

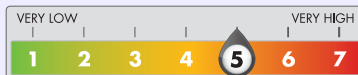
# Trilogy II

IQ EQ Fund Management (Ireland) Limited (high yield equities and corporate bond components) and State Street Global Advisors Europe Limited (the property component)



## Fund Facts

- ▶ **Asset Mix<sup>1</sup>:** High Yield Equities\*, Corporate Bonds\* and Property.
- ▶ **Managed By:** IQ EQ Fund Management (Ireland) Limited (previously known as Davy Global Fund Management Limited) (high yield equities and corporate bond components) and State Street Global Advisors Europe Limited (SSGA) (the property component).
- ▶ **Key Fund Risks:** Market risk, currency risk and liquidity risk.
- ▶ **Recommended Investment Time Frame:** Medium to long-term (at least 5-7 years).
- ▶ **Risk Rating:** Medium to High Risk.



The above risk categories have been determined by Bank of Ireland Life. 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 Bank of Ireland Life risk category. The EU indicator is stated in the Fund Information Sheets and can be found on our website at <https://fundcentre.bankofireland.com/#KIDS>. Please see the Smart Funds or Target Saver brochure for further details.

## Fund Objective

To generate long-term capital growth with a sustainable flow of income for the fund by investing in three distinct asset classes (high yield equities, bonds and property).

## Fund Manager

**IQEQ**

- ▶ IQ EQ Fund Management (Ireland) Limited\*\* ('IQ-EQ') is an active asset management company with a distinctive quality-based approach to investing across equities and fixed income. IQ-EQ apply a sophisticated, proprietary definition of quality and integrate Environmental, Social & Governance (ESG) continually through their investment process. Funds follow a quantamental investment approach that combines the freedom of judgement of fundamental investing with the bias-free objectivity of a quantitative model. It is part of IQ EQ Group.
- ▶ **Signatory to UN Principles of Responsible Investing (PRI) Since<sup>†</sup>:** 27 June 2016.

**Trilogy II** is an investment fund that allows investors to pool their money together and invest in a mix of assets including high yield equities, corporate bonds and property.

## High Yield Equities

**Managed by IQ EQ Fund Management (Ireland) Limited**

For its equity component, **Trilogy II** aims to invest in a portfolio of equities that provides a higher than average dividend yield. The logic behind this investment strategy is that the types of companies that can achieve sustained higher dividends generally provide stable growth opportunities going forward. This has the potential to generate a higher level of income into the fund, with the further prospect of capital growth for investors over time.

For this reason, high yield funds have been one of the most popular areas of investment for decades.

## Why Do Dividends Matter?

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 that a company can announce its financial well-being.

## Stock Selection

Before a stock is added to the fund, IQ-EQ carry out a number of financial tests to ensure specific criteria are met. They look for indications that a stock is financially strong, has high cash and earnings cover on company dividends, and has low levels of debt.

Typically, it is large companies that display such criteria. These financial tests aim to reduce the volatility and risk experienced by the fund when compared to the broader equity market.

Source: IQ EQ Fund Management (Ireland) Limited.

<sup>1</sup> From time to time there will also be an element of cash held by the fund.

\* The investment manager may use the equities or bonds in this fund 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.

\*\* Previously known as Davy Global Fund Management Limited.

† 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.

**Warning: Past performance is not a reliable guide to future performance.**

**Warning: The value of your investment may 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.**

## Corporate Bonds

### Managed by IQ EQ Fund Management (Ireland) Limited

- ▶ Corporate bonds are similar in structure to government bonds - where companies borrow money from investors, generally for a fixed period of time, and offer an annual interest payment known as a "coupon".
- ▶ Corporate bonds are chosen over government bonds to generate potentially higher returns than those offered by government bonds (greater returns for taking on potentially greater risks).
- ▶ The corporate bond element of **Trilogy II** invests in a well-diversified basket of high quality corporate bonds. Diversification is assured by investing across geographical regions and sectors i.e. automobile, industrial and financial industries.

## High Quality Corporate Bonds

When making the investment decision, only companies that are financially sound with credit ratings of BBB or better are chosen. Credit ratings are assigned by rating agencies e.g. Standard & Poor's, in recognition of the financial strength of a company. Bonds rated from AAA to BBB are seen as lower risk bonds and considered unlikely to default on any payment obligations.

## Property

### Managed by State Street Global Advisors Europe Limited (SSGA)

- ▶ The property element of **Trilogy II** invests in an established portfolio of high quality commercial, retail and industrial properties, diversified across markets, principally Ireland, UK and mainland Europe.
- ▶ Properties held tend to be mature, high profile, quality properties in prime locations.
- ▶ The fund does not have any exposure to residential property.

To find out more about the Property Fund, ask your Advisor for our flyer

## Important Information about Trilogy II

Investors should be aware of the following special characteristics of the fund:

- ▶ The company reserves the right to delay encashment or a switch out of the fund (for up to 6 months) in the event of significant outflows from the fund.
- ▶ If the company has to sell properties to meet significant cash outflows, unit prices may be marked down to reflect the costs of disposal. On 6th March 2020, Bank of Ireland Life took the decision to change the pricing basis of the Property Fund to a disposal basis. There is no set timeframe to change the pricing basis, however, Bank of Ireland Life continues to monitor the fund daily and will make the decision to change it when it is believed it is reasonable to do so in the best interests of existing investors.

**STATE STREET** GLOBAL  
ADVISORS

### Investment Manager

- ▶ SSGA have been providing real estate asset management services to institutional investors since 1981 and currently manages circa (c.) €1.3 billion in real estate funds assets with assets located in the UK, Ireland and continental Europe.
- ▶ The team manages portfolios comprising more than 70 buildings with c. 300 leases/licences, and a combined rent roll of c. €60 million per annum.
- ▶ The portfolios are primarily invested in the three main sub sectors of the market comprising offices, retail and industrial buildings.
- ▶ SSGA Europe's team of dedicated real estate professionals has over 100 years' experience in the industry and is based in Dublin, one of State Street Global Advisors Investment Centres.

Source: SSGA, 30 June 2023.

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## Minimum Recommended Investment Period

Investing should always be considered over the medium to long-term (at least 5-7 years) 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



Bank of Ireland Life has rated **Trilogy II** 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.

## Key Fund Risks

**Market risk** (value can fluctuate in line with market movements), **currency** (exposure to changes in currency exchange rates) and **liquidity risk** (risk that properties cannot be sold and encashment delayed) 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 fund manager may, from time to time, use derivatives to reduce the foreign currency risk of this fund. For more information, please ask your Advisor for our "Investing & Risk" document.

## Product Availability

**Trilogy II** is available to investors through the following Bank of Ireland Life products:

- Smart Funds
- Personal Pensions
- Approved Retirement Fund (ARF)
- Target Saver
- Personal Retirement Bond
- PRSA (non-standard)

## Charges

Charges can vary per product type. For **Trilogy II**, an Group Pension annual fund management charge of 0.25% applies in addition to the standard charge. For details of the charges that apply please talk to your Advisor.

## Next Steps

For more information on **Trilogy II**, talk to the Advisor available in your local Bank of Ireland branch:

## Fund Centre

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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.

IQ EQ Fund Management (Ireland) Limited is regulated by the Central Bank of Ireland. In the UK, IQ EQ Fund Management (Ireland) Limited is deemed authorised and regulated by the Financial Conduct Authority. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website. In Luxembourg, IQ EQ Fund Management (Ireland) Limited is authorised by the Central Bank of Ireland and is subject to limited regulation by the Commission de Surveillance du Secteur Financier. Details about the extent of our authorisation and regulation by the Central Bank of Ireland, the Financial Conduct Authority and Commission de Surveillance du Secteur Financier are available from us upon request.

State Street Global Advisors Europe Limited is regulated by the Central Bank of Ireland. Registered office address 78 Sir John Rogerson's Quay, Dublin 2. Registered Number: 49934.

Life assurance and pension products are provided by New Ireland Assurance Company plc trading as Bank of Ireland Life. New Ireland Assurance Company plc trading as Bank of Ireland Life is regulated by the Central Bank of Ireland. Member of Bank of Ireland Group. The Company may hold units in the fund mentioned on its own account and the fund may hold Bank of Ireland shares from time to time.

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