

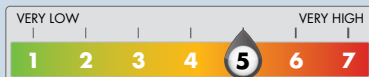


Fund Objective

To generate long-term capital growth for investors with a relatively high, yet sustainable flow of dividend income but with less risk than investing in global stock markets.

Fund Facts

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



Fund Manager



ASSET MANAGEMENT

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 Defensive 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), but with the additional benefit of less risk than a typical equity fund.

Why Invest in High Yield Equities?

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 (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 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.

Risk Reduction

The value of shares can go up and down over time (volatility) and sometimes this can be dramatically. The Davy Defensive High Yield Fund specifically aims to reduce the volatility of returns experienced by investors of the fund.

To achieve this, the fund employs a derivative strategy. The fund essentially exchanges some of the potential upside in share prices to generate additional income for the fund each quarter. The fund uses this income to buy some insurance that aims to partially protect against significant falls in share prices. The fund is in effect forgoing some of the potential upside in the portfolio to reduce the downside risk that can come from investing. Historically, this strategy has been successful in significantly reducing volatility within portfolios. (source: Davy Asset Management).

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.



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.



Minimum Recommended Investment Period

Investing should always be considered over the medium to long-term (typically, 5-7 years or more) 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 to High Risk

New Ireland has rated the Davy Defensive High Yield Fund a medium to high risk investment fund. Funds categorised as medium to high risk funds have the following characteristics - they aim to generate a return higher than deposits and inflation. They typically invest significant proportions in assets such as equities, property and alternatives (e.g. commodities). They usually hold smaller amounts in lower risk assets such as government bonds and investment grade corporate bonds. Within these asset classes, risk can be reduced by investing across sectors and geographic regions. Investors' capital is not secure and can fluctuate, sometimes significantly, and investors may get back less than they originally invested.

Product Availability

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

- 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

Davy Defensive High Yield Fund is available within: **ifunds 3**, **ifunds 4** and **ifunds 5**

Charges

Charges vary per product type. For Davy Defensive High Yield, a fund management 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. 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.

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