

Indexed North America Fund

Information is correct as at the 31st December 2011

Volatility/Risk

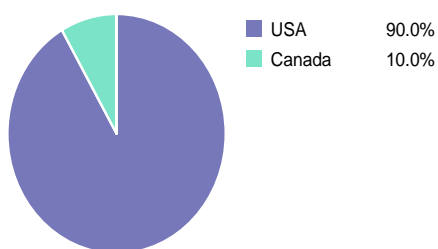


How the Fund Works

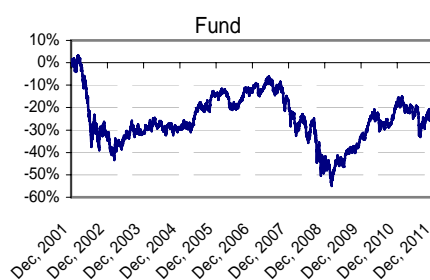
The idea behind indexed fund management is to consistently perform in line with the agreed benchmark index, in this case, the **FTSE North America**. We do this by either investing in the same assets as those of the index or holding assets that will perform in line with the index. This strategy allows investors to remove the risk of poor share choice.

The return of this fund since launch (22nd June 2001) is -2.85%p.a.

Country Distribution



Performance



Year	North America	FT North America
1 Year	2.1%	3.8%
3 Year %p.a.	15.0%	17.0%
5 Year %p.a.	-1.2%	0.4%
10 Year %p.a.	-1.9%	-0.3%

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

Market Commentary

The US economic data has continued to surprise to the upside as both manufacturing and consumer spending have continued to come in ahead of expectations. Some of this can be attributed to depletion in inventory levels as a result of the uncertainty about a US recession in the third quarter of 2011. The survey data has also stabilized as both the ISM Manufacturing and non manufacturing sectors have remained close to November levels in December and continued to point to modest growth in the coming months. Consumer spending has also been much more resilient than had been expected in the third quarter. Despite the positive momentum in the economic data, there are a number of risks facing the US economy going into 2012, most notably the political risks. 2012 is a presidential election year and as a result all stimuli are most likely to be left in place. However the US government currently runs a budget deficit of 8% of GDP, which is in line with some of the Eurozone peripheral budget deficits.

The minutes of the Federal Reserve meeting in December showed that the committee continued to acknowledge the moderate growth in the economy and the easing of some of the inflation pressures but remained concerned about some of the downside risks from the pressures in the global financial markets and the elevated unemployment rate. However the Central bank has left its policy stance unchanged.

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