

Investment Aim

To generate a return reflective of the risk profile of the fund.



New Ireland's Risk Rating



Medium to High Risk

Overview

PRIME 5 aims to generate returns reflective of the risk profile of the fund by investing in a range of passive funds.

How PRIME 5 Aims To Achieve Returns:

- PRIME 5 offers investors access to the return potential that can come from exposure to equities* and property. As the market value of equities can rise and fall over time, the fund aims to deliver a more stable investment journey for investors by managing risk through investing in a range of equities and the use of a dynamic risk adjustment mechanism. By investing in a range of equities and reducing exposure to equities when equity market volatility is high, it is hoped to reduce the risk of investment losses that can arise when the market value of equities fall. PRIME 5's exposure to equities has an Environmental, Social or Governance (ESG) element (see overleaf). To find out more about our ESG commitment, click [here](#).
- **Passive investment approach** – PRIME 5 invests in a range of funds which adopt a passive investment strategy. This is one that tracks market weighted indices or portfolios rather than relying on a fund manager to make investment decisions. While PRIME 5 is in general a passively managed fund, it is important to note that any exposure in the fund to property will predominantly be actively managed.

A Risk Conscious Solution:

- PRIME 5 has been classified on New Ireland's 7 point risk scale as a medium to high risk fund
- Asset class exposure is reflective of the risk profile of the fund
- An adjustment process is in place to reduce risk during times of high market volatility. Through a dynamic risk adjustment mechanism, exposure to developed world and emerging market equities is reduced in order to deliver a more stable investment journey.

Dynamic Risk Adjustment Mechanism – historically, equities have offered the greatest potential for long-term returns. These returns are typically not generated in a straight line – they can go up and down and sometimes dramatically. This rise and fall is referred to as market volatility. Herein lies the risk that comes from investing – the value of assets, and so too the value of customers' investments, can change over time. It is important to understand that to generate return some risk is necessary.

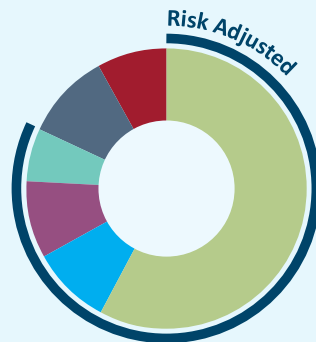
PRIME 5 has been designed to reduce the potential impact of equity market volatility on investment returns – smoothing fluctuations and aiming to enhance the potential return to investors. This is achieved through a process that reduces equity exposure and increases the amount invested in cash in times of high equity market volatility.

How does this work?

1. To achieve its risk goals, PRIME 5 can vary its exposure to equities
2. If market volatility is high, indicating short and sharp movements and an increased risk of investors losing money, exposure to these equities is reduced
3. If market volatility is low, indicating the market is steady, exposure to equities is increased

* The investment manager may use the equities that PRIME 5 has exposure to 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 a fund it provides an opportunity to increase the investment return.

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PRIME 5's Strategic Asset Class Exposure Levels
PRIME 5


82.0%	Risk Adjusted Equity Portfolio
58.0%	Developed World Equities
9.0%	Multi-Factor Equities
9.0%	ESG Equities
6.0%	Emerging Market Equities
10.0%	Small-cap Global Equities
8.0%	Property

Source: New Ireland.

 The splits shown represent PRIME 5's strategic asset class allocations as at June 2021. From time to time, the actual splits will differ on the basis of cash flow and dynamic risk adjustments. Up to date information is available from your financial broker or advisor or from fundcentre.newireland.ie.

Details of the SSGA passive funds that PRIME 5 invests in are below:

Asset Class	SSGA Passive Fund
Equity Exposure PRIME 5 aims to share in the performance of global stock markets through exposure to global, emerging market and/or small-cap equity passive funds.	<p>State Street World ESG Screened Index Equity Fund – aims to provide investors with exposure to a diversified basket of global equities, diversified across regions, industry sectors and stocks. Controversial weapons and United Nations Global Compact Violators are screened out.</p> <p>State Street Global Emerging Markets ESG Screened Index Equity Fund – aims to provide investors with exposure to a diversified portfolio of Emerging Market equities, diversified across regions, industry sectors and stocks. New Ireland's Global Emerging Markets Fund also invests in this fund.</p> <p>SPDR® MSCI World Small-cap UCITS ETF – aims to track the performance of small sized companies in developed equity markets globally.</p> <p>State Street World ESG Index Equity Fund – aims to track the performance of the MSCI World ESG Universal Index as closely as reasonably possible over the long-term. The MSCI World ESG Universal Index adjusts a stock's weight in the MSCI World Index based on its ESG Rating and its ESG Ratings Trends, i.e whether it is improving or worsening from an ESG perspective. Additionally, SSGA screens out stocks based on an assessment of their adherence to international norms in relation to environmental protection, human rights, labour standards, anti corruption and controversial weapons.</p> <p>State Street Multi-Factor Global ESG Equity Fund – aims to deliver returns in excess of the MSCI World cap-weighted equity index. The fund invests in a diversified portfolio of six equity factors, including Low Valuation, High Quality, Low Volatility and Environmental, Social and Governance (ESG).</p>
Property Exposure PRIME 5 also aims to capture the performance of commercial property. This is through exposure to office, retail and industrial properties located in Ireland, the UK and Europe.	<p>PRIME 5 invests in the New Ireland Property Fund. This fund aims to generate long term returns from a combination of rental and income growth by investing in a portfolio of prime commercial properties. Properties will be primarily located in Ireland, the UK and Europe. The Property Fund also holds cash.</p>
Cash Exposure PRIME 5 will aim to capture cash-like returns.	<p>State Street IUT Euro Liquidity Fund – when exposure to developed and emerging market equities is reduced through the risk adjustment process, exposure to this cash fund rises. This fund aims to maintain a high level of liquidity, preserve capital and earn a return in line with money market rates. New Ireland's Cash Fund also invests in this fund.</p>

The SSGA funds listed above are as at 30 June 2021 but may change over time.

Review of the Underlying Building Blocks – reviews of all PRIME Funds and the underlying SSGA funds are undertaken regularly; funds and asset classes may be added/removed over time in line with the aim of each PRIME Fund.

PRIME 5 Summary

- PRIME 5 has exposure to developed world, multi factor, Environmental, Social & Governance (ESG), emerging market and small-cap global equities, property and cash.
- The exposure to equities and cash can change as a result of the dynamic risk adjustment mechanism. During times of high market volatility, the exposure to equities can be significantly different from the strategic allocation. For the most up to date information, please click on [Fund Centre](#).
- Exposure to multi-factor, ESG and small-cap global equities and property is set.

SSGA – Our Passive Investment Partner

UN Principles of Responsible Investing (PRI) Rating: A+

(highest rating possible)[†]

STATE STREET GLOBAL ADVISORS

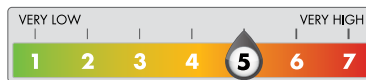
SSGA has a proud heritage of passive investing. With over three decade’s experience, they have provided high quality passive funds that can help lower costs and allow investors to keep more of what their portfolios earn over time.

As one of the world’s largest managers of passive assets, SSGA offer a huge selection of funds — covering a multitude of asset classes, markets, regions and underlying providers.

SSGA also manage the property fund that PRIME 5 has exposure to.

Minimum Recommended Investment Period

Investing should be considered over the medium to long-term (at least 5-7 years) so as to reduce the risk of short-term market volatility. However, even long-term investing involves risk as values will fluctuate over time.



Risk Rating – Medium to High Risk

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

Separately European Union (EU) law requires that a risk indicator be applied to funds if certain products are held (excludes pensions), and it may differ from the New Ireland risk category. The EU indicator is stated in the Fund Information Sheets and can be found on our website at fundcentre.newireland.ie/#KIDS. Please see the Smart Funds or FutureSave brochure for further details.

New Ireland has rated PRIME 5 a medium to high risk investment fund. 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.

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Key Fund Risks

For PRIME 5, **market risk** (value can fluctuate in line with market movements) and **currency risk** (exposure to changes in currency exchange rates) are risks that arise from investing in this fund that investors should be aware of.

As the fund has exposure to non-euro assets and this brings additional risk of how changes in currency exchange rates can impact the value of the fund. The investment manager may, from time to time, use derivatives to reduce the foreign currency risk of this fund. For more information on these and other types of risks that may apply, please see our "Investing & Risk" document available from our website [here](#) or from your Financial Broker or Advisor.

Product Availability

PRIME 5 is available to investors through the following New Ireland products:

- Smart Funds
- FutureSave
- Personal Retirement Plan
- Executive Retirement Plan
- Trustee Investment Plan
- Group Pensions
- Personal Retirement Bond
- Approved Retirement Fund (ARF)
- Approved Minimum Retirement Fund (AMRF)
- PRSA

Charges

Charges vary per product type. For details of charges that apply, please refer to the product brochure and talk to your Financial Broker or Advisor.

Next Steps

To find out more about PRIME 5:



Fund Centre



Talk to your Financial Broker or Advisor



Investments 01 523 9810^{††} | Pensions 01 523 9704^{††}



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[†]In 2005, the United Nations established a body that developed the Principles for Responsible Investing ("PRI"). It provides an independent assessment of, and rating of fund managers against Environmental Social and Governance benchmarks.

^{††}Calls may be recorded for service, verification, analysis and training purposes.

New Ireland reserves the right to review the risk categorisation of its funds at any time.

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

The information set out is of a general nature, may have been condensed or be incomplete. The information provided should not be relied upon without seeking appropriate advice. We believe any sources quoted to be reliable but we cannot guarantee the accuracy or completeness of the information.

Mention of specific stocks or investments does not constitute an offer or recommendation to buy or sell those stocks or investments or to subscribe to any investment services. Any opinions and estimates stated constitute best judgment at the date of this document and may change. Fund details provided are as at the date of this document unless otherwise stated. For further details please refer to the fund brochure.

PRIME Funds have been developed solely by New Ireland Assurance, there is no trade connection with the MSCI World Index. MSCI® does not sponsor, advise, recommend, endorse or promote PRIME Funds and has no liability whatsoever to any person arising out of their investment in the PRIME Funds.

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