

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

### Summary

As a result of recent market volatility, Irish pension managed funds fell by 9.2% on average during October. Eagle Star was the best performing manager over the month with a return of -8.5%. Irish Life Investment Managers delivered the worst performance over the month, with a return of -10.5%. So far this year, pension funds have declined a worrying 29.4% on average. Irish pension funds have now lost over a third of their value (33.4%) over the past twelve months.

The average managed fund has shown an extremely disappointing return of -6.0% per annum over the past three years. The five year returns to the end of October are little better, with the average managed fund delivering a return of just 1.1% per annum over this period. Irish group pension managed fund returns over the past ten years have been a very disappointing 1.9% per annum on average, well below the Irish inflation rate of 3.8% per annum over the same time horizon. Indeed, of the managers surveyed, only Merrion Investment Managers outperformed inflation over this period.

In spite of recent declines, it is important, when considering these returns, 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> October 2008

	1 Month %	10 Months %	1 Year %	3 Years % p.a.	5 Years % p.a.	10 Years % p.a.
AIB Investment Managers	-10.0	-30.0	-33.5	-4.4	2.0	1.4
Bank of Ireland Asset Management	-8.6	-27.6	-32.0	-7.7	-0.5	2.3
Canada Life/Setanta	-8.9	-25.0	-28.1	-5.4	2.0	2.4
Eagle Star	-8.5	-26.3	-30.0	-3.2	3.4	2.5
Friends First/F&C	-9.3	-32.5	-36.5	-7.2	0.2	1.1
Hibernian Investment Managers	-8.7	-31.3	-35.0	-6.3	0.8	1.6
Irish Life Investment Managers	-10.5	-32.4	-36.4	-7.2	0.8	1.9
KBC Asset Management	-9.1	-31.3	-35.7	-7.2	-0.3	0.3
Merrion Investment Managers	-9.8	-28.5	-31.7	-5.3	1.4	4.0
Standard Life Investments	-9.0	-29.3	-34.6	-5.7	1.5	1.4
<b>Average</b>	<b>-9.2</b>	<b>-29.4</b>	<b>-33.4</b>	<b>-6.0</b>	<b>1.1</b>	<b>1.9</b>

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

Region	1 Month %		10 Months %	
	<i>Local Ccy</i>	<i>Euro</i>	<i>Local Ccy</i>	<i>Euro</i>
Ireland	-14.5	-14.5	-54.9	-54.9
UK	-10.7	-10.3	-29.8	-34.3
North America	-17.0	-8.9	-32.2	-23.0
Eurozone	-16.1	-16.1	-40.6	-40.6
Rest of Europe	-13.0	-9.9	-32.6	-28.8
Japan	-20.8	-5.3	-41.0	-22.7
Pacific Basin	-17.0	-15.5	-40.9	-42.6

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#### Contact Details

For more information, please contact Fiona Daly.

**Phone:** +353-1-6249706

**Email:** [Fiona.Daly@RubiconIC.ie](mailto:Fiona.Daly@RubiconIC.ie)

**Website:** [www.RubiconIC.ie](http://www.RubiconIC.ie)