



# Irish Life MAPS<sup>®</sup> is 5 years old

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Irish Life MAPS is celebrating its 5th birthday in May 2018. Since launch, over 60,000 people have chosen MAPS for their pension or investment needs with over €4 billion invested so far making MAPS Ireland's largest range of multi asset funds.

While investors have experienced strong returns over the last 5 years there have been plenty of market wobbles along the way from Grexit to Brexit, fears over Chinese growth, the election of Donald Trump and plenty of other political events.

Volatility in 2017 was at almost unprecedentedly low levels during which the US market did not fall more than 5%. Historically, pullbacks of 5% are fairly common but 2017 was an anomaly with the biggest drawdown in markets just 2.8%. In February 2018, volatility returned to markets on concerns over rising inflation and fears of global trade wars. The macro environment however, has improved, helped in part by economic growth in 2017 growing at the fastest pace since 2010. Crucially, such growth was fairly broad based and spread across most regions and sectors.

## Diversification of returns

When designing and managing MAPS, the return objectives are balanced by having clear risk management objectives. Diversification is integral to MAPS as each of the funds is diversified across a range of asset types - equities, bonds, property, cash and alternatives. MAPS has managed to weather all of these events during the last 5 years and most importantly still deliver strong returns for investors because of the diverse range of assets we invest in.

MAPS also diversifies within each asset class. For example, within the equity allocation there are different strategies including Global, Low Volatility and Emerging Market equities as well as a bespoke equity option strategy with each element generating returns in a different way. The alternatives allocation in MAPS currently invests in 10 liquid alternative funds managed by world class managers with diversified styles, strategies and skill sets.

This level of diversification aims to ensure that the performance of the funds is not dependent on any one asset type, sector, geographical region, investment manager or investment style. Removing this dependence aims to produce a smoother investment journey over the longer term.

## Risk management

While performance has been strong over the 5 years for MAPS, a core principle for us is risk management and in particular minimising drawdown risk. There are a number of ways we monitor risk, whether through our strategic annual reviews, quarterly rebalancing, wide diversification, dynamic currency hedging, low volatility shares and unique Dynamic Share to Cash (DSC) model.

The annual review process evaluates the current asset and manager allocations to ensure they continue to represent our best thinking and capability with respect to achieving the long term risk and performance objectives. 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.

When the annual reviews are conducted the focus is on looking for opportunities to either enhance risk management and/or increase the expected fund returns. The process involves reviewing investment opportunities such as new managers, asset classes, strategies, geographies, developments from our quantitative research team and simulating how best to incorporate any prospective changes into the existing funds allowing for the complexity, time, cost and benefit of doing so.

The DSC model is designed to provide an extra layer of comfort when diversification on its own may not be enough. DSC is unique to Irish Life.

## MAPS Performance\* – Successfully managing volatility

MAP   2	MAP   3	MAP   4	MAP   5	MAP   6
1 year 2.5%	1 year 3.3%	1 year 3.8%	1 year 4.9%	1 year 6.1%
2 years per annum 4.0%	2 years per annum 6.2%	2 years per annum 8.1%	2 years per annum 10.4%	2 years per annum 12.9%
3 years per annum 2.9%	3 years per annum 3.9%	3 years per annum 4.4%	3 years per annum 5.4%	3 years per annum 5.3%
4 years per annum 4.4%	4 years per annum 6.5%	4 years per annum 8.9%	4 years per annum 10.7%	4 years per annum 11.3%

\*Source: MoneyMate. Performance is before fund mgt fee and tax. Performance to 01/04/2018

\*\*Past performance is not a reliable guide to future performance and can fall as well as rise

## Thank you!

We are hugely indebted to the fantastic support of Irish financial advisors for the trust and confidence they've placed in us for their clients. This proves how appealing these customer focused solutions are to both retail and institutional investors. We will continue to offer our best strategies and capabilities to achieve longer term risk and performance objectives and are continuously evolving MAPS to respond proactively to new opportunities and new challenges.

We recognise that the unpredictable nature of investment markets can sometimes be unsettling for your clients. Our commitment is to maintain our disciplined approach to generating returns within a diversified risk framework to deliver on your clients' expectations and we look forward to the next 5 years and beyond for Irish Life MAPS.

**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.