

Consensus Equity Fund

Information is correct as at the 31st December 2011

Volatility/Risk



How the Fund Works

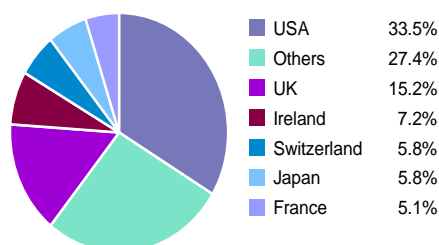
This fund is designed to achieve average equity fund returns on a consistent basis.

The objective is to eliminate manager selection risk, which is the risk of being with an investment manager who under performs.

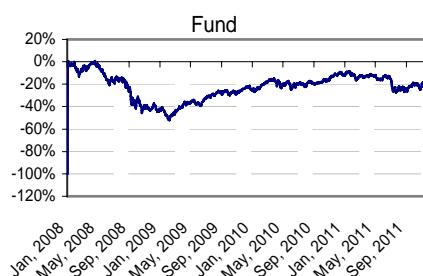
The assets of this fund are fully invested in equities. The country allocation is based on the average weighting of equities within Irish managed pension funds. The stock selection within each market is index stock selection, meaning that we replicate the weighting that each stock represents within the relevant market index.

The return of this fund since launch (30th January 2008) is -4.62%p.a.

Country Distribution



Performance



Period	Return
1 Year	-5.14% p.a.
YTD	-5.14%
3 Year	12.54% p.a.

The figures quoted are before tax and after management charges. Source: Irish Life.

Market Commentary

Overall global equity markets held their own in December, trading broadly unchanged into year end despite the volatility around the Eurozone debt crisis. Eurozone bond markets rallied strongly on the belief that policy makers in Europe will take the necessary steps to solve the Eurozone sovereign crisis. Corporate bonds also made gains, although at a slower pace than government bonds as risk aversion eased. Other perceived riskier asset classes such as commodities failed to benefit from the easing of risk aversion that was evident in European government bond markets, while the Euro also continued to fall against the dollar and sterling finishing 2011 below the levels seen at the start of the year.

The ECB cut interest rates by 0.25% to 1% in line with expectations and announced a slew of unconventional measures aimed at supporting the banking sector at the December 9th summit. However the central bank disappointed expectations by ruling out the possibility of a bond purchasing programme for now. The ECB lent €489bn to the banking system for three years, the largest amount that has been lent to the banking system. This has boosted the bond markets as it is thought that many banks have used some of this liquidity to purchase government bonds. Elsewhere in the EU leaders' summit, politicians took a significant step forward in moving towards a closer fiscal union by announcing plans to enshrine fiscal rules into a countries constitution.

Warning: The value of your investment may go down as well as up. This fund may be affected by changes in currency exchange rates. Past performance is not a reliable guide to future performance.



Irish Life
Investment Managers