

# Quarterly Report Q2 2023 Irish Life MAPS<sup>®</sup>



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 qualifies as an 'Article 8' fund under the Sustainable Finance Disclosure Regulation (SFDR).

Helping people build  
better futures

# 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 Portfolios (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 2023 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 United Nations-supported Principles for Responsible Investment (UN PRI), ILIM is a leader in driving ESG (Environmental, Social, Governance) investing in Ireland. ILIM’s goal is to create a more sustainable future for the world and its inhabitants, thereby protecting long-term investor returns.

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

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

**Warning: This fund may be affected by changes in currency exchange rates.**

## CONTENTS

<b>Market and Irish Life MAPS Overview</b>	<b>3</b>
Market Summary	4
Irish Life MAPS Fund Performance	4-5
Market Snapshot	6
Irish Life MAPS Asset Split	7
<b>Irish Life MAPS Risk Management Strategies</b>	<b>8</b>
Irish Life MAPS Diversification	9
Regular Reviews	9
Rebalancing	10
Dynamic Share To Cash Model	11
Currency Hedging	12
Global Low Volatility Shares	12 & 14
<b>Asset Classes Explained</b>	<b>13</b>
1 Shares	14
2 Bonds	16
3 External Managers/Alternatives/Option Strategy	18
4 Property	20
<b>ILIM’s Responsible Investment ‘Beliefs and Approach’</b>	<b>21</b>
<b>ILIM’s Credentials</b>	<b>24</b>



# Market and Irish Life MAPS<sup>®</sup> Overview

Helping people build  
better futures

# MARKET SUMMARY AND IRISH LIFE MAPS® FUND PERFORMANCE

Economic data in Q2 continued to suggest that inflation remains sticky amid a divergence between a resilient US economy and elsewhere. The eurozone entered a technical recession in Q1, and China’s economic data has been lacklustre since the country’s reopening from Covid restrictions in December 2022. Despite this, global asset markets continued to rally as signs of a recession were yet to show up in US economic data,

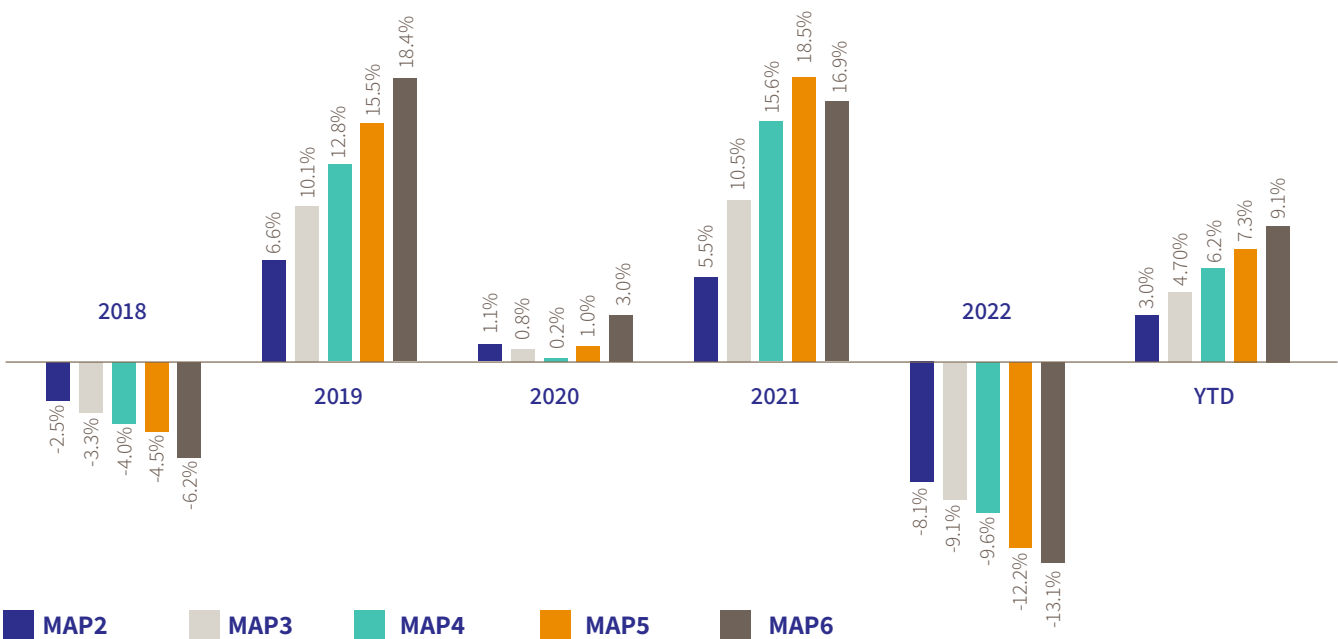
while positive sentiment around artificial intelligence (AI) and its potential to boost corporate profit margins supported some technology stocks. Global equities, as represented by the MSCI All Country World Index (ACWI), rose by 6.7% (5.9% in euro terms) in Q2, while the ICE BofA 5+ Year Euro Government bond index was up by 0.4% over the period.

## 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 potentially smoother 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 on each of the five Irish Life MAPS funds, and the annualised return over the last one, three, five and seven years as well as since launch (17 May 2013) to the end of the second quarter of 2023. 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: ‘Moneymate’. Gross returns shown to 30 June 2023 (‘Moneymate’), before any fund management charge.

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

## PERFORMANCE AS AT 30 JUNE 2023

Asset class	MAP2	MAP3	MAP4	MAP5	MAP6
1 year	2.5%	4.8%	6.7%	6.7%	7.8%
3 year per annum (p.a)	1.5%	3.9%	6.3%	7.5%	8.3%
5 year p.a	1.1%	2.6%	3.8%	4.4%	5.0%
7 year p.a	1.7%	3.4%	4.9%	6.0%	6.9%
10 year p.a	2.6%	4.3%	6.2%	7.4%	7.7%

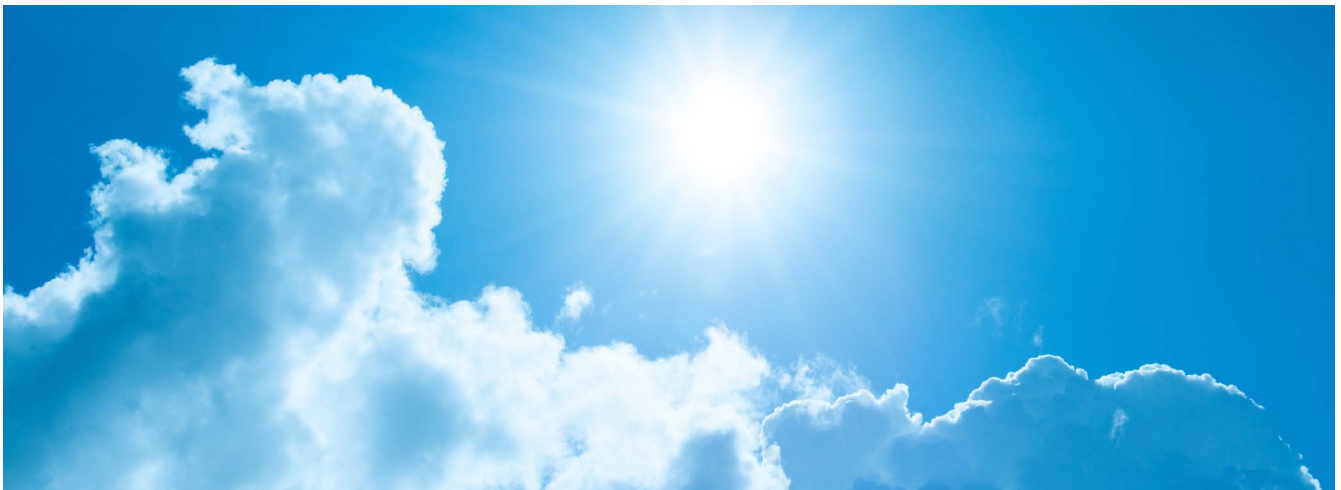
Source: 'Moneymate'. Gross returns shown to 30 June 2023 ('Moneymate'), before any fund management charge. Launch date: 17 May 2013.

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

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

**Warning: This fund may be affected by changes in currency exchange rates.**

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



# MARKET SNAPSHOT



## Shares

Global equities, as represented by the MSCI All Country World Index (ACWI) rose by 6.7% (5.9% in euro) in Q2.

The theme of artificial intelligence (AI) received a boost from chipmaker Nvidia in May as it reported better-than-expected Q1 results. The firm projected \$11 billion in sales for the three months to end-July – 50% above market expectations – amid strong demand for its chips that are able to handle AI and its applications. As a result, the company’s share price rose by 52% in Q2 – bringing the year-to-date gain to 189.5% – and its market cap rose above \$1 trillion during the quarter. The announcements were viewed as indicative of AI gaining traction, and stocks related to this theme (particularly technology stocks) benefited, with the NASDAQ index up by 12.8% over the period.

Large cap stocks outperformed amid the ongoing market leadership of the US megacap stocks, as concerns around the impact of the banking crisis on growth and credit creation weighed on small caps.

Emerging market equities rose by 1.8% (0.6% in euros), well below the performance of developed markets (which rose 7.3% in local currency terms and 6.6% in euros). The asset class was weighed down by lacklustre economic data from China as the reopening boost at the start of the year faded and authorities appeared unwilling to support activity via significant policy easing. The MSCI China fell by 8.9%.

## Bonds

The global backdrop of broadly steady economic data led bond yields to rise over the quarter as concerns over the banking crisis faded and central banks guided for further rate hikes in the second half of 2023. This pushed up short-term bond yields at end-June to close to levels prior to the banking crisis. Fixed income markets traded in a narrow range during Q2, which was reflected in lower bond volatility.

Expectations of higher rates in the UK pushed gilt yields higher, with the ICE BofA UK Gilt Index down by 6.0% in Q2. Meanwhile, the ICE BofA 5+ Year Euro Government bond index was up by 0.4% over the period.

European investment grade (IG) corporate bonds rose by 0.4% in Q2, supported by investors favouring higher rated corporate debt amid a slower growth backdrop in the region. Global high yield bonds rallied by 1.4%. Emerging market local debt rose by 2.6%.

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

# IRISH LIFE MAPS<sup>®</sup> 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.

## At 30 June 2023

Asset class	MAP2	MAP3	MAP4	MAP5	MAP6
*Low Volatility Shares	5.0%	10.0%	15.0%	11.0%	6.5%
*Global Shares (DSC)	11.0%	20.0%	25.0%	25.0%	15.0%
*Global Shares	3.5%	9.0%	18.0%	30.0%	53.5%
*Emerging Market Shares	0.5%	1.0%	2.0%	14.0%	20.0%
<b>EQUITIES</b>	<b>20.0%</b>	<b>40.0%</b>	<b>60.0%</b>	<b>80.0%</b>	<b>95.0%</b>
<b>BONDS</b>	<b>48.0%</b>	<b>31.5%</b>	<b>16.5%</b>	<b>4.5%</b>	<b>0.0%</b>
Liquid Alternatives	9.0%	9.0%	9.0%	3.0%	0.0%
Global Infrastructure	3.0%	3.0%	3.0%	2.0%	0.0%
Equity Option Strategy	3.0%	3.0%	3.0%	2.0%	0.0%
<b>ALTERNATIVES</b>	<b>15.0%</b>	<b>15.0%</b>	<b>15.0%</b>	<b>7.0%</b>	<b>0.0%</b>
<b>*PROPERTY</b>	<b>7.0%</b>	<b>8.5%</b>	<b>8.5%</b>	<b>8.5%</b>	<b>5.0%</b>
<b>CASH</b>	<b>10.0%</b>	<b>5.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

Source: ILIM, 30 June 2023. \*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 Dynamic Share to Cash (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.

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





# Irish Life MAPS<sup>®</sup> Risk Management Strategies

Helping people build  
better futures



## IRISH LIFE MAPS® 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, there are 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.

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

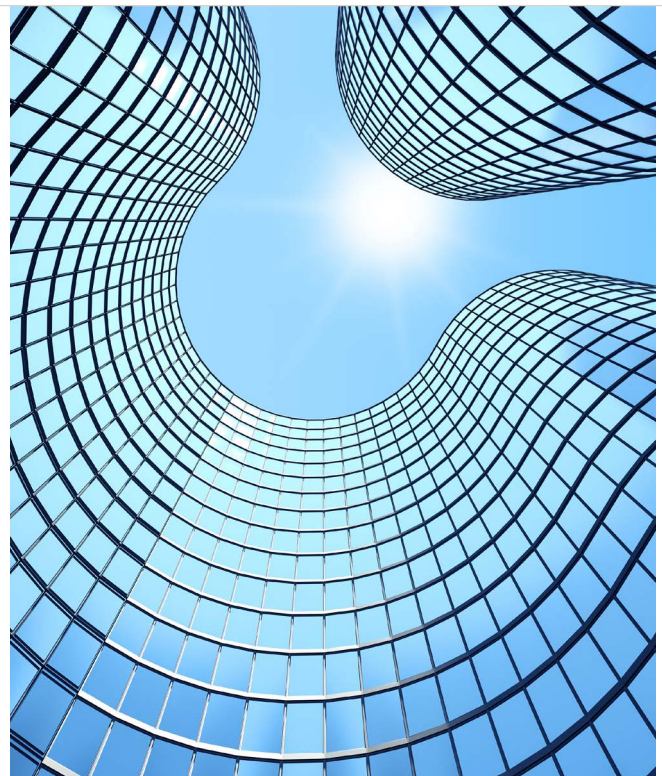
**Warning: The value of your investment may go down as well as up.**

**Warning: This fund may be affected by changes in currency exchange rates.**

### 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.

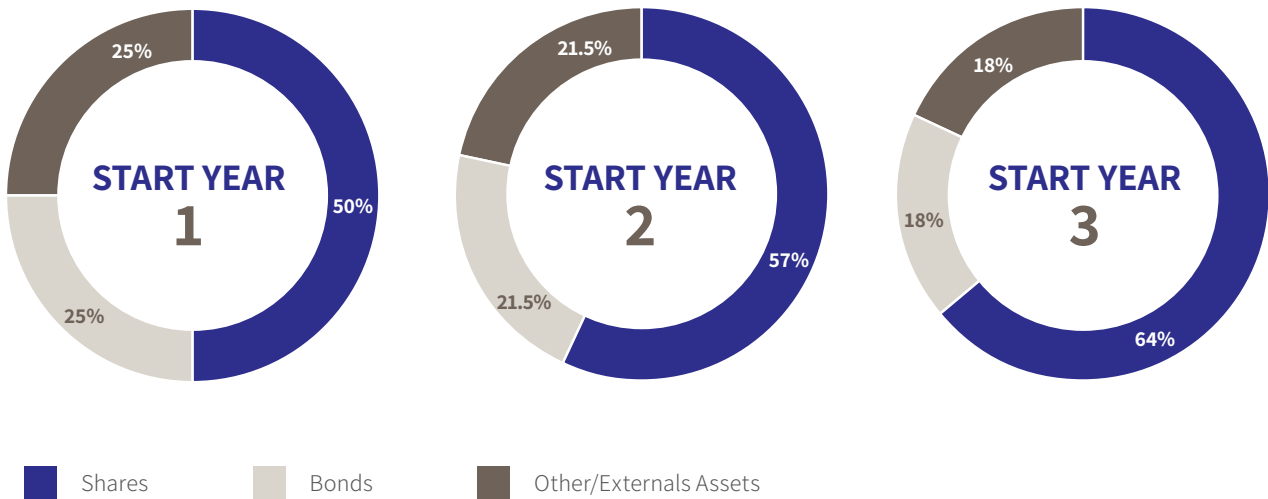
The process takes into account the short, medium and long-term expected outlook for investment markets, with a view to optimising the strategic asset allocation mix. Typically in these reviews, ILIM is looking for opportunities to either enhance risk management and/or increase the expected fund returns. 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.



# IRISH LIFE 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.

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

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

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

**Warning: Past performance is not a reliable guide to the future performance of this investment.**



## IRISH LIFE MAPS® RISK MANAGEMENT STRATEGIES

### Dynamic Share to Cash Model

Each Irish Life MAPS fund uses ILIM’s innovative DSC (Dynamic Share to Cash) model on 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. 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 DSC signal was 0.01 at the end of Q1 2023 and ended Q2 at 0.46. The strategy started Q1 with a traded equity weight of 100% and remained fully invested throughout the entirety of Q2.

The factors include:

	MARKET MOMENTUM VARIABLE	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	Moving average crossover signal	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 2023 UPDATE	The Technical group’s contribution increased on the back of higher readings from the Equity Market Momentum and the Moving Average Cross factors. The overall contribution from the Technical group was neutral at the start of the quarter but increased and became positive by quarter end.	The Fundamental group’s contribution decreased as a result of a deteriorated Earnings Yield factor. The overall contribution from the Fundamental group decreased and remained negative.	The Macro group’s contribution increased due to a higher contribution from the Energy Prices factor. The overall contribution from the Macro group increased and remained positive.
Q2 2023 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.

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

## IRISH LIFE MAPS® 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

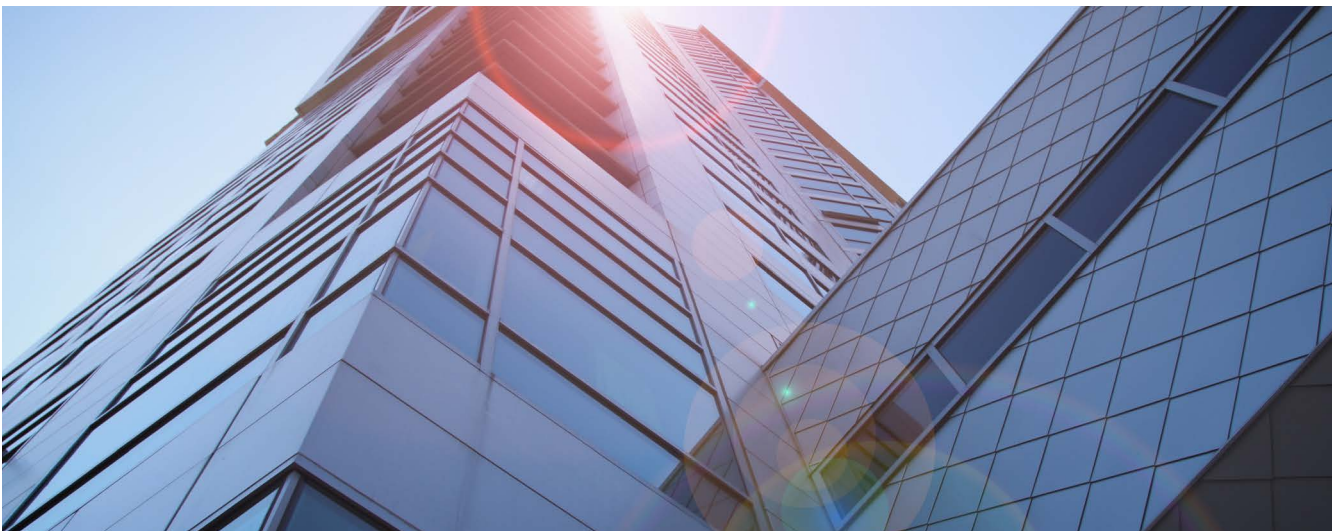


ILIM uses a systematic approach to identify key factors (valuations, market momentum, etc) that, when combined, aim to indicate when it is beneficial to hedge foreign currency exposure.

#### 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



# What does Irish Life MAPS<sup>®</sup> invest in? Asset Classes Explained

Helping people build  
better futures

## ASSET CLASSES EXPLAINED

### 1 SHARES

#### DSC Global Shares/Global Shares\*

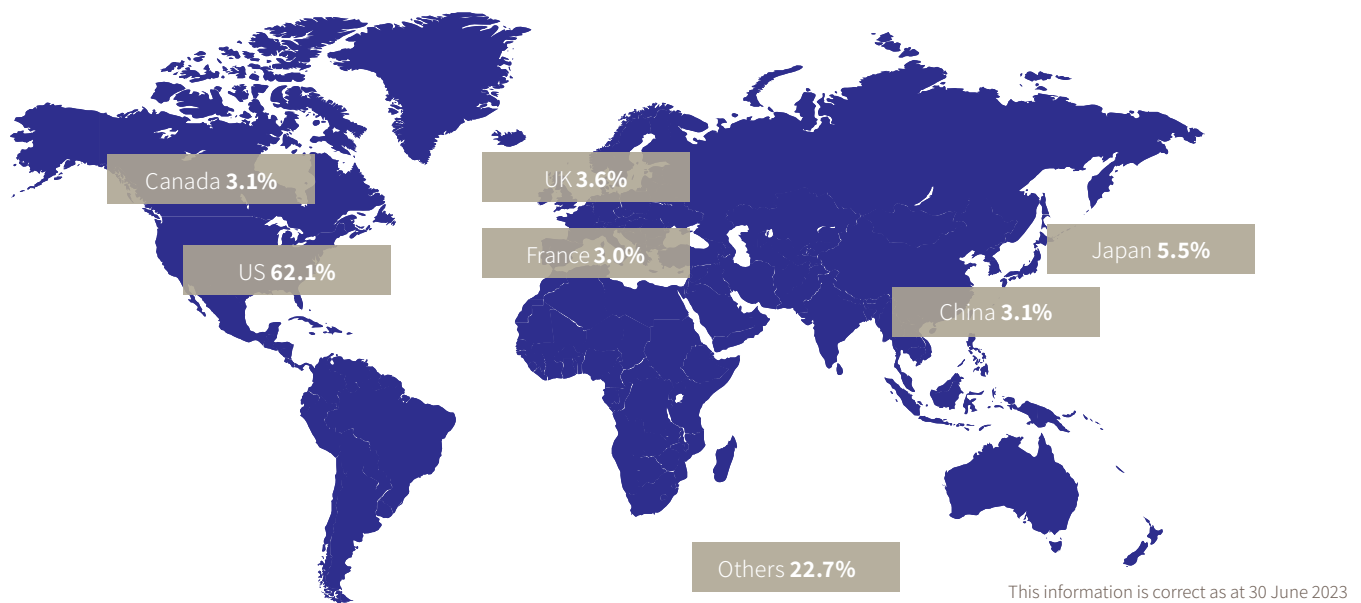
DSC Global Shares and Global Shares track the performance of a large, customised, global share index which has enhanced sustainability characteristics, a better alignment to the low carbon transition economy and is therefore completely aligned with ILIM’s responsible investment ‘beliefs and approach.’ This index aims to have a more positive impact on the environment and society compared to a standard index and uses ESG (Environmental, Social, Governance) factors in it’s composition.

ILIM uses its DSC (Dynamic Share to Cash) model (explained on page 11) on the DSC Global Shares allocation while the Global Share allocation remains fully invested, providing the optimal mix for achieving MAPS objectives.

Global Shares includes c.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:



## RISK MANAGEMENT STRATEGIES

#### Global Low Volatility Shares\*

Using a detailed, quantitative strategy, ILIM chooses shares from a broad global 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 circa 200 shares that make up the Global Low Volatility Shares fund align with ILIM’s responsible investing (or ESG/Environmental, Social and Governance) 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).

**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.**

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

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

Sector	Global Low Volatility
Information Technology	-5.1%
Industrials	-5.2%
Financials	-3.0%
Materials	-2.0%
Consumer Discretionary	-1.0%
Utilities	-0.8%
Telecommunication Services	1.5%
Real Estate	1.6%
Energy	2.3%
Consumer Staples	3.6%
Health Care	8.0%












\*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 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/Environmental, Social and Governance) policies.

For more on ILIM’s responsible investing please refer to the ILIM’s Responsible Investing ‘Beliefs and Approach’ section on page 22 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
 Information Technology	-4.4%
 Industrials	0.5%
 Financials	-1.0%
 Materials	-4.9%
 Consumer Discretionary	-1.8%
 Utilities	0.5%
 Telecommunication Services	0.4%
 Real Estate	0.2%
 Energy	1.5%
 Consumer Staples	3.7%
 Health Care	5.4%

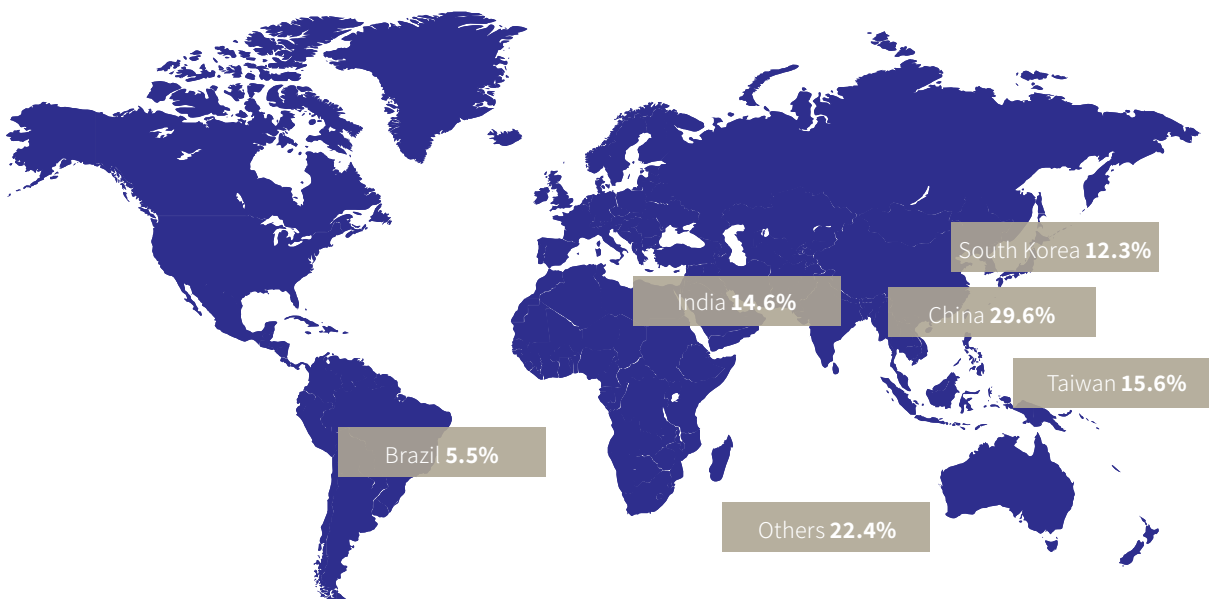


## Emerging Market Shares

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:



This information is correct as at 30 June 2023

**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.**

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

## 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
Austria	3.96%
Belgium	4.58%
Cyprus	0.15%
Germany	20.12%
Spain	14.57%
Finland	1.29%
France	23.54%
Croatia	0.37%
Ireland	1.36%
Italy	22.84%
Lithuania	0.07%
Luxembourg	0.17%
Latvia	0.18%
Netherlands	4.05%
Portugal	1.68%
Slovenia	0.41%
Slovakia	0.66%

This information is correct as at 30 June 2023.

#### 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	4.78%
Banking	30.34%
Basic Industry	3.32%
Capital Goods	3.67%
Consumer Goods	5.92%
Energy	2.88%
Financial Services	6.82%
Healthcare	5.19%
Insurance	4.49%
Leisure	0.44%
Media	1.37%
Real Estate	7.02%
Retail	1.89%
Services	0.96%
Technology & Electronics	2.67%
Telecommunications	5.43%
Transportation	3.26%
Utility	9.54%

\*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).

**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.**



### 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 that are tracked.

The geographic split of the local currency index is illustrated below:

Country	Weight
Brazil	9.34%
Chile	2.86%
China	6.23%
Colombia	4.27%
Czech Republic	8.37%
Hungary	4.85%
Indonesia	9.34%
Mexico	9.34%
Dominican Republic	0.17%
Malaysia	10.00%
Peru	2.39%
Philippines	0.06%

Country	Weight
Poland	9.34%
Romania	4.72%
Serbia	0.29%
Egypt	0.49%
Thailand	9.29%
Turkey	0.57%
Uruguay	0.18%
South Africa	7.89%

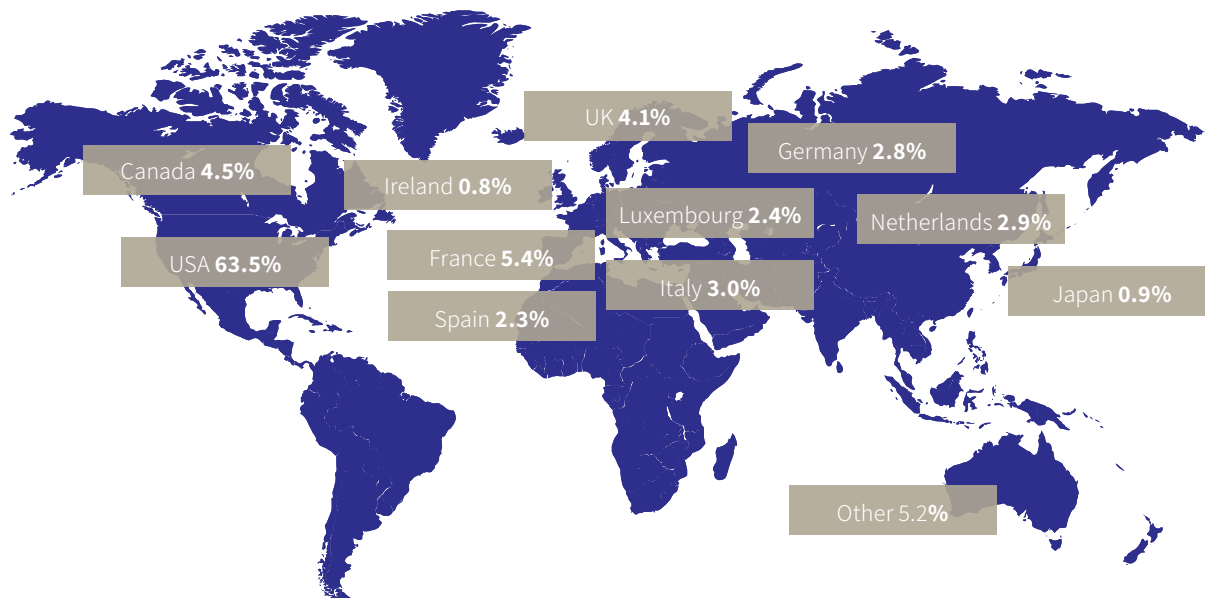
\*Includes sustainable characteristics within the Emerging Market Bond (Hard Currency) allocation that helps qualify MAPS as an Article 8 fund under the Sustainable Finance Disclosure Regulation (SFDR). For more on ILIM's responsible investing, please refer to the ILIM's Responsible Investing 'Beliefs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

This information is correct as at 30 June 2023.

### High Yield Bonds

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

The geographic split of the index is illustrated below:



This information is correct as at 30 June 2023.

**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.**

## 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>\$57.2 billion</b> (31 March 2023)	GMO Real Return Fund
<b>AQR</b> Source: <a href="http://www.aqr.com">www.aqr.com</a>	<b>\$97.0 billion</b> (31 May 2023)	AQR Style Premia
<b>Dunn Capital Management</b> Source: <a href="http://www.montlakeucits.com">www.montlakeucits.com</a>	<b>\$1.3 billion</b> (31 May 2023)	Montlake Dunn WMA
<b>MidOcean</b> Source: <a href="http://www.midoceanpartners.com">www.midoceanpartners.com</a>	<b>\$6.7 billion</b> (31 March 2023)	DB Platinum MidOcean Fund
<b>RenaissanceRe</b> Source: <a href="http://www.renre.com">www.renre.com</a>	<b>\$11.8 billion</b> (31 March 2023)	RenRe Medici Fund
<b>LGT ILS Partners</b> Source: <a href="http://www.lgtcp.com">www.lgtcp.com</a>	<b>\$88.5 billion</b> (28 February 2023)	LGT ILS Cat Bonds Fund
<b>Greencoat Renewables Plc.</b> Source: Bloomberg Terminal	<b>€1.6 billion*</b> (6 July 2023)	Greencoat Renewables Plc.
<b>International Public Partnerships</b> Source: Bloomberg Terminal	<b>£2.7 billion*</b> (6 July 2023)	INPP Plc
<b>Oceanwood Capital Management LLP</b> Source: Oceanwood Capital Management LLP	<b>\$755 million</b> (31 April 2023)	Oceanwood UCITS

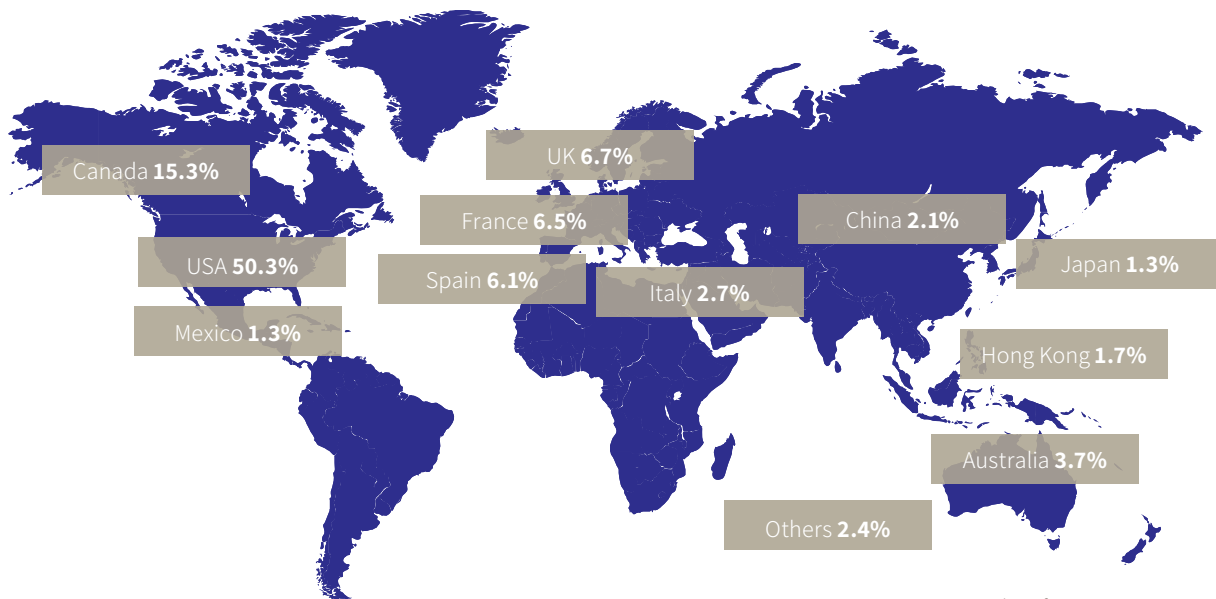
\*Market Capitalisation

## 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 2023.

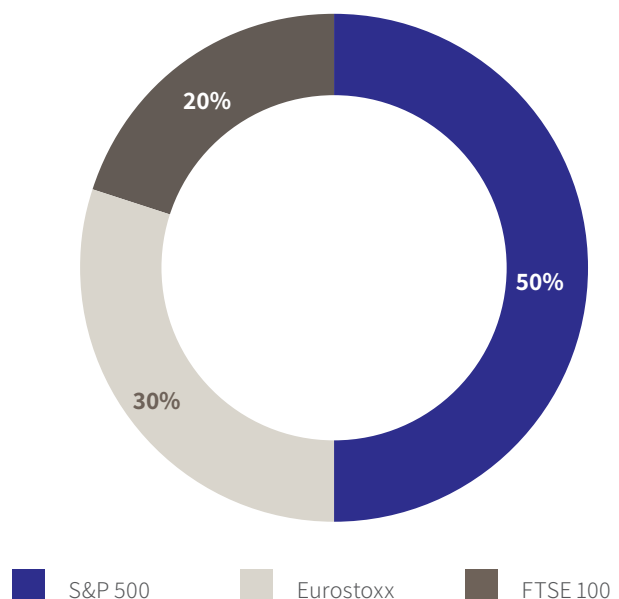
## RISK MANAGEMENT STRATEGIES

### 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 2023.

### 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 2023 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).

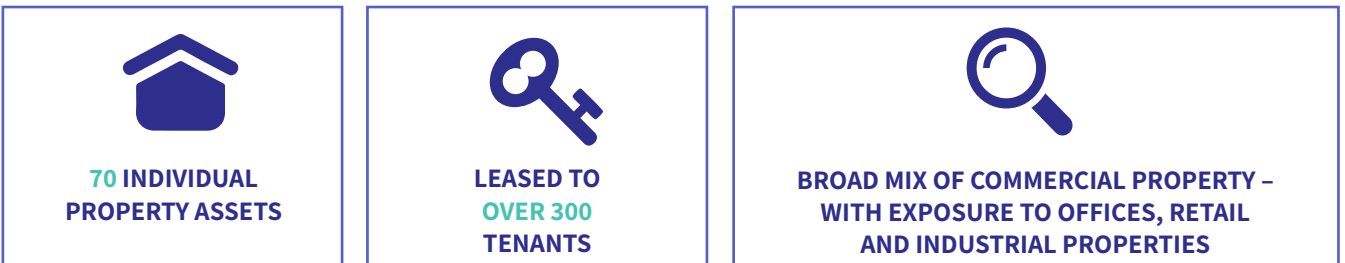
As part of ILIM’s commitment to responsible investing and sustainability, ILIM has also integrated ESG (Environmental, Social and Governance) considerations into the MAPS property allocation. The industry standard is the GRESB (Global Real Estate Sustainability Benchmark), against which ILIM was awarded 4 out of 5 stars in 2021.

\*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).



- 1 2 Grand Canal Square, Dublin
- 2 1 Georges Quay, Dublin
- 3 Cadenza
- 4 13-18 City Quay
- 5 24-26 City Quay, Dublin

**€1.40 bn**  
TOTAL VALUE OF PROPERTY FUND



The information is correct as at 30 June 2023. For the percentage of property invested in each MAP Fund, please see the factsheet on [www.irishlife.ie](http://www.irishlife.ie).

- Warning: If you invest in this product you may lose some or all of the money you invest.**
- Warning: The value of your investment may go down as well as up.**
- Warning: This fund may be affected by changes in currency exchange rates.**



# ILIM's Responsible Investing 'Beliefs And Approach'

Helping people build better futures

## ILIM’S RESPONSIBLE INVESTMENT BELIEFS AND APPROACH

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



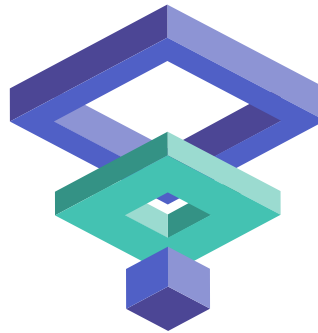
As climate change poses a significant risk to all assets, ILIM are actively reducing our investment exposure to carbon risk, as set out by the Paris Agreement, which is a legally binding international treaty that aims to tackle climate change.



ILIM also targets 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

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



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

### WHAT IS THE ESG FRAMEWORK



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



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



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

## ILIM'S 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

Helping people build  
better futures



# ILIM'S CREDENTIALS



ILIM currently manages €101.3 billion of assets (as at 30 June 2023) 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.

Irish Life Assurance chooses ILIM to manage its MAPs fund range as it 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 Investment Managers Ltd is regulated by the Central Bank of Ireland  
Irish Life Assurance plc, trading as Irish Life, is regulated by the Central Bank of Ireland