
iFUNDS Quarterly Report

Quarter 1, 2017

in association with  **Wilshire**



NEW IRELAND
ASSURANCE

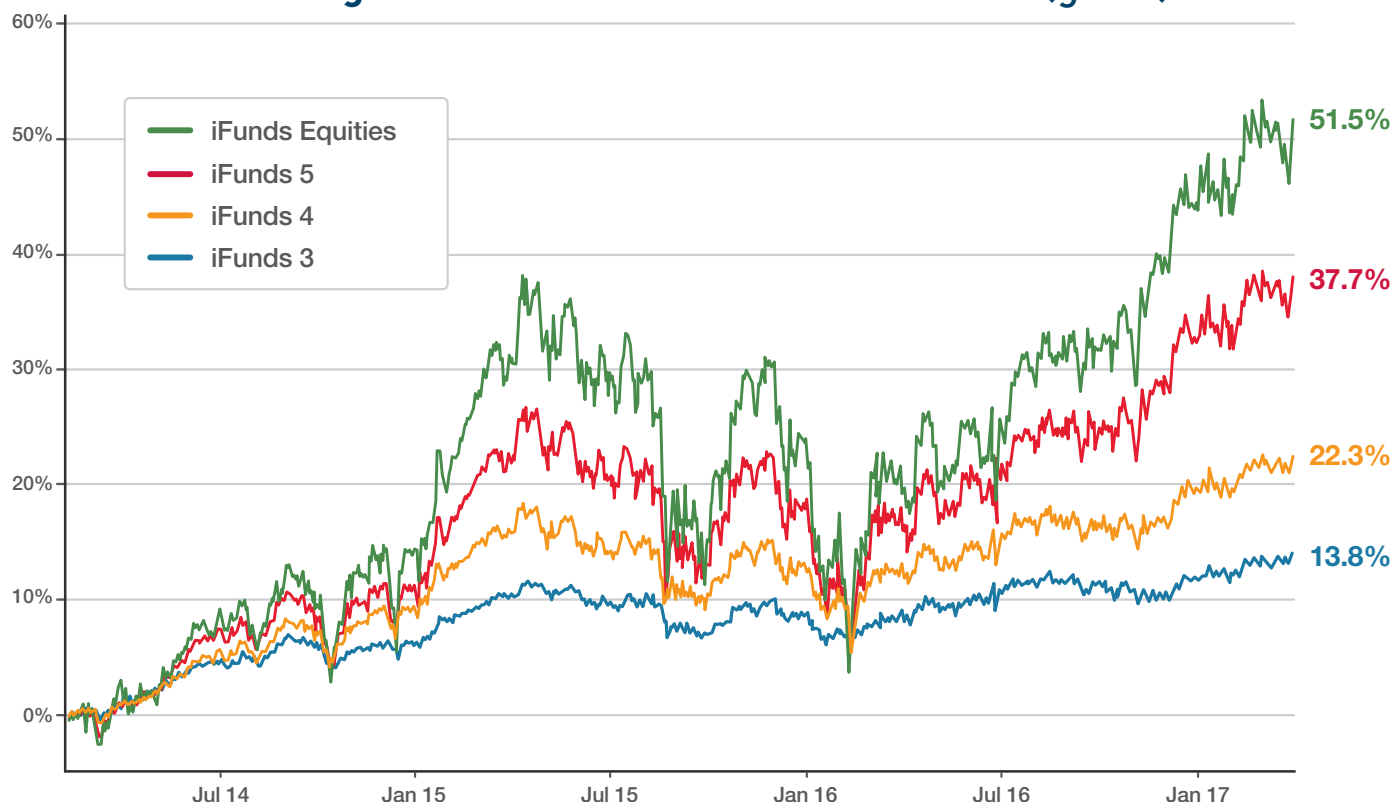


The iFunds Range

investment funds



Strong iFunds Performance Since Launch (gross)



Source: MoneyMate. Performance is quoted gross of tax and charges.

Performance Commentary

in association with  **Wilshire**

Continuously positive economic news in Q1 2017 saw global stock markets finish the quarter on a strong note. Q1 2017 proved to be the best start to the year for equities since 2012*. Over the quarter, bonds were flat reflecting positive economic data and the focus on rising interest rates. Stock markets did show nervousness in March at times after months of euphoria. This was driven by the failure of the Trump administration to push through healthcare reforms and the triggering of Article 50 by the UK.

It is within this context, that each iFunds generated positive returns in the first quarter of this year. Key contributors to performance have obviously been the equity exposure and the range of equity funds that iFunds has access to. All component funds however contributed positively to these numbers. Of perhaps more note, is the performance of the range, and in particular iFunds 3, during the market wobble in March. While March saw lacklustre performance, iFunds had a strong March, with all funds generating positive returns.

* Source: Investment Markets, BOI Group, April 2017.

Warning: The value of your investment can go down as well as up.
Warning: iFunds may be affected by changes in currency exchange rates.
Warning: If you invest in iFunds you may lose some or all of the money you invest.
Warning: Past performance is not a reliable guide to future performance.

Notes

Inception / launch date of each iFunds is close of business 14/02/2014. Performance quoted to 31/03/2017 and is gross of tax and charges. Please refer to the final page of report for further information.
 All volatility figures are annualised.



Low to Medium Risk

Performance Overview

iFunds 3 Performance Since Inception (gross)

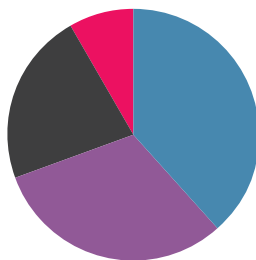


| | |
|-----------------------------|----------|
| Performance Q1 2017 | 1.8% |
| Performance Since Inception | 13.8% |
| Volatility Q1 2017 | 2.9% |
| Volatility Since Inception | 3.5% |
| Long-Term Volatility Target | 2% to 5% |

Diversification By Manager, Fund & Asset

Manager Split

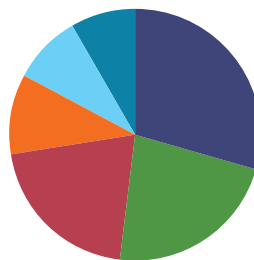
End of Q1 2017



- 38.6% State Street Global Advisors
- 31.0% Insight Investment
- 22.3% Newton
- 8.1% Davy Asset Management

Fund Split

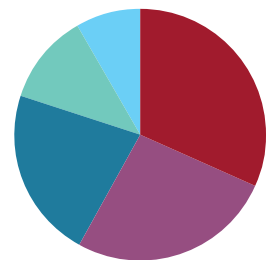
End of Q1 2017



- 29.7% Elements
- 22.3% BNYM Global Real Return Fund
- 20.5% BNYM Absolute Return Bond Fund
- 10.5% Insight Broad Opportunities Fund
- 8.9% Property Fund
- 8.1% Davy Defensive High Yield Fund

Asset Split

End of Q1 2017

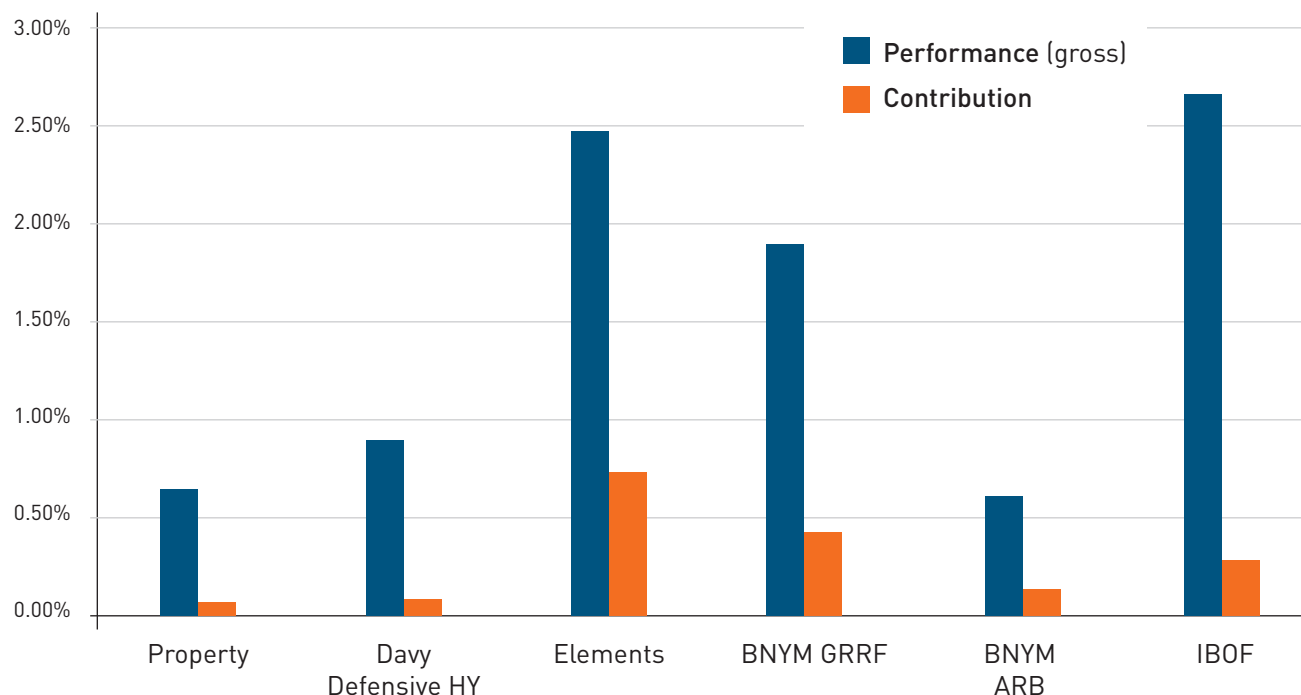


- 31.9% Equities
- 26.4% Alternatives
- 21.9% Bonds
- 11.5% Cash
- 8.3% Property



Low to Medium Risk

Component Fund Performance & Contribution to Performance for Q1 2017



Source: New Ireland. Performance is quoted gross of tax and charges. The performance figures of the component funds shown above are for the full quarter.

Performance Commentary

Against a positive market background, **iFunds 3** generated a return of 1.8% for investors in Q1 2017. Since inception, **iFunds 3** has now generated a return of 13.8%, a strong return when compared to other low to medium risk investments.

Volatility during quarter 1 continued to be well within the 2% – 5% long term volatility band for the fund. This is very much in line with the low risk environment markets have been experiencing.

Importantly though the key strength of **iFunds 3** was shown in March. During a poor market (relative to what has been experienced since last November!), the fund held on to much of the gains made in the early part of the year – supported by each of its component funds.

Looking at the component funds over the quarter, **Elements** and the **BNY Mellon Global Real Return Fund** were the most significant contributors to the fund's performance.

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Notes

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Medium Risk

Performance Overview

iFunds 4 Performance Since Inception (gross)



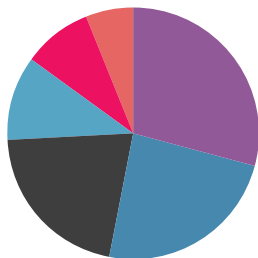
Source: MoneyMate. Performance is quoted gross of tax and charges.

| | |
|-----------------------------|-----------|
| Performance Q1 2017 | 2.7% |
| Performance Since Inception | 22.3% |
| Volatility Q1 2017 | 4.3% |
| Volatility Since Inception | 6.1% |
| Long-Term Volatility Target | 5% to 10% |

Diversification By Manager, Fund & Asset

Manager Split

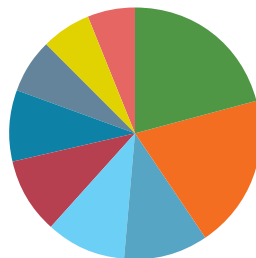
End of Q1 2017



| | |
|-------|------------------------------|
| 29.2% | Insight Investment |
| 23.9% | State Street Global Advisors |
| 21.1% | Newton |
| 10.8% | Los Angeles Capital |
| 9.0% | Davy Asset Management |
| 6.0% | Walter Scott |

Fund Split

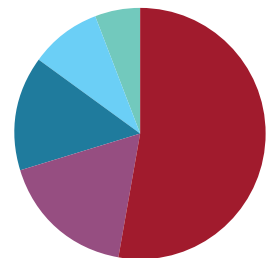
End of Q1 2017



| | |
|-------|----------------------------------|
| 21.1% | BNYM Global Real Return Fund |
| 19.5% | Insight Broad Opportunities Fund |
| 10.8% | LA Capital Fund |
| 10.5% | Property Fund |
| 9.7% | BNYM Absolute Return Bond Fund |
| 9.0% | Davy Defensive High Yield Fund |
| 7.1% | Elements Alpha |
| 6.3% | Spotlight |
| 6.0% | Walter Scott Global Equity Fund |

Asset Split

End of Q1 2017

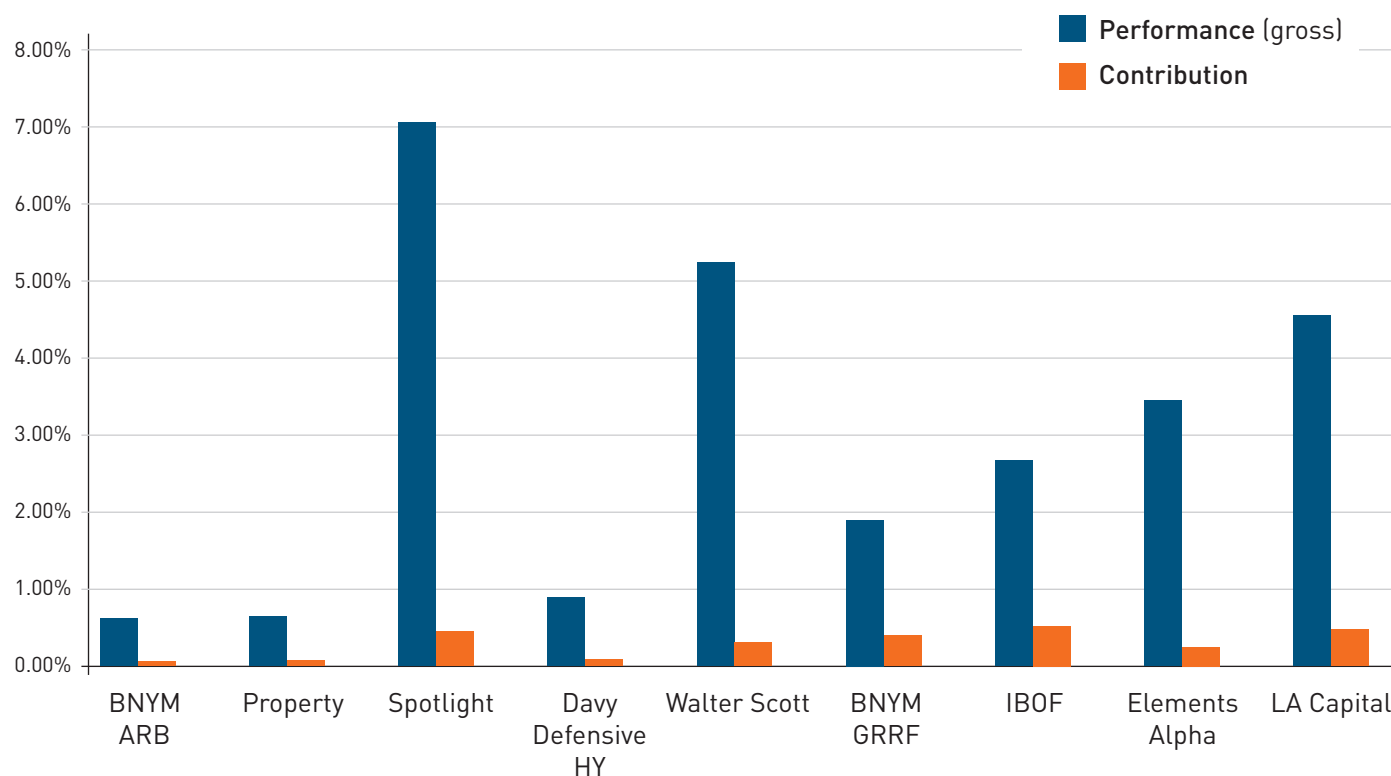


| | |
|-------|--------------|
| 52.9% | Equities |
| 17.5% | Alternatives |
| 14.8% | Bonds |
| 9.1% | Property |
| 5.7% | Cash |



Medium Risk

Component Fund Performance & Contribution to Performance for Q1 2017



Source: New Ireland. Performance is quoted gross of tax and charges. The performance figures of the component funds shown above are for the full quarter.

Performance Commentary

In a market that continues to be driven by positive momentum since President Trump's election, iFunds 4 generated positive returns in Q1 2017. For the quarter, the fund generated a return of 2.7%. Since inception in February 2014, the fund has generated a return of 22.3% for investors.

Volatility during quarter 1 for the fund was subdued and below the 5% – 10% long term volatility band for the fund. This is very much in line with the low volatility environment markets have been experiencing.

While a month is a very short time, the fund's performance in March is important in terms of being able to maintain its positive performance since the start of the year. The fund rose positively by 0.6%* in March compared to a return of 0.3%* for equity markets in general.

Looking at the component funds over the quarter, the **Insight Broad Opportunities Fund** was the most significant contributor to the fund's performance, though all funds contributed positively.

*Source: New Ireland. Performance of iFunds 4 and the World Indexed Fund (Unhedged) from 01.03.17 to 01.04.17 is shown gross of tax and charges.

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Notes

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Performance Overview

iFunds 5 Performance Since Inception (gross)



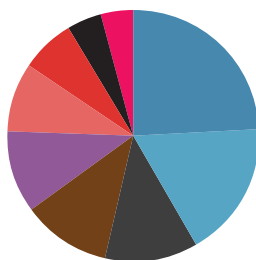
Source: MoneyMate. Performance is quoted gross of tax and charges.

| | |
|-----------------------------|------------|
| Performance Q1 2017 | 4.2% |
| Performance Since Inception | 37.7% |
| Volatility Q1 2017 | 6.6% |
| Volatility Since Inception | 10.4% |
| Long-Term Volatility Target | 10% to 15% |

Diversification By Manager, Fund & Asset

Manager Split

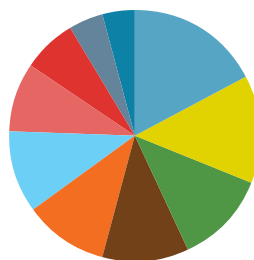
End of Q1 2017



| | |
|-------|------------------------------|
| 24.4% | State Street Global Advisors |
| 17.4% | Los Angeles Capital |
| 12.0% | Newton |
| 11.2% | Dodge & Cox |
| 10.8% | Insight Investment |
| 8.9% | Walter Scott |
| 6.9% | Schroders |
| 4.3% | Lazard |
| 4.1% | Davy Asset Management |

Fund Split

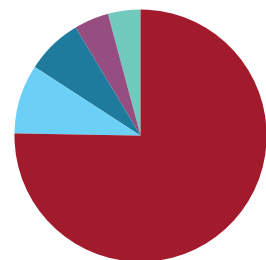
End of Q1 2017



| | |
|-------|----------------------------------|
| 17.4% | LA Capital Fund |
| 13.8% | Spotlight |
| 12.0% | BNYM Global Real Return Fund |
| 11.2% | Dodge & Cox Global Stock Fund |
| 10.8% | Insight Broad Opportunities Fund |
| 10.6% | Property Fund |
| 8.9% | Walter Scott |
| 6.9% | Schroder Global Equity Fund |
| 4.3% | Lazard Emerging Markets Fund |
| 4.1% | Davy Defensive High Yield Fund |

Asset Split

End of Q1 2017

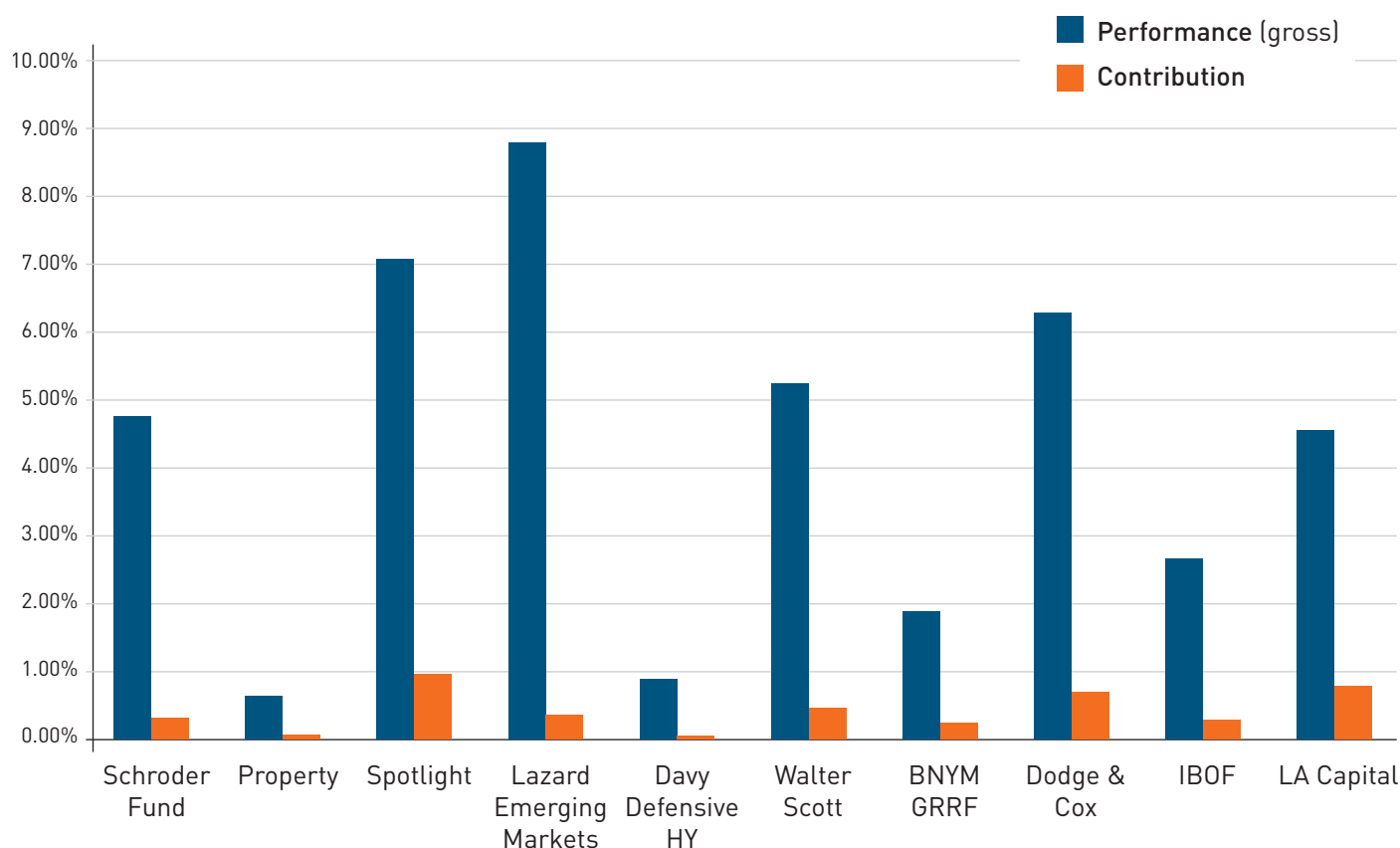


| | |
|-------|--------------|
| 75.3% | Equities |
| 8.9% | Property |
| 7.3% | Bonds |
| 4.4% | Alternatives |
| 4.1% | Cash |



Medium to High Risk

Component Fund Performance & Contribution to Performance for Q1 2017



Source: New Ireland. Performance is quoted gross of tax and charges. The performance figures of the component funds shown above are for the full quarter.

Performance Commentary

In a market that continues to be driven by positive momentum since President Trump's election, **iFunds 5** generated positive returns in Q1 2017, up by 4.2%. Since inception in February 2014, the fund has now generated a return of 37.7% for investors.

Volatility during quarter 1 was 6.6% (annualised), below the 10% – 15% long term volatility band for the fund, as is to be expected in a quarter with low equity volatility.

While a month is a very short time, the performance of the fund was significant in terms of being able to maintain its positive performance since the start of the year. The fund rose positively by 0.7%* in March compared to a return of 0.3%* for equity markets in general.

Over the quarter, **Spotlight** was the most significant contributor to performance, generating a return of 7.1% contributing 0.96% to **iFunds 5's** quarterly returns. As with all other **iFunds** all component funds added to **iFunds 5** performance.

*Source: New Ireland. Performance of iFunds 5 and the World Indexed Fund (Unhedged) from 01.03.17 to 01.04.17 is shown gross of tax and charges.

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**High Risk**

Performance Overview

iFunds Equities Performance Since Inception (gross)

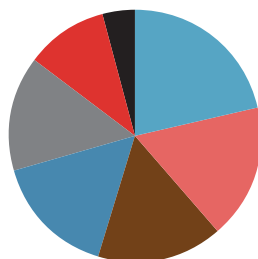


| | |
|-----------------------------|-------|
| Performance Q1 2017 | 5.6% |
| Performance Since Inception | 51.5% |
| Volatility Q1 2017 | 8.8% |
| Volatility Since Inception | 15.5% |
| Long-Term Volatility Target | None |

Diversification By Manager, Fund & Asset

Manager Split

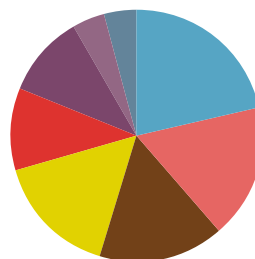
End of Q1 2017



| | |
|-------|------------------------------|
| 21.4% | Los Angeles Capital |
| 17.4% | Walter Scott |
| 16.0% | Dodge & Cox |
| 15.9% | State Street Global Advisors |
| 14.8% | KBI Global Investors |
| 10.6% | Schroders |
| 3.9% | Lazard |

Fund Split

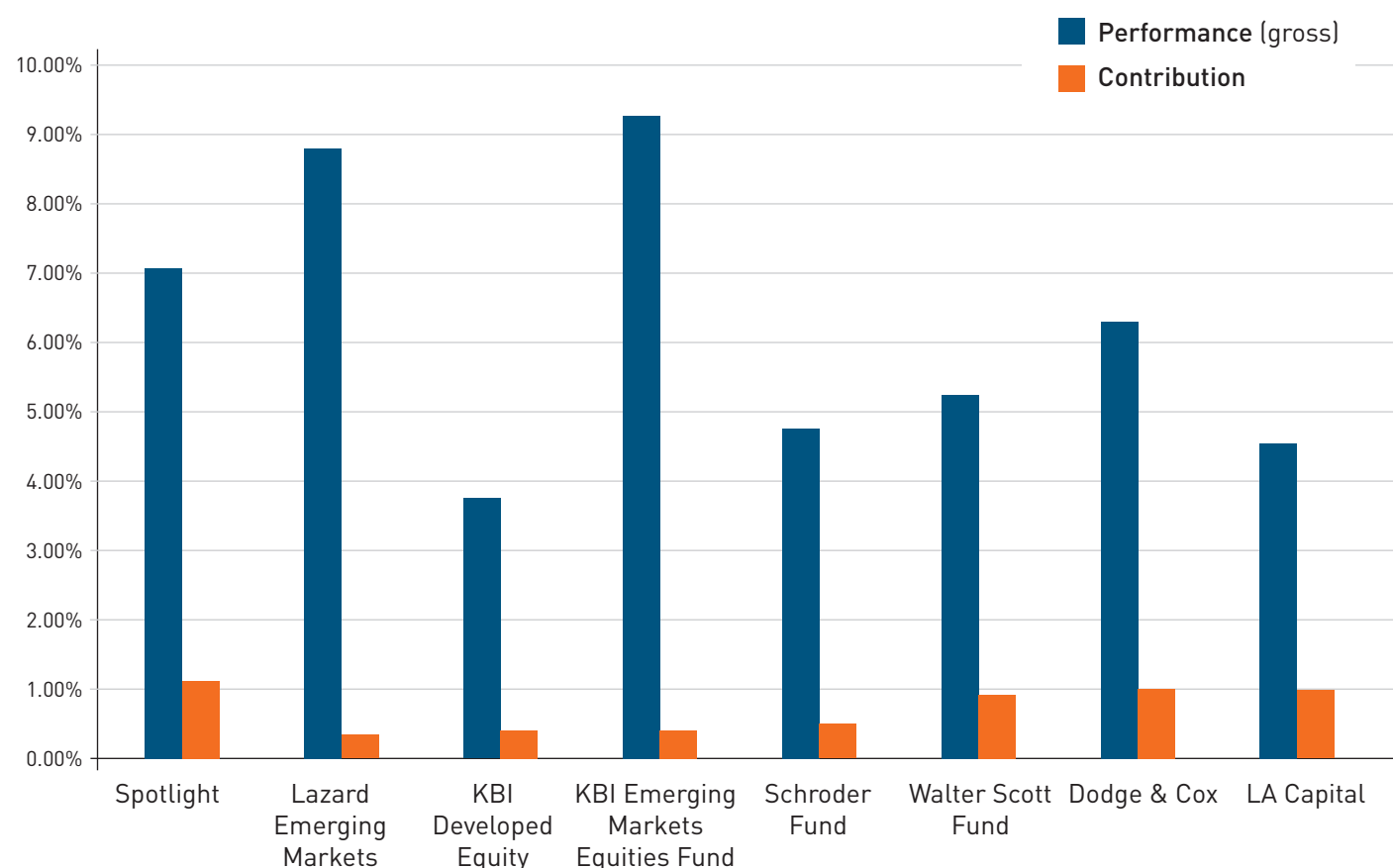
End of Q1 2017



| | |
|-------|------------------------------------|
| 21.4% | LA Capital Fund |
| 17.4% | Walter Scott Global Equity Fund |
| 16.0% | Dodge & Cox Global Stock Fund |
| 15.9% | Spotlight |
| 10.6% | Schroder Global Equity Fund |
| 10.4% | KBI Developed World Equities Fund |
| 4.4% | KBI Emerging Markets Equities Fund |
| 3.9% | Lazard Emerging Markets Fund |

**High Risk**

Component Fund Performance & Contribution to Performance for Q1 2017



Source: New Ireland. Performance is quoted gross of tax and charges. The performance figures of the component funds shown above are for the full quarter.

Performance Commentary

iFunds Equities ended the first quarter (5.6%) in positive territory. Since inception, iFunds Equities has now generated a return of 51.5% for investors.

It is no surprise that as global stock markets have continued to enjoy strong returns on the back of President Trump's election and continuously positive economic data iFunds Equities has shared in this performance.

The standout performing funds for iFunds Equities in quarter 1 2017 were the KBI Emerging Markets Equities Fund, Lazard Emerging Equities Fund and Spotlight. Each of the component funds contributed positively to the returns of iFunds Equities.

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ifunds – Component Funds*



| iFunds Availability | Component Fund Name | Investment Manager |
|---------------------|--------------------------------------|--|
| ifunds 3 | Elements | STATE STREET GLOBAL ADVISORS® |
| ifunds 3 4 | BNY Mellon Absolute Return Bond Fund | Insight INVESTMENT <small>> A BNY MELLON COMPANY™</small> |
| ifunds 4 | Elements Alpha | STATE STREET GLOBAL ADVISORS® |
| ifunds 3 4 5 | BNY Mellon Global Real Return Fund | NEWTON The Power of Ideas |
| ifunds 3 4 5 | Insight Broad Opportunities Fund | Insight INVESTMENT <small>> A BNY MELLON COMPANY™</small> |
| ifunds 3 4 5 | Davy Defensive High Yield Fund | DAVY ASSET MANAGEMENT |
| ifunds 3 4 5 | Property Fund | STATE STREET GLOBAL ADVISORS® |
| ifunds Equities | KBI Developed World Equities Fund | KBIGI |
| ifunds 4 5 Equities | Spotlight | STATE STREET GLOBAL ADVISORS® |
| ifunds 5 Equities | Lazard Emerging Markets Fund | LAZARD ASSET MANAGEMENT |
| ifunds 5 Equities | Schroder Global Equity Fund | Schroders |
| ifunds Equities | KBI Emerging Markets Equities Fund | KBIGI |
| ifunds 4 5 Equities | Walter Scott Global Equity Fund | Walter Scott Global Investment Management |
| ifunds 5 Equities | Dodge & Cox Global Stock Fund | DODGE & COX® WORLDWIDE FUNDS |
| ifunds 4 5 Equities | LA Capital Global Equity Fund | LOS ANGELES CAPITAL |

* The component funds are New Ireland unit linked funds. The list of component funds and the fund details are correct as at 31 March 2017. Component funds and/or weightings may change over time. The component funds may invest directly or in collective investment vehicles to meet the investment aim of the funds. Up to date information is available from your Financial Broker or Advisor or from fundcentre.newireland.ie.


The iFunds range is provided by New Ireland Assurance. The risk rating of the iFunds portfolio is as set out. Component funds are rated individually where the funds are available to investors other than through iFunds.



| Investment Aim | |
|----------------|--|
| | To generate a return of cash (measured as 1-month EURIBOR) +2.5% p.a. over a rolling 5 year period (gross of tax and charges). The fund offers investors the opportunity to benefit from long-term real returns that equities, property, bonds and alternative assets can deliver but with active risk management. |
| | To generate a return of cash (as measured by 3-month EURIBOR) +3% p.a. over a rolling 3 year period (gross of tax and charges). The fund looks to deliver returns, irrespective of interest rate direction or economic conditions. |
| | To generate a return of cash (measured as 1-month EURIBOR) +4% p.a. over a rolling 5 year period (gross of tax and charges). The fund offers investors the opportunity to benefit from long-term returns that equities, property, bonds and alternative assets can deliver but with active risk management. |
| | To generate a return of cash (as measured by 1-month EURIBOR) +4% p.a. over a rolling 5 year period (gross of tax and charges). The fund offers investors the opportunity to benefit from solid long-term returns that investing in a wide range of asset classes can deliver. |
| | To generate a return of cash (as measured by 3-month EURIBOR) +4% p.a. over a rolling 3-5 year period (gross of tax and charges). The fund aims to deliver equity-like returns for investors, over the long-term, but with significantly lower risk. |
| | To generate long-term capital growth for investors by investing in equities with a relatively high, yet sustainable, flow of dividend income but with less volatility than investing in global stock markets. |
| | To generate long-term capital growth through investment in a portfolio of prime commercial properties primarily located in Ireland, the UK and Europe. |
| | To generate long-term growth by investing in a diversified portfolio of developed markets' equities with high dividend characteristics. |
| | To generate long-term potential returns by investing in a concentrated portfolio of equities (holding approximately 30-40 equities). |
| | To achieve long-term capital growth by investing in a diversified portfolio of 70-90 companies located in, or doing significant business in, emerging market countries. |
| | To generate long-term capital growth by investing in global equities. |
| | To generate long-term growth by investing in a diversified portfolio of emerging market equities with high dividend characteristics. |
| | To achieve long-term capital growth by investing in global equities. |
| | To generate long-term growth by investing in global equities. |
| | To achieve capital appreciation. |

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To find out more about  **ifunds**:



Talk to your Financial Broker or Advisor



1890 405 905



fundcentre.newireland.ie

Performance figures in this document are quoted gross of tax and charges. Fund management charges vary per product type. For further details of charges, please refer to the product literature or talk to your New Ireland Broker Consultant. 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.

Any references to an investment manager may refer to the investment manager of an underlying collective investment vehicle.

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Davy Asset Management is regulated by the Central Bank of Ireland.

KBI Global Investors Ltd. (KBIGI) is regulated by the Central Bank of Ireland.

Lazard Asset Management Limited, authorised and regulated by the Financial Conduct Authority. Incorporated in England and Wales, registered number 525667.

Schroder Investment Management Limited is registered in England and Wales 1893220. Registered office: 31 Gresham Street, London, EC2V 7QA.

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