

Eagle Star Unitised With Profits Bond

Customer Brochure



Best Investment Fund Manager
Best Balanced Managed Investment Fund
Moneymate 2008


ZURICH[®]


If you want the potential for real growth without worries, we believe the Eagle Star Unitised With Profits Bond is right for you.

Your money will be invested in the unique Eagle Star SuperCAPP Fund which aims to provide a smoothed distribution of investment earnings to policyholders. Clients investing in the SuperCAPP Fund have benefited from a steady accumulation of investment earnings without the worries associated with daily fluctuations in stock market prices.

Real returns with minimised risk

The Eagle Star Unitised With Profits Bond is ideal for investors who want the potential for real returns without worrying about daily fluctuations in stock markets. Your money is invested solely in the Eagle Star SuperCAPP Fund – a unitised with-profits fund, offering you a smoothed investment return. The fund is designed to deliver a regular return to policyholders consistent with prevailing long-term interest rates while maintaining the potential for higher growth than a bank deposit account.

The fund invests in assets (typically fixed interest, equities and cash) that fluctuate in value depending on market conditions. Rather than expose you to the full extent of these fluctuations, investment earnings are distributed to policyholders through dividends that aim to provide a steady accumulation of benefits from year to year.

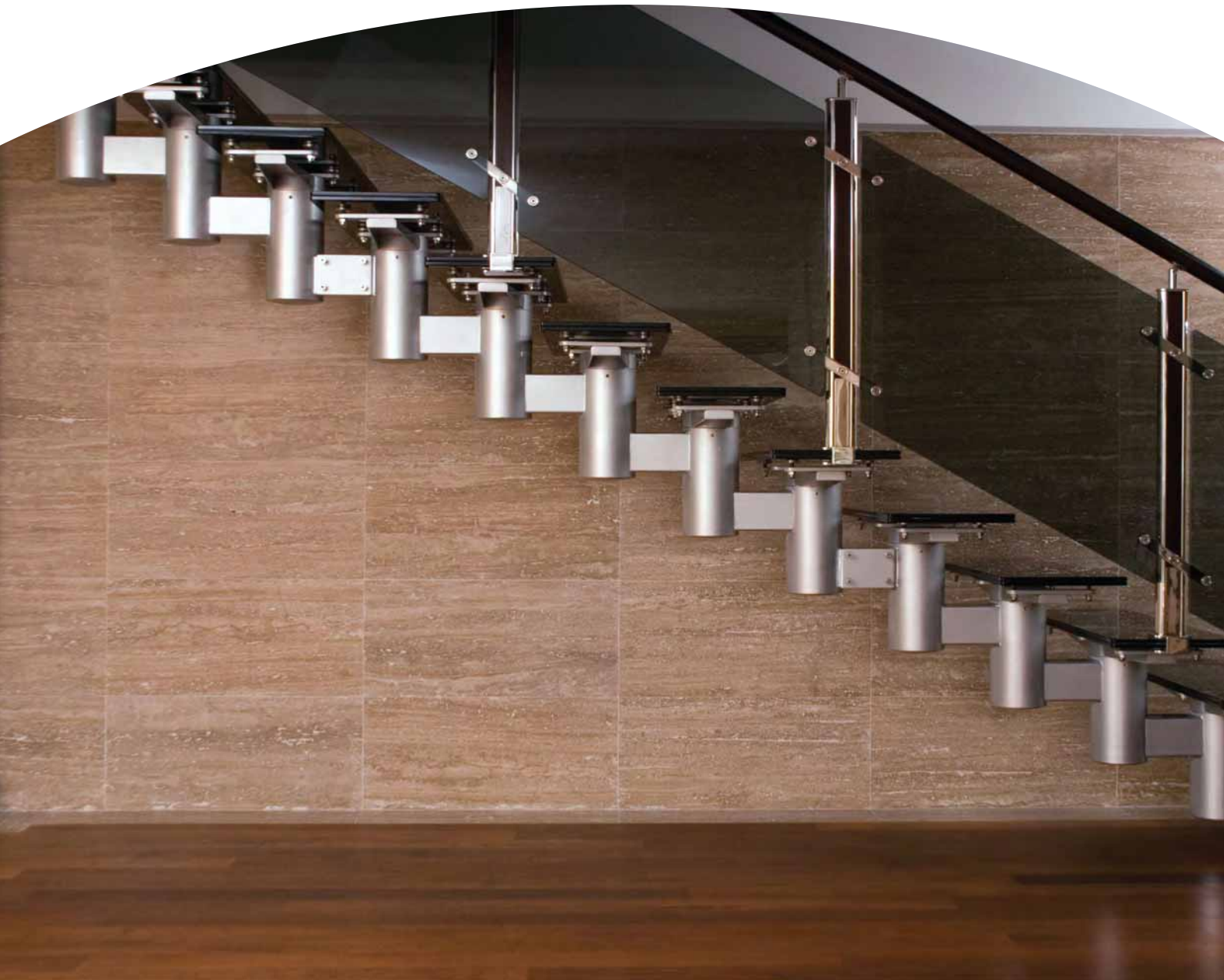


The steady
accumulation
of investment
returns

Smoothing the way

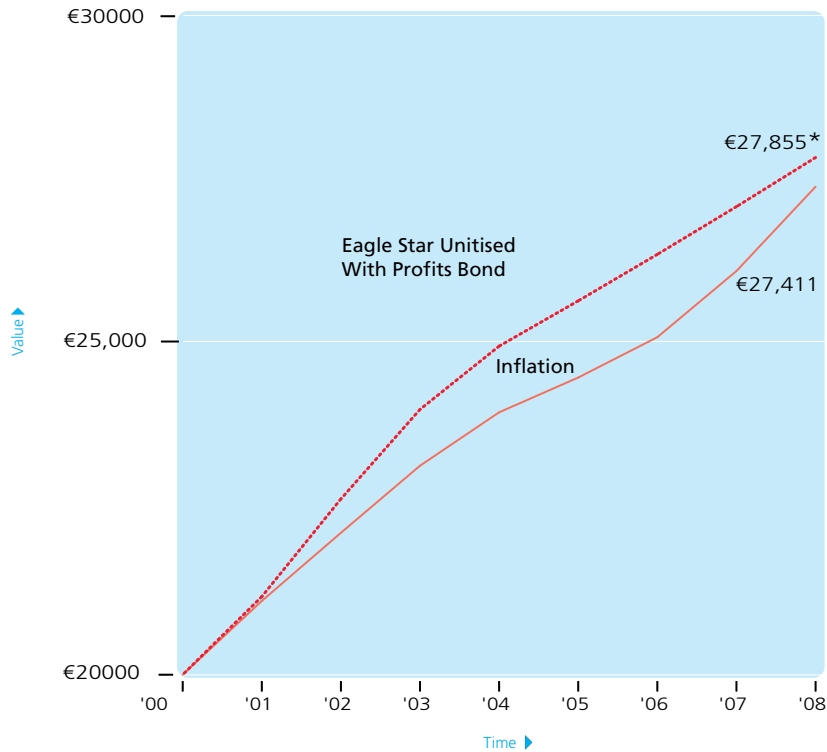
How well a fund performs depends on the skills of the investment manager. Our investment team has a consistent and unrivalled reputation in fund management. You will also benefit from our long history of smoothing out the peaks and troughs of stock market movement to give a steady accumulation of SuperCAPP investment accounts.

It should be noted that over longer terms, you might expect a higher return from a managed fund with a high equity content, but the price you pay for this is higher short-term volatility.



Building wealth

The following graph demonstrates that an investment in the Eagle Star Unitised With Profits Bond has consistently built real wealth over time.



This graph shows the performance of an investment in the Eagle Star Unitised With Profits Bond starting in January 2000. It is based on an allocation rate of 99% and an annual management charge of 1.25%. The figures are shown net of all charges but before deduction of an exit tax equal to 23% of the investment gain. The final investment account at 1st January 2008 after deduction of this exit tax is €26,048. Unit prices in the SuperCAPP Fund are guaranteed not to fall. However, the encashment value of your investment may be reduced in adverse investment conditions by applying a Market Level Adjustment.

Note: An early surrender charge applies to encashments in the first five years. This has not been applied in the graph above.

* Note that a special dividend may apply on surrender after five years. No special dividend has been applied in the graph above. The special dividend payable on surrender at the end of the period would have been 2%.

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

Yes we make a charge

- We have a reasonable charging structure that is clear and unambiguous.
- An initial charge of between 0% and 1% depending on the size of the investment.
- An explicit management charge of 1.25% per annum.
- In addition, we retain 1/20th of earnings, distributable as policy dividends. This charge is taken before the dividends are declared.
- If you decide to fully or partially encash your Bond in the first five years, the value will be reduced by the following percentages:

Year 1: 5%, Year 2: 4%, Year 3: 3%, Year 4: 2% and Year 5: 1%.

Regular income

You can take a regular income from your Bond of up to 7.5% per annum of the value of the Bond without incurring the above early encashment penalties. This can be a fixed monetary amount or a percentage of the fund - paid monthly, quarterly, half-yearly or yearly as you choose. You should remember that if the regular income you take is greater than the bonus rate or growth of the Eagle Star SuperCAPP Fund, your capital investment will be reduced.

Completing the picture

As an investor in the SuperCAPP Fund, you will want us to treat you fairly.

If there is a downturn in investment markets that brings the value of assets in the fund below members' entitlements or if investment returns have been consistently lower than anticipated, we have the right to reduce encashments by a 'Market Level Adjustment'. This balances out the interests of all policy owners.

Warning: The income you get from this investment may go down as well as up.



Should you worry?

Obviously, a Market Level Adjustment could happen, but we have a history of maintaining this fund by prudent and wise investment. We do not expect to apply a Market Level Adjustment other than in exceptional circumstances. It will not be applied on death.

If it did happen, you may well be advised not to make a withdrawal. If investment markets then recover, the Market Level Adjustment will be removed, and you will be able to access your investment without penalty.

What about tax?

Under current legislation, we are not liable to Irish taxes on our policyholders' funds. However, withholding tax may be deducted at source from dividends and other income arising from investments in certain countries in which funds invest. In most cases, part or all of these withholding taxes can be reclaimed, but where they cannot, the income credited to the fund will be reduced by such taxes.

When you make a withdrawal, and on the eighth policy anniversary and every subsequent eighth policy anniversary, we will pay an exit tax to the Revenue on your behalf. This tax is calculated only on the investment gain and is currently based on the standard rate of income tax plus 3%. You have no further tax liabilities.

How to get the value of your Bond

When applying for a Unitised With Profits Bond, you can request access to our client online service. Once you have received your log-on details, you can look up your Bond's current value and other details online.

In summary

If you are a cautious investor with between €5,000 and €300,000 to invest and you want to combine real returns with minimised risk, we believe that this 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 February 2008 and may change in the future.

