DIVERSIFIED FUND RANGE

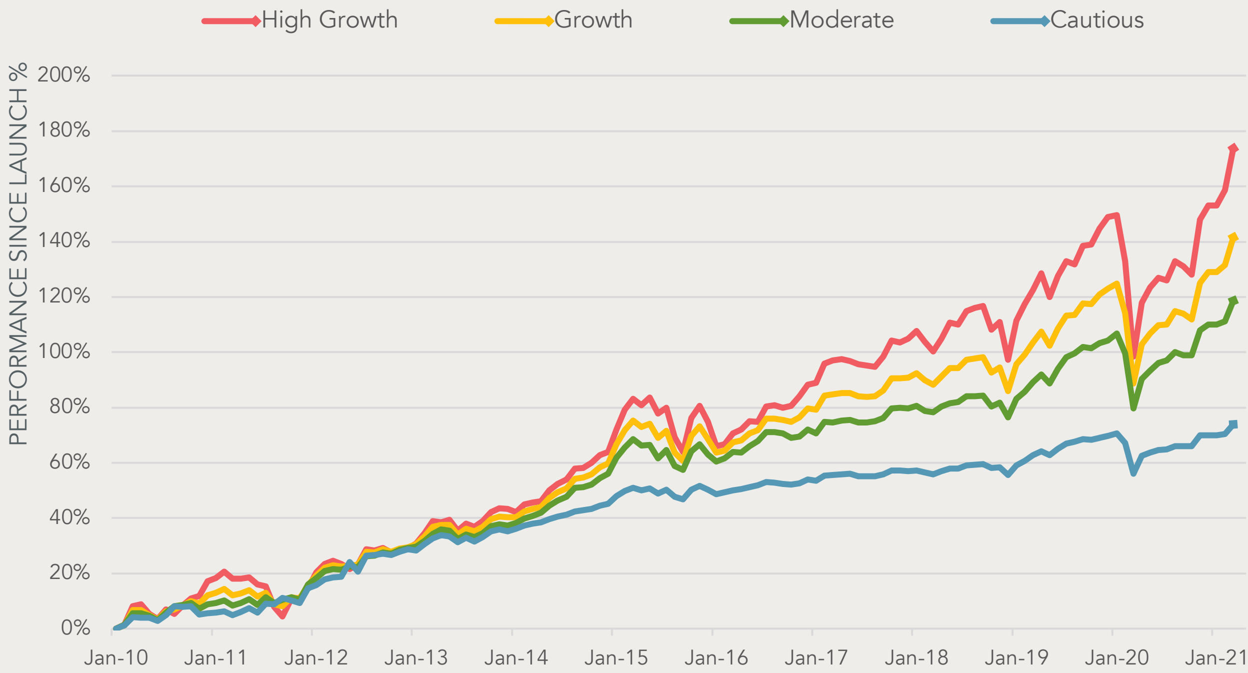
Quarter 1: 2021

Welcome

WELCOME TO THE DIVERSIFIED FUND RANGE QUARTERLY UPDATE FOR Q1 2021. THE DIVERSIFIED FUND RANGE IS 4 RISK-RATED FUNDS DESIGNED TO BE APPROPRIATE FOR "BE MY GUIDE" INVESTORS TO BUILD THEIR PENSION PORTFOLIO. IN THIS NOTE WE COVER:

> FUND PERFORMANCE
> QUARTERLY MARKET COMMENTARY
> ASSET SPLIT
> PERFORMANCE BREAKDOWN
> MARKET OUTLOOK
> HOW WE WORK
> RISK MANAGEMENT
> ASSET CLASSES EXPLAINED

Fund Performance



The table shows the returns to 31 March 2021 before any fund management charges. The Diversified Fund range is a long-term investment strategy and we would advise caution when looking at fund performances over time periods of less than five years.

	Cautious	Moderate	Growth	High Growth
10 years p.a.	5.2%	7.3%	8.0%	8.8%
5 years p.a.	3.0%	5.9%	7.6%	9.9%
3 years p.a.	3.7%	7.0%	8.7%	11.0%
1 year p.a.	11.4%	21.5%	28.0%	37.9%
Q1 2021	2.1%	3.9%	5.7%	8.4%

Warning: Past performance is not a reliable guide to future performance.

Warning: The value of your investment may go down as well as up.

Quarterly Market Commentary Q1: 2021

A PRINTING PRESS QUARTER

The first quarter of 2021 saw global markets march higher by 9.4% as confidence grew with the wider roll-out of Covid-19 vaccinations contributing to the reopening of the various economies. Whilst the rate of vaccinations across economies varied widely, Israel and the UK raced ahead. Invariably this led to verbal spats between countries and states over the distribution of vaccines by various producers.
The biggest contributor to equity markets during the quarter was the passing of a sizeable US stimulus bill. The bill which amounted to $1.9tn, or fully stated, €1,900,000,000,000, saw eligible US citizens pocket $1,400 cheques to help support market confidence and prevent the economy stagnating. Market sentiment for rising inflation saw US treasury yields moving higher with the yield on 10-year treasuries rising by 0.84%, in turn compelling the US Federal Reserve once more to pick up the microphone and commit to lower interest rates for longer.

COMMODITIES BLOW HOT AND COLD

The Energy sector was revitalised during the quarter as expectations of increasing demand for oil contributed to the commodity moving higher. Coupled with an unexpected big freeze in Texas which shut down production facilities, West Texas Intermediate (WTI) Crude oil finished the quarter 22.5% higher. Meanwhile, gold lost some of its lustre as expectation of rising inflation rates and a stronger US dollar saw the asset falling by over 10%.

LIQUIDITY TRAPS CALL FOR THE TUGBOATS

Global trade faced many challenges over recent years but this quarter demonstrated the impact of an actual clog in a global trade artery. The Suez Canal, home to passing trade mainly between Asia and Europe, is in operation since 1869 providing a crucial trade link between continents. Whilst the canal itself was both deepened and widened over the decades, the size of the fleet passing through the canal has been ever increasing. The Ever Given, a gargantuan 20,000 container ship highlighted the fragility of the trade route to interruption.

In tones echoing the credit crisis of 2008, another firm capitulated within the investment world which caused significant agitation over the quarter. Archegos Capital Management provided a stark insight into how some investment firms use sophisticated market exposures and lines of credit. With the firm collapsing, reports circulated that investor Bill Hwang lost $20bn in little over 10 days. This was as GameStop, a bricks and mortar retailer, saw a vocal cohort of retail investors along with a quieter contingent of hedge funds entering a full-scale assault which saw GameStop's share price rise from $19 at the start of the quarter to finish the quarter at $190.

Asset Split

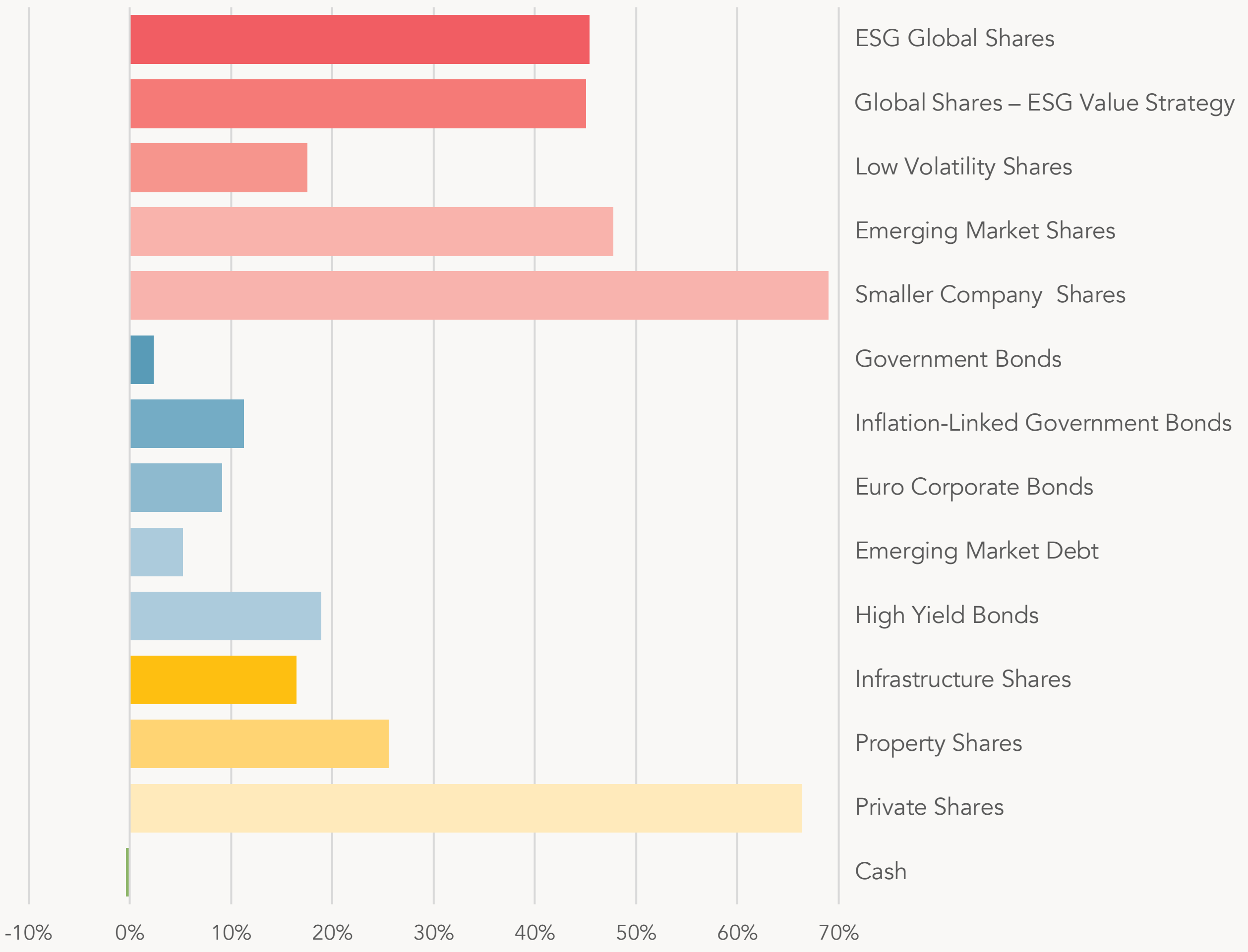
Asset Class		Cautious	Moderate	Growth	High Growth
1. Shares	ESG Global Shares	7.0%	18.0%	27.0%	38.0%
	Global Shares – ESG Value Strategy	6.0%	6.0%	6.0%	8.0%
	Low Volatility Shares	7.0%	5.0%	7.0%	8.0%
	Emerging Market Shares	-	3.0%	5.0%	8.0%
	Smaller Company Shares	-	3.0%	5.0%	8.0%
	Total Shares	**20.0%**	**35.0%**	**50.0%**	**70.0%**
2. Bonds	Government Bonds	-	20.0%	10.0%	-
	Inflation-Linked Government Bonds	-	15.0%	10.0%	-
	European Corporate Bonds	37.0%	17.5%	13.5%	5.0%
	Emerging Market Debt	2.0%	2.5%	3.5%	5.0%
	High Yield Bonds	2.0%	2.5%	3.5%	5.0%
	Total Bonds	**41.0%**	**57.5%**	**40.5%**	**15.0%**
3. Alternatives	Infrastructure Shares	2.0%	2.5%	3.0%	5.0%
	Property Shares	2.0%	2.5%	3.5%	5.0%
	Private Shares	-	2.5%	3.0%	5.0%
	Total Alternatives	**4.0%**	**7.5%**	**9.5%**	**15.0%**
4. Cash	**Total Cash**	**35.0%**	**-**	**-**	**-**

The asset splits shown above are the target allocations. The Diversified Funds use tolerance bands to rebalance back to the target asset allocation if the strategies drift too far from the intended allocations. The actual asset split could differ from the target allocations due to performance of the individual fund components however the tolerance bands ensure this will be within acceptable levels.

Performance Breakdown

As usual, the below chart illustrates the performance for each asset class included in the Diversified Fund Range for the previous 12 months. The chart is almost unrecognisable from last quarter. The dramatic sell-off in Q1 2020 is no longer included in the 12-month performance figures and as such a this shows stellar returns in the 1-year performance figures for the equity components (in red). Performance from the more defensive bond components in blue was more muted but they still contributed positively. Performance from the alternatives in yellow varied with infrastructure and property slower to recover as investors continue to assess the long-term impact of Covid on these sectors.

BREAKDOWN OF PERFORMANCE OVER PREVIOUS 12 MONTHS



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Market Outlook

Briefly outlined below are some key considerations with respect to the outlook for the economy for the second quarter of 2021 with a specific focus on the government efforts to stimulate their economies and regulatory scrutiny on leverage. Also included is a snippet from the latest edition of the Invesco Education Series.

NO SHOW LIKE A JOE SHOW

With US President Joe Biden keen to ensure his first 100-days in office set the precedent for this term, Democrats wasted no time in pushing through significant stimulus measures to maintain market momentum and to reopen the US economy to more normalised trading conditions. With a long-term capital projects bill in the process of being approved, the large-scale infrastructure measures are seen as a sound contributor to US economic growth, over and above a mere adrenaline shot as was seen in providing $1,400 cheques to US citizens during March. With one eye on promoting Environmental, Social and Governance reform, the US President is in the midst of a political tightrope to appease all sides.

LEVERAGE BUBBLES

The old adage that money makes money remains true, however, recent experience has demonstrated that some can just lose that money incredibly quickly by flying too close to the sun in the pursuit of outsized gains. Recent concerns on the use of debt or leverage to dramatically extend equity market exposure has highlighted a major risk in the financial system. With market shocks on the share price of equities, the resultant impact sees market intermediaries demanding capital from investors through what is termed a margin call to reduce their portfolio risk. With a potential build-up in these types of positions the risk changes from being a singular investor issue to a wider financial system concern. With increased scrutiny on existing practices, regulators may well step in to reduce the fizz in this bubbling risk.

INVESCO EDUCATION SERIES – RISK MANAGEMENT FRAMEWORK

As part of our Q2 2021 Invesco Education Series, we have taken a look at risk management, how it has been shaped by high profile market failures and the framework the pensions industry is seeking to adopt going forward. If you would like to learn more about this topic and some of the conclusions we came to, please contact your Investment Consultant. We would be happy to forward on the recently completed paper on the topic.

How We Work

OUR INVESTMENT PHILOSOPHY

While balancing risk and potential returns for a portfolio depends on several factors, we believe that asset allocation is the single most important factor influencing risk and return. Asset allocation is the cornerstone of our investment philosophy.

THE POWER OF DIVERSIFICATION

One of the most important principles of investing is ensuring that you have a diversified portfolio. This means spreading your capital across different investments so that you're not reliant upon any single one for all of your returns. The key benefit of diversification is that it helps to minimise the risk of capital loss to your investment portfolio.

By diversifying across a broad spectrum of asset classes, you can spread risk and potentially enhance returns, as strong performance in one market may offset weaker performance in others. Creating this balance in your portfolio, where the returns of one investment are independent of another, is paramount.

An effective diversified portfolio should include a mix of growth and defensive assets:

- Growth assets include investments such as equities (shares in a company) or property and generally provide longer term capital gains. However, they typically carry a higher level of risk than defensive assets.
- Defensive assets include investments such as cash or fixed-interest (bonds) and generally provide a lower return over the long term. They usually offer a lower level of volatility and risk than growth assets.

Within each asset class, we also seek to achieve diversification. For example, we use 5 strategies within the equity asset class. By implementing our strategy in this manner, we believe our funds can achieve smoother, more consistent investment returns over the medium to longer-term.

INVESTING, NOT SPECULATING

While risk plays an important role in investing, we never take unnecessary risks in the pursuit of a quick return. Our long-term view of investing allows us to ride out short-term market fluctuations so the benefits of long-term growth can be achieved.

CAPTURING VALUE

We believe that markets are broadly efficient, with share prices reflecting all available information. However, other factors such as human bias and some element of market inefficiency mean that quality investments can trade below their fair value.

We believe that we can best capture this value by investing passively. Passive investing involves purchasing investments in line with a reference benchmark (for example an index of low volatility shares). We have appointed Irish Life Investment Managers (ILIM) as the investment manager, given their expertise and experience in implementing passive strategies in a cost-effective manner.

REBALANCING USING TOLERANCE BANDS

Over time the relative movement of each of the assets in the Diversified Fund Range causes them to drift away from their target asset allocation. The funds are monitored each month and rebalanced if they move outside set parameters, bringing them back to their target asset allocation and ensuring that they remain within their defined risk profile to achieve your long-term objectives.

Risk Management

Each Diversified Fund matches a defined risk profile

- cautious
- moderate
- growth
- high growth

INVESTMENT STRATEGY TEAM	ASSET ALLOCATION
Our strategy team is responsible for conducting in depth fund and investment manager research as well as developing Invesco's strategic and tactical view on each asset class.	Each Model Portfolio operates within a robust risk structure, with a defined range for each asset class. This disciplined approach allows Invesco's investment strategy team the flexibility to make reallocations.
SELECTION CRITERIA	**QUANTITATIVE ANALYSIS**
Most of the individual funds held within the Diversified Fund Range are independently rated by Morningstar (or equivalent ratings agency). A careful review is conducted before inclusion of funds without this rating.	Quantitative analysis is undertaken to ascertain the asset allocation decisions made by the Invesco Investment Strategy Team are within defined risk parameters.

The Funds are diversified across a range of sectors, asset classes and geographic areas and we employ rigorous fund selection and monitoring processes as well as a rebalancing framework and regular meetings with investment managers. Our investment strategy team oversees this, applying its collective insight and experience to identify reallocations as appropriate.

We assess the likely range of returns, volatility and potential risks for our portfolios. We then use this to inform asset allocation, model funds and scenarios to evaluate alternative asset allocations and investment strategies. Both historical and forward-looking analysis is produced to demonstrate how the assets have performed in the past and are likely to do so in the future.

OVERSIGHT & MANAGEMENT

The Invesco investment strategy team meets formally every month. These meetings are core to our investment strategy and allow our investment team to exchange their insight and opinions about the economic environment, asset allocation, fund selection and portfolio construction. The outcomes of these discussions are used to potentially adjust asset allocations within the agreed ranges and add or remove funds as appropriate. Our investment strategy team is an open forum, encouraging debate and interaction as well as drawing on external expertise.

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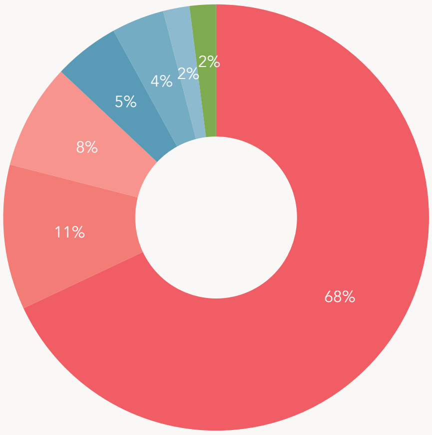
Asset Classes Explained

SHARES

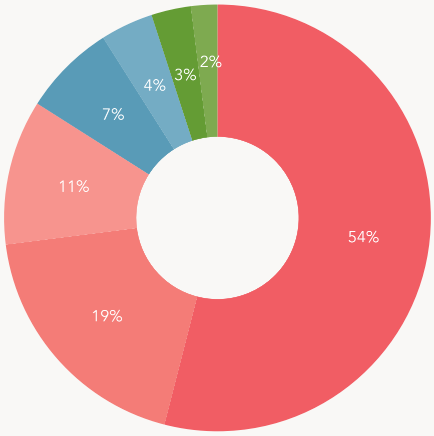


■ US - 68%
■ Eurozone - 11%
■ Japan - 8%
■ Europe ex Eurozone ex UK - 5%
■ UK - 4%
■ Asia Pacific ex Japan - 2%
■ Other - 2%

ESG GLOBAL SHARES

Achieves diversification by investing across over 1,500 companies in predominately developed countries.

Tracks the performance of a large global share index.

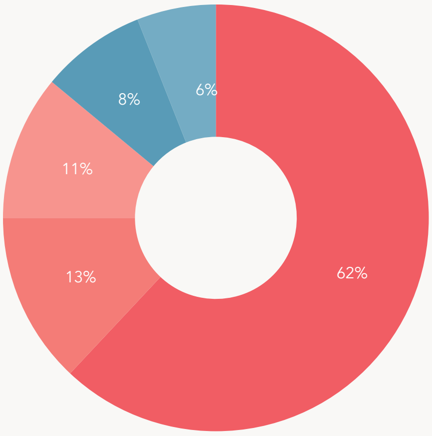


■ US - 54%
■ Eurozone - 19%
■ Japan - 11%
■ UK - 7%
■ Asia Pacific ex Japan - 4%
■ Europe ex Eurozone ex UK - 3%
■ Other - 2%

GLOBAL SHARES – ESG VALUE STRATEGY

Invests in companies based on economic fundamentals such as sales and profitability.

Tracks the performance of a large global fundamental share index which screens out ESG unfriendly stocks. The index consists of over 400 companies.

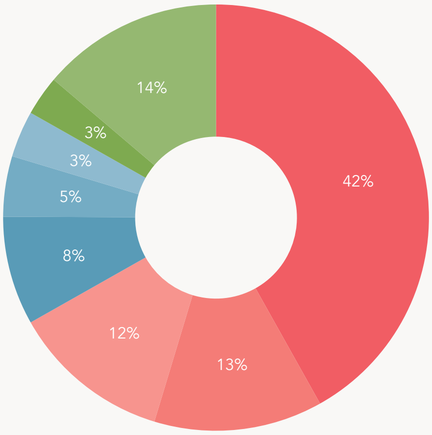


■ US - 62%
■ Japan - 13%
■ Eurozone - 11%
■ Europe ex Eurozone ex UK - 8%
■ Other - 6%

LOW VOLATILITY SHARES

Invests in companies that have gone up and down less than most of their peers over long periods of time.

Tracks the performance of a global lower volatility share index with around 340 companies.



■ China - 42%
■ Taiwan - 13%
■ Korea - 12%
■ India - 8%
■ Brazil - 5%
■ South Africa - 4%
■ Russia - 3%
■ Other - 14%

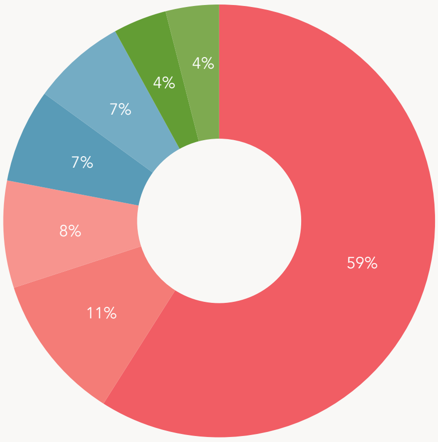
EMERGING MARKET SHARES

Invests in company shares in countries that have been deemed as "emerging" such as China and Brazil.

Tracks the performance of a large emerging market index which comprises of around 1,200 stocks in 26 countries.

Asset Classes Explained

SHARES CONTINUED



- US - 59%
- Japan - 11%
- Eurozone - 8%
- Europe ex Eurozone ex UK - 7%
- UK - 7%
- Asia Pacific ex Japan - 4%
- Other - 4%

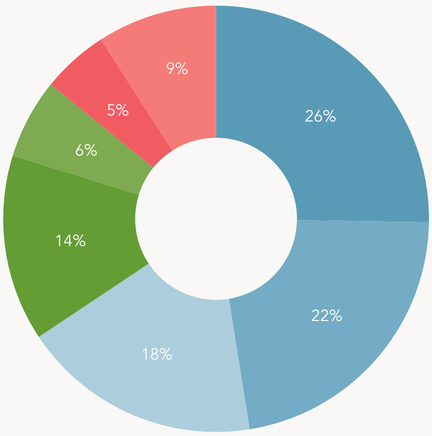
SMALLER COMPANY SHARES

Invests in "smaller" companies that would frequently be less well-known to the public.

By smaller companies, we mean companies whose total equity value is typically between €50m to €9bn.

Tracks the performance of an index of global smaller companies with around 4,000 companies.

BONDS



- France - 25%
- Italy - 22%
- Germany - 18%
- Spain - 14%
- Belgium - 6%
- Netherlands - 5%
- Other - 9%

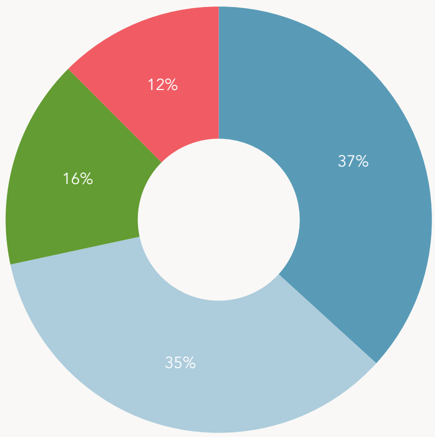
GOVERNMENT BONDS

Yield: 0.0% p.a.
Duration: 9 years

Invests in Eurozone government bonds.

A government bond is a loan to a government.

Invests in bonds with fixed repayments.



- Italy - 37%
- France - 35%
- Germany - 16%
- Spain - 12%

INFLATION-LINKED GOVERNMENT BONDS

Estimated Yield*: +0.1% p.a.
Duration: 9 years

Invests in Eurozone government bonds.

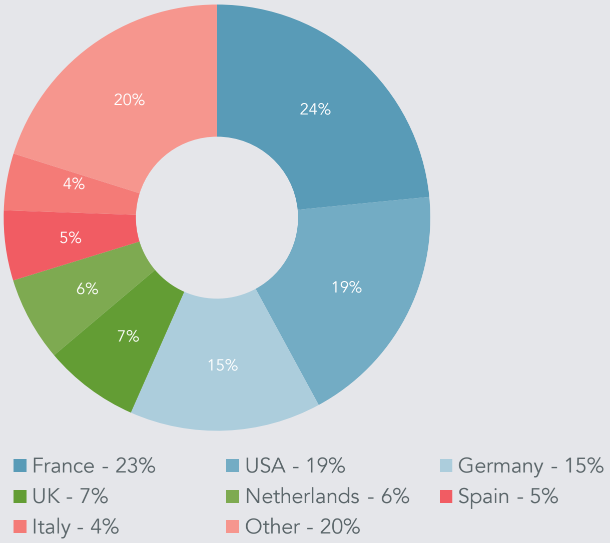
A government bond is a loan to a government.

Invests in bonds with repayments that are linked with the cost of living (inflation) in Europe.

*Estimated based on market inflation expectations.

Asset Classes Explained

BONDS CONTINUED



EUROPEAN CORPORATE BONDS

Yield: +0.4% p.a.
Duration: 5 years

A Corporate bond is a loan to a company. Invests in euro bonds issued by companies

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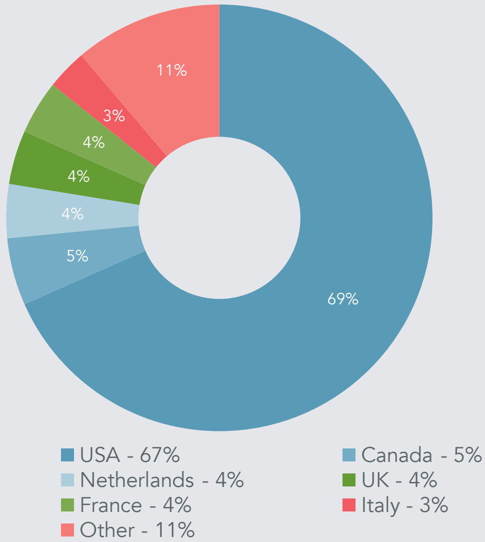
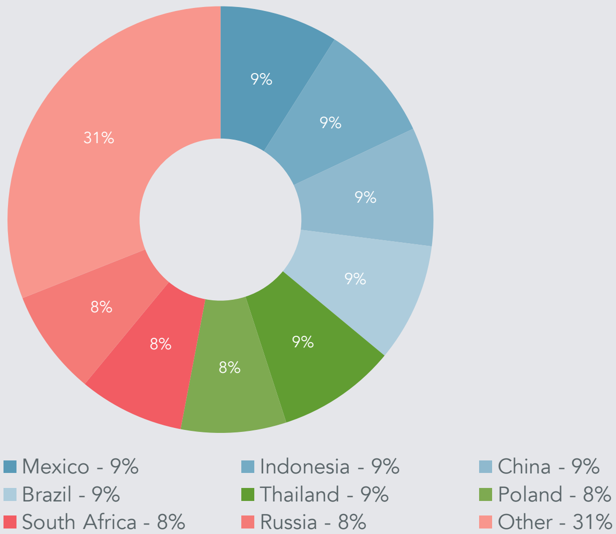


HIGH YIELD BONDS

Yield: +3.5% p.a.
Duration: 4 years

Invests in bonds issued by companies globally that have higher interest rates together with a lower level of credit rating.

Tracks the performance of a recognised and leading high yield bond index.



EMERGING MARKET DEBT

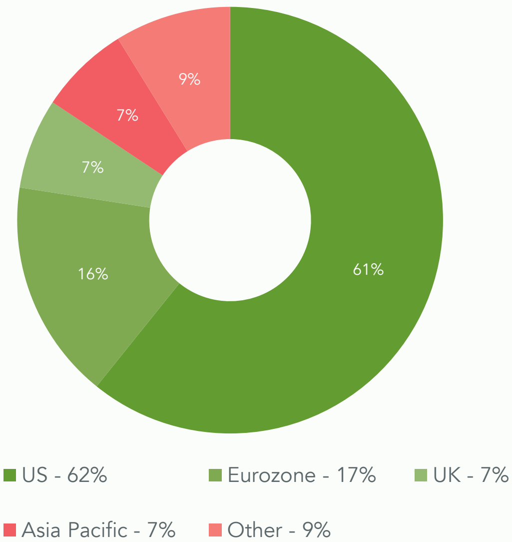
Yield: +4.8% p.a.
Duration: 5 years

Within the Diversified Fund Range, we include a small allocation to the government bonds issued by countries deemed as emerging such as Brazil and Mexico.

Tracks the performance of a recognised and leading emerging market bond index.

Asset Classes Explained

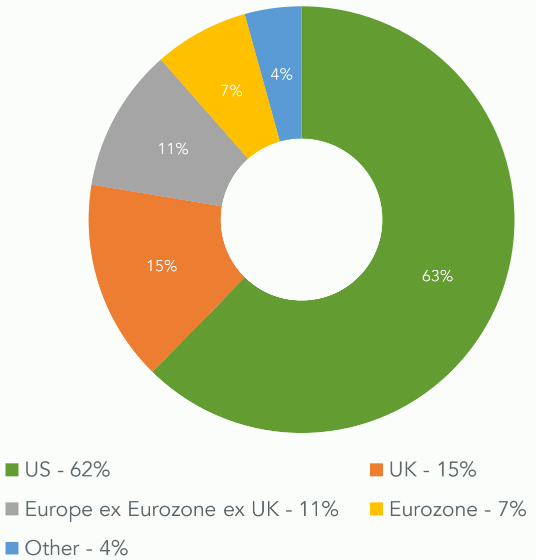
ALTERNATIVES



INFRASTRUCTURE SHARES

Invests in Infrastructure globally through purchasing companies that construct and manage infrastructure projects.

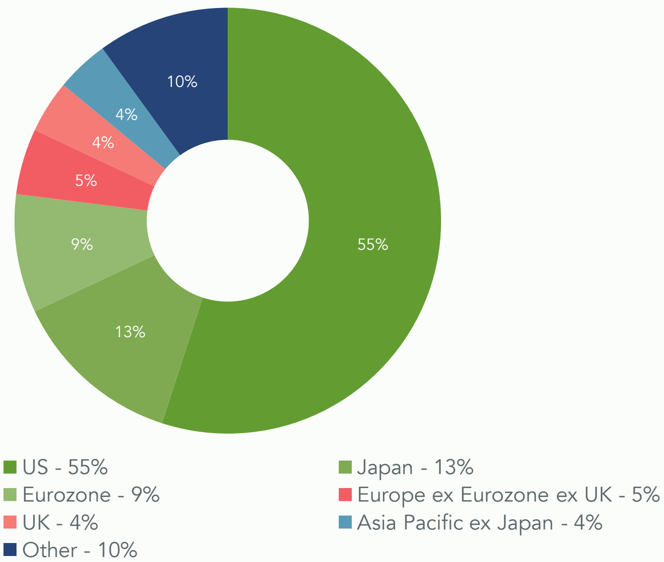
Tracks the performance of a recognised and leading infrastructure shares index.



PRIVATE SHARES

Invests in private companies that are active in the private space and are also publically listed.

Tracks the performance of a recognised and leading liquid private shares index.



PROPERTY SHARES

Invests in property globally through purchasing property companies.

Tracks the performance of a recognised and leading property shares index.

CASH

CASH

Invests in short term deposits and other cash instruments.

The component is managed actively with the objective of limiting investment risk.

This is the only component that is managed actively within the Diversified Fund Range. Unlike most active managers that take risk in the pursuit of higher returns, this fund looks to protect member's savings.

Note: We have Illustrated the split of each component by geography at 31st December 2020

Please note that this quarterly document provides information on the Diversified Fund Range which only represents part of the investment options available within your Scheme. Please refer to your investment guide for details on other investment options available to you.

If you have any questions about the information in this document, please contact your HR representative.

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