

Protected Assets Fund

Explicit protection when needed most




taking care of you...



Fund Overview

Protected Assets Fund

Explicit protection when needed most

Aim	To deliver long-term capital growth for investors while explicitly managing market risk.
Return	Return is linked to the performance of five global stock market indices – Europe, North America, UK, Japan and Emerging Markets.
Explicit Protection	In any calendar year, the value of an investment (before charges) can never fall below 90% of the highest price in that year. Bank of Ireland (BOI) provides the fund protection to New Ireland. If for any reason, BOI is unable to meet its obligations, investors could lose some or all of their investment. Please see page 5 for further details.
Style	Dynamic investment strategy: <ul style="list-style-type: none">• In times of high volatility, exposure to market indices falls• In times of low volatility, exposure to market indices rises
Diversification	Globally diversified across key markets: <ul style="list-style-type: none">• Five mainstream global market indices• Exposure across continents, countries, currencies, industries and companies
Risk Rating	Medium Risk 

How the Fund sets out to Achieve its Aim

The Protected Assets Fund from New Ireland is designed to provide risk conscious investors with greater choice when it comes to investing their money.

This fund offers an investment strategy that has the potential to deliver returns from investing in stock markets but with significantly reduced risks.

Global Equity Returns

- ✓ Performance is linked to the return of five global stock market indices across Europe, North America, UK, Japan and Emerging Markets.

Explicit Downside Protection

- ✓ Increases exposure to stock markets during times of stock market stability – to gain from potential positive market performance.
- ✓ Reduces exposure to stock markets during times of stock market uncertainty – to limit exposure from any market falls.
- ✓ Protection is in place that ensures, in any calendar year, the value of an investment (before charges) will never fall below 90% of the highest price in that year. Bank of Ireland (BOI) provides the fund protection to New Ireland. If for any reason, BOI is unable to meet its obligations, investors could lose some or all of their investment.

Access to the potential returns of global stock markets

But with explicit protection when needed most

Warning: The value of your investment may go down as well as up.
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Accessing Global Stock Markets

A well diversified
portfolio of global
indices

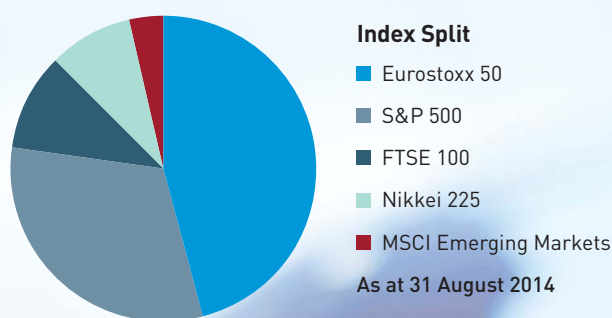
Historically, shares have offered strong returns for investors - as they have the potential to beat both inflation and deposits over the long term. Investors benefit from both the long term rise in share prices and income received through dividend payments.

The fund aims to take advantage of both the growth and income opportunities offered by investing in stock market indices.

Exposure to Global Stock Markets

The investment return is partly linked to the performance of five mainstream global stock market indices (with dividends included):

Asset Split



By investing via stock market indices, the fund also benefits from:

- **A highly diversified equity-based investment** - there is exposure across continents, countries, currencies, industries and companies
- **Reduced risk** - as the potential risks involved in choosing a single fund manager are removed

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Index Investing

Index investing or passive investing aims to remove the potential risk that comes from choosing a fund manager. By tracking an index the fund tracks the performance of stocks trading on that index. Index funds manage risk by choosing to only track an index, and in turn can be considered less risky than an actively managed fund where a fund manager chooses what specific stocks to invest in across different sectors and geographic regions.

Further Information About...

Eurostoxx (Eurostoxx 50) Index

The EURO STOXX 50 Index is Europe's leading blue-chip index for the Eurozone. It provides a blue-chip representation of supersector leaders in the Eurozone. The index covers the 50 largest companies from 12 Eurozone countries: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain.

S&P 500 Index

The S&P 500, or Standard & Poor's 500, is a stock market index that provides exposure to 500 of the top companies in leading industries of the U.S. economy, as measured by market capitalisation.

FTSE 100 Index

The FTSE 100 is a share index that provides exposure to the 100 largest companies traded on the London Stock Exchange, as measured by size and liquidity.

Nikkei 225 Index

The Nikkei 225 is a stock market index that provides exposure to 225 companies in the 1st section of the Tokyo Stock Exchange, as measured by size.

MSCI Emerging Markets (EEM) Index

The EEM index is a stock market index that provides exposure to the equity performance across 23 emerging markets countries. Currently markets included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. (August 2014, subject to change)

The Benefit of Dividends

Dividend payments can be a significant contributor to investors' long-term returns. They can provide a steady flow of income and their importance should never be underestimated. For this reason for the Protected Assets Fund, returns from the exposure to stock markets include the benefits of dividends. This is through the use of total return indices and where one is not available, returns are calculated to include the benefit of any dividends paid out by stocks held within the index/ indices.

Index investing can remove the potential risk that comes from investing with a single fund manager

As some of the indices are non-Eurozone, the value of an investment in the fund may be affected by changes in currency exchange rates.

The indices and relative exposure to each index can be varied (and changed) by New Ireland over time. Exposure to the individual indices is automatically reset at the start of each year.

Dividends can be a significant contributor to returns

Investment Approach

A comprehensive approach to investing... but with significantly reduced risks

Whether markets are stable or experiencing a period of uncertainty the Protected Asset Fund reacts appropriately

As the return of the fund is linked to the performance of global stock markets, the fund can experience the volatility (ups and downs) that share prices experience over an investment time-frame. Over the short-term there are times when these movements can be significant. The Protected Assets Fund has been designed to explicitly limit the impact of this downside risk to investors.

How is this achieved?

1. Dynamic Investment Management Strategy

The Protected Assets Fund's reaction to market conditions is two fold:

- During times of market uncertainty (volatility), a greater share of the fund is quickly moved to cash, to protect the value of the fund
- When markets are stable, the fund quickly increases its exposure to the basket of indices, to increase the potential to grow.

How this happens

The fund has a specific investment strategy in place to manage market risk. Each day the indices trade, the combined market volatility experienced by the five indices is calculated. This is then compared to a target volatility rate that has been set for the fund (this rate can change over time).

If the fund is experiencing a higher actual volatility than the target, monies are moved quickly into cash to stabilise the fund; if the results show that markets are more stable, the opportunity is taken to increase exposure to the market based indices and reduce the holding in cash.

2. Protection

The Protected Assets Fund provides an explicit promise that in any calendar year, the value of an investment in the fund (before charges are deducted) will never fall below 90% of its highest value in that year.

Example (See chart over the page also)

Day 1 – January

Initial amount invested on Day 1 €10,000

Starting protection on Day 1 €9,000 (90% of €10,000)

May

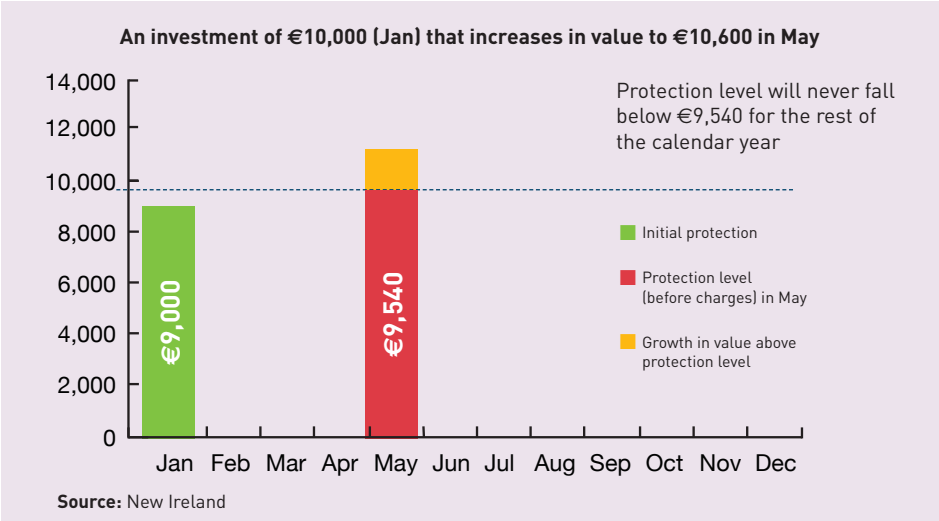
Investment value increased to €10,600

The protection promise means the value will never fall below €9,540 (90% of €10,600) for the rest of the calendar year

Charges and tax (if any) must be deducted to arrive at the net value of a customer's investment.

Investment Approach

How the Protection Works



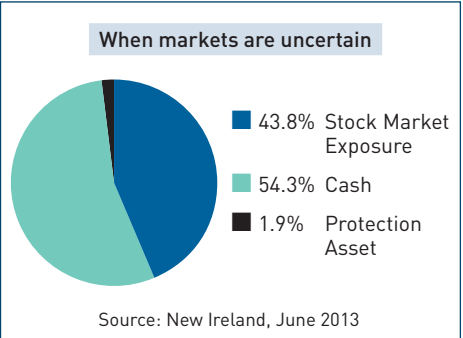
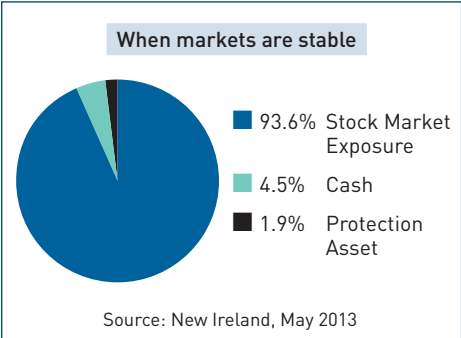
The equity exposure of the fund may be reduced at times to protect the Fund from the risk of poor stock market volatility. The Fund may also hold cash for liquidity.

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

*** A note on the protection**

For the Protected Assets Fund, the Governor and Company of the Bank of Ireland is the current provider of the protection and the return to New Ireland Assurance Company plc (New Ireland). New Ireland will pass on the full value of the amounts it receives from Bank of Ireland to investors. If for any reason Bank of Ireland cannot meet its obligations, investors could lose some or all of their investment in this fund.

Examples of Asset Splits of the Fund



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An explicit protection promise is in place to protect investors

A Proven Approach

The fund has delivered on its protection promise since launch

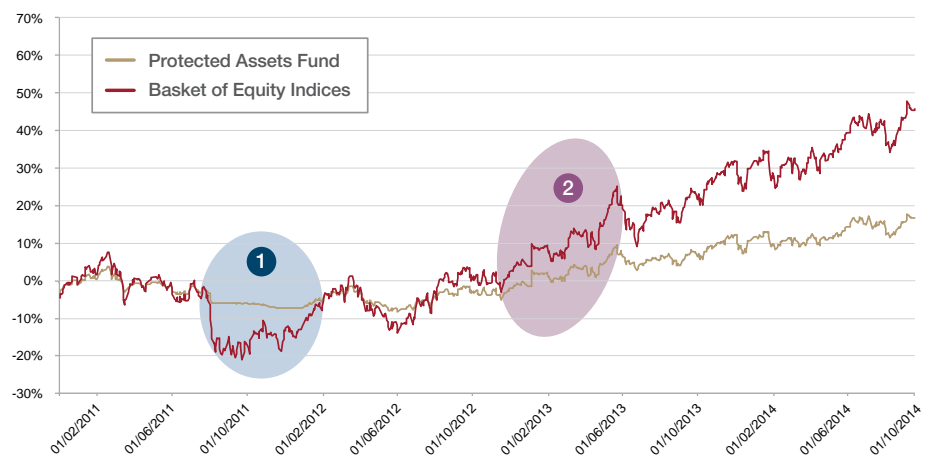
Since its launch in December 2010, global stock markets and economies have experienced significant periods of turbulence, periods of market recovery and subsequent outperformance. The chart below demonstrates how the fund has performed since launch:

- Protecting investors when needed
- Sharing in global stock market returns

To show this, we have compared the performance of the fund to a basket of global equity indices since its launch. This basket is made up of the five global stock market indices that the return of the fund is linked to – the Eurostoxx 50, S&P 500, FTSE 100, Nikkei 225 and MSCI Emerging Markets (EEM). Exposure to each index is in line with the Protected Assets Fund's exposure to each of these indices.

Protection + Performance in a Single Investment

The graph below shows the performance of markets and the Protected Assets Fund over the period.



Source: New Ireland, September 2014. Performance of the Protected Assets Fund S6 and the basket of equity indices is from 01/12/2010 to 17/09/2014 is quoted gross of taxation and fund management charges.

Looking at the chart we can see:

- How more stable the performance of the fund has been compared to that of the basket of the indices
- Late August 2011, highlighted as 1 on the chart, was a very turbulent time for markets. For the fund, as market volatility increased the actual exposure to indices fell and a greater share of the fund was moved into cash to protect investors.
- The chart also shows how the rest of 2011 remained quite volatile for markets, but the fund remained stable
- From the end of 2011, markets began to recover and as volatility fell and the recovery took hold, highlighted as 2 on the chart, the fund shared in the gains

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Other Information

Minimum Recommended Investment Period

Investing should always be considered over the medium to long-term (typically, 5-7 years or more) so as to give the underlying assets time to grow in value. However, even long-term investing involves risk as values will fluctuate over time.

Risk Rating – Medium Risk



At New Ireland we classify our wide range of funds into different risk categories to help you better understand the risks to your original investment.

We rate the **Protected Assets Fund** a medium risk investment fund. Funds categorised as medium risk have the following characteristics:

- They offer the potential for returns in excess of deposits but do not promise a minimum return at any time.
- They tend to invest in a range of assets, including lower risk assets such as government bonds and investment grade corporate bonds, but are more focused on higher risk assets such as equities, property and alternatives (e.g. commodities).
- Investors' capital is less exposed to market fluctuations than higher risk investments but investors may get back less than they originally invested.

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Product Availability & Contacts

Product Availability

The **Protected Assets Fund** is available to investors through a range of New Ireland products including:

- SmartFunds
- FutureSave
- Personal Retirement Plan
- Executive Retirement Plan
- Trustee Investment Plan
- Group Pensions
- Approved Retirement Fund (ARF)
- Approved Minimum Retirement Fund (AMRF)
- Personal Retirement Bond
- PRSA (non-standard)

iFunds - Availability

The **Protected Assets Fund** is also available within the **iFunds** range – it can be found in: **iFunds 3**, **iFunds 4** & **iFunds 5**

Charges

Normal product charges and allocation rates for these products apply, with the exception that the fund management charge for the **Protected Assets Fund** is 0.25% per annum higher than on standard funds.

Next Steps

To find out more about the Protected Assets Fund:



Talk to your Financial Broker or Advisor



1890 405 905[†]



fundcentre.newireland.ie

[†] To improve our service to you calls may be recorded.

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Terms and conditions apply. Where relevant life assurance tax applies. A Government levy (currently 1%) is payable on all premiums paid to a life insurance policy.

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