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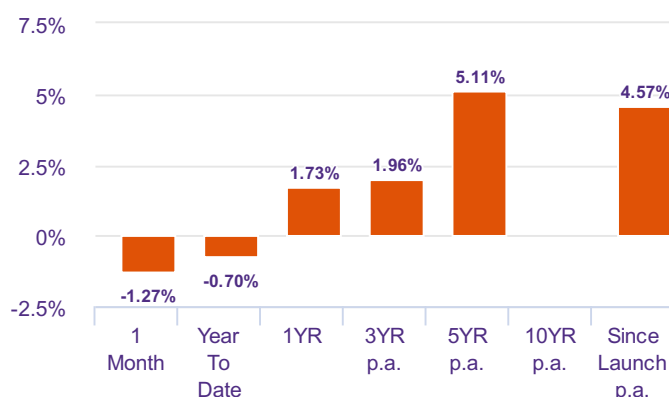
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## Magnet Stable

### Fund Snapshot

Launch Date	01/04/2010
Fund Manager	Friends First
Risk Rating	4
Fund Type	Mixed
Diversification	
Stocks & Holdings	> 1000
Regions Covered	8
Fund Size	€145m*
Latest Bid Price	€1.4487
Price Date	18/07/2018



### Fund Summary

The objective of the fund is to target a risk level which is aligned with the European Securities and Markets Authority Risk rating of 4. This means that its objective is to maximise expected returns whilst keeping the fund's five year annualised volatility within a range of 5% to 10% a year. The fund aims to achieve medium to long-term capital growth and relative stability of capital.

### Market Commentary

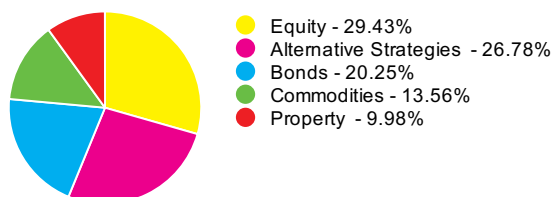
June marked the conclusion of a volatile second quarter in financial markets, notwithstanding, all the multi asset funds in the Magnet range gained over the period. The main contributors to performance were global equities, followed by commodities, while the main detractors were currencies and emerging market equities. Geopolitical concerns weighed heavily on investor sentiment throughout the quarter. First, the formation of a populist coalition government with Eurosceptic leanings in Italy sparked fears of a renewed Euro crisis. Later, as Italian politics began to settle, markets turned increasingly nervous about US trade tariffs being imposed beyond China and the consequences of protectionism on global trade flows. Uncertainties surrounding Brexit and the ongoing economic slowdown also continued to cloud sentiment. In May, as the US withdrew from the Iran nuclear deal signed in 2015, oil prices rose, peaking at over \$80 a barrel and driving prices higher in commodities but also adding to inflationary concerns, specifically in oil importing countries. Aside from geopolitical developments, the biggest driver of volatility in markets since the beginning of the year is undoubtedly the tightening of financial conditions across developing countries. The impact of the shift from quantitative easing to quantitative tightening is not limited to interest rates and credit spreads, both of which have spiked since the beginning of the year; indeed the withdrawal of liquidity is also the main driver behind equity volatility. As the era of loose monetary conditions draws to an end, the support to risk assets provided by ultra-low interest rates and Central Bank asset purchases is simultaneously waning. The appreciation of the Dollar, which registered its longest rally since 2015 over the past three months, further amplifies the strain on financial conditions globally. The strength of the Dollar, coupled with trade tensions between China and the US, as well as softer economic data in a number of countries, created the perfect storm in emerging markets, prompting investors to reverse flows into the asset class for the first time since late 2016. Pressure also manifested itself in emerging debt markets, specifically in countries with balance sheets that are very exposed to the US dollar. Local currency bond prices fell on the back of weaker exchange rates. Finally, while the fundamental picture for most developing economies remains positive, in the short term, negative sentiment continues to weigh on emerging markets as an asset class. For the second half of the year, we expect the more volatile market backdrop to persist and we continue to focus on diversification from equity risk while remaining constructive on alternatives investments. (30th June 2018)

### Additional Information

## Management Charge

0.95% pa of fund assets. Please refer to policy conditions for policy charges.

## Asset Allocation as at 30/06/2018



## Underlying Funds as at 30/06/2018

Fund	Fund Manager	%
Magnet Absolute	Multi	20.00%
Indexed Global Aggregate Bond	SSGA	16.23%
International Equity	BMO	9.78%
Optimum Yield	DWS	9.64%
Global High Yield Equity	KBIGI	8.52%
Irish Commercial	Friends First	7.21%
Insight Currency	Alder Capital	6.78%
Magnet Emerging Markets Equities	Multi	5.87%
Magnet European Equities	Multi	5.26%
Emerging Markets Bond Fund	M&G	4.02%
Physical Gold	DWS	3.92%
UK Select	Friends First	2.77%

This fund should be considered as being a medium-long term investment. Access to your investment in this fund may in periods of adverse investment conditions be restricted for up to six months. Performance figures are as per 'price date'. Asset Information source: Friends First, unless otherwise stated. \* Fund size refers to assets under management in underlying fund. The returns shown include the reinvestment of net income and are net of trading costs and management fees but before other insurance contract charges and as such do not represent the returns on insurance contracts linked to these funds. Details of all charges for a particular product are available on request. The information in this document does not constitute investment advice. It does not take into account the investment objectives, financial position or needs of any particular investor. Before making an investment decision, you should consult suitably qualified and independent investment, taxation, and regulatory advisors to discuss your specific situation and investment objectives. The investment strategies and risk profiles outlined in this document may not be suitable for your specific investment needs.

The funds referred to on this page may be linked to an insurance-based investment product and the Key Information Document (KID) for this product is available at [www.friendsfirst.ie/kids](http://www.friendsfirst.ie/kids). The Risk Ratings of the funds referred to in this document differ from the corresponding Summary Risk Indicators shown in the KID. An explanation of the differences between the Risk Rating and the Summary Risk Indicator is available at the location above.

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 of the money you invest.

The information provided is intended for use by retail investment customers and is based on our understanding of current law and revenue practice.

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