





Friends First Insight Currency Fund

Celebrating 10 years of success.

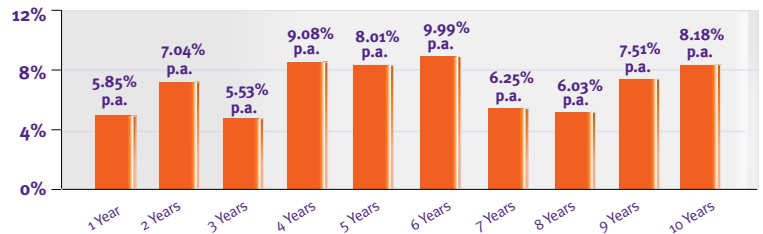


Fund Snapshot

Size	€65.7M
Asset	 (Currency)
Currencies	8
Regions Covered	 5
Diversification	
Overall Risk rating	low  6 high

10 Year Fund Performance (Annualised) from 1st March 2001 until 1st March 2011

Source: Friends First.



Fund Overview

Launched on the 1st March 2001, the Friends First Insight Currency fund became the first Currency fund available in Ireland to the retail investor. The fund is managed by Alder Capital and seeks to profit from movements and trends in exchange rates. The Insight Currency fund generates returns from trading in these highly liquid currency pairs or combinations of currency pairs that exhibit predominantly trending or ranging behaviour. The fund employs discounting strategies and also attempts to capture interest rate differentials between certain currency pairs.

The Insight Currency fund is offered as a portfolio diversifier as it has tended to have its periods of positive and negative performance at different times to certain other investments. The fund is available across the range of Friends First Pension and Investment products.

About Alder Capital

Alder Capital was founded by Mark Caslin and Brian McCarthy in May 2000 and specialises in systematic currency fund management.

The firm is based in Merrion Square in Dublin and manages assets for a range of institutional clients, including international banks, pension funds, life assurance companies and asset management companies located in the United States, United Kingdom, Continental Europe, Canada, Australia and Ireland. Alder Capital have in excess of US\$570 million in assets under management (Dec. 2010).

Alder Capital is the manager of Friends First's Insight Currency Fund. For almost a decade, using the Insight Currency Fund, authorised advisers have been able to provide their clients with a return stream that has historically tended to have its periods of positive and negative performance at different times to other major asset classes like equities and bonds. In so doing, authorised advisers have been able to offer their clients the potential to reduce the risk of their portfolios.

Insight Currency Fund



“The future is a very uncertain place and investors need to build an investment strategy that can deal with this uncertainty. The way to do that is to put together asset classes that don’t have their good and bad times at the same time as each other. Most investment strategies are linked to equity market growth, however the currency fund has historically made money during equity market downturns. This makes it a great fund to include in investor’s portfolios.”

Brian McCarthy, Director, Alder Capital

Why Invest in a Currency Fund?

In building any portfolio it is important to ensure that you hold diversified investments. That is, investments that have growth potential but don’t have their ups and downs at the same time.

The Insight Currency fund may provide just that. Although it exhibits similar risk characteristics to equity funds, it has tended to have its periods of positive and negative performances at different times to equities.

Adding a portion of the Insight Currency Fund to an equity biased portfolio may produce a fund mix which exhibits higher return and lower risk than the equity biased portfolio on its own.

Currency Investment Strategy

Based on its research, Alder Capital believes it is possible to generate returns from highly liquid currency pairs or combinations of currency pairs that exhibit either predominately trending (going in the same direction) or predominately ranging (changing direction) behaviour and to capture trends arising from interest rate differentials between certain currency pairs.

Such returns can only be achieved by taking risk in the currency markets which will give rise to a risk of loss; see the Insight Currency Fund Month by Month Performance for details of the likely variation in return from month to month.

The decision making process of most active equity managers is judgemental. By contrast in the world of currency funds, the decision making process of the majority of active currency managers (including Alder Capital) is rule-based or systematic.

Why Insight Currency?

The Insight Currency fund is managed by a currency manager who uses a systematic investment approach.

Since February 2008 * the fund trades in the 8 most liquid currencies in the world : Euro, US dollar, Japanese yen, Canadian dollar, Australian dollar, Swiss franc, Swedish krona and British pound. Trading in this wide range of highly liquid currencies gives Alder Capital increased opportunities to enhance returns while continuing to manage the risk of the fund.

* Prior to this date the fund traded in the Euro, US dollar and the Japanese yen.

Insight Currency Fund

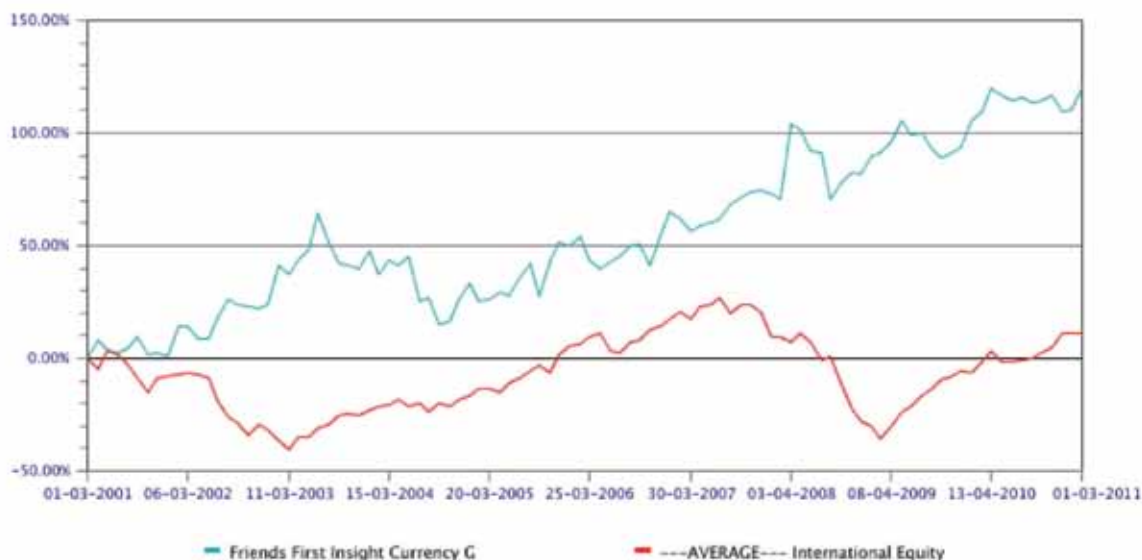


Diversification, Performance and Portfolio Building

Diversification is a basic principle of investment portfolio building. It involves spreading an investment across a variety of asset classes, such as equities, property, bonds and currencies or across different geographical territories or investment strategies. The aim is to balance the investment so that as one asset or territory might fall another will rise thus minimising potential performance risk and maximising potential growth. The chart below shows how the Insight Currency fund has performed over the past decade in comparison to the average International Equity fund.

The Insight Currency fund has a low correlation to equities which means that it has historically tended not to have its good and bad periods at the same time as equities. The chart clearer shows this pattern of behaviour. This demonstrates how, by using a combination of asset classes in achieving investment diversification, an investment can aim to earn profits regardless as to the general direction the markets are moving.

Friends First Insight Currency Fund Vs Average International Equity Fund 10 Year Performance*



Performance during the Credit Crunch

The Credit Crunch saw the end of a great equity bull run which lasted from March 2003 to July 2007. The ensuing collapse in equity prices produced the worst returns in 80 years for equity investors. The table here shows the category average returns for a number of funds-all extremely negative. Meanwhile, the Friends First Insight Currency Fund did exactly as we hoped it would do. It went up!

Why?

Well, as a different asset class which has historically been uncorrelated to equities, the Friends First Insight Currency Fund has shown that it tends to have its ups and downs at different periods to equities.

Investment Performance	Return ** (from 1st Jan 2007 to 31st Dec 2008)
International Equity	-41.4%
Irish Equity	-73.7%
Managed Balanced	-35.7%
Friends First Insight Currency Fund	+9.7%

* Source : MoneyMate Limited. The figures shown are based on the following: Local Currency, Offer to Offer, Gross income re-invested on Ex-dividend date

**Source: MoneyMate. Performance is based on category average.

Insight Currency Fund



Insight Currency Fund: The Facts

1 Performance	<ul style="list-style-type: none"> • The Insight Currency fund has returned 119.48%* since its launch on 1st March 2001 • The Insight Currency fund ranks 2nd out of 227* since its launch. (individual pension category)
2 Correlation	As the Insight Currency fund has practically zero correlation to Equities, its a compelling asset for inclusion in a diversified portfolio
3 Diversification	The Insight Currency fund has historically tended not to have its good and bad times at the same time as managed funds and equity funds
4 Track Record	Established Track Record from Dublin based Fund Managers, Alder Capital, who have over US\$570 million in assets under management**
5 Independent Rating	Excellent Moneymate Fund Rating* - ★ ★ ★ ★ ★

* Source: MoneyMate: 1st March 2011. Period from 1st March 2001 to 1st March 2011.

** Source: Alder Capital: 1st March 2011.

For more information please contact your Friends First Account Executive or visit our Investment Centre on www.brokerfirst.ie.

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.

