






Magnet Stable Quarterly Fund Factsheet

Quarter 1, 2012

Fund Snapshot

Size	€23M
Asset	 (Mixed)
Regions Covered	 5
Diversification	
Overall Risk rating	low  3  high
Annualised Volatility	5.55%*

*Volatility over 12 month period to date.

Fund Splits



12.5%	F&C International Equity
8.0%	F&C Index Linked
18.3%	F&C Fixed Interest
4.1%	F&C Cash
11.9%	Insight Currency
5.0%	UK Select Property
13.1%	KBI - High Yield Equity Global Fund
5.4%	Indexed Eurozone Equity Fund
6.6%	Indexed Global (exEurozone) Eq Fund
15.1%	Market Neutral Equity Fund

Asset Class Splits



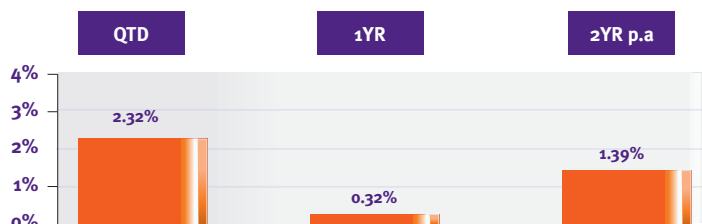
37.6%	Traditional Equities
27.0%	Absolute Return Strategies
26.3%	Bonds
5.0%	Commercial Property
4.1%	Cash

Comparative Performance of Underlying Funds

Fund	Quarterly Performance
International Equity	7.50%
KBI Global High Yield Equity	6.20%
Indexed Global (exEurozone) Equity	10.70%
Indexed Eurozone Equity	12.30%
Market Neutral Equity	0.13%
Insight Currency	-9.30%
Index Linked	3.10%
Fixed Interest	3.10%
Cash	0.00%
UK Select	1.05%

Fund Performance

Source: MoneyMate



Market Commentary

Magnet Stable pursues a lower risk investment strategy than traditional managed funds by combining uncorrelated assets with the objective of achieving growth within the context of low volatility. A high allocation to Absolute Return strategies - the Currency and Market Neutral Equity Funds are key to this objective.

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. 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.

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.

5% of the fund was allocated to UK Select property instead of Bonds, where there has been some steadying of investor sentiment and this also underpins the risk/reward profile of the fund.

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 Stable fund which delivered a steady 2.32% over the quarter.

Magnet Stable currently uses five separate fund managers with different investment styles and draws on ten separate funds to make up its composite.

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

Magnet Stable Quarterly Fund Factsheet

Quarter 1, 2012

Fund Summary

Magnet Stable is a low to medium risk fund of funds which invests across the range of Friends First investments. It has a high weighting in the lower volatile funds such as bond funds and the Market Neutral Equity Fund. It aims for steady long term growth whilst minimising significant short term fluctuations in value.

What is Magnet Stable?

The Friends First Magnet Stable fund is a complete investment package. It gives unparalleled opportunity to invest with some of the world's best fund managers and top-performing funds, thereby offering genuine diversity and potential for strong returns without taking undue risk.

It has well diversified across very different asset classes - bonds, equities and two Absolute Return strategies. This combination is designed to give consistent returns rather than exposing investors to the full brunt of equity markets.

The Magnet Stable fund 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
- Lower to medium risk fund
- 5 different asset classes
- 4 award winning fund managers

Asset Classes and Fund Managers

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 Global 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. Similarly the Indexed Eurozone fund aims to track the FTSE AllWorld Eurobloc Index. This type of fund offers a huge degree of stock diversification and reduces fund manager stock selection risk.

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

The fund uses two different bond funds. The Fixed Interest fund invests mainly in Eurozone Government Bonds but can also have a smaller weighting in Eurozone Corporate Bonds. The Index Linked Fund invests in Eurozone inflation linked bonds. These bonds pay dividends which increase with inflation and are therefore a very good inflation hedge.

The weighting to the cash fund is primarily to provide the fund with liquidity.

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 Stable 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.

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