

**GROUP PENSION MANAGED FUNDS
PERFORMANCE STATISTICS AS AT SEPTEMBER 30, 2011**

MANAGED FUNDS	1 MTH		3 MTH		6 MTH		YTD		12 MTH		3 YRS PA		5 YRS PA		10 YRS PA		VOLATILITY (5 YRS PA)
	%	RANK	%	RANK	%	RANK	%	RANK	%	RANK	%	RANK	%	RANK	%	RANK	
AIBIM	-1.8	3=	-8.4	4	-8.8	3	-9.4	3	-3.6	2	-1.6	11	-4.3	5	0.7	10	12.1
AVIVA IRL LIFE	-1.9	6	-9.0	5=	-9.5	5=	-10.1	5	-5.0	6	-1.5	10	-5.6	10=	0.8	9	12.5
CANADA LIFE/SETANTA	-1.2	2	-5.7	1	-7.0	1	-6.6	1	-3.0	1	2.4	2	-2.1	2	2.3	3	11.0
F&C	-2.4	8=	-10.1	10	-10.3	9	-11.6	10	-5.9	9	0.4	6	-4.9	8=	1.2	6=	12.9
IRISH LIFE	-2.8	11	-11.7	11	-12.1	11	-11.8	11	-8.5	11	0.1	7=	-4.8	6=	1.5	5	13.8
KLEINWORT BENSON	-2.4	8=	-9.0	5=	-9.5	5=	-10.0	4	-4.8	5	-0.5	9	-5.6	10=	-0.2	11	12.3
MERRION	-1.0	1	-7.8	3	-9.4	4	-11.3	9	-6.0	10	1.6	4	-2.7	3=	2.1	4	12.5
NEW IRELAND	-1.8	3=	-9.4	8	-9.7	7=	-10.8	6	-5.7	8	0.8	5	-4.8	6=	1.2	6=	12.3
SSGA	-1.8	3=	-9.2	7	-9.7	7=	-10.9	7	-5.6	7	0.1	7=	-4.9	8=	1.2	6=	12.1
STANDARD LIFE	-2.5	10	-9.6	9	-10.4	10	-11.1	8	-4.5	4	3.0	1	-2.7	3=	2.5	2	12.2
ZURICH	-2.1	7	-7.6	2	-7.8	2	-9.3	2	-3.9	3	2.0	3	-1.8	1	3.3	1	11.4
AVERAGE	-2.0		-8.9		-9.5		-10.3		-5.1		0.6		-4.0		1.5		12.3

CONSENSUS FUNDS	1 MTH		3 MTH		6 MTH		YTD		12 MTH		3 YRS PA		5 YRS PA		10 YRS PA		VOLATILITY (5 YRS PA)
	%	RANK	%	RANK	%	RANK	%	RANK	%	RANK	%	RANK	%	RANK	%	RANK	
AIBIM CONSENSUS	-2.1		-8.5		-8.8		-9.5		-4.1		0.9		-4.1		N/A		12.2
AVIVA IRL CONSENSUS	-1.9		-8.3		-8.5		-9.4		-4.4		0.4		-4.4		1.2		12.0
CANADA LIFE CONSENSUS	-2.2		-8.6		-9.1		-9.8		-4.5		1.1		-4.7		0.9		12.2
F&C CONSENSUS	-1.2		-7.9		-8.2		-9.6		-3.9		2.6		-3.2		1.9		12.9
IRISH LIFE CONSENSUS	-2.1		-8.6		-9.0		-9.6		-4.1		1.1		-3.9		1.9		12.2
SSGA CONSENSUS	-2.4		-8.8		-9.1		-9.6		-4.1		1.5		-3.6		1.8		12.4
AVERAGE	-2.0		-8.5		-8.8		-9.6		-4.2		1.3		-4.0		1.5		12.3

- Equity markets were very volatile this month. The FTSE World Index returned -2.6% in Euro terms, and -5.9% in local terms. The index has returned -12.9% in Euro terms, and -12.3% in local terms year to date.
- The Merrill Lynch > 5 Year Government Bond Index returned 1.3% over the month and is up 5.3% year to date.
- On average, Managed funds returned -2.0% and Consensus funds returned -2.0% for the month. Equities were the main contributor to this.
- Year to date, the average managed fund returned -10.3%, while the average consensus fund returned -9.6%.

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GROUP PENSION ACTIVE EQUITY, BOND AND ALTERNATIVES FUNDS PERFORMANCE STATISTICS AS AT SEPTEMBER 30, 2011

ACTIVE GLOBAL EQUITY FUNDS	1 MTH		3 MTH		6 MTH		YTD		12 MTH		3 YRS PA		5 YRS PA		10 YRS PA		VOLATILITY (% , 5 YRS PA)*
	%	RANK	%	RANK	%	RANK	%	RANK	%	RANK	%	RANK	%	RANK	%	RANK	
AIBIM	-2.3	4=	-11.2	5	-11.9	5	-12.3	5	-4.2	7	-2.0	7	-6.0	7	-1.1	5	16.6
CANADA LIFE/SETANTA	0.0	3	-8.0	2	-10.4	3	-10.4	2	-3.4	4=	2.0	5	-2.3	3	2.1	1	14.6
F&C	-3.7	9	-13.0	7	-13.6	8	-15.0	8	-7.0	8	2.1	4	-3.3	6	0.4	3	16.4
IRISH LIFE	-3.4	7=	-16.0	9	-17.2	9	-16.5	9	-8.0	9	N/A	-	N/A	-	N/A	-	18.2
KLEINWORT BENSON	0.8	1	-7.6	1	-8.9	1	-8.7	1	-0.3	1	3.0	2	-2.6	4	N/A	-	14.6
MFS	-2.9	6	-11.5	6	-10.0	2	-12.0	4	-2.0	3	3.8	1	-0.9	1	N/A	-	14.3
RCM (RETURNS IN £)	-3.4	7=	-13.6	8	-12.8	7	-11.9	3	-1.6	2	N/A	-	N/A	-	N/A	-	13.1
STANDARD LIFE	0.5	2	-10.6	4	-12.2	6	-14.5	7	-3.4	4=	2.8	3	-3.0	5	-0.8	4	18.1
ZURICH	-2.3	4=	-10.0	3	-11.5	4	-13.1	6	-3.8	6	1.0	6	-2.2	2	1.9	2	14.9
FTSE WORLD INDEX	-2.6		-10.6		-12.0		-12.9		-3.5		2.5		-2.3		0.9		15.8
FTSE EUROZONE INDEX	-6.2		-22.9		-22.1		-19.0		-15.7		-5.2		-6.7		0.8		20.8
FTSE WORLD EX-EUROZONE INDEX	-2.1		-8.7		-10.5		-12.1		-1.5		3.8		-1.6		0.9		15.5

ACTIVE BOND FUNDS	1 MTH		3 MTH		6 MTH		YTD		12 MTH		3 YRS PA		5 YRS PA		10 YRS PA		VOLATILITY (% , 5 YRS PA)*
	%	RANK	%	RANK	%	RANK	%	RANK	%	RANK	%	RANK	%	RANK	%	RANK	
AIBIM	1.6	5	5.3	5	6.9	5	5.3	5	-0.7	2=	5.5	7	3.4	5	3.0	6	5.9
CANADA LIFE/ SETANTA	-0.6	9	0.8	9	1.3	9	0.7	9	-4.7	9	3.3	9	2.2	9	4.0	5	5.4
F&C	5.0	1	7.6	1	9.3	1	7.2	1	-0.7	2=	7.0	3	3.2	7	N/A	-	7.8
IRISH LIFE	2.5	2	5.5	4	7.5	3	6.0	3	-1.2	5	7.3	1	4.0	3	6.2	1	7.1
KLEINWORT BENSON	1.1	7	4.5	7	6.5	6	4.9	7=	-1.4	6	5.1	8	3.3	6	N/A	-	6.2
PIONEER	0.7	8	3.9	8	5.7	8	5.6	4	2.0	1	6.9	4	5.0	1	5.3	4	3.8
SSGA	2.3	4	5.6	3	7.1	4	4.9	7=	-3.0	8	5.7	6	3.1	8	5.8	2	7.6
STANDARD LIFE	1.2	6	5.1	6	6.4	7	5.0	6	-0.8	4	7.2	2	4.7	2	5.4	3	6.1
SSGA	2.4	3	6.9	2	8.9	2	6.3	2	-2.5	7	6.6	5	3.7	4	N/A	-	7.8
MERRILL LYNCH > 5YEAR GOV INDEX	1.3		5.2		6.9		5.3		-0.7		5.9		3.9		5.4		6.0
MERRILL LYNCH > 10YEAR GOV INDEX	2.2		5.9		7.7		5.6		-2.4		6.2		3.3		6.1		7.7

ALTERNATIVES FUNDS	1 MTH		3 MTH		6 MTH		YTD		12 MTH		3 YRS PA		5 YRS PA		10 YRS PA		VOLATILITY (% , 5 YRS PA)*
	%	RANK	%	RANK	%	RANK	%	RANK	%	RANK	%	RANK	%	RANK	%	RANK	
ILIM DIVERSIFIED GROWTH	-2.6	8	-7.0	7	-9.0	8	-9.1	9	-4.4	9	-2.8	5	-4.2	3	N/A	-	12.6
SSGA DIVERSIFIED GROWTH	-3.3	9	-8.4	8	-8.9	7	-7.5	7	-3.4	7	N/A	-	N/A	-	N/A	-	9.4
BNY MELLON	-0.6	4	-2.2	4	-1.8	3	-2.1	4	1.3	1	N/A	-	N/A	-	N/A	-	5.1
BLACKROCK DIVERSIFIED GROWTH	-1.8	7	-3.8	6	-3.3	4	-1.6	3	0.4	2	6.7	2	4.7	2	N/A	-	6.7
RCM DIVERSIFIED GROWTH	-1.6	6	-9.3	9	-9.6	9	-7.6	8	-3.6	8	N/A	-	N/A	-	N/A	-	8.7
STANDARD LIFE GARS	1.6	1	1.1	1	-0.4	1	-0.2	2	-1.1	4	10.4	1	6.5	1	N/A	-	6.2
PIONEER MULTI STRATEGY GROWTH	-0.7	5	-2.4	5	-5.0	6	-5.7	6	-1.4	5	3.1	4	N/A	-	N/A	-	5.7
PIMCO UNCONSTRAINED BOND	-0.4	2	-1.1	2	-1.1	2	0.1	1	-0.9	3	N/A	-	N/A	-	N/A	-	2.7
PIONEER MULTI STRATEGY	-0.5	3	-1.8	3	-3.5	5	-4.4	5	-1.7	6	3.6	3	N/A	-	N/A	-	4.0

* Where performance history is less than five years, volatility is annualised since inception.

INVESTMENT MARKET REVIEW Q3 2011

EQUITIES

REGION	3 MONTHS	6 MONTHS	1 YR	3 YRS (% P.A.)	5 YRS (% P.A.)	10 YRS (% P.A.)
MSCI WORLD	-11.3%	-13.2%	-4.5%	-0.9%	-5.4%	-2.1%
MSCI EUROBLLOC	-23.2%	-25.0%	-18.4%	-9.4%	-10.2%	-3.2%
MSCI NORTH AMERICA	-9.4%	-11.6%	0.6%	0.8%	-3.8%	-2.5%
MSCI UK	-10.2%	-12.5%	-7.3%	-1.7%	-7.7%	-3.0%
MSCI JAPAN	-0.4%	0.2%	-0.3%	-1.3%	-7.6%	-2.5%
MSCI ASIA PACIFIC EX JAPAN	-14.6%	-18.1%	-12.5%	3.9%	-0.2%	5.2%
ISEQ OVERALL	-16.4%	-14.9%	-6.0%	-11.7%	-21.2%	-6.6%
MSCI WORLD GROWTH	-10.3%	-10.9%	-0.9%	3.1%	-1.3%	0.3%
MSCI WORLD VALUE	-11.2%	-12.8%	-3.0%	0.6%	-4.4%	0.2%
MSCI WORLD SMALL CAP	-15.5%	-17.6%	-3.5%	4.7%	-3.0%	3.2%

NB: Returns are in Euro terms

Source: MoneyMate

- It was a quarter which equity investors will want to forget with all major stock indices significantly down. Most markets experienced the worst losses since 2008 and the Nikkei in Japan fell below the lows experienced in March 2009.
- Italy dominated the headlines for the first half of the quarter. For historic reasons, Italy has always issued high levels of debt “the highest among any Eurozone nation. As the economy is so large and considered secure, this has not always been a problem. However, following the credit crisis in 2008, Italian debt levels have steadily risen to the highest since WWII and concerns emerged that this was too much to service. Prompted partially by rising Italian bond yields, measures were introduced in July 2011 to allow the European Financial Stability Fund (EFSF) to purchase government bonds. However, legislation had to be passed through Eurozone parliaments for this to go ahead and the process took time.
- The measures were well received by the markets, but any recovery was muted by strong concerns regarding US debt levels. With the social welfare payment deadline looming, the Democrats and Republicans struggled to agree a mechanism by which the US debt ceiling could be raised sufficiently to allow the government to make its social welfare payments, until a last hour deal was struck.
- Following the announcement of the bond purchase measures in Europe, the ECB agreed that while the required legislation is being pushed through parliaments, they would intervene in the bond markets – but initially only in Ireland and Portugal. This caused a paradigm shift as investors (especially in the US) lost faith in the ECB and realised that the looming debt ceiling in the US was not the biggest issue – instead the burgeoning debt crisis in Europe took the fore. At the same time, US non-farm payrolls showed much worse than expected unemployment and over the following weekend, the US was historically downgraded by ratings agency S&P from AAA to AA+.
- This perfect storm of events saw a massive sell-off in equities as investors sought safer assets. The FTSE World returned -8.2% in July and August alone, while the FTSE Eurozone fell even more (-17.9%) as investors moved away from the troubled Eurozone.
- The rest of the quarter saw further losses. Greece was again dominating headlines as the issue of default turned from a matter of “if” to a matter of “when”. The extent of a contagion impact remains to be seen, but fears emerged that the extent of European exposure to Greece is so large among French banks that capitalisation is inevitable – Crédit Agricole, Société Générale and BNP Paribas in particular suffered very heavy losses. A ban on short selling French and Italian stocks saw traders looking to close out positions using German stocks as a proxy for their French and Italian counterparts. This saw the DAX underperform the rest of Europe.
- There were small rallies over the quarter due to the expectation of a third program of Quantitative Easing to be announced by Federal Reserve Chairman Ben Bernanke at a banking symposium in Jackson Hole (which never came) and again as the US announced their intention to stimulate growth by keeping interest rates low until 2013, but these merely partially offset the large losses elsewhere.
- Over the quarter, the MSCI World returned -11.3%, while the MSCI Eurobloc returned -23.2%. Returns for the year to date are equally grim with the MSCI World returning -13.8% and the MSCI Eurobloc -21.1%.

BONDS

REGION	3 MTH	6 MTH	1 YR	3 YRS (% P.A.)	5 YRS (% P.A.)	10 YRS (% P.A.)
GOVERNMENT BONDS						
ML EURO > 5 YEAR INDEX	5.0%	6.9%	-0.9%	5.7%	3.9%	6.3%
INFLATION LINKED BONDS						
BARCAP EUR INFL-LKD ALL MATURITIES CPI	-3.2%	-1.5%	-2.9%	2.8%	-	-
CORPORATE BONDS						
ML EURO CORPORATE AA RATED 10+ YEARS	4.4%	7.3%	-0.9%	10.0%	3.4%	5.7%

NB: Returns are in Euro terms.

Source: MoneyMate

- The prolonged economic uncertainty and safe haven status of core bonds (Germany, France, the Netherlands, Finland and Austria) continues to attract investors, even if the peripherals continue to lack stability. Bonds have outperformed equities by over 8.4% p.a. over 10 years. German yields fell to a low of 1.75% during the quarter.

- In Q3, the Merrill Lynch greater than five year Government Bond Index returned 5.0% primarily due to the flight to the perceived safer AAA countries which make up approximately 55% of the index.

- Long term bond yields in France and Germany moved lower during the quarter. German government bonds continue to be regarded as the most secure government bonds in the Eurozone. The peripheral Eurozone economies of Greece, Portugal and Ireland continue to be regarded as the riskiest Eurozone Government bond investments with Italy and Spain not far behind. Irish bond yields continued to fall among positive GDP growth and, while still some distance from actually borrowing money in the market, Irish yields are back down to pre-bailout levels. As at 30 September 2011, the 10 year yields (and spreads over German bonds) were as follows:

REGION	YIELD	SPREAD ABOVE GERMANY
GERMANY	1.9%	-
FRANCE	2.6%	0.7%
ITALY	5.5%	3.6%
SPAIN	5.1%	3.2%
PORTUGAL	11.4%	9.4%
IRELAND	7.8%	5.9%
GREECE	23.1%	21.1%

Source: Financial Times

- Following their initial stance of purchasing just Irish and Portuguese bonds, the ECB announced at the start of August that they would also purchase Spanish and Italian debt. Long term bond yields saw drastic one day drops: Italy -0.8%, Spain -0.9%, Portugal -1.1%. At the start of October, Italian debt was downgraded three notches from A2 to Aa2 by credit rating agency Moodys.

- While Eurozone Government bonds continue to provide diversification benefits, a better match for pension scheme liabilities and protection against another deflationary shock, decreasing yields during the quarter now leave certain Eurozone Government bonds looking expensive from a historical perspective.

- Eurozone corporate bonds continued to perform well, returning 4.4% for the quarter.

ALTERNATIVE ASSETS

REGION	3 MTH	6 MTH	1 YR	3 YRS (% P.A.)	5 YRS (% P.A.)	10 YRS (% P.A.)
MSCI EMERGING MARKET EQUITIES	-17.8%	-21.7%	-16.9%	5.3%	1.3%	9.0%
DOW JONES/ AIG COMMODITY INDEX	-3.5%	-13.1%	3.2%	-4.4%	-3.7%	0.1%
CREDIT SUISSE/TREMONT HEDGE FUND INDEX	-0.9%	-3.6%	-0.7%	4.8%	2.2%	2.2%
€/S	-7.9%	-5.4%	-2.5%	-1.4%	1.1%	3.7%
€/E	-4.8%	-2.5%	-0.9%	2.8%	4.7%	3.2%

NB: Returns are in Euro terms

Source: MoneyMate

- Emerging markets returned -17.8% in Q3 in Euro terms, underperforming developed market equities yet again.
- Gold enjoyed a meteoric rise and fall as investors sought shelter from the volatile equity markets. Over the quarter, 100oz of the precious metal sold for record highs of \$1,700, then \$1,800, then \$1,900, before a sharp retreat to end the quarter slightly above \$1,600.
- The Euro weakened against the dollar during the quarter by 7.9% in Q2. The Euro also weakened against the British Pound by 4.8%. A weak Euro will positively impact the economic growth prospects of the Eurozone and increase the value of non-Euro denominated investments to Euro based investors.

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