

IQEQ High Yield Fund⁺



High Risk



SFDR Classification:
Article 8 Fund

Fund Facts

- ▶ **Asset Mix^{*}:** High yield global equities – 50-70 shares that typically pay an above average dividend yield.
- ▶ **Managed By:** IQ EQ Fund Management (Ireland) Limited (IQ-EQ) (previously known as Davy Global Fund Management Limited)
- ▶ **Sustainable Finance Disclosure Classification: Article 8 Fund**
Article 8 Funds are funds which promote environmental or social characteristics (although not exclusively) and which invest in companies that follow good governance practices (“Light Green or Article 8 funds”). Please read the separately available document ‘How IQ-EQ assesses the environmental, social and governance (“ESG”) profile of issuers’ for more information. This is available [here](#) or from your advisor.
- ▶ **Key Fund Risks:** Market risk, single asset class risk & currency risk
- ▶ **Recommended Investment Time Frame:** Medium to long-term (at least 5-7 years)
- ▶ **Risk Rating:** 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 <http://fundcentre.bankofireland.com/#KIDS>. Please see the Smart Funds or Target Saver brochure for further details.

Fund Objective

To generate long-term capital growth by investing in equities that can provide with a relatively high, yet sustainable, flow of dividend income for the fund.

IQEQ

Investment Manager

- ▶ 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 ESG continually through their investment process.
- ▶ Funds follow a quantamental 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 Since^{††}:** 27 June 2016.

**previously known as Davy Global Fund Management Limited.

Fund Description

The **IQEQ High Yield Fund** invests in a well-diversified basket (across country and sector) of 50-70 high yielding global equities - a ‘concentrated’ equity fund.

Financial tests are undertaken that aim to reduce the level of risk experienced by the fund when compared to the broader equity market.

Investment Process

Before a stock is added to the fund, IQ-EQ carry out a number of financial tests and ensure specific criteria are met that indicate the company:

- ▶ is financially strong with stable earnings growth expected,
- ▶ has an attractive and sustainable dividend yield, and
- ▶ has low debt to equity ratio i.e. the company has low levels of borrowings.

Typically it is large companies that usually display such criteria.

For more information about how we work with our investment managers to protect investors’ future click [here](#).

* The investment manager may use the equities of 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 the Davy Defensive High Yield Fund.

^{††} 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.

Why Invest in High Yield Equities?

The **IQEQ 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 equities). The **IQEQ High Yield Fund** aims to invest only in equities that pay higher than average dividends on a sustained basis. 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.

Why Do Dividends Matter?

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.

(Source: IQ EQ Fund Management (Ireland) Limited)

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 – High Risk

Bank of Ireland Life has rated the **IQEQ High Yield Fund** a high risk investment fund. Funds categorised as high risk funds have the following characteristics:

- ▶ The potential return from high risk investments is much higher than deposits or inflation.
- ▶ The focus is on maximising the potential return to investors, rather than minimising risks.
- ▶ Some high risk funds may consist almost entirely of one asset class or be concentrated in one geographic region or sector.
- ▶ Investors' capital is not secure and may fluctuate significantly. Investors may get back substantially less than they originally invested.

Key Fund Risks

Market risk (value can fluctuate in line with market movements), **single asset class risk** (exposure to just one asset type) 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. This 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. For more information, please ask your Advisor for our Investing & Risk document.

Product Availability

The **IQEQ High Yield Fund** is available to investors through the following Bank of Ireland Life products:

- ▶ Smart Funds
- ▶ Target Saver
- ▶ Personal Pensions
- ▶ Personal Retirement Bond
- ▶ PRSA (non-standard)

Charges

Charges vary per product type. For the **IQEQ High Yield Fund**, 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 Advisor.

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Next Steps

For more information on the **IQEQ High Yield Fund**, talk to the advisor available in your local Bank of Ireland branch:



Terms and conditions as set out in your policy 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.


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.

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.



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. Bank of Ireland Life may hold units in the funds mentioned on its own account and the fund may hold Bank of Ireland shares from time to time.

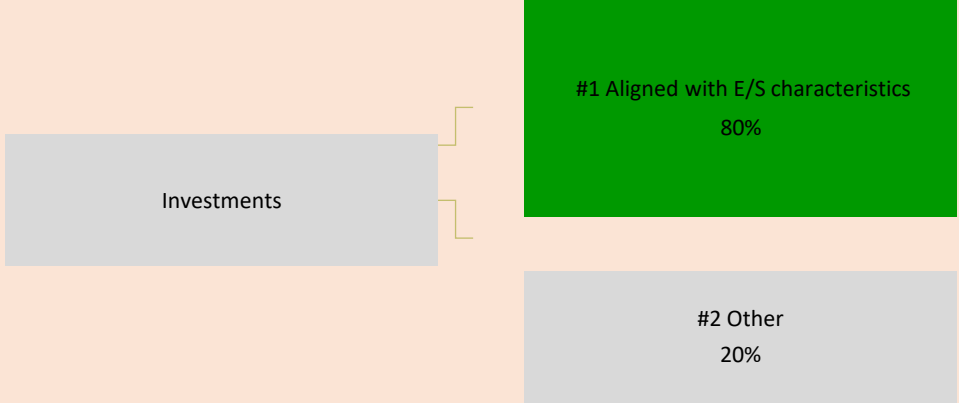
Advice on Bank of Ireland Life products is provided by Bank of Ireland. Bank of Ireland trading as Bank of Ireland Insurance & Investments or Bank of Ireland Premier, is regulated by the Central Bank of Ireland. Bank of Ireland is a tied agent of New Ireland Assurance Company plc for life assurance and pensions business. Member of Bank of Ireland Group.

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852



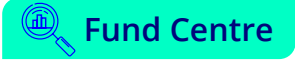
<p>Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.</p>	Product name: IQEQ High Yield Fund	Legal entity identifier: 549300YP7YW06QCNBF32
<h3 style="color: green;">Environmental and/or social characteristics</h3>		
Does this financial product have a sustainable investment objective?		
<input checked="" type="radio"/> <input type="radio"/> Yes <input type="radio"/> <input checked="" type="radio"/> No		
<p>The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.</p>	<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
	<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
	<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments
	What environmental and/or social characteristics are promoted by this financial product?	
	<p>The Fund avoids investing in companies which violate humanitarian principles or labour rights by reference to the UN Global Compact ("UNGC") Principles. A third-party data provider is used to identify a violation; measured by the severity and number of human and labour rights controversies incidents recorded for a company. Additionally, the Fund excludes companies that: (i) manufacture cluster munitions or landmines; (ii) derive more than 10% of their revenue from the production of thermal coal; and (iii) derive revenues from the production of tobacco products. The Fund has not designated a reference benchmark for the purpose of attaining the above environmental and social characteristics.</p>	
<p>Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.</p>	<p>● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?</p> <p>On an ongoing basis, the Investment Manager uses the following sustainability indicators to monitor investee companies:</p> <ul style="list-style-type: none"> - The percentage of revenues derived from the manufacture or sale of cluster munitions or landmines. The Fund will not hold any companies with exposure to this indicator. 	

	<ul style="list-style-type: none"> - The percentage of revenues derived from the production of thermal coal. The Fund will not hold any companies that derive more than 10% of their revenue from this indicator. - The percentage of revenues derived from the production of tobacco products. The Fund will not hold any companies that derive more than 5% of their revenue from this indicator. - Violations of UNGC Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. A third-party data provider is used to identify a violation; measured by the severity and number of human and labour rights controversies incidents recorded for a company (denoted by a 'red flag'). This Fund will not invest in any companies with such violations.
	<p>● What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?</p>
	<p>Not applicable, the Fund does not intend to make sustainable investments.</p> <p>The environmental objective set out in Article 9 of the EU Taxonomy Regulation to which the investments of the Fund with environmental characteristics will contribute is climate change mitigation.</p>
	<p>● How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</p>
<p>Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti- corruption and anti- bribery matters.</p>	<p><i>Not applicable</i></p>
	<p><i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i></p>
	<p><i>Not applicable</i></p>
	<p><i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:</i></p>
	<p><i>Not applicable</i></p>
	<p><i>The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p>The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not consider the EU criteria for environmentally sustainable economic activities.</p>

	<p><i>Any other sustainable investments must also not significantly harm any environmental or social objectives.</i></p>
	<p>Does this financial product consider principal adverse impacts on sustainability factors?</p>
	<p><input checked="" type="checkbox"/> Yes,</p>
	<p>The Investment Manager in the management of the Fund considers principal adverse impacts on sustainability factors for the Fund, by assessing and monitoring the mandatory principal adverse impact indicators ("PAI") referenced in Annex 1 of the delegated regulation (EU) 2022/1288.</p> <p>Investee companies identified as outliers on specific indicators, or which exhibit high adverse impact across several indicators, are identified based on data acquired from third-party providers and / or internal analysis. These companies are subject to further analysis by the Investment Manager which may lead to engagement with company management. If sufficient understanding and resolution on the issue is not achieved, the ESG risk profile of the company is raised, which may ultimately lead to a decision to liquidate the position.</p> <p>The PAIs identified are subject to a formal monthly review.</p> <p>Further detail on principal adverse impacts on sustainability factors will be available in the periodic reports.</p>
	<p><input type="checkbox"/> No</p>
	<p>What investment strategy does this financial product follow?</p>
<p>The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance</p>	<p>The investment approach utilises a combination of both quantitative and fundamental analysis (for example, dividend yield, P/E Ratios, balance sheet) and quantitative screens including consideration of sustainability indicators such as minimum safeguards. This screening process, which utilises third-party data coupled with internal research, narrows the universe to a sub-set of potential investments which comply with the exclusion criteria applied for the Fund.</p> <p>● <i>What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?</i></p> <p>The Fund avoids investing in companies which violate humanitarian principles or labour rights by reference to the UN Global Compact ("UNGC") Principles. A third-party data provider is used to identify a violation; measured by the severity and number of human and labour rights controversies incidents recorded for a company. Additionally, the Fund</p>

	<p>excludes companies that: (i) manufacture cluster munitions or landmines; (ii) derive more than 10% of their revenue from the production of thermal coal; and (iii) derive revenues from the production of tobacco products.</p>						
<p>Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.</p>	<p>● What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy</p> <p>None.</p> <p>● What is the policy to assess good governance practices of the investee companies?</p>						
	<p>The investee companies are rated for good governance practices using a third-party ratings provider. This ESG data that is provided to the Investment Manager in this manner includes, but it not limited to, information in relation to a company’s corporate governance, including board diversity, executive compensation, anticompetitive practices and ownership and control. The investment team then analyses and seeks to verify the ESG data and ratings in respect of such companies (the "ESG Information") by using data that they have compiled through their own proprietary In-house research function. By way of example, the in-house research function will specifically engage with such companies to seek clarification on, and/or further information in relation to, the ESG Information, if required. If sufficient understanding and resolution on the issue identified is not achieved, the ESG risk profile of the company is raised, which may ultimately lead to a decision to liquidate the position.</p>						
 <p>Asset allocation describes the share of investments in specific assets.</p>	<p>What is the asset allocation planned for this financial product?</p> <p>The Fund invests directly in the securities of companies, and while it may invest a maximum of 20% of net assets in ancillary liquid assets, a minimum of 80% of net assets will be invested in companies which align with the environmental and social characteristics of the Fund described above.</p> <p>● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</p> <p>Derivative use, if any, does not contribute to attaining the environmental or social characteristics promoted by the Fund.</p>						
<p>Taxonomy-aligned activities are expressed as a share of:</p> <ul style="list-style-type: none"> – turnover reflecting the share of revenue from green activities of investee companies – capital expenditure (CapEx) showing the green investments made by investee companies, e.g. for a 	 <p>The chart shows the breakdown of investments into two categories: 80% aligned with environmental and social characteristics, and 20% other.</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>#1 Aligned with E/S characteristics</td> <td>80%</td> </tr> <tr> <td>#2 Other</td> <td>20%</td> </tr> </tbody> </table>	Category	Percentage	#1 Aligned with E/S characteristics	80%	#2 Other	20%
Category	Percentage						
#1 Aligned with E/S characteristics	80%						
#2 Other	20%						

<p>transition to a green economy.</p> <p>– operational expenditure (OpEx) reflecting green operational activities of investee companies.</p>	<p>#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.</p> <p>#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.</p>
<p>Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.</p> <p>Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.</p>	<p> To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</p> <p>The Fund does not currently commit to investing more than 0% of its net asset value in environmentally sustainable environmental activities within the meaning of the EU Taxonomy.</p>
<p>WHAT GOES HERE? are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.</p> <p></p>	<p>The Fund does not currently commit to investing more than 0% of its assets in transitional and enabling activities.</p>
	<p> What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy</p>
	<p><i>Not applicable.</i></p>
	<p> What is the minimum share of socially sustainable investments?</p>
	<p><i>Not applicable.</i></p>
	<p> What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</p> <p>These investments comprise cash and/or other liquid instruments for ancillary liquidity purposes. Minimum environmental and social safeguards are not applicable due to the nature of the investments.</p>

	<p>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</p> <p>No</p>
<p>Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.</p>	<p>● How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</p>
	<p><i>Not applicable</i></p>
	<p>● How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</p>
	<p><i>Not applicable</i></p>
	<p><i>Not applicable</i></p>
	<p>● Where can the methodology used for the calculation of the designated index be found?</p>
	<p><i>Not applicable</i></p>
	<p>Where can I find more product specific information online? More product-specific information can be found on the website:</p>
	<p>To find out more about the IQEQ High Yield Fund:</p> <p> Fund Centre</p>

 **Our Sustainable Investing Hub**