

Irish Life Core Fund

Information is correct as at the 30th September 2010

Volatility/Risk



How the Fund Works

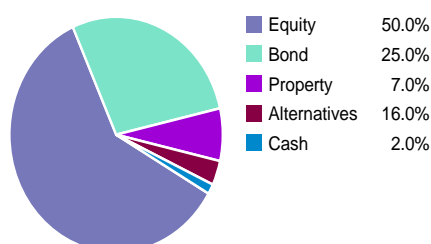
CORE combines traditional indexed equity and bond funds with a significant allocation to managed futures, property and infrastructure equities. The fund also invests in ILIM's Best Ideas fund and country and currency overlay processes.

Investment Objective

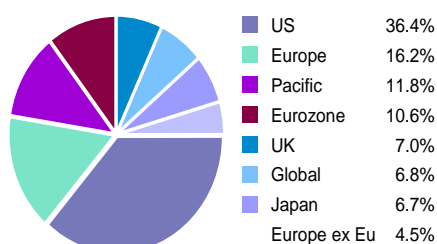
CORE is designed to achieve returns similar to the average managed fund but with a reduced level of risk. CORE is an innovative new fund that offers significant diversification and is designed to form the anchor of an investment portfolio. It has approximately a 16% allocation to alternative assets that may provide strong potential returns and diversification benefits.

The return of this fund since launch (4th May 2010) is -1.10%.

Asset Distribution



Equity Distribution



Performance

Period	Return
Last Mth	0.61%
Qtr to date	1.44%

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

Market Commentary

September 2010 was one of the best months on record for equity investors. The FTSE world traded over 7% higher, while both corporate and government bonds in Europe traded slightly lower. Despite this solid performance for equity markets, risk aversion was still evident.

European bond markets continued to dominate in September as the peripheral markets continued to sell off. The health of the Eurozone banking system contributed to volatility in the bond markets as concerns that German Banks will need to raise an additional €105bln in new capital. However news that Deutsche Bank was successful in raising €9bln eased some of these concerns.

Emerging Market equities outperformed global equities in September, making emerging markets the best performing global region to date in 2010. The emerging Asian region led the out-performance while the Latin American equities lagged despite making gains. The renewed confidence in the Chinese economy boosted investors' appetite for emerging markets and resulted in strong inflows into the region.

Managed Futures rose during September as upbeat economic data from the US and China led to increased risk appetite in early September, leading to a rally in equities and a decline in bond prices. A range of commodity markets also drove the positive performance.

The currency model out-performed in September. The short position in the US dollar was the most positive contributor to performance with the US dollar depreciated approximately 12% during Q3.

Infrastructure Equities fell during the month with German utility names, RWE down 4% and EON falling 3%, stocks weak on concerns that their current dividend levels are unsustainable in light of the nuclear windfall tax to be implemented by the government.

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