

Irish Opportunities Fund

Information is correct as at the 31st December 2011

Volatility/Risk



How the Fund Works

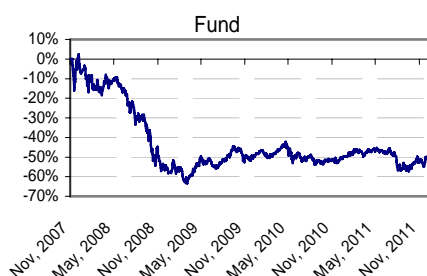
The Irish Opportunities Fund offers the experienced investor a way to benefit, over the medium term, from the growth potential of a selection of leading Irish companies. The Irish Opportunities Fund is a concentrated basket of Irish company shares and will be managed on an active basis. We recommend therefore that it should be considered as part of a well diversified portfolio.

The return of this fund since launch (5th November 2007) is -14.46%p.a.

Country Distribution

Largest Stocks	Weight %	Country
CRH	25.30	Ireland
RYANAIR	11.79	Ireland
ELAN	11.78	Ireland
KERRY	9.79	Ireland
ARYZTA	8.11	Ireland

Performance



Year	Opportunities Fund	ISEQ
1 Year	3.8%	2.6%
3 Year %p.a.	7.7%	10.0%

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

Market Commentary

The Irish Opportunities Fund increased 5.34% in December compared with an increase of 5.59% for the overall Irish equity market. For the full year 2011, the Fund rose 5.75% compared with an increase of 2.65% for the ISEQ.

In December the index was boosted by improved sentiment globally with focus shifting from the European debt crisis to corporate earnings and cautious optimism on the US economy.

Performance was mixed across sectors over the month but in general the higher beta names performed best in response to improved sentiment on the macro outlook. Petroceltic was the best performing name jumping 150% and more than reversing the 43% decline in November. Kenmare Resources was the next best performing name, up 30.9%, following a 14.4% decline in November. The largest sector in the ISEQ, the construction sector, had mixed performance with CRH up 7.8% but Kingspan and Grafton Group down 4.2% and 6.4% respectively. During the month CRH was included in the FTSE 100 and associated FTSE UK indices resulting in net buying by index funds. The more defensive food and beverage sector also displayed mixed performance with Aryzta up 7.4%, Kerry Group up 1.7% but C&C Group and Greencore down 5.9% and 14.9% respectively. Financials were weak once again with Irish Life & Permanent down 25% and Bank of Ireland down 11.8%. Other notable movers over the month were: Elan +30.1%, Paddy Power +9.9%, and Aer Lingus -11.8%.

During the month we reduced our position in CRH following the run-up in the stock price. While we still like the company on a long-term view, the stock no longer looks so compelling on a valuation basis.

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