






Alternative Energy Fund

AT A GLANCE

Aim		To generate long term capital growth by investing in companies in the alternative energy sector
Style		Actively Managed
Asset Mix		Equities
Managed by		KBC Asset Management
Risk		High Risk

FUND DESCRIPTION

The aim of the Bank of Ireland Life Alternative Energy Fund is to invest in an international selection of shares in companies active in the alternative energy sector. These companies are active in producing, manufacturing or providing equipment or supplying power from sources such as wind power, solar energy, hydropower, biomass, micro-turbines and fuel cells.

The rapid growth in the alternative energy sector is being driven by several factors. Most obvious are the changes resulting from political and social concerns about the threat to future oil supply. This is driving demand for new energy sources and is helping maintain the interest in all alternative energy opportunities.

KBCAM's investment strategy is to focus on sustainability challenges posed by the three dominant global trends:

World's changing demographic profile. The combination of population growth, industrialization, economic growth and urbanisation will continue to test the limits of our eco-system and will require investment in innovation and infrastructure to meet the needs of growing, more affluent global population.

Natural resource (supply/demand imbalance). A growing, more affluent global population has and will continue to put increasing pressure on the supply of natural resources. Meeting the needs for energy, water and food is a major challenge of the 21st century.

Climate change. Sustained pressure for lower carbon economies continue to gain momentum through efforts to mitigate and adapt to the effects of climate change. The growing demand for energy will need to be met through less reliance on the historically dominant carbon emitting sources of oil and coal and with more reliance on alternative energy and energy efficiency.

Why invest in Alternative Energy?

In just the last few years, alternative energy has emerged on the investment landscape as a distinct asset class that's attracting increasing interest. **Alternative energy encompasses companies involved in developing technologies that reduce our reliance on traditional fossil fuels such as coal, oil, and natural gas.**

The rapid ascendance of alternative energy is directly linked to five key drivers:

- **Increasing global energy demand:** linked to growing population and economic growth. The International Energy Agency predicts that global primary energy demand will increase by 50% between now and 2030.
- **Scarcity of oil and natural gas:** oil production volumes globally are in decline.
- **Climate change:** global warming is now accepted as being a reality. As such, governments are addressing CO2 emissions, to which energy generation from oil and gas are a major contributor. Sourcing power from alternatives will be a key solution to this issue.
- **Falling costs** of renewables through technological advancement.
- **Security of supply:** governments across the globe are aggressively encouraging the use of alternative energy generation through subsidies and production of tax credits e.g. there is renewed political impetus from the new US administration and the EU has set a goal that 20% of all energy generation comes from alternative sources by 2020.

As these drivers evolve, the sector has the potential to hold significant promise for equity investors looking to diversify investments and to gain access to a new high-growth area.

Investment selection

The Alternative Energy Fund holds approximately 50-60 stocks and invests in an internationally diversified selection of shares in companies active in the alternative energy sector. These companies are active in producing, manufacturing, providing equipment or supplying power from sources such as:

- 1 **Wind**
- 2 **Solar power**
- 3 **Biofuels**

Wind – Wind is one of the most cost competitive alternative energy sources for larger, mega-watt facilities. The cost of generating power from wind is increasingly cost competitive versus traditional sources of power generation.

Solar – Technology in the solar industry is growing and improving at one of the fastest paces of any renewable energy sector.

Biofuels – are currently the only renewable alternative to traditional transportation fuels. They include ethanol (derived from starch-based plants such as corn, wheat, or sugar) and biodiesel (derived from vegetable oil such as palm or soy). The U.S. is decreasing their dependency on oil imports and is encouraging use of biofuels through subsidies.

These companies active in the Alternative Energy Sector also generate power or provide equipment from other sources such as Micro-turbines, Hydro-power or Fuel Cells.

KBC Asset Management Ltd.

KBC Asset Management Ltd are our chosen investment partner for the Alternative Energy fund. Part of the wider KBC Asset Management Group, KBCAM has been managing assets in Dublin since 1980 and are renowned across Europe for launching and managing a hugely diversified range of investment products.

Risk Rating – High Risk

Bank of Ireland Life has rated the Alternative Energy Fund as a high risk fund. The potential return from high risk investments is much higher than deposits and inflation. High risk funds focus on maximising the potential return to investors, rather than minimising risks. Some high risk funds may consist almost entirely of one asset class based for example in one geographic region or in one sector. Investors' capital is not secure and may fluctuate significantly and investors may get back less than they originally invested.

Product Availability

Bank of Ireland Life's Alternative Energy Fund is available through the following products:

- SmartFunds
- SmartChoice
- Special Bonus Investment Plan
- Personal Pensions
- Executive Pensions
- Personal Retirement Bond
- Approved Retirement Fund (ARF)
- Approved Minimum Retirement Fund (AMRF)
- PRSA (non standard)

Charges

The normal product charges and allocation rates for these products apply, with the exception that the fund management charge for the Bank of Ireland Life Alternative Energy Fund is 0.25% per annum higher than on other funds.

Up to date Information

For up to date price & performance information on the Alternative Energy Fund and other market information, please click on to www.bankofirelandlife.ie to see the most up to date Alternative Energy Fund factsheet. Factsheets are updated online with daily performance figures.

**For more information, talk to the Insurance & Investments Manager
in your Bank of Ireland branch
or call 1890 309 309 today**

**WARNING: PAST PERFORMANCE IS NOT A RELIABLE GUIDE TO FUTURE PERFORMANCE.
WARNING: THE VALUE OF YOUR INVESTMENT CAN GO DOWN AS WELL AS UP.
WARNING: THIS FUND MAY BE AFFECTED BY CHANGES IN CURRENCY EXCHANGE RATES.**

Lines are open from 8.00am to 6.00pm, Monday to Friday. For quality and training purposes incoming and outgoing calls may be recorded. Call charges may vary depending on your service provider.

Terms and conditions apply. Where relevant life assurance tax applies.

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New Ireland Assurance Company plc trading as Bank of Ireland Life is regulated by the Financial Regulator. Bank of Ireland Insurance & Investments Limited and Bank of Ireland are regulated by the Financial Regulator and are tied agents of New Ireland Assurance Company plc. A member of Bank of Ireland Group.

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