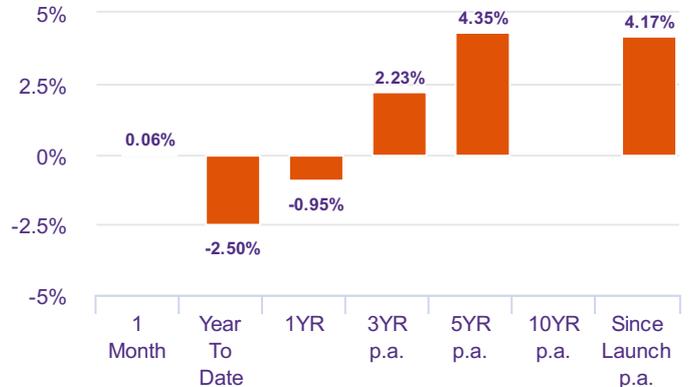


Magnet Stable

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	€151m*
Latest Bid Price	€1.4225
Price Date	16/11/2018



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

As markets have begun to transition into new monetary and fiscal policy regimes, we have witnessed a degree of rotation across asset markets and countries. During the last quarter in particular, we saw a clear breakdown of synchronised global stock market movements and a clear divergence in returns across regions, which was further accentuated by changing global trade dynamics. Equity indices in the US continued to rise during the course of the third quarter as the boost from Trump's administration tax cuts and fiscal stimulus continued to provide support. In Europe, however, trade fears over Trump's protectionist policies and wavering exports to emerging markets weighed on European shares. Further, Britain's looming withdrawal from the European Union and the resurgence of concerns regarding the excessive debt loads of Italy and Greece, accelerated the loss of momentum in European equities. Emerging Markets drifted lower, mostly on the back of currency weakness and global trade fears. Higher US interest rates, combined with a stronger dollar have exposed structural weaknesses and external vulnerabilities in several emerging market countries, particularly Argentina and Turkey, and more recently South Africa and Indonesia. Though the September US interest rate hike was widely anticipated, some investors are anxious about a more inflationary environment going forward and the negative impact on bonds and equities should Central Banks start raising rates more aggressively. Nonetheless, we believe that high quality bonds remain a crucial component of a portfolio allocation because they have demonstrated and delivered a lower-risk investment over time, also, they are likely to be the best performing asset class in an equity downturn. Finally, we continue to emphasise the importance of alternative assets (i.e. Commodities, Currencies, Property and Absolute Return) to diversify from equity and credit risk. The importance of these alternative strategies is two-fold: to reduce the net risk of the portfolio through their low correlations, and the potential for total return contribution to the portfolio in their own right. All the funds in the Magnet range posted a positive performance over the course of the quarter. Over the course of the quarter we created a new sub-fund called Magnet Property. This fund takes exposure to Friends First's existing physical real estate funds, the Irish commercial property fund and UK Select, as well as allocating to a new external manager: Degroof Petercam Asset Management (DPAM). Degroof Petercam is a Belgium based fund manager; founded in 1871 it has been managing portfolios of European real estate securities since September 1999. Their DPAM Real Estate Europe Divided fund invests in a diversified basket of property shares with a focus on high dividend paying names. (30th Sept 2018)

Additional Information

Access the [Magnet Fund Range Brochure](#) or [Magnet Stable Quarterly Snapshot](#) or [Funds that incur Performance Fees](#)

Management Charge

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

Asset Allocation as at 30/09/2018

Underlying Funds as at 30/09/2018



- Equity - 31.88%
- Alternative Strategies - 24.34%
- Bonds - 19.9%
- Commodities - 13.58%
- Property - 10.3%

Fund	Fund Manager	%
Magnet Absolute	Multi	19.81%
Indexed Global Aggregate Bond	SSGA	15.87%
International Equity	BMO	10.50%
Magnet Property	Friends First	10.30%
Optimum Yield	DWS	10.11%
Global High Yield Equity	KBIGI	9.15%
Magnet Emerging Markets Equities	Multi	6.54%
Magnet European Equities	Multi	5.68%
Insight Currency	Alder Capital	4.53%
Emerging Markets Bond Fund	M&G	4.04%
Physical Gold	DWS	3.47%

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. 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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