

Eagle Star Investment Bond

Customer Brochure



Best Investment Fund Manager
Best Balanced Managed Investment Fund
Moneymate 2008



If you are looking for a flexible, long-term investment with the potential to earn high returns, then we believe the Eagle Star Investment Bond is right for you!

The Eagle Star Investment Bond offers clients with a lump sum to invest, a choice of our extensive range of Matrix funds or our Protected funds. The Protected funds will suit you if you wish to invest in the stock market but also limit the risks you take. Our Matrix funds give you the chance to select from an extensive range of funds to suit your investor profile.

Achieving real growth

There is a fundamental principle in investment: higher returns can be achieved if an investor is prepared to accept some uncertainty. So, less predictable investments, such as equities, offer the prospect of higher returns, and more predictable investments, such as deposit accounts, offer lower returns.



Equities can exhibit more volatility (unpredictable mixture of increases and decreases in value) than deposit accounts. However, in the long term, equities have usually comfortably outperformed less volatile assets.

It is also important to consider the effect of inflation on returns. While investing in more secure instruments such as deposit accounts may produce stable returns, such investments may yield a low return that may not be as high as inflation that year. Therefore, over the long term, investing in lower-risk funds may actually cost money in real terms. On the other hand, equities have a strong record of outperforming inflation over the medium to long term.

Flexibility to meet all your financial planning

The Eagle Star Investment Bond is a unit-linked investment whereby **100% of your money is invested from day one without any initial charge**. The minimum investment is €5,000, and there are special terms available for amounts of €50,000 and over. The bond is suitable for investors considering a longer term investment. We recommend a minimum term of at least five years.

The Investment Bond is flexible and enables you to select one or a combination of investment funds. These funds offer varying degrees of investor control, risk and potential return.

The bond can be written under trust if required.

What's on offer

→ Excellent fund choice through Matrix and Protected funds

Matrix and Protected funds offer you a select and well-balanced range of high quality funds managed by our award-winning investment team and a choice of international investment managers.

→ Change the profile of your investment

You can do this at any time by making a fund switch. This involves moving some or all of your existing investment into another fund or funds. You cannot switch from the Matrix funds to the Protected funds or vice versa.

→ Easy access to your money

At any time you can cash in some or all of your Eagle Star Investment Bond, provided the partial encashment is greater than €1,000. The cash value of your Eagle Star Investment Bond in the early years may be less than the amount you invested. If you make a withdrawal from the SuperCAPP Fund, then we have the right to reduce payments to customers in certain circumstances, by what is called a Market Level Adjustment.

There are no encashment penalties (see page 7) for fully encashing your bond after five years.

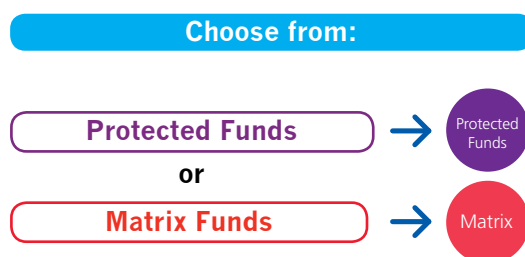
→ A regular income

If you wish, you can take a regular income from your bond. This can be a fixed monetary amount or a percentage of the value of your bond – paid monthly, quarterly, half-yearly or yearly as you choose. The minimum amount you can take is €200, regardless of the frequency, and the maximum amount is 7.5% of the value of your bond each year. There is no charge for this facility.

What about tax?

Whenever monies are paid out of your Eagle Star Investment Bond (on death, encashment, partial encashment, regular income, or by assignment), tax is payable on any investment gains made. A tax on these gains will also be payable every eight years. We 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 us. The rate of tax (currently 23%) is equal to the standard rate of income tax plus 3%.

Investment choices for your Investment Bond



Protected funds

To invest in the stock market, but also limit the risks you take, you should consider our Protected funds. These funds invest directly in an Eagle Star Actively Managed Fund and an Eagle Star Cash Fund. The risk is limited because the Protected funds have a protected price below which the unit price of the fund cannot fall.

Matrix funds

For funds with different levels of risk and potential returns, choose our Matrix range of funds. These include funds ranging from balanced managed funds to concentrated equity funds consisting of 25 selected equities. See page 5.

Switching and mixing

Switches can be made within the range of funds you select. You can also choose a number of funds. However, you cannot have both a Protected and a Matrix fund within the one plan.

If you select Protected funds, you can switch into any of the Protected funds or into the Eagle Star Secure Fund, but not to other funds provided by us.

The Protected funds

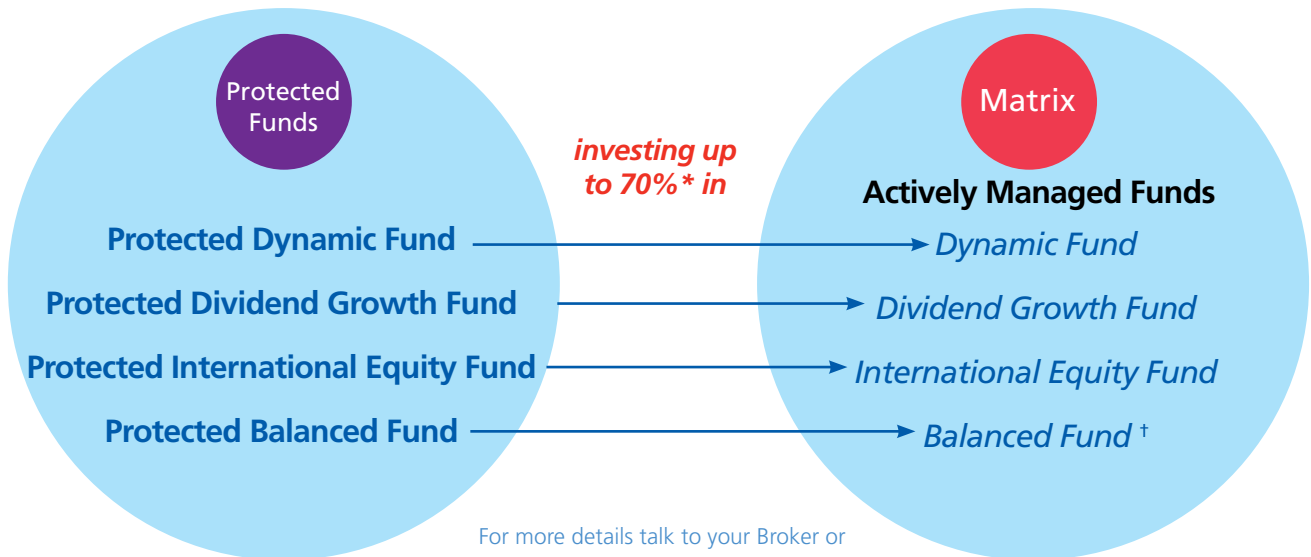


Eagle Star Protected funds are aimed at investors who wish to invest in the stock market, but who also want to limit the risks they take.

The risk is limited because the Protected funds have a Protected Price below which the unit price of the fund cannot fall. For each Protected fund, the Protected Price is 80% of the highest ever unit price of that fund. In this way, your investment is protected from some of the risks of stock market investments. The protection is provided by Barclays Bank plc* and not by us.

Eagle Star Protected funds each invest directly in an Eagle Star Actively Managed Fund from the award-winning Eagle Star Matrix range of funds (thus providing you with the potential for real investment returns) and an Eagle Star Cash Fund.

* Eagle Star reserves the right to replace Barclays Bank plc with another provider at any stage.



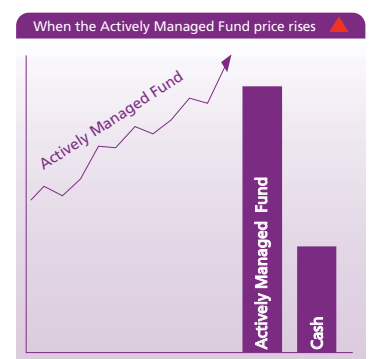
[†]The Protected Balanced Fund will invest up to 90% in the Actively Managed Fund.

Each Protected fund has a maximum percentage which can be invested in the appropriate Eagle Star Actively Managed Fund. The amount invested in the Eagle Star Actively Managed Fund is determined by Barclays Bank plc. For the Protected Dynamic Fund, the Protected Dividend Growth Fund and the Protected International Equity Fund, the maximum percentage which can be invested is 70%*. Other Protected funds in the future may have a different maximum percentage investment. The Protected Balanced Fund will have a maximum percentage which can be invested of 90%*.

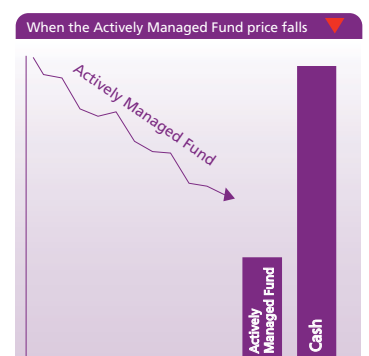
* This is the target maximum exposure to the Actively Managed Funds. It is possible for the Protected fund to have a higher exposure to the Actively Managed Fund at certain times. Barclays Bank plc is authorised and regulated by the Financial Services Authority.

How the funds work

If the unit price of the Actively Managed Fund is rising then the allocation to the Actively Managed Fund increases so that you can benefit from future rises.



If the unit price of the Actively Managed Fund is falling, then the allocation to the Actively Managed Fund reduces so that you are protected from future falls. You should note that, in extreme circumstances, it is possible for the Protected fund to be fully invested in Cash.



How the Matrix funds can work for you



To choose your funds, simply combine the Matrix funds that best suit:

- your attitude to return and risk; and
- the amount of control you wish to have over your investment.

The funds that best suit your attitude to risk and the level of control can be selected from the list below for your Eagle Star Investment Bond.

To choose the funds to suit your needs, ask yourself the following:

What control do I want when investing?	Control Fund Choice		
Some control <i>I want to choose particular sectors/regions to invest in.</i>	→ 5★5 Asia Pacific	Eurozone Equity	
	5★5 Europe	European Select Growth*	
	5★5 Americas	American Select Growth*	
	TopTech 100	Australasia Property	
	Active Fixed Income	European (Ex-UK) Property	
	Long Bond	Global Commodities	
	Irish Equity	UK Index**	
	India Equity	Japan Index**	
	Dividend Growth	Europe ex-UK Index**	
	Diversified Assets	Earth Resources	
	Total investment manager control <i>I want experts to make the choice of investment decisions for me.</i>	→ 5★5 Global	Global Select Growth*
		Dynamic	Performance
		International Equity	Cautiously Managed
		SuperCAPP	Balanced
Secure			

* Managed by Threadneedle Investments. ** Managed by Barclays Global Investors.

What return do I expect, and what risk am I prepared to take for that return?	Return/Risk Fund Choice	
Low return/risk	Secure Fund	
Moderate return/risk	→ SuperCAPP	Active Fixed Income
	Diversified Assets	Cautiously Managed
Medium return/risk	→ Balanced	Long Bond
	High return/risk	→ Dynamic
International Equity		American Select Growth*
Global Select Growth*		Australasia Property
Eurozone Equity		UK Index**
Dividend Growth		Japan Index**
Performance		Europe ex-UK Index**
		Europe (ex-UK) Property
Higher return/risk		→ 5★5 Global
	5★5 Asia Pacific	5★5 Americas
	TopTech 100	Global Commodities
	Irish Equity	India Equity
	Earth Resources	

* Managed by Threadneedle Investments. ** Managed by Barclays Global Investors.



Remember that return and risk are related; normally, the higher the potential return, the higher the potential risk.

You will find more detail on the Matrix range of funds at www.zurich.ie

Outstanding fund performance

The Eagle Star Investment Bond offers you our funds with proven performance. We gained recognition for investment performance at the 2008 MoneyMate & Investor Magazine Awards when the company was named '**Best Investment Fund Manager**' and '**Best Balanced Managed Investment Fund**' and '**Best Balanced Managed Pension Fund**'.

MoneyMate[®]

Best Investment Fund Manager
Best Balanced Managed Investment Fund
Best Balanced Managed Pension Fund

Service excellence

We are one of Ireland's most successful life insurance companies, and offer a full range of pension, investment and protection products. The company has won many industry service awards and was named '**Best Insurance Provider**' at the 2008 MoneyMate & Investor Magazine Awards.

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



Yes we make a charge...

As 100% of your money is invested from day one, the only charge is the annual management charge, provided you invest for at least five years. Early surrender charges apply in the first five years.

The Eagle Star Investment Bond has a charging structure that is clear and unambiguous.

Protected funds:

The annual management charge is from 1.5% to 2% of the value of your policy.

Matrix funds:

The annual management charge is from 1% to 1.5%* of the value of your policy.

And if you ...

- Decide to fully or partially encash your policy in the first five years, the value of the encashment will be reduced by the following amounts:
- Year 1: 5%, Year 2: 4%, Year 3: 3%, Year 4: 2% and Year 5: 1%.
- Make a partial encashment, the charge is €20.
- Switch a fund, the first four switches in any year are free. Subsequent switches cost €20.
- Choose the SuperCAPP Fund, there is a charge of 5% of this fund's investment earnings before the dividend is declared.

* If you choose a fund managed by Threadneedle Investments then the maximum charge will be 2% per annum.

How to get the value of your bond

When applying for an Eagle Star Investment Bond, you can request access to our client online service – the **Client Centre** at www.zurich.ie. Once you have received your logon details, you can look up your bond's current value and other details.

In addition, you can keep track of the performance of your fund(s) by logging onto our public website www.zurich.ie or referring to the national newspapers.

In summary

If you have at least €5,000 to invest, and you want access to excellent fund choice through the Matrix or Protected funds, we believe that the Eagle Star Investment Bond is an ideal vehicle for you.



About us

Eagle Star Life Assurance Company of Ireland Limited is a member of Zurich Financial Services Group, an insurance-based financial services provider with a global network of subsidiaries and offices in North America and Europe as well as in Asia Pacific, Latin America and other markets. Founded in 1872, the Group is headquartered in Zurich, Switzerland. It employs approximately 60,000 people serving customers in more than 170 countries.

As one of Ireland's most successful life insurance companies, we offer a full range of Eagle Star Pension, Investment and Protection products.

We gained recognition for our excellent investment performance at the 2008 MoneyMate & Investor Magazine Awards when the company was named 'Best Investment Fund Manager' and was awarded 'Best Balanced Managed Pension Fund' and 'Best Balanced Managed Investment Fund'.

Our investment team, based in Blackrock, Co. Dublin, is responsible for funds under management of approximately €8 billion, of which pension assets amount to €4.6 billion (as at 31st December 2007).

We are committed to the provision of excellent customer service. We have won a number of industry service awards, including the Professional Insurance Brokers Association 'Broker Service Award of Excellence' for 2007, 2006, 2005, 2004 and 2003, and we are twelve times winner of the Irish Brokers Association 'Service Excellence Award'. We are a market leader in providing policyholder information online through our innovative website, www.zurich.ie

We have a strong commitment to good corporate citizenship and are a founder member of Business in the Community Ireland (BITC).

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Eagle Star Life Assurance Company of Ireland Limited is regulated by the Financial Regulator.

Intended for distribution within the Republic of Ireland.

The tax and legislative information contained herein is based on Eagle Star's understanding of current practice as at June 2008 and may change in the future.