



### How the Fund Works

The Capital Protection Fund is an actively managed smoothed fund. The fund aims to give investors the benefits of some equity participation while at the same time ensuring that the value of the fund will not fall. The majority of the fund is invested in cash deposits and bonds. The declared minimum growth rate for 2011 is 1.4%. This is before management charges, e.g. a 1.0% management charge will result in a minimum growth rate of 0.4%.

#### Market Value Adjustment

Where clients switch their assets out of the Capital Protection Fund Irish Life may apply a Market Value Adjustment, thereby reducing the amount available. This reduction does not apply to transfers to other arrangements which occur within nine months of leaving employment or on retirement or death. Currently the Market Value Adjustment is 0%.

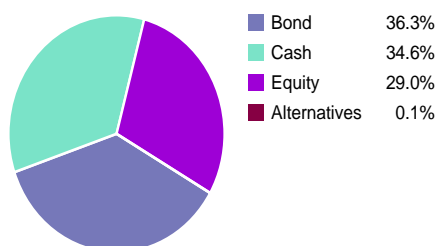
### Investment Risk



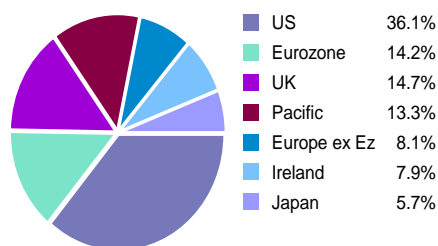
This is a low risk fund. While there will be a low level of volatility in fund returns, there is also only a low potential for gains. It is suitable for investors who are close to retirement or have a low appetite for risk.

**Warning: The value of your investment may go down as well as up.**

### Asset Distribution



### Equity Distribution



### Performance

Period	Return
YTD	4.0%
1 Year	4.2% p.a.
3 Year	1.7% p.a.
5 Year	1.4% p.a.
10 Year	1.9% p.a.

These returns are based on a standard annual management charge of 1%. Management charges may vary.

**The return of this fund since launch (1st January 1989) is 5.4% p.a.**

**Warning: Past Performance is not a reliable guide to future performance.**

**Warning: This fund may be affected by changes in currency exchange rates.**

### Market Commentary

The positive sentiment and increased liquidity from central banks that have been driving asset prices since the start of the year waned in April. Many of the asset classes that had been outperforming gave back some gains, particularly European and Japanese equities, Spanish government bonds and commodities. Concerns about the risks associated with the Eurozone sovereign crisis re-emerged in April, while the fragility of the recoveries in some of the global economies became more evident. On the other hand the flight towards perceived safer asset classes was notable as AAA government bonds outperformed and German government bond yields fell to another record low level. Elsewhere US equities outperformed and have largely maintained the gains that were made since the start of the year, as the economic recovery there continued to gain momentum, while the first quarter earnings season also showed that the corporate sector has remained robust.

**This fund may engage in securities lending to earn returns.**



**Irish Life**