PERFORMANCE REPORT 30 JUNE 2011

Geared Property Update

Liverpool Property Pension Fund

Irish Life

1. About the Liverpool Property

Estuary House, Estuary Commerce Park was constructed in 1998 and comprises a modern three storey office building extending to 75,606ft^2 (7,024m^2) of modern specification and incorporating 505 car spaces. The Park is located on the site of the former Speke Aerodrome in a strategic location adjacent to Liverpool John Lennon Airport and close to the M62/M6/M56 motorways.

The entire property is let to Capital Bank Plc (a wholly owned subsidiary of HBOS now under the ownership of Lloyds TSB) on a 16 year lease from December 2004 without a break. The rent is subject to fixed annual increases of 2.5% per annum throughout the term.

2. Performance of the Liverpool Property Pension Fund

Property Valuation – June 2011

This property was purchased in 2004 for Stg£11.75m (plus costs). The value of the property remains unchanged since December 2010 at Stg£10.4m.

See section 3 for further details on the valuation of the property.

Fund Return (unit price movements)

From 1st January 2011 to 30th June 2011

This valuation and all other factors contributing to the return on the fund such as the outstanding loan balance (Stg£8.2 million), loan interest expense, fund costs, exchange rate movements, rental income and fund management charge has resulted in the value of the units in the fund rising from 0.583 to 0.607 since the last valuation date i.e. 1st January 2011 to 30th June 2011.

From August 2004 (launch date) to 30th June 2011

The value of units in the fund have fallen 39.3% from launch in August 2004 to 30th June 2011.

The value of your plan is in your annual benefit statement and is the current guide value. This guide value also reflects any movements in the fund since the 30th June 2011. Exit restrictions apply to this fund.

3. Factors impacting the performance of the fund

Source: Irish Life

Market Overview

Office Markets in the UK continue to be split between Central London and the rest of the Country. Central London with its safe haven status continues to attract overseas and institutional investors. With limited opportunities available, investors are competing aggressively, keeping downward pressure on yields. Outside London and excluding major Cities investment market conditions remain less buoyant overall.

Investor demand remains narrowly focused and the prime/non-prime yield spread remains almost three times higher than at the peak of the boom in 2007.

Key risks to the sector come from debt and a pickup in credit availability continues to look unlikely. Major UK Banks continue to reduce their exposure to the sector; recent reports suggest that Lloyds bank is due to bring a large portfolio of distressed assets to the market.

In terms of the office occupational market, a lack of development in London and rising demand has put upward pressure on rental levels. Regional occupier demand remains generally weak, due to elevated supply and concerns over the Governments austerity measures. Occupier markets outside of Central London are still generally subdued and rental growth does not appear likely in the immediate future.

Property Update

The asset management team visited the building again in early 2011 to meet with the tenant and inspect the property. The property is in reasonable condition and the disrepairs identified by the asset manager in early 2010 are in the process of being resolved by the tenant. The tenant continues to pay the full rent under the terms of the lease in a timely fashion. We reported in our last communication that the tenant was not fully utilising all the space in the building. We are pleased to report now that the tenant has moved more staff back into the building and is now utilising approximately 85% of the space.

With regard to loan on the property, the amount outstanding in June 2011 has fallen to Stg£8.19 million. The loan to value (LTV) of the property now stands at 79%.

4. Looking Ahead

The initial expected maturity date for the fund was the latter half of 2010. In our June 2010 communication, we indicated that the strategy of the asset management team was to continue to hold the property in the fund for the time being with the position to be reviewed over the next 12 months subject to the loan being extended.

In our last communication we confirmed that we had extended the loan in the fund for a period of 2 years at a higher margin of 3.3%. We also stated that we were monitoring the market for a potential sale of the asset.

The secure nature of the rental income, being let to a subsidiary of HBOS (now under the ownership of Lloyds TSB) and the structured increasing rent payable (fixed annual increases of 2.5%) is the most attractive feature of this investment. However, while this rental structure may appeal to investors in the market, the current weak occupier fundamentals and future rental growth prospects in this location limit the level of interest and price achievable in the current market. In addition, as the lease goes below 10 years (currently 9.5 years), the investment becomes less attractive and this will start having a negative impact on valuation.

We continue to monitor the market for a potential sale of the asset and will be in touch with you again should this materialise.

5. Keeping you up-to-date on your fund

Property valuations are completed in June and December each year. This property update reflects the last property valuation as at 30th June 2011. The accompanying benefit statement reflects an up-to-date value of your investment.

You can call your adviser or contact our Geared Property Services Team on 01 704 1831 to get an up-to-date value at any stage on your investment.

In the interest of customer service, we will record or monitor calls.

Warning: The value of investments may go down as well as up.

Past performance is not a reliable guide to future performance.

This product will be affected by changes in currency exchange rates.

The information provided is a guide only and may be subject to change.

The valuation details regarding the asset(s) in question are confidential and should be considered price sensitive information.

Irish Life Assurance plc is regulated by the Central Bank of Ireland.

Irish Life Assurance plc, Registered in Ireland number 152576, VAT number 9F55923G

ILA 5972 (REV 07-11) – LV1