

Davy Defensive High Yield Fund

Fund Facts

- ▶ **Recommended Investment Time Frame:** Medium to long-term (at least 5-7 years)
- ▶ **Asset Mix*:** High Yield Global Equities (Shares that typically pay an above average dividend yield)
- ▶ **Investment Manager of the Underlying Fund:** Davy Global Fund Management Limited
- ▶ **Sustainable Finance Disclosure Classification:** Article 8 Fund 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 Davy assesses the environmental, social and governance ("ESG") profile of issuers' for more information. This is available from your advisor.
- ▶ **Key Fund Risks:** Market risk, single asset class and currency risk
- ▶ **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 <http://fundcentre.bankofireland.com/#KIDS>. Please see the Smart Funds or Target Saver brochure for further details.



Fund Objective

Bank of Ireland Life's fund invests in the Davy Defensive Equity Income Fund (the underlying fund). The underlying fund aims to generate long-term capital growth for investors with a relatively high, yet sustainable flow of dividend income but with less risk than investing in global stock markets.

Fund Manager



It is **Davy Global Fund Management's** bespoke quality definition that inspires their investment strategies which aim to deliver market leading performance. Each strategy has its own precise focus, backed by the consistency of their ESG (Environmental Social Governance) integrated quantamental (quantitative & fundamental) investment process. Investor-led company engagement is used to support fundamental research and drive improved performance on key ESG issues.

The **Davy Defensive 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), but with the additional benefit of less risk than a typical equity fund.

Why Invest in High Yield Equities?

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.

* The investment manager may use the equities 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.

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.

Risk Reduction

The value of shares can go up and down over time (volatility) and sometimes this can be dramatically. The **Davy Defensive High Yield Fund** specifically aims to reduce the volatility of returns experienced by investors of the fund.

To achieve this, the fund employs a derivative strategy. The fund essentially exchanges some of the potential upside in share prices to generate additional income for the fund each quarter. The fund uses this income to buy some insurance that aims to partially protect against significant falls in share prices. The fund is in effect forgoing some of the potential upside in the portfolio to reduce the downside risk that can come from investing. Historically, this strategy has been successful in significantly reducing volatility within portfolios.

(source: Davy Global Fund Management Limited).

WARNING: Past performance is not a reliable guide to future performance.

WARNING: The value of your investment can go down as well as up.

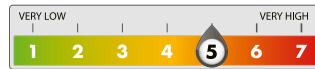
WARNING: This fund may be affected by changes in currency exchange rates.

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

Minimum Recommended Investment Period

Investing should always be considered over the medium to long-term (at least 5-7 years) so as 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 the **Davy Defensive High Yield Fund** a medium to high risk investment. Funds categorised as medium to high risk 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), **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. For more information, please ask your advisor about our "Investing & Risk" document.

Product Availability

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

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

Charges

Charges vary per product type. For **Davy Defensive High Yield**, 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.

For more information on the Davy Defensive High Yield Fund:

Talk to an advisor available in your local Bank of Ireland branch

fundcentre.bankofireland.com

01 523 9813*

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

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Davy Global Fund Management Limited, trading as Davy Global Fund Management, is regulated by the Central Bank of Ireland. In the UK, Davy Global Fund Management is authorised by the Central Bank of Ireland and is subject to limited regulation by the Financial Conduct Authority ("FCA"). In Luxembourg, Davy Global Fund Management is authorised by the Central Bank of Ireland and is subject to limited regulation by the Commission de Surveillance du Secteur Financier ("CSSF"). Details about the extent of our authorisation and regulation by the FCA and CSSF are available from us upon request.

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