

PERFORMANCE PULSE

OVERVIEW

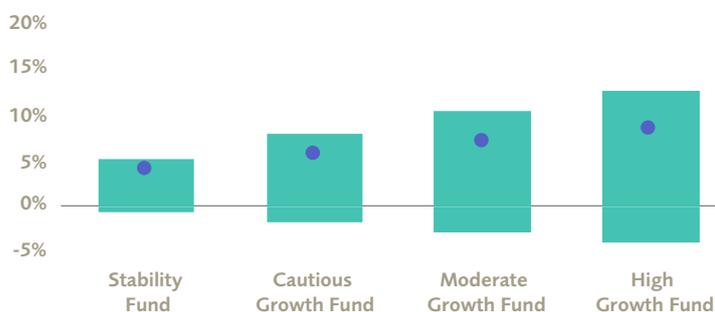
- Significant fiscal stimulus announced across global economies
- Strong economic data



- Increasing Covid-19 global case numbers
- US bond yields continued rising



IRISH LIFE EMPOWER FUNDS PERFORMANCE



Despite the many ups and downs in markets over recent years, Empower Funds have delivered performance in line with expectations.

- The 5-year range of expected returns (95% of the time) back in March 2016.
- The actual annualised performance of Empower funds since March 2016.

Source: ILIM – Data is accurate as at 31 March 2021. The expected range of returns and the actual performance are both gross.

IRISH LIFE EMPOWER FUNDS STRATEGIC ASSET ALLOCATION

FUND NAME	STABILITY	CAUTIOUS GROWTH	MODERATE GROWTH	HIGH GROWTH
SHARES	20.5%	39.5%	60.5%	78.5%
DSC Global Shares	12.0%	20.0%	25.0%	25.0%
Global Shares	2.0%	8.0%	19.0%	32.0%
Global Low Volatility Shares	6.5%	11.5%	16.5%	11.5%
Emerging Market Shares	0.0%	0.0%	0.0%	10.0%
BONDS	55.0%	38.5%	23.5%	7.5%
Corporate Bonds	43.5%	32.5%	15.5%	4.5%
Emerging Market Bonds	3.0%	6.0%	8.0%	3.0%
Government Bonds	8.5%	0.0%	0.0%	0.0%
ALTERNATIVES	7.5%	8.5%	7.5%	5.5%
Equity Option Strategy	6.0%	6.0%	4.0%	3.0%
Infrastructure Shares	1.5%	2.5%	3.5%	2.5%
PROPERTY	7.0%	8.5%	8.5%	8.5%
CASH	10.0%	5.0%	0.0%	0.0%

Source: ILIM – Data is accurate as at 31 March 2021. ILIM rebalances the fund back to this mix on a quarterly basis. **For the latest actual Irish Life Empower fund mixes, which will allow for any tactical or DSC changes, for example, see the relevant Empower fund factsheet at <https://www.irishlifecorporatebusiness.ie/investment-documents>.** ILIM will continue to monitor and review these assets and may change them over time.

MARCH 2021 IN REVIEW

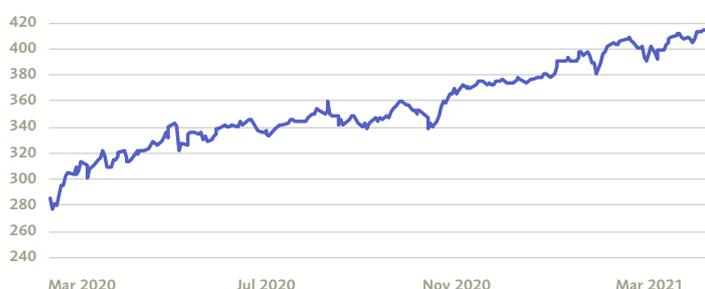
EQUITIES

March was a positive month for global equity markets, as the growth outlook received a further boost from fiscal stimulus announcements in the US and elsewhere. Economic data, particularly sentiment surveys, remained strong and consistent with a significant pick-up in growth through the middle of the year. While Covid-19 case numbers have begun to rise again recently, vaccine rollouts are expected to accelerate in the coming months, which should enable economies to reopen through the second quarter. Cautious policy stances among most major central banks also provided support, with loose monetary policy expected to remain in place for some time. In the US, Congress eventually passed a \$1.9 trillion fiscal package which was at the upper

end of expectations. The overall package has contributed to the upward revisions to US growth this year to 6.5%. President Biden also announced plans for an additional \$2.2 trillion infrastructure programme which it is hoped will be passed by the autumn and implemented over 10 years. This will further boost growth and the productive capacity of the US economy in the coming years. The UK budget also included additional stimulus worth 2.6% of GDP, while across Europe, several governments announced additional spending plans to support economies, including Germany and Italy. Meanwhile, European Central Bank officials continued to encourage governments to increase the amount of fiscal stimulus being provided.

MSCI ACWI PERFORMANCE (GLOBAL EQUITIES)

One-year performance chart



Source: ILIM, Factset. Data is accurate as at 31 March 2021

MSCI ACWI (GLOBAL EQUITIES) Performance per annum

1 month	6.1%
6 months	19.9%
YTD	9.0%
1 year	45.0%
3 years p.a.	14.4%
5 years p.a.	13.1%

Source: ILIM, Factset. Data is accurate as at 31 March 2021.

BONDS

Despite US Treasury yields continuing to rise, Eurozone sovereign yields declined slightly during the month as the ECB reacted to the recent rise in yields by indicating it would increase the pace of asset purchases through the second quarter to ensure financial conditions remained favourable. Messaging among the major central banks was a little mixed but generally remained relatively dovish. The US Federal Reserve pushed back against the recent pulling forward of market expectations for the first interest rate rise by guiding to unchanged interest rates until at least the end

of 2023. The ECB responded to the recent rise in bond yields by indicating that it will significantly increase the pace of bond buying over the next three months to prevent any unwarranted tightening of financial conditions. It also highlighted that it could increase the overall size of its Pandemic Emergency Purchase Programme (PEPP) if required. Subsequent comments from ECB council members also pointed towards the current accommodative stance being maintained for some time.

- Increased ECB bond buying
- Possible expansion of Europe's Pandemic Emergency Purchase Programme (PEPP)



- Significant economic stimulus driving strong economic data
- Increasing inflation expectations



10-YEAR BOND YIELDS

	2021 ytd (%)	2020 (%)	2019 (%)
US	1.2	0.9	1.9
German	-0.3	-0.6	-0.3
UK	0.8	0.2	0.8
Japan	0.1	0.0	0.0

Source: ILIM, Factset. Data is accurate as at 31 March 2021

MARCH 2021 IN REVIEW

PROPERTY – Q4 2020 (UPDATED QUARTERLY)

The Irish investment market traded €3.0 billion in 2020, with 36 deals worth €1.25 billion in the fourth quarter, an increase of +79.8% from the third quarter of 2020. Due to the disruption caused by the global pandemic, year-end investment volumes were less than half of the record-breaking levels achieved in 2019. While there were signs of recovery in the third and fourth quarters, the pandemic's trajectory and its impact on local and global political developments will continue to define the investment landscape. Despite a new wave of infections, Ireland is well positioned for a strong post-vaccine recovery. Demand levels remain steady, with strong interest in the Private Rental Sector (PRS), office and industrial spaces. When travel restrictions are lifted and economic activity improves, investment levels in 2021 are forecast to grow.

INVESTMENT VOLUMES/NO. OF PROPERTY TRANSACTIONS



Source: ILIM, Jones Lang LaSalle. Data is accurate as at end of Quarter 4 2020 (31 December 2020).

SOME OF THE TOP TRANSACTIONS IN Q4 2020

ASSET	SECTOR	APPROX. PRICE	PURCHASER
Exeter Group Portfolio, Various Locations	Industrial	€ 200 mn	GIC
28 Fitzwilliam Street, Dublin 2	Office	€ 177.5 mn	Amundi
Baggot Plaza, Dublin 4	Offices	€ 141.0 mn	DEKA
Forward Purchase, Dublin	Confidential	€ 140.0 mn	Confidential

Source: ILIM, Jones Lang LaSalle. Data is accurate as at end of Quarter 4 2020 (31 December 2020).

CASH

In Europe, the latest market expectation is that the European Central Bank may not start increasing interest rates for another 37 months or c. April 2024.

COUNTDOWN IN MONTHS TO EUROPEAN RATE RISE



Source: ILIM, Bloomberg. Data is accurate as at 31 March 2021

CENTRAL BANK RATES

ECB	BANK OF ENGLAND	US FEDERAL RESERVE
2019 0.0%	2019 0.75%	2019 1.75%
2020 0.0%	2020 0.10%	2020 0.25%
2021 0.0%	2021 0.10%	2021 0.25%

Source: ILIM, Factset. Data is accurate as at 31 March 2021



Irish Life

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