

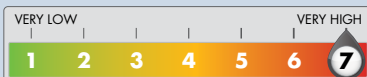


Fund Objective

To generate long-term capital growth by investing in high yielding equities that can provide a relatively high, yet sustainable flow of income for the fund, using borrowings to increase exposure to these equities.

Fund Facts

- **Recommended Investment Time Frame:** Medium to long-term (typically 5-7 years or more)
- **Asset Mix*:** High Yield Global Equities – 50-70 shares that typically pay an above average dividend yield
- **Managed By:** Davy Asset Management (Davy)
- **Risk Rating:** Very High Risk



Fund Manager



It is Davy Asset Management's unique perspective that inspires their thematic styled investment strategies delivering market leading performance. Each strategy has its own precise focus, backed by the consistency of their investment process, attention to detail and vision.

The Davy Geared High Yield Fund provides investors with the opportunity to share in the potential returns that can come from investing in equities that pay high dividends (high yielding equities).

Why Invest in High Yield Equities?

The Davy Geared High Yield Fund aims to invest only in equities that pay higher than average dividends on a sustained basis.

The logic behind this investment strategy is that the type of companies that can achieve sustained higher dividends generally provide stable growth opportunities going forward. This can be very important in times of slowing global growth. For this very reason, high yield funds have been one of the most popular areas of investment for decades.

*Equities in this fund may be used for the purpose of securities lending in order to earn an additional return for the fund. While securities lending increases the level of risk within the fund it provides an opportunity to increase the investment return.

Why Do Dividends Matter?

Between 1950 and 2010, dividend income accounted for 44% of the total return of the S&P500 index (Source: Davy Asset Management). This statistic highlights the importance of incorporating companies with strong dividend income characteristics within a portfolio or fund.

Essentially, the payment of dividends is a powerful message by companies to stock markets and to investors about the company's future prospects and performance. It is one of the simplest ways a management team can signal their confidence about the company's future prospects.

Warning: Past performance is not a reliable guide to future performance.
Warning: The value of your investment can go down as well as up.
Warning: This fund may be affected by changes in currency exchange rates.
Warning: If you invest in this fund you may lose some or all of the money you invest.





Investment Process

The Davy Geared High Yield Fund invests in a well-diversified basket (across country and sector) of 50-70 high yielding global equities - a 'concentrated' equity fund.

Financial tests are undertaken that aim to reduce the level of risk experienced by the fund when compared to the broader equity market.

Before a stock is added to the fund, Davy carry out a number of the financial tests and ensure specific criteria are met that indicate the company:

- is financially strong with stable earnings growth expected
- has an attractive and sustainable dividend yield
- has low debt to equity ratio i.e. the company has low levels of borrowings.

Typically, it is large companies that usually display such criteria.

Gearing

Investor capital is supplemented with borrowings (gearing) within the fund to increase exposure to shares.

Borrowings could be up to half of the total value of assets in the fund. The level of borrowing may vary, depending on cashflow and asset performance, and at times could be significantly less. Davy manage the level of borrowing on an ongoing basis.

The advantage of borrowing is that the investor will gain from any excess growth in both their own investment and the borrowed amount. However, it should be noted that any losses incurred are also magnified if the fund does badly. The main advantages of this fund are:

- Borrowings are used to increase the amount invested in shares and can increase your potential return. Of course, losses are also magnified
- Loans are established within the fund, so it is the fund that is liable for repayment of borrowings and not you personally
- Interest on the borrowings can be offset against the gross dividend income (i.e. before deduction of any tax on this income) making the fund very tax efficient and reducing the funds overall tax liability.

Davy - Local Provider, Global Offering

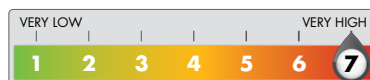
Davy is Ireland's leading provider of stockbroking, wealth management and financial advisory services, operating in Ireland since 1926. Their activities are organised around five core business areas: Asset Management, Capital Markets, Corporate Finance, Private Clients and Research.



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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 – Very High Risk

New Ireland has rated the Davy Geared High Yield Fund a very high risk investment fund. Funds categorised as very high risk funds have the following characteristics - they aim to generate exceptional returns for investors, but involve a significant level of risk. They may borrow to finance the purchase of assets and while this offers the potential for higher returns, any losses incurred by the fund will be magnified as a result of borrowings. In a worst case scenario, investors in a very high risk fund could lose all of their original investment.

Product Availability

The **Davy Geared High Yield Fund** is available to investors through the following New Ireland products:

- SmartFunds
- Future Save
- Personal Retirement Plan
- Executive Retirement Plan
- Trustee Investment Plan
- Personal Retirement Bond
- Approved Retirement Fund (ARF)
- Approved Minimum Retirement Fund (AMRF)
- PRSA (non-standard)

Charges

Charges vary per product type. For Davy Geared High Yield fund, a charge of 0.25% p.a. applies in addition to the standard charge. For details of the charges that apply talk to your Financial Broker or Advisor.



Talk to your Financial Broker or Advisor



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

Investing in a geared fund can lead to potentially increased returns when asset growth is positive, however it should be noted that any losses are magnified. In the event that the investment does not perform as intended an investor may not receive back all of their original capital and in extreme circumstances may lose their entire capital.

Terms and conditions apply. Where relevant, exit tax (currently up to 41%) applies to gains on life assurance investment policies. A Government levy (currently 1% of the premium) is payable on all premiums paid to a life assurance policy.

The information set out is of a general nature, may have been condensed or be incomplete and should not be relied upon without seeking professional advice. We believe the information to be reliable but we cannot guarantee its accuracy. The information set out does not constitute an offer or recommendation to buy or sell any investments or to subscribe to any investment services. Details are as at the date of this document unless otherwise stated and may change over time. For further details please refer to the fund brochure. Terms and conditions as set out in your policy conditions apply.

Davy Asset Management is regulated by the Central Bank of Ireland.

New Ireland Assurance Company plc is regulated by the Central Bank of Ireland. A member of Bank of Ireland Group. The Company may hold units in the fund on its own account.