

Your pension plan, your choice

Investment options members' guide



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Investing your Pension Contributions

As a member of your Company Pension Plan (the 'Plan'), your contributions and your employer's contributions are invested in a pension fund. When you reach retirement age the accumulated value of these contributions will be used in accordance with Revenue rules to provide you with a tax free lump sum and/or an income in retirement. Your Plan offers you a choice from a range of different funds into which contributions can be invested.

Depending on the nature of your Plan, your investment choice may be restricted to your Additional Voluntary Contributions (AVCs). If you are making AVCs, you will have the option of investing your final AVC fund in an Approved Retirement Fund (ARF) or Approved Minimum Retirement Fund (AMRF). Please refer to your employer or the Trustees of the Plan for further information on this option.

This booklet has been designed to provide you with information about the main pension funds which the Plan offers and, should help you reach a decision in relation to your investment choice. It outlines the main features of each of the pension funds, including details of the typical asset split which may change over time (i.e. proportion of equities, fixed interest bonds, property, cash), information about the type of investor best suited to the particular pension fund and an indication of the level of risk involved.

The following pension funds*, which are described in this booklet, are available to you:

Pension Lifestyling Funds:

- Consensus IRIS
- IRIS Retirement Fund

Pension Managed Funds:

- Pension Consensus Fund
- Pension Managed Fund
- Pension Evergreen Fund
- KBCAM Managed Fund
- Income & Growth Fund

Pension Specialist Funds:

- Indexed All Equity Fund
- Pension Innovator Fund

The pension funds below are also available to you and are primarily suitable for members who are close to retirement:

- Indexed Eurozone Long Bond Fund
- Pension Cash Fund

Default Investment Strategy

If you do not make or do not wish to make an investment choice, contributions will be invested in the Default Investment Strategy. Details of the Default Investment Strategy are available from the Trustees of your Plan.

* Please note the range of pension funds available to you may be amended from time to time.

These pension funds are provided through a Bank of Ireland Life unit-linked pension policy and are managed by Bank of Ireland Asset Management and KBC Asset Management. This means that the contributions (after the deduction of charges) purchase units in Bank of Ireland Life's pension funds. The Plan value at any time depends on the value of the units purchased by the contributions paid.

The Trustees of the Pension Plan have no liability in respect of the Pension Funds in which the contributions are invested or the performance of those Pension Funds.

Fund Switches

At any point you can switch

- Your future contributions
- Your existing funds
- Your existing funds plus future contributions

between any of the range of Bank of Ireland Life pension funds available to you. You can make one free switch a year. Thereafter, a switching charge, currently €25 applies.

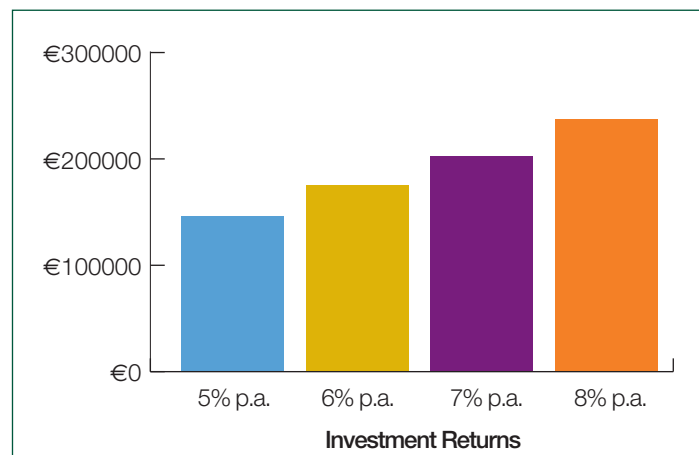
Who to Contact

If you wish to make changes to your investment funds, or if you have any queries on the investment choices available to you, please contact the individual named at the end of the Basic Plan Information sheet of your Notification of Membership Benefits or on your Annual Benefit Statement. If you have not yet received these documents please contact your employer or the Trustees of the Plan.

Why investment choice is so important

One of the most important factors that will affect the success of the Plan is the investment return that is earned on the contributions. Contributions to the Plan are invested in order to build up a fund that you can use to provide benefits when you retire including a pension and tax-free lump sum. The rate of return earned on your contributions directly affects the size of your fund when you retire – even an extra 1% p.a. investment growth can make a significant difference in the long-term. That's why choosing the right fund to invest your pension contributions, can make such a difference to the success of your Plan.

Projected Value of Your Pension Fund at Retirement



Note: These figures are for illustration purposes only, and are based on a gross contribution of €300 per month and on an investment term from age 35 next birthday to retirement at age 65. In line with the Societies of Actuaries Guidance, the projections assume future contributions increase at a rate of 3% p.a. This is not a forecast, as unit prices can fall as well as rise and could grow at a faster or slower rate than assumed.

Warning: These figures are estimates only. They are not a reliable guide to the future performance of this investment.

Risk and return in investing

Most pension funds invest in some or all of the following types of investment assets:

Equities

These are company stocks and shares, which have the potential for strong performance over the medium to long-term, but can be quite volatile over short periods of time.

Property

Commercial property investments can also provide excellent long-term growth, although they can also go through periods of poor returns.

Fixed Interest Bonds

These are government and non-government bonds, which can provide a secure income, and whose value is generally not as volatile as equities. However, historically they have not generated the same returns that investment in equities have generated over the long-term.

Cash

The least volatile form of investment, cash deposits are very secure but usually provide the lowest growth over the long-term.

Most investors choose a fund or funds with a mix of asset classes as opposed to a fund with only one single asset class.

A fund can be classified as risky or safe depending on the proportion it has invested in each of the assets above. But retirement planning is a long process, and pension investors encounter different risks at different stages of their working lives.

Throughout this booklet, we have indicated a recommended investment term for each of the funds available. The recommended investment terms can be defined as follows:

Short-term: less than 5 years to retirement.

Short to medium-term: between 5 and 10 years to retirement.

Medium to long-term: between 10 and 20 years to retirement.

Long-term: over 15 years to retirement.

Lifestyling approach to funding for your retirement

Lifestyling

Lifestyling is a popular investment strategy aimed at overcoming the risks at various stages of saving for retirement. This strategy is appropriate for those who wish to purchase a pension for life and avail of a tax-free lump sum on their retirement.

If you are a 5% director* or have made AVCs to your Plan, you may have the option of investing in an ARF (Approved Retirement Fund) /AMRF (Approved Minimum Retirement Fund) on retirement. In this situation the Lifestyling strategy described above may not be appropriate particularly in the years approaching your retirement. It may also be inappropriate if you are considering taking early retirement. Please contact your employer or the Trustee of your Plan for more information.

* A proprietary director is a person who owns or controls more than 5% of the voting rights in the Employer or in a company which controls the Employer.

The table below illustrates the various stages of the Lifestyling investment strategy.



Investment Options

PENSION LIFESTYLING FUNDS

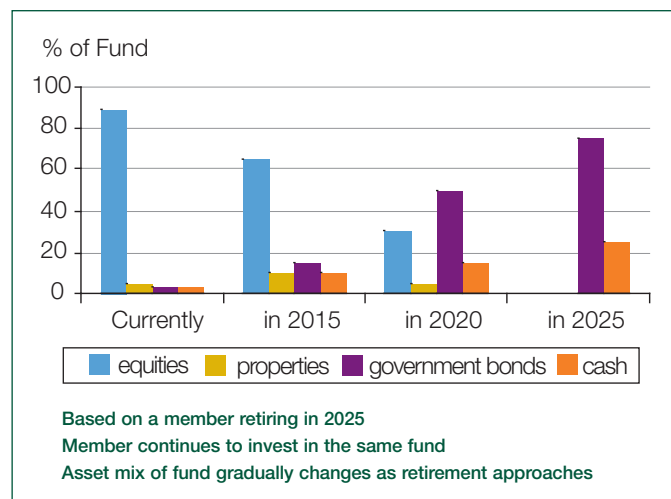
Individual Retirement Investment Strategy (IRIS)

IRIS is Bank of Ireland Life's lifestyling investment strategy designed specifically for employees investing in Company Pension Plans.

In the early years the investment strategy of IRIS is designed towards achieving high rates of growth through investment in assets such as equities and property. While these types of assets are more volatile than cash and fixed interest bonds, they have the potential to offer higher rates of growth. As your retirement date approaches, the pension fund gradually changes its asset mix to provide a good match for both the tax-free lump sum and the cost of purchasing a pension at retirement. This is achieved by investing predominantly in assets such as fixed interest bonds and cash.

The graph below is based on an IRIS Pension Fund for individuals retiring in 2025 and demonstrates how the asset mix changes gradually as retirement approaches:

Progression of IRIS over term to retirement



The key benefit of IRIS is that you don't have to make any complicated decisions about what funds to invest in, or when you should switch from investing in equities to fixed interest bonds and cash. This is taken care of for you within the IRIS strategy – so you don't need to worry about it.

PENSION LIFESTYLING FUNDS

IRIS Options

Suitable for: *Anyone seeking to have a fund at retirement to buy a pension and provide a tax-free lump sum.*

Objective of the Fund: *The objective of the IRIS Lifestyling strategy is to match the cost of providing a tax free lump sum and purchasing a monthly pension for life at retirement.*

Bank of Ireland Life offers you two options, based on this proven successful strategy – Consensus IRIS and the IRIS Retirement Fund.

Consensus IRIS

Consensus IRIS gives you access to all the benefits of the IRIS strategy, but without any of the perceived risks of choosing a single investment manager. So, younger members will still be invested more heavily in assets with a strong growth potential. Members close to retirement will still be invested in assets designed to provide a good match for both the tax-free lump sum and the cost of purchasing a pension at retirement.

The key difference is that the element of active management is removed. Instead of choosing the individual assets to invest in, based on the choices of one fund manager, Consensus IRIS, as the name suggests, bases its choices on the average choices of all of the Pension Fund Managers in the Irish market. The result is a consensus view of which assets (equities, fixed interest bonds, property and cash) to invest in. In addition, the asset mix will change gradually over time, so once again, any element of active fund manager involvement is removed.

Due to the passive investment strategy used to manage this fund, a lower management charge will apply to this fund.

IRIS Retirement Fund

You may prefer to avail of the successful IRIS strategy combined with the active investment expertise of one of Ireland's biggest asset managers, Bank of Ireland Asset Management Limited, (BIAM). Their solid, conservative, investment management has led to BIAM, in conjunction with Bank of Ireland Life, winning 17 prestigious MoneyMate Awards, over the last seven years for excellence in fund management.

Important note

If you switch out of either the Consensus IRIS or the IRIS Retirement Fund then the Lifestyling strategy will cease to apply and your contributions will not be automatically switched back into either of these pension funds at a later date.

It is important to note that if you make Additional Voluntary Contributions (AVCs) to your Pension Plan or if you are a 5% director*, you may have the option of investing in a Approved Retirement Fund (ARF) or taking a taxable lump sum at retirement, so your needs at retirement may be different. For more information please contact your employer or the trustees of the Plan.

* A proprietary director is a person who owns or controls more than 5% of the voting rights in the Employer or in a company which controls the Employer.

PENSION MANAGED FUNDS

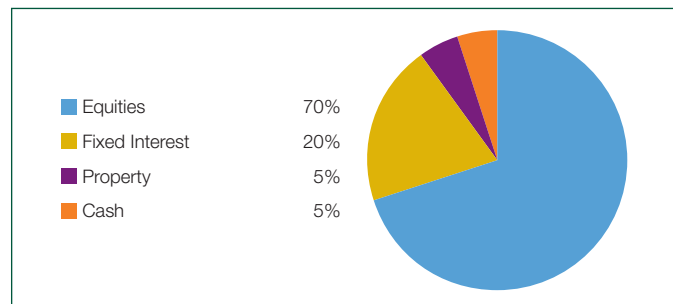
Pension Consensus Fund

Suitable for: *Medium to long-term investors*

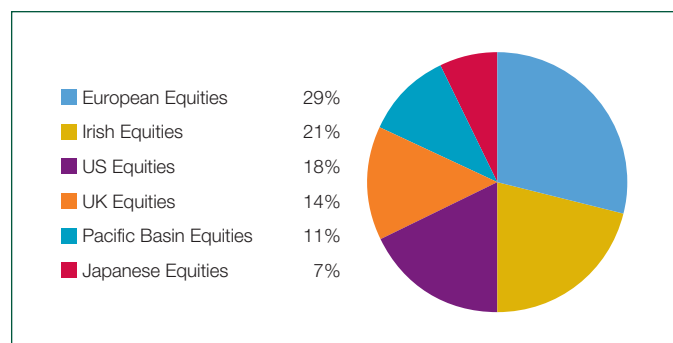
Objective of the Fund: *The objective of the Consensus Fund is to reflect the general investment strategy followed by a wide range of pension fund managers in the industry.*

Following this investment strategy means that you avoid the perceived risk of investing with one fund manager and thus of your fund under-performing in comparison with the rest of the market. The graphs below outline the typical asset split of the Pension Consensus Fund as well as the typical equity split by region. Due to the passive investment strategy used to manage this fund, a lower management charge will apply to this fund.

Typical Asset Split



Typical Equity Split



PENSION MANAGED FUNDS

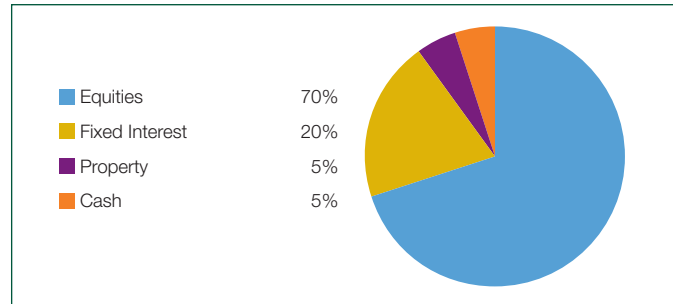
Pension Managed Fund

Suitable for: *Medium to long-term investors*

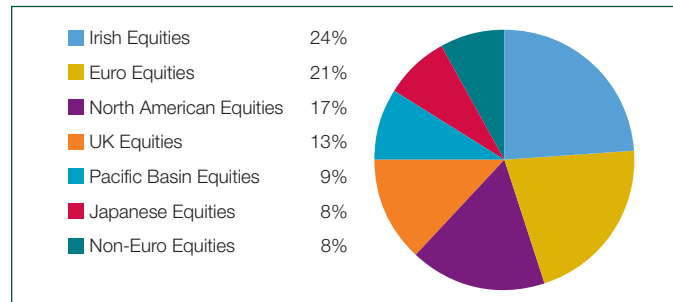
Objective of the Fund: *The objective of this fund is to provide higher growth potential over the longer term, by investing mainly in equities, while the remainder is invested in fixed interest and cash, to help balance the fund in times of market volatility.*

Managed Funds have been among the most popular investment approach adopted for pension funds in Ireland. The Pension Managed Fund is a good example – actively managed by BIAM it invests in a wide range of assets, including Irish and overseas equities, fixed interest bonds, property and cash. The asset mix will vary at times based on the investment manager's view of the relative merits of each of these investment classes.

Typical Asset Split



Typical Equity Split



PENSION MANAGED FUNDS

Pension Evergreen Fund

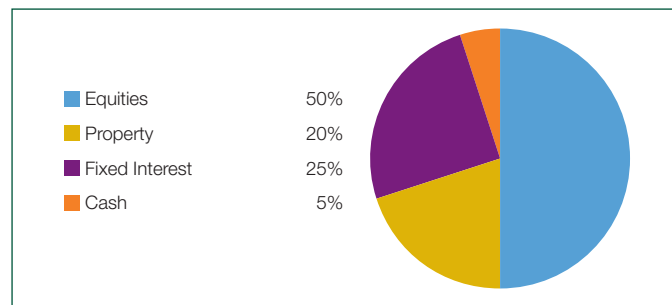
Suitable for: *Medium to long-term investors*

Objective of the Fund: *The objective of the fund is to provide higher growth potential over the longer term by investing predominantly in equities and property.*

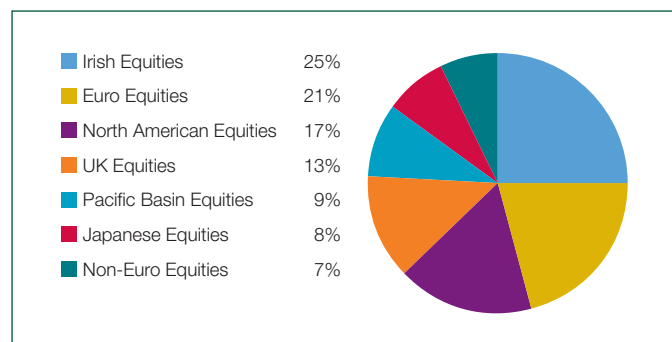
The Evergreen Fund is unique in that it has a higher property content than any other managed fund in the market.

The proportion of property assets held in the fund is generally set between 20% and 30% with the remainder of the portfolio made up of equities, fixed interest bonds and cash. This high proportion in equities and property allows for high growth potential.

Typical Asset Split



Typical Equity Split



PENSION MANAGED FUNDS

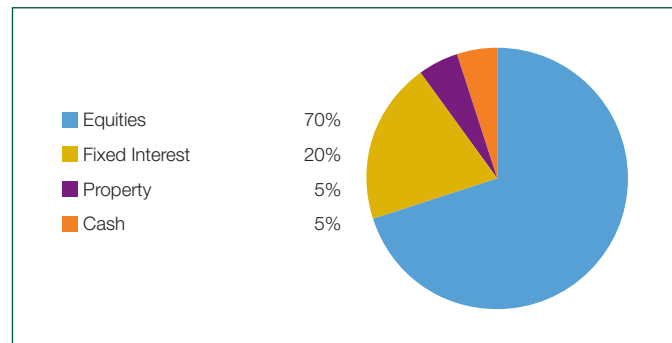
KBCAM Pension Managed Fund

Suitable for: *Medium to long-term investors*

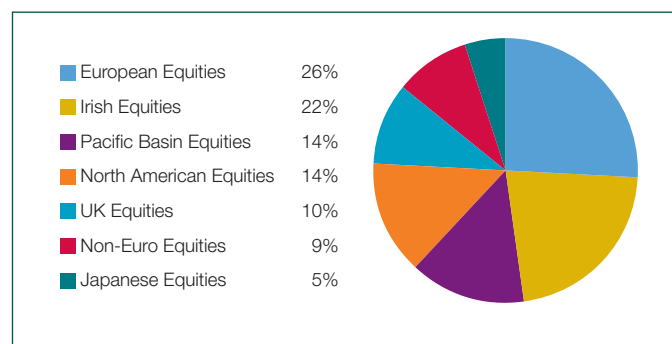
Objective of the Fund: *The investment objective of this fund is to achieve long-term capital growth.*

This fund is managed by KBC Asset Management Limited. The fund seeks to achieve its objective through investment directly in a range of Irish and international equities, fixed interest bonds, property and cash. The investment mix is biased towards equities, with a diversified domestic and international portfolio of equities listed on recognised stock exchanges. The allocation to each sector reflects the investment manager's view of their relative value at the time.

Typical Asset Split



Typical Equity Split



PENSION MANAGED FUNDS

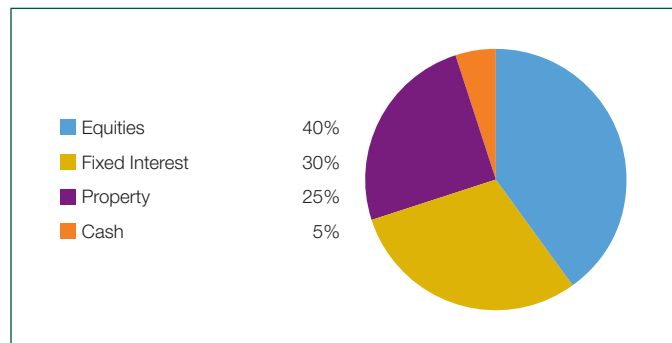
Income & Growth Fund

Suitable for: *Medium to long-term investors*

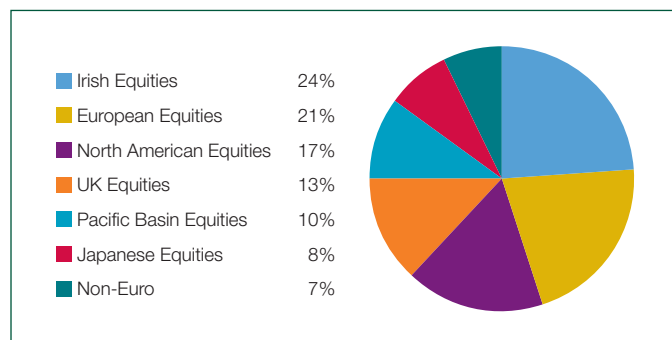
Objective of the Fund: *The Income and Growth Fund invests in a portfolio of equities, fixed interest bonds, property and cash with the aim of generating income (that is reinvested in the fund) along with the prospect of modest capital growth.*

Because of the volatility of equities, the average holding of equities in the fund is about 40%. The result is a fund with less volatility and a lower risk profile than a typical managed fund but also means it has lower growth potential. It is particularly suitable for those who are generally comfortable with cash deposits but who are not getting a sufficient return and who are more than 5 years from retirement.

Typical Asset Split



Typical Equity Split



PENSION SPECIALIST FUNDS

Indexed All Equity Fund

Suitable for: *Long-term investors.*

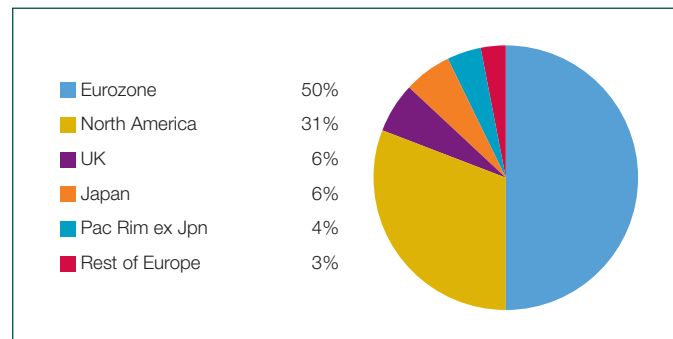
This fund is suited to investors who are comfortable with the volatility that stock markets can experience, in order to benefit from greater potential investment returns over the long-term.

Objective of the Fund: *The objective of the fund is to provide returns that are consistent with the indices being tracked, so that your investment performs in line with the stock markets selected.*

It is a passively managed fund. Unlike actively managed funds, which aim to outperform an index or benchmark, this fund aims to replicate the performance of an index, without any active stock-picking by the fund manager.

Due to the passive investment strategy used to manage this fund, a lower management charge will apply to this fund.

Typical Geographic Distribution



PENSION SPECIALIST FUNDS

Pension Innovator Fund

Suitable for: *Medium to long-term investors*

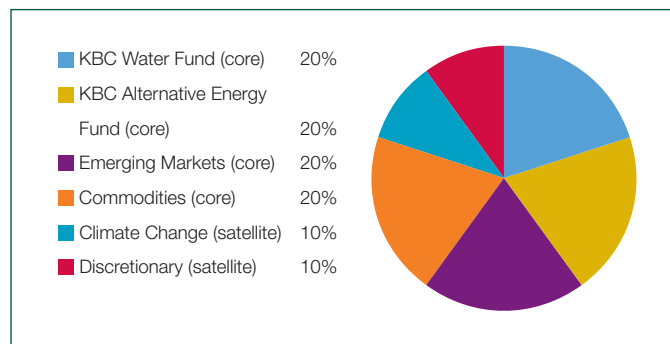
Objective of the Fund: *The objective of the fund is to provide strong growth potential over the medium to long-term by accessing the new investment opportunities available through Alternative Energy, Water, Emerging Markets and Commodities.*

The Innovator Fund is managed by KBC Asset Management, and provides access to a range of alternative investments not included in traditional pension funds. Innovator focuses on four main areas of investment - Alternative Energy, Water, Emerging Markets and Commodities. The fund will also have the scope to invest in other assets on a discretionary basis. The mix is actively managed.

One of the key benefits of this fund is the extra level of diversification it can provide as part of a wider investment portfolio.

A higher management charge will apply to this fund.

Typical Asset Split



PENSION SPECIALIST FUNDS

Indexed Eurozone Long Bond Fund

Suitable for: *Short-term investors (less than 5 years to retirement)*

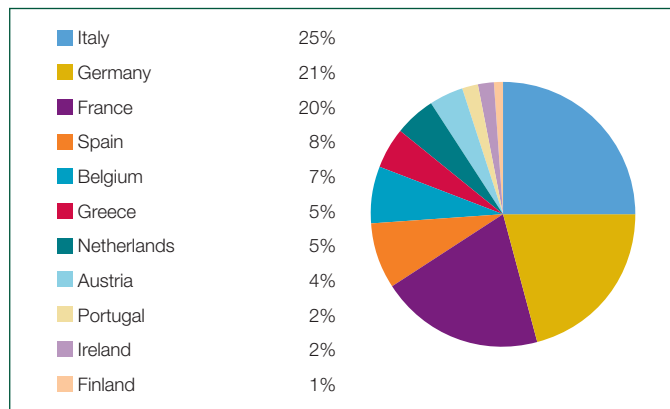
This fund is suited to matching the cost of purchasing a monthly pension for life.

Objective of the Fund: *Where a pension investor is using their fund to buy an annuity (i.e. a pension for life) at retirement, the cost of buying that annuity can vary substantially, even in the short term. The aim of this fund is to provide a return that moves in line with annuity rates, protecting the pension investor from sudden increases in the cost of buying an annuity close to retirement.*

This is a passively managed fund that tracks the Citigroup Eurozone Government Bond Index. It is managed by matching the duration, holdings and country breakdown of the index.

Due to the passive investment strategy used to manage this fund, a lower management charge will apply to this fund.

Typical Geographic Distribution



Pension Cash Fund

Suitable for: *Very short term investors (less than 1 year to retirement)*

Objective of the Fund: *The objective of this fund is to help match the tax-free lump sum for investors who are approaching retirement.*

The fund invests in cash deposits and is most suitable for those investing over the short-term, and those for whom capital security is paramount. A lower management charge will apply to this fund.

Who manages your money

About Bank of Ireland Life

Bank of Ireland Life is one of Ireland's leading pension providers, providing for the future of hundreds of thousands of customers with easy-to-understand life assurance, pension, savings and investments products. As part of the Bank of Ireland Group, Bank of Ireland Life is supported by considerable financial strength, resources and expertise. This enables us to offer products distinguished by reliability, flexibility and most importantly, quality of service.

BIAM

We also benefit from the investment expertise and award winning fund performance of Bank of Ireland Asset Management Limited ("BIAM"), which manages the majority of Bank of Ireland Life's investment funds. BIAM in conjunction with Bank of Ireland Life has won 17 prestigious MoneyMate Awards over the last seven years for excellence in fund management. These awards recognise excellence in fund management within the Irish Financial Services Industry.

With managed funds in excess of approximately €31.3 billion (as at July 2008) and an international client base, BIAM has considerable experience and a strong performance record.

The range of passive funds (Consensus IRIS, Consensus Managed, Indexed All Equity and Indexed Eurozone Long Bond Fund) are managed by State Street Global Advisers in partnership with BIAM.

KBC Asset Management Ltd

KBC Asset Management Ltd is a provider of innovative investment management products for domestic and international pension funds. Part of the wider KBC Asset Management Group, KBCAM has been managing assets in Dublin since 1980.

Charges

The investment management fee is typically 1% per annum, with a reduced fee of 0.9% for passive funds and the cash fund. In the case of Innovator there is an additional charge of 0.25% per annum. Other charges may apply.

Note: Unless otherwise stated, all funds are managed by BIAM.

Warning: These products may be affected by changes in currency exchange rates.

Warning: The value of your investment may go down as well as up.

Warning: Past performance is not a reliable guide to future performance.

This brochure is based on our understanding of current legislation and Revenue practice as at September 2008.

While great care has been taken in its preparation, this document is of a general nature and should not be relied on in relation to a specific issue without taking financial, insurance or other professional advice. The content of this brochure is for information purposes only and does not constitute an offer or recommendation to buy or sell any investment or to subscribe to any investment management or advisory service. If any conflict arises between this brochure and the Policy Conditions, the Policy Conditions will apply.

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