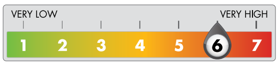
High Yield Equity Fund

High Risk



SFDR Classification: Article 8 Fund

Fund Objective

The objective of the Bank of Ireland Life **High Yield Equity Fund** is to generate long-term capital growth through exposure to equities that can provide a high, yet sustainable, flow of dividend income for the fund.

Fund Facts

- **Asset Mix*:** Global Equities (with a focus on high dividend income yielding equities).
- **Managed By:** State Street Global Advisors Europe Limited (SSGA).
- **Key Fund Risks:** Market risk, single asset class risk, concentration risk and currency risk.
- **Recommended Investment Time Frame:** Medium to long-term (at least 5-7 years).
- **Risk Rating:** High Risk 

The above risk category has 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 Sheet 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 Manager

The **High Yield Equity Fund** is managed by State Street Global Advisors Europe Limited (SSGA), one of the largest global asset managers:

- State Street Global Advisors is the investment management arm of State Street Corporation, one of the world's leading providers of financial services.
- A global leader in asset management.
- **Signatory to UN Principles of Responsible Investing (PRI) Since†:** 3 May 2012.

Fund Description

- The **High Yield Equity Fund** offers the opportunity for exposure to the performance of a diversified basket of 30-40 high yielding global equities (a 'concentrated' equity fund).
- The aim is that the maximum holding in any equity will be no more than 10% of the overall fund portfolio.
- The fund invests in high dividend yielding global listed equities that the manager believes are undervalued and have potential for appreciation. Typically, these are companies that are financially strong, with stable earnings growth expected.

* The investment manager may use the equities in the 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.

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

Why High Yield Equities?

Dividend income can be an important source of return for investors as well as playing a role in protecting investors against the impact of inflation on the value of money. Dividend payments are also often a key sign of a company's financial stability.

- ✓ History shows us that dividends represent a key component of total returns from investing in equities over the long-term. Dividends have accounted for 41% of the total return achieved by the main US market over the period 1930-2022. Source: Hartford Funds: The Power of Dividends: Past Present and Future, 2023.
- ✓ Investing in dividend stocks is generally also more defensive in nature, as dividend paying companies tend to be well-established mature businesses with robust balance sheets. They also tend to suffer smaller price declines in economic downturns. Source: Do Dividend Stocks Provide Shelter From Recession? Morningstar, August 2022.

Value Investing

The fund is managed according to the **"Value"** investment strategy. Value investing involves selecting stocks that the manager considers are undervalued relative to their earnings potential. This is based on the managers' fundamental analysis of the company.

This differs to **Growth** investing, which focuses on emerging companies with high growth prospects, but can appear expensive relative to earnings.

SSGA's Investment Skill & Expertise

The **High Yield Equity Fund** harnesses the investment skill and expertise of State Street Global Advisors' investment specialists based in Dublin (which consists of 12 analysts, each with considerable industry experience (average of 22 years)). The Dublin team also leverages the knowledge and views of a 45 strong wider SSGA global fundamental analyst team. The fund truly represents a 'best ideas' portfolio and reflects the stock picking skills of these teams.

SSGA's analyst teams comprehensively sift through thousands of companies worldwide to pick out those companies they believe offer the greatest long-term potential.

The research process is devoted to identifying the key drivers of value creation in companies. The team also look for companies that score well on certain key 'high yield' measures before considering them for inclusion in the fund.

Investment Selection Process

1. **Screens the global universe of stocks to identify stocks that warrant further investigation.**
2. **In-depth company analysis to understand drivers of growth.**
3. **Investment selection – selection of those 30-40 (approximately) high dividend paying stocks which SSGA believes can deliver the greatest long-term potential returns – the High Yield Equity Fund.**

SSGA have complete flexibility when it comes to managing this fund and are unconcerned by what other fund managers are doing.

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Risk Management in the Fund

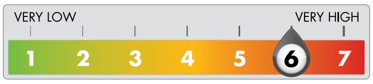
Investing in high dividend yielding equities is, generally, more defensive given dividend paying companies tend to be well-established mature businesses with robust balance sheets. However, SSGA are focused on risk management from a number of different angles:

1. Diversification by geography and by sector to spread equity exposure;
2. Avoiding companies with significant amounts of debt;
3. Balancing exposure between cyclical-type stocks and defensive companies to manage economic risk; and
4. Ensuring a margin of safety in valuations to address inherent investment risk.

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 **High Yield Equity 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 and inflation.
- High risk investments focus on maximising the potential return to investors, rather than minimising risks.
- Some high risk funds may consist almost entirely of one asset class based for example in one geographic region or in one sector.
- Investors' capital is not secure and may fluctuate significantly and investors may get back less than they originally invested.

Key Fund Risks

Market risk (value can fluctuate in line with market movements), **concentration risk** (exposure to a limited number of stocks), **single asset class risk** (exposure to just one asset type) and **currency risk** (exposure to changes in currency exchange rates) are key 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 **High Yield Equity Fund** is available to investors through the following Bank of Ireland Life products:

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

Charges

Charges vary per product type. For the **High Yield Equity Fund**, a fund management charge of 0.10% 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

To find out more about the **High Yield Equity Fund**, talk to the Advisor 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.

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