

## Guaranteed Fund Monthly report

July 2010



The Guaranteed Fund offers a five-year capital guarantee if money remains with Aviva Life & Pensions Ireland Limited for the full period. If after five years the value of the fund invested by the customer is below the original amount, additional funds will be added by Aviva Life & Pensions Ireland Limited to ensure that the current value is equivalent to no less than the premium initially paid, less any cash withdrawals. As well as a valuable guarantee, the fund offers the opportunity for reasonable growth through exposure to a portfolio actively managed by Aviva Investors.

### Where is the fund invested?

The fund is currently invested in the following three assets:

#### High yield equities

This portfolio invests in approximately 40 blue chip companies that pay a higher dividend than the majority of companies in the market.

#### Bonds

This is a portfolio of predominantly Eurozone Government Bonds. While offering reasonable returns in their own right, traditionally bond markets have risen when equity markets have fallen for a sustained period, thus making them a good asset to diversify the equity market risk.

#### Irish commercial property

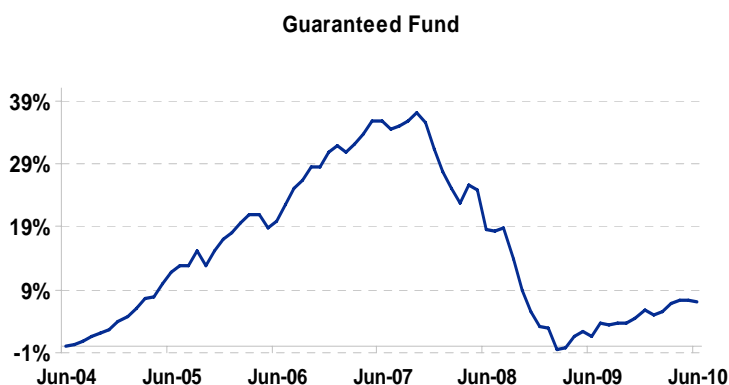
The Aviva Investors Irish property portfolio boasts excellent buildings in prime locations with good quality tenants.

### Attention to yield

There is an emphasis on total return (capital return + income return) in the assets we have chosen. All three assets have the potential to offer long-term positive capital returns; equally there will be a significant income portion in the total return.

### Fund performance

Since the fund was launched capital markets have endured mixed fortunes and in particular over the past two years. As you can see from the graph below the Guaranteed Fund has returned 7.1% per cent since its launch in July 2004.



Source: Aviva Investors, Euro total return performance, gross of fees

Performance to 30 June 2010	1 Month	3 Months	1 Year	3 Years p.a.	Since Launch
Guaranteed Fund SC A	-0.1%	0.2%	5.4%	-7.6%	7.1%

### Fund distribution

The fund invests in a globally diversified portfolio to reduce the stock and asset specific risk that the investor is exposed to. The asset split is currently:

- 5.2% in High Yield Equities
- 66.6% in Eurozone Bonds
- 28.2% in Irish Property

#### Important Information

**This fund is managed by Aviva Investors on behalf of Aviva Life & Pensions Ireland Limited. This fund is closed to new business**

**Warning:** The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested. Past performance is not a guide to the future. This fund may be affected by changes in currency exchange rates.

Unless stated otherwise any opinions expressed are those of Aviva Investors Global Services Limited (Aviva Investors). They should not be viewed as indicating any guarantee of return from an investment managed by Aviva Investors nor as advice of any nature.

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