

## Fund objective

The Consensus Fund is designed to mirror the general investment strategy being followed by Irish pension fund managers for Managed Funds. To achieve this, the Fund uses the average investment manager mix of equities, bonds, property and cash as quoted in the quarterly Irish pooled fund survey. Within each asset class, the Fund follows the relevant market index to achieve long-term growth with minimal investment manager risk. The Consensus Fund is a passively managed balanced Fund. The asset management of this Fund is carried out by Bank of Ireland Asset Management.

## Net Performance (%) period to 31 March 2011

	3 months	1 year	3 years	5 years
Consensus Fund	-1.5	6.5	0.4	-1.3
Irish Managed Average	-0.9	4.1	-0.5	-2.1

## Fund size as at 31 March 2011

€57.0m

## Market commentary

### Market review

In local currency terms, the first quarter of 2011 proved to be a largely positive one for equity investors. Stocks advanced despite the rapid onset of Middle East/North Africa unrest that sparked a sharp rise in crude oil prices. Disruption from the Japanese earthquake and its tragic consequences also unsettled markets for a time, but participants appeared confident that the recovery was sufficiently robust to shrug off the impact of such events. However, overall returns for euro-based investors were hit by relative euro strength.

### Activity

With the oil price scaling its highest peak since mid-2008, it was unsurprising to see the energy sector top performance tables for the three months. Although there was some concern that such a high oil price might derail growth prospects, other cyclical sectors such as industrials and materials outperformed in the quarter, while the defensive sectors of utilities and consumer staples tended to lag.

Developed markets broadly outperformed with the US S&P 500 Index adding 5.4% in local currency terms, while the French Cac-40 and Spanish IBEX posted respective gains of 4.9% and 7.3%. The UK's FTSE 100 was flat as mining and retail stocks struggled, while Germany's DAX gained 1.8%. Japan's Nikkei partly rebounded from a post-quake sell-off to restrict losses to -4.6%.

Eurozone bonds recorded broadly negative returns as the continued pick-up in inflation and an impending ECB rate hike drove yields higher, particularly at the short-end of the curve. Portugal bond yields rose sharply as its funding prospects deteriorated.

### Performance

The Fund returned -1.5% over the first quarter.

## Asset allocation

	As at 31/12/2010	As at 31/03/2011
<b>Allocation</b>	<b>%</b>	<b>%</b>
<b>Irish Equity</b>	<b>5.4</b>	<b>5.1</b>
<b>International Equities</b>	<b>71.7</b>	<b>70.3</b>
Eurozone	15.1	14.5
Europe	6.4	6.2
U.K.	10.6	10.0
U.S.	24.9	25.2
Japan	3.5	3.4
Far East	11.2	11.0
<b>Fixed Interest</b>	<b>15.2</b>	<b>15.1</b>
Eurozone	15.2	15.1
Global	0.0	0.0
<b>Property</b>	<b>3.4</b>	<b>3.5</b>
<b>Cash</b>	<b>4.4</b>	<b>6.0</b>
<b>Total Fund</b>	<b>100.0</b>	<b>100.0</b>

Figures may not tally due to rounding

## Fund data

Currency:	Euro
Launch date:	January 1999
Management fee:	0.50%
Bid offer spread:	0.50%
Fund benchmark:	Industry Manager Average Return
F&C web address:	<a href="http://www.fandc.com">www.fandc.com</a>
Friends First web address:	<a href="http://www.friendsfirst.ie">www.friendsfirst.ie</a>
Useful links:	<a href="http://www.friendsfirst.ie/funds.shtml">www.friendsfirst.ie/funds.shtml</a> For monthly updates on fund prices and performance
Contact us:	Graham Brooks Client Services Director 00353 (0) 1 4364009 <a href="mailto:graham.brooks@fandc.com">graham.brooks@fandc.com</a>

Source: F&C Management Limited to 31 March 2011. Calculations basis offer to offer, income re-invested at offer, net of fees.

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