

# ifunds & ifunds **Alpha** quarterly update

Quarter 2, 2021

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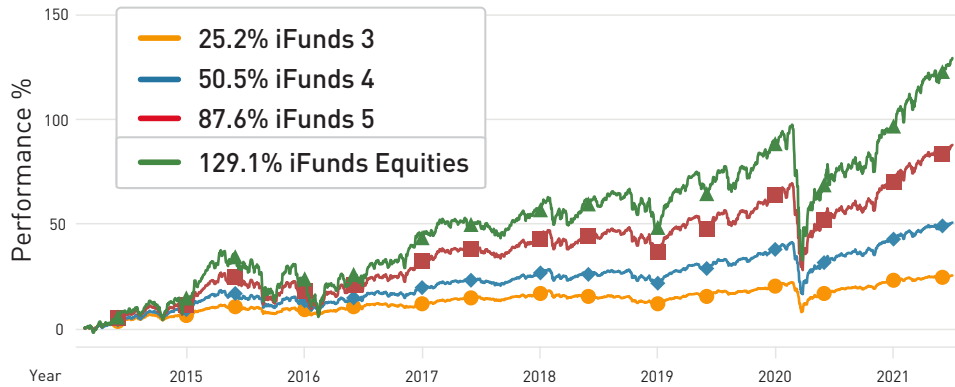
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For the up to date performance and asset split information for our  ifunds &  ifunds **Alpha** Range, click on Fund Centre

# The iFunds & iFunds Alpha Range

## iFunds Performance Since Launch (gross)

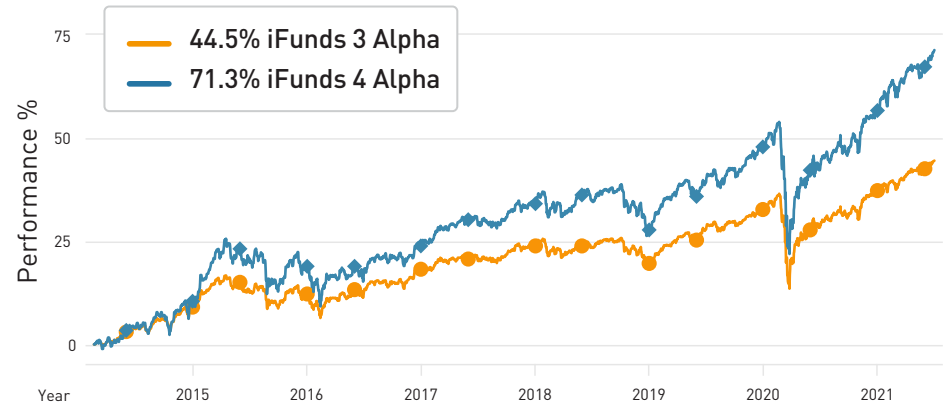
17.02.2014 - 01.07.2021



Source: Longboat Analytics. Performance as at 01.07.2021 is quoted gross of tax and charges.

## iFunds Alpha Performance Since iFunds Launch (gross)

17.02.2014 - 01.07.2021



Source: Longboat Analytics. Performance as at 01.07.2021 is quoted gross of tax and charges.

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

**Notes**

Performance is shown from the launch of the 4 main iFunds, which is close of business 14/02/2014. Performance quoted to 01 July 2021 is gross of tax and charges. Please refer to the final page of report for further information. Note: On 5 July 2019, the PBIS Conservative Fund was renamed iFunds 3 Alpha and the PBIS Balanced Fund was renamed iFunds 4 Alpha.

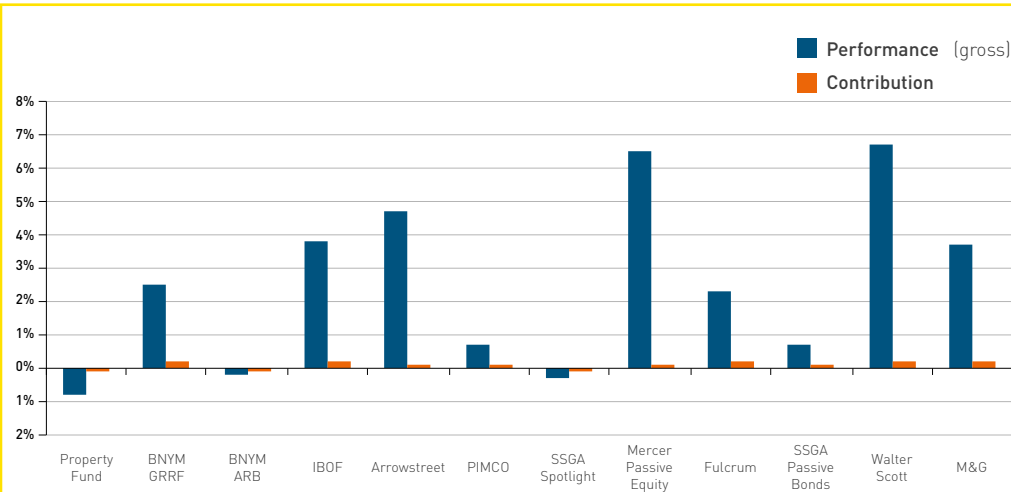
# ifunds **3** Performance Review

New Ireland Risk Rating

Low to Medium Risk



## Component Fund Performance & Contribution to Performance for Q2 2021



Source: Investment Markets. These figures are estimates only. Performance is quoted gross of tax and charges. The performance and contribution figures shown are for the period held by the fund over the quarter. The Cash Fund has not been included as its contribution is not material.

## Performance Commentary

Over Quarter 2 2021, **iFunds 3** generated a return of 1.3%.

Although optimism about the economic recovery continued and equity markets globally continued to rise, 'Value' investing was outperformed by 'Growth' investing. SSGA's **Spotlight** fund, which has a Value style, lost 0.3% in the quarter. **Walter Scott Global Equity**, by contrast, is more focused on growth and quality, and performed better, gaining 6.8%.

Despite concerns about inflation, passive global bonds (hedged to Euros) generated modestly positive returns in the quarter. The actively-managed **PIMCO** global bond fund gained 0.8%.

During the quarter the allocation to the Insight multi-asset fund (**Insight Broad Opportunities Fund**) was reduced from 7% to under 4%. This was reallocated between equities (**Arrowstreet**), bonds (**PIMCO**), alternatives (**Fulcrum**), and cash.

The ability of the **iFunds** Range to generate returns from multiple strategies and managers continues to be a key driver of performance.

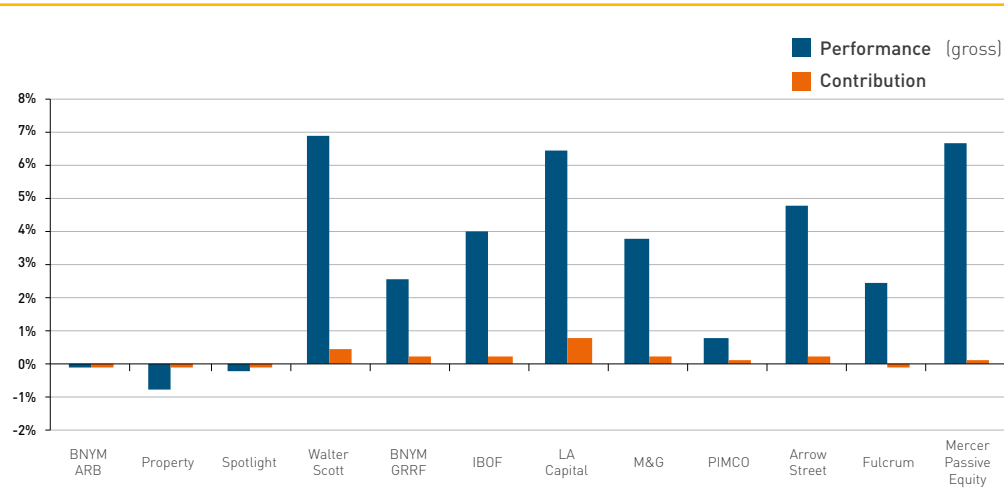
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### Component Fund Performance & Contribution to Performance for Q2 2021



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### Performance Commentary

Over Quarter 2 2021, **iFunds 4** generated a return of 2.4%.

Although optimism about the economic recovery continued and equity markets globally continued to rise, 'Value' investing was outperformed by 'Growth' investing. SSGA's **Spotlight** fund, which has a Value style, lost 0.3% in the quarter. **Walter Scott Global Equity**, by contrast, is more focused on growth and quality, and performed better, gaining 6.8%.

Despite concerns about inflation, passive global bonds (hedged to Euros) generated modestly positive returns in the quarter. The actively-managed **PIMCO** global bond fund gained 0.8%.

During the quarter the allocation to the Insight multi-asset fund (**Insight Broad Opportunities Fund**) was reduced from 7% to under 4%. This was reallocated between equities (**Arrowstreet**), bonds (**PIMCO**), alternatives (**Fulcrum**), and cash.

The ability of the **iFunds** Range to generate returns from multiple strategies and managers continues to be a key driver of performance.

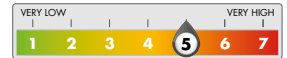
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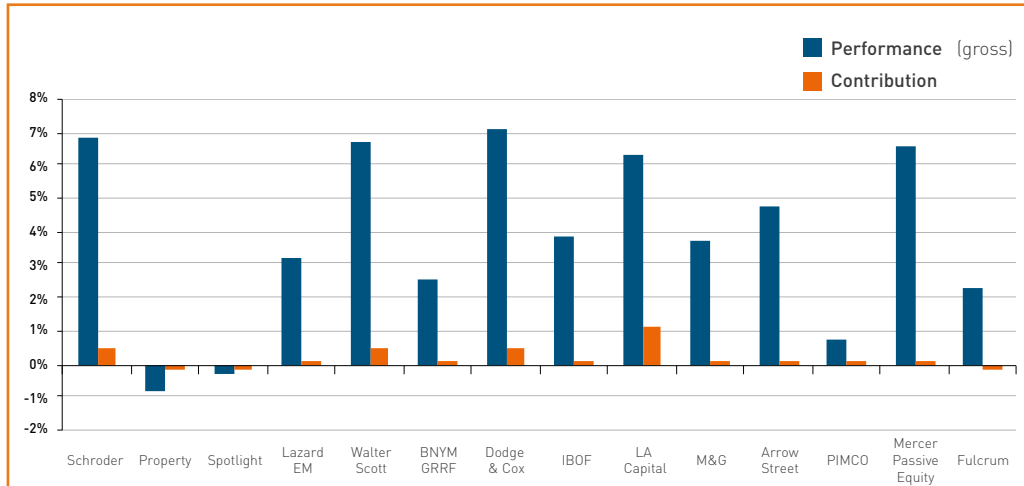


New Ireland Risk Rating

Medium to High Risk



### Component Fund Performance & Contribution to Performance for Q2 2021



Source: Investment Markets. These figures are estimates only. Performance is quoted gross of tax and charges. The performance and contribution figures shown are for the period held by the fund over the quarter. The Cash Fund has not been included as its contribution is not material.

### Performance Commentary

Over Quarter 2 2021, **iFunds 5** generated a return of 3.8%.

Although optimism about the economic recovery continued and equity markets globally continued to rise, 'Value' investing was outperformed by 'Growth' investing. SSGA's **Spotlight** fund, which has a Value style, lost 0.3% in the quarter. **Dodge & Cox Global Stock Fund** is also a Value fund but performed much better, gaining 7.1%. Dodge & Cox have had a positive view on Energy stocks, which have generally benefited from the ongoing economic recovery. **Walter Scott Global Equity**, which is more focused on growth and quality, also participated well in rising stock markets, gaining 6.8%.

Despite concerns about inflation, passive global bonds (hedged to Euros) generated modestly positive returns in the quarter. The actively-managed **PIMCO** global bond fund gained 0.8%.

During the quarter the Insight multi-asset fund (**Insight Broad Opportunities Fund**) was removed from **iFunds 5**. The proceeds from this were reallocated between bonds (**PIMCO**), alternatives (**Fulcrum**), cash, and property.

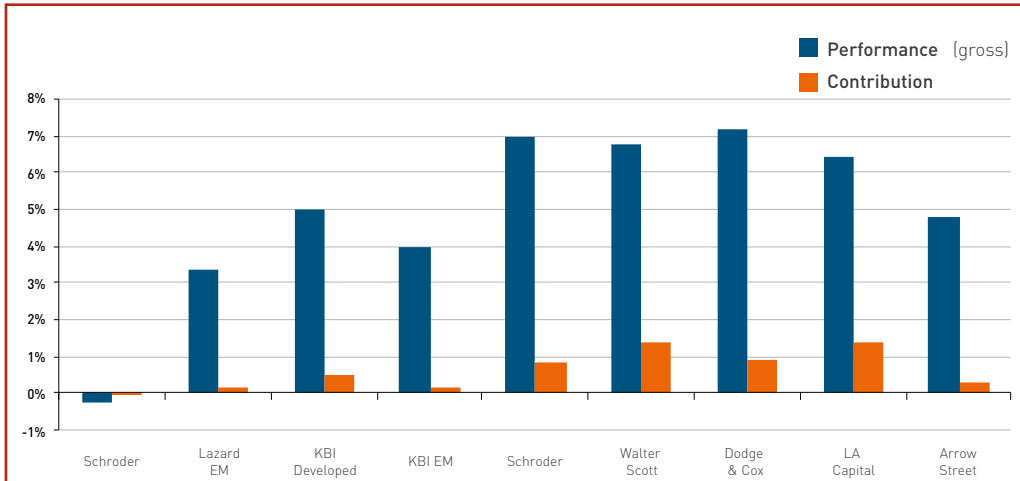
The ability of the **iFunds** Range to generate returns from multiple strategies and managers continues to be a key driver of performance.

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### Component Fund Performance & Contribution to Performance for Q2 2021



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### Performance Commentary

Over Quarter 2 2021, **iFunds Equities** generated a return of 5.3%.

Although optimism about the economic recovery continued and equity markets globally continued to rise, 'Value' investing was outperformed by 'Growth' investing. SSGA's **Spotlight** fund, which has a Value style, lost 0.3% in the quarter.

**Dodge & Cox Global Stock Fund** is also a Value fund but performed much better, gaining 7.1%. Dodge & Cox have had a positive view on Energy stocks, which have generally benefited from the ongoing economic recovery. **Walter Scott Global Equity**, which is more focused on growth and quality, also participated well in rising stock markets, gaining 6.8%.

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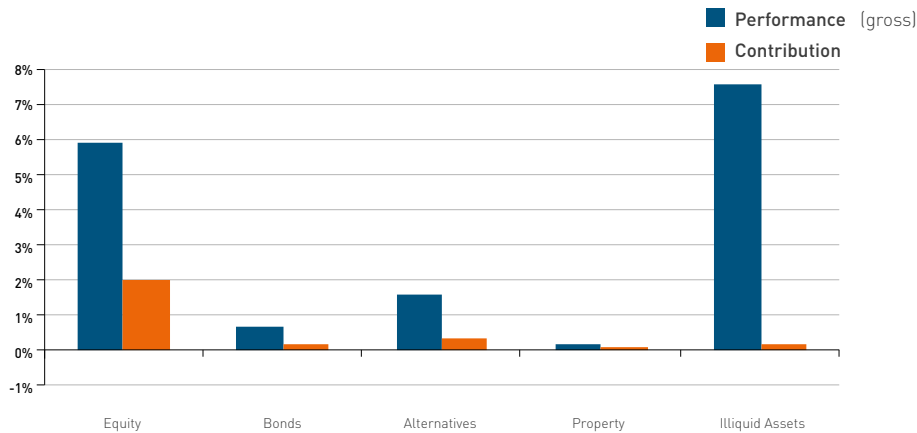
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## Asset Performance & Contribution to Performance for Q2 2021



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## Performance Commentary

In quarter 2 2021 **iFunds 3 Alpha** generated a return of 2.7% for risk category 3 investors, bringing the year to date return to 5.3%. The return in the quarter was driven by continued strong returns in equities and alternatives. Equities, alternatives, private equity, bonds and property all contributed positively to performance.

Over the quarter there was one asset allocation change:

- Towards the end of the quarter we reduced the equity allocation from 34% to 32% in **iFunds 3 Alpha** with the proceeds reinvested in alternatives. We have run higher than normal equity allocations in the fund since mid-2020 and the strategy is to gradually reduce this in 2021. We believe alternatives can deliver positive returns without the same level of risk as equities.

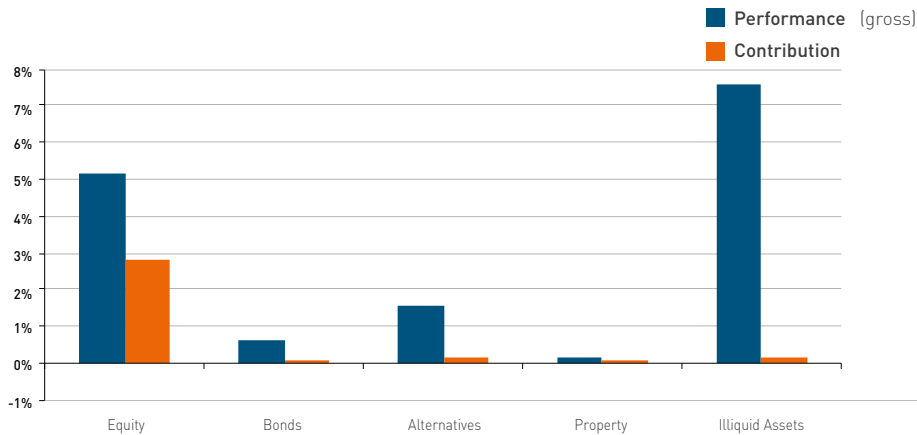
The best performing equity fund in the quarter was the **SSGA World Index Equity Fund** which was up over 6%. The **KKR Private Equity Fund** was up 8% and the **UBS Currency Fund** up almost 9% demonstrating Alpha's ability to generate returns from multiple sources.

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### Asset Performance & Contribution to Performance for Q2 2021



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### Performance Commentary

In quarter 2 2021 **Funds 4 Alpha** generated a return of 3.6% for risk category 4 investors, bringing the year to date return to 9.2%. The return in the quarter was driven by continued strong returns in equities and alternatives. Equities, alternatives, private equity, bonds and property all contributed positively to performance.

Over the quarter there was one asset allocation change:

- **iFunds 4 Alpha** increased its allocations to the **Hermes Asia ex Japan Equity Fund and Global Fundamentals** in May. Both funds have an active value style bias which we believe will outperform this year. The overall equity weight was unchanged as we reduced the **SSGA World Index Equity Fund**.

The best performing equity funds in the quarter were the **Hermes European Alpha Equity Fund** and the **SSGA US Index Equity Fund** which were both up over 7%. Both funds benefitted from the re-opening of economies in Europe and the US. The **KKR Diversified Private Equity Fund** was up 8% and the **UBS Currency Fund** up almost 9% demonstrating the fund's ability to generate returns from multiple sources.

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To find out more about **ifunds & ifunds Alpha**:

☎ Investments 01 523 9810\* | Pensions 01 523 9704\*

For the up to date performance and asset split information  
for our **ifunds & ifunds Alpha** range, click on Fund Centre



\* Calls may be recorded for service, training, verification and analysis purposes.

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Any references to an investment manager may refer to the investment manager of an underlying collective investment vehicle.

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The risk categories in this document have been determined by New Ireland. Separately European Union (EU) law requires that a risk indicator be applied to the fund 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 Sheet and can be found on our website at [fundcentre.newireland.ie/#KIDS](http://fundcentre.newireland.ie/#KIDS). Please see the Smart Funds or FutureSave brochure for further details.

iFunds may hold some assets directly, may invest in other funds that provide exposure to the assets or may invest in other collective investment vehicles, such as MGI Funds plc. Such collective investment vehicles provide exposure to other funds and can enable cost reductions due to size.

MGI Funds plc is authorised by the Central Bank of Ireland as an Undertaking for Collective Investment in Transferable Securities (UCITS).

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