

Irish Property Fund

Information is correct as at the 30th September 2010

Volatility/Risk



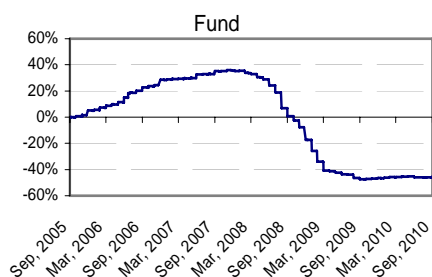
How the Fund Works

The fund gives investors access to a diversified portfolio of over 50 Irish commercial investment properties, across the main sectors of office, retail and industrial. The properties are let on long term leases to a wide range of tenants and are actively managed to generate a blend of rental income and capital growth. The Fund is suited to investors who want higher growth potential than deposit accounts can offer over the long-term but with a lower risk profile than equities.

The fund is invested in commercial investment properties, across the main commercial sectors, office, retail and industrial. The properties are let on long-term leases to a wide range of tenants. This aims to give the fund a steady and secure source of income.

The return of this fund since launch (13th January 2004) is -6.35%p.a.

Performance



Year	Irish Property Fund
2010 YTD	2.6%
1 Year	4.2%
3 Year %p.a.	-26.0%
5 Year %p.a.	-11.3%

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

Stock List

Largest Stocks	Country
RIVERSIDE , D2	Ireland
ILAC CENTRE S.C.	Ireland
The Pavillions S.C.	Ireland
AIRSIDE	Ireland
STEPHEN GREEN. S.C.	Ireland

Market Commentary

The SCS/IPD Index reported a decline in capital values of -3.5% in Q2 and -5% for the first half of 2010. This decline brings the fall from the market peak in December 2007 to c 60%. With an income return at c 4% for the six months the total return for the market for H1 2010 is marginally negative at -1%. There is an expectation that Q3 will show a further decline in values of c 2%. While sentiment has improved the market is still suffering from illiquidity.

The retail environment remains challenging and many tenants continue to experience trading difficulties. Landlords are continuing to face issues such as tenant insolvencies, vacant premises and tenants seeking rent concessions. Vacancy levels in all high streets, shopping centre's and retail parks have increased significantly. There have been some signs recently of a pick up in retailer demand, with notable lettings including Forever 21 and New Look in the Jervis Shopping Centre and Skechers on Henry Street. Many landlords continue to seek short term occupiers, typically to cover outgoing with a relatively low level of rent payable, in the hope that better letting prospects will emerge in time.

We anticipate that some stability in rents will emerge in 2011 and yields will broadly continue to hold at current levels in the short to medium term particularly at the prime secure end with a small element of further yield slippage for less prime properties.

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