

# Property Portfolio Fund

Information is correct as at the 30th September 2010

Volatility/Risk



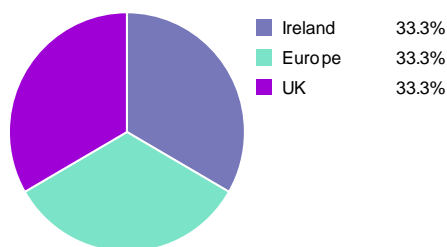
## How the Fund Works

The Property Portfolio Fund aims to give access to commercial property investments across a wide range of property markets. This allows an individual investor exposure to the performance of a range of properties not usually available to private investors.

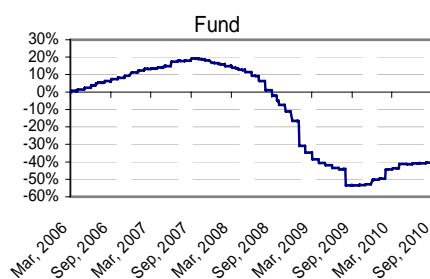
The Property Portfolio Fund will invest in a mix of direct and indirect property investments. The indirect property investments will be used to give the fund access to top quality property investments in overseas markets. This fund invests in a wide range of commercial property investments which currently includes the Irish, UK and European markets. Initially around one third will be invested by Irish Life in Irish Property; one third through Irish Life's UK Property Fund and the remainder will be invested in European property.

**The return of this fund since launch (28th March 2006) is -10.76%p.a.**

## Country Distribution



## Performance



Period	Return
YTD	20.32%
1 Year	28.6% p.a.
3 Year	-20.52% p.a.

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

## Market Commentary

### UK Property Market

In the UK the prime commercial investment market has seen a yield driven recovery since August '09. There are now signs, that yields and hence capital values are stabilizing. Retail property funds, which have had significant cash to invest, are in less of a hurry to place the money. Limited Debt availability remains a constraint on investment turnover and refinancing existing debt remains a huge challenge. The investment market is also concerned about the overall outlook for the occupational market. Property rental values have weakened suggesting that occupier markets are still under pressure and may come under further pressure with the UK Government set to make sharp cutbacks and raise taxes to sort out public finances.

### Irish Property Market

There has been some improvement in sentiment and investor interest in the Irish property investment market since the beginning of 2010, however the market is still suffering from illiquidity. We anticipate that yields will continue to hold at current levels in the short to medium term but we also anticipate further declines in rental values as weak letting evidence continues to emerge in office sector and retail.

### European Property Market

The improvement in European prime property investment evidenced in the first quarter of the year has continued over recent months however there are concerns that action taken by governments may undermined economic growth, which would in turn impact on the property markets. The market outlook has been clouded by the sovereign debt crisis, with some markets more exposed than others but prime centres such as Paris and Frankfurt are set to continue to see good investor interest.

**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