

Pension Consensus Member Update



November 2015

Improvements to Pension Consensus Fund

As part of the ongoing monitoring of our pension investment funds New Ireland in conjunction with State Street Global Advisors (SSGA) recently concluded a review of our Pension Consensus Fund.

The conclusions of this review along with the improvements to the fund are outlined on the following pages. We believe these changes represent a significant enhancement for scheme members. As part of these changes the fund will be renamed the Pension Passive Multi-Asset Fund.

Yours sincerely



James Skehan
Head of Pensions
New Ireland Assurance

taking care of you...



Moving to a Pension Passive Multi-Asset Fund Approach

Following a review of the Pension Consensus Fund, New Ireland in conjunction with State Street Global Advisors (SSGA) has decided to move to a Passive Multi-Asset Fund Approach. We believe the decision to move to a passive multi-asset fund approach will benefit pension investors over the longer term.

Passive Multi-Asset Approach vs. Consensus Approach

Key Differences

- **Investment Objective**
The Pension Passive Multi-Asset Fund aims to generate long term returns through exposure to a range of asset classes. Whereas the Pension Consensus Fund aims to perform in line with the average managed fund.
- **Asset Allocation**
Unlike the Pension Consensus approach the fund will not try to mirror the asset allocation of the average active managed fund. It will instead use fixed asset allocation weights which will be rebalanced every quarter.
- **Better Equity Diversification**
The equity allocation will simply reflect a leading world Index – removing any Irish or European bias inherent in the Pension Consensus approach. The new allocation will also include equity exposure to both developed and emerging markets.
- **Currency Hedging Included**
The new fund will aim to remove circa 75% of the effect of currency movements on equity exposure which can have a significant impact on equity returns.
- **Alternatives Asset Allocation**
The alternatives asset allocation of the fund may include commodities, infrastructure and listed property.

A Closer Look at the Pension Passive Multi-Asset Fund

To achieve its objective the Pension Passive Multi-Asset Fund will invest in four different asset classes. Asset classes and their relevant weightings are shown below.

1. **Equities**
70% of the fund will be invested in equities and will seek to track a leading world index.
Equity exposure is to both developed and emerging markets and 75% currency hedging is in place for non-Euro exposure.
2. **Bonds**
15% of the fund will seek to track a leading Government Bond index.
3. **Alternatives**
10% of the fund will seek to generate returns equivalent to cash (as measured by 1 month Euribor) plus 2.5% per annum over the medium to long term by investing in alternative assets including commodities, infrastructure and listed property.
4. **Cash**
5% of the fund will invest in Cash to maintain a high level of liquidity, and aim to provide a return in line with money market rates.

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

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

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

Terms and conditions apply.

The content of this document is for information purposes only and should not be relied upon without taking appropriate professional advice.

State Street Global Advisors Ireland Limited is regulated by the Central Bank of Ireland. Incorporated and registered in Ireland at 2 Park Place, Upper Hatch Street, Dublin 2. Registered number 145221. Member of the Irish Association of Investment Managers.

New Ireland Assurance Company plc is regulated by the Central Bank of Ireland. A member of Bank of Ireland Group.