Diversified Growth Fund

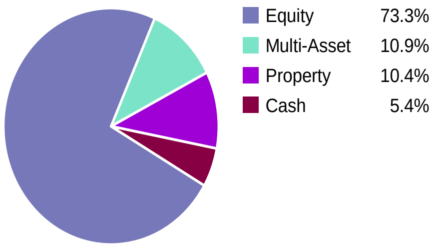
Information is correct as at the 30th September 2010 — Volatility/Risk

How the Fund Works

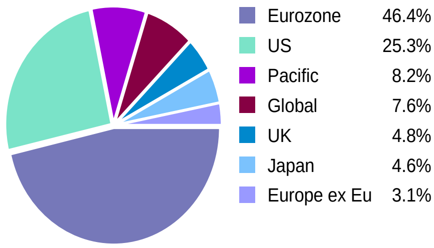
The Diversified Growth Fund currently invests 60% of your investment in shares with the remaining 40% of your investment spread across a variety of asset classes including property, commodities and hedge funds. This combination is designed to create a high level of expected return with fewer ups and downs than a pure equity based fund. This fund is suitable for investors with a number of years to retirement who wish to pursue an aggressive growth strategy.

The return of this fund since launch (27th April 2009) is 16.41%p.a.

Asset Distribution



Equity Distribution



Performance

Period	Return
Last Mth	2.05%
Qtr to date	2.99%
YTD	3.93%
1 Year	8.57% p.a.

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. AAA government bond yields have remained close to historical low levels reached in August and gold, the ultimate safe haven, is now trading at record levels. Other commodity sectors such as energy, metals and agriculture also made strong gains. The Euro also regained some of the recent losses that it made against the Dollar.

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. Elsewhere, the capital needs of the Irish banking system pushed the cost of borrowing for Ireland higher, as the ten year Irish government bond yield increased to 6.6% from 5.8% at the start of the month. Some of the stresses in Irish bond markets eased after the government provided clarity on the capital requirements on each of the banks.

Equity markets were boosted by a notable improvement from economic data especially in the US. Despite this, the Federal Reserve has retained its cautious tone, noting weakness in several key economic indicators such as household wealth, residential construction, employment and retail sales. Chairman Bernanke outlined that groundwork for further quantitative easing if economic conditions.

In Stock News

Oracle rose 22.9% as results beat expectations as database software revenues and server sales were strong, benefiting from the IT spending recovery. The company also guided sales forecasts for the current quarter higher.

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