

Indexed Ireland Fund

Information is correct as at the 31st December 2011

Volatility/Risk

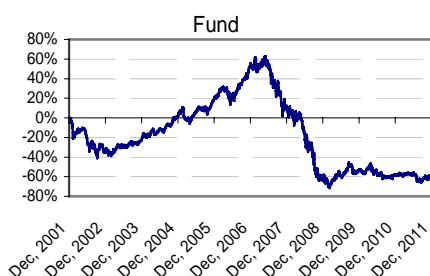


How the Fund Works

The aim of indexed funds is to consistently perform in line with the agreed benchmark index, in this case the **FTSE Ireland All-Cap index**. We achieve this by either investing in the same asset allocation as those in the index or holding assets that will perform in line with the index. This will remove the risk of poor share choice. It is suitable for investors who will accept the ups and downs that come with investing completely in shares in order to improve potential return.

The return of this fund since launch (22nd June 2001) is -8.99%p.a.

Performance



Year	Indexed Ireland Fund	FTSE Ireland All Cap
1 Year	0.4%	2.7%
3 Year %p.a.	4.7%	6.8%
5 Year %p.a.	-22.9%	-21.6%

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

Stock List

Largest Stocks	Weight %	Country
ELAN	26.69	Ireland
KERRY GROUP	16.10	Ireland
RYANAIR	11.39	Ireland
BK OF IRELAND	9.04	Ireland
PADDY POWER	6.98	Ireland
Total Stocks Listed	70.20	

Market Commentary

Third quarter GDP and GNP contracted in Ireland by 1.9% and 2.2% respectively, ending the positive readings from the first half of 2011. In the third quarter GDP fell 0.1% from the third quarter 2010, while GDP was down 4.2%. As seen in the first half of the year, the domestic economy has remained particularly weak with consumption and government spending continued to fall. However investment was the biggest drag in the third quarter as it fell 20.9% during the quarter due to a fall in machinery investment, which is often a temporary weakness. Net trade remained the key contributor to the economy and had a similar performance in the third quarter to that of the first half of the year, although the decline in imports has boosted the net trade contribution. The recent data from the labour market has confirmed the weakness in the domestic sector as employment fell by the fastest pace in two years, down 1.1% since the second quarter. The unemployment rate also rose during the quarter. Despite this the latest live register data showed that 3000 jobs were created in December, bucking the recent trend.

There were little surprises in Budget 2012 as the government made an adjustment of €3.8bln. Although the measures were announced over two days, most had been preannounced. In total the government made revenue generating measures of €1.6bln and cut spending by €2.2bln, of which €0.75bln was from the capital budget.

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