



How the Fund Works

The Indexed Hedged Global Equity Fund invests in a diverse range of global equities. The Fund is managed on an indexed basis and this means that the country, sector and stock allocations within the fund are dictated by the FTSE® World Index. The non-Euro currency elements of the Fund are hedged back to Euro to eliminate all currency risk for a € investor. This Fund is designed to track the performance of the Euro Hedged FTSE® World Index. The non-Euro currency positions are hedged on a monthly basis for 1 month using currency forwards. The currency positions are based on the geographical weights and the resulting currency exposures within the index and at the end of the following month are adjusted to reflect the revised geographical and revised currency positions. The forward positions are then adjusted on a daily basis to account for subscriptions and redemptions on the fund as they occur. This process ensures that the fund delivers the performance of the FTSE® World Index having eliminated all fluctuations due to currency movements. This fund is designed to achieve equity fund returns on a consistent basis but to eliminate the manager selection risk and the stock selection risk i.e. the risk of being with an investment manager who under performs. The benchmark for this Fund is a customised benchmark which FTSE® will provide to ILIM.

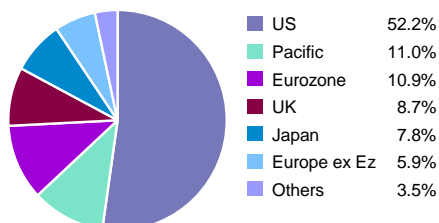
Investment Risk



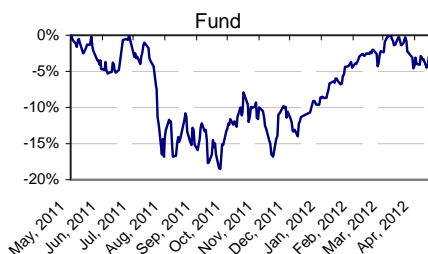
This is a very high risk fund which can have a very high level of volatility. Therefore it may not be suitable for investors who have less than 13 years to retirement. The fund is most suitable for long term investment.

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

Country Distribution



Performance



Period	Return	Benchmark
Last Mth	-1.5%	-1.5%
Qtr to date	-1.5%	-1.5%
YTD	9.1%	9.4%

These returns are based on a standard annual management charge of 0.75%. Management charges may vary. **The return of this fund since launch (13th May 2011) is -1.9% 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.

This fund may engage in securities lending to earn returns.





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The above refers to references to FSTE benchmarks throughout this document.

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