

# UK Property Fund

Information is correct as at the 31st December 2011

Volatility/Risk



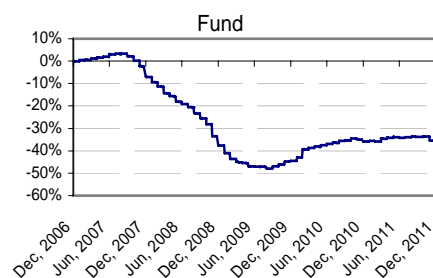
## How the Fund Works

The fund gives investors access to the long-term growth potential of UK Commercial Property. The fund does not invest in residential property. We actively manage the directly owned part of the fund to achieve a blend of strong rental income and capital growth. It is suited to investors who want a higher growth potential over the long-term than deposit accounts can offer but with a lower risk profile than equities.

About 75% of the fund is directly invested in a mix of office, retail and industrial property. The remaining 25% is invested in indirect property structures. Investment in the fund will be in Euro and the properties will be valued in Sterling. Investors are fully protected against falls in the value of Sterling. The cost of this protection is charged to the fund.

**The return of this fund since launch (13th January 2004) is -1.34%p.a.**

## Performance



Year	UK Property Fund	UK Property Index
1 Year	0.6%	1.7%
3 Year %p.a.	1.1%	7.2%
5 Year %p.a.	-8.4%	-5.6%

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

## Stock List

Largest Stocks	Country
117 Piccadilly, London	UK
1 Golden Square, London	UK
25/27 Petty Cury, Cambridge	UK
Chalfort Square, Reading	UK

## Market Commentary

In October, the IPD all-property total return remained unchanged on the September figure of 0.6% month-on-month (m/m). Capital value growth rates fell further and in terms of sector; commercial offices decreased marginally on the previous month providing a return of 0.7%, with retail at 0.2% and industrial turning negative at -0.2%.

In general, any potential capital growth on property being driven by positive yield movements was offset by the overall impact of negative or depreciating rental levels. This is more evident in the retail and industrial sectors as demonstrated in the growth rate figures above.

With an uncertain outlook over the short term, we expect further declines in capital value levels with upward pressure on yields driven by poor tenant performance – more notable in the retail sector. Any capital growth levels will primarily be driven by secure medium/long term income.

**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