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Scope letter - keeping track of your investment

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- Your current value
- The performance of your funds
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This is a summary of what's been happening in investment markets in recent times to help you understand how your fund has performed.

If you have any further questions in relation to your investment you should speak with your Financial Adviser. We recommend that you regularly review your mix of investments with your Financial Adviser to ensure that they meet your needs.

In brief

Equities Global equity markets rose over the period since the last report. Commitments by the Federal Reserve and other global central banks to keep interest rates at existing levels for a considerable period of time supported equity market performance. Economic data in the US disappointed through the first quarter, this was seen as being mainly due to the severe weather experienced through the winter and markets were willing to look through this temporary weakness, expecting a recovery through the remainder of the year. Equity markets responded positively as US and global economic data began to improve through the second quarter and into the third quarter.. Earnings reporting seasons were positive in the US and Japan with Europe also having a positive reporting season versus expectations for the second quarter of the year which was positive for markets. Global equities were also supported by continued investment in equity funds and rising corporate Merger & Acquisition activity. While global geo-political tensions caused uncertainty from time to time, global markets managed to shrug these off, particularly in relation to events in the Middle East which failed to result in a sustained rise in oil prices as had been initially feared. European equity markets were however impacted by developments in Ukraine which hit business and consumer sentiment in Europe and resulted in companies being less willing to commit to invest and as European growth stalled, European equities lagged global equities.

Bonds Bonds markets produced positive returns over the period since the last report. Continued low levels of inflation, particularly in the Eurozone, a belief that the neutral level of central bank interest rates was lower than was the case previously, global geo-political tensions, indications of significant buying of US treasuries by China and expectations of further policy initiatives by the European Central Bank all contributed to lower bond yields. European yields in particular experienced greater downward pressure as the European Central Bank suggested interest rates would remain at current levels until 2018 while the increasing risk of deflation gave rise to increasing expectations of a European Central Bank sovereign bond asset purchase programme. As a result, German 10 year yields fell to an historic low of 0.87%, ending the period at 0.89%.





Scope performance update for the last 6 months

Each scope option has a different level of risk and potential return relative to each other. These are graded 1 to 5 relative to each other. For example for risk level 1, there is a low risk level assumed, meaning low levels of ups and downs. Risk level 5 indicates that there may be the most extreme levels of ups and downs in the value of your investment.

Performance figures shown are net of tax and fund charges.



Risk Level: 1 Low Growth Potential: 1 Modest



Eurozone bonds were strong over the period since the last report. The continued decline in Eurozone inflation increased the risk of the Eurozone falling into deflation. As a result, the European Central Bank announced a number of policy measures in June including lowering interest rates to historic lows and new targeted Long Term Refinancing Operations (TLTRO's) to provide liquidity to banks on condition that they increase lending. It was also suggested that other unconventional measures could be implemented in the future. These measures, combined with suggestions that interest rates would remain low until at least 2018, the tensions in Ukraine and continued relatively low levels of inflation pushed German 10 year yields to new historic all-time lows.

Global equity markets rose, supported by an improving global economic backdrop post the weather related weakness experienced in the first quarter of the year. Continued commitments by global central banks to maintain accommodative monetary policies, positive flows into equity funds, a significant increase in corporate demand for equities via increased Merger & Acquisition activity and attractive valuations all supported equity markets.

- Performance over 6 months to 25 August 2014: 1.70%
- Performance over 12 months to 25 August 2014: 4.29%
- Performance since launch to 25 August 2014: 38.84%



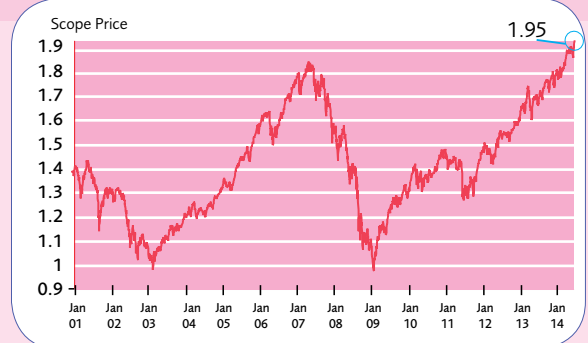
Risk Level: 2 Significant Growth Potential: 2 Good



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- Performance over 6 months to 25 August 2014: 7.32%
- Performance over 12 months to 25 August 2014: 16.56%
- Performance since launch to 25 August 2014: 41.20%

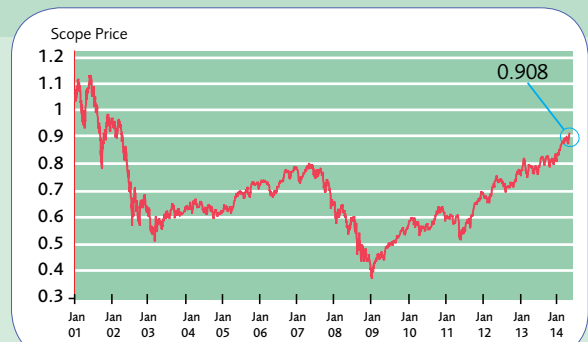


Risk Level: 3 Very significant Growth Potential: 3 Very Good



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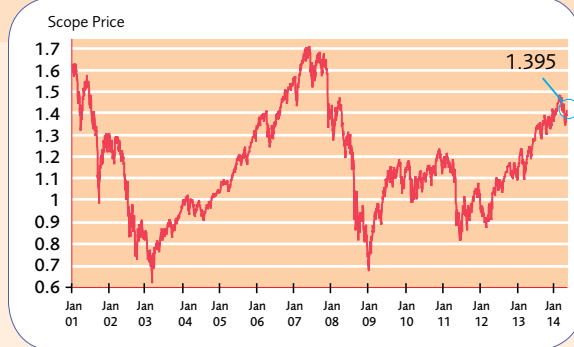
- Performance over 6 months to 25 August 2014: 11.82%
- Performance over 12 months to 25 August 2014: 18.23%
- Performance since launch to 25 August 2014: -13.03%





European equities rose over the period since the last report but lagged global equities. While the trend in economic activity continued to be positive at the beginning of the period and business sentiment surveys were close to their highest levels in three years, developments in Ukraine contributed to a stalling of growth over the six months. Despite the direct impacts on the European economy of various sanctions which have been imposed being minimal, the uncertainty caused by the situation led to declines in business and consumer confidence and caused many corporates to postpone investment plans. Gross Domestic Product growth in the Eurozone was flat in the second quarter of the year after four consecutive quarters of growth. As the Eurozone economy struggled and investors were unsure about the consequences of events in Ukraine and how long it would take before the crisis was resolved, European equity markets lagged over the period as a whole since the last report.

- Performance over 6 months to 25 August 2014: 2.27%
- Performance over 12 months to 25 August 2014: 18.52%
- Performance since launch to 25 August 2014: -12.76%



The Irish market made healthy gains over the past 12 months despite some recent weakness. The trend in economic activity continues to be positive and the recovery now appears to be broadening with domestic demand making a contribution for the first time since 2007. After seven years of reduced government spending, the government budget deficit (the amount by which expenditure exceeds revenue) is now expected to fall below the 3% of Gross Domestic Product target in 2015. The labour market has also continued to improve with unemployment figures steadily declining. Positive stock specific stories also contributed to gains in a number of individual stock names.

- Performance over 6 months to 25 August 2014: -8.78%
- Performance over 12 months to 25 August 2014: 13.17%
- Performance since launch to 25 August 2014: -27.03%



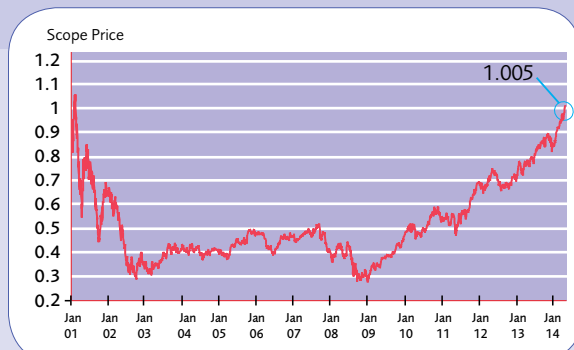
The telecoms sector delivered a flat performance over the last six months. The previous half year period had seen a strong rally on the back of renewed Merger & Acquisition activity. Company results have served as a reminder that this remains a highly competitive industry. Fixed line customer numbers are falling while getting customers to sign up for new faster mobile data services is not easy. Hope persists that market consolidation will give rise to an improved pricing environment. The regulatory outlook is improving as the European Commission increasingly recognises the need for operators to make sufficient profits to facilitate investment in high speed broadband infrastructure.

- Performance over 6 months to 25 August 2014: 0.61%
- Performance over 12 months to 25 August 2014: 20.50%
- Performance since launch to 25 August 2014: -12.87%



The technology sector rally has continued with another healthy gain over the past six months. Trends in PC shipments have improved against a backdrop of low expectations. The build out of the Cloud and the growing number of devices that compute and connect to the internet provide a positive backdrop. The improving external environment is positive for both revenue growth prospects and investor sentiment towards the sector. As ever, there is a focus on new product cycles with a lot of interest around Apple's iPhone 6 and iWatch which are expected to be launched later this year.

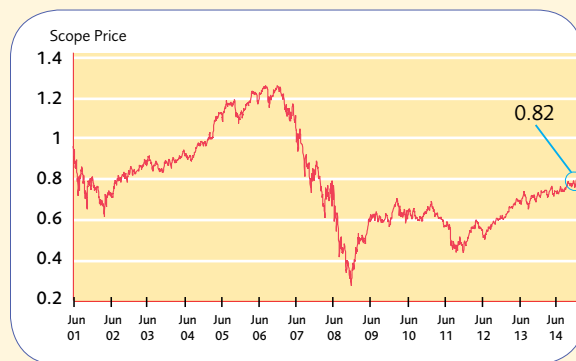
- Performance over 6 months to 25 August 2014: 14.73%
- Performance over 12 months to 25 August 2014: 31.20%
- Performance since launch to 25 August 2014: 11.42%



In an environment of low interest rates, banks margins remained under pressure although in Europe, funding conditions did continue to ease. Uncertainty over the outcome and potential capital positions post the upcoming European Central Bank bank stress tests provided an overhang for the European sector as did the sluggish growth environment in the region. Lending continued to contract as banks sought to reduce the size of balance sheets, limiting growth opportunities for the European sector. Some European banks continued to experience deteriorating credit quality with non-performing loans continuing to rise.

Increased regulation and oversight was also a feature for US banks with some large market capitalisation stocks required to change their capital plans following the completion of regular capital reviews by the authorities. Banks with investment related activities experienced the greatest pressures with new, more severe capital requirements for investment activities.

- Performance over 6 months to 25 August 2014: 8.90%
- Performance over 12 months to 25 August 2014: 15.98%
- Performance since launch to 25 August 2014: -16.75%



Source: Returns and market commentary provided by Irish Life Investment Managers.

How your Scope is invested

How each Scope option is invested

The Scope funds invest in company shares using an approach known as 'index tracking'. This means each Scope fund option aims to give you a return that, before tax and charges, matches the return from the index that your fund tracks.

What shares does Scope invest in?

This depends on the following

- What index your Scope option tracks
- What companies are in that index
- The size of each company compared to the total value of the index

For example Europascope aims to track the performance of the EURO STOXX 50 index, this is made up of 50 top companies in the Eurozone. The EURO STOXX 50 index is recognised as the benchmark for the performance of major shares in the Eurozone. The amount that we invest in each of those companies will reflect the proportion, or size that each company makes up of the overall index.

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Your Financial Adviser

Your Financial Adviser is available to speak with you should you have any questions or concerns. We recommend you speak regularly with your Financial Adviser to review your investments.

This is intended as a general review of investment market conditions. It is not investment advice as it does not take account of your specific needs, circumstances or financial objectives.

We recommend that you seek personal investment advice as to the suitability of any investment decision or strategy to your own needs and circumstances.

In the interest of customer service we will record and monitor calls. Information is correct as at September 2014.

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