

Secured Performance Fund

Information is correct as at the 31st December 2011

How the Fund Works

The Irish Life Secured Performance Fund is designed to give investors access to a managed fund asset mix but with smoothed returns. A return is declared annually which reflects the performance of the underlying assets, which are invested in line with Irish Life's Consensus Fund, and our current view of future market returns. There is a guarantee that the declared rate will never be negative. Once declared, the rate is locked in. The underlying guarantee for the fund is provided by Irish Life Assurance.

Investment Objective

The fund is designed to eliminate manager selection and market risk, while achieving average managed returns over the long term.

How the fund operates

The returns achieved are smoothed using a 5-year average. A return is declared each year and adjusted to reflect the return in the underlying assets, which are invested in line with the Irish Life Consensus Fund. Once declared the return cannot be withdrawn - it is locked in. This return is credited on a daily basis.

The net declared rate for 2012 is 0%.

A Market Value Adjustment is a charge that is imposed on withdrawals or switches from the fund during certain market conditions. An example of such an extreme investment condition would be the recent poor investment returns. When the actual assets of the fund are valued at less than the value of the guaranteed declared rates an MVA is applied.

This does not apply in the following circumstances:-

Retirement – early, late or normal

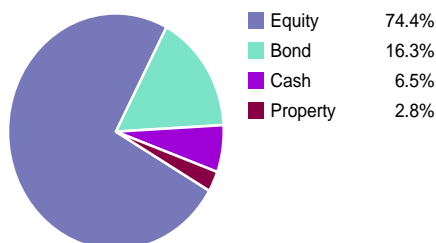
Death Benefit payment

Leaving service subject to a 9 month restriction. This means that on leaving service a member has 9 months to decide what to do with their accumulated fund to avoid the imposition on any applicable MVA.

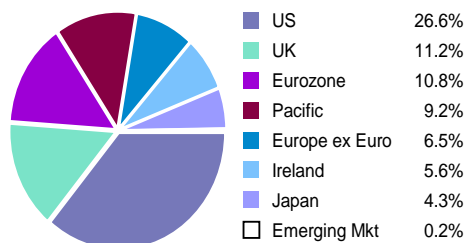
All non-demographic exits e.g. fund switching from the fund will be subject to a market value adjustment (MVA).

With effect from the 1st April 2009, this fund no longer accepts any further contributions

Asset Distribution



Equity Distribution



Performance

Period	Return
Last Qtr	0.06%
1 Year	0.25%
3 Year p.a	0.08%
5 Year p.a	2.46%
10 Year p.a	2.79%

Returns are quoted net of fees. The annual management charge is 1%. There is no Bid/Offer Spread.

Warning: Past performance is not a reliable guide to future performance. The value of your investment may go down as well as up. The performance of contributions in any given year will depend on both the frequency and the duration of the contributions. This fund may be affected by changes in currency exchange rates. Market conditions may sometimes require us to impose certain restrictions to switches or exits from your pension funds. These restrictions may include a delay in switching funds and/or applying a market value adjustment to the fund. If you invest in this fund you may lose some or all of the money you invest.



Irish Life
Investment Managers

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Market Commentary

The fourth quarter of 2011 saw two critical EU Summits, the appointment of two technocratic governments in Italy and Greece, and the change of the leader in both the ECB and the Spanish government. Nevertheless the crisis continues to linger and the immediate problem of what the impact of Italy refinancing over €350bln of debt at a yield of close to 7% will have on its debt dynamics continues to weigh on sentiment.

Risk appetite swung during the quarter with expectations as to whether EU leaders would deal with the crisis. Equity markets traded higher in October and December but gave back some of these gains in November. The EU summit at the end of October resulted in increased confidence that a final resolution to the crisis was agreed. However the optimism about this resolution soon waned particularly after markets soon digested that the 50% haircut that Greek private bondholders were asked to take put a credit risk on Eurozone government bonds. The ECB announced a number of unconventional methods of supporting the banking system, however markets were somewhat disappointed by President Draghi refraining from announcing a bond purchasing programme. EU leaders did little to address the immediate funding needs of Eurozone countries in 2012. As a result it is likely that more leaders' summits will be necessary and investors' appetite for holding risky assets will swing accordingly.

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