PERFORMANCE REPORT 30 JUNE 2011

Geared Property Update

Syndicated Property Fund 5

Irish Life

1. About the Syndicated Properties

Fulwood Business Park, Preston

The Park is at the centre of the out-of-town market around Preston. The property is situated in an expanding and improving business district to the north east of Preston city centre and close to the M6 motorway.

The property comprises a modern two storey office building totalling 34,068ft^2 (3,165m^2) with 179 car parking spaces. This building is constructed to full modern office specification including raised access floors, suspended ceilings and air-conditioning.

Pelham Street & Thurland Street Nottingham

This retail property is located in a strong location, close to the prime retail core in Nottingham City Centre. It consists of a refurbished period building providing two retail units arranged on basement, ground, first and second floors.

2. Performance of the Syndicated Property Fund 5

Property Valuation – June 2011

Preston

This property was purchased in 2005 for Stg£6.175m (plus costs). The value of the property has decreased by 5.21% to Stg£4.55m in the six months to June 2011 as a result of an increase in the yield by 0.40% to 8.65%.

Nottingham

This property was purchased in 2005 for Stg£4.05m (plus costs). The value of the property remains unchanged since December 2010 at Stg£3.55m.

The overall valuation of the properties in the Syndicated Property Fund 5 is Stg£8.1 million, a decrease of 2.99% over the six months to June 2011 as a result of a decrease in the yield of the Preston property.

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

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£7.25million), 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 falling from 0.306 to 0.258 since the last valuation date i.e. 1st January to 30th June 2011.

From September 2005 (launch date) to 30th June 2011

The value of units in the fund have fallen 74.2% from launch in September 2005 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.

With regard to the loan for these properties in the Syndicated Property Fund 5, the amount outstanding in December 2010 is Stg£7.25 million. The loan to value (LTV) of the property at June 2011 stands at 89%. It has risen due to a reduction in the valuation on the Preston property.

3. Factors impacting the performance of the fund

Source: Irish Life Investment Managers

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 but 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 - Preston

The building continues to be let to Homeserve Claims Management Limited who occupy the entire building on a full repairing and insuring lease for a 15 year term expiring 2019 (8 years remaining) with 5 yearly upward only rent reviews.

Looking Ahead

The asset management team is actively engaging with the tenant with a view to extending the lease but current market conditions are not very favourable to these negotiations with tenants not willing to commit to longer lease terms.

Rental payments continue to be made in a timely manner from the tenants. The current interest cover ratio is 1.73. There is an excess rental income over debt cost due to the current low interest rate environment and this has benefited the variable portion of the debt and allowed us to reduce the debt on this property by Stg£80,000 over the first half of 2011. During the remainder of 2011 and depending on UK interest rates we expect to pay in the region of a further Stg£80,000 to reduce the debt on the property. With regard to the loan on the property, the amount outstanding in June 2011 is Stg£4.66m. However, due to the drop in valuation, the LTV of property has risen to 102%.

Property Update - Nottingham

In terms of the UK retail sector an increase in VAT and inflation has put pressure on household finances resulting in real incomes declining. As a result, retail sales activity remains muted and a combination of slow sales and higher input costs is putting pressure on retailer margins. Secondary retail market conditions remain challenging with void levels increasing.

However, Nottingham is an attractive retail centre and investor appetite remains strong for well let prime properties. This strong investor market has held the yields at mid year values and accordingly the value of the property at Pelham Street remains unchanged.

Unit 1 continues to be let to Bravissimo Limited on a 15 year lease from May 2005. Under their lease they are renting the Ground, 1st and 2nd floors but they do not occupy the 2nd floor. The asset manager is currently investigating the possible alternative uses for the 2nd floor.

Unit 2 continues to be let to All Saints Retail Limited on a 15 year lease from June 2005. It has been reported that All Saints has recently agreed a rescue funding package from a private equity consortium to save itself from administration. It is understood the funds are needed to recapitalise the business, pay down debt and finance its expansion in the US.

Rental payments continue to be made in a timely manner from the tenants. The current interest cover ratio is 1.62. There is an excess rental income over debt cost due to the current low interest rate environment and this has benefited the variable portion of the debt and allowed the debt to be reduced on this property by Stg£50,000 so far in 2011 with a further Stg£50,000 expected to be paid during the remainder of 2011. With regard to the loan on the property, the amount outstanding in June 2011 is Stg£2.59m. The loan to value (LTV) currently stands at 73%.

Looking Ahead

The debt is being repaid quarterly. The capital repayments over the next 12 months are estimated to be in the region of 3% of the loan given the current net asset value.

The key focus will be to pay as much capital repayments from the excess cash in order that the debt is reduced. The asset manager will also continue to progress value enhancement opportunities on both properties.

4. 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.

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