Pension Consensus Fund

Information is correct as at the 31st December 2011

How the Fund Works

The Irish Life Pension Consensus Fund is a managed fund, which replicates the average asset allocation of the Irish fund management industry. Having implemented the average asset allocation, the fund's stock selection matches the appropriate benchmark index.

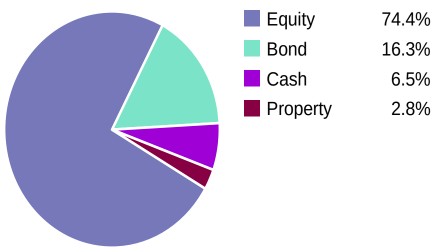
Investment Objective

The fund aims to produce a return, which is consistently in line with the average pension managed fund performance over rolling 3-year periods. It is suited to those who want long term managed fund growth without manager selection risk i.e. the risk of selecting manager who makes the wrong asset allocation or stock selection call.

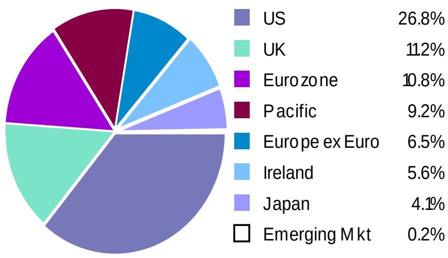
How the Fund Operates

The fund adopts the average asset allocation of all the pension managed funds in the Irish market. Within each market, the fund tracks the market return by investing in a basket of securities in the same proportion as they are represented in the relevant market index. Efficient trading minimises the transaction costs, adding value, which is reflected in the performance. This strategy eliminates the manager selection risk and produces consistent long-term managed fund growth while avoiding violent swings from the top to the bottom of the performance league table.

Asset Distribution



Equity Distribution



Performance

	Fund	Average Managed Fund
1 Year %p.a.	-2.7%	-3.5%
3 Year %p.a.	9.8%	9.2%
5 Year %p.a.	-3.6%	-3.9%
10 Year %p.a.	1.7%	1.2%

Returns are quoted net of fees. The annual management charge is 0.4%.
There is no Bid/Offer Spread.

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.

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