

Group Pension Managed Funds Update to 31st December 2009

Summary

Irish pension funds consolidated the gains made through most of the year during December, rising 4.6% on average over the month. The best performing managed funds in December were those of Bank of Ireland Asset Management and KBC Asset Management, both of which returned 5.0%. Standard Life Investments propped up the league table with a 4.1% return for the month. As a result of the strong performance in December, Irish pension managed funds delivered positive returns, averaging 3.3%, over the final quarter of the year.

During 2009, all of the managed funds surveyed delivered double-digit growth, with the average fund returning 21.8% for the year. Returns over the twelve months ranged from 29.6% (Merrion Investment Managers) to 13.7% (AIB Investment Managers), representing a difference of 15.9% between the best and worst performing managers over the year.

The average managed fund return has been a very disappointing -8.2% per annum over the past three years. However, the five year returns to the end of December are positive on average, delivering a mean return of 1.2% per annum over this period. Irish group pension managed fund returns over the past ten years have been a disappointing 0.3% per annum on average, well below the Irish inflation rate of 2.9% per annum over the same time horizon. Indeed, none of the managed funds surveyed outperformed inflation over this period, while four of the ten funds failed to deliver positive returns over 10 years.

Performance Table

	1 Month	Quarter 4	1 Year	3 Years	5 Years	10 Years
	%	%	%	% p.a.	% p.a.	% p.a.
AIB Investment Managers	4.3	1.9	13.7	-9.5	0.7	-1.0
Aviva Investors	4.9	4.0	20.1	-10.3	-0.3	-0.4
Bank of Ireland Asset Management	5.0	3.1	21.0	-9.4	-0.6	1.0
Canada Life/Setanta	4.3	4.7	22.9	-5.3	2.4	1.2
Eagle Star/Zurich Life	4.5	3.4	22.1	-5.1	3.7	1.4
Friends First/F&C	4.4	3.2	21.2	-9.7	0.4	-0.5
Irish Life Investment Managers	4.8	2.4	25.6	-8.5	1.2	1.2
KBC Asset Management	5.0	3.4	17.8	-11.2	-0.5	-1.8
Merrion Investment Managers	4.8	2.7	29.6	-5.8	2.7	2.0
Standard Life Investments	4.1	4.1	24.3	-7.6	2.2	0.2
Average	4.6	3.3	21.8	-8.2	1.2	0.3

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