



## Investment Aim

To generate a return reflective of the risk profile of the fund and to incorporate environmental, social and governance characteristics.

## Sustainable Finance Disclosure Classification: Article 8 Fund

**Article 8 or Light Green Funds** promote environmental or social characteristics (although not exclusively) and invest in companies that follow good governance practices. Please read the separately available document 'How SSGA assesses the environmental, social and governance ("ESG") profile of issuers'. This is available [here](#) or from your Wealth Advisor.

## Overview

**PRIME 5** aims to generate returns reflective of the risk profile of the fund by investing in a range of passive funds.

### How PRIME 5 Aims To Achieve Returns:

- ▶ **PRIME 5** offers investors access to the return potential that can come from exposure to equities, bonds\* and property. property. As the market value of these assets can rise and fall over time, the fund aims to deliver a more stable investment journey for investors by managing risk through investing in a range of asset classes and the use of a dynamic risk adjustment mechanism. By investing in a range of asset classes and reducing exposure to equities when equity market volatility is high, it is hoped to reduce the risk of investment losses that can arise when the market value of equities fall. ESG processes are also built-in to **PRIME 5's** equity and bond exposures. **PRIME 5's** developed market and emerging market equity and emerging market bond exposures incorporate ESG features. See [page 3](#) for more information.
- ▶ **Passive investment approach** – this is an investment strategy that tracks market weighted indices or portfolios rather than relying on a fund manager to select specific assets to invest in. While **PRIME 5** is, in general, a passively managed fund, it is important to note that any exposure in the fund to property will be actively managed. **PRIME 5's** exposure to cash is also actively managed.

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

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\*The investment manager may use the equity assets that PRIME 5 has exposure to 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 a fund it provides an opportunity to increase the investment return.

## A Risk Conscious Solution

- ▶ **PRIME 5** has been classified on Bank of Ireland Life's 7 point risk scale as a **medium to high risk** fund.
- ▶ Asset class exposure is reflective of the risk profile of the fund.
- ▶ An adjustment process is in place to reduce risk during times of high market volatility. Through a **dynamic risk adjustment mechanism**, exposure to developed market and emerging market equities is reduced in order to deliver a more stable investment journey.

**Dynamic Risk Adjustment Mechanism** – historically, equities have offered the greatest potential for long-term returns. These returns are typically not generated in a straight line – they can go up and down and sometimes dramatically. This rise and fall is referred to as market volatility. Herein lies the risk that comes from investing – the value of assets, and so too the value of customers' investments, can change over time. It is important to understand that to generate return some risk is necessary.

**PRIME 5** has been designed to reduce the potential impact of equity market volatility on investment returns – smoothing fluctuations and aiming to enhance the potential return to investors. This is achieved through a process that reduces equity exposure and increases the amount invested in cash in times of high equity market volatility.

### How does this work?

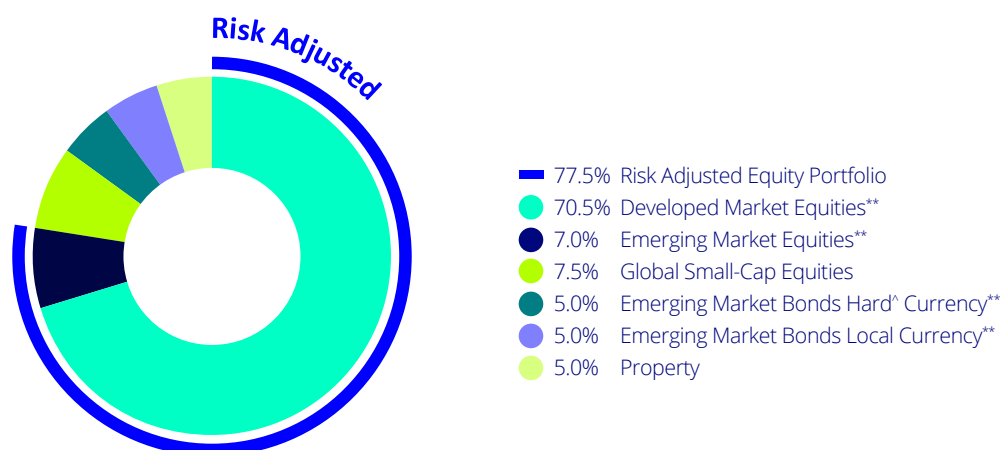
To achieve its risk goals, **PRIME 5** can vary its exposure to equities.

- ▶ If market volatility is high, indicating short and sharp movements and an increased risk of investors losing money, exposure to these equities is reduced.
- ▶ If market volatility is low, indicating the market is steady, exposure to equities is increased.

### PRIME 5's Strategic Asset Class Exposure



**SFDR  
Classification:  
Article 8 Fund**



Source: Bank of Ireland Life.

The splits shown represent PRIME 5's strategic asset class allocations as at September 2024. From time to time, the actual splits will differ on the basis of cash flow and dynamic risk adjustments. Up to date information is available from your Wealth Advisor or from [fundcentre.bankofireland.com](https://fundcentre.bankofireland.com).

^ Hard currency refers to money that comes from a country with a strong economy and stable political structure.

\*\*Classified as Article 8 Funds

## Details of the SSGA passive funds that PRIME 5 invests in are below:

Asset Class	SSGA Passive Funds	
Equity Exposure	<p><b>PRIME 5</b> aims to share in the performance of global stock markets through exposure to developed market, emerging market and small-cap equity passive funds.</p>	<p><b>State Street World ESG Index Equity Fund</b> – aims to track the performance of the MSCI World ESG Universal Index, as closely as possible over the long-term. This index measures the performance of global developed equity market securities, with the allocation to securities re-weighted using certain ESG metrics to tilt the index exposure towards securities demonstrating both a robust ESG profile and a positive trend in improving that ESG profile. The index excludes stocks that do not have an ESG rating, have an ESG Controversy Score of 0 (ESG Red Flag Companies) and Controversial Weapons businesses.</p> <p><b>State Street Global Emerging Markets Screened Index Equity Fund</b> – aims to provide investors with exposure to a diversified portfolio of emerging market equities, diversified across regions, industry sectors and stocks. Securities are weighted by market capitalisation after screening out securities based on an assessment of their adherence to ESG criteria. The screens now are as follows: Arctic Drilling, Civilian Firearms, Controversial Weapons, Extreme ESG Controversies, Nuclear Weapons, Oil Sands, Thermal Coal, Tobacco, UN Global Compact Violators. The fund also applies ESG tilting and exclusions as explained on <a href="#">page 4</a>.</p> <p><b>SPDR® MSCI World Small-cap UCITS ETF</b> – aims to track the performance of small sized companies in developed equity markets globally.</p>
Bond Exposure	<p><b>PRIME 5</b> aims to capture performance from bonds through exposure to a range of passive emerging market bond funds (local and hard currency).</p>	<p><b>State Street Emerging Markets ESG Local Currency Government Bond Index Fund</b> – aims to track the performance of investible local currency denominated, emerging markets sovereign bonds. The fund applies tilting and exclusions.</p> <p><b>State Street Emerging Markets ESG Hard Currency Government Bond Index Fund</b> – aims to track the performance of US dollar denominated emerging markets government bonds. The fund applies tilting and exclusions.</p>
Property Exposure	<p><b>PRIME 5</b> also aims to capture the performance of commercial property. This is through exposure to office, retail and industrial properties located in Ireland, the UK and Europe.</p>	<p><b>PRIME 5</b> invests in the <b>Bank of Ireland Life Property Fund</b>. This fund aims to generate long-term returns from a combination of rental and income growth by investing in a portfolio of prime commercial properties. Properties will be primarily located in Ireland, the UK and Europe. The Property Fund also holds cash.</p>
Cash Exposure	<p><b>PRIME 5</b> will aim to capture cash-like returns.</p>	<p><b>State Street IUT Euro Liquidity Fund</b> – when exposure to developed market and emerging market equities is reduced through the risk adjustment process, exposure to this cash fund rises. This fund aims to maintain a high level of liquidity, preserve capital and earn a return in line with money market rates. Bank of Ireland Life's Cash Fund also invests in this fund.</p>

The SSGA funds listed above are as at September 2024 but may change over time.

To find out more about how ESG is incorporated into PRIME 5's building blocks, see [page 4](#) for more information.

To find out more about our ESG commitment visit our

**Sustainable Investing Hub** 

**Review of the Underlying Building Blocks** – reviews of all **PRIME Funds** and the underlying SSGA funds are undertaken regularly; funds and asset classes may be added/removed over time in line with the aim of each **PRIME Fund**.

## PRIME 5 Summary

**PRIME 5** has exposure to developed market, emerging market and small-cap global equities, bonds, property and cash.

The exposure to equities (excludes small-cap equities) and cash can change as a result of the dynamic risk adjustment mechanism. During times of high market volatility, the exposure to equities can be significantly different from the strategic allocation. For the most up to date information, please visit [Fund Centre](#).

Exposure to small-cap global equities, bonds and property is set. This is reviewed annually.

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SSGA has a proud heritage of passive investing. With over four decades experience, they have provided high quality passive funds that can help lower costs and allow investors to keep more of what their portfolios earn over time.

As one of the world's largest managers of passive assets, SSGA offer a huge selection of funds — covering a multitude of asset classes, markets and regions.

SSGA also manage the Bank of Ireland Life Property Fund that **PRIME 5** has exposure to.

### ESG at SSGA

SSGA's mission is to invest responsibly to enable economic prosperity and social progress. SSGA believe that identifying and systematically incorporating material ESG issues is integral to their role as fiduciaries of investors' capital. As one of the world's largest asset managers, SSGA offer global expertise in ESG research, investment strategy and data analytics.

**Signatory to UN Principles of Responsible Investing (PRI) Since<sup>†</sup>: 3 May 2012**



### How PRIME 5 incorporates ESG

**SFDR  
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**PRIME 5's** equity building blocks use exclusions, tilting and asset stewardship to promote environmental and social objectives as well as promote good governance.

**Exclusions** are when a fund does not have exposure to certain sectors or stocks at all based on environmental or social reasons.

- ▶ For instance, developed and emerging market equity funds do not invest in controversial weapons or companies that have violated the UN Global Compact; an internationally accepted minimum set of standards relating to the areas of human rights, labour, environment and anti-corruption.

**Tilting** is an ESG technique that is often used in addition to exclusions. It seeks to maintain the same characteristics as the standard index that the fund is tracking (such as country and sector exposures), but rewards higher performing ESG companies with more capital, and allocates less capital to companies with lower ESG scores.

- ▶ This approach is applied in the State Street World ESG Index Equity and the State Street Emerging Markets ESG Local and Hard Currency Government Bond Index Funds.

**Asset stewardship** or active ownership, as it is often referred to, is a critical ESG tool. As one of the world's largest asset managers, SSGA engages with companies' board of directors and senior management team on key ESG issues SSGA want them to address. This can range from gender and racial equality, their climate strategy or governance structures.

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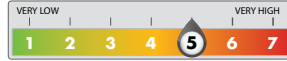
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<sup>†</sup>In 2005, the United Nations established a body that developed the Principles for Responsible Investing ("PRI"). The Principles for Responsible Investment are a set of six principles that set a global standard for responsible investing.

## Minimum Recommended Investment Period

Investing should be considered over the medium to long-term (at least 5-7 years) so as to reduce the risk of short-term market volatility. However, even long-term investing involves risk as values will fluctuate over time.

## Risk Rating – Medium to High Risk



At Bank of Ireland Life we classify our wide range of funds into seven different risk categories to help you better understand the risks to your original investment.

Separately European Union (EU) law requires that a risk indicator be applied to funds 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 [fundcentre.bankofireland.com/KIDS](https://fundcentre.bankofireland.com/KIDS). Please see the Smart Funds or Target Saver brochure for further details

Bank of Ireland Life has rated **PRIME 5** a medium to high risk investment fund. 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

For **PRIME 5**, **market risk** (value can fluctuate in line with market movements) 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.

As the fund has exposure to non-euro assets, this brings additional risk of how changes in currency exchange rates can impact the value of the fund. The investment manager may, from time to time, use derivatives to reduce the foreign currency risk of this fund. For more information on these and other types of risks that may apply, please see our "Investing & Risk" document available from your Wealth Advisor.

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## Product Availability

**PRIME 5** is available to investors through the following Bank of Ireland Life products:

- ▶ Smart Funds
- ▶ Target Saver
- ▶ Personal Pension
- ▶ Personal Retirement Bond
- ▶ Approved Retirement Fund (ARF)
- ▶ Group Pensions
- ▶ PRSA
- ▶ Navigator Master Trust – Executive (SP Pensions)
- ▶ Navigator Master Trust – Executive (RP Pensions)

### Charges

Charges vary per product type. For details of the charges that apply talk to your Wealth Advisor.

## Next Steps

To find out more about **PRIME 5**, talk to the Wealth Advisor in your local Bank of Ireland branch, or visit:

**Fund Centre** 

**Sustainable Investing Hub** 

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Bank of Ireland Life reserves the right to review the risk categorisation of its funds at any time.

Terms and conditions apply. Exit tax (up to 41% currently) applies to gains on life assurance investment policies. A Government levy (currently 1% of the premium amount) applies to all premiums paid to a life assurance policy.

The information set out is of a general nature, may have been condensed or be incomplete.

The information provided should not be relied upon without seeking appropriate advice. We believe any sources quoted to be reliable but we cannot guarantee the accuracy or completeness of the information. Mention of specific stocks or investments does not constitute an offer or recommendation to buy or sell those stocks or investments or to subscribe to any investment services. Any opinions and estimates stated constitute best judgment at the date of this document and may change. Fund details provided are as at the date of this document unless otherwise stated. For further details please refer to the fund brochure.

PRIME Funds has been developed solely by Bank of Ireland Life. While some of the underlying funds may aim to track as closely as reasonably possible the performance of specific indices over the long-term, there is no trade connection between Bank of Ireland Life and these indices. Index providers do not sponsor, advise, recommend, endorse or promote PRIME Funds and have no liability whatsoever to any person arising out of their investment in these funds.

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Advice on Bank of Ireland Life products is provided by Bank of Ireland. Bank of Ireland, trading as Bank of Ireland Insurance & Investments, 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 trading as Bank of Ireland Life for life assurance and pensions business. Member of Bank of Ireland Group.

**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.

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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** PRIME 5  
**Legal entity identifier:** N/A

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☐ 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

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

PRIME 5 (the “**Account**”) is a multi-asset portfolio aiming to deliver long-term capital growth. The Account allocates a portion of its assets to funds that promote environmental and / or social characteristics by employing ESG screening, ESG integration or track an ESG index with environmental and social characteristics.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The asset allocation of the Account to funds that promote environmental and / or social characteristics is used to measure the attainment of the environmental or social characteristics of the Account.

The strategic fund allocation with environmental or social characteristics is at least 70%. This relates to developed and emerging market equity exposure and emerging market bond exposure.

The Account also has exposure to property and global small-cap equities but there are no environmental and social characteristics associated with this asset class exposure.

- **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?**

N/A

- **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?**

N/A

**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, anticorruption and antibribery matters.

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

N/A

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

N/A



**Does this financial product consider principal adverse impacts on sustainability factors?**

☐ Yes

☒ No



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**What investment strategy does this financial product follow?**

PRIME 5 aims to generate returns reflective of the risk profile of the fund by predominantly investing in a range of passive funds. PRIME 5 adopts a passive investment approach - this is an investment strategy the Account can adopt that tracks market weighted indices or portfolios rather than relying on a fund manager to make investment decisions. While PRIME 5 is, in general, a passively managed fund, it is important to note that any exposure in the Account to property will be actively managed. PRIME 5's exposure to cash is also actively managed.

- **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?**

The binding element of the investment strategy is at least 70% to underlying funds that promote environmental and / or social characteristics.

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

N/A

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- **What is the policy to assess good governance practices of the investee companies?**

Asset stewardship, or active ownership, is an ESG tool utilised to promote good governance practices. The Investment Manager engages with companies' board of directors and senior management team on key Environmental, Social and Governance issues that they want them to address. This can range from gender and racial equality, their climate strategy or governance structures.





**Asset allocation** describes the share of investments in specific assets.

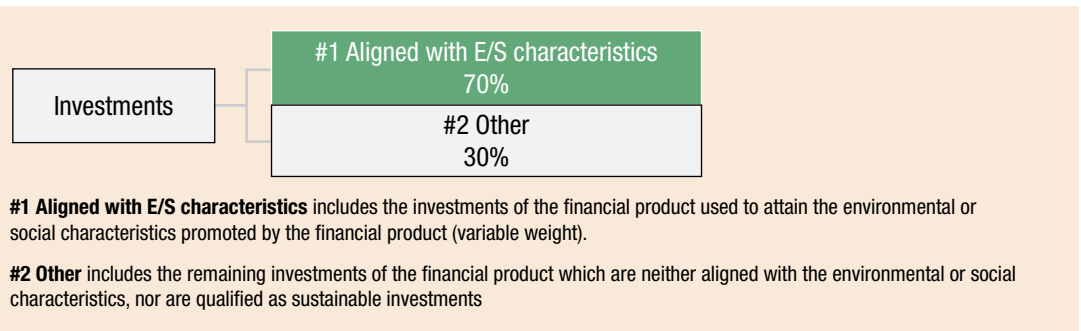
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**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.

## What is the asset allocation planned for this financial product?

The Account is a multi-asset portfolio aiming to deliver long-term capital growth. Asset allocation is reflective of the risk profile of the fund.

The asset allocation includes to underlying funds that promote environmental and / or social characteristics. The strategic fund allocation with environmental or social characteristics is at least 70%. This relates to developed and emerging market equity exposure and emerging market bond exposure (#1). The Account also has exposure to property and global small-cap equities but there are no environmental and social characteristics associated with this asset class exposure (#2).



## How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

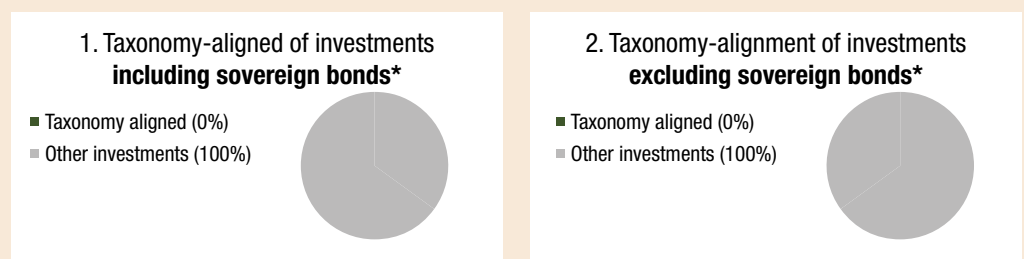
N/A.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

N/A

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

- **What is the minimum share of investments in transitional and enabling activities?**

N/A



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

N/A



- **What is the minimum share of socially sustainable investments?**

N/A



- **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

In accordance with the objective of long-term capital growth, the Account may hold a portion of its assets in cash, cash equivalents and underlying funds that do not promote environmental and / or social characteristics which would be classified as #2 Other. Such assets will not be aligned with environmental and social characteristics nor will there be any environmental or social safeguards associated with such assets in place.



- **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?**

No

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A

- **How does the designated index differ from a relevant broad market index?**

N/A

- **Where can the methodology used for the calculation of the designated index be found?**

N/A



- **Where can I find more product specific information online?**

More product-specific information can be found on the website:

To find out more about the **PRIME 5**:

**Fund Centre**

**Sustainable Investing Hub**