



SCOPE

SCOPE LETTER - KEEPING TRACK OF YOUR INVESTMENT

MARCH 2016

This is a summary of what's been happening in investment markets in recent times to help you understand how your fund has performed.

If you have any further questions in relation to your investment you should speak with your Financial Adviser. We recommend that you regularly review your mix of investments with your Financial Adviser to ensure that they meet your needs.

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IN BRIEF

EQUITIES

Global equity markets fell over the six month period with increased volatility. Through September, ongoing concerns regarding the growth outlook in China and its possible effect on the global economy contributed to weaker equity markets. In the fourth quarter of 2015, markets recovered as Chinese economic data stabilised and expectations increased of further ECB stimulus measures as a result of negative inflation and growth fears. There was increased confidence in the economic outlook at the US Fed as it raised interest rates for the first time in over nine years. This also contributed to improved investor outlook late in 2015. Equity markets however experienced renewed weakness in early 2016 as Chinese equity markets fell and some poor economic data resulted in renewed concerns about Chinese growth. Uncertainty over China's foreign exchange policy also created anxiety among investors. Increased questioning of the ability of global central banks to battle growth concerns and carry out meaningful and beneficial policy measures, concerns about earnings and capital in the banking sector and greater focus on some negative effects of continued weakness in oil prices all contributed to weaker share prices in the first two months of the year.

BONDS

Bond markets produced positive returns over the six month period. The global growth concerns which were evident at times over the six month period and the continued fall in inflation expectations following the renewed sharp falls in the oil price late in 2015 and early in 2016 contributed to lower yields. As with equities, bonds were volatile with European sovereign bond yields rising through December on the back of the US Fed raising rates for the first time in over nine years and expectations at the time that US rates would rise further in 2016. This gave rise to upward pressure on global yields. A disappointing ECB policy announcement in December compared to investor expectations also pushed European sovereign bond yields higher in late 2015. In early 2016 however, global and European bond yields fell again on the renewed growth and inflation concerns with German 10 year yields approaching the all-time lows seen in April 2015. Portugal, Ireland, Greece and Spain spreads rose against Germany over the six month period given increased political tensions and uncertainties in these peripheral countries and the renewed growth concerns.

Summary

- Ways to Keep Track
- Brief Update on Markets
- Securescope
- Wisdomscope
- Globalscope
- Europascope
- Celticscope
- Telescope
- Techscope
- Bancscope
- How your Scope is invested
- Need Advice or Information

SCOPE PERFORMANCE UPDATE FOR THE LAST 6 MONTHS

Each scope option has a different level of risk and potential return relative to each other. These are graded 1 to 5 relative to each other. For example for risk level 1, there is a low risk level assumed, meaning low levels of ups and downs. Risk level 5 indicates that there may be the most extreme levels of ups and downs in the value of your investment.

Performance figures shown are net of tax and fund charges.

SECURESCOPE

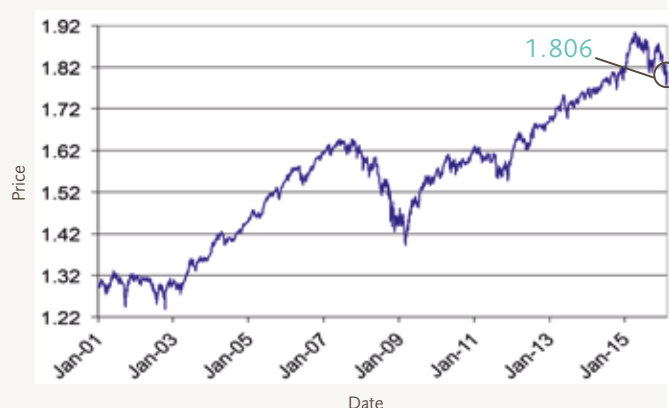
Risk Level: **1 Low**
Growth Potential: **1 Modest**



Bond markets produced positive returns with German 10 yields approaching April 2015 all-time lows as a result of increasing growth concerns. Renewed sharp falls in oil prices contributed to declines in inflation expectations back to the lows evident in early 2015 prior to the announcement of the ECB asset purchases programme. Given the negative inflation and growth fears, expectations grew that the ECB would announce an extension to its asset purchase programme in March 2016 and lower the already negative deposit rate further which also contributed to lower sovereign bond yields in early 2016.

Global equity markets fell, despite recovering in the fourth quarter. Renewed growth concerns in early 2016, initially related to fears over a slowdown in China, contributed to the weakness in equity markets. Doubts over the ability of central banks to respond to weaker growth given the more limited policy options available, concerns over earnings and capital risks within the banking sector and fears over the negative implications of lower oil prices also contributed to weaker equity markets.

- Performance over 6 months to 19 February 2016: -2.27%
- Performance over 12 months to 19 February 2016: -3.11%
- Performance since launch to 19 February 2016: 39.46%



WISDOMSCOPE

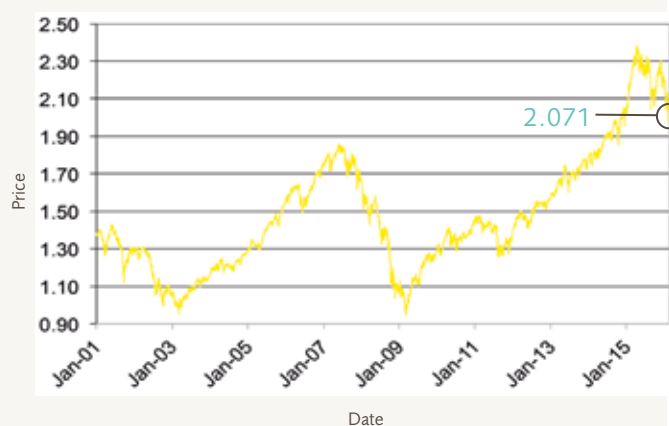
Risk Level: **2 Significant**
Growth Potential: **2 Good**



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- Performance over 6 months to 19 February 2016: -5.69%
- Performance over 12 months to 19 February 2016: -6.71%
- Performance since launch to 19 February 2016: 49.96%



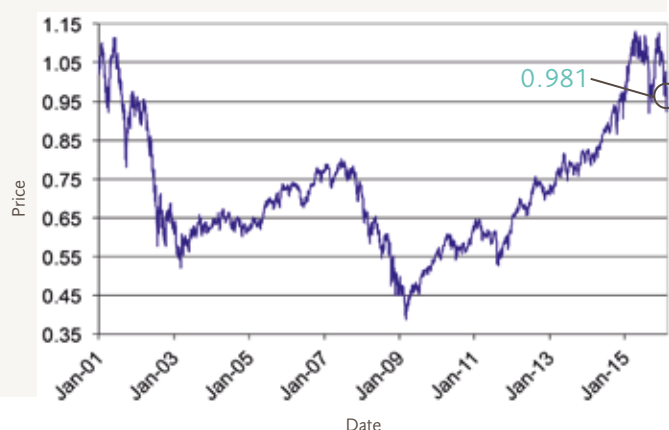
GLOBALSCOPE

Risk Level: **3 Very significant**
Growth Potential: **3 Very Good**



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- Performance over 6 months to 19 February 2016: -4.01%
- Performance over 12 months to 19 February 2016: -6.75%
- Performance since launch to 19 February 2016: -6.03%



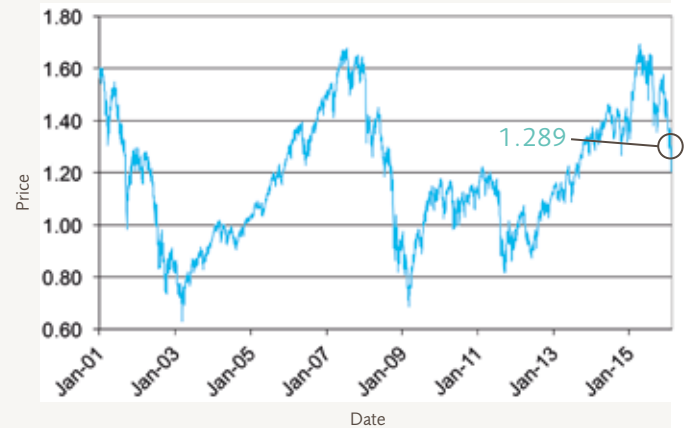
EUROPASCOPE

Risk Level: **3 Very significant**
Growth Potential: **3 Very Good**



European equity markets performed worse over the six month period than global equity markets. Given the relatively higher exposure of European corporates to emerging markets and China than global corporates on average, European companies were more sensitive to fears over the growth outlook across China and emerging markets in general. The disappointing ECB policy announcement in December compared to investor expectations also had a negative impact on European equity markets with the ECB providing less policy stimulus than had been expected. The Euro remained quite volatile over the six month period experiencing various bouts of strength and weakness depending on expectations regarding likely monetary policy actions by the ECB and US Fed. Over the six month period as a whole however, the overall trend of Euro weakness over the previous year and a half was no longer evident and this removed a key support for European equities. Political stresses and uncertainties related to the migrant issue and inconclusive general elections results also added to the pressure on European equity markets.

- Performance over 6 months to 19 February 2016: -14.30%
- Performance over 12 months to 19 February 2016: -16.35%
- Performance since launch to 19 February 2016: -19.39%



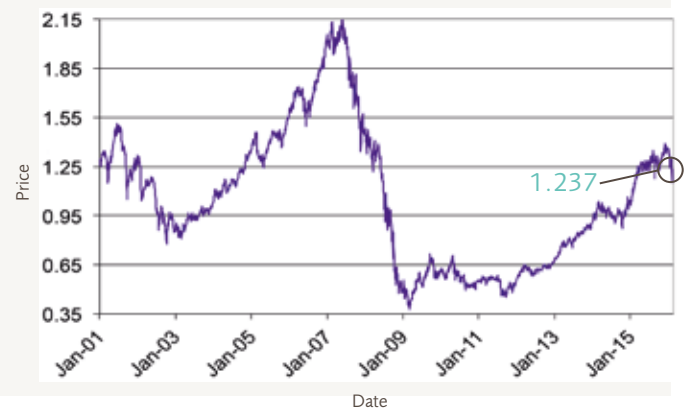
CELTICSCOPE

Risk Level: **4 High**
Growth Potential: **4 Excellent**



The Irish equity market performed better than both European and global equity markets over the six month period but were still down. The economic backdrop remained strong with GDP now higher than its 2007 pre-crisis peak. Domestic demand was again firm with consumption and investment up compared to the previous year. Government finances were consistently ahead of expectations with the fiscal deficit well ahead of target. Within the equity market, corporate activity in terms of mergers and acquisitions supported stocks such as Paddy Power while others such as Kerry Group and Ryanair were supported by positive underlying fundamentals and growth trends.

- Performance over 6 months to 19 February 2016: -3.43%
- Performance over 12 months to 19 February 2016: 6.73%
- Performance since launch to 19 February 2016: -4.48%



TELESCOPE

Risk Level: **5 Extreme**
Growth Potential: **5 Maximum Growth Potential**



Telecoms performance were impacted by overall market performance. The telecom sector generally continues to face intense pricing competition. Severe lack of sufficient wireless frequency spectrum combined with gradual smartphone and tablet adoption are forcing mobile operators to seek alternative revenue raising opportunities. Significant pricing competition and necessary promotional expenditures are squeezing profits. New developments in the US referred to as 'net neutrality' are preventing telecom companies from discriminating against applications whereby previously they could restrict any device, application, service or content from running on their network. Cable multi system operators are also increasing the competitive pressure on telecom companies in the high speed broadband market. The increasing competitive and regulatory pressures have added to the perceived need for corporate activity to boost growth within the sector.

- Performance over 6 months to 19 February 2016: -12.15%
- Performance over 12 months to 19 February 2016: -9.56%
- Performance since launch to 19 February 2016: -3.67%



TECHSCOPE

Risk Level: **5 Extreme**
Growth Potential: **5 Maximum Growth Potential**



Performance in the technology sector was impacted by the overall market performance but nevertheless the sector performed well with generally strong earnings being generated over the six month period. Themes that have been dominating within the technology area relate to cloud technology, social media and the smartphone space. Increasing adoption of services and capabilities on smartphone devices is a key driver of growth. High frequency tech indicators in leading markets such as Taiwan and Korea continue to be monitored for guidance towards future direction within the sector. Technology related capital expenditure intentions appear strong in various corporate surveys and IT budgets and spend will be carefully watched given perceived pressures on corporate profit margins.

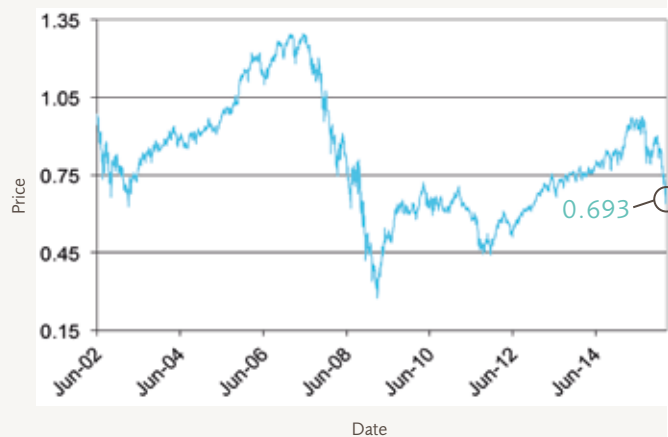
- Performance over 6 months to 19 February 2016: -3.95%
- Performance over 12 months to 19 February 2016: -4.25%
- Performance since launch to 19 February 2016: 34.81%





The bank sector was negatively impacted by a number of issues. There were concerns over banks' exposure to the energy sector because of the continued fall in oil prices. There were fears that if the ECB and other central banks lowered deposit rates further resulting in negative interest rates that this would affect banks' net interest rate margins. Economic growth concerns resulted in fears over earnings estimates in the event of generally higher than anticipated bad debts, lower revenue and loan growth. This added to existing capital concerns across the industry which arose after specific concerns regarding capital and the ability to pay interest on debt at Deutsche Bank.

- Performance over 6 months to 19 February 2016: -21.78%
- Performance over 12 months to 19 February 2016: -22.31%
- Performance since launch to 19 February 2016: -29.64%



Source: Returns and market commentary provided by Irish Life Investment Managers.

HOW YOUR SCOPE IS INVESTED

HOW EACH SCOPE OPTION IS INVESTED

The Scope funds invest in company shares using an approach known as 'index tracking'. This means each Scope fund option aims to give you a return that, before tax and charges, matches the return from the index that your fund tracks.

WHAT SHARES DOES SCOPE INVEST IN?

This depends on the following

- What index your Scope option tracks
- What companies are in that index
- The size of each company compared to the total value of the index

For example Europascope aims to track the performance of the EURO STOXX 50 index, this is made up of 50 top companies in the Eurozone. The EURO STOXX 50 index is recognised as the benchmark for the performance of major shares in the Eurozone. The amount that we invest in each of those companies will reflect the proportion, or size that each company makes up of the overall index.

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9am - 1pm
Saturday



YOUR FINANCIAL ADVISER

Your Financial Adviser is available to speak with you should you have any questions or concerns.

We recommend you speak regularly with your Financial Adviser to review your investments.

This is intended as a general review of investment market conditions. It is not investment advice as it does not take account of your specific needs, circumstances or financial objectives.

We recommend that you seek personal investment advice as to the suitability of any investment decision or strategy to meet your own needs and circumstances.

In the interest of customer service we will record and monitor calls. Information is correct as at February 2016.

Irish Life Assurance plc is regulated by the Central Bank of Ireland.



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