

Irish Life MAPS is 8



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IRISH LIFE MAPS funds recently passed their 8th anniversary and we are proud and indebted to the many financial advisors around the country who have placed their trust in us for over 80,000 of their clients invested in MAPS. The MAPS fund range are managed by Irish Life Investment Managers (ILIM) who is an appointed investment manager to Irish Life Assurance plc.

So far 2021 has been very positive for global stock markets as they have risen over 10% into mid-June as optimism around vaccines, more stimulus measures in the US and economies reopening are all having a positive impact on global growth. As the year has progressed, inflation has become a key topic of debate following upward revisions to global growth, higher inflation expectations and global bond markets have been volatile because of this.

Despite these inflation concerns equity markets have shrugged them off as inflation has been viewed as a positive sign and seen to be rising for the right reasons, due to the market expecting a solid recovery in the global economy through 2021 and in 2022.

We are now more than a year on from Covid-19 spreading rapidly around the world and markets experiencing their quickest and ultimately shortest bear market in history. Many markets have since staged incredible recoveries including for example, the US S & P 500 returning 76%, the best 12 month period in its history after markets bottomed in March 2020*.

One thing the last year has definitely taught us is the power of staying invested and sticking to our plans despite extreme volatility and external events outside our control. In fact an investor who invested in global equities along the lines of the MSCI World Index just before the collapse in 2020 would still have made a positive return today*.

MAPS Continuing Evolution

At our recent annual strategic asset allocation review we looked at our current asset and manager allocations to ensure they continue to represent the best of our thinking and capability with respect to achieving the long-term risk and performance objectives of MAPS.

The process takes into account the short, medium and long-term expected outlook for investment markets, with a view to optimising the strategic fund mix. Typically in these reviews, we are looking for opportunities to either enhance risk management and/or increase the expected future fund returns.

This process involves reviewing investment opportunities such as new managers, asset classes, strategies, geographies, developments in quantitative research and

simulating how best to incorporate any prospective changes into the existing funds allowing for the complexity, time, cost and benefit of doing so.

After the most recent review we incorporated some changes in the MAPS funds including;

- An allocation to our new Global Sustainable Equity strategy
- An allocation to Core Sustainable Euro Corporate Bonds
- Additions to the Alternatives allocation
- Enhancement to the Risk Management strategies

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ESG

Our new Sustainable Equity strategy is designed to increase our clients' exposure to sustainable companies, and is better aligned with the vital goal of transitioning to a low-carbon economy.

When building our Sustainable Equity strategy we begin with a Global Equity Index and then apply a number of set criteria to develop our own proprietary index strategy. The Sustainable Equity strategy aims to deliver returns that are within 1% of global equity market returns but with a significantly reduced carbon intensity score that is 31% lower than the global equity index.

We have also introduced a Sustainable Corporate Bond strategy using a similar approach.

Alternatives

Within our alternatives allocation we are shifting towards more yield oriented and more diversifying assets including an allocation to a new direct global infrastructure fund.

This allocation enhances the diversification of the MAPS funds adding an uncorrelated asset to the other elements of MAPS. Infrastructure can provide attractive returns and stable cash flow generation with lower volatility as well as potential protection against rising interest rates.

We have also reclassified our Equity Option Strategy to our alternatives allocation as we see this as a better fit for this type of derivatives strategy.

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Risk Management

We have also made some enhancements to our Dynamic Share to Cash (DSC) model with the aim of creating better performance outcomes, in particular better performance in V-shaped market events.

The overall objective of the enhancements is to better balance absolute downside protection with managing market performance while adding components that are intuitively sound and demonstrate benefits in historical modelling.

Thank You!

Over the last 12 months the MAPS funds have delivered strong returns for investors with returns of between 8% for MAPS 2 to 27% from MAPS 2 to MAPS 6**.

While these returns are ahead of what we'd expect over a short period we are delighted to say that the MAPS funds have also delivered very strong returns for investors over the more important longer periods.

We know that we operate in a very competitive marketplace and are delighted to say that our MAPS funds feature at the top of their respective multi asset rankings over the more representative longer periods.

MAPS objectives remain to manage the customer journey giving those customers the confidence to stay invested especially when markets are volatile and delivering smoother returns within a risk managed framework.

Thank you for the trust you've placed in us for your clients investing in MAPS over the last 8 years and we look forward to continuing to deliver for them.

To find out more about the Irish Life MAPS funds, talk to your Irish Life Account Manager today.

Sources: *Longboat Analytics 2021. **Irish Life 2021. Performance is before fees and taxes to 01/06/21.

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.

Warning: These figures are estimates only. They are not a reliable guide to the future performance of this investment.

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

Irish Life Assurance plc is regulated by the Central Bank of Ireland.
Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland.