	2.6%	3.2%	4.5%	905,875
Lifetime/BIAM (Ind) Pen Security	0.0%	0.1%	1.6%	1.8%	1.9%	2.6%	3.9%	1,839,000
New Irl (Ind) Pension Cash 2 *	0.2%	0.3%	1.9%	2.1%	2.1%	2.8%	4.3%	693,817,000
Royal Liver (Ind) Money	0.8%	1.3%	2.0%	1.9%	Not Started	Not Started	Not Started	6,830,735
SL Synergy Cash	0.0%	0.0%	1.5%	1.8%	Not Started	Not Started	Not Started	239,600,000
<b>MoneyMate Sector Average</b>	<b>0.8%</b>	<b>1.1%</b>	<b>2.2%</b>	<b>2.2%</b>	<b>2.3%</b>	<b>3.2%</b>	<b>4.6%</b>	
<b>Fixed Interest</b>								
<b>Eagle Star (Ind) Active Fixed Income</b>	<b>8.2%</b>	<b>7.9%</b>	<b>8.6%</b>	<b>4.6%</b>	<b>6.6%</b>	<b>8.8%</b>	<b>Not Started</b>	<b>208,585,166</b>
<b>Eagle Star (Ind) Long Bond</b>	<b>10.5%</b>	<b>9.8%</b>	<b>8.7%</b>	<b>4.0%</b>	<b>Not Started</b>	<b>Not Started</b>	<b>Not Started</b>	<b>63,610,386</b>
Acorn Life (Ind) Pens Cautiously Mgd	5.9%	6.7%	7.1%	4.1%	Not Started	Not Started	Not Started	13,400,000
Canada Life (Ind) Setanta Pen Fixed Interest *	2.7%	1.5%	5.4%	2.4%	4.7%	6.1%	7.6%	221,836,220
Friends (Ind) Fixed Interest	6.2%	6.0%	5.8%	2.4%	5.1%	6.8%	8.2%	70,420,000
Aviva L&P Pen Laser Pension Bond	0.3%	0.7%	4.8%	2.6%	5.4%	6.8%	7.5%	54,949,651
Irish Life (Ind) Exempt Fixed Interest 2	8.2%	8.2%	7.7%	3.8%	5.7%	7.1%	8.2%	1,044,835
New Irl (Ind) Pension Gilt Edge 2 *	7.3%	6.8%	6.8%	3.2%	5.4%	7.0%	8.0%	675,093,000
Royal Liver (Ind) Fixed Interest	7.4%	9.1%	8.9%	4.8%	Not Started	Not Started	Not Started	23,232,975
SL Synergy Government Bond Tracker	5.8%	5.8%	6.4%	2.7%	Not Started	Not Started	Not Started	35,400,000
<b>MoneyMate Sector Average</b>	<b>6.1%</b>	<b>6.2%</b>	<b>6.2%</b>	<b>3.2%</b>	<b>5.5%</b>	<b>7.1%</b>	<b>8.0%</b>	
<b>International Equity</b>								
<b>Eagle Star (Ind) International Equity</b>	<b>5.6%</b>	<b>11.5%</b>	<b>-6.3%</b>	<b>0.7%</b>	<b>-1.0%</b>	<b>Not Started</b>	<b>Not Started</b>	<b>180,051,051</b>
Canada Life (Ind) Passive Equity 2	5.6%	10.6%	-9.2%	-3.2%	Not Started	Not Started	Not Started	5,564,211
Friends (Ind) International	7.2%	14.2%	-6.7%	0.0%	-3.1%	4.8%	6.2%	178,100,000
Aviva L&P Pen Laser Pension International Eq	5.4%	11.9%	-8.3%	-1.4%	-3.4%	4.5%	6.2%	40,207,818
Irish Life (Ind) Indexed Global Equity P	6.2%	11.0%	-9.7%	-1.8%	Not Started	Not Started	Not Started	195,167,952
New Irl (Ind) Pension International 2 *	5.0%	11.5%	-7.6%	-1.8%	-2.7%	4.8%	6.2%	651,516,000
Royal Liver (Ind) International Equity	14.0%	19.4%	-6.8%	-0.8%	Not Started	Not Started	Not Started	11,912,444
SL Synergy Global Equity Tracker	6.6%	13.5%	-7.3%	-1.4%	Not Started	Not Started	Not Started	200,000
<b>MoneyMate Sector Average</b>	<b>7.3%</b>	<b>13.9%</b>	<b>-7.6%</b>	<b>-0.8%</b>	<b>-2.2%</b>	<b>5.0%</b>	<b>7.1%</b>	
<b>Managed Aggressive</b>								
<b>Eagle Star (Ind) Dynamic</b>	<b>4.5%</b>	<b>8.9%</b>	<b>-7.1%</b>	<b>0.8%</b>	<b>0.9%</b>	<b>7.0%</b>	<b>11.2%</b>	<b>925,357,548</b>
Acorn Life (Ind) Pension Managed Growth	6.8%	10.8%	-9.5%	-1.2%	-1.4%	6.3%	8.0%	171,200,000
Hib Life & Pen NU (Ind) Focussed Managed I	4.2%	8.5%	-10.5%	-2.9%	-1.4%	Not Started	Not Started	6,904,196
Lifetime/BIAM (Ind) Pen Opportunity	4.2%	8.2%	-7.9%	-2.7%	-0.4%	5.5%	7.0%	6,002,000
Royal Liver (Ind) Managed	8.2%	9.8%	-7.5%	-1.2%	Not Started	Not Started	Not Started	47,944,362
<b>MoneyMate Sector Average</b>	<b>4.5%</b>	<b>8.2%</b>	<b>-9.4%</b>	<b>-2.0%</b>	<b>-1.2%</b>	<b>6.3%</b>	<b>9.0%</b>	
<b>Managed Balanced</b>								
<b>Eagle Star (Ind) Balanced</b>	<b>4.7%</b>	<b>8.4%</b>	<b>-4.6%</b>	<b>1.5%</b>	<b>1.8%</b>	<b>7.6%</b>	<b>11.2%</b>	<b>1,217,413,848</b>
<b>Eagle Star (Ind) Performance</b>	<b>4.7%</b>	<b>8.6%</b>	<b>-6.3%</b>	<b>0.9%</b>	<b>1.3%</b>	<b>7.3%</b>	<b>10.9%</b>	<b>819,801,529</b>
Acorn Life (Ind) Pension Managed	6.5%	9.4%	-6.6%	-0.3%	0.1%	6.5%	7.8%	107,300,000
Ark Life (Ind) Pension Managed 2	3.7%	7.6%	-9.5%	-2.6%	-2.1%	Not Started	Not Started	--
Canada Life (Ind) Setanta Pension Managed *	4.9%	9.9%	-4.0%	0.3%	1.2%	6.3%	7.7%	1,027,369,604
Friends (Ind) Managed	5.2%	8.5%	-8.6%	-1.7%	-0.5%	5.8%	7.2%	259,100,000
Aviva L&P Pen Laser Pension Managed	2.6%	6.6%	-10.2%	-2.8%	-1.1%	5.2%	6.3%	376,832,448
Irish Life (Ind) Exempt Managed 1	4.2%	6.6%	-7.8%	-1.2%	0.8%	5.9%	7.0%	1,266,373,498
Lifetime/BIAM (Ind) Pen Growth	4.4%	7.8%	-7.5%	-2.3%	0.4%	5.9%	7.7%	--
New Irl (Ind) Pension Managed 3	4.6%	8.1%	-7.3%	-2.2%	0.6%	6.5%	7.6%	1,837,486,000
SL Synergy Balanced MultiManager	5.3%	8.8%	-9.0%	-2.5%	Not Started	Not Started	Not Started	137,100,000
<b>MoneyMate Sector Average</b>	<b>4.4%</b>	<b>7.7%</b>	<b>-7.1%</b>	<b>-1.3%</b>	<b>-0.1%</b>	<b>6.1%</b>	<b>7.9%</b>	
<b>Irish Equity</b>								
<b>Eagle Star (Ind) Irish Equity</b>	<b>-6.3%</b>	<b>-16.4%</b>	<b>-27.0%</b>	<b>-13.3%</b>	<b>Not Started</b>	<b>Not Started</b>	<b>Not Started</b>	<b>7,432,746</b>
Ark Life (Ind) Pension Irish	-9.3%	-18.7%	-26.6%	-14.9%	Not Started	Not Started	Not Started	3,178,494
Friends (Ind) Irish Equity	-7.6%	-17.5%	-26.4%	-13.8%	-4.0%	3.8%	6.4%	32,270,000
Hib Life & Pen NU (Ind) Irish Equity *	-10.5%	-19.7%	-27.3%	-14.9%	-4.2%	Not Started	Not Started	3,571,281
Irish Life (Ind) Irish Equity Indexed P	-8.0%	-18.3%	-29.5%	-16.2%	Not Started	Not Started	Not Started	62,489,161
New Irl (Ind) Pension Irish Equity 3 *	-6.8%	-16.6%	-27.2%	-15.7%	-2.9%	4.3%	Not Started	81,096,000
Royal Liver (Ind) Irish Equity	-8.3%	-18.4%	-28.0%	-14.5%	Not Started	Not Started	Not Started	14,942,883
SL Synergy Irish Equity Tracker	-8.4%	-18.7%	-28.7%	-15.8%	Not Started	Not Started	Not Started	11,800,000
<b>MoneyMate Sector Average</b>	<b>-7.9%</b>	<b>-16.3%</b>	<b>-28.6%</b>	<b>-15.1%</b>	<b>-5.2%</b>	<b>3.3%</b>	<b>5.7%</b>	
<b>Euro Equity<sup>2</sup></b>								
<b>Eagle Star Eurozone Equity G</b>	<b>1.2%</b>	<b>3.8%</b>	<b>-6.7%</b>	<b>3.5%</b>	<b>Not Started</b>	<b>Not Started</b>	<b>Not Started</b>	<b>74,254,374</b>
AIB Inv Mgr Ltd Eurozone Equity Indexmaster B	-0.6%	1.4%	-11.0%	-0.3%	Not Started	Not Started	Not Started	67,630,936
Ark Life Eurozone 2 G	0.0%	1.7%	-12.5%	-3.5%	Not Started	Not Started	Not Started	72,080,973
Aviva L&P Euro Equity	-2.0%	1.4%	-10.3%	-1.1%	Not Started	Not Started	Not Started	11,959,507
New Ireland Euroland Equity S9	-3.9%	-0.8%	-12.6%	-2.3%	Not Started	Not Started	Not Started	5,026,000
SL Synergy European Equity Tracker	2.6%	5.1%	-10.0%	0.2%	Not Started	Not Started	Not Started	70,300,000
<b>MoneyMate Sector Average<sup>1</sup></b>	<b>-0.2%</b>	<b>3.4%</b>	<b>-10.0%</b>	<b>-1.2%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	

Figures highlighted in navy indicate where the Eagle Star fund has outperformed the average.

\* Note that this fund is no longer open to new business. Other similar funds which are open to new business may be available from the relevant fund manager.

# Eagle Star Investments

Annualised Performance to 1st October 2010

	Year to Date	1 Year	Annualised 3 Years	Annualised 5 Years	Annualised 10 Years	Annualised 15 Years	Annualised 20 Years	Fund Size (€)
<b>European Equities<sup>2</sup></b>								
<b>Eagle Star 5 Star 5 Europe G</b>	<b>1.1%</b>	<b>3.9%</b>	<b>-9.4%</b>	<b>-0.2%</b>	<b>Not Started</b>	<b>Not Started</b>	<b>Not Started</b>	<b>85,449,982</b>
BOI Life - Unit Funds European Ex UK S2	0.3%	4.9%	-10.7%	-2.5%	Not Started	Not Started	Not Started	8,141,000
Canada Life /Setanta European Equity G	-0.9%	6.4%	-8.4%	-1.1%	Not Started	Not Started	Not Started	14,812,185
Friends First European Equity G	3.6%	8.0%	-10.8%	-0.3%	Not Started	Not Started	Not Started	179,700,000
Aviva L&P European Equity	-1.7%	2.4%	-8.1%	0.1%	Not Started	Not Started	Not Started	2,835,348
Irish Life Europascope 2 G	-5.4%	-2.1%	-12.1%	-2.2%	Not Started	Not Started	Not Started	33,728,375
New Ireland European Equity S9	-0.1%	4.3%	-11.2%	-2.9%	Not Started	Not Started	Not Started	244,105,000
Royal Liver European Equity G	10.9%	16.5%	-7.2%	1.9%	Not Started	Not Started	Not Started	8,455,976
SL Synergy European Eq MultiManager	1.3%	4.8%	-11.5%	-1.0%	Not Started	Not Started	Not Started	69,700,000
<b>MoneyMate Sector Average<sup>1</sup></b>	<b>5.7%</b>	<b>9.6%</b>	<b>-7.6%</b>	<b>0.5%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	
<b>Far East Equity<sup>2</sup></b>								
<b>Eagle Star 5 Star 5 Asia Pacific G</b>	<b>-2.9%</b>	<b>1.7%</b>	<b>-11.6%</b>	<b>1.9%</b>	<b>Not Started</b>	<b>Not Started</b>	<b>Not Started</b>	<b>97,650,264</b>
AIB Inv Mgr Ltd Far East Equity G	10.2%	15.4%	-5.9%	1.7%	Not Started	Not Started	Not Started	7,314,817
BOI Life - Unit Funds Far East Equity S2	9.8%	18.1%	-4.3%	-0.1%	Not Started	Not Started	Not Started	1,244,000
Aviva L&P Pacific Basin Equity	15.1%	23.4%	-3.4%	6.1%	Not Started	Not Started	Not Started	2,791,617
Irish Life Indexed Pacific Basin 1 G	13.8%	22.0%	-2.8%	6.5%	Not Started	Not Started	Not Started	10,031,363
New Ireland Pacific Basin S9	9.7%	20.4%	-1.8%	6.8%	Not Started	Not Started	Not Started	121,610,000
SL Synergy Pacific Basin MultiManager	12.6%	21.7%	-3.7%	6.5%	Not Started	Not Started	Not Started	29,400,000
<b>MoneyMate Sector Average<sup>1</sup></b>	<b>14.2%</b>	<b>22.5%</b>	<b>-0.9%</b>	<b>8.0%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	
<b>American Equity<sup>2</sup></b>								
<b>Eagle Star 5 Star 5 Americas G</b>	<b>1.9%</b>	<b>6.5%</b>	<b>-4.6%</b>	<b>1.0%</b>	<b>Not Started</b>	<b>Not Started</b>	<b>Not Started</b>	<b>44,542,026</b>
AIB Inv Mgr Ltd US Equity G	10.2%	16.1%	-10.4%	-4.6%	Not Started	Not Started	Not Started	8,051,825
BOI Life - Unit Funds North American S2	6.1%	12.5%	-5.0%	-1.8%	Not Started	Not Started	Not Started	251,014,000
Aviva L&P US Equity	9.1%	18.6%	-7.7%	-2.4%	Not Started	Not Started	Not Started	977,492
Irish Life Indexed US 1 G	7.9%	16.1%	-6.8%	-2.7%	Not Started	Not Started	Not Started	148,984,754
New Ireland North American S9	5.6%	12.0%	-5.5%	-2.4%	Not Started	Not Started	Not Started	207,670,000
SL Synergy North American Equity	6.7%	14.7%	-6.5%	-2.2%	Not Started	Not Started	Not Started	81,800,000
<b>MoneyMate Sector Average<sup>1</sup></b>	<b>7.2%</b>	<b>14.6%</b>	<b>-6.5%</b>	<b>-1.6%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	
<b>Concentrated Funds<sup>3</sup></b>								
<b>Eagle Star 5 Star 5 Global G</b>	<b>3.1%</b>	<b>8.3%</b>	<b>-8.3%</b>	<b>-1.4%</b>	<b>Not Started</b>	<b>Not Started</b>	<b>Not Started</b>	<b>210,449,086</b>
BOI Life - Smart Funds Spotlight S9	4.7%	8.9%	-5.0%	Not Started	Not Started	Not Started	Not Started	6,168,000
Canada Life /Setanta Focus 15 G	11.7%	18.9%	0.5%	2.6%	Not Started	Not Started	Not Started	120,878,771
Aviva L&P Target 20	6.4%	16.2%	-10.7%	-5.1%	Not Started	Not Started	Not Started	12,421,427
<b>Average of selected funds</b>	<b>6.5%</b>	<b>13.1%</b>	<b>-5.8%</b>	<b>-1.3%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	
<b>Selected Property Equity Funds<sup>3</sup></b>								
<b>Eagle Star Australasia Property</b>	<b>19.9%</b>	<b>24.6%</b>	<b>-7.8%</b>	<b>Not Started</b>	<b>Not Started</b>	<b>Not Started</b>	<b>Not Started</b>	<b>6,388,015</b>
<b>Eagle Star European Ex UK Property</b>	<b>18.6%</b>	<b>21.2%</b>	<b>-2.9%</b>	<b>Not Started</b>	<b>Not Started</b>	<b>Not Started</b>	<b>Not Started</b>	<b>7,726,747</b>
<b>Eagle Star Eurozone Property G*</b>	<b>10.7%</b>	<b>11.2%</b>	<b>-8.8%</b>	<b>-1.4%</b>	<b>Not Started</b>	<b>Not Started</b>	<b>Not Started</b>	<b>35,154,987</b>
AIB Inv Mgr Ltd Euro Prop Stocks G	12.5%	15.4%	-10.5%	-2.7%	Not Started	Not Started	Not Started	3,228,921
Friends First Global Property Venture	1.1%	0.4%	-20.2%	Not Started	Not Started	Not Started	Not Started	2,400,000
SL Synergy Global REIT	11.8%	19.3%	-15.8%	Not Started	Not Started	Not Started	Not Started	46,100,000
<b>Average of selected funds</b>	<b>12.4%</b>	<b>15.3%</b>	<b>-11.0%</b>	<b>-2.0%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	
<b>Specialist Funds<sup>3</sup></b>								
<b>Eagle Star Dividend Growth G</b>	<b>11.9%</b>	<b>17.9%</b>	<b>-7.9%</b>	<b>-0.7%</b>	<b>Not Started</b>	<b>Not Started</b>	<b>Not Started</b>	<b>113,781,292</b>
Aviva L&P High Yield	5.4%	15.6%	-6.2%	1.5%	Not Started	Not Started	Not Started	5,897,305
Canada Life CL/Set Equity Div Non Dis G	4.1%	11.1%	-6.1%	-0.7%	Not Started	Not Started	Not Started	304,347,164
Bloxxams High Yield 1 G	6.1%	13.4%	-7.5%	-1.1%	Not Started	Not Started	Not Started	224,439,921
Merrion SB Ltd Merrion High Yield G	0.5%	5.2%	-17.9%	-8.7%	Not Started	Not Started	Not Started	12,205,610
<b>Average of selected funds</b>	<b>5.6%</b>	<b>12.6%</b>	<b>-9.1%</b>	<b>-1.9%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	

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' funds, and to show the performance of competitors over short, medium and long terms.

Source: MoneyMate as on 08/10/2010.

- 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. The average shown is the average of the selected funds above.

\* Note that this fund is no longer open to new business. Other similar funds which are open to new business may be available from the relevant fund manager.

**Warning: 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. Returns are based on an investment in the funds and do not represent the returns achieved by individual policies linked to the funds. Benefits may be affected by changes in currency exchange rates. Past performance is not a reliable guide to future performance.**