

CERS Bond Fund

	Potentially Lower Returns			Potentially Higher Returns			
Rating	1	2	3	4	5	6	7
Risk Level	Very Low Risk	Low Risk	Low to Medium Risk	Medium Risk	Medium to High Risk	High Risk	Very High Risk

Calendar Year Return*

Year	2016	2015	2014
Bond Fund Return	6.3%	0.1%	22.4%

* Returns Gross of Pensions Levy & net of Annual Management Charge
Launch date: June 2012

The CERS Bond Fund invests in a diversified manner in European Monetary Union (EMU) bond markets with an initial allocation of 75% to bonds issued by EMU Governments and 25% to bonds issued by large EMU companies (but not financial companies). The Bond Fund is passively managed i.e. it is designed to replicate (or track) the returns of the relevant bond market indices. The initial allocation of the Fund will be in line with the following indices:

Benchmark Indices

Allocation

The Merrill Lynch over 10 year EMU Government Bond index (GDP weighted)	75%
The Merrill Lynch EMU large capitalisation Non-Financials Corporate Bond index	25%

Bond Portfolio Credit Quality Rating	Allocation*	Bond Portfolio Credit Quality Rating	Allocation*
AAA	28%	A2	4%
AA1	4%	A3	4%
AA2	17%	BBB1	15%
AA3	5%	BBB2	18%
A1	2%	BBB3	2%

*As at 31.12.16

The allocation to government bonds is by reference to the Gross Domestic Product of each EMU country. Only investment grade bonds are included. The allocation to corporate bonds excludes the bonds of companies in the financial sector.

This passive approach to investment eliminates manager risk i.e. the risk that the investment manager might underperform the relevant indices. The Bond Fund may be expected to exhibit some volatility (but not generally as much as the Equity Fund). In particular, if interest rates increase the value of the Bond Fund may be expected to fall. In the longer term the return to be expected from the Bond Fund is less than the expected return from the Equity Fund but more than the expected return from the Cash Fund.

The Bond Fund may also be a suitable vehicle for Scheme members who, in the years approaching their retirement, wish to align some or all of their investments with the cost of purchasing a pension on retirement. This is because the value of the Bond Fund may be expected to move broadly in line with the cost of buying a pension as interest rates change.

The investment managers used for the CERS Bond Fund and the benchmark indices used will be reviewed on a regular basis by the Trustee. Irish Life Investment Managers currently manage the CERS Bond Fund.

The management charge for the CERS Bond Fund is 0.85% p.a.

If you are considering your investment choices please visit www.cers.ie/funds to ensure you have the most up to date information. This Factsheet is for information purposes only and does not constitute financial or other professional advice. The Trustee recommend that members should consider taking independent investment advice when reviewing their investment choice. The CERS Trustee preferred Independent Financial Adviser is Milestone Advisory DAC. You can contact them or your own independent financial adviser to assist you to review your investment choices. You can contact Milestone Advisory DAC at info@milestoneadvisory.ie or call them on 01 4068020. Milestone Advisory DAC t/a Milestone Advisory is regulated by the Central Bank of Ireland.

Warning: The value of your investment may go down as well as up. You may get back less than you invest.
Warning: Past performance is not a reliable guide to future performance.