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INTRODUCING  
**MULTI-ASSET**  
PORTFOLIO FUNDS

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**Irish Life has developed five  
Multi-Asset Portfolio Funds:**

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- > If you are a low risk or high risk investor, there is a fund that may suit you
  - > The funds invest in a wide-range of assets, including cash, shares and bonds
  - > The funds are expertly managed by Irish Life Investment Managers
  - > All five funds benefit from our innovative Dynamic Share to Cash (DSC) model
  - > The funds are available across our pension, investment and savings plans
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# DYNAMIC INVESTING

During the last few years of the 2000's we all saw the effect that stock market falls had on pension funds, investments and share prices. We all saw how the values of pensions and investments fell.

If you were one of these people that has been affected by the stock market falls, it's understandable that you might still think twice about investing in shares. However, we all know that leaving your money in cash for a long time won't generate the best returns.

Historically, the best returns over longer periods come from investing in a wide-range of shares and other 'growth' assets. However, alongside possibly higher returns these types of assets usually bring higher risk and so your investment may rise and fall in value over short periods.

What is needed is an investment in growth assets, but also in other assets deliberately chosen to try to reduce these swings in value. Also, at times of severe market movements, like we saw in 2008, for example, the best course of action might be to temporarily move out of growth assets and into lower risk assets like cash.

**Irish Life has the solution:**

## Multi Asset Portfolio Funds using our Dynamic Share to Cash™ Model

### MULTI ASSET PORTFOLIOS - DYNAMIC INVESTMENT SOLUTIONS

#### 1 Range of Funds from Low to High Risk

RISK RATING	2 CAREFUL	3 CONSERVATIVE	4 BALANCED	5 EXPERIENCED	6 ADVENTUROUS	7 VERY ADVENTUROUS
FUND NAME	MULTI ASSET PORTFOLIO 2	MULTI ASSET PORTFOLIO 3	MULTI ASSET PORTFOLIO 4	MULTI ASSET PORTFOLIO 5	MULTI ASSET PORTFOLIO 6	

Irish Life Investment Managers (ILIM) have developed five different versions of the Multi Asset Portfolio Funds to suit different attitudes to risk. These range from lower risk, where there is a large portion of the fund in cash and bonds, to higher risk where most of the fund is invested in shares. So if you are a low risk or high risk investor, there is a fund that may suit you.

The Multi Asset Portfolio Funds are designed to provide peace of mind for you as an investor.

Based on your attitude to risk, you will have a risk rating between 1 (Safety First) and 7 (Very Adventurous). Each of our Multi Asset Portfolio Funds is designed for a specific risk rating, as the graphic shows above, the target market for Multi Asset Portfolio 3 is someone with risk rating 3 (Conservative).

ILIM will manage these funds to this risk rating throughout. This means that Multi Asset Portfolio 3 will be managed to a risk rating of 3 and you don't have to worry about switching your fund, if your attitude to risk doesn't change.

**Warning: If you invest in this fund you may lose some or all of the money you invest.**

**Warning: The value of your investment may go down as well as up.**

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# MULTI ASSET PORTFOLIOS - DYNAMIC INVESTMENT SOLUTIONS

## 2 Multi Asset

As the name suggests, the Multi Asset Portfolio Funds invest in a wide range of assets. Investing in a range of assets increases the diversification of each Multi Asset Portfolio Fund. We recommend that you diversify your investment by not putting all your 'eggs in one basket' and these funds allow you to do just that. Greater diversification also aims to reduce the volatility of the fund, which is a measure of the extent the fund value moves up and down in value.

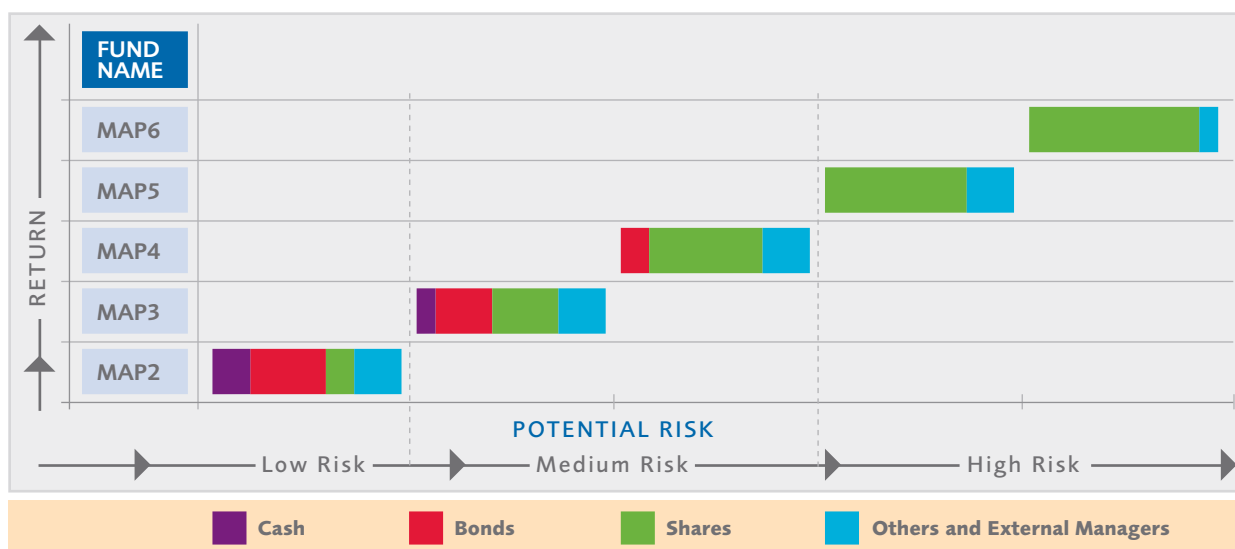
The assets that are available in these funds are outlined and explained below. The split across each of the asset classes determines the risk rating of your fund.

ILIM will continually monitor and review these assets and may change them over time. For the actual Multi Asset Portfolio Fund mix, see the latest factsheets at [www.irishlife.ie](http://www.irishlife.ie)

Cash & Bonds	Shares	External Managers	Other Assets
<ul style="list-style-type: none"><li>• Cash</li><li>• Government Bonds</li><li>• Corporate Bonds</li></ul>	<ul style="list-style-type: none"><li>• Developed Market Shares</li><li>• Emerging Market Shares</li><li>• Other shares – over time other share categories, for example Low Volatility shares, may be added, to further increase diversification.</li></ul>	<p>Part of each Multi Asset Portfolio Fund invests in a fund with a dynamic blend of specialist alternative funds managed by asset managers other than ILIM.</p> <p>Underlying investments are across a range of traditional and alternative asset classes.</p>	<p>As markets change and new opportunities arise ILIM may invest in other asset classes, for example property.</p>

### The Multi Asset Portfolio Fund Splits

As mentioned there are five Multi Asset Portfolio Funds available to suit different attitudes to risk. The graph below which is a guide only, shows the broad asset mix of each of the five funds. As you can see the lower risk fund Multi Asset Portfolio 2 (MAP2) has a very high percentage in bonds and cash which are traditionally less volatile assets. The higher risk fund Multi Asset Portfolio 6 (MAP6) is pre-dominantly invested in shares, which are traditionally more volatile than bonds or cash but have historically given better long-term returns.



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# MULTI ASSET PORTFOLIOS - DYNAMIC INVESTMENT SOLUTIONS

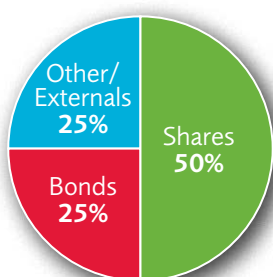
## 3 Expertly Managed by Ireland's No 1 Investment Manager

Irish Life Investment Managers (ILIM) are world class investment managers. ILIM currently manage over €42 billion of assets, more than any other fund manager in Ireland. ILIM have designed the Multi Asset Portfolio Funds and the Dynamic Share to Cash (DSC) model, so you are getting the benefit of their expertise.

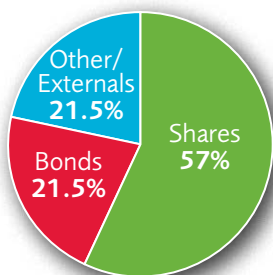
ILIM will monitor and review the asset splits and the DSC on a regular basis to ensure that each Multi Asset Portfolio Fund is managed to its original risk rating.

ILIM will also rebalance each of the Multi Asset Portfolio Funds every quarter.

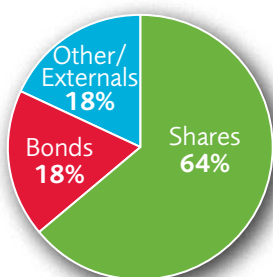
### WHAT DOES REBALANCING MEAN?



We start with this pie-chart, which shows a fund with 50% in shares, 25% in bonds and 25% in other assets / external managers.



If, over the course of a year, shares grew in value by 20%, while bonds and other assets / external managers both fell in value by 10%, then, without rebalancing, the second pie-chart shows the new split of the fund. Here 57% of the fund is now invested in shares.



If the same thing happened for a second year, we would end up as shown in the third pie-chart, with nearly two-thirds of the fund invested in shares, compared to the 50% we started with. This could mean that the fund is no longer suitable for the investor who chose to invest in the original mix. If the original mix of 50% shares, 25% bonds and 25% other assets / external managers is most suitable for an investor, they will not want to see their fund drift away from this mix over time.

This change in asset split can be avoided by regularly rebalancing the fund to ensure that it stays in line with its intended split. ILIM rebalances each of the Multi Asset Portfolio Funds on a quarterly basis and this means that each fund will not drift over time and will remain suitable for each investor as shown on page 1. This means that you don't have to worry about a fund becoming a higher risk rating than the one you originally invested in.

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**Warning: These figures are estimates only. They are not a reliable guide to the future performance of this investment.**

## MULTI ASSET PORTFOLIOS – DYNAMIC INVESTMENT SOLUTIONS

### Dynamic Share to Cash (DSC) Model

Our DSC model is used on all five Multi Asset Portfolio Funds. This innovative model uses a multi-factor approach to identifying long-term stock market trends and movements.

The advantage of having the DSC is that it aims to reduce the amount invested in Developed Market Shares and increase the amount in cash when it identifies greater potential for stock market falls. As importantly, when the DSC identifies greater potential for stock market recovery, it will move back out of cash and into Developed Market Shares.

This innovative solution is a market first in Ireland and ILIM have spent two years developing and testing this model.

It is important to note that the DSC looks at long-term movements and trends in the market and is not designed to react to one-off or short-term jumps or shocks. Also, currently DSC applies to Developed Market Shares, though ILIM will continually review this and, in the future, a similar process may apply to other assets.

Please see below and page 5 for more details on how the DSC works.

### How the DSC works

The DSC is driven by a number of key factors. Among these are:

- How stock markets move over long periods of time,
- How company earnings are changing; and
- How more general market factors like oil prices and bond yields are changing.

Based on how these factors are moving over time, the DSC will determine what portion of each fund to hold as shares and what to hold as cash. So in the graph on page 2, some of the proportion in shares (green) could be replaced by cash (purple) depending on the DSC.

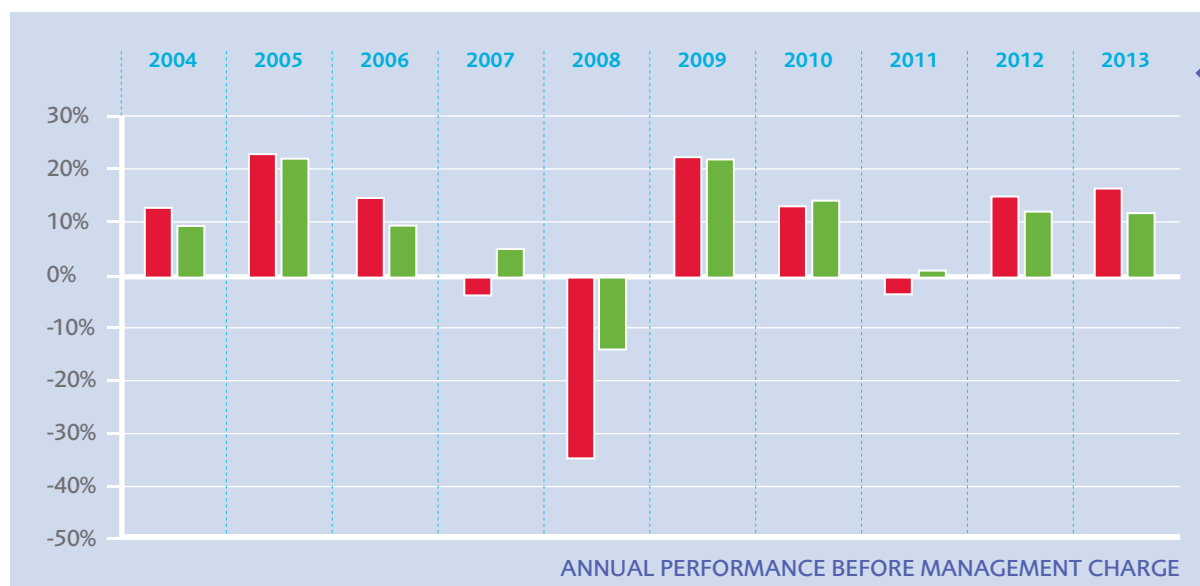
Since all of the factors on which the DSC is based are available going back over a number of years, it is possible to show how the DSC would have worked in the past.

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The graph below shows how Multi Asset Portfolio 4 (MAP4) compares to the average Managed Balanced Fund since 2003. The MAP4 uses the DSC as outlined above, whereas the Managed Balanced Fund doesn't use this model.



### STOCK MARKET FALLS

#### THE 2008 CREDIT CRUNCH:

As the graph above shows, during 2008, the Managed Balanced Fund fell nearly 35%. Because the DSC available on MAP4 would have reduced the amount of the fund invested in shares and increased the amount in cash, it would have fallen by nearly 14% in the same year. So although MAP4 would still have fallen in value, it was not the severe drop seen on the Managed Balanced Fund.

### STOCK MARKET RISES

#### 2012 AND 2013 STRONG MARKET:

During 2012 and 2013, the Managed Balanced Fund grew by slightly more than MAP4. This is due to the higher proportion of shares in the Managed Balanced Fund but this higher proportion would usually mean greater volatility and a greater chance of large falls as seen in 2008.

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**Warning: Past performance is not a reliable guide to future performance.**

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**For more information on these great funds please contact your Financial Broker or Adviser.**

The information quoted is correct as at July 2014.  
Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland.  
Irish Life Assurance plc is regulated by the Central Bank of Ireland.

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