

# Indexed UK Fund

Information is correct as at the 31st December 2011

Volatility/Risk



## How the Fund Works

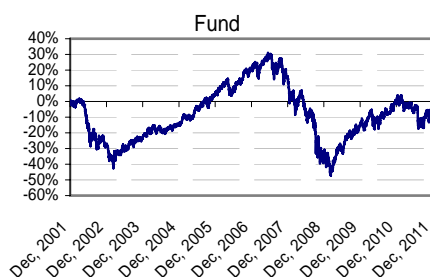
The idea behind indexed fund management is to consistently perform in line with the agreed benchmark index, in this case the **FTSE UK**. We achieve this by either investing in the same assets as that of the index or holding assets that will perform in line with the index. This strategy allows investors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

**The return of this fund since launch (22nd June 2001) is -1.13%p.a.**

## Country Distribution

Largest Stocks	Weight %	Country
Vodafone	6.00	UK
HSBC	5.96	UK
BP	5.93	UK
Royal Dutch	5.31	UK
Glaxosmithkline	5.09	UK

## Performance



Year	Indexed UK Fund	FT UK
1 Year	-1.2%	0.2%
3 Year %p.a.	15.9%	17.5%
5 Year %p.a.	-4.1%	-2.8%
10 Year %p.a.	-0.3%	1.2%

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

## Market Commentary

Although the government's budget deficit was a little better than expected according to the November figures, the government warned that the fiscal consolidation programme has slipped since March as the economic outlook has deteriorated. The government now expects that it will take until 2016-17 to bring the current budget back to balance. As a result the Bank of England may need to keep monetary policy accommodative for much longer to offset the fiscal austerity. The November update showed that the budget deficit was a little better than had been expected, despite government spending rising slightly from the year before. However core discretionary spending which excludes spending on interest payments and benefits did fall modestly. Receipts growth was much stronger than expected and is now 7% higher than a year ago.

Elsewhere the economic outlook has remained benign. Consumer confidence has fallen below the levels that were seen in the 2008/09 recession. Data from the housing market has also disappointed in December, particularly as house prices have fallen further in December. On the other hand the business confidence surveys, notably the manufacturing and services PMI surveys have come in ahead of expectations and are pointing towards a slow expansion in the economy for the fourth quarter. The composite survey came in at 53.2, just shy of the long run average of 53.8.

**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