

# Irish Life (Retail) Cash Fund

Information is correct as at the 31st July 2010

Volatility/Risk



## How the Fund Works

The Cash fund is an actively managed fund that invests in bank deposits with a range of different financial institutions.

### Investment Objective

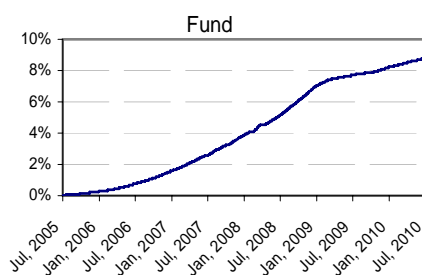
The objective of the Cash fund is to provide a low risk investment income. Its aim is to achieve a high rate of interest together with a high degree of security.

### How the Fund Operates

The cash fund is an actively managed mix of deposits. We leverage ILIM's size to command better rates. Deposits for the cash fund are currently placed with AIB, EBS and IL&P.

**The return of this fund since launch (18th May 2001) is 1.36%p.a.**

## Performance



Year	Irish Life (Retail) Cash Fund
2010 YTD	0.6%
1 Year	1.0%
3 Year %p.a.	2.0%
5 Year %p.a.	1.7%

The figures quoted are before tax and after management charges. Source: Irish Life.

## Market Commentary

Sentiment towards the Eurozone improved in July. Sovereign debt concerns have eased somewhat as progress reports by some of the affected countries, such as Spain, Ireland and Greece, showed that the austerity measures taken by these countries are on track. Separately the results of the stress tests also help sentiment as the capital raising that has been completed by many of the Eurozone banks has been adequate as only seven of the ninety one banks tested require additional capital. The economic data was also robust during the month, particularly from Germany. Industrial production rose 2.7% in May, well ahead of expectations, while manufacturing production had the strongest annual gain in almost two decades. Germany has recorded a greater improvement in export orders, capacity utilization, labour market and consumer confidence than the average for the rest of the Eurozone. Nevertheless the domestic market is likely to be constrained in the coming quarters by the fiscal tightening that is taking place in the region. The external exports may also slow as the Euro recovers from the reversal in the negative sentiment caused by the sovereign debt crisis.

The ECB left interest rates unchanged and slowed the purchasing of peripheral government bonds in the market. Currently the ECB has bought €60bn worth of Government bonds in the market, a mere €5bn increase in July. The Central Bank also continued successfully removing liquidity through its sterilization programme. Inflation remained below the ECB's target as initial indications suggest that inflation was +1.7% YoY in July.

**Warning: The value of your investment may go down as well as up. This fund may be affected by changes in currency exchange rates. Past performance is not a reliable guide to future performance.**



**Irish Life**  
Investment Managers