

# Indexed Ireland Fund

Information is correct as at the 31st July 2010

Volatility/Risk

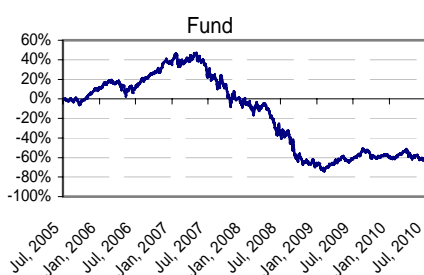


## How the Fund Works

The aim of indexed funds is to consistently perform in line with the agreed benchmark index, in this case the **FTSE Ireland All-Share index**. We achieve this by either investing in the same asset allocation as those in the index or holding assets that will perform in line with the index. This will remove the risk of poor share choice. It is suitable for investors who will accept the ups and downs that come with investing completely in shares in order to improve potential return.

**The return of this fund since launch (18th May 2001) is -9.91%p.a.**

## Performance



Year	Indexed Ireland Fund
2010 YTD	-5.6%
1 Year	1.3%
3 Year %p.a.	-32.3%
5 Year %p.a.	-17.1%

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

## Stock List

Largest Stocks	Weight	
	%	Country
CRH	34.94	Ireland
KERRY GROUP	10.14	Ireland
BK OF IRELAND	8.98	Ireland
RYANAIR	8.86	Ireland
ELAN CORP	6.75	Ireland

## Market Commentary

The results of the EU banking stress tests boosted returns for the Irish bank stocks and Irish government bonds in July. The results showed that neither Bank of Ireland nor AIB require additional capital beyond the targets set by the regulator. Bank of Ireland has outperformed during the month as it has completed its capital raising, while AIB is in the process of selling some of its assets and will complete its programme by the end of the year. Irish government bonds also had a strong month and gained close to 4%. The Irish bond auction also went well as there was strong demand.

Despite this the economic data has slowed from the robust recovery seen in the first quarter of the year. Although business confidence continues to show economic expansion, both the manufacturing and services PMI indices declined modestly in July. Elsewhere car sales have eased and in May retail sales increased by 0.1% during the month. The labour market also remains weak after the live register increased by 8,500 in July following the 5,100 increase seen in June. Tax revenues have also continued to lag the official estimate as revenue at the end of June was 1.6% lower than the budgeted target. However government current spending remains in control as it came €11m below target, which has helped to offset some of the disappointment in tax receipts. However the impact of banking recapitalisation is continuing to have an adverse effect on the deficit.

### In Stock News

**Paddy Power** climbed 9.68% in July on press news that the company are considering launching a social gaming venture and positive updates from BWIN and William Hill with respect to the World Cup.

There was a strong performance from **Bank of Ireland** last month gaining 27%, on the back of better than expected earnings news flow from the European banks.

**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