



## How the Fund Works

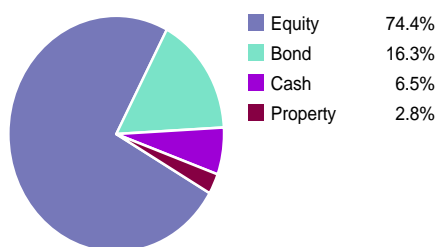
The Consensus Fund aims to provide performance that is consistently in line with the average of all funds in the market. This innovative fund is Ireland's most popular fund, currently managing over €5 billion in assets (**Jan 2012**). It is so successful because its approach is based on the combined wisdom of the main investment managers in Ireland.

## How the Fund Operates

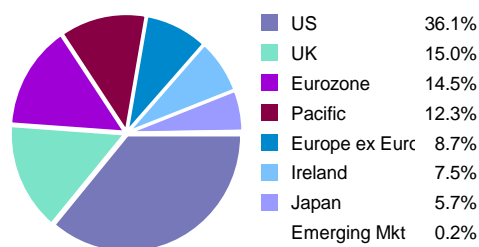
The fund matches the investments the investment managers make in shares, property, bonds and cash. By taking the average asset allocation of all of the active managers' positions, the Consensus Fund is able to avoid the risks associated with reliance on the decisions of just one fund manager.

**The return of this fund since launch (31st December 1995) is 5.88%p.a.**

## Asset Distribution



## Equity Distribution



## Performance

	Fund	Average Managed Fund
1 Year %p.a.	-2.9%	-3.5%
3 Year %p.a.	9.5%	9.2%
5 Year %p.a.	-3.8%	-3.9%
10 Year %p.a.	1.4%	1.2%

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 9<sup>th</sup> 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.**

