






Magnet Portfolio Quarterly Fund Factsheet

Quarter 1, 2012

Fund Snapshot

Size	€39.46M
Asset	 (Mixed)
Regions Covered	 8
Diversification	
Overall Risk rating	low  4  high
Annualised Volatility	9.81%*

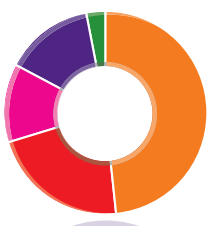
*Volatility over 12 month period to date.

Fund Splits



17.25%	F&C International Equity
4.55%	F&C Index Linked
9.73%	F&C Fixed Interest
2.58%	F&C Property
2.92%	F&C Cash
12.04%	Insight Currency
9.71%	UK Select
15.59%	KBI - High Yield Eurozone
4.83%	Explorer Emerging Markets
10.74%	Indexed Global (exEurozone) Eq
10.10%	Market Neutral Equity

Asset Class Splits



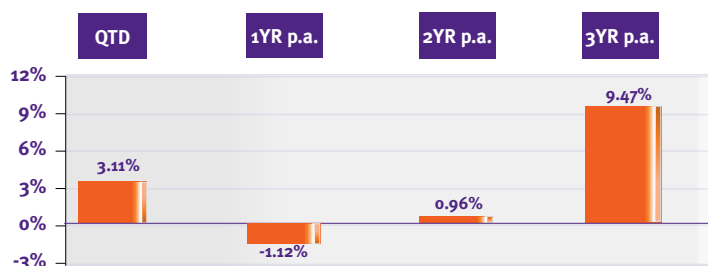
48.4%	Equities
22.1%	Absolute Return Strategies
12.3%	Commercial Property
14.3%	Bonds
2.9%	Cash

Comparative Performance of Underlying Funds

Fund	Quarterly Performance
F&C Explorer	10.1%
F&C International Equity	7.5%
F&C Fixed Interest	3.1%
F&C Irish Property	-3.3%
F&C Cash	0.0%
Alder Insight Currency	-9.3%
F&C UK Select Property	1.1%
KBI Euro High Yield	4.9%
Indexed Global (exEurozone) Equity	10.7%
Market Neutral Equity	0.1%
Index Linked	3.1%

Fund Performance

Source: MoneyMate



Market Commentary

The Magnet Portfolio Strategy is diversified across five asset classes and holds a weighting Friends First believes will deliver returns in the medium and long term. The fund has a lower annualised volatility compared to traditional medium risk Managed and Consensus Funds.

Equities recorded more strong gains in the first quarter on the back of the positive nature of economic data streaming out of the US and a renewal of confidence in the Euro's survival prospects. The increased appetite for risk among investors was most apparent in cyclical stocks - financials, consumer discretionary and industrial sectors rather than the more defensive higher dividend stocks. Export oriented Emerging market equities made solid gains with the promise of further rate cuts in Brazil and the Chinese authorities also announced measures to increase liquidity. Russia rallied on the back of rising oil prices. In terms of regions North America stocks followed by European stocks were the best contributors to fund performance while Pacific Basin and Japanese stocks lagged.



BRIAN FLANAGAN
Investments Sales
Manager, Friends First

Although Equity markets picked up, government bonds did not however fall back in response as might normally be expected. The restructuring of Greece's debt provided an additional source of comfort to Bond investors although not perhaps for private investors who held Greek paper directly.

In regard to UK Property, there has been some steadying in investor sentiment after the sharp deterioration seen in the latter part of 2011. The refurbished office property at 2 Burston Road, Putney will soon be fully let. The property at 68 High St Bromley may be revised downwards in light of the occupier, GAME entering administration, but the property occupies a prominent retail position and when brought to the market will appeal to a wide audience of retail occupiers. In Ireland optimism continues with the 2012 budget having removed the uncertainty surrounding rent review provisions in existing leases. This has led market participants to believe turnover will increase and a functioning market will again begin to emerge.

Insight Currency posted a 9.3% loss in the quarter largely owing to the trend-following component initially suffering a loss on the reversal of the long-term trend in USD/JPY and further losses on a similar reversal of a long-term trend in EUR/AUD. Whilst re-emphasising that there is no all weather asset class, the Currency Fund has been a very good diversification tool for portfolios consisting of equities over the long-term. The Market Neutral component's low volatility characteristic again helped maintain the stability of the Magnet Portfolio which delivered a steady 3.11% over the quarter.

Information source: Friends First, unless otherwise stated.
All figures quoted are as at 31st March 2012.



Looking forward to your future

Magnet Portfolio

Quarterly Fund Factsheet

Quarter 1, 2012

Fund Summary

Magnet Portfolio aims to provide growth through a select range of investments diversified according to asset type, fund manager and geographical location. By combining these into one easy package the fund offers growth opportunities within a well-balanced risk framework.

What is Magnet Portfolio?

The Friends First Magnet Portfolio is a complete investment package. It gives an unparalleled opportunity to invest with some of the world's best fund managers and top-performing funds, thereby offering genuine diversity and potential for superior investment returns.

It is a mixed asset fund offering easy access to three uncorrelated growth asset classes: property, equities (including emerging markets) and currencies; and two secure asset classes: bonds and cash.

Magnet Portfolio is managed on two levels. Each fund is actively managed by its own individual manager, while Friends First manages the overall fund mix.

Key Features

- Complete investment package
- Medium risk investment with 90% growth assets
- 5 different asset classes
- 3 award-winning fund managers
- 1 unique portfolio

Asset Classes and Fund Managers

Property

Fund Manager: F&C Ireland (F&C)

The advantage of investing in property funds is that you are investing in a portfolio of properties instead of just one. Magnet Portfolio will invest in F&C funds that hold commercial property in Ireland and the UK. F&C have won the Best Property Investment Company of the year in 2005, 2006, 2007 & 2008 in the MoneyMate/Investor Magazine awards.

Equities

Fund Managers: F&C Ireland (F&C)
Kleinwort Benson Investors (KBI)
State Street Global Advisors Limited (SSgA)

Investing in shares increases potential returns over the medium to long term. In selecting a diverse range of shares the risks posed by underperformance of a stock or sector are minimised.

KBI manage a Euro Zone High Yield fund within the portfolio.

KBI has a rigorous stock selection process that isolates companies that are committed to paying above average dividends relative to their industry group. They believe that companies that pay higher dividends than their peers are better managed and offer good growth potential.

F&C manage an International Equity fund within the portfolio. F&C's fund offers great diversification as it invests in over 250 companies across continental Europe, the US, UK and Asia. F&C use a 'fair value' approach to stock selection. They analyse companies to determine their fair value and see opportunities in companies where the markets have priced them below this fair value.

The Indexed Global (ex Eurozone) Equity fund invests in an underlying (SSgA) passively managed fund which aims to track the performance of the FTSE World Developed (ex Eurobloc) Index. This type of fund offers a huge degree of stock diversification and reduces fund manager stock selection risk.

Alternative Equity

Fund Manager: F&C Management Ltd (F&C)

Most mainstream equity funds only invest in developed markets. However, a significant portion of the world growth is now being generated in developing markets such as Latin America, Russia, India and parts of Asia. F&C's Explorer fund provides exposure to these developing markets.

Absolute Return Strategies

Fund Manager: Alder Capital
Insight Investment

Alder Capital manage a currency fund which aims to profit from movements and trends in exchange rates. Currency funds have tended to have their periods of positive and negative performance at different times than the other asset classes in the fund.

The Market Neutral Equity Fund invests in a strategy run by Insight Investment which uses 'long' and 'short' positions to target positive returns regardless of market movements. Although it invests in equity markets the fund managers use a paired approach to deliver market neutrality. They target very low volatility whilst aiming to beat cash returns.

Bonds and Cash

Fund Manager: F&C Ireland

A small portion of monies are invested to fixed interest and cash. This is mainly for liquidity and also adds some extra diversification.

Warning: Past performance is not a reliable guide to future performance.
Warning: The value of your investment may go down as well as up.
Warning: Funds may be affected by changes in currency exchange rates.
Warning: If you invest in this product you may lose some or all the money you invest.

 **Friends First**
Looking forward to your future