






Bloxham Geared High Yield Fund

AT A GLANCE

Aim		To generate long term capital growth with a relatively high, yet sustainable, flow of income for the fund, using borrowings to increase exposure to these equities.
Style		Actively managed
Asset Mix		High Yield Equities
Managed by		Bloxham
Risk		Very High Risk

FUND DESCRIPTION

The **Bloxham Geared High Yield Fund** allows investors to benefit from investing in global shares that pay high dividends and is suitable for customers who want:

- ✓ Diversification through global equities
- ✓ A focus on the largest and most robust companies in the world
- ✓ A fund that aims to generate a high dividend income which increases over time.
- ✓ Gearing

High Yield Equities

The Bloxham Geared High Yield Fund invests only in equities that pay higher than average dividends on a sustained basis¹ (known as high yielding equities). The logic behind this investment strategy is that the type of companies that can achieve sustained higher dividends generally provide stable growth opportunities going forward.

For this very reason, high yield funds have been one of the most popular areas of investment for decades.

Why do dividends matter?

Essentially, the payment of dividends is a powerful message by companies to stock markets and investors about the company's future prospects and performance. It is one of the simplest ways that a company can announce its financial well-being.

¹ From time to time, there will also be an element of cash held by the Fund

Stock selection

The Bloxham Geared High Yield Fund invests in a well-diversified (across country and sector) basket of between 50 and 70 equities. Because of the number of equities the Bloxham Geared High Yield is referred to as a 'concentrated' equity fund.

Before a stock is added to the Fund, Bloxham carry out a number of financial tests and ensure specific criteria are met that indicate the Company:

- is financially strong with stable earnings growth expected
- has an attractive and sustainable dividend yield
- has low debt to equity ratio i.e. the company has low levels of borrowings

Typically it is large companies that usually display such criteria.

These financial tests aim to reduce the level of risk experienced by the fund when compared to the broader equity market.

Gearing

Investor capital is supplemented with borrowings (gearing) within the fund to increase exposure to shares.

Borrowings could be up to half of the total value of assets in the fund, but the level of borrowing may vary, depending on cashflow and asset performance, and at times could be significantly less. Bloxham manage the level of borrowing on an ongoing basis.

The advantage of borrowing is that the investor will gain from any excess growth in both their own investment and the borrowed amount. However, it should be noted that any losses incurred are also magnified if the fund does badly. The main advantages of this fund are:

- Borrowings are used to increase the amount invested in shares and so can increase your potential return. Of course, losses are also magnified
- Loans are established within the fund, so it is the fund that is liable for repayment of borrowings and not you personally
- Interest on the borrowings can be offset against the gross dividend income (i.e. before deduction of any tax on this income) making the fund very tax efficient and reducing the funds overall tax liability.

Bloxham

Bloxham are our chosen investment partners for the Geared High Yield Fund. Bloxham is an independent financial services provider that has been operating in Ireland for over 100 years. Bloxham's Wealth Management division was set up in 2000, and aims to add value for investors through objective analysis and innovative strategic thought. The Bloxham team has a strong background in product development and investment management and combines traditional investment vehicles with new ideas to create exciting investment opportunities.

Risk Rating – Very High Risk

Bank of Ireland Life have rated the Bloxham Geared High Yield Fund as a very high risk investment fund. Very high risk funds aim to generate exceptional returns for investors, but involve a

significant level of risk. This may include using bank borrowings to “leverage” returns. In a worst case scenario, investors in a very high risk fund could lose all of their original investment.

Product Availability

The Bloxham Geared High Yield Fund is available to investors through the following:

- SmartFunds
- SmartChoice
- Special Bonus Investment Plan
- Personal Pensions
- Executive Pensions
- Personal Retirement Bond
- Approved Retirement Fund (ARF)
- Approved Minimum Retirement Fund (AMRF)
- PRSA (non-standard)

Charges

The normal product charges and allocation rates for these products apply, with the exception that the fund management charge for the Bloxham Geared High Yield Fund is 0.25% per annum higher than on other funds.

Up to date Information

For up to date price & performance information on the Bloxham Geared High Yield Fund and other market information, please click on to www.bankofirelandlife.ie to see the most up to date the Bloxham Geared High Yield Fund factsheet. Factsheets are updated online for performance each day.

BLOXHAM 

**For more information, talk to the Insurance & Investments Manager
in your Bank of Ireland branch
or call 1890 309 309+ today**

**WARNING: PAST PERFORMANCE IS NOT A RELIABLE GUIDE TO FUTURE PERFORMANCE.
WARNING: THE VALUE OF YOUR INVESTMENT CAN GO DOWN AS WELL AS UP.
WARNING: THIS FUND MAY BE AFFECTED BY CHANGES IN CURRENCY EXCHANGE RATES.**

+ Lines are open from 8.00am to 6.00pm, Monday to Friday. To ensure that the quality of the service that we provide is of a consistently high standard, all calls may be recorded and monitored. Call charges may vary depending on your service provider.

Terms and conditions apply. Where relevant life assurance tax applies. Investing in a geared fund can lead to potentially increased returns when asset growth is positive, however it should be noted that any losses are magnified. In the event that the investment does not perform as intended an investor may not receive back all of their original capital and in extreme circumstances may lose their entire capital.

While great care has been taken in its preparation, this document is of a general nature and should not be relied on in relation to specific issues without taking appropriate financial, insurance, investment or other professional advice. The content of this document is for information purposes only and does not constitute an offer or recommendation to buy or sell any investment or to subscribe to any investment management or advisory service. In the event of any changes in taxation or legislation, Bank of Ireland Life, Bank of Ireland or Bank of Ireland Insurance & Investments may amend the terms and conditions of the relevant contract to take account of any such changes. The details shown above relating to this Fund and its composition are as at the date of this document, and may change over time. If there is any conflict between this document and the Policy Conditions, the Policy Conditions will apply.

New Ireland Assurance Company plc trading as Bank of Ireland Life is regulated by the Central Bank of Ireland and is a member of the Bank of Ireland Group. Bank of Ireland Insurance & Investments Limited and Bank of Ireland are regulated by the Central Bank of Ireland and are tied agents of New Ireland Assurance Company plc.

Bloxham is a member of the Irish Stock Exchange and the London Stock Exchange. Bloxham is regulated by the Central Bank of Ireland under the Stock Exchange Act, 1995.