



INTRODUCING **MULTI-ASSET PORTFOLIOS**

INSIDE MAPS:

- > 5 new portfolios - managed risk levels
 - > Multi-asset - bonds, alternatives and shares
 - > Market first - DSC our new dynamic share to cash model
 - > Great value - competitive and transparent pricing
 - > Available now - across our pension, investment and savings plans
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DYNAMIC INVESTING

When you are advising your clients on where to invest their pension or savings funds, there are a number of things you consider.

1 RISK APPETITE Your client's appetite for risk - so you need a range of funds from lower to higher risk to suit different appetites and needs and, as importantly, you need to be sure that these funds are managed to their appropriate risk level.	2 BEAT INFLATION Your client's need for a return that beats inflation – historically this has been achieved by investing in growth assets, like shares, and diversifying across and within asset classes.	3 REDUCED VOLATILITY Your client's need for reduced volatility – which can again be achieved by multi asset diversification but also specific lower volatility and alternative assets.	4 MARKET STRESS Your client's need to reduce exposure at times of extreme market stress – at these times even diversification and alternatives won't work and the only appropriate course will be to move briefly out of growth assets and into defensive assets, like cash.
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Irish Life is delighted to launch a complete range of investment portfolios that meets all of these needs for you and your clients.

MULTI ASSET PORTFOLIOS - DYNAMIC INVESTMENT SOLUTIONS

1 Risk-managed Range of Funds

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

There are five Multi Asset Portfolio Funds available to you and your clients. These range from the lowest risk Multi Asset Portfolio 2, which has a high proportion of cash and bonds and is suitable for a client with risk rating 2, to the highest risk Multi Asset Portfolio 6, which is predominantly shares and is suitable for a client with risk rating 6. The split of each fund is outlined on page 3.

To support you in assessing your client's risk rating, we have also built a simple online tool - just ask your Account Manager for details.

Once you have assessed your client's risk rating it is important that the fund you choose for them is not only suitable now but will remain so in the future. The Multi Asset Portfolio Funds provide this peace of mind for you as a financial broker or adviser, since Irish Life Investment Managers (ILIM) will rebalance the asset mix in the funds on a quarterly basis, to ensure that the funds are managed to their risk level. For example, this means that Multi Asset Portfolio Fund 3 will always be managed to a risk rating of 3 so you won't have to worry about your client having to switch over time. However, should your clients' appetite for risk change over time, they can simply switch to the appropriate Multi Asset Portfolio Fund for their new risk rating.

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

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

Warning: This fund may be affected by changes in the currency rates

MULTI ASSET PORTFOLIOS - DYNAMIC INVESTMENT SOLUTIONS

2 Multi Asset

As the name suggests the Multi Asset Portfolio Funds invest in a range of asset classes. The funds are made up of the following asset classes, with the split across each of these asset classes determined by the risk rating of the fund. ILIM will regularly monitor and review this range of assets and indices.

DEFENSIVE - CASH & BONDS	ALTERNATIVES	GROWTH - SHARES
<ul style="list-style-type: none">• Cash• European Government Bonds• Corporate Bonds• Emerging Market Government Bonds	<ul style="list-style-type: none">• An Irish Life fund which uses alternative strategies to invest in shares, bonds, commodities and other financial instruments and is currently managed by four international fund managers• Four of the world's leading Alternative Investment Managers: GMO, PIMCO, Hermes & Amundi	<ul style="list-style-type: none">• Developed Market Shares – tracking the FTSE Developed Index• Emerging Market Shares – tracking the MSCI, Emerging Markets Index• Minimum Volatility Shares – tracking the MSCI World Minimum Volatility Index

3 Competitive and Transparent Pricing

Our Multi Asset Portfolio Funds are available at extremely competitive prices – within 15 basis points of our standard fund management charge. This is because we use indexed funds to offer access to a wider range of assets on a cost effective basis.

Our Fund Guide outlines the charges for each fund on the various products. As always, in the Fund Guide, we quote the Total Expense Ratio rather than just fixed management charge to allow you to assess the true costs of investing.

4 Dynamic Share to Cash (DSC) Model

Our DSC model is exclusive to our Multi Asset Portfolio Funds. This model has identified key market and economic factors which indicate possible stock market rises and falls. These factors are described on page 4.

The key advantage of having this innovative model is that it will aim to reduce the amount invested in Developed Market Shares and increase the amount in Cash when it identifies greater potential for stock market falls. And, as importantly, when the model identifies greater potential for stock market recovery, it will move back out of Cash and into Developed Market Shares.

The fund split on page 3 shows the minimum and maximum range that each Multi Asset Portfolio can hold in Developed Market Shares.

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THE MULTI ASSET PORTFOLIO FUND SPLITS

As mentioned, there are five Multi Asset Portfolio Funds ranging from lower risk to higher risk. To help you choose between funds for your clients we rate the level of volatility of our funds on a scale of 1 to 7.

For a client with a risk rating 1, very low risk, we would recommend a cash fund. A client with the highest risk rating, 7, would be recommended a fund invested entirely in shares.

The majority of clients, however, will have risk ratings between 2 and 6 on our scale and we have a Multi Asset Portfolio Fund for all of these clients. The table below shows the split of each of the funds.

7

LEVELS OF RISK

RISK RATING



FUND



FUND NAME	MULTI ASSET PORTFOLIO 2	MULTI ASSET PORTFOLIO 3	MULTI ASSET PORTFOLIO 4	MULTI ASSET PORTFOLIO 5	MULTI ASSET PORTFOLIO 6
RISK RATING	2 CAREFUL	3 CONSERVATIVE	4 BALANCED	5 EXPERIENCED	6 ADVENTUROUS
BONDS	42%	35%	15%	0%	0%
ALTERNATIVES EXTERNAL MANAGERS	25%	25%	25%	25%	10%
MINIMUM VOLATILITY SHARES	10%	15%	25%	15%	0%
EMERGING MARKET SHARES	0%	2%	5%	10%	50%
DEVELOPED MARKET SHARES RANGE	0-5%	0-13%	0-30%	0-50%	0-40%
CASH RANGE	18-23%	10-23%	0-30 %	0-50 %	0-40 %

DSC

You can see from the table that the portion of each fund invested in Cash and Developed Market Shares can vary within a pre-defined range. The exact amount of Cash and Developed Market Shares is determined by our Dynamic Share to Cash (DSC) Model.

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HOW THE DYNAMIC SHARE TO CASH MODEL WORKS

The DSC is a quantitative model that has been developed by Irish Life Investment Managers and uses a number of factors across three broad categories.

The DSC aims to reduce the amount invested in shares and increase the amount in cash when it identifies greater potential for stock market falls. This innovative solution is a market first in Ireland and ILIM have spent two years developing and testing this model.

Examples of the factors used in the DSC model are shown below:

FACTOR CATEGORY	OBJECTIVE	INDIVIDUAL FACTOR EXAMPLES
1 MOMENTUM IN MARKETS	Take account of trends in shares	<ul style="list-style-type: none"> • 12 month share market momentum • 200 day moving average
2 VALUATIONS	Take account of the long-term valuation of shares	<ul style="list-style-type: none"> • Long-term share values • Earnings quality • Earnings yield
3 GLOBAL MACROECONOMICS	Take account of the influence of global economics on shares	<ul style="list-style-type: none"> • Real GDP growth rate • Bond yield curve slope • Energy price levels

ILIM will regularly monitor and review these factors. Based on how these factors are moving over time, the DSC model will determine what portion of each Multi Asset Portfolio Fund to hold as shares and what to hold as cash within the ranges outlined on the previous page.

It is important to note that the DSC looks at long-term movements and trends in the market, as the factors above demonstrate, and it is not designed to react to one-off or short-term jumps or shocks.

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 it would have worked in the past.

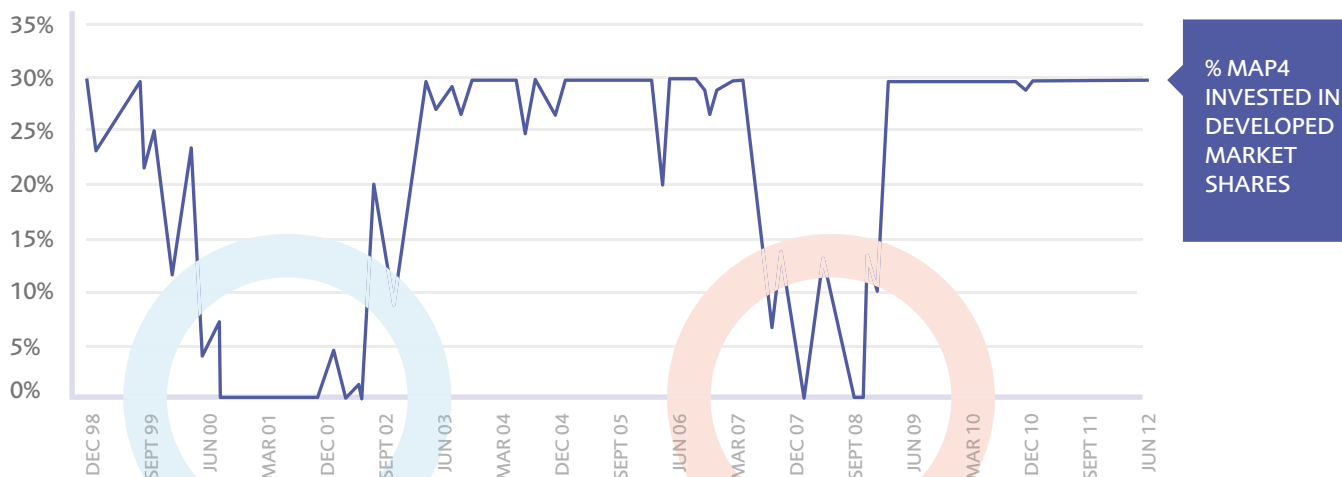
The example in the following section shows how the DSC changes the share allocation within Multi Asset Portfolio 4.

HOW THE DSC CHANGES THE PERCENTAGE INVESTED IN SHARES

%

EXAMPLE USING MULTI ASSET PORTFOLIO 4

The graph shows what percentage of the Multi Asset Portfolio 4 (MAP4) would have been invested in Developed Market Shares over the period 1999-2012. This fund can invest a maximum of 30% in Developed Market Shares.



IN OTHER WORDS

TECH BUBBLE COLLAPSE

AUGUST 1999: MAP4 would have had 30% invested in Developed Market Shares – the maximum for this fund

SEPTEMBER 1999 TO AUGUST 2000: Over this period the factors behind the DSC clearly pointed towards market uncertainty and the share portion in MAP4 would have reduced downwards

SEPTEMBER 2000 TO JANUARY 2002: The factors continued to point to more uncertainty and the MAP4 allocation to Developed Market Shares would have remained at 0%

FEBRUARY 2002 – MAY 2003: As market and economic conditions improved, the factors behind the DSC pointed towards an increase in the allocation to Developed Market Shares and by May 2003, it would have been back to its maximum Developed Market Share holding of 30%.

GLOBAL FINANCIAL CRISIS

JULY 2007: MAP4 would have had 30% invested in Developed Market Shares – the maximum for this fund

AUGUST 2007 TO JANUARY 2009: Again, with factors pointing towards market uncertainty, the DSC would gradually reduce the portion of Developed Market Shares in MAP4

JANUARY & FEBRUARY 2009: At this point the DSC would have moved MAP4 fully out of Developed Market Shares

MARCH – JULY 2009: Once again, as market and economic conditions improved, the DSC pointed towards an increase in the allocation to Developed Market Shares and money would have moved out of cash, until, by July 2009, we would have reached the 30% maximum Developed Market Share holding for this fund.

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

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

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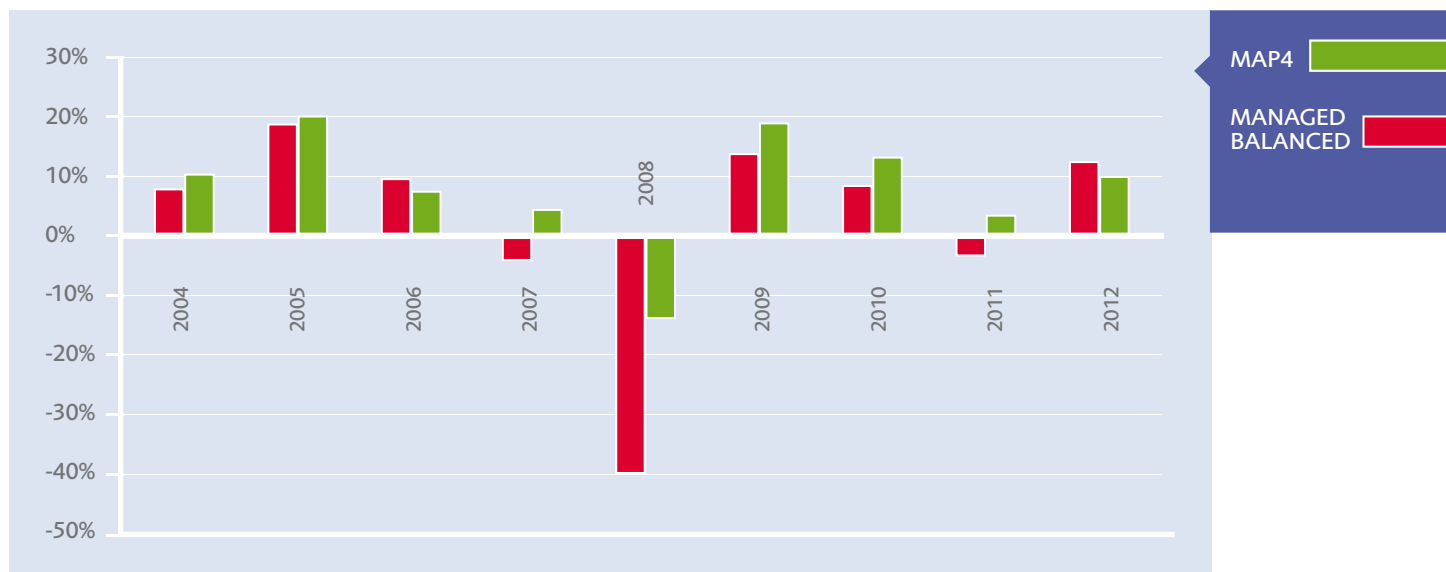
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HOW USING THE DSC CONTRIBUTES TO PERFORMANCE

So this is how the DSC works, but what impact does it have on the performance of the Multi Asset Portfolio Funds.

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 on the previous page, whereas the Managed Balanced Fund doesn't use this model.



STOCK MARKET FALLS

THE 2008 CREDIT CRUNCH:

During 2008, the Managed Balanced Fund fell nearly 40%. Because the DSC available on the Multi Asset Portfolio Fund would have reduced the amount of the fund invested in shares and increased the amount in cash, it fell by 13% in the same year. So although the Multi Asset Portfolio Fund still fell in value, it was not the severe drop seen on the Managed Balanced Fund.

STOCK MARKET RISES

2012 STRONG MARKET:

During 2012, the Managed Balanced Fund grew by 14%, while the MAP4 would have grown by just under 10%. The DSC tries to identify long-term trends in the market and increases and decreases share and cash content in response. For this reason the Multi Asset Portfolio Fund may have amounts invested in cash so it might not reach the full growth potential as seen in this instance.

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ILIM's Credentials

ILIM have designed the Multi Asset Portfolio Funds. They have also developed and tested the DSC model and will expertly manage it over time.

ILIM currently manage over €39 billion of assets. By investing in one of these funds through an Irish Life pension, savings or investment plan your client will benefit from their experience and expertise.

Meet the team:

Colm O'Neill

Chief Investment Officer, FIA, 34 years in ILIM

Anthony MacGuinness

Head of Quantitative Strategies, 13 years Industry (9 in ILIM), CFA, CAIA, BA Economics (TCD)

Dr. Ronan Bradley

Quantitative Strategist, 10 years in ILIM, BSc Physics & Applied Mathematics (QUB); MSc Theoretical Physics (TCD), PhD Applied Electromagnetics (TCD)

Shane Murphy

Quantitative Strategist, 9 years Industry (6 in ILIM), BA Mathematics (TCD); MBS in Quantitative Finance (UCD), MSc Investment & Treasury (DCU)

Shane Cahill

Head of Indexed Fund Management, 10 years in ILIM, CFA, BAFS (UCD), MSc (DCU)

Neil Clifford

Head of Alternative Investments, 14 years Industry (7 in ILIM), BE (Elect), CAIA, MBA

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For more information please contact your Account Manager

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.

The information quoted is correct as at September 2013. DSC trademark pending.

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