



Irish Life AVC funds

An update for active and deferred members of the Irish Section of the NEPF who have Additional Voluntary Contributions (AVCs) invested with Irish Life

We are taking this opportunity to send you a reminder about your Irish Life AVC investment options. Please take some time to read it – You should be aware of the fund choices available to you, the charges that apply and the performance of the funds you are invested in.

Every year you should take some time to consider whether your current AVC investment choices are still appropriate for you. As your attitude to risk or your retirement plans may change over time, you may want to change your investment choices from time to time. If you would like advice about your investment choices, you should contact an Independent Financial Adviser who specialises in pensions and investments.



Performance as at 31 August 2015

Please bear in mind that past performance is not necessarily an indicator of future performance and the value of your investments may go down as well as up.

		1 Year	3 year	5 year	10 year
Indexed Global Equity Fund	Fund:	11.67%	14.51%	12.67%	5.42%
	Benchmark:	12.65%	15.49%	13.61%	6.21%
Consensus Fund	Fund:	10.75%	13.14%	10.94%	5.02%
	Benchmark:	11.34%	13.74%	11.09%	5.05%
Pension Protection Fund	Fund:	5.26%	10.51%	7.39%	5.65%
	Benchmark:	6.06%	11.81%	7.64%	5.87%
Capital Protection Fund	Fund:	3.86%	6.43%	5.30%	3.35%
	Benchmark:		Not published		
Cash Fund	Fund:	-0.70%	-0.55%	-0.17%	1.28%
	Benchmark:	-0.09%	0.04%	0.43%	1.62%

Performance data is from Irish Life fund factsheets for the period to 31 August 2015. Returns are quoted before tax, but after the standard annual management charge has been applied. The 3, 5 and 10 year performance figures are annualised.

Important:

If the returns achieved are less than the annual management charge, the value of your investment will go down. This has been the case with the Cash Fund over recent years and is expected to continue for the foreseeable future given current market conditions.

The funds at a glance

Risk rating

Irish Life rate each of their funds on a scale of 1 to 7, with 1 being the lowest risk and 7 being the highest. You can find a more detailed description of each of these risk ratings on Irish Life's website.

High↑

6 Indexed Global Equity Fund

Aims to achieve average equity returns on a consistent basis. Invests 100% in equities in a variety of countries and sectors.

Annual management charge: 0.65%

5 Consensus Fund

Aims to consistently achieve average managed fund performance. Invests mainly in equities, but also invests in bonds, property, cash and alternative assets.

Annual management charge: 0.65%

4 Pension Protection Fund

Aims to broadly follow the long-term changes in annuity prices due to interest rates. Invests 100% in bonds in a number of European countries.

Annual management charge: 0.65%

2 Capital Protection Fund

Aims to provide low to mid-range returns on a smoothed basis. Invests mainly in bonds and cash deposits, but also has an allocation to equities.

Annual management charge: 1.00%

Note: It is no longer possible to make lump sum payments into the Capital Protection Fund. This means that it is not possible for either active or deferred members to switch their existing AVCs into this fund. However, active members may make new regular monthly contributions into this fund.

1 Cash Fund

Aims to achieve a reasonable rate of interest with a high degree of security. Invests 100% in cash (bank deposits and short-term investments in Irish and international money markets).

Annual management charge: 0.75%

Low↓

Trustee Default Option – Consensus Individual Investment Service

If you did not actively make an investment decision when you started to make AVCs to Irish Life, your monies will have automatically been invested in the Trustee default investment option: the Consensus Individual Investment Service. Depending on your age, your monies will initially be invested in the Consensus Fund and then over the last five years before your Normal Pension Age, your monies will gradually be moved out of the Consensus Fund and into the Capital Protection Fund so that you are 100% invested in the Capital Protection Fund by the time you reach your Normal Pension Age.

Charges

Irish Life apply the following charges for investing your monies:

- **Annual Management Charge**
This varies from fund to fund and is calculated as a percentage of the value of your account (see “The funds at a glance”). It is deducted via an adjustment to the unit price.
- **Annual Policy Fee**
€4 per month is deducted directly from the value of your account.

Newsflash

Until recently, Irish Life applied a small administrative fee (“upfront fee”) of 0.72% to all new contributions received, so that only 99.28% of the contribution was invested.

We are pleased to report that they have recently agreed to waive this charge for active members of the Irish Section of the NEPF, so that all new contributions made will be 100% invested.

Changing your investment choices

You can change your AVC investment choices whenever you like. If you would like to change your choices, please contact our administrators, Nestlé Pensions, by phone on +44-208 667 6363, by email to pensions@uk.nestle.com or in writing to Nestlé Pensions, 1 City Place, Gatwick, RH6 0PA, United Kingdom.

Things to be aware of when making a change

If you decide to change your investment choices, Irish Life will sell the units you hold in your current fund(s) and use the cash generated to buy units in the new fund(s) you have selected. Here are some things you should be aware of when making a change:

Out of market exposure

Generally Irish Life will be able to sell and buy units on the same day, so that you are constantly invested in the financial markets. However, on rare occasions, this may not always be possible, in which case Irish Life will sell units one day, but will then not purchase new units until a few days later. If this occurs, your monies will be ‘out of the market’ between the sale and the purchase date. As a result, you could either make a gain or suffer a loss if the markets move unexpectedly whilst you are out of the market.

The switching process

It is possible that market conditions may change during the time between you submitting your request to switch funds and the switch actually being implemented by Irish Life.

The cost of buying and selling units

There are no charges for fund switches. However, when you change funds there are costs incurred when selling units in your old funds and buying units in your new funds. These costs are reflected in the daily unit price. Where possible Irish Life will use strategies to seek to minimise the transaction costs. However, where there are significant movements of money in or out of a fund on a particular day, this may not always be possible. Irish Life may take steps to ensure that existing investors are protected by “swinging” the unit price, meaning that the sale and purchase costs on that particular day could both be as much as up to 1% of the value of the monies being disinvested and reinvested.

If you'd like to know more

Detailed fund factsheets and more up-to-date information for each of the funds are available on Irish Life's website. Performance figures are updated monthly.

<http://www.irishlifecorporatebusiness.ie/investment-documents?fund=il-funds>

Note:

Only the Irish Life funds listed on pages 2 and 3 of this communication are available to members of the Irish Section of the NEPF and not the full range of funds appearing on Irish Life's website.

Monitor your AVC account online

Irish Life has an online member portal which allows you to monitor the value of your AVC account online and get up-to-date information on fund performance. No more waiting for your paper benefit statement!

If you have not already done so, visit www.pensionplanetinteractive.ie to register.

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