



## GROSS FUND PERFORMANCE 31<sup>st</sup> March 2012

### Markets During The Month

Although equity markets continued to make gains in March, the pace of these gains and equity market momentum has slowed from the levels seen in January and February. Developed equity markets outperformed emerging markets as investors' appetite for risk began to wane, resulting in emerging market equities giving back some of the robust gains achieved since the start of the year. Volatility increased in the AAA government bond space. German, US and UK government bonds sold off as their yields moved out to 2.04%, 2.36% and 2.34% respectively by the middle of March, rallying back to the month start levels in the last week of March. Commodity markets also suffered volatility particularly as economic data from China confirmed that the economy continues to slow. As a result all commodity sectors sold off with the basic metals underperforming.

The slowdown in the gains in equity markets has been accompanied by a turn in the economic surprise index, which measures the level of outperformance or underperformance of economic data relative to expectations. Concern about the sustainability of robust growth in China has continued, particularly as the most recent economic data has come in below expectations. The Chinese Premier set a lower growth target of 7.5% but maintained the CPI inflation target of 4%. Elsewhere the Flash HSBC PMI indicator continued to moderate, while industrial orders posted the first annual decline since 2009. This weaker data has hit commodity markets which resulted in losses during March, particularly the industrial metal segment.

Elsewhere the stresses in the Eurozone have continued to ease, particularly after the EU/IMF and Greek officials managed to enforce a 53% haircut on Greek private sector government bond holders. Nevertheless the economic outlook, particularly for the peripheral countries in the region, has remained challenging. The new Spanish government revealed their fiscal deficit significantly slipped from target last year (8.5% against 6.0% of GDP). As a result a new austerity budget for 2012 to bring government spending back on track has been adopted. Bond markets have also remained cautious on the outlook for Portugal as bond yields remained elevated and the rating agencies downgraded its banking sector. Despite this the liquidity provided by the ECB has eased the major concerns for the Eurozone.

AAA government bond markets were volatile in March, as the 10 year German government bond yield traded from a low of 1.75% to a high of 2.04%, while the US 10 year yield trading range was 1.95% to 2.36%. Encouraging employment reports in the US, reassuring results from the Fed's latest bank stress tests, and a further fading of fears about the crisis in the Eurozone were the significant catalysts for this sell off. Conversely the second half of the month saw a reversal of some of these losses as the US labour market recovery was downplayed and data emanating from the Eurozone and China were disappointingly weak.

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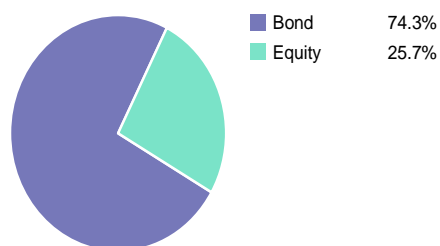
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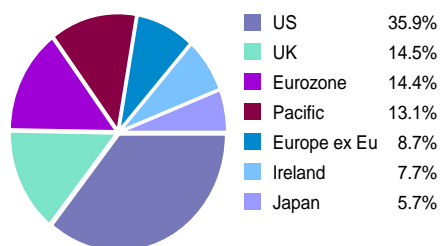
## How the Fund Works

About three quarters of the fund is invested in fixed interest securities (bonds) with the remainder invested in shares. The fund provides a capital guarantee after five years.

## Asset Distribution



## Equity Distribution



## Performance

Period	Return
YTD	2.74%
1 Year	3.06% p.a.
3 Year	4.78% p.a.
5 Year	0.34% p.a.
10 Year	2.32% p.a.

The figures quoted are before tax and after management charges. Source: Irish Life. There is no Bid/Offer Spread.

## Market Commentary

Eurozone bond markets showed a marginal positive return in March with the Merrill Lynch Eurozone >5 year Government bond index showing a total return of 0.16%. With the large ECB 3 year LTRO out of the way bond markets started to focus back on fundamental economic data. Strong US employment data and positive leading indicators reduced the hope for further quantitative easing by the US Fed. Risks to inflation were highlighted by some Fed members and as a result US bond yields increased strongly in the first half of the month and driving up core Eurozone bond yields with them. The 10 year German bond yield increased from 1.75% to 2.07% in a matter of days.

However, later in the month Fed chairman Bernanke highlighted the fragile state of the US economy which opened the door for potential further support by the Fed. In the Eurozone the peripheral bond market rally ran out of steam as weak economic data highlighted the risks to debt consolidation in these countries. A renewed flight to quality saw the 10 year German bond yield drop back to 1.8% by month end while 10 year Italian and Spanish yields had moved back above 5%. In the coming weeks bond markets will be driven by fundamentals and politics as elections in France and Greece could impact on Eurozone integration.

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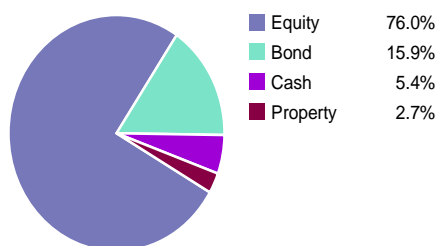




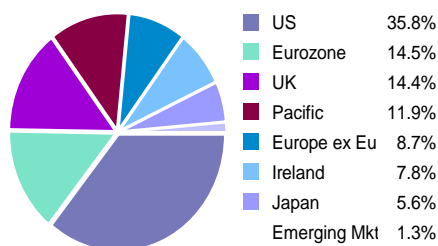
## How the Fund Works

Approximately three quarters of Wisdomscope is invested in shares with the remainder invested in bonds, property and cash.

## Asset Distribution



## Equity Distribution



## Performance

	Fund	Average Managed Fund
1 Year %p.a.	4.3%	5.1%
3 Year %p.a.	13.3%	14.0%
5 Year %p.a.	-3.5%	-2.7%
10 Year %p.a.	1.2%	1.8%

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## Market Commentary

Although equity markets continued to make gains in March, the pace of these gains and equity market momentum has slowed from the levels seen in January and February. Developed equity markets outperformed emerging markets as investors' appetite for risk began to wane, resulting in emerging market equities giving back some of the robust gains achieved since the start of the year. Volatility increased in the AAA government bond space. German, US and UK government bonds sold off as their yields moved out to 2.04%, 2.36% and 2.34% respectively by the middle of March, rallying back to the month start levels in the last week of March. Commodity markets also suffered volatility particularly as economic data from China confirmed that the economy continues to slow. As a result all commodity sectors sold off with the basic metals underperforming.

The slowdown in the gains in equity markets has been accompanied by a turn in the economic surprise index, which measures the level of outperformance or underperformance of economic data relative to expectations. Concern about the sustainability of robust growth in China has continued, particularly as the most recent economic data has come in below expectations. The stresses in the Eurozone have continued to ease, particularly after the EU/IMF and Greek officials managed to enforce a 53% haircut on Greek private sector government bond holders. Nevertheless the economic outlook, particularly for the peripheral countries in the region, has remained challenging.

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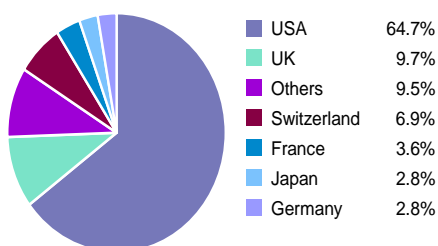
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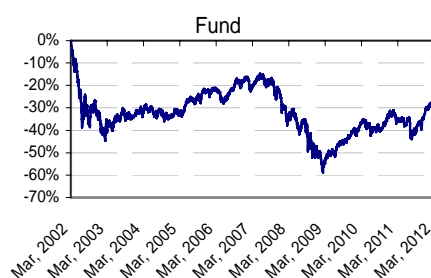
## How the Fund Works

Globalscope aims to track the Dow Jones Global Titans shares. This represents 50 of the biggest companies in the world. These companies will give you the chance to benefit from a very broad range of shares which are truly worldwide.

## Country Distribution



## Performance



Year	Global Scope
2012 YTD	8.0%
1 Year	12.8%
3 Year %p.a.	16.9%
5 Year %p.a.	-1.6%
10 Year %p.a.	-3.1%

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## Market Commentary

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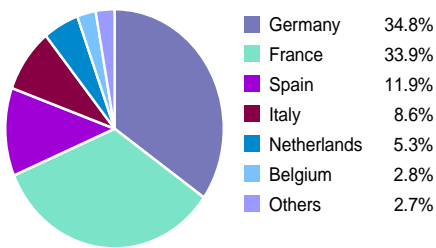
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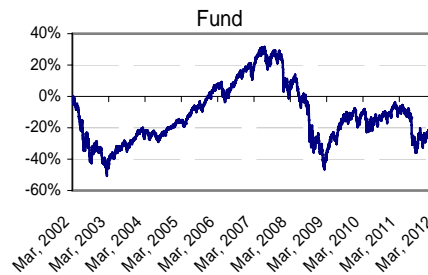
## How the Fund Works

The EuropaScope fund is designed to track the **Euro Stoxx 50 index**. The Euro Stoxx 50 index has fallen by 11.73% in euro terms over the last year.

## Country Distribution



## Performance



Year	EuropaScope	Euro Stoxx 50
2012 YTD	6.7%	7.4%
1 Year	-12.4%	-11.7%
3 Year %p.a.	9.1%	9.9%
5 Year %p.a.	-7.6%	-6.9%
10 Year %p.a.	-2.2%	-1.4%

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## Market Commentary

Business confidence continued to stabilize in March as both the services and manufacturing PMI data increased slightly during the month. There was some disappointment after the flash data estimates which showed a fall off in confidence although this reversed when the finalized data was released. The geographical breakdown of the data reaffirmed that there was an improvement in Germany and France while the Spanish services PMI posted the biggest surprise and jumped 4.4 points, moving to the highest level since July 2011. The reading in Italy was more downbeat as the index fell further into recessionary levels. German factory orders improved slightly in February offsetting the negative reading in January. Orders remained robust from non EMU countries but EMU orders decreased further, while domestic orders were also down. The signals from the German economy have remained mixed, implying the lackluster nature of the recovery there. One area of strength that continues is the labour market as the recovery there is showing no signs of abating. Employment continued to rise and the number of unemployed persons decreased to the lowest reading since March 1992. Furthermore the public sector unions have managed to negotiate a wage settlement over the next two years of 6.5%, at the higher end of expectations.

As expected the ECB left its monetary policy stance unchanged. The ECB's economic assessment was also unchanged as the central bank continued to see downside risks to growth and broadly balanced risks to inflation. However some perceived the press conference as more hawkish after he confirmed that he had the necessary tools to counteract the non standard monetary policies to address any downside risk to price stability and noted that these could be drawn upon in a "firm and timely manner". He also raised concerns the necessity to pay attention to any signs that higher oil prices would pass through to higher wages.

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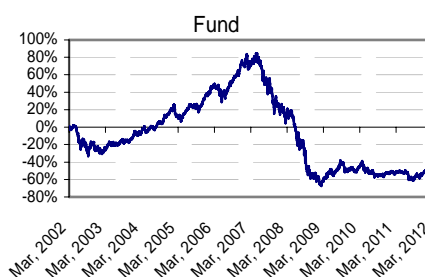
## How the Fund Works

The Celticscope fund is designed to track the **FTSE Ireland All-Share index** benchmark.

## Top 5 Holdings

Largest Stocks	% Weight	Country
CRH	22.79	Ireland
Ryanair	13.11	Ireland
Elan	10.73	Ireland
Kerry Group	10.45	Ireland
Aryzta	6.26	Ireland

## Performance



Year	Celtic Scope	Indexed Irish Equity
2012 YTD	15.6%	18.3%
1 Year	15.8%	24.3%
3 Year %p.a.	12.3%	18.7%
5 Year %p.a.	-20.4%	-16.6%
10 Year %p.a.	-5.8%	-1.9%

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## Market Commentary

Irish GDP grew by 0.7% in 2011, the first economic expansion seen since 2007. However the growth in the economy really came in the first half of the year it moved back into a recession in the second half of the year. The breakdown of the economic activity showed that the economic recovery is completely based on the export sector which continued to grow but at a slower pace in the second half of the year than in the first half. There was an impressive increase in services exports during the year, particularly in the computer services area.

However the domestic economy remains depressed as consumption, government spending and investment all continued to decline during the year. The latest data from the labour market confirmed the leveling off of unemployment as the rate decreased to 14.3% from 14.8%.

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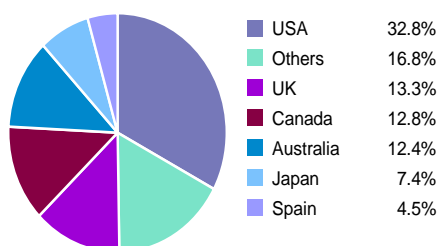




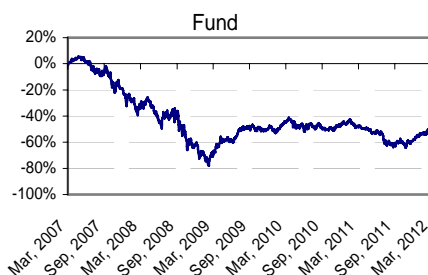
## How the Fund Works

The fund was launched in June 2002 and invests in the 50 largest global banks providing Irish investors with the opportunity to invest in a truly diversified portfolio banking stocks that have a global presence.

## Country Distribution



## Performance



Year	Banc Scope
2012 YTD	17.7%
1 Year	-6.5%
3 Year %p.a.	16.9%
5 Year %p.a.	-13.5%

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## Market Commentary

During the month - financials outperformed, benefiting from higher than expected dividends and buybacks post the announcement of the results of the latest stress test for US banks.

**Bank of America** rose 20% as it passed the bank stress test with capital levels higher than many had expected under the extreme economic scenario.

**JP Morgan** gained 17% as it announced a \$0.30 quarterly dividend and up to \$12bn of share buy backs, both higher than forecast, following the test.

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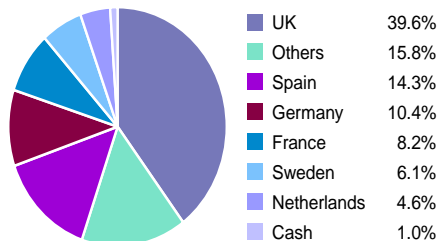




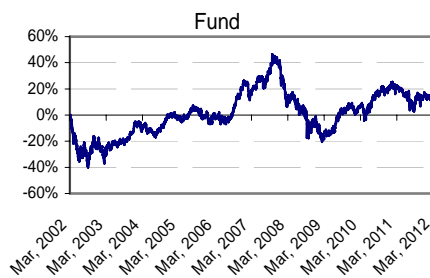
## How the Fund Works

Telescope tracks the performance of the Dow Jones European Telecoms Index.

## Country Distribution



## Performance



Year	Tele Scope
2012 YTD	-1.7%
1 Year	-5.9%
3 Year %p.a.	10.5%
5 Year %p.a.	-0.4%
10 Year %p.a.	1.3%

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## Market Commentary

### Top 5 Holdings

Largest Stocks	% Weight	Country
Vodafone	29.81	UK
Telefonica	14.29	Spain
Deutsche Telekom	10.39	Germany
BT Group	8.54	UK
France Telecom	8.18	France

**Portugal Telecom**, up 5% in March, reported weak Q4 2011 results due to investment in its Brazilian subsidiary but reaffirmed its commitment to maintaining its dividend.

**TeliaSonera** slipped 4% as management guidance of flat EBITDA in 2012 due to investment in Swedish broadband customer service was a disappointment

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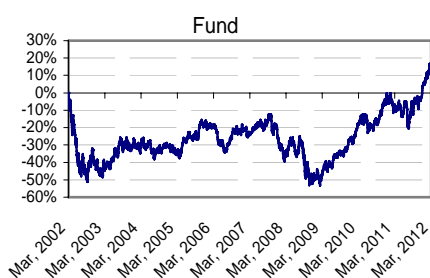
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## How the Fund Works

**Techscope** tracks the performance of the Nasdaq 100 Index. The index gained 17.80% in local terms (25.53% in euro terms) over the last 12 months.

## Performance



Year	Tech Scope
2012 YTD	17.8%
1 Year	25.1%
3 Year %p.a.	30.1%
5 Year %p.a.	8.8%
10 Year %p.a.	1.5%

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## Stock List

Stock Name	Country
Microsoft	US
IBM	US
Apple	US
Samsung	US
Intel	US

## Market Commentary

The technology sector rose approx 5% in Euro terms.

**Apple** gained 11% as it launched the next generation i-pad with strong sales expected for this and other key products.

**Samsung Electronics** gained 6% as broker forecasts were raised on stronger than expected smartphone sales.

**Tencent**, the Hong Kong based company which provides internet, mobile and telecommunications value added services in China, rose 7% as fourth quarter earnings rose 15% on strong sales of online gaming and social networking services. Earnings growth is expected to accelerate due to margin improvements and continued growth in online gaming.

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## Investment Outlook

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## Disclosure

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