

PENSIONS  
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Irish Life

# IRISH LIFE MAPS<sup>®</sup>

QUARTER 2 (Q2) 2021 | 1 APRIL TO 30 JUNE

The Irish Life Multi Asset Portfolio Funds (MAPS) are available on a range of products provided by Irish Life Assurance, managed by Irish Life Investment Managers (ILIM).

MAPS is an 'Article 8' fund under the Sustainable Finance Disclosure Regulation (SFDR).

# WELCOME

At Irish Life Assurance, we understand that our customers' financial objectives and attitudes to risk are personal to their circumstances. We worked closely with Irish Life Investment Managers, our award-winning appointed investment managers, to create our Multi-Asset Portfolio Solutions (MAPS), which cater to different risk profiles. The funds are suitable for longer-term investors and are rebalanced every quarter to ensure alignment with risk preferences. MAPS can be accessed via our pension, investment and savings plans.

- This update discusses key themes driving markets in the second quarter of 2021 and highlights how each of the funds performed.
- We also explain the asset mix within each fund and outline how ILIM manages risk across the range.
- Lastly, we explain ILIM's Responsible Investment 'Beliefs and Approach'. These are referenced throughout this report and are responsible for MAPS achieving the 'Article 8' status under the Sustainable Finance Disclosure Regulation (SFDR).

As a proud ambassador for the UN-supported Principles for Responsible Investment (UN PRI), ILIM is a leader in driving ESG (Environmental, Social, Governance) investing in Ireland. Our goal is to create a more sustainable future for the world and its inhabitants, thereby protecting long-term investor returns.

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

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

**Warning: These funds may be affected by changes in currency exchange rates.**

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# MARKET SUMMARY AND IRISH LIFE MAPS® FUND PERFORMANCE

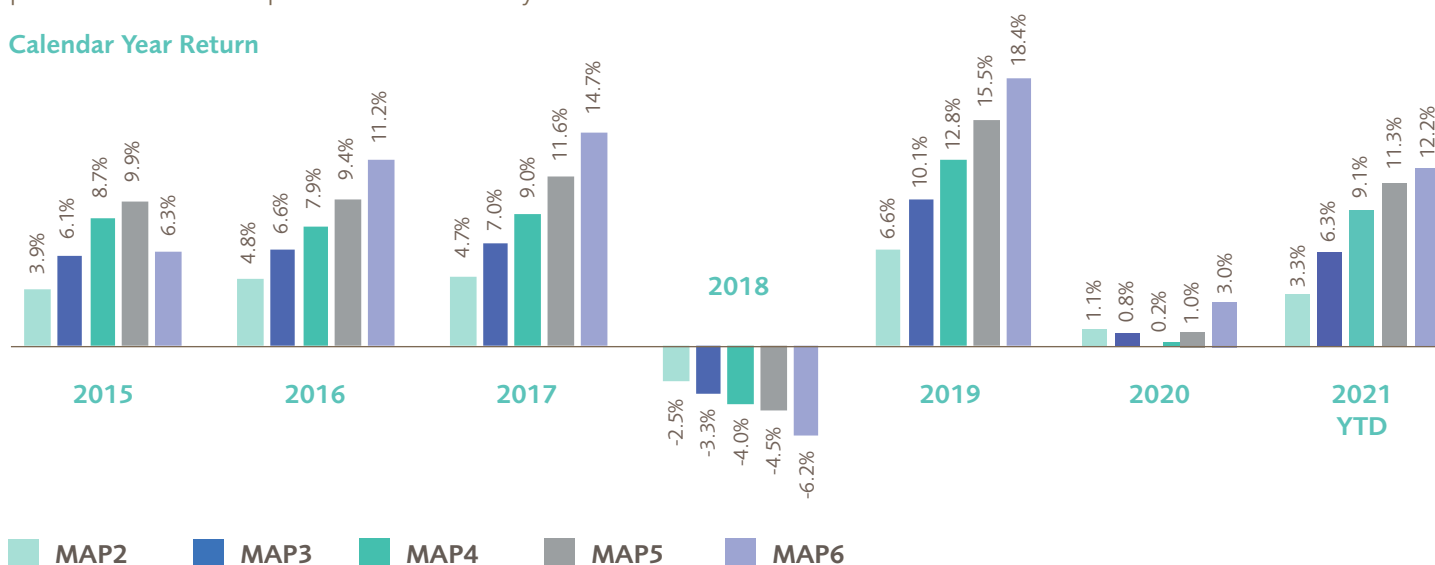
- Equity markets continued to rise in the second quarter, boosted by the ongoing improvement in the global economy.
- An increasing pace of vaccinations and more fiscal initiatives (cheap loans and financial support to aid economic growth) across several regions propelled equities higher, while a very strong first-quarter earnings reporting season also contributed to gains.
- Although the US Federal Reserve (Fed) indicated that interest rates could be increased in the second half of 2023, the central bank's ongoing accommodative stance supported markets.
- US President Biden pushed ahead with more stimulus proposals in the second quarter, proposing \$4 trillion of infrastructure spending to be spread over the next 10 years.
- The quarter brought the highest US monthly inflation since 1981. A key notable developments during the quarter was the growing fear of a sustained rise in inflation.
- In bonds markets, global yields were more stable during the second quarter, after the sharp move higher in bond yields during the first.
- US yields fell as inflation expectations declined, despite the higher-than-expected inflation readings. However, European yields rose slightly, as the region's economic prospects improved due to progress made rolling out Covid-19 vaccines.

## MAPS – AIMING TO DELIVER RISK MANAGEMENT AND SMOOTHER RETURNS OVER THE LONG TERM

Our MAPS funds are built on the belief that diversification offers investors a smoother investment journey and that risk management aims to reduce the impact of the various ups and downs in the underlying investments. Each of our five MAPS funds invests in a range of assets, reflective of its risk profile. These include shares, bonds, property, cash and external managers/alternatives. You'll find a full explanation of these asset classes on pages 13–20.

In the table below and on the following page, you can see the individual calendar-year returns of each of the five Irish Life MAPS funds, the annualised return over the last one, three, five and seven years, and performance since launch (17 May 2013) to the end of the second quarter of 2021. Irish Life MAPS is a long-term investment – we would always advise caution when looking at fund performances over time periods of less than five years.

### Calendar Year Return



Source: 'Moneybate'. Gross returns shown to 30 June 2021 ('Moneybate'), before any fund management charge.

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Performance as at 30/06/2021

MAP2		MAP3		MAP4	
8.1%	3.0%	13.3%	4.6%	18.1%	5.8%
1 year	3 year p.a.	1 year	3 year p.a.	1 year	3 year p.a.
3.1%	3.5%	5.0%	5.4%	6.5%	7.2%
5 year p.a.	7 year p.a.	5 year p.a.	7 year p.a.	5 year p.a.	7 year p.a.

MAP5		MAP6	
23.9%	7.3%	28.4%	8.9%
1 year	3 year p.a.	1 year	3 year p.a.
8.4%	8.8%	10.0%	9.6%
5 year p.a.	7 year p.a.	5 year p.a.	7 year p.a.

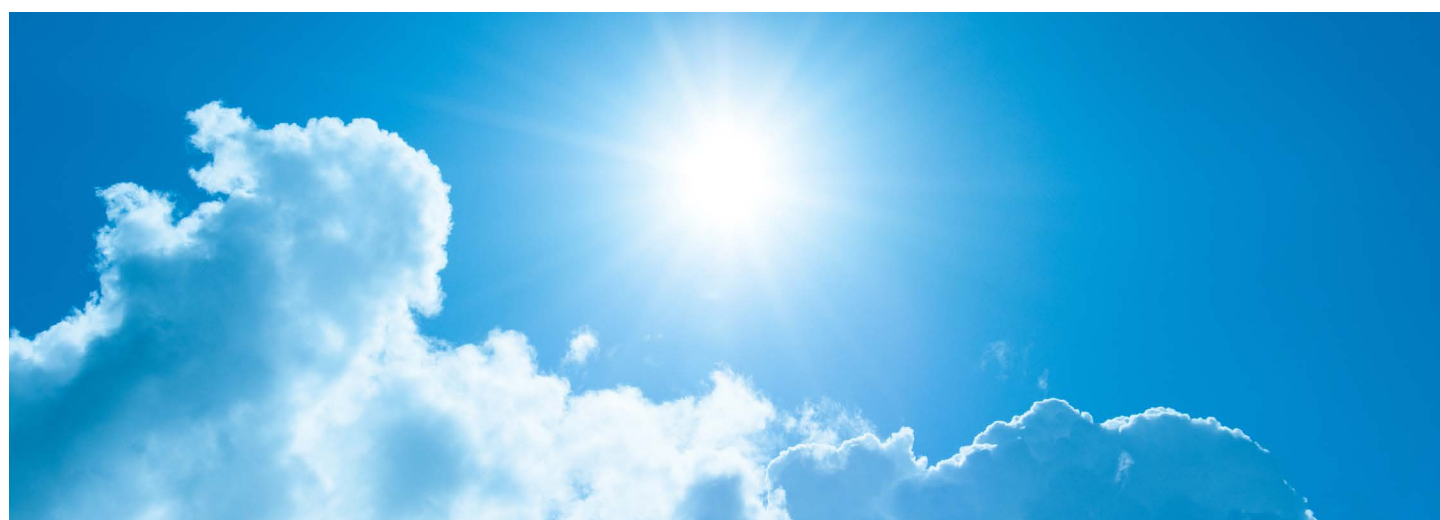
Source: 'Moneybate'. Gross returns shown to 30 June 2021 ('Moneybate'), before any fund management charge. Launch date – 17 May 2013.

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# MARKET SNAPSHOT

## SHARES

- The MSCI AC World equity benchmark rose 7.2% (6.6% in euro terms).
- The US rose 8.9% (7.9% in euro terms), as growth was strong on the back of the support provided by the government and central bank
- Europe gained 7.1% (7.3% in euro terms), as the outlook for the economy improved as more people were vaccinated.
- Japan lagged, rising 0.2% (-1.1% in euro terms), due to sluggish economic growth as restrictions were introduced to combat a rise in Covid-19 case numbers.
- Similarly, emerging-market equities underperformed, rising 3.9% (4.2% in euro terms) due to the slow rollout of vaccines and rising infections in a number of countries.



## BONDS, CURRENCIES & COMMODITIES

- The ICE BofA Merrill Lynch Eurozone > 5-year sovereign bond benchmark fell -0.9%, while the German 10-year yield (which moves inversely to its price) rose to -0.21%.
- The prospect of improving growth across the Eurozone pushed yields higher.
- There appeared to be some divisions among European Central Bank (ECB) policymakers and uncertainty over the path of monetary policy. This too contributed to higher yields, with the German 10-year yield reaching a high of -0.07%.
- Later in the quarter, the ECB confirmed that it would maintain monthly asset purchases at their current levels. This helped to lower yields.
- The spread (difference in yield) between Italian 10-year bonds and bonds perceived to be safer widened slightly. That means investors saw Italian bonds as being higher risk.
- Spanish spreads were more stable, declining very slightly, while Portuguese spreads moved slightly higher. Bonds from peripheral European countries (Italy, Spain and Portugal) found some support from the anticipated start of disbursements from the EU Recovery Fund.
- European investment-grade corporate bonds rose 0.3%, while global high-yield credit rose 2.2%.
- The euro rose against the US dollar to 1.1849. The euro was initially strong, rising to a peak of 1.2266 in mid-May on the improving growth outlook in Europe and uncertainty when it was thought that the ECB might tighten policy.
- The euro weakened through June as the US dollar rallied due to the Fed indicating that interest rates could rise in 2023 (previously, it had suggested rates that would not be raised until at least 2024).
- Commodities rose 15.7% due to their sensitivity to global growth expectations.
- The oil price also continued to rise, with West Texas Intermediate increasing 24.2% as OPEC+ discipline remained firm. Gold rose 3.7% on the back of a slightly weaker US dollar.

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

# IRISH LIFE MAPS® ASSET SPLIT

There are five Irish Life MAPS funds to suit different attitudes to risk. The table below shows the strategic asset mix for each of the funds. As you can see, the lower-risk Multi Asset Portfolio 2 (MAP2) has a very high percentage in bonds and cash, which are traditionally less volatile assets. The higher-risk MAP6 is mainly invested in shares, which are traditionally more volatile than bonds or cash but have, in the past, given better long-term returns.

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

FUND NAME	MAP2	MAP3	MAP4	MAP5	MAP6
Bonds	48.00%	31.50%	16.50%	4.50%	0.00%
External Managers/Alternatives	15.00%	15.00%	15.00%	7.00%	3.50%
Property	7.00%	8.50%	8.50%	8.50%	6.50%
Emerging Market Shares	0.00%	0.00%	0.00%	10.00%	30.00%
Emerging Market Low Volatility Shares	0.50%	1.00%	1.50%	1.00%	1.00%
DSC Global Shares*	11.00%	20.00%	25.00%	25.00%	25.00%
Global Shares	4.00%	10.00%	20.00%	34.00%	28.50%
Global Low Volatility Shares	4.50%	9.00%	13.50%	10.00%	5.50%
Cash	10.00%	5.00%	0.00%	0.00%	0.00%

Source: ILIM, 30 June 2021. \*DSC Global Shares use the Dynamic Share to Cash model – see page 11 for more details.

The table above shows the strategic asset mix **before any DSC or tactical movements (where applicable)**. ILIM rebalances the fund back to this mix on a quarterly basis. **For the latest actual Irish Life MAPS fund mixes, which allow for any tactical or DSC changes, for example, see the relevant MAPS fund factsheet at [www.irishlife.ie](http://www.irishlife.ie).**

ILIM will continue to monitor and review these assets and may change them over time.



# IRISH LIFE MAPS RISK MANAGEMENT STRATEGIES





# IRISH LIFE MAPS® RISK MANAGEMENT

## RISK MANAGEMENT STRATEGIES

### IRISH LIFE MAPS® DIVERSIFICATION

As we've demonstrated, each of the Irish Life MAPS funds is diversified across a range of asset types – shares, bonds, property, cash and external managers/alternatives.

Within each of these different asset types, there is even more diversification. For example, within shares, there are allocations to Global Shares and Low Volatility Shares; within bonds, allocations to Corporate, Government, High Yield and Emerging Markets with comprehensive levels of diversification also seen within each of MAPS' other asset allocations.

The diversification contained in each asset class is shown in more detail on pages 13–20.

This level of diversification aims to ensure that the performance of the funds is not dependent on any one asset type, sector, geographical region, investment manager or investment style. Removing this dependence aims to produce a smoother investment journey over the longer term.

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## RISK MANAGEMENT STRATEGIES

### REGULAR REVIEWS

ILIM undertakes a regular review of Irish Life MAPS, evaluating the current asset and manager allocations to ensure they always represent 'ILIM's best thinking' and capabilities with respect to achieving long-term risk and performance objectives.

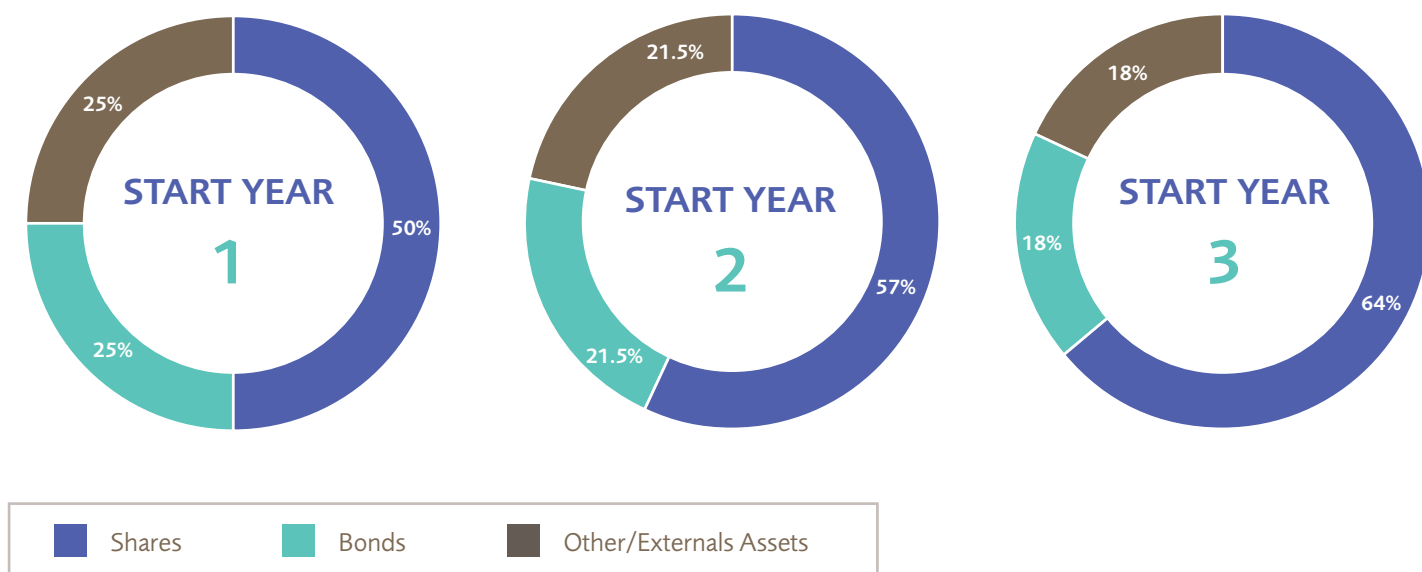
The process takes into account the short, medium and long-term expected outlook for investment markets, with a view to optimising the strategic asset allocation mix. Typically in these reviews, ILIM is looking for opportunities to either enhance risk management and/or increase the expected fund returns. This process involves reviewing investment opportunities such as new managers, asset classes, strategies, geographies, developments in quantitative research and simulating how best to incorporate any prospective changes into the existing funds allowing for the complexity, time, cost and benefit of doing so before then implementing the best solutions within MAPS.



## RISK MANAGEMENT STRATEGIES

### REBALANCING

As investment managers, it's ILIM's job to ensure that the level of risk you are exposed to within MAPS is in line with the indicated risk profile for each MAP fund, over time.



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 again, we would end up with nearly two-thirds of the fund invested in shares. This fund mix may no longer be suitable for someone who originally chose an allocation of 50% in shares, 25% in bonds and 25% in cash.

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 MAPS funds on a quarterly basis, which means that each fund will not drift over time. This means that you don't have to worry about a fund becoming a higher risk rating than the one originally invested in.

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



## RISK MANAGEMENT STRATEGIES

### DYNAMIC SHARE TO CASH MODEL

Each Irish Life MAPS fund uses the innovative DSC (Dynamic Share to Cash) model in the DSC Global Shares portion of each fund. The DSC is a quantitative model that has been developed by ILIM which uses a number of factors, across three broad categories, shown below.

The DSC signal was 1.344 at the end of June (on a scale of +2 to -2) compared to 1.37 at the end of March. DSC is fully invested in shares above zero. Below zero, DSC moves progressively from shares to cash and is fully in cash at -2. The target equity allocation remained at 100% over the course of the quarter.

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

The factors include:

	MARKET MOMENTUM ▼	VALUATIONS ▼	GLOBAL MACROECONOMICS ▼
OBJECTIVE	Take account of trends in shares	Take account of long-term valuation of shares	Take account of the influence of global economics on shares
INDIVIDUAL FACTORS	12-month share market momentum 200-day moving average	Long-term share values Earnings quality Earnings yield Earnings revisions	Real Gross Domestic Product (GDP) growth rate Bond yield curve slope Energy price levels
Q2 2021 UPDATE	Market momentum's contribution was slightly lower versus the first quarter of 2020. Its contribution was positive.	The contribution from valuations improved but was still negative. The improvement comes from strength in Earnings Quality and Earnings Revisions.	The contribution from macroeconomics contribution increased on the back of recovering GDP as well as lower long-term yields. The overall contribution was positive.
Q2 2021 INDICATOR	+	-	+

Based on how these factors move over time, DSC will decide how much of each Irish Life MAPS fund to invest in Global Shares and how much to invest in cash. ILIM will regularly monitor and review these factors.

## RISK MANAGEMENT STRATEGIES

### CURRENCY HEDGING

ILIM uses a systematic currency hedging process within the Irish Life MAPS range. The proprietary strategy aims to limit the negative impact foreign currency moves can have on investment returns.



#### STRATEGY

The strategy aims to reduce the risk of experiencing negative returns from foreign currency moves. This is achieved by hedging significant non-euro currency exposure when it is beneficial to do so.

#### HOW IT WORKS



ILIM uses a systematic approach to identify key factors (valuations, market momentum, etc) that, when combined, aim to indicate when it is beneficial to hedge foreign currency exposure.

#### KEY BENEFITS



This strategy contributes to MAPS smoother investment journey by mitigating the risk of loss which can occur from moves in foreign currency valuations.



► FOR GLOBAL LOW VOLATILITY SHARES SEE PAGE 14

► FOR OPTION STRATEGY SEE PAGE 19



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# WHAT DOES IRISH LIFE MAPS INVEST IN?

## ASSET CLASSES EXPLAINED



## ASSET CLASSES EXPLAINED

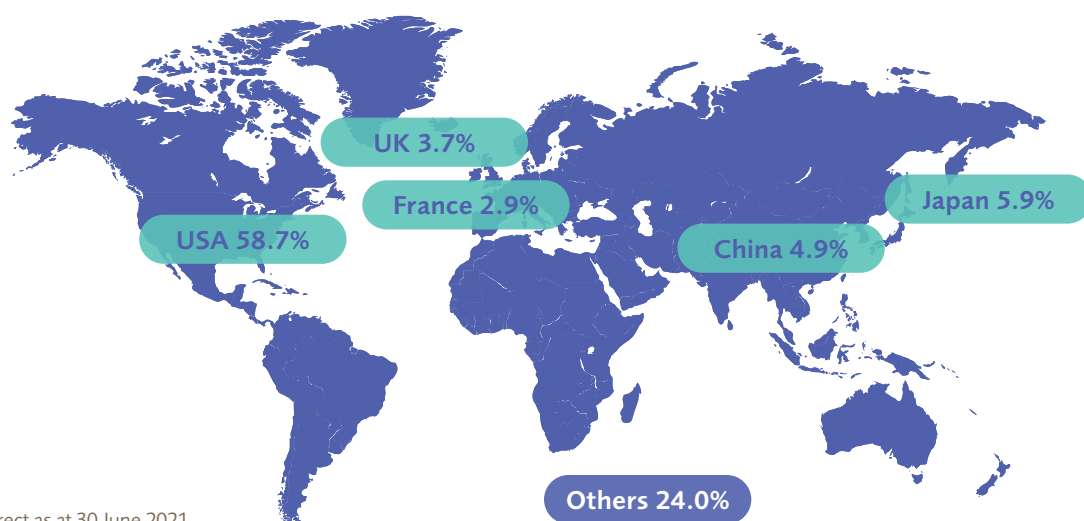
# 1 SHARES

### DSC GLOBAL SHARES/GLOBAL SHARES\*

DSC Global Shares and Global Shares track the performance of a large, customised, global share index which has enhanced sustainability characteristics, a better alignment to the transition to a low-carbon economy, and is therefore completely aligned with ILIM's responsible investment 'beliefs and approach.' This index aims to have a more positive impact on the environment and society compared to a standard index and uses ESG factors in its composition. We use the DSC model (explained on page 11) in the DSC Global Shares allocation, while the Global Share allocation remains fully invested, providing the optimal mix for achieving the objectives of MAPS. Global Shares includes approximately 10% in emerging market shares.

For the percentage of Global Shares in each Irish Life MAPS fund, see the latest factsheet on [www.irishlife.ie](http://www.irishlife.ie).

The geographic split of the index is illustrated below:



This information is correct as at 30 June 2021.

## RISK MANAGEMENT STRATEGIES

### GLOBAL LOW VOLATILITY SHARES\*

Using a detailed, quantitative strategy, ILIM chooses shares from a broad global share index. Not only has this shown lower volatility in the past, it is also screened for other indicators, such as value, momentum, etc. The c.200 shares that make up the Global Low Volatility Shares fund align with ILIM's responsible investing (or ESG) policies.

For the percentage of Low Volatility Shares in each Irish Life MAPS fund, see the latest factsheet on [www.irishlife.ie](http://www.irishlife.ie).

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### Low Volatility Shares weight compared to the global share index

Sector	Global Low Volatility
Financials	-4.7%
Information Technology	-5.9%
Industrials	-1.7%
Consumer Discretionary	-3.4%
Materials	-0.6%
Telecommunication Services	2.6%
Real Estate	0.5%
Energy	-1.1%
Utilities	1.5%
Consumer Staples	4.9%
Health Care	7.8%











\*Includes sustainable characteristics that help qualify MAPS as an Article 8 fund under the Sustainable Finance Disclosure Regulation (SFDR). For more on ILIM's responsible investing, please refer to the ILIM's Responsible Investing 'Beliefs and Approach' section on page 21 and/or to [www.ilim.com/responsible-investing](http://www.ilim.com/responsible-investing).

## EMERGING MARKET LOW VOLATILITY SHARES

Using a detailed, quantitative strategy, ILIM chooses shares from a broad emerging markets share index which not only have shown lower volatility in the past, but which are also screened for other indicators, such as value, momentum etc. The c.200 shares that make up the emerging markets low volatility shares fund align with ILIM's responsible investing (or ESG) policies.

For more on ILIM's responsible investing please refer to the ILIM's Responsible Investing 'Beliefs and Approach' section on page 21 and/or to [www.ilim.com/responsible-investing](http://www.ilim.com/responsible-investing).

### Low Volatility Shares weight compared to the emerging market shares index:

Sector	EM Low Volatility
 Financials	1.1%
 Information Technology	-4.7%
 Industrials	-0.6%
 Consumer Discretionary	-5.6%
 Materials	-3.7%
 Telecommunication Services	4.5%
 Real Estate	-0.2%
 Energy	-2.5%
 Utilities	-0.1%
 Consumer Staples	5.2%
 Health Care	5.7%

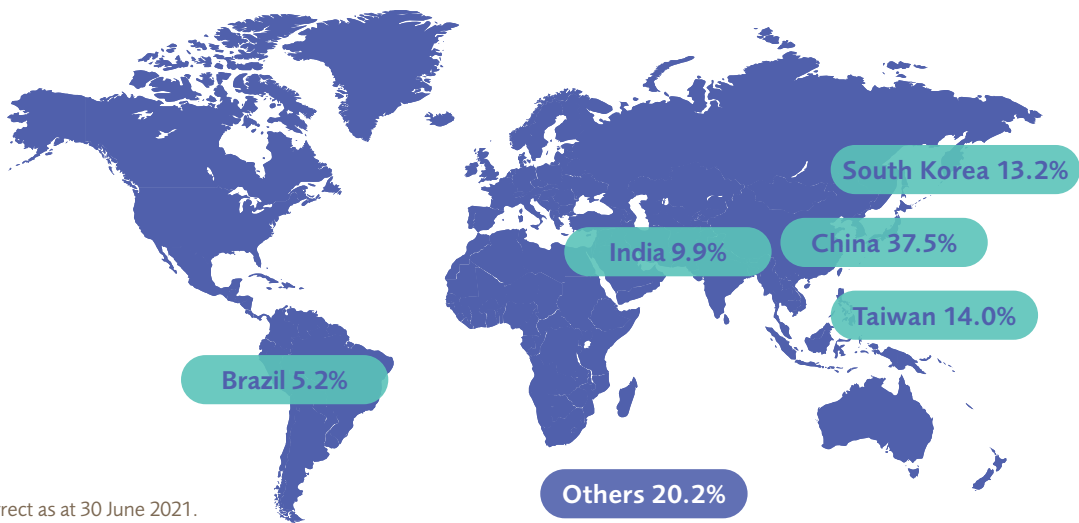


## EMERGING MARKET SHARES

ILIM tracks the performance of a broad emerging markets share index. Emerging Market Shares includes over 1,400 individual companies, which operate in 26 different markets across the emerging markets.

For the percentage of Emerging Market Shares in each Irish Life MAPS fund, see the latest factsheet on [www.irishlife.ie](http://www.irishlife.ie)

### The geographic split of the index is illustrated below:



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## ASSET CLASSES EXPLAINED

# 2 BONDS

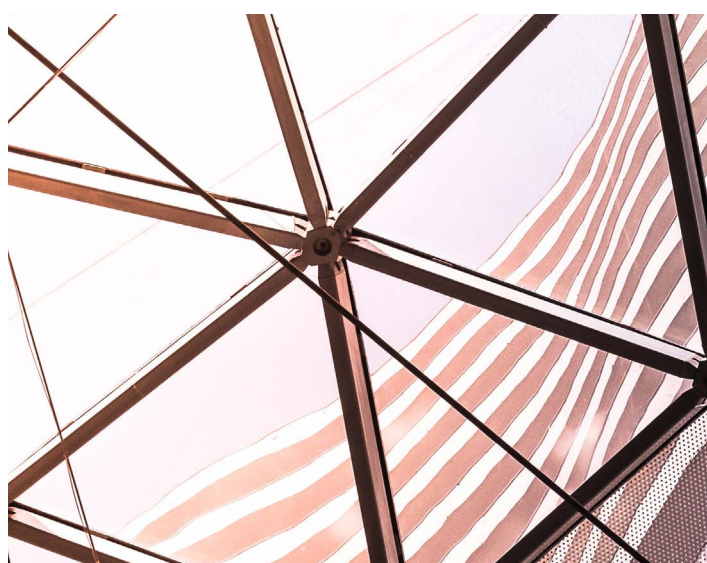
### GOVERNMENT BONDS

- ILIM currently tracks the performance of a recognised and leading government bond index to provide exposure to shorter-dated government bonds.
- Within the bond allocation, ILIM chooses the proportion to invest in government bonds and has discretion in relation to the index that is tracked.

The geographic split of the index is illustrated below:

Country	Weight
France	23.7%
Italy	25.7%
Germany	19.9%
Spain	12.7%
Belgium	4.0%
Netherlands	3.8%
Austria	3.8%
Portugal	2.2%
Ireland	1.4%
Other	6.5%

This information is correct as at 30 June 2021.



### CORPORATE BONDS\*

- ILIM currently tracks the performance of a recognised and leading corporate bond index to provide exposure to corporate bonds.
- Within the bond allocation, ILIM chooses the proportion to invest in corporate bonds and has discretion in relation to the index that is tracked.
- ILIM's corporate bonds\* are managed to ILIM's responsible investing (ESG) policy.

The sector split of the index is illustrated below:

Sector	Weight
Automotive	6.4%
Banking	26.2%
Basic Industry	3.5%
Capital Goods	3.0%
Consumer Goods	6.0%
Energy	3.8%
Financial Services	6.6%
Healthcare	6.3%
Insurance	4.7%
Leisure	0.2%
Media	1.1%
Real Estate	7.1%
Retail	2.4%
Services	0.7%
Technology & Electronics	3.0%
Telecommunications	7.0%
Transportation	3.9%
Utility	8.1%

\*Includes sustainable characteristics that helps qualify MAPS as an Article 8 fund under the Sustainable Finance Disclosure Regulation (SFDR). For more on ILIM's responsible investing, please refer to the ILIM's Responsible Investing 'Beliefs and Approach' section on page 21 and/or to [www.ilim.com/responsible-investing](http://www.ilim.com/responsible-investing).

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## EMERGING MARKET BONDS\*

- ILIM currently tracks the performance of recognised and leading emerging-market bond indices, both local and hard currency (denominated in US dollars), to provide exposure to emerging-market bonds.
- Within the bond allocation, ILIM chooses the proportion to invest in emerging-market bonds and has discretion in relation to the indices which are tracked.

The geographic split of the index is illustrated below.

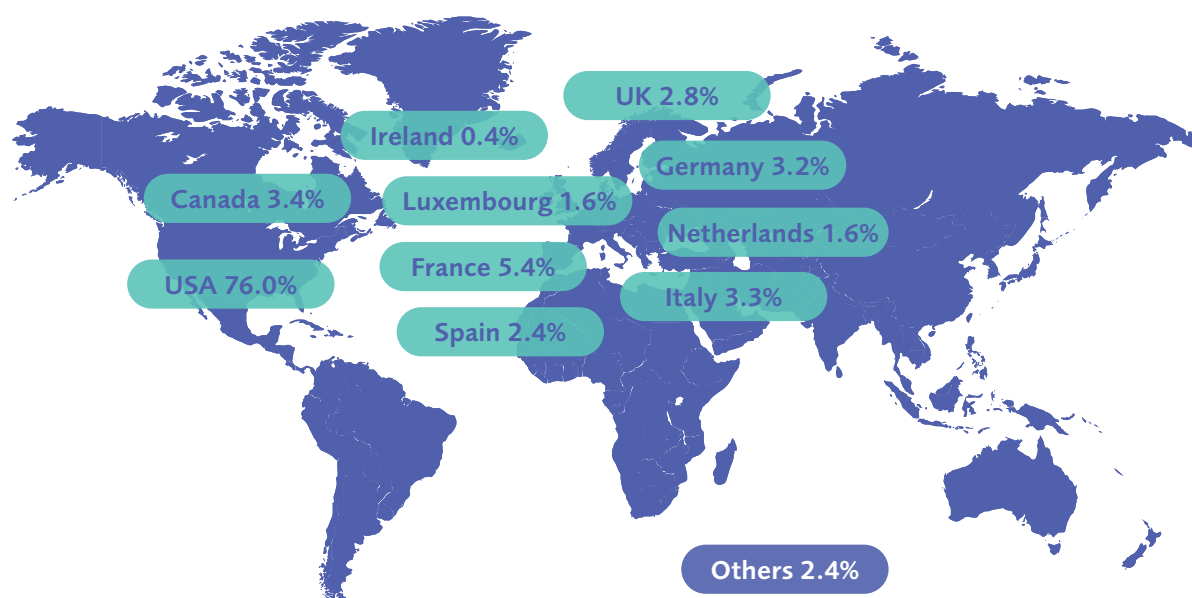
Country	Weight	Country	Weight
Brazil	8.4%	Poland	8.6%
Chile	2.2%	Romania	3.1%
China	10.0%	Serbia	0.0%
Colombia	4.7%	Russia	7.5%
Czech Republic	4.1%	Thailand	8.6%
Hungary	4.0%	Turkey	1.9%
Indonesia	9.5%	Uruguay	0.1%
Mexico	9.0%	South Africa	8.0%
Dominican Republic	0.1%		
Malaysia	7.6%		
Peru	2.3%		
Philippines	0.1%		

\*Includes sustainable characteristics within the Emerging Market Bond (Hard Currency) allocation that helps qualify MAPS as an Article 8 fund under the Sustainable Finance Disclosure Regulation (SFDR). For more on ILIM's responsible investing, please refer to the ILIM's Responsible Investing 'Beliefs and Approach' section on page 21 and/or to [www.ilim.com/responsible-investing](http://www.ilim.com/responsible-investing).

## HIGH YIELD BONDS

- ILIM tracks the performance of a recognised and leading high-yield bond index to provide exposure to global high-yield bonds.
- The high-yield bond allocation is currently sub-advised by an external manager.

The geographic split of the index is illustrated below.



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## ASSET CLASSES EXPLAINED

# 3 EXTERNAL MANAGERS/ALTERNATIVES

ILIM recognises the need to incorporate alternative strategies within the Irish Life MAPS funds. ILIM complements its own alternative strategies with an active pipeline of external and alternative managers that bring diverse performance and at the right price. The external manager/alternative allocation is monitored and adapted on an ongoing basis, as ILIM's fund managers feel appropriate to best achieve MAPS' investment objectives. ILIM monitors performance and may choose to change the allocation to external managers or the target allocation within the external manager allocation, as deemed appropriate. ILIM may also choose to replace, add or remove external managers as opportunities arise and market conditions change.

ILIM's infrastructure shares and options strategy, along with strategies from eight leading managers, are currently held within each Irish Life MAPS fund. The percentage allocated to external managers/alternatives varies for each MAP and can be found in the Asset Split section of this update or on the latest factsheet, at [www.irishlife.ie](http://www.irishlife.ie).

Responsible investment factors (ESG) are included as part of ILIM's initial and ongoing due diligence process.

For more on ILIM's responsible investing, please refer to the ILIM's Responsible Investing 'Beliefs and Approach' section on page 21 and/or to [www.ilim.com/responsible-investing](http://www.ilim.com/responsible-investing)

Managers	Assets managed	Fund names
<b>GMO</b> Source: <a href="http://www.gmo.com">www.gmo.com</a>	<b>\$60.6 billion</b> (30 November 2020)	GMO Real Return Fund Systematic Global Markets (SGM) Fund
<b>Putnam</b> Source: <a href="http://www.putnam.com">www.putnam.com</a>	<b>\$198 billion</b> (31 May 2021)	Putnam Securitised Credit Fund
<b>AQR</b> Source: <a href="http://www.aqr.com">www.aqr.com</a>	<b>\$143 billion</b> (31 March 2021)	AQR Style Premia
<b>Dunn Capital Management</b> Source: <a href="http://www.montlakeucits.com">www.montlakeucits.com</a>	<b>\$1.1 billion</b> (31 May 2021)	Montlake Dunn WMA
<b>MidOcean</b> Source: <a href="http://www.midoceanpartners.com">www.midoceanpartners.com</a>	<b>\$7.6 billion</b> (31 May 2021)	DB Platinum MidOcean Fund
<b>RenaissanceRe</b> Source: <a href="http://www.renre.com">www.renre.com</a>	<b>\$10.9 billion</b> (30 September 2020)	RenRe Medici Fund
<b>LGT ILS Partners</b> Source: <a href="http://www.lgtcp.com">www.lgtcp.com</a>	<b>\$75 billion</b> (30 June 2021)	LGT ILS Cat Bonds Fund
<b>Greencoat Renewables Plc.</b> Source: Factset	<b>\$867 million*</b> (30 June 2021)	Greencoat Renewables Plc.

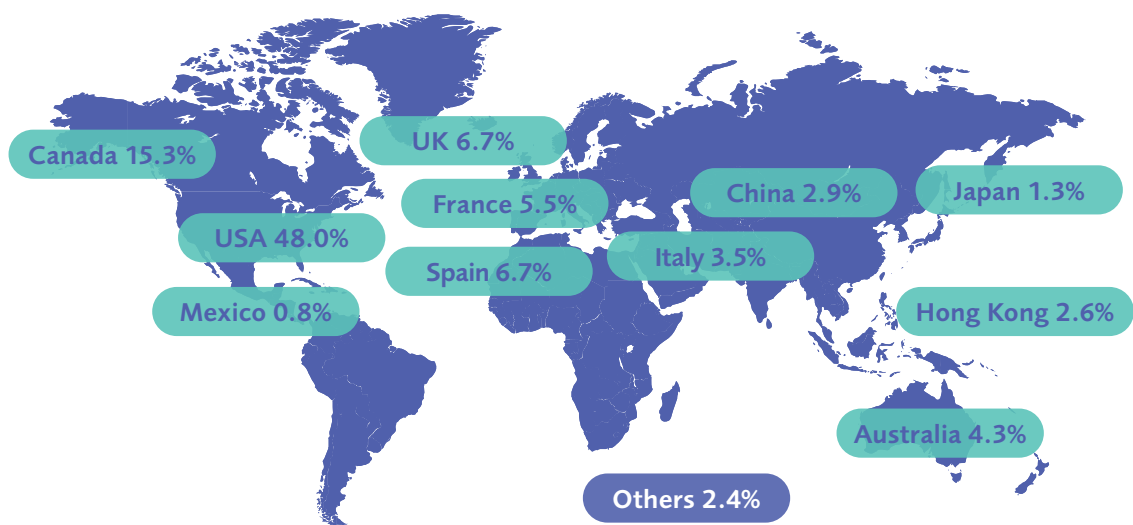
\*Market Capitalisation

INFRASTRUCTURE SHARES

- ILIM tracks the performance of a large global infrastructure shares index.
- There are 100 individual company shares represented, investing in sectors such as airports, toll roads, railways, ports, water, gas and many others.
- These infrastructure shares come mainly from developed market economies, but also some emerging markets.

For the percentage of infrastructure shares in each Irish Life MAPS fund, see the latest factsheet on [www.irishlife.ie](http://www.irishlife.ie).

The geographic split of the index is illustrated below:



This information is correct as at 30 June 2021.

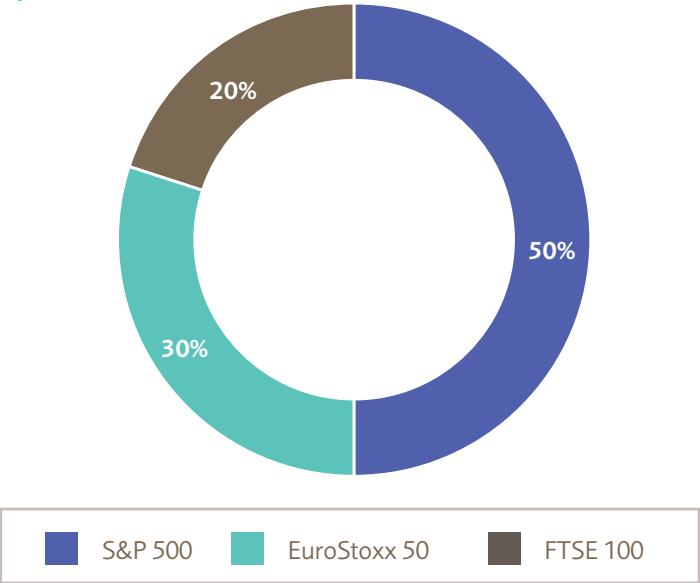
RISK MANAGEMENT STRATEGIES

OPTION STRATEGY

- The option strategy provides an alternative source of share market returns. It has a low correlation with the performance of global shares and therefore provides a diversified source of share-market-derived returns.
- The option strategy currently sells 'put' options on a monthly basis. This provides downside protection if markets fall (relative to direct global share market exposure), for which the funds are paid a fee.

This information is correct as at 30 June 2021.

Percentage split of the underlying indices on which the options are taken



## ASSET CLASSES EXPLAINED

# 4 PROPERTY

Each Irish Life MAPS fund currently invests in commercial property through an allocation to ILIM's Pension Property fund, in the form of offices, retail and industrial property. You can see the split between these areas and the funds' top five holdings below. More information on this part of the property allocation at the end of June 2021 is also shown below. ILIM also added extra property diversification through a small exposure to residential property via an investment in the private rented sector (PRS).

As part of ILIM's commitment to responsible investing and sustainability, we have also integrated ESG (Environmental, Social and Governance) considerations into the MAPS property allocation. The industry standard is the GRESB (Global Real Estate Sustainability Benchmark), against which ILIM was awarded 4 out of 5 stars in 2020.

\*Includes sustainable characteristics that helps qualify MAPS as an Article 8 fund under the Sustainable Finance Disclosure Regulation (SFDR). For more on ILIM's responsible investing please refer to the ILIM's Responsible Investing 'Beliefs and Approach' section on page 21 and/or to [www.ilim.com/responsible-investing](http://www.ilim.com/responsible-investing).



**INDUSTRIAL**  
**6.0%**



**RETAIL**  
**20.0%**



**OFFICES**  
**74.0%**



- 1 2 Grand Canal Square, Dublin
- 2 1 Georges Quay, Dublin
- 3 13-18 City Quay, Dublin
- 4 24-26 City Quay, Dublin
- 5 Stephen Court, St Stephens Green, Dublin

**€1.53 bn**

**TOTAL VALUE OF PROPERTY FUND**



**72 INDIVIDUAL  
PROPERTY ASSETS**



**LEASED TO  
OVER 300  
TENANTS**



**BROAD MIX OF COMMERCIAL PROPERTY –  
WITH EXPOSURE TO OFFICES, RETAIL  
AND INDUSTRIAL PROPERTIES**

The information is correct as at 30 June 2021. For the percentage of property invested in each MAP Fund, please see the factsheet on [www.irishlife.ie](http://www.irishlife.ie).

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

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

**Warning: These funds may be affected by changes in currency exchange rates.**



# ILIM'S RESPONSIBLE INVESTMENT 'BELIEFS AND APPROACH'



## ILIM'S RESPONSIBLE INVESTMENT

# BELIEFS AND APPROACH

ESG stands for the Environmental, Social and Governance factors that companies are measured against. These factors facilitate ILIM's 'three pillar approach' to responsible investing.



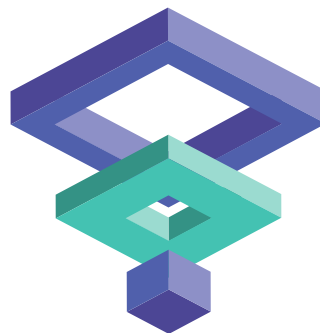
As climate change poses a significant risk to all assets, we are actively reducing our investment exposure to carbon risk, as set out by the Paris Agreement which is a legally binding international treaty that aims to tackle climate change.



We also target companies that can demonstrate good corporate behaviour both internally and externally e.g., with employees, in communities and with suppliers and shareholders.

## ILIM INVESTMENT PHILOSOPHY

Our approach of exclusions, integration and engagement is making the difference today to deliver a better, more sustainable tomorrow.



- Responsible Investing  
This is **what** we do
- ESG Framework  
This is **how** we do it
- Sustainability  
This is **why** we do it

## WHAT IS THE ESG FRAMEWORK?

**E****ENVIRONMENTAL**

- Carbon Emissions
- Use of Natural Resources
- Energy Efficiency
- Pollution & Waste Management
- Biodiversity

**S****SOCIAL**

- Employee Satisfaction
- Human Rights & Supply Chain
- Global Health Policy
- Stakeholder Commitments
- Product Responsibility

**G****GOVERNANCE**

- Board Diversity & Independence
- Sustainability Policy & Reporting
- Bribery & Anti-Corruption
- Lobby Group Policy
- Management of Subsidiaries

## OUR THREE-PILLAR APPROACH TO APPLYING ESG

### EXCLUSIONS

Exclude companies harmful to the environmental/ social objectives of a sustainable society

Companies are excluded if their:

- products cause harm when used as intended
- production causes significant harm
- behaviour is shown to be harmful



### ESG INTEGRATION

Incorporate ESG criteria as part of stock selection and the portfolio construction process

We enhance exposure if the company:

- has strong ESG credentials relative to competitors
- generates revenues from more sustainable business activities

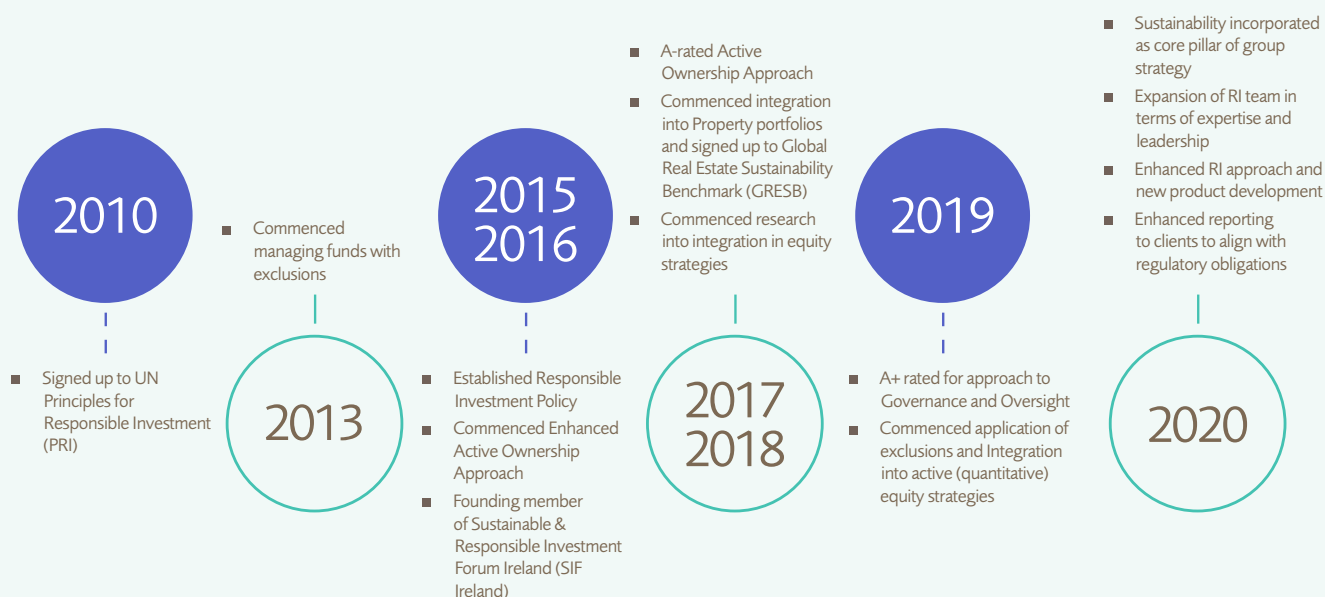
### RESPONSIBLE OWNERSHIP

Encourage better standards and management processes around key ESG risks

This is done via:

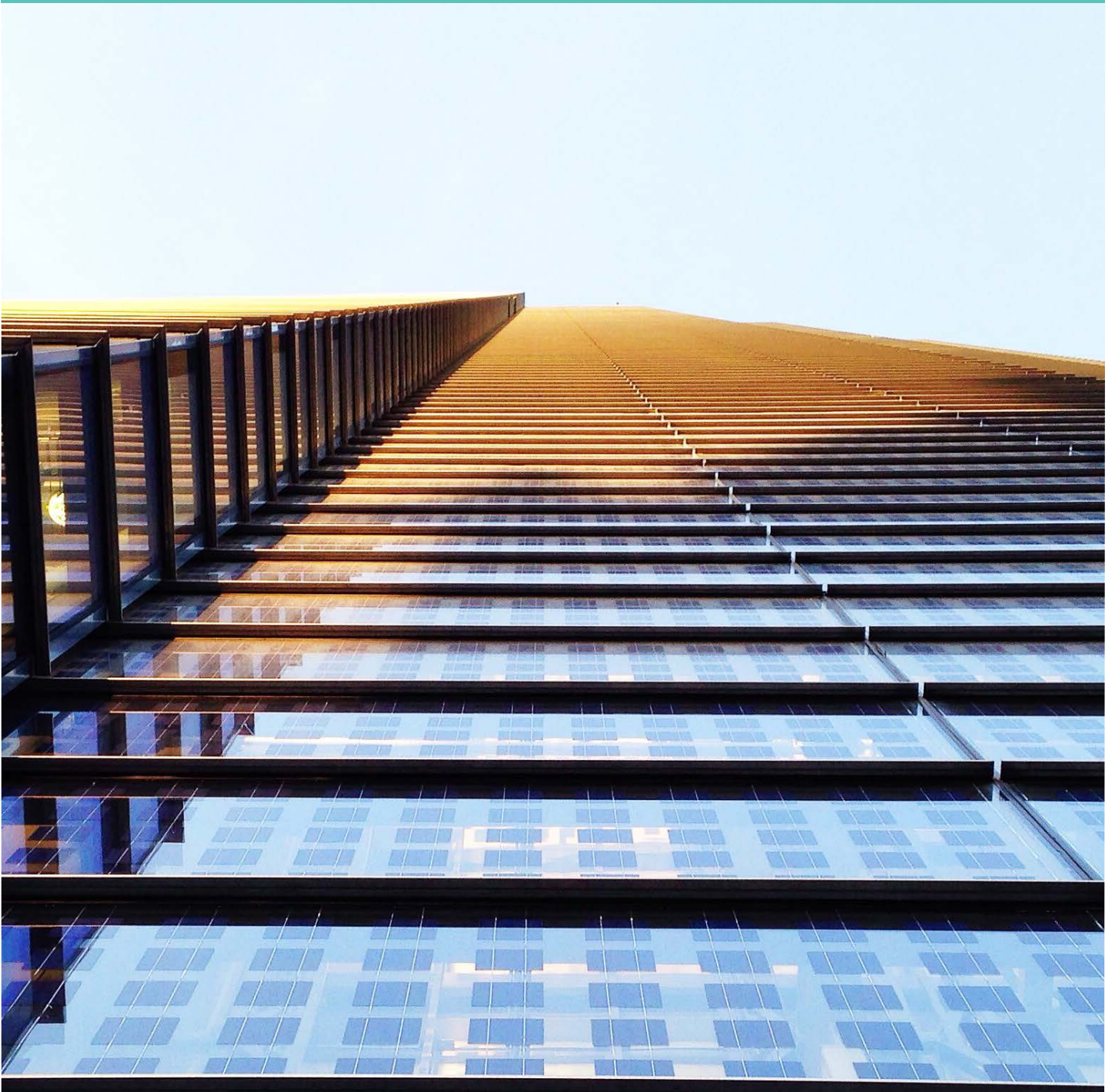
- shareholder voting
- constructive engagement
- operating in a manner that emphasises the importance of ESG factors in industry
- regulatory forums

## ILIM'S RESPONSIBLE INVESTMENT JOURNEY





# ILIM'S CREDENTIALS





# ILIM'S CREDENTIALS

ILIM currently manages €94.9 billion of assets (as at 30 June 2021) from clients including private investors and leading Irish and international companies. By investing in one of these funds through an Irish Life Assurance pension, savings or investment plan, you will benefit from ILIM's experience and expertise.

ILIM is a multi-award winner, recognised internationally for its expertise, innovation and track record:



## IRISH LIFE MAPS®

- Choice is offered across a range of funds
- Aims for smoother returns over the long term
- Risk management aims to keep returns on track
- Peace of mind through regular reviews
- Available across our pension, investment and savings plans

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

Warning: If you invest in these funds you may lose some or all of the money you invest.

Warning: These funds may be affected by changes in currency exchange rates.

For more details please see [www.irishlife.ie/investments](http://www.irishlife.ie/investments) or contact your financial broker or financial adviser.







# Irish Life

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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.

ILA 10636 (REV 06-21)

