

## Group Pension Managed Funds Update to 31<sup>st</sup> May 2008

### Summary

Following on from the gains made during April, Irish pension managed funds were broadly unchanged during May. Although the average return for the month was 0.2%, six of the ten leading funds were flat. Setanta Asset Management were the best performing manager over the month with a return of 1.2%. Hibernian Investment Managers delivered the only negative performance over the month, declining 0.1%. So far this year, pension funds are still in the red, by 7.5% on average. Irish pension funds have now lost 14.9% of their value over the past twelve months.

The average managed fund has shown a modest gain of 5.2% per annum over the past three years. The five year returns to the end of May remain strong, with the average managed fund delivering a return of 8.7% per annum over this period. Due to the recent downturn in equity markets, Irish group pension managed fund returns over the past ten years have been a disappointing 3.9% per annum on average, compared with an Irish inflation rate of 3.8% per annum over the same period. When considering these returns it is important to remember that the investment horizon of most pension schemes is generally over 25 years, and that equities have historically provided significantly higher returns over the long-term than bonds, property or cash, although at the cost of greater volatility.

### Tables

#### 1. Group Pension Managed Fund Returns to 31<sup>st</sup> May 2008

	1 Month %	5 Months %	1 Year %	3 Years % p.a.	5 Years % p.a.	10 Years % p.a.
AIB Investment Managers	0.4	-7.6	-12.5	7.4	9.9	3.5
Bank of Ireland Asset Management	0.0	-7.0	-18.1	1.9	6.3	4.3
Canada Life/Setanta	1.2	-5.7	-11.4	4.3	8.2	3.4
Eagle Star	0.0	-7.4	-12.6	7.1	10.0	4.4
Friends First/F&C	0.0	-9.9	-17.7	4.5	8.2	3.3
Hibernian Investment Managers	-0.1	-7.8	-14.7	5.5	8.9	4.0
Irish Life Investment Managers	0.0	-7.6	-15.8	5.5	9.4	4.2
KBC Asset Management	0.0	-8.1	-17.3	4.4	7.7	2.7
Oppenheim Investment Managers	0.9	-6.6	-12.7	6.0	9.0	5.5
Standard Life Investments	0.0	-7.3	-16.8	5.8	9.3	3.2
<b>Average</b>	<b>0.2</b>	<b>-7.5</b>	<b>-14.9</b>	<b>5.2</b>	<b>8.7</b>	<b>3.9</b>

#### 2. Equity Market Index Returns to 31<sup>st</sup> May 2008

Region	1 Month %		5 Months %	
	Local Ccy	Euro	Local Ccy	Euro
Ireland	-3.0	-3.0	-10.1	-10.1
UK	-0.3	-0.4	-4.3	-10.7
North America	1.9	2.2	-2.7	-8.5
Eurozone	1.3	1.3	-9.5	-9.5
Rest of Europe	2.1	2.0	-6.1	-4.6
Japan	3.5	2.6	-3.7	-4.2
Pacific Basin	-0.1	-0.1	-6.3	-9.7

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