

Water Fund

AT A GLANCE

Aim		To generate long term capital growth by investing in companies in the water sector
Style		Actively Managed
Asset Mix		Equities
Managed by		Kleinwort Benson Investors Dublin Ltd. (formerly KBC Asset Management)
Risk		High Risk

FUND DESCRIPTION

Growing demand for fresh water from a rapidly-expanding global population, coupled with unrelenting water demand from industry and farming, is leading to a strong global focus on how we manage our critical water resources. The Bank of Ireland Life Water Fund gives investors the opportunity to invest in companies who generate a significant portion of their revenues from exciting areas across the water cycle. The water supply problems facing many regions will provide profitable projects for the companies best placed to provide solutions to these problems for years to come.

The aim of the Bank of Ireland Life Water Fund is to:

- ✓ Invest in those companies that are active in producing, manufacturing and providing equipment in the water arena
- ✓ Invest in emerging companies who are developing winning technologies to help meet the burgeoning global demand for water

The Water Industry

Water is essential to everything we do and there is no substitute for it. There is a worrying shortage of water on the planet today – 99% of it is either in saltwater form or frozen in glaciers, leaving less than 1% freshwater available which in turn is being depleted by pollution and climate change. Global population is set to increase from 6 billion to 9 billion people by 2050 and, historically, water use has increased at twice the rate of population growth (Source: Kleinwort Benson Investors).

Agricultural water use typically accounts for 70% of overall water supply while industrial use accounts for 20%. This far outstrips domestic water use of 10%. It is estimated that about one-third of the world's population will not have access to adequate drinking water by 2030. To provide enough water for the world's freshwater needs to be met by then, the World Health Organization estimates that \$1 trillion per year will need to be invested to improve water conservation, water infrastructure and sanitation.

Key Drivers of the Water sector::

- Large investment is needed over the coming decade to upgrade aging water and wastewater infrastructures and to tackle increased water pollution levels globally
- Increased water demand is being driven by a growing urban population as well as enormous industrialisation and agriculture consumption
- New regulation enforcing water quality standards and managing consumption levels is providing opportunities for water treatment companies
- Advances in technologies to manage water delivery, consumption and quality will continue to provide solutions for water stressed regions

Investment selection

The investment strategy of the Water Fund is to select approximately 50-70 internationally diversified companies active across the entire water cycle. These companies provide a range of activities so they can produce fresh water to the end user (human, industrial, agricultural) and return it to nature in a clean form. The Fund invests in companies active in all parts of the water cycle including Water and Wastewater treatment, Water Testing, Infrastructure, Filtration, Engineering/consulting services and Pumps/Valves.

Kleinwort Benson Investors

Kleinwort Benson Investors Dublin Ltd. (formerly KBC Asset Management) is known for developing and managing a diversified range of unique investment products for both Irish and international clients. Assets under management for Kleinwort Benson Investors stand at €3.7bn (as at 30th November 2010), most of which is equity based. The company has a global client base with clients located in Ireland, US, Canada, UK, Japan, Korea, and Taiwan. The company is part of the RHJI Group and is a sister company of Kleinwort Benson, the UK financial services institution with roots dating back to the 1850s. RHJI is publicly listed on the Brussels Euronext stock exchange and has offices in Tokyo, Brussels, Zurich, London and New York.

Risk Rating – High Risk

Bank of Ireland Life has rated the Water 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 Water Fund is available to investors through the following Bank of Ireland Life 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 Water Fund is 0.25% per annum higher than on other funds.

Up to date Information

For up to date price and performance information on the Water fund and other market information, please click on to www.bankofirelandlife.ie to see the most up to date Water 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. To ensure that the quality of the service that we provide is of a consistently high standard, all calls may be recorded and monitored. 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 Central Bank of Ireland and is a member of the Bank of Ireland Group. Bank of Ireland Insurance & Investments Limited and Bank of Ireland are regulated by the Central Bank of Ireland and are tied agents of New Ireland Assurance Company plc.

Kleinwort Benson Investors Dublin Ltd. is regulated by the Central Bank of Ireland.