



How the Fund Works

The Flexible Fund is mainly invested in bonds, with some investment in cash, equities and alternative assets such as emerging markets equity and corporate bonds.

The Flexible Fund is suitable for those who will accept some volatility in the investment performance and want reasonable potential for growth.

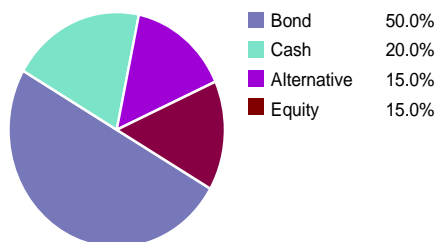
Investment Risk



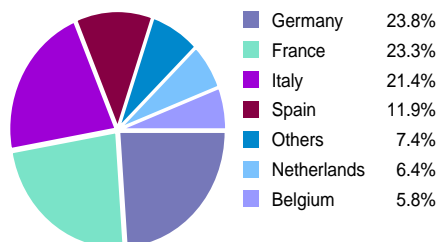
This is a medium risk fund which can have some level of volatility. The potential return from the fund will also be medium. It is suitable for investors who will accept some level of risk.

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

Asset Distribution



Bond Distribution



Performance

Period	Return	Benchmark
Last Mth	-0.8%	-0.7%
Qtr to date	-0.8%	-0.7%
YTD	4.1%	4.4%
1 Year	0.9% p.a.	1.8% p.a.

These returns are based on a standard annual management charge of 0.65%. Management charges may vary. **The return of this fund since launch (19th January 2010) is 2.2% 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