






Water Fund

AT A GLANCE

Aim		To generate long term capital growth by investing in companies in the water sector
Style		Actively Managed
Asset Mix		Equities
Managed by		KBC Asset Management
Risk		High Risk

FUND DESCRIPTION

Water is a vital natural resource that is coming under increasing pressure due to the huge increase in demand over the past 50 years. As such, extensive plans are in place around the world to invest in developing a modern, reliable water supply and treatment infrastructure. Bank of Ireland Life believes therefore that the water sector is strategically important and gives an opportunity to provide investors with long-term cyclical growth opportunities.

The aim of the Bank of Ireland Life Water Fund is to:

- ✓ Invest in those companies that are active in producing, manufacturing and providing equipment in the water arena
- ✓ Invest in emerging companies who are developing winning technologies to help meet the burgeoning global demand for water

The Water Industry

We all take water for granted. In the developed world we assume the supply of fresh water will be constant, relatively inexpensive and sufficient to meet our needs. However, this is an outdated ideal. Rapid growth in global population, rising standards of living and economic booms have resulted in unprecedented water consumption for agricultural, industrial and domestic purposes. In our daily lives, we use 6 times more water every day per person compared to 100 years ago.

Here in Ireland, with increasing pollution issues across the country, water supply issues have become a reality. In recent years Dublin City Council have been debating how to address anticipated water shortages once the population of the greater Dublin area exceeds 2 million inhabitants; projected for 2015. So the development of a water industry like those in the UK and further afield is perhaps just around the corner for Ireland.

Further research into the water sector has identified several key drivers such as:

- Water quality concerns are driving regulatory controls and enforcement of water quality worldwide.
- Increased capital investment in modernizing infrastructure in developed areas e.g. U.S. and Europe. In the U.S. \$150bn has been committed to preserve water quality over the next 10 years.
- Furthermore, it is forecast that desalination facilities will account for 6% of the world's fresh water supply by 2015, double its current share.

Investment selection

The Water Fund invests in international companies involved in offsetting the scarcity challenges faced in relation to our most precious resource which is water. The main drivers of this theme are:

1. Growing demand from a more affluent population
2. Finite Supply – constrained by pollution and climate change
3. Regulatory – supporting water quality standards in India, China, Europe, UK and US.
4. Technological – Managing Delivery, Consumption and Quality

KBCAM's water strategy was initiated in 2001 investing in approximately 70 companies active in the water sector. The strategy invests across all parts of the water cycle including Water and Wastewater treatment, Industrial water treatment, Water test, Infrastructure, Filtration, Engineering/Consulting services, Pumps/Valves.

KBC Asset Management Ltd.

KBC Asset Management Ltd are our chosen investment partner for the Water Fund. Part of the wider KBC Asset Management Group, KBCAM has been managing assets in Dublin since 1980 and are renowned across Europe for launching and managing a hugely diversified range of investment products.

Risk Rating – High Risk

Bank of Ireland Life has rated the Water Fund as a high risk fund. The potential return from high risk investments is much higher than deposits and inflation. High risk funds

focus on maximising the potential return to investors, rather than minimising risks. Some high risk funds may consist almost entirely of one asset class based for example in one geographic region or in one sector. Investors' capital is not secure and may fluctuate significantly and investors may get back less than they originally invested.

Product Availability

Bank of Ireland Life's Water Fund is available to investors through the following Bank of Ireland Life products:

- SmartFunds
- SmartChoice
- Special Bonus Investment Plan
- Personal Pensions
- Executive Pensions
- Personal Retirement Bond
- Approved Retirement Fund (ARF)
- Approved Minimum Retirement Fund (AMRF)
- PRSA (non-standard)

Charges

The normal product charges and allocation rates for these products apply, with the exception that the fund management charge for the Bank of Ireland Life Water Fund is 0.25% per annum higher than on other funds.

Up to date Information

For up to date price and performance information on the Water fund and other market information, please click on to www.bankofirelandlife.ie to see the most up to date Water Fund factsheet. Factsheets are updated online with daily performance figures.

**For more information, talk to the Insurance & Investments Manager
in your Bank of Ireland branch
or call 1890 309 309 today**

**WARNING: PAST PERFORMANCE IS NOT A RELIABLE GUIDE TO FUTURE PERFORMANCE.
WARNING: THE VALUE OF YOUR INVESTMENT CAN GO DOWN AS WELL AS UP.
WARNING: THIS FUND MAY BE AFFECTED BY CHANGES IN CURRENCY EXCHANGE RATES.**

Lines are open from 8.00am to 6.00pm, Monday to Friday. For quality and training purposes incoming and outgoing calls may be recorded. Call charges may vary depending on your service provider.

Terms and conditions apply. Where relevant life assurance tax applies.

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New Ireland Assurance Company plc trading as Bank of Ireland Life is regulated by the Financial Regulator. Bank of Ireland Insurance & Investments Limited and Bank of Ireland are regulated by the Financial Regulator and are tied agents of New Ireland Assurance Company plc. A member of Bank of Ireland Group.

KBC Asset Management Limited is regulated by the Financial Regulator.