



Select Cautious invests in the Diversified Assets Fund

Lower risk than managed fund: Higher return potential than deposits

The Diversified Assets Fund has been specifically designed to give the potential for higher long-term growth than a deposit account, but with a lower level of risk than investment funds normally give. Over the long-term, the fund aims to give around three quarters of the return potential of a managed fund with about half the levels of ups and downs.

The Diversified Assets Fund – A consistently strong performer

The Diversified Assets Fund has outperformed the average balanced managed fund on Moneymate by 0.8% since it was launched in September 2006 (Source: Moneymate).

Asset review for December

Bonds - November was a positive month for bonds despite the current turbulence in credit markets. Central banks injected money into the money markets providing much needed liquidity as demand for money over year-end increased.

Equities - Persistent credit market concerns caused equities to give back much of their year to date returns as investors pursued safer asset classes such as bonds. Equities recovered some losses late in the month as authorities attempted to support the subprime mortgages market in the US and the US Federal Reserve hinted that they will cut rates in December.

Commodities - Oil and gold traded slightly lower during the month, just off the record levels achieved in October, while the Euro also traded close to all time high levels against the dollar.

Actively managed to handle changing conditions

We have increased our Commodities exposure to 25% at the expense of bonds, which we have reduced down to 20%. The future cost of Commodities - particularly Crude and Brent Crude Oil - has become cheaper in recent months, making them more attractive. Meanwhile earnings forecasts for equities continue to deliver higher yields than long-dated bonds - making equities more attractive than bonds at this point. The revised asset mix is given on the next page.

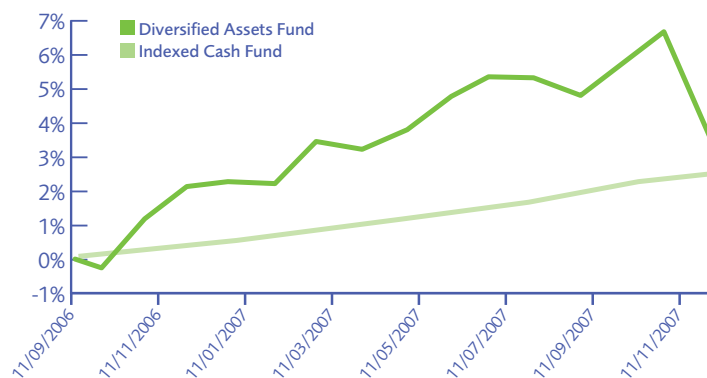


How Diversified Assets has performed since launch

Actual performance



Total performance



(The above figures are before tax and net of management charges. Source: Irish Life and Moneymate)

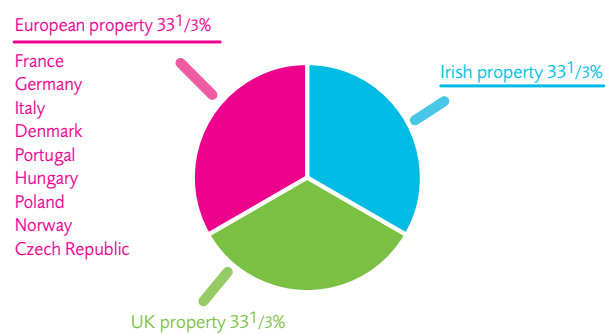
(December 2007)

The current investment mix



How each asset is currently invested

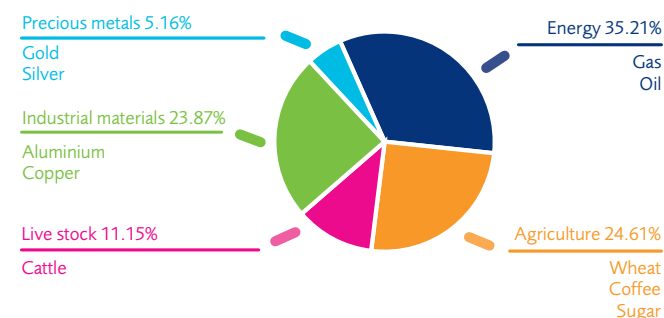
Property



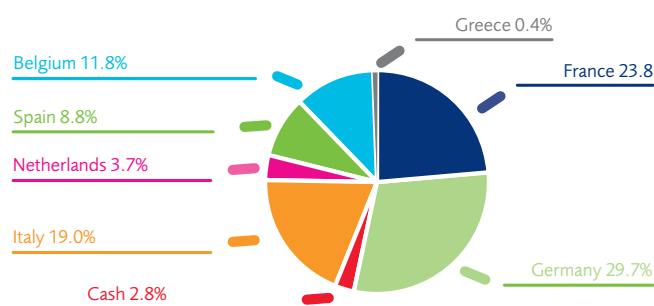
Shares



Commodities



Bonds



The fund managers can change the amounts invested in each asset in order to meet the long-term investment objective.

Warning: The value of your investment may go down as well as up. Past performance is not a reliable guide to future performance. This investment may be affected by changes in currency exchange rates.

