

9<sup>th</sup> January 2012

### Irish pension funds end 2011 on a high note

Irish pension managed funds made solid gains during December, with an average return of 3.2% for the month. Friends First/F&C took top spot with a return of 3.7% for the month, while Merrion Investment Managers propped up the league table with a return of 2.2%. As a result of gains in 2 of the last 3 months, managed funds have enjoyed a 7.6% gain on average over the final quarter of the year. Returns over this period ranged from highs of 8.4% (Kleinwort Benson Investors and Standard Life Investments) to a low of 6.1% (Merrion Investment Managers). Over the whole of 2011, however, the average fund return was a disappointing -3.4%. Returns for the year ranged from 0.5% (Setanta Asset Management) to -5.9% (Merrion Investment Managers).

The average managed fund return has been a healthy 9.3% per annum over the past three years. The five year returns are all negative however, with an average return of -3.7% per annum over this period. Irish group pension managed fund returns over the past ten years have been a disappointing 1.3% per annum on average, below the Irish inflation rate of 2.2% per annum over the same time horizon. Only two of the managed funds surveyed (those of Zurich Life and Standard Life Investments) outperformed inflation over this period.

### Group Pension Managed Fund Returns to 31 December 2011

|                                | 1 Month<br>% | Qtr 4<br>% | 1 Year<br>% | 3 Years<br>% p.a. | 5 Years<br>% p.a. | 10 Years<br>% p.a. |
|--------------------------------|--------------|------------|-------------|-------------------|-------------------|--------------------|
| AIB Investment Managers        | 3.3          | 7.8        | -2.2        | 7.5               | -4.2              | 0.6                |
| Aviva Investors                | 3.3          | 6.7        | -4.1        | 7.8               | -5.5              | 0.5                |
| Canada Life/Setanta            | 3.5          | 7.7        | 0.5         | 10.6              | -1.3              | 2.0                |
| Friends First/F&C              | 3.7          | 7.9        | -4.6        | 9.0               | -4.7              | 1.0                |
| Irish Life Investment Managers | 3.0          | 7.7        | -5.0        | 9.1               | -4.6              | 1.4                |
| Kleinwort Benson Investors     | 3.5          | 8.4        | -2.4        | 8.7               | -5.2              | -0.4               |
| Merrion Investment Managers    | 2.2          | 6.1        | -5.9        | 10.3              | -2.8              | 2.0                |
| Standard Life Investments      | 3.3          | 8.4        | -3.6        | 11.7              | -2.4              | 2.3                |
| State Street Global Advisors   | 3.3          | 7.5        | -4.1        | 8.7               | -4.6              | 1.0                |
| Zurich Life                    | 3.2          | 7.9        | -2.1        | 9.8               | -1.5              | 3.1                |
| <b>Average</b>                 | <b>3.2</b>   | <b>7.6</b> | <b>-3.4</b> | <b>9.3</b>        | <b>-3.7</b>       | <b>1.3</b>         |

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