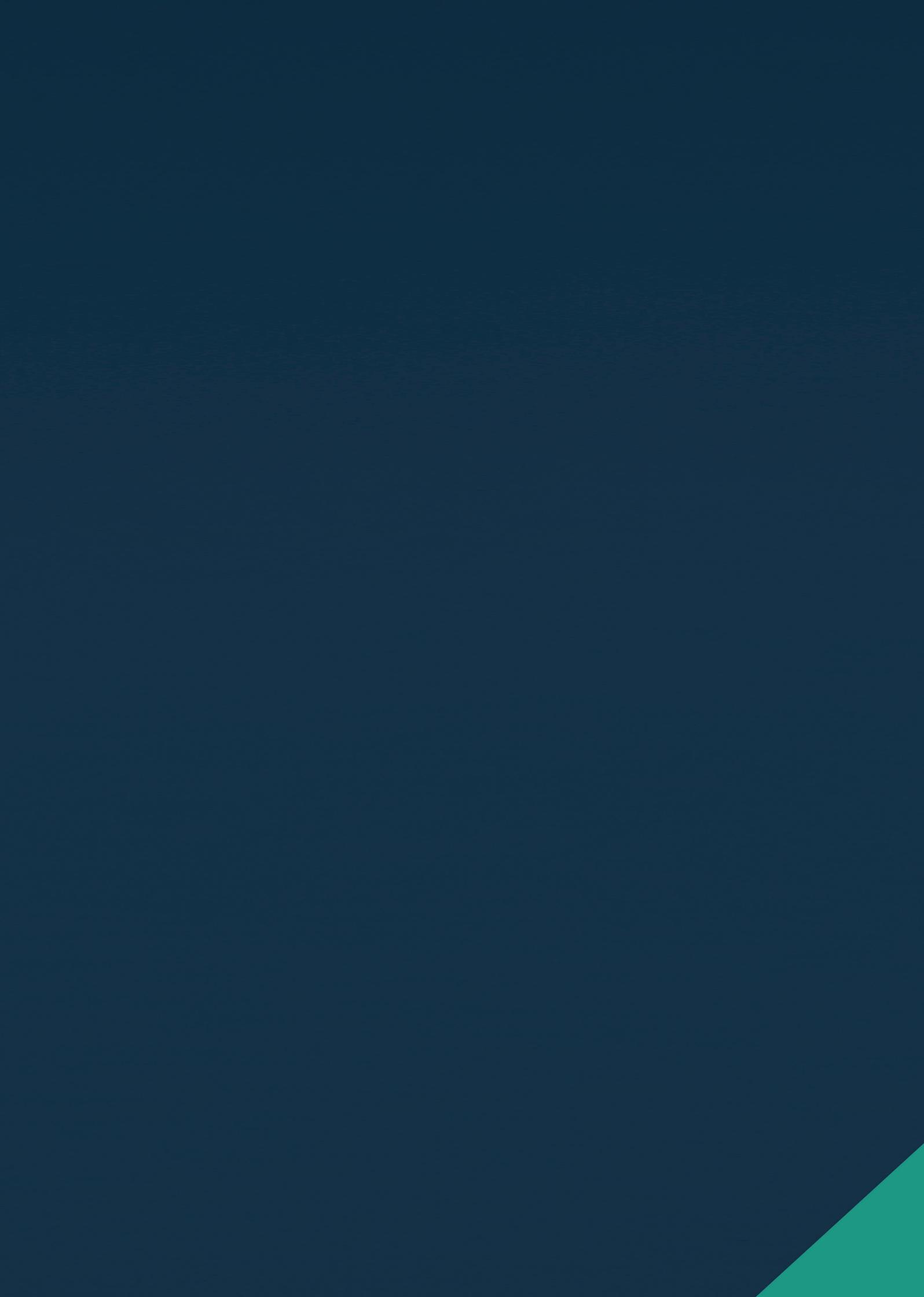


National Treasury Management Agency
Annual Report and Accounts for the year ended
31 December 2014







NTMA

Report & Accounts

For the year ended 31 December 2014

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About the NTMA

The National Treasury Management Agency (NTMA) is a State body which operates with a commercial remit to provide asset and liability management services to Government. Businesses managed by the NTMA include borrowing for the Exchequer and management of the National Debt, the Ireland Strategic Investment Fund (ISIF), the National Development Finance Agency (NDFA), NewERA and the State Claims Agency (SCA).

Funding and Debt Management

The NTMA is responsible for borrowing on behalf of the Government and managing the National Debt in order to ensure liquidity for the Exchequer and to minimise the interest burden over the medium term.

Ireland Strategic Investment Fund

The NTMA controls and manages the Ireland Strategic Investment Fund (ISIF), which was established in December 2014 with a statutory mandate to invest on a commercial basis in a manner designed to support economic activity and employment in the State. The ISIF is the successor to the National Pensions Reserve Fund (NPRF) controlled by the NPRF Commission. The assets of the NPRF – which is being dissolved - become assets of the ISIF.

National Development Finance Agency

Acting as the National Development Finance Agency, the NTMA is the statutory financial advisor to State authorities in respect of all public investment projects with a capital value over €20 million. It also has full responsibility for the procurement and delivery of Public Private Partnership (PPP) projects in sectors other than transport and the local authorities.

NewERA

Acting as NewERA, the NTMA provides a dedicated centre of corporate finance expertise to Government, in particular in relation to commercial oversight of certain State bodies. It provides financial and commercial advisory services to Government ministers including in relation to financial performance, corporate strategy, capital and investment plans, proposed acquisitions or disposals, restructuring and board appointments. In addition, NewERA may, in consultation with the relevant Minister, develop proposals for investment in the energy, water, telecommunications and forestry sectors to support economic activity and employment.

State Claims Agency

Acting as the State Claims Agency, the NTMA manages personal injury, property damage and clinical negligence claims brought against 129 State authorities, including the State itself, Government ministers, the Attorney General, the Health Service Executive, the voluntary healthcare sector, An Garda Síochána, the Irish Prison Service, the Defence Forces and community and comprehensive schools. It also has a risk management role, advising and assisting State authorities in minimising their claim exposures. In addition, it deals with third-party costs arising from certain Tribunals of Inquiry.

In addition to the above functions, the NTMA assigns staff to the National Asset Management Agency (NAMA) and the Strategic Banking Corporation of Ireland (SBCI) and also provides them with business and support services and systems. Both NAMA and the SBCI have their own separate boards.

Further information on the NTMA is available at ntma.ie.

NTMA Governance Changes

There were significant changes in the NTMA's governance structure and statutory remit in 2014. Previously, the NTMA did not have a board structure and the Chief Executive reported directly to the Minister for Finance on the NTMA's funding and debt management, State Claims Agency and NewERA functions. The NTMA's governing legislation also provided for an Advisory Committee and a State Claims Agency Policy Committee. The NPRF Commission, NDFA and NAMA were established as statutory bodies under their own governing legislation. The SBCI was established in September 2014 as a private limited company in order to perform certain statutory functions. Each of these bodies had its own board. The NTMA acted as the executive in respect of the NPRF Commission and the NDFA. It assigns staff to NAMA and the SBCI and also provides them with business and support services and systems.

The *National Treasury Management Agency (Amendment) Act 2014* streamlined and simplified the NTMA's governance structures to enable a more integrated approach to the performance of its functions.

In December 2014 the NTMA was reconstituted as an Agency with a Chairperson and eight other members with over-arching responsibility for all of the NTMA's functions (excluding NAMA and the SBCI which will continue to have their own separate boards). The Advisory Committee and State Claims Agency Policy Committee were dissolved in December 2014 and the NDFA was dissolved in January 2015. The NPRF Commission was reduced to one commissioner pending the transfer of all of the NPRF's assets to the ISIF following which the NPRF Commission too will be dissolved. The Act also provided for:

- the putting of the NTMA's NewERA functions on a statutory basis;
- the establishment of the Ireland Strategic Investment Fund with a mandate to invest on a commercial basis in a manner designed to support economic activity and employment in Ireland and the transfer of the NPRF's assets to the ISIF;
- the putting of the State Claims Agency's legal costs function on a statutory basis; and
- the transfer of the NDFA's functions to the NTMA.

Key Facts and Figures

2.8%

The weighted average yield on €11.75bn of long-term bond funding raised by the NTMA in 2014 was 2.8 per cent.

€1.5bn

Between December 2014 and March 2015 Ireland made early repayments totalling just over €18 billion of its IMF loan facility generating interest savings in excess of €1.5 billion over the original lifetime of the IMF loans.

€7.2bn

The value of ISIF assets available for investment in Ireland at end-2014 was €7.2 billion. This includes €1.4 billion in assets committed to Irish investment by the ISIF's predecessor fund – the NPRF.

€3.5bn

The NDFA is currently advising on 20 infrastructure projects with a capital value in excess of €3.5 billion of which €650 million is being procured by the NDFA.

€13.6bn

The capital employed by State companies within NewERA's core remit is some €13.6 billion.

€2.6bn

During 2014 NewERA provided financial analysis and recommendations to Ministers on €2.6 billion in financing-related proposals and €0.6 billion in capital expenditure project proposals from State companies within its core remit.

€9.9m

At end-2014 the SCA had negotiated savings to the Exchequer totalling €9.9 million on €19.3 million of third-party legal cost claims from the Mahon, Moriarty and Smithwick Tribunals.

**NIMS
launch**

The National Incident Management System (NIMS) - an end-to-end risk management tool - was launched by the SCA in 2014. Ireland will be one of the first countries worldwide to have a single ICT system to support the management of risk across its public service.

**€1.1
trillion**

The total value of transactions processed by the NTMA in 2014 was in excess of €1.1 trillion.

Chairperson's Statement



December 2014 saw a significant change for the NTMA with the putting in place of a new overarching board structure to govern the organisation. The rationale behind the new governance structure is to enable the NTMA to execute its mandates in a more integrated manner. Government has asked the

NTMA to carry out a range of new functions over the last few years and there is a common theme across these mandates of investment and economic development in Ireland.

I was very pleased when asked by the Minister for Finance to become Chairperson of the NTMA Advisory Committee in late 2013 to work with NTMA management in the transition to the new governance structure. I have long been an admirer of the way the NTMA has gone about its work and its business model. It has been very successful in the past and I and my fellow board members will do our utmost to ensure that this continues to be the case in the future.

Undoubtedly, the headline event for the NTMA in 2014 was Ireland's successful emergence from the EU/IMF programme and its return to normal participation in the sovereign bond markets. We have seen a remarkable improvement in our debt dynamics and our debt profile – themes the Chief Executive explores in more depth in his review – and our debt is now on a sustainable and declining trajectory.

A priority in early 2015 has been finalisation of the investment strategy for the Ireland Strategic Investment Fund (ISIF). With over €7 billion available to deploy, the ISIF differs from other pools of capital in a number of key respects. It has a long investment time horizon and therefore acts as a permanent source of long-term capital. It has flexibility up and down the capital structure and can therefore meet changing needs and gaps in the marketplace. Its commercial investment mandate allows it to connect public and private capital enabling it to act as a cornerstone investor in funds and projects. This co-investment model will enable us to leverage the ISIF's resources, attract international private sector capital and effectively put a multiple of the committed ISIF capital to work in the Irish economy.

During 2014 the Government established the Strategic Banking Corporation of Ireland (SBCI). Like NAMA, the SBCI has its own independent board. The NTMA assigns staff to both these bodies and also provides them with business and support systems and services. This approach has enabled use of the NTMA's proven business model to get these bodies up and running within a very short timescale and also to achieve economies through utilisation of the NTMA's existing IT, HR, and other shared services to provide corporate support to them.

The last year has seen not only change in the NTMA's governance but also in its management team. In January 2015 Conor O'Kelly joined us as Chief Executive on the retirement of John Corrigan. During his term as Chief Executive John did tremendous work in engaging with international investors to position Ireland for a return to the international debt markets. He played an invaluable and critical role throughout the crisis on behalf of the State. I and my fellow board members thank him and wish him well on his retirement.

Finally, I would like to thank my fellow members of the NTMA Advisory Committee as well as the members of the other boards and committees that were dissolved on the putting in place of the new governance structure. They have left us an organisation with a skilled and dedicated workforce and a strong record of achievement. Our job is to build on that reputation and to develop and position the organisation to deliver on the range of new and existing important mandates Government has entrusted to us.

Willie Walsh
Chairperson

Chief Executive's Review



I was greatly honoured to be appointed Chief Executive of the NTMA in January 2015. As Ireland emerges from the financial crisis and builds for recovery this is a very interesting time for an organisation that plays such a key role in Ireland's economic wellbeing.

2014 saw the NTMA make a full return to the sovereign bond markets with regular auctions and the issue of two new long-term benchmark bonds raising €11.75 billion in long-term bond funding. Due to the measures taken by the Government to improve the public finances, the return of economic growth and the measures taken at a European level to calm the wider euro crisis, we have seen a strong turnaround in Ireland's debt dynamics which are now back on a sustainable and improving path. While Ireland's debt level is still high at 110 per cent of GDP at end-2014, crucially it is on a downward trajectory and is forecast to decline to 100 per cent of GDP by end-2016 and to 85 per cent of GDP by 2020. I would note that these are gross figures and that our debt at end-2014, net of cash balances and other financial assets, was 90 per cent of GDP.

The picture has been further improved with the repayment of just over €18 billion of Ireland's IMF loan facility using cheaper, long-term market funding generating interest savings in excess of €1.5 billion over the original lifetime of the IMF loans. Strong investor demand also enabled the NTMA to issue Ireland's first ever 30 year bond in February 2015 in an amount of €4 billion at a yield of 2.1 per cent. The weighted average maturity of our long-term marketable and official debt has improved from 7.3 years at end-2012 to 13 years at end-May 2015.

The financial crisis has taught us that markets are impossible to predict and we must be prepared for the unexpected. There remain a number of risks to our own economic recovery and to the wider eurozone. For as long as our debt remains at elevated levels our vulnerability to domestic or external shocks should not be underestimated.

The improvement in the funding environment has also been reflected in the long-term debt market for PPPs, and the National Development Finance Agency (NDFA) has seen very substantial reductions in the funding costs available for projects.

There has also been a welcome increase in the number of international institutional investors participating in the Irish market. Overall the NDFA is currently advising on 20 projects with a capital value in excess of €3.5 billion of which €650 million is being procured by the NDFA.

The Ireland Strategic Investment Fund (ISIF) was formally established in December 2014. The double bottom line mandate of the ISIF – to invest in projects which generate commercial investment returns and have an economic impact - represents a new approach to investing. The ISIF's investment strategy is based on developing a broad based long-term portfolio across sectors and asset classes. It will target sectors with a high economic impact and will seek co-investors where possible to leverage the effectiveness of its resources.

Deployment of funds will necessarily take place on a phased basis as investments are sought which (i) achieve the ISIF's double bottom line of commercial return and economic impact and (ii) add to rather than displace other funding sources. The ISIF is a long-term investor and investment returns are likely to be mainly achieved in the later years of an investment rather than in the capital intensive early investment period.

NewERA provides a dedicated centre of corporate finance expertise to Government in respect of commercial State bodies. It brings a commercial focus to the oversight of these companies with an emphasis on shareholder return. The economic importance of the companies within NewERA's remit is underlined by the fact that, on a combined basis, they employ capital of some €13.6 billion.

NewERA has developed a Shareholder Expectations Framework intended to provide clarity and guidance for each of the companies within its remit in relation to the Government's strategic priorities, policy objectives, financial performance and reporting requirements. Shareholder Expectations letters based on this Framework have now been issued by the respective Ministers to the ESB, EirGrid, Bord na Móna and Coillte. One of the key areas addressed by the Framework is the development of a formal dividend policy for State companies.

Much of the work carried out by NewERA has replaced the requirement for external advisors with consequent savings and also enabling the building of a corporate memory. It is noteworthy that in 2014, as its experience and expertise has increased, NewERA was asked to perform a significant amount of work in respect of State bodies outside its core remit.

The State Claims Agency (SCA) carries out claims and risk management functions on behalf of the State. In April 2014 the SCA's remit was significantly extended with the delegation to it by Government of the management of personal injury and third-party property damage claims in respect of an additional 61 public bodies, doubling the total number within its remit from 56 to 117. Another delegation by Government in June 2015 has further increased the number of public bodies within the SCA's remit to 129.

In carrying out its role the SCA seeks to act in the best interest of taxpayers but also to act ethically and fairly in its dealings with people who have suffered injuries and take legal action against the State. In cases where the State is considered liable the SCA's approach is to settle expeditiously and on fair and reasonable terms. In cases where the State is not considered liable it acts vigorously in defence of such claims. The SCA seeks to resolve claims by negotiation or mediation – fewer than 3 per cent of clinical claims handled by the SCA result in a contested court hearing.

The SCA, in conjunction with key stakeholders, went live in 2014 with the National Incident Management System (NIMS), an end-to-end risk management tool. This tool will support client authorities to better manage their risks so as to reduce the incidence of claims. Ireland will be one of the first countries worldwide to have a single ICT system to support the management of risk across its public service, including the healthcare system. The development and use of this system is critical to the effective management of the SCA's risk universe. The size of this risk universe can be gauged from the fact that it includes over 200,000 State employees and 7 million user contacts with the public healthcare system annually.

In his remarks the Chairperson referred to how the mandates awarded to the NTMA have a common theme of investment and economic development in Ireland. In carrying out these mandates our aim is to work with other stakeholders to deliver long-term value for the State.

The new activities will require the NTMA to build networks and relationships with other State and private sector participants in the Irish economy. This will, for example, include ensuring that the ISIF co-ordinates effectively with IDA Ireland and Enterprise Ireland to align strategies and leverage State resources as well as building relationships with entrepreneurs, funding sources and co-investors.

In my short time as Chief Executive I have been struck by the expertise, dedication and ability of the NTMA's employees. The organisation has played a critical role in Ireland's successful emergence from the economic crisis. I am confident that, as the NTMA's focus switches from crisis management to economic growth and recovery, it will continue to deliver on its mandates to the high standards expected inside and outside the organisation.

Conor O'Kelly

Chief Executive

Funding and Debt Management

In 2014 the NTMA made a full return to independent market funding following the State's exit from the EU/IMF Programme of Financial Support at the end of 2013. It was an active year, during which the NTMA raised €11.75 billion in long-term bond funding.

2014 commenced with the €3.75 billion syndicated sale¹ of a new 10-year benchmark bond in January, and concluded with a second €3.75 billion issuance of a new 15-year bond in November – the first 15-year benchmark bond issuance by the NTMA since 2009.

A regular schedule of bond auctions resumed in March, for the first time since 2010. Five auctions raised a total of €4.25 billion over the course of the year. This resumption of regular bond auctions marked the full normalisation of Ireland's market access.

Between December 2014 and March 2015, Ireland made early repayments totalling just over €18 billion or 81 per cent of the original €22.5 billion IMF loan facility granted under the EU/IMF Programme. These repayments discharge IMF principal repayment obligations that were originally to fall due from July 2015 to January 2021. Ireland has fully repaid the more expensive portion of the IMF facility generating interest savings in excess of €1.5 billion over the original life time of the loans and further improving debt sustainability.

Market Review

Irish Government bonds continued their rally throughout the year, with bond yields posting record lows. Bond turnover levels were at their highest level in recent years, driven by increased investor demand as Ireland's underlying economic and fiscal position continued to improve.

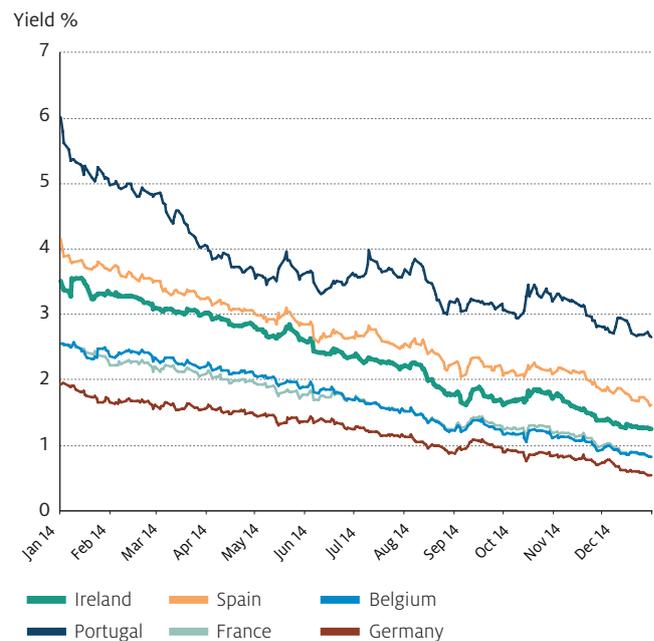
The main factors behind the rally in Irish bonds in 2014 included:

- The successful exit from the EU/IMF programme without the need for a precautionary credit line;
- The level of prefunding achieved by the NTMA;
- The improvement in Ireland's debt profile and underlying economic and fiscal position;
- A series of credit rating upgrades during 2014. This included the upgrade to investment grade status (Baa3, positive outlook) by Moody's in January 2014 followed by the further two-notch upgrade to Baa1 in May 2014. Upgrades by S&P to A and Fitch to A- also reflected the positive outlook for the Irish economy;
- The January syndication and a return to a regular bond auction schedule, thus improving liquidity and turnover in the Irish bond market;

- The general reduction in yields in the eurozone from summer onwards. This was driven by market expectations that the ECB would embark on a programme of sovereign bond purchases or Quantitative Easing (QE) in 2015; and
- The announcement that Ireland had agreed the early repayment of approximately €18 billion of its IMF loan.

The downward trend in European sovereign yields was the dominant theme in 2014, yet Ireland out-performed many of its European peers. Over the calendar year, 10-year Irish bond yields fell approximately 220 basis points to 1.24 per cent at year-end. The graph below shows the performance of 10-year Irish bond yields relative to other European sovereign 10-year yields during 2014.

10-Year Government Bond Yields 1 January 2014 to 31 December 2014



Source: Bloomberg

The table overleaf shows the change in Irish bond yields over 2014 across various tenors.

¹ A syndicated sale is the issuance of a new bond managed through a group of primary dealers.

| Irish Government Bond Yields | | | |
|------------------------------|--------------------|--------------------|----------------------------|
| Maturity | Yield End-2013 (%) | Yield End-2014 (%) | Change (percentage points) |
| 3-year | 0.88 | 0.24 | -0.64 |
| 5-year | 2.06 | 0.39 | -1.67 |
| 10-year | 3.45 | 1.24 | -2.21 |

Source: Bloomberg

The continued strong investor demand into 2015 offered the NTMA the opportunity to issue new 7-year and 30-year bonds in the first quarter. These issuances, particularly the 30-year syndication, opened new parts of the curve and locked in low interest rates over a longer period.

Funding Activity

Funding Strategy

During 2014 the NTMA launched new 10-year and 15-year benchmark bonds, held a series of bond and Treasury bill auctions and executed a liability management operation on the 4.6% Treasury Bond 2016 in the form of a bond buyback and switch.

The NTMA's intensive investor relations programme, which continued during 2014, helped to cement interest among institutional investors in Irish Government bonds and diversify the investor base. The NTMA conducted a series of investor presentations and meetings in the UK, US, Asia, and continental Europe. There were also a number of "reverse" roadshows during the year, as investors visited Dublin. The NTMA also spoke at investor conferences whenever a suitable opportunity arose.

The NTMA's market-based funding in 2014, together with a €7.4 billion rundown in cash and other short-term investment balances, were primarily applied to fund an Exchequer deficit of €8.2 billion, to refinance €2.7 billion of maturing long-term debt and to repay €9 billion of borrowings from the IMF.

The NTMA had Exchequer cash and other short-term investment balances of €11.1 billion at end-2014 (down from €18.5 billion at end-2013), sufficient to cover projected Exchequer requirements into the early part of 2016.

Medium and Long-term Funding

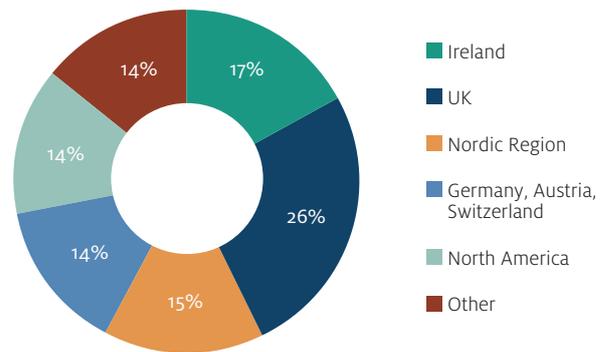
2024 Bond Syndication

In the first bond market transaction of the year in January, the NTMA raised €3.75 billion through the syndicated sale of a new 10-year benchmark Treasury Bond maturing in March 2024. The funds were raised at a yield of 3.54 per cent.

Seventeen per cent of the issuance was taken up by domestic investors and 83 per cent by international investors. The international investors were mainly from the UK (26 per cent), the Nordic region (15 per cent), Germany, Austria and Switzerland (14 per cent), and North America (14 per cent).

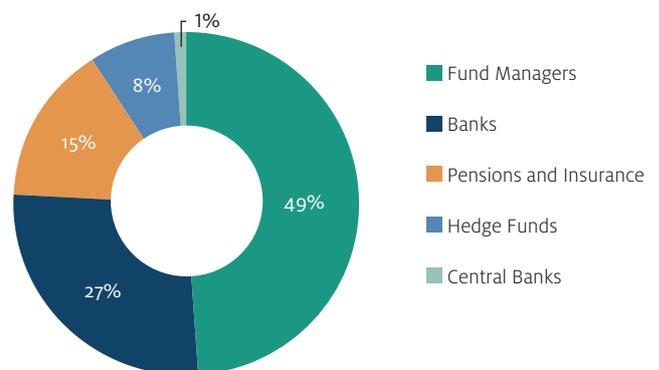
The order book reflected broad investor interest from some 400 fund managers, pension funds, insurance companies, banks and other investors, including some from the Middle East and Asia. Although the total order book amounted to some €14 billion, the NTMA decided to limit the initial issue of the new bond to €3.75 billion in order to leave capacity for a series of auctions over the remainder of the year.

2024 Bond Syndication by Geographic Area



Source: NTMA

2024 Bond Syndication by Investor Type



Source: NTMA

2016 Bond Switch and Buyback

In July the NTMA conducted a buyback and switch of the 4.6% Treasury Bond 2016 to assist in smoothing the outstanding bond maturity profile. This operation reduced the outstanding balance of the bond by just over €2 billion (20 per cent). €1,078 million nominal was bought back on an outright basis. The switch transaction, done on a 2-for-1 nominal basis, bought back an additional €959 million of the 2016 bond and sold €480 million of the 3.9% Treasury Bond 2023.

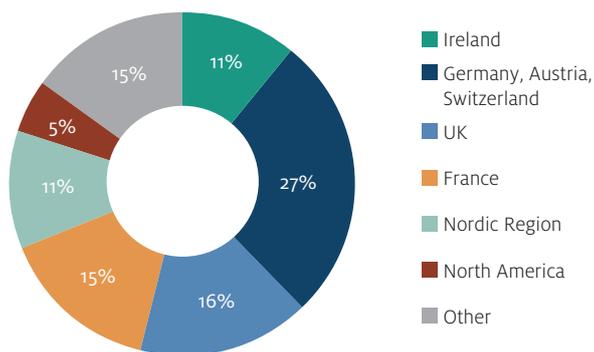
2030 Bond Syndication

In November the NTMA sold a new benchmark 15-year bond (2.4 per cent May 2030) by syndication. It issued €3.75 billion at a yield of 2.49 per cent. Eleven per cent of the issue was taken up by domestic investors and 89 per cent by overseas investors. The overseas investors were mainly from Germany, Austria and Switzerland (27 per cent), the UK (16 per cent), France (15 per cent), the Nordic region (11 per cent) and North America (5 per cent).

The total order book amounted to some €8.4 billion, with interest from over 250 accounts. This included a broad range of investor categories, including fund managers, pension funds, banks and insurance companies.

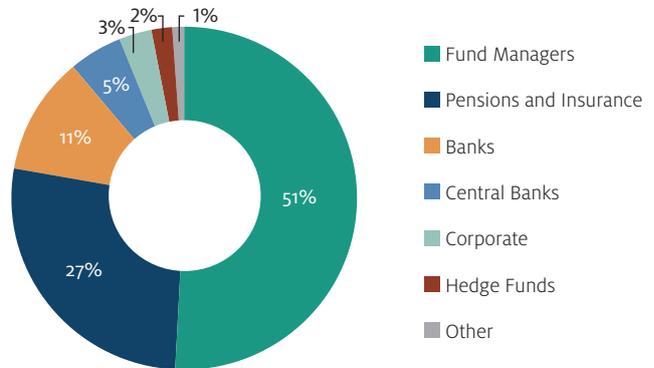
This 15-year bond sale represented funding in an area last accessed by Ireland for a new issue in 2009, as well as representing a historical low yield for 15-year issuance by Ireland.

2030 Bond Syndication by Geographic Area



Source: NTMA

2030 Bond Syndication by Investor Type



Source: NTMA

Bond Auction Programme

The NTMA resumed its bond auction programme during 2014 – for the first time since September 2010. There were five auctions over the course of the year, raising a total of €4.25 billion. The new 2024 Treasury Bond was offered in each case.

| NTMA Bond Auctions 2014 | | | | |
|-------------------------|-------------------------|------------|---------|-----------------|
| Auction Date | Bond | Amount €m* | Yield % | Bid/Cover Ratio |
| 13 Mar. 2014 | 3.4% Treasury Bond 2024 | 1,000 | 2.97 | 2.9 |
| 10 Apr. 2014 | 3.4% Treasury Bond 2024 | 1,000 | 2.92 | 2.8 |
| 08 May 2014 | 3.4% Treasury Bond 2024 | 750 | 2.73 | 2.8 |
| 10 Jul. 2014 | 3.4% Treasury Bond 2024 | 500 | 2.32 | 2.7 |
| 09 Oct. 2014 | 3.4% Treasury Bond 2024 | 1,000 | 1.63 | 2.5 |

*excludes proceeds of non-competitive auctions.

Source: NTMA

Short-term Funding

The NTMA's Treasury Bill programme continued throughout 2014.

| NTMA Treasury Bill Auctions 2014 | | | | |
|----------------------------------|----------|--------------|-------------------------|--------------------|
| Auction Date | Maturity | Amount €m | Yield % (annualised) | Bid/Cover Ratio |
| 20 Mar. 2014 | 3 months | 500 | 0.200 | 3.80 |
| 15 May 2014 | 3 months | 500 | 0.220 | 3.50 |
| 19 Jun. 2014 | 3 months | 500 | 0.105 | 4.20 |
| 18 Sep. 2014 | 3 months | 500 | 0.000 | 4.98 |
| 20 Nov. 2014 | 6 months | 500 | 0.044 | 3.75 |

Source: NTMA

The NTMA also maintained Ireland's Multi-Currency Euro Commercial Paper (ECP) programme in 2014. This programme is listed on the Irish Stock Exchange. Paper is sold on a reverse-enquiry basis and prices are quoted on Bloomberg. There was €2.3 billion outstanding at end-2014 compared with €0.5 billion at end-2013.

The NTMA also issued short-term debt in the form of Exchequer Notes and Central Treasury Notes, mainly to domestic institutional investors.

Irish Government Bond Market

Benchmark Bonds

At end-December 2014 Ireland had 12 benchmark bonds with maturities extending across the yield curve to 2030.

| Irish Government Benchmark Bonds | | | |
|----------------------------------|------------------|-------------------------------|-------------------------------|
| Bond | Maturity Date | Outstanding End-2013 €m | Outstanding End-2014 €m |
| 4.0% Treasury Bond 2014 | 15 January 2014 | 2,746 | 0 |
| 4.5% Treasury Bond 2015 | 18 February 2015 | 3,630 | 2,230 |
| 4.6% Treasury Bond 2016 | 18 April 2016 | 10,169 | 8,132 |
| 5.5% Treasury Bond 2017 | 18 October 2017 | 6,389 | 6,389 |
| 4.5% Treasury Bond 2018 | 18 October 2018 | 9,256 | 9,256 |
| 4.4% Treasury Bond 2019 | 18 June 2019 | 7,700 | 7,700 |
| 5.9% Treasury Bond 2019 | 18 October 2019 | 6,767 | 6,767 |
| 4.5% Treasury Bond 2020 | 18 April 2020 | 11,809 | 11,709 |
| 5.0% Treasury Bond 2020 | 18 October 2020 | 9,052 | 9,052 |
| 3.9% Treasury Bond 2023 | 20 March 2023 | 5,000 | 5,480 |
| 3.4% Treasury Bond 2024 | 18 March 2024 | 0 | 8,137 |
| 5.4% Treasury Bond 2025 | 13 March 2025 | 11,745 | 11,745 |
| 2.4% Treasury Bond 2030 | 15 May 2030 | 0 | 3,850 |

Source: NTMA

The change in profile between end-2013 and end-2014 reflects the redemption of the January 2014 bond and the buyback and cancellation of €1.4 billion of the 2015 bond. The end-2014 profile also reflects the new issuance of the 2024 and 2030 bonds, along with the switch and buyback of the 2016/2023 bonds.

Amortising Bonds

In addition to the benchmark bonds, Ireland had €1.2 billion outstanding in Irish Amortising Bonds at end-2014. These instruments, which make equal annual payments over their lifetime, were issued primarily in 2012 and 2013 to meet the needs of the Irish pensions industry.

Floating Rate Bonds

On 8 February 2013 the NTMA issued €25 billion nominal Floating Rate Bonds which were exchanged for the Promissory Notes held by the Central Bank of Ireland. The outstanding balance of the Floating Rate Bonds at end-2014 is detailed in the table opposite.

| Floating Rate Treasury Bond | |
|----------------------------------|-----------------------------------|
| | Amount Outstanding End-2014 €m |
| Floating Rate Treasury Bond 2038 | 1,500 |
| Floating Rate Treasury Bond 2041 | 2,000 |
| Floating Rate Treasury Bond 2043 | 2,000 |
| Floating Rate Treasury Bond 2045 | 3,000 |
| Floating Rate Treasury Bond 2047 | 3,000 |
| Floating Rate Treasury Bond 2049 | 3,000 |
| Floating Rate Treasury Bond 2051 | 5,000 |
| Floating Rate Treasury Bond 2053 | 5,034 |
| Total | 24,534 |

Source: NTMA

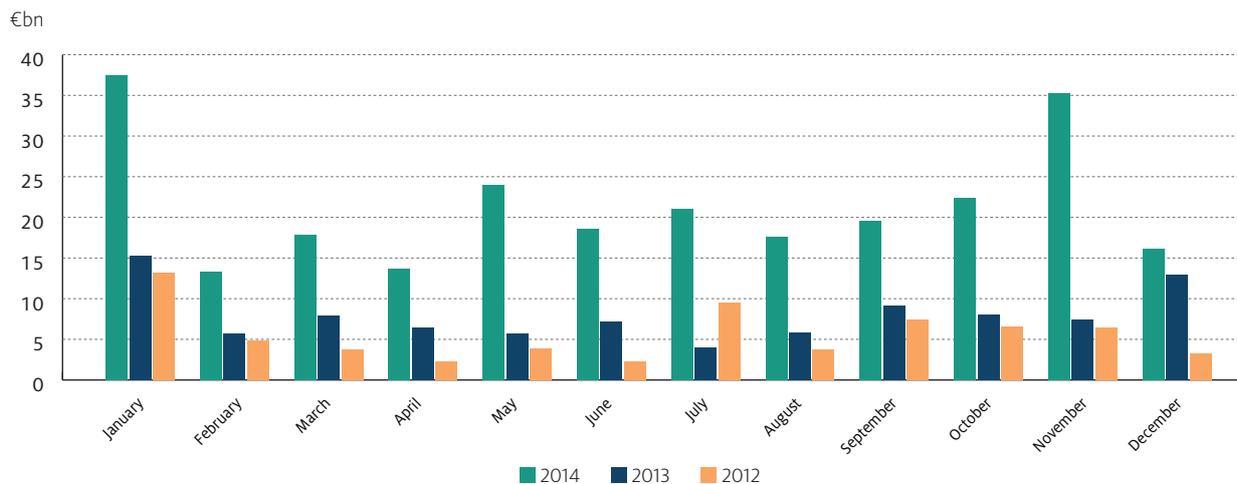
Following discussions with the Central Bank of Ireland, €500 million nominal of the 2038 bond was bought back and cancelled by the NTMA in December 2014.

Government Bond Turnover

Turnover increased significantly during 2014, reflecting increased demand for Irish Government bonds and regular issuance. Total turnover by value, as reported by the Irish Stock Exchange, was €257 billion in 2014, compared to €96 billion in 2013 – an increase

of more than 100 per cent. January and November saw the largest monthly turnover in 2014, influenced by the bond syndications in these months.

Irish Government Bond Turnover by Value



Source: Irish Stock Exchange

Primary Dealer System

The Irish Government bond market has a strong primary dealer group, mainly international investment banks with a global reach. The 18 primary dealers recognised by the NTMA each make continuous two-way prices in designated benchmark bonds in specified minimum amounts at market levels. A number of stockbrokers also match client orders.

The primary dealers are:

- Barclays, London
- BNP Paribas, Paris
- Cantor Fitzgerald Ireland Limited, Dublin
- Crédit Agricole CIB, London
- Citigroup, London
- Davy, Dublin
- Danske Bank, Copenhagen
- Deutsche Bank, Frankfurt
- Goldman Sachs, London
- HSBC CCF, Paris
- ING Bank NV, Amsterdam
- JP Morgan, London
- Merrill Lynch International, London
- Morgan Stanley & Co International plc, London
- Nomura International plc, London
- Royal Bank of Scotland, London
- Société Générale, Paris
- UBS Limited, London

The primary dealers are members of the Irish Stock Exchange, on which Irish Government bonds are listed. They have exclusive access to the NTMA's bond auctions and may avail of repo facilities (short-term collateralised borrowing) which the NTMA provides in Irish Government bonds.

Credit Rating

Ireland has investment grade status with all of the main rating agencies. The current ratings are listed in the table below.

During 2014 a series of credit rating upgrades had a significant impact on bond yields and investor sentiment towards Ireland. Moody's restored Ireland's rating to investment grade with a rating of Baa3 and a positive outlook in January 2014. This was followed in May by a further two-notch upgrade to Baa1. Fitch Ratings upgraded Ireland's rating to A- in August 2014. Standard & Poor's upgraded Ireland's sovereign credit rating to A- in July 2014, to A in December 2014 and to A+ in June 2015.

With the exception of Moody's, all of the short-term ratings are currently in the A rating category.

| Ireland's Sovereign Credit Ratings* | | | |
|-------------------------------------|------------------|-------------------|---------|
| Rating Agency | Long-term rating | Short-term rating | Outlook |
| Standard & Poor's | A+ | A-1 | Stable |
| Moody's | Baa1 | P-2 | Stable |
| Fitch Ratings | A- | F1 | Stable |

*As at 19 June 2015
Source: NTMA

State Savings

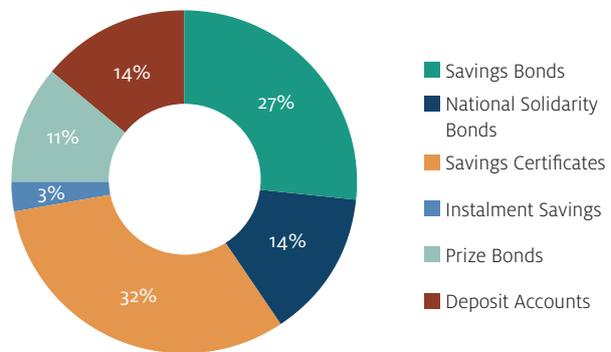
State Savings is the brand name applied by the NTMA to the range of Irish Government savings products offered to personal savers.

During 2014 there were net inflows of €0.9 billion into the State Savings products and at end-2014 the total amount outstanding was €19.1 billion.

| NTMA State Savings Products | | |
|-----------------------------|-------------------------------------|--|
| | Total Outstanding at End-2014 €m | Net Inflow/ (Outflow) in 2014 €m |
| Savings Bonds | 5,110 | (232) |
| National Solidarity Bonds | 2,576 | 824 |
| Savings Certificates | 6,041 | 39 |
| Instalment Savings | 481 | 3 |
| Prize Bonds | 2,176 | 244 |
| Deposit Accounts | 2,670 | (15) |
| Total | 19,054 | 863 |

Figures may not total due to rounding.
Source: NTMA

State Savings Amounts Outstanding End-2014



Figures may not total due to rounding.
Source: NTMA

An Post acts as an agent of the NTMA in relation to the sale and administration of State Savings products (except Prize Bonds). The Prize Bond Company (a joint venture between An Post and the Irish financial services company Fexco) operates the Prize Bond Scheme on behalf of the NTMA.

In line with the fall in interest rates both nationally and internationally, in October 2014 the NTMA announced (i) new issues of each of the fixed-rate, fixed-term State Savings products and (ii) a reduction in the variable rate used to calculate the prize fund for Prize Bonds.

The current fixed interest rate offerings on issues are detailed below:

| Product | Fixed Rate Total Return | AER ² |
|----------------------------------|-------------------------|------------------|
| 3-year Savings Bond | 2.5 per cent | 0.83 per cent |
| 4-year National Solidarity Bond | 4 per cent | 0.99 per cent |
| 5 ½-year Savings Certificate | 7 per cent | 1.24 per cent |
| 6-year Instalment Savings | 7 per cent | 1.24 per cent |
| 10-year National Solidarity Bond | 25 per cent | 2.26 per cent |

Source: NTMA

These new rates apply only to new purchases from 5 October 2014 onwards and have no effect on holders of the previous issues of the above products.

Changes were made to the variable rate of interest used to determine the value of the Prize Bonds' monthly prize fund. With effect from November 2014, the Prize Bonds prize fund rate is 1.25 per cent. A €1 million prize draw takes place every second month.

² Annual Equivalent Rate.

There were no changes to the variable rate on the Ordinary Deposit Account which continues to pay a rate of 0.25 per cent or the 30 day notice Deposit Account Plus which continues to pay a rate of 0.50 per cent.

EU/IMF Programme of Financial Support for Ireland

The three-year EU/IMF Programme of Financial Support that Ireland entered into in November 2010 officially ended on 15 December 2013, with the final programme disbursement of €800 million received in March 2014.

Following agreement from EU member states and bilateral lenders, Ireland received approval in November 2014 to complete the early repayment of the portion of IMF loans subject to the higher rate of interest.

Between December 2014 and March 2015, Ireland made early repayments totalling just over €18 billion or 81 per cent of the original €22.5 billion IMF loan granted under the EU/IMF programme.

These repayments discharge the IMF principal repayment obligations that were originally to fall due from July 2015 to January 2021. Ireland has fully repaid the more expensive portion of the IMF facility, generating interest savings in excess of €1.5 billion over the original life time of the loans and further improving debt sustainability.

| EU/IMF Programme Liabilities Outstanding | | |
|---|--------------------------|----------------|
| Lender | Nominal Loan Amount €bn* | |
| | End-December 2014 | End-March 2015 |
| European Financial Stabilisation Mechanism (EFSM) | 22.50 | 22.50 |
| European Financial Stability Fund (EFSF) | 18.41 | 18.41 |
| UK | 3.86 | 3.86 |
| Denmark | 0.40 | 0.40 |
| Sweden | 0.60 | 0.60 |
| IMF** | 13.55 | 4.33 |
| Total | 59.32 | 50.11 |

Figures may not total due to rounding.

* Euro equivalents are translated at the reporting date exchange rates, taking account of the effect of currency hedging transactions.

**IMF loans are denominated in Special Drawing Rights (SDRs), an international reserve asset created by the IMF. Its value is currently based on a basket of four key international currencies - the euro, Japanese yen, pound sterling and U.S. dollar.

Source: NTMA

Debt Profile

General Government Debt (GGD) is a measure of the total gross consolidated debt of the State compiled by the Central Statistics Office (CSO) and is the measure used for comparative purposes across the European Union.

National Debt is the **net** debt incurred by the Exchequer after taking account of cash balances and other financial assets. Gross National Debt is the principal component of GGD but GGD also includes the debt of central and local government bodies.

Unlike National Debt, GGD is reported on a gross basis and does not net off outstanding cash balances and other financial assets. While the figures in this section relate primarily to GGD, the NTMA's responsibilities relate to National Debt only.

| Composition of Debt at End-2014 | |
|---|--------------|
| | €bn |
| Government Bonds | 116.3 |
| EU/IMF Programme Funding* | 58.8 |
| Other Medium and Long-term (MLT) Debt | 0.9 |
| State Savings Schemes** | 16.4 |
| Short-Term Debt | 4.6 |
| Gross National Debt at 31/12/14 | 197.1 |
| Less Cash and other Financial Assets*** | 14.8 |
| National Debt as at 31/12/14 | 182.3 |
| <hr/> | |
| Gross National Debt at 31/12/14 | 197.1 |
| General Government Debt Adjustments | 6.3 |
| General Government Debt as at 31/12/14 | 203.3 |

Figures may not total due to rounding.

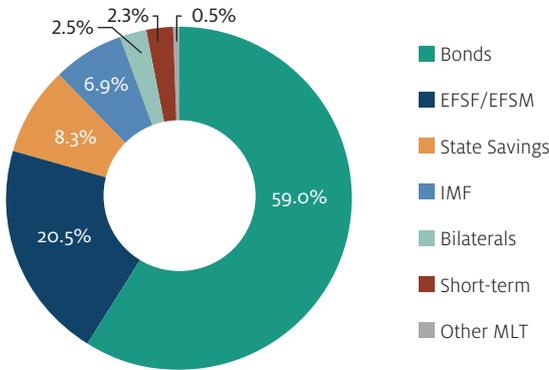
* Net of a pre-paid margin of €0.53 billion on the first EFSF disbursement of February 2011.

**State Savings Schemes also include moneys placed by depositors in the Post Office Savings Bank (POSB) which does not form part of the National Debt. These funds are mainly lent to the Exchequer as short-term advances and through the purchase of Irish Government Bonds. Taking into account the POSB Deposits, total State Savings outstanding were €19.1 billion at end-2014.

***Of which, Exchequer cash and other short-term investments accounted for €11.1 billion at end-2014.

Source: NTMA and Central Statistics Office

Composition of Gross National Debt End-2014



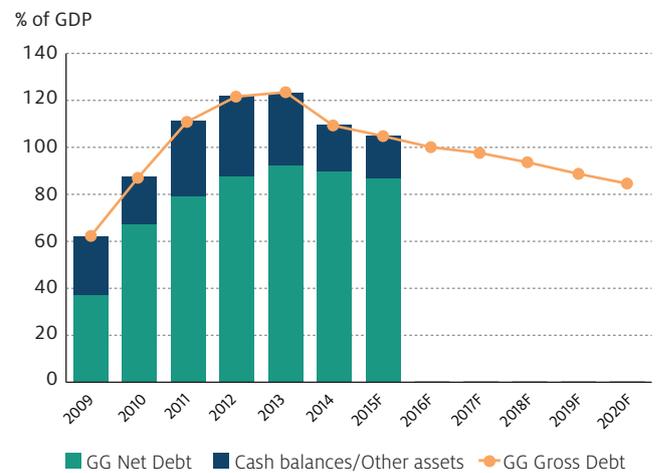
Source: NTMA

End-2014 GGD is estimated by the CSO at €203.3 billion or 109.7 per cent of Gross Domestic Product (GDP).

It is important to maintain investor confidence in Ireland by continuing to reduce the Government debt ratio. Based on the public finances being in balance by 2018 and with nominal GDP growth averaging just over 4 per cent per annum over the medium-term, the Stability Programme Update, April 2015 forecasts that the GGD/GDP ratio will decline to 85 per cent by 2020. This forecast does not reflect the potential sale of Government stakes in the banking sector. A primary budget surplus (the budget balance excluding debt interest payments) of 1.1 per cent of GDP is forecast for 2015, the first such surplus since 2007.

As noted previously, GGD is a gross measure that does not allow for the netting off of cash balances and other financial assets. However, the CSO produces an estimate of General Government Net Debt (net GGD), which is calculated by deducting from gross GGD the value of the financial assets corresponding to the categories of financial liabilities which comprise gross GGD. The CSO estimates that net GGD stood at €166.7 billion or 89.9 per cent of GDP at end-2014³.

General Government Debt 2009-2020



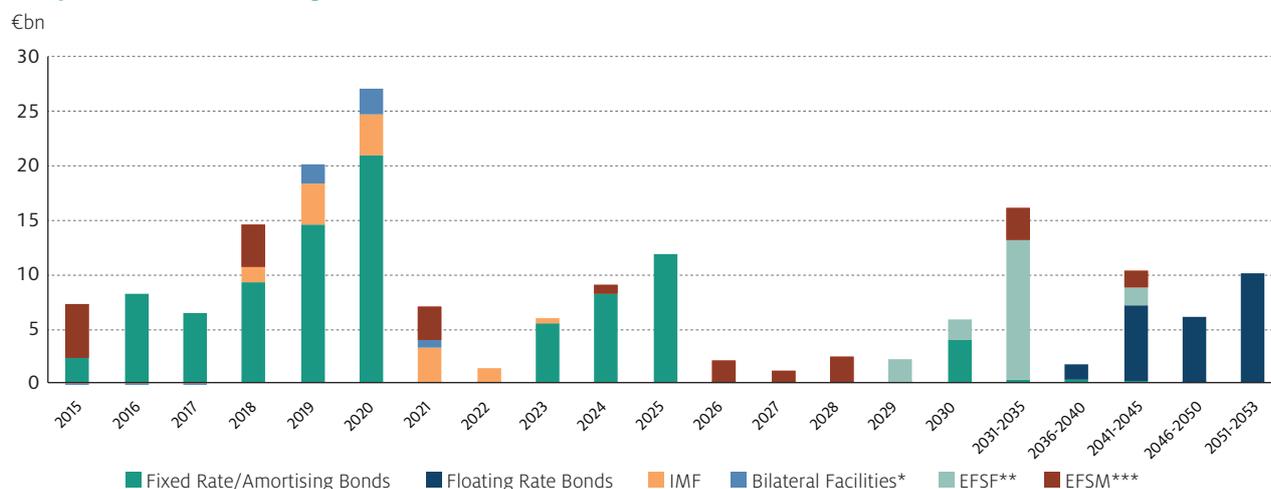
Source: CSO and Department of Finance

The weighted-average maturity of Ireland’s long-term marketable and official debt at end-2014 is estimated at 12.4 years⁴. The chart opposite details the maturity profile of outstanding long-term marketable and official debt at end-2014.

³ CSO, Government Finance Statistics, April 2015.

⁴ As the revised maturity dates of individual EFSM loans will only be determined as they approach their original maturity dates, the end-2014 weighted-average maturity of 12.4 years is an estimate.

Maturity Profile of Ireland's Long-Term Marketable and Official Debt at End-2014



*Bilateral loans were provided by the United Kingdom, Sweden and Denmark.

**EFSF loans reflect the maturity extensions agreed in 2013.

***EFSM loans are also subject to a seven year extension. It is not expected that Ireland will have to refinance any of its EFSM loans before 2027. However, the revised maturity dates of individual EFSM loans will only be determined as they approach their original maturity dates. The original EFSM maturities are reflected in the chart above.

Source: NTMA

Debt Service Outturn

The NTMA's primary debt management objectives are to ensure adequate liquidity for the Exchequer and to optimise debt service costs over the medium term.

The cash interest cost of the National Debt in 2014 was €7,470 million. The other debt service items were sinking funds⁵ of €633 million – this is in effect a technical charge on the current budget which is also reflected as a receipt in the capital budget – and fees and administration expenses of €108 million.

Under the wider General Government measure, interest expenditure in 2014 is estimated at €7,502 million⁶.

Both the National Debt and General Government interest cost outturns in 2014 were just over 8 per cent lower than their respective Budget 2014 projections: the lower than projected costs primarily reflecting a more favourable interest rate environment.

Other Functions

In addition to its core functions of borrowing for the Exchequer and debt management, the NTMA Funding and Debt Management Directorate perform a number of other functions.

Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009

In December 2009 the Government introduced a new guarantee scheme to follow the Credit Institutions (Financial Support) Scheme 2008 to provide for the guarantee of bank liabilities beyond 29 September 2010 - the Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009 (ELG Scheme). The Minister for Finance appointed the NTMA as the ELG Scheme Operator.

The ELG Scheme provided for an unconditional and irrevocable State guarantee for certain eligible liabilities (including deposits) of up to five years maturity issued by participating institutions to the extent that they are not covered by the Deposit Guarantee Scheme operated by the Central Bank of Ireland. These liabilities must have been incurred by participating institutions between the date of their joining the Scheme and the discontinuation of the Scheme. The ELG Scheme was discontinued effective from midnight on 28 March 2013.

Any liabilities guaranteed under the ELG Scheme up to 28 March 2013 remain guaranteed until their maturities. As of the date of the discontinuation of the ELG Scheme amounts guaranteed under the Scheme totalled €75 billion. Amounts guaranteed at end-December 2014 totalled €10 billion, as debt and deposits continued to mature following the end of the Scheme.

⁵ The requirement to make an annual sinking fund payment was removed in the Finance Act 2014.

⁶ CSO, Government Finance Statistics, April 2015.

| Liabilities covered by ELG Scheme at End-2014 | €m |
|---|---------------|
| Non-deposit Senior Unsecured Debt | 5,707 |
| Deposits | 4,541 |
| Total | 10,248 |

Source: NTMA

The liquidation of Irish Bank Resolution Corporation Limited (IBRC) on 7 February 2013 triggered claims under the ELG Scheme. The ELG Scheme (unlike the Central Bank's Deposit Guarantee Scheme) is a claim-driven system and the NTMA as ELG Scheme Operator is managing claims submitted in respect of IBRC liabilities guaranteed under the Scheme. Further information is available on the NTMA website (ntma.ie).

The guaranteed liabilities of IBRC comprised both bonds and deposits, to the degree that they were not covered by the Deposit Guarantee Scheme. The two ELG-covered bonds were repaid in March 2013 and in total amounted to €934 million. Approximately €140 million has been paid out to date in relation to deposits. The NTMA continues to co-ordinate with the IBRC Special Liquidators on resolving outstanding claims.

Central Treasury Service

The NTMA's Central Treasury Service (CTS) takes deposits from, and makes advances to, non-commercial State bodies, as well as local government authorities, the Health Service Executive and education and training boards. The objective is to provide these bodies with a competitive alternative to the banking sector for their treasury business and thus to make savings for the Exchequer. At end-2014 CTS loans to a total of 18 designated bodies amounted to €31.9 million. There were 175 deposits placed with the CTS in 2014, with an average balance outstanding of €163.3 million.

Dormant Accounts Fund

Under the *Dormant Accounts Act, 2001* and the *Unclaimed Life Assurance Policies Act 2003*, balances on dormant accounts with banks, building societies and An Post and the net encashment value of certain life assurance policies are remitted to the State annually to be disbursed for charitable purposes or for purposes of community benefit. The period for determining dormancy is normally 15 years since the last customer-initiated transaction. In the case of life assurance policies with a specified term, it is five years after the end of that term. The legislation guarantees the right of account and policy holders to reclaim their moneys at any time from the financial institutions.

Pending disbursement, moneys in the Dormant Accounts Fund are managed by the NTMA. The NTMA had €215 million under management at end-2014. €49.3 million was transferred to the Fund in 2014, while €18.8 million of previously dormant funds was reclaimed. Disbursements from the Fund amounted to €2.0 million in 2014.

Other Activities

The Funding and Debt Management Directorate also carries out the following functions:

- Provision of treasury execution services to NAMA, the SBCI and the IBRC Special Liquidator;
- Funding the Housing Finance Agency under its €5 billion short-term and medium-term Guaranteed Note Programme;
- Engaging in daily short-term cash management operations to regulate the level of Government cash balances at the Central Bank of Ireland. This is undertaken as part of the overall management of liquidity in the eurozone by the European Central Bank; and
- Management of Ireland's Carbon Fund.

Ireland Strategic Investment Fund

Legislative and Operating Framework

On 22 December 2014 the Ireland Strategic Investment Fund (ISIF) was established as the successor to the National Pensions Reserve Fund (NPRF) with a mandate to invest on a commercial basis in a manner designed to support economic activity and employment in Ireland.

The NPRF was controlled by the National Pensions Reserve Fund Commission (Commission) which performed its functions through the NTMA, the Manager of the Fund. The ISIF is controlled and managed by the NTMA.

The NPRF's legislative and operating framework changed significantly over the period since it was established in April 2001. Its original statutory objective was to meet as much as possible of the costs of social welfare and public service pensions from 2025 onwards. Under this objective, the Commission was required to invest the assets of the NPRF so as to secure the optimal total financial return, subject to an acceptable level of risk. This investment strategy was implemented through a globally diversified portfolio that included quoted equities, bonds, property, private equity, commodities and absolute return funds.

In 2009 and 2010 €10.7 billion of the NPRF's assets were invested in Allied Irish Banks (AIB) and Bank of Ireland at the direction of the Minister for Finance. A further €10 billion investment was made under direction in 2011 as part of the EU/IMF Programme of Financial Support. The remainder of the NPRF, the Discretionary Portfolio, continued to be managed by the Commission in line with its original statutory objective.

In September 2011 the Government announced its intention to redirect resources from the NPRF, following appropriate changes to its governing legislation, towards productive investment in the Irish economy. These legislative changes were made in the *National Treasury Management Agency (Amendment) Act 2014* which formally established the ISIF.

On 22 December 2014 all assets governed by Irish law transferred automatically by operation of law from the Commission to the NTMA (becoming assets of the ISIF) and the NPRF's investment mandate ended. From that date the Commission consists of a single commissioner (the Chief Executive of the NTMA) who is statutorily required to do everything reasonably practicable to give effect to the transfer of any remaining assets governed by foreign law. The transfer of these non-Irish assets, in particular illiquid assets and withholding tax recoverables, is more complex as it requires the cooperation of foreign counterparties. This process is currently underway and is expected to be substantially complete by mid-2015, though certain withholding tax recoverables may take longer.

The NPRF Commission's annual report and financial statements for 2014 are published separately.

Investment Strategy – Discretionary Portfolio

Capital Preservation

As a result of the change in investment mandate first signalled in 2011, the Commission acknowledged the requirement to preserve capital to ensure that resources were available when appropriate commercial investment opportunities in Ireland were developed or sourced. Simultaneously, it was necessary to maintain the NPRF's capacity to participate in market gains in accordance with its statutory mandate.

In June 2011 the Commission developed a 'Capital Preservation Strategy' as a means of applying a 'prudent person' principle combining (i) adherence to the Fund's long term investment mandate and (ii) a common sense approach to reducing volatility, given the statements by and requirements of Government that the NPRF's mandate would be changed. This Capital Preservation Strategy continued throughout the period to end-2014.

Its impact has been to reduce the NPRF's downside equity exposure – via the purchase of options and a reduced exposure to equities – and its implementation has been adjusted over time to reflect market pricing and the expected timeframe for mandate change. In early 2015 the NTMA extended the Capital Preservation Strategy pending the finalisation of the ISIF Investment Strategy.

Maintaining Liquidity

The liquidity profile of the NPRF has been managed to ensure that investments can be realised as required to fund Irish investments under the ISIF mandate, and to provide the ISIF with flexibility in implementing an appropriate investment strategy. This liquidity management process included substantial sales of the NPRF's global private equity investments, and the holding of a significant proportion of assets which are realisable at low transaction costs and within a short time frame.

Investment in Ireland

Pending the statutory establishment of the ISIF, the Commission decided that up to 20 per cent of the NPRF may be allocated to investments in Ireland, allowing it to avail of attractive investment opportunities while ensuring that concentration risk resulting from an increased level of investment in Ireland was within acceptable limits.

On 31 December 2014 the total amount committed to investments that would support the ISIF mandate under this 20 per cent allocation was €1.4 billion. This included:

- €361 million to three long-term funds that will provide in excess of €800 million of equity and credit investment for Irish small and medium-sized businesses (SMEs) and mid-sized corporates, comprising the Carlyle Cardinal Equity Investment Fund (€292 million), the China Ireland Technology Fund (US\$100 million) and the BlueBay SME Credit Fund (€450 million);
- €270 million to venture capital funds including four new investments made during 2014;
- a bridging facility of €300 million to Irish Water to fund its start-up costs that will mature in September 2015;

- commitments to infrastructure investment including €250 million to the Irish Infrastructure Fund, a stand-by credit facility to enable a significant PPP project to be delivered and a €44 million commitment to the Covanta Waste to Energy project; and
- a €75 million commitment to a commercial real estate mezzanine finance fund to assist normalisation of the real estate finance market and completion of development projects.

In allocating funds to investment in Ireland, part of the objective is to act as a catalyst for third party capital investing in Ireland, thereby increasing the amount of investment that can be achieved from the finite resources of the NPRF/ISIF. As at 31 December 2014 the total project size was 2.5 times the NPRF/ISIF's commitment.

| NPRF/ISIF Discretionary Investments in Ireland at 31 December 2014 | | | | |
|--|-----------------------------|---|------------------------------------|---|
| | NPRF Committed Capital (€m) | 3rd Party Committed Capital in Ireland (€m) | Total Project Size in Ireland (€m) | Multiple of Total Project Size in Ireland to Total Commitment |
| SME Equity Fund - Carlyle Cardinal | 125 | 167 | 292 | 2.3x |
| SME Credit Fund - BlueBay | 200 | 250 | 450 | 2.3x |
| WestSummit "China Ireland" Funds | 73* | 36 | 73 | 1.0x |
| Polaris VII | 40* | 35 | 40 | 1.0x |
| Innovation Fund Ireland | 114 | 125 | 239 | 2.1x |
| Local Venture Capital Funds | 116 | 460 | 576 | 5.0x |
| Silicon Valley Bank | 39* | 78 | 78 | 2.0x |
| Irish Water | 300 | - | 300 | 1.0x |
| Irish Infrastructure Fund | 250 | 67 | 317 | 1.3x |
| Forestry | 30 | 187 | 217 | 7.2x |
| PPP N11 (Standby Facility) | 18 | 165 | 165 | 9.1x |
| Dublin Waste to Energy (Covanta) | 44 | 456 | 500 | 11.4x |
| WLR Cardinal CRE Mezz | 75 | 195 | 270 | 3.6x |
| Committed | 1,424 | 2,222 | 3,518 | 2.5x |

*A number of investments have been made into global investment vehicles where capital is deployed outside of Ireland, but where provisions have been put in place to deploy certain amounts of capital within Ireland as part of the overall relationship.

Figures may not total due to rounding.

Source: NTMA

ISIF Investment Strategy

The NTMA is required to determine, monitor and keep under review an investment strategy for the assets of the ISIF (other than directed investments) in accordance with the ISIF's statutory investment policy of investing on a commercial basis in a manner designed to support economic activity and employment in the State.

The "double bottom line" mandate of the ISIF – investment return and economic impact – represents a new approach to investing which will re-configure the ISIF from a sovereign wealth fund into a sovereign development fund. While investments may have differing expected returns, risk profiles or time frames, each must pass the commerciality test. The ISIF will have a long-term focus and will target the majority of its capital towards investments which build on the productive potential of the economy and the enterprise sector. It will seek to attract co-investment partners to invest alongside it, thereby increasing the economic impact of its resources.

In considering investments the ISIF will seek to promote economic additionality (benefits to GDP which arise as a result of the investment) while avoiding deadweight (where the economic impacts would have been achieved in any event in the absence of the investment) and displacement (where the investment will simply substitute for existing economic activity).

Following consultation with the Minister for Finance and Minister for Public Enterprise and Reform as required under the *National Treasury Management Agency (Amendment) Act 2014*, the NTMA, in May 2015, finalised the ISIF investment strategy based on the principles set out above. Further information on the investment strategy is available at isif.ie. In summary the ISIF will:

- in accordance with its mandate, invest on a commercial basis in a manner designed to support economic activity and employment in Ireland;
- develop a broad based portfolio:
 - across sectors including but not limited to infrastructure, energy, water, real estate, housing, tourism, food & agriculture, technology, healthcare and finance;
 - by asset class including debt, mezzanine finance, equity and project investments; and
 - that seeks to achieve some transformative impact by investment in one or more "big ideas".

- utilise its key differentiating features of flexibility, long-term timeframe and being a sovereign investment partner to fill investment gaps and enable transactions which would not otherwise easily be completed;
- seek co-investors where possible to assure the commerciality of its investments and leverage the economic impact that can be obtained from ISIF resources;
- look to earn a portfolio return over the medium term in excess of the average cost of Government debt;
- seek to achieve individual transaction returns that are appropriate relative to the risk involved;
- target an 80 per cent allocation to "high economic impact" investment opportunities which will generate economic additionality over time and have low levels of displacement and deadweight;
- pursue economic additionality in many forms including output (turnover), profits (operating surplus), net exports, capital expenditure and employment - an increase in any of these would be expected to increase economic activity;
- report regularly on the economic impact (including employment, turnover, exports, profits etc.) and regional spread of its investments; and
- deploy its capital over a three to five year period, subject to commercial investment opportunities being available.

Performance & Portfolio Update

Unless otherwise stated, all performance figures refer to the combined NPRF and ISIF portfolios (the Fund) – the NPRF prior to 22 December 2014, and the ISIF from this date.

Performance is reported on three levels; (i) the Discretionary Portfolio - the investment of which was the responsibility of the Commission prior to 22 December 2014 and which became the responsibility of the NTMA (as controller and manager of the ISIF) following the establishment of the ISIF on 22 December 2014, (ii) the Directed Portfolio - the public policy investments made at the direction of the Minister for Finance, and (iii) the Total Fund.

On 31 December 2014 the Discretionary Portfolio was valued at €7.2 billion and the Directed Portfolio was valued at €15.0 billion. The value of the Total Fund stood at €22.2 billion.

Discretionary Portfolio

The Discretionary Portfolio earned a return of 5.0 per cent in 2014. Its value increased by €344 million during the year. This return was driven by continued strong performance of risk assets as investors renewed their search for yield in a very low interest rate environment.

The Capital Preservation Strategy in place since June 2011 has rendered the Fund's original long-term benchmark - which did not incorporate a capital preservation element - no longer suitable as a measure of performance.

The Fund's secondary benchmark - the average cost of five-year Irish Government debt - provides a more suitable measure. The Fund outperformed this benchmark by 4.0 per cent in 2014. From June 2011 to 31 December 2014 the Fund's performance was 6.2 per cent per annum. The average yield on five-year Irish Government debt over the same period was 3.7 per cent.

From the NPRF's inception on 2 April 2001 until 21 December 2014 the Discretionary Portfolio delivered an annualised return of 4.0 per cent per annum.

| Discretionary Portfolio Asset Allocation as at 31/12/2014 | | |
|---|--------------|-----------------|
| Asset Allocation | €m | Fund Weight (%) |
| Large Cap Equity | 1,254 | 17.5 |
| Small Cap Equity | 253 | 3.5 |
| Emerging Markets | 264 | 3.7 |
| Total Quoted Equity | 1,771 | 24.7 |
| Equity Put Options | 31 | 0.4 |
| Eurozone Inflation Linked Bonds | 148 | 2.1 |
| Eurozone Corporate Bonds | 1,373 | 19.2 |
| Cash & Cash Equivalents | 2,406 | 33.6 |
| Total Financial Assets | 3,927 | 54.8 |
| Private Equity | 245 | 3.4 |
| Property | 248 | 3.5 |
| Commodities & Forestry | 308 | 4.3 |
| Infrastructure | 368 | 5.1 |
| Absolute Return Funds | 273 | 3.8 |
| Total Alternative Assets | 1,442 | 20.1 |
| Total Discretionary Portfolio | 7,171 | 100.0 |

Figures may not total due to rounding.

Source: NTMA

The ISIF's global custodian, BNY Mellon, provides custody and accounting functions to the NTMA. BNY Mellon is responsible for transaction settlement and the holding of the ISIF's directly owned public markets assets.

Directed Portfolio

The figures in this section relate to NPRF/ISIF investments only and do not include public policy investments in Irish financial institutions made by the Minister for Finance through the Exchequer.

Since 2009 a total of €20.7 billion of the Fund's assets have been invested in AIB and Bank of Ireland at the direction of the Minister for Finance for public policy reasons.

At 31 December 2014 the Fund's shareholdings in AIB and Bank of Ireland were 99.8 per cent and 13.9 per cent respectively. The Fund's Directed Portfolio had a year-end valuation of €15.0 billion (up €1.9 billion from €13.1 billion at end-2013).

At end-2014 the Directed Portfolio comprised both ordinary and preference shares in AIB, valued in aggregate at €11.7 billion, and ordinary shares in Bank of Ireland, valued at €1.4 billion. It also included cash proceeds of €1.9 billion from the sale and redemption of the Fund's holding of Bank of Ireland preference shares in December 2013.

As the Fund's preference share investment in AIB is unlisted and its ordinary shareholding leaves a free float of only 0.2 per cent, the NTMA, as the Commission had in previous years, engaged an external corporate finance firm to provide an independent fair market valuation as of 31 December 2014 for the purposes of valuing these investments in line with generally accepted accounting principles. Following this exercise the AIB ordinary shares have been valued at €0.0137 (1.37 cents) per share and the AIB preference shares have been valued at €1.30 per share.

The Fund's ordinary shareholding in Bank of Ireland was valued at its market price of €0.313 (31.3 cents) per share at 31 December 2014.

The Directed Portfolio's return in 2014 was 15.0 per cent, which is reflective of the improved economic and market outlook, improved financial performance of the underlying investments and the increase in valuation of comparable peer group companies. The bank investments valuation of €13.1 billion combined with cash of €4.2 billion received in dividend income, sales and redemptions (some of which has been remitted under Ministerial Direction to the Exchequer or transferred to the Fund's Discretionary Portfolio), amounts to a total value of €17.3 billion at end-2014 (84 per cent of the total Fund investment of €20.7 billion).

| Banking Investments | | | | |
|---------------------------------|----------------------------|------------------------------|-----------------------|-------------------------------|
| | Original investment €bn | Cash received to date €bn | End-2014 value €bn | Total (income & value) €bn |
| Preference shares | 1.8 | 3.2 | | 3.2 |
| Ordinary shares | 2.9 | 1.0 | 1.4 | 2.4 |
| Bank of Ireland | 4.7 | 4.2 | 1.4 | 5.6 |
| Preference shares | 3.5 | 0.0 | 4.5 | 4.5 |
| Ordinary shares | 8.7 | - | 7.2 | 7.2 |
| Capital contribution | 3.8 | - | - | - |
| AIB | 16.0 | 0.0 | 11.7 | 11.7 |
| Total Bank Investments | 20.7 | 4.2 | 13.1 | 17.3 |
| Cash | | | 1.9 | |
| Total Directed Portfolio | | | 15.0 | |

Figures may not total due to rounding.

Source: NTMA

During 2014 the Minister for Finance withdrew €10 million from the Directed Portfolio to fund Government's equity investment in the newly established Strategic Banking Corporation of Ireland (SBCI) and directed that a loan facility of €240 million be provided to the SBCI from the Directed Portfolio. This loan facility was not yet drawn down at end-2014.

Total Fund

The Total Fund, comprising both the Discretionary and Directed Portfolios, recorded a return of 11.6 per cent in 2014.

National Development Finance Agency

The National Development Finance Agency (NDFA) was established on 1 January 2003 to provide financial advice to State authorities undertaking major public investment projects with a capital value of more than €20 million. The NDFA mandate was subsequently extended to give it full responsibility for the procurement and delivery of all Public Private Partnership (PPP) projects in sectors other than transport and local authorities. Up to 27 January 2015 the NDFA discharged its functions through the NTMA.

On 27 January 2015 the NDFA was dissolved and its functions transferred to the NTMA which will continue to use the NDFA brand to fulfil the various statutory mandates transferred from the NDFA. A final annual report and accounts of the NDFA for the period 1 January 2014 to 26 January 2015 is being published separately.

Infrastructure Delivery

Significant progress has been made on the PPP projects within the *Infrastructure Stimulus Programme*, announced in 2012 by the Minister for Public Expenditure and Reform, Brendan Howlin T.D. The NDFA is responsible for delivering three education PPP projects (DIT Campus at Grangegorman, Schools PPP Bundle 4 and Schools PPP Bundle 5), one health PPP project (Primary Care Centres PPP Programme) and one justice PPP project (Courts Bundle PPP Programme), the projects having an estimated total capital value of c. €650 million. The National Roads Authority (NRA) is responsible for procuring the various road PPP projects, amounting to c. €750 million. The NDFA is financial adviser across the entire PPP programme.

2014 saw the start of construction on the first two PPP projects from the *Stimulus Programme* – a 57-km stretch of motorway in Galway (the N17/N18 PPP road project) and a bundle of four schools in Clare, Cork, Louth and Tipperary (Schools PPP Bundle 4) providing 3,000 pupil places. The N17/N18 project was the first Irish PPP to include institutional investor debt funding since the start of the financial crisis and was voted European PPP Deal of the Year at the 2014 Project Finance International awards.

Key events on other PPP projects in 2014 include:

- Construction of **Schools PPP Bundle 3** – providing a total of 5,700 school places at eight schools in Donegal, Galway, Leitrim, Limerick, Westmeath, Waterford and Wexford – was completed on time and on budget in April 2014. (The NDFA was both procuring authority and financial adviser to this project); and
- The **N7 Newlands Cross PPP road project** opened to traffic in November 2014, three months ahead of schedule removing the last traffic light between Cork, Limerick, Waterford and the border with Northern Ireland. The N11 part of this project is on schedule for delivery in 2015. (The NDFA was financial adviser to this project).

Procurement is well advanced on the PPP projects where the NDFA is both procuring authority and financial adviser.

DIT Campus at Grangegorman – The Preferred Tenderer has been appointed and financial close is expected in 2016. In March 2015 legal proceedings were initiated against the NTMA and the Minister for Education and Skills in respect of the public procurement competition for this project. The NTMA and the Minister are defending the proceedings.

Primary Care PPP Programme – The Preferred Tenderer has been appointed and financial close is expected in Q4 2015;

Courts Bundle PPP – The Preferred Tenderer has been appointed and financial close is expected in Q4 2015; and

Schools PPP Bundle 5 – The Invitation to Tender has been issued, and tenders are expected in Q3 2015.

The NDFA is providing financial advice to the NRA on the following projects which are currently in procurement:

M11 Gorey / Enniscorthy – The Preferred Tenderer has been appointed, financial close is expected in Q3 2015;

N25 New Ross bypass – The Preferred Tenderer has been appointed, financial close is expected in Q3 2015; and

Motorway service areas – Tenders were received in Q1 2015, financial close is expected in Q3 2015.

In addition the NDFA is providing advice to the Railway Procurement Agency (RPA) on the Luas Cross City (City Centre Link) project.

Separately, the NDFA is delivering 15 non-PPP school projects with a combined value of c. €80 million on behalf of the Department of Education & Skills. Three “Design & Build” contracts were awarded at the start of 2014; construction is progressing on all sites and is expected to be completed in 2015.

Infrastructure Funding Solutions

During the latter half of 2014 there was a significant resurgence of the Irish infrastructure lending market with both international and domestic funders expressing an interest in lending to Irish projects. The NDFA has seen a number of new participants including international institutional investors in the market and also a welcome recovery of the long-term debt market. Consequently, there has been a substantial improvement in the funding costs available to Irish PPP projects.

The NDFA also continues to maintain engagement with multilateral funders such as the European Investment Bank (EIB) and Council of Europe Development Bank (CEB) in order to maximise the availability of cost effective funding for Irish infrastructure.

The EIB provided direct loans to the Exchequer of €150 million in March 2014 for the extension of Dublin's Luas light rail system and €100 million in October 2014 to finance a second tranche of water/wastewater projects (the EIB previously provided €100 million for water/wastewater projects in 2012). Overall, since July 2012, the EIB has provided €550 million in direct Exchequer loans.

In January 2014 a €41 million loan facility was signed between the CEB and Ireland to fund up to 50 per cent of the Cork Prison project and the National Children's Detention Facility. The EIB is currently involved as a potential funder for several of the PPP projects (DIT Campus at Grangegorman and Primary Care PPP Programme) being procured by the NDFA.

The N25 New Ross By-Pass PPP project is availing of the *EIB Project Bonds Credit Enhancement (PBCE)* initiative. This initiative enables the EIB to provide eligible infrastructure projects with PBCE in the form of a subordinated instrument – either a loan or contingent facility – to support senior project bonds issued by a project company. The core benefit of PBCE is the enhancement it brings to the credit rating of senior bonds. The objective of the initiative is to widen access to sources of finance and to minimise overall funding costs.

Encouraging and Supporting Wider SME Participation

In 2014 and 2015 the NDFA and Enterprise Ireland continued their ongoing programme of "Meet the Buyer" events around the country. These events offered small and medium sized companies (SMEs) within the construction sector the opportunity to meet directly with representatives of the bidding consortia for the Schools PPP Bundles, DIT campus at Grangegorman, Primary Care PPP Programme and the Courts Bundle projects. Four events were held in Dublin, Athlone, Portlaoise and Kilkenny. Over 950 SMEs attended these events and many of these have successfully bid to join the supply chain of the various PPP bidding consortia.

Miscellaneous

The NDFA provides contract administration services to the Department of Education and Skills on PPP projects which are already operational (23 schools in total). The NDFA also provides ad hoc financial advisory services to Government Departments and Agencies in relation to completed PPP projects (e.g. review of the indexation on unitary charge payments, review of loan refinancing and debt restructuring), and other projects that involve the long-term commitment of public funds.

NewERA

Background and Functions

NewERA provides financial and commercial advice to Government in respect of a number of major commercial State bodies: ESB, Eirvia (Irish Water & Gas Networks Ireland), Bord na Móna, Coillte and EirGrid plc. These bodies play a crucial role in the economy particularly through investment in enabling infrastructure, such as energy and water networks, which are critical to:

- attracting multinationals to locate and invest in Ireland;
- maintaining Ireland's competitive position globally; and
- ensuring a strong environment for job creation.

These companies play a substantial economic role in the State as demonstrated by their published annual reports for 2013/14⁷ which show that, on a combined basis, they:

- generated c. €6.6bn in revenues;
- employed capital of c. €13.6bn; and
- undertook capital expenditure of c. €1.3bn.

NewERA takes a commercial approach to the oversight of State bodies providing financial and commercial advisory services to relevant Ministers including in relation to financial performance, corporate strategy, capital and investment plans, proposed acquisitions or disposals, restructuring and board appointments. The role also involves the provision of financial and commercial advisory services in respect of other State bodies or assets at the request of the relevant Minister.

In addition, NewERA may, in consultation with relevant Ministers, develop proposals for investment in the energy, water, telecommunications and forestry sectors to support economic activity and employment.

Shareholder Expectations Framework

NewERA has developed a Shareholder Expectations Framework intended to provide clarity and guidance for each of the commercial State bodies within its core remit in relation to the Government's strategic priorities, policy objectives, financial performance and reporting requirements for each body. In 2014 using this framework, 'shareholder expectations' letters, prepared by NewERA, were sent by the relevant Ministers to the boards of EirGrid plc, Bord na Móna plc and Coillte. The first such letter was issued to ESB in 2013.

The Shareholder Expectation Framework is tailored to the body concerned but typically covers the following areas: financial performance measures (shareholder returns, credit metrics etc.), peer company review, relevant policy objectives and reporting. One of the key areas addressed as part of reviewing shareholder returns is dividend policy. By the end of 2014 the boards of ESB, EirGrid, Bord na Móna and Coillte had engaged with NewERA and the relevant Government Departments with a view to developing new formal dividend policies with a particular focus on striking an appropriate balance between the payment of dividends and re-investment in the business. A new dividend policy for ESB, as announced by ESB in October 2013, will see ESB increase its dividend payout to 40 per cent of normalised profits after tax by 2017, subject to ESB sustaining a minimum credit rating of BBB+. The board of EirGrid plc during 2014 recommended for the first time an ordinary dividend of €3 million.

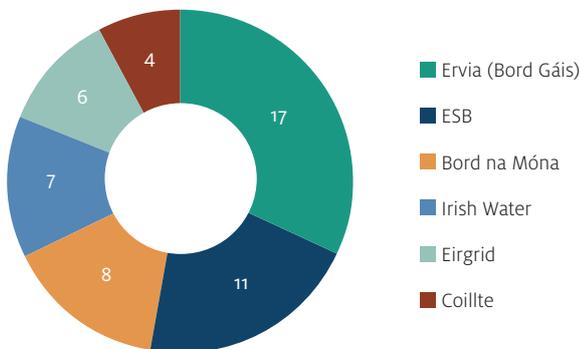
Analysis of Submissions from the Relevant Commercial State Bodies

During 2014 NewERA also provided detailed financial analysis and recommendations (where appropriate) to relevant Ministers on a total of 53 submissions for Ministerial consideration and (where appropriate) consent, made by the relevant commercial State bodies. This included €2.6 billion in financing-related submissions (including company borrowings and revolving credit facilities) and €0.6 billion in capital expenditure project submissions. One such project is the ESB Fibre to the Building Project whereby ESB and Vodafone agreed to enter into a joint venture which will utilise ESB's existing electricity infrastructure to deliver a fibre-to-the-building broadband network offering speeds from 200 Mbps to 1,000 Mbps.

These submissions primarily stem from legislative obligations on commercial State bodies to seek Ministerial approval or arise under the *Code of Practice for the Governance of State Bodies*.

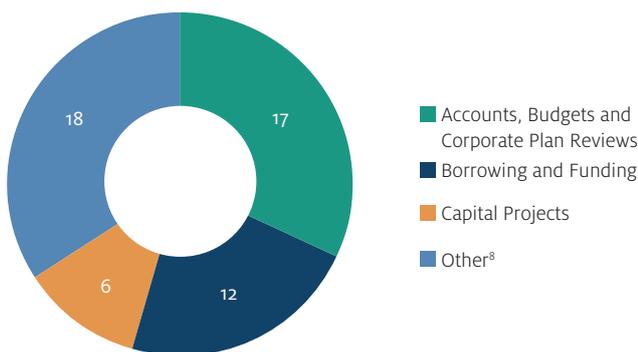
⁷Based on the following Annual Reports: EirGrid - year end 30 September 2013; ESB, Eirvia and Coillte - year end 31 December 2013; and Bord na Móna - year end 31 March 2014.

Submissions by Company



Source: NTMA

Submissions by Type



Source: NTMA

Portfolio Financial Overview

NewERA prepared its second annual Portfolio Financial Overview, of the commercial State bodies within its core remit during 2014.⁹ The main financial and operating performance measures covered by the report are summarised below:

- Turnover increased by 5 per cent from €6.3 billion to €6.6 billion in the latest reported financial year – this was the third consecutive year of turnover growth;
- There was a €141 million increase in adjusted operating profit (EBIT) to €1.0 billion in the latest reported financial year. Growth was mainly driven by ESB and Ervia but there were increases across all bodies;

- The level of adjusted operating profit generated was the highest level in five years;
- Combined net debt reduced marginally to €6.7 billion from €6.8 billion in the latest reported financial year but is higher than the level of net debt five years ago (€4.3 billion);
- There are continued high levels of investment. In the latest reported financial year the bodies spent an aggregate of €1.3 billion on capital investment, bringing the total gross spend over the past five years to €6.3 billion;
- There was an increase in ordinary dividends to €204 million paid in the latest financial year from €102 million in the previous financial year reflecting increased underlying net profitability, the revised dividend policy of ESB and the request for additional dividend income from commercial State bodies that arose from Budget 2013;
- The adjusted operating margin of 15.6 per cent is at its highest level for five years; and
- The Return on Capital Employed of 7.6 per cent¹⁰ is 1 per cent higher than the previous year and at its highest level over the 5-year period.

Appointment of Directors

As set out in the *National Treasury Management Agency (Amendment) Act 2014* NewERA has a statutory function to provide advice to the relevant Ministers on the appointment of directors and chairpersons to the boards of bodies within NewERA's remit.

In keeping with the new approach to appointments to State boards through the Public Appointments Service (PAS) as announced by the Minister of Public Expenditure and Reform in November 2014, NewERA is implementing this role in conjunction with the PAS. A protocol on the appointment process for bodies within NewERA's remit has been published as an Appendix to the *Guidelines on Appointments to State Boards*.

RTÉ

In 2014 NewERA finalised its financial review of RTÉ (a redacted version of which was published by the Minister for Communications, Energy and Natural Resources on 21 April 2015). The review analysed RTÉ on a group and divisional basis and included a benchmarking exercise of its financial performance relative to selected peer broadcasting organisations.

⁸ "Other" includes advice on such matters as pensions and establishment of subsidiaries.

⁹ This was carried out by reference to the published annual financial statements for each entity available at the time: i.e. EirGrid – 30 Sep. 2013; Coillte, Ervia and ESB - 31 Dec. 2013; Bord na Móna – 27 Mar. 2014.

¹⁰ NewERA calculation – excludes pension liabilities and employee liabilities (where applicable), if pension liabilities and employee liabilities are included then ROCE is 6.9 per cent (0.9 per cent higher than the previous year).

Ervia (formerly BGE): Disposal of Energy Business

NewERA provided advice and project management services to Government in relation to the sale of the Ervia energy business. The sale to a consortium comprising Centrica plc, Brookfield Renewable Energy Partners LP and iCON Infrastructure was completed on 30 June 2014. Dividends to the State arising from the sale and planned subsequent re-gearing are expected to be up to €1 billion (with the first €150 million paid in 2014).

ESB: Disposal of Non-Strategic Power Generation Capacity

ESB was asked by the Government to develop proposals for the sale of some non-strategic generation capacity, with the specific objective of delivering special dividends to the Government targeted at up to €400 million by end-2014. NewERA worked closely with ESB and the Government Steering Group established to oversee these disposals. Following on from the completion of the sale of ESB's shareholding in Marchwood Power Limited (MPL) and Bizkaia Energia SL (BES) special dividends totalling €197 million from proceeds of sales of ESB's shareholding in MPL and BES were paid to Government in 2014. The balance of the special dividend of €203 million was paid to Government in January 2015.

Bord na Móna/Coillte: Beneficial Merger

NewERA prepared a report for Government on the financial costs and benefits of a merger between Bord na Móna and Coillte. In June 2014 the Government announced that it has decided to streamline and refocus the commercial operations of Bord na Móna and Coillte, via the establishment of a joint venture between the companies. It will focus on their common business activities in biomass, wind energy, shared services, and recreation and tourism. NewERA is overseeing the implementation process.

Aer Lingus Group plc

Following the announcement by Aer Lingus on 18 December 2014 in relation to a potential offer for the company from International Consolidated Airlines Group S.A (IAG), NewERA provided financial and commercial advisory services to the relevant Ministers in relation to the offer from IAG to acquire the State's shareholding in Aer Lingus.

Irish Water

During 2014 NewERA continued its work with the relevant Government Departments and Irish Water to progress the establishment of a regulated national water utility. NewERA has provided advice in relation to certain financial, funding, financial regulatory and corporate structure aspects of Irish Water. Irish Water has been successful in securing its first round of commercial debt facilities in 2014.

Telecommunications

In April 2014 the Minister for Communications, Energy and Natural Resources announced details of the proposed State intervention under the National Broadband Plan (NBP). This proposed intervention will involve an end-to-end strategy for the delivery of quality and reliable high speed broadband that includes a major fibre build-out to rural areas and is to ensure that the solution delivered is capable of scaling up to meet future demand and will address current connectivity challenges in a meaningful and sustainable way.

Detailed planning work was undertaken in 2014 in order to progress delivery of the project with NewERA providing input from a financial and commercial perspective on specific aspects of NBP programme delivery including funding and ownership options that may be considered by the Minister.

BioEnergy

During 2014 NewERA assisted the Department of Communications, Energy and Natural Resources with the National BioEnergy Strategy and related enabling measures. The draft BioEnergy plan was published by the Department in October 2014. NewERA is involved in a number of workstreams, including measures to stimulate demand and increase supply, the establishment of BioEnergy Ireland and identification of pilot projects.

Forestry

NewERA is assisting with the establishment of market based mechanisms to fund afforestation in Ireland as part of the Department of Agriculture, Food and the Marine's Forestry Programme 2014-2020. This work involves NewERA exploring the development of sources of institutional, industry and private funding/investment for afforestation and engaging with the relevant stakeholders on the roll-out of the relevant sections of the Forestry Programme.

State Claims Agency

The NTMA is designated as the State Claims Agency (SCA) when performing the claims management and risk management functions delegated to it under the *National Treasury Management Agency (Amendment) Act 2000*.

The SCA's principal objectives are:

- While acting in the best interest of taxpayers, to act fairly and ethically in its dealings with people who have suffered injuries and who take legal actions against the State or State bodies, and the families of these people; and
- To implement targeted personal injury and property damage risk work programmes to mitigate litigation risk in State authorities and healthcare enterprises, in order to reduce the costs of future litigation against the State.

The SCA's remit covers personal injury and third-party property damage risks and claims relating to certain State authorities including the State itself, Government ministers, the Attorney General, the Health Service Executive, the voluntary healthcare sector, An Garda Síochána, the Irish Prison Service, the Defence Forces and community and comprehensive schools. It also manages third-party costs arising from certain Tribunals of Inquiry.

In April 2014 the SCA's remit was further extended with the delegation to it by Government of the management of personal injury and third-party property damage claims in respect of an additional 61 public bodies, bringing the total number within the SCA's remit from 56 to 117. Another delegation by Government in June 2015 has further increased the number of public bodies within SCA's remit to 129.

Claims Management

The SCA's claims management objective is that claims should be managed efficiently and conscientiously. This has the following practical implications:

- In cases where the State is considered liable or which involve an apportionment of liability, the SCA's approach is to settle such claims expeditiously, in so far as it is possible to do so, and on fair and reasonable terms; and
- In cases where liability is fully disputed by the State, all necessary resources are applied in the defence of such claims.

The SCA manages claims from their initial notification through to final resolution. Claims are investigated in a thorough and timely fashion, in order to facilitate early decision-making in relation to liability and strategy.

In 2014 the SCA resolved 1,939 claims at a settlement cost of €95 million and received 3,003 new claims.

| All Claims at End-2014 | | |
|------------------------|--------|------------------------|
| | Claims | Settlement Costs €m |
| Claims received | 3,003 | N/A |
| Claims resolved | 1,939 | 95 |

Source: NTMA

At end-2014 the SCA had 7,221 claims under management, an increase of 16.7 per cent from a year earlier. The outstanding estimated liability against all active claims was €1.47 billion, broken down as follows:

| Active Claims at End-2014 | | |
|---------------------------|--------------|---|
| | Claims | Estimated Outstanding Liability €m |
| Clinical claims | 2,844 | 1,160 |
| General claims | 4,377 | 309 |
| Total | 7,221 | 1,469 |

Source: NTMA

During 2014 the SCA implemented a newly upgraded National Incident Management System (NIMS) – an end-to-end risk management tool - which is currently being rolled out across its client base.

As part of this upgrade, the data from the legacy STARSWeb system was mapped over to NIMS. This newly upgraded system now adopts the World Health Organisation (WHO) taxonomy for the entire healthcare sector thereby ensuring statistical comparisons can be made regionally, nationally and internationally. The impact of this is that some of the previous claim categorisations have changed to mirror internationally recognised classifications and the claims portfolios are now categorised by reference to clinical and general claims.

Clinical Claims

The State has assumed responsibility for the indemnification and management of clinical negligence claims arising from the diagnosis, treatment and care of patients in public healthcare enterprises and also a small number of claims through other schemes.

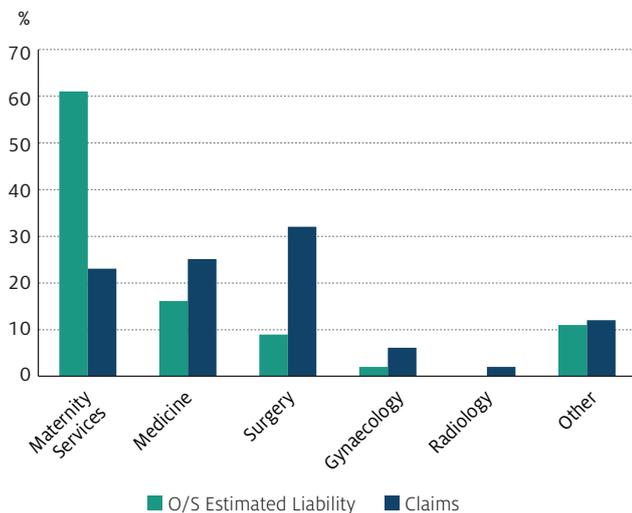
The SCA resolved 488 clinical claims during 2014 at a cost of €70 million. The SCA received 610 new clinical claims in 2014.

| Clinical Claims at End-2014 | | |
|-----------------------------|--------|---------------------|
| | Claims | Settlement Costs €m |
| Clinical claims received | 610 | N/A |
| Clinical claims resolved | 488 | 70 |

Source: NTMA

Maternity services related claims accounted for 23 per cent of all new clinical claims and 61 per cent of the outstanding estimated liability of all new claims due to the high values associated with these types of claims.

Clinical Claims Received 2014 - by Speciality



Source: NTMA

| Cost of Clinical Claims Resolved 2010-2014 | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| Cost Element | 2010 €000 | 2011 €000 | 2012 €000 | 2013 €000 | 2014 €000 |
| Cost for all claims resolved | | | | | |
| Awards/Settlements | 33,786 | 33,512 | 35,357 | 37,478 | 44,455 |
| Legal Fees - SCA | 7,848 | 7,086 | 8,595 | 9,840 | 9,305 |
| Legal Fees - Plaintiff | 12,370 | 12,527 | 12,964 | 16,029 | 14,685 |
| Other | 897 | 848 | 961 | 1,300 | 1,222 |
| Total | 54,902 | 53,973 | 57,877 | 64,647 | 69,667 |
| Average cost per claim resolved | | | | | |
| Awards/Settlements | 99 | 104 | 101 | 106 | 91 |
| Legal Fees - SCA | 23 | 22 | 24 | 28 | 19 |
| Legal Fees - Plaintiff | 36 | 39 | 37 | 45 | 30 |
| Other | 3 | 3 | 3 | 4 | 3 |
| Overall Average | 161 | 168 | 165 | 183 | 143 |

Figures may not total due to rounding.

Source: NTMA

At end-2014 the SCA had 2,844 clinical claims under management, with an outstanding estimated liability of €1.16 billion, compared with 3,061 active claims at end-2013. This decrease relates to the re-categorisation of claims by reference to the WHO taxonomy.

Thus, some claims which were previously categorised as clinical, e.g. infection control, have now been re-categorised as general claims.

Cost of Clinical Claims Resolved

The average cost of clinical claims resolved in 2014 (including awards/settlements and related legal and other costs) was €143,000 compared with €183,000 in 2013. This decrease is mainly due to:

- DePuy orthopaedic hip replacement implant claims resolved in 2014 at no cost to the State. The SCA secured an indemnity for the State from DePuy in respect of approximately 200 such claims;
- 44 claims resolved under the terms of the Lourdes Hospital Payment Scheme¹¹; and
- The effect of lower legal costs in 2014 when compared with previous years, reflecting earlier mitigating measures taken by the SCA.

¹¹ In July 2013 the Government approved the establishment of a Scheme to compensate former patients of Dr Neary (Consultant Obstetrician) who underwent unnecessary bilateral oophorectomies in Our Lady of Lourdes Hospital, Drogheda. The SCA was requested by the Minister for Health to draft and administer the Scheme.

How Claims are Resolved

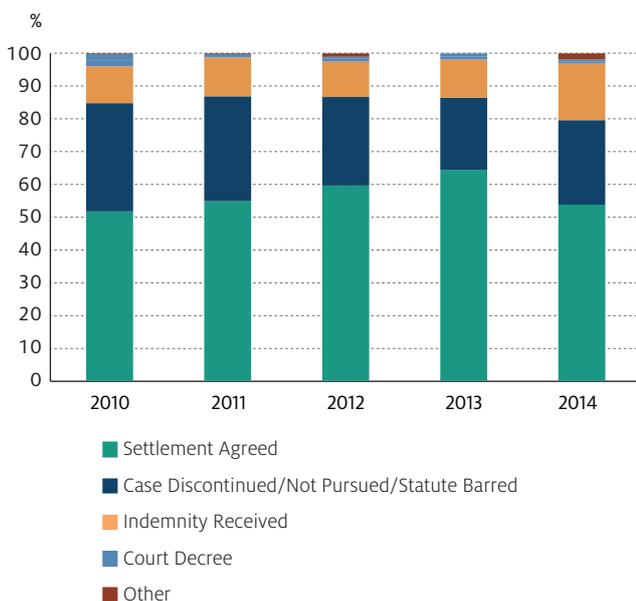
In cases where the SCA investigation concludes that the relevant State authority bears some or all liability, it seeks to settle claims expeditiously and on fair and reasonable terms. If it considers that the State is not liable, the SCA’s policy is to apply all necessary resources to defend the claims.

The SCA resolves the majority of claims by negotiating a settlement, either directly with the plaintiff’s legal team or through a process of mediation: fewer than three per cent of clinical negligence cases handled by the SCA result in a contested court hearing.

The SCA advocates mediation as a preferable alternative to the adversarial courts system for resolving clinical negligence cases. The SCA settled 13 clinical negligence cases by mediation in 2014 and offered mediation in many other cases. Unfortunately some plaintiffs’ lawyers are implacably opposed to mediation as a means for resolving these cases.

As the portfolio of clinical claims matures year on year, the number of agreed settlements as a proportion of the total is expected to continue to rise as it has done between 2009 and 2013. There has been a decrease in the proportion of clinical claims resolved through agreement in 2014. This is largely to do with the diluting effect of the large number of DePuy hip replacement implant claims resolved in 2014. Excluding these types of mass actions, the proportion of claims resolved through agreed settlements for 2014 remains broadly the same as previous years.

How Clinical Claims were Resolved 2010 to 2014



Figures may not total due to rounding.
Source: NTMA

General Claims

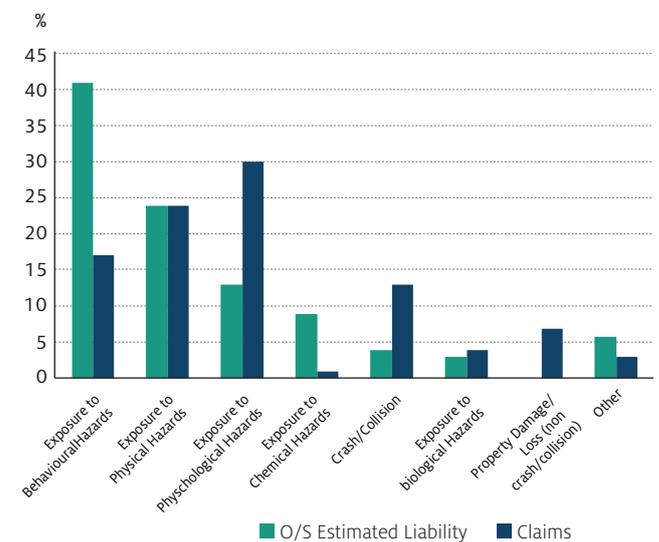
General claims consist of personal injury (non-clinical) and third-party property damage claims. The SCA resolved 1,451 general claims during 2014 at a cost of €25 million.

| General Claims at End-2014 | | |
|----------------------------|--------|---------------------|
| | Claims | Settlement Costs €m |
| General claims received | 2,393 | N/A |
| General claims resolved | 1,451 | 25 |

Source: NTMA

The SCA received 2,393 new general claims in 2014, the main incident hazard categories of which were exposure to behavioural hazards (e.g. violence/harassment/aggression), exposure to physical hazards (e.g. slips, trips and falls) and exposure to psychological hazards (e.g. a traumatic event). These categories together account for 71 per cent of new claims received and 78 per cent of the outstanding estimated liability of all new claims.

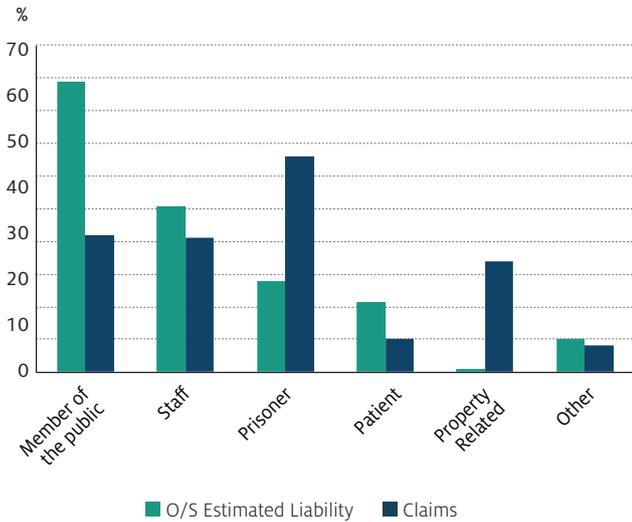
General Claims Received in 2014 – by Hazard Category



Source: NTMA

Claims by members of the public constitute the largest “person” category in terms of outstanding estimated liability. Members of the public include recreational users and visitors to State facilities. Claims by prisoners constitute the largest volume of claims received from a single source. This is due to the receipt of approximately 666 in-cell sanitation claims from former and current prisoners who allege, inter alia, breach of their constitutional rights.

General Claims Received in 2014 –by Who/What Involved



Source: NTMA

At end-2014 the SCA had 4,377 general claims under management, with an outstanding estimated liability of €309.1 million. The increase from the personal injury (non-clinical) and property damage claim portfolio at end-2013 (3,127 claims, outstanding estimated liability of €186.7 million) is due to a number of reasons such as the additional authorities within the SCA’s remit, mass torts and re-categorisations of claims on NIMS to align with WHO taxonomy.

Cost of General Claims Resolved

The average cost per claim in 2014 increased relative to previous years due to the effect of the maturing of HSE claims delegated to the SCA in 2010. A number of high value HSE claims were resolved in 2014 thereby raising the average cost per claim.

| Cost of General Claims Resolved 2010-2014 | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|
| Cost Element | 2010 €000 | 2011 €000 | 2012 €000 | 2013 €000 | 2014 €000 |
| Cost for all claims resolved | | | | | |
| Awards/Settlements | 7,783 | 8,051 | 8,317 | 11,289 | 16,121 |
| Legal Fees - SCA | 2,257 | 2,825 | 2,506 | 2,962 | 3,015 |
| Legal Fees - Plaintiff | 3,204 | 3,929 | 3,468 | 4,385 | 5,297 |
| Other | 565 | 641 | 571 | 834 | 867 |
| Total | 13,810 | 15,447 | 14,861 | 19,471 | 25,300 |
| Average cost per claim resolved | | | | | |
| Awards/Settlements | 6 | 6 | 5 | 8 | 11 |
| Legal Fees - SCA | 2 | 2 | 2 | 2 | 2 |
| Legal Fees - Plaintiff | 2 | 3 | 2 | 3 | 4 |
| Other | 0 | 1 | 0 | 1 | 1 |
| Overall Average | 10 | 12 | 9 | 13 | 17 |

Figures may not total due to rounding.
Source: NTMA

Actuarial Savings 2014

Each year, the SCA's actuaries project the annual cash flows required to settle claims for the various indemnity schemes handled by the SCA. In the absence of Periodic Payment Order (PPO) legislation and the insistence, therefore, of some families to settle catastrophic injury-related clinical negligence cases by lump sums, the actuaries were required to revalue their assessment of the cash flows required to settle such cases. However, many plaintiffs' families accepted the SCA's offer to settle their cases on a PPO basis.

The revised actuarial assessment projected that €223.1 million would be required in 2014 to cover both the cost of resolving and managing ongoing active claims. The net cost, taking account of successful recoveries from third parties, was €128.8 million – a saving of €94.3 million, or 42 per cent.

State Indemnity

The SCA's analysis has demonstrated that the cost of managing claims on a "pay as you go basis" is significantly lower than the premium cost of insuring the risk. In the last five years the SCA has been given authority to manage claims in this way in respect of the HSE, 17 voluntary hospitals and 44 other State authorities.

It is estimated that insurance premium payments, in the region of €135 million, would have been paid from 2010 to 2014 in respect of these bodies. The SCA has expended less than €35 million resolving claims in the same period resulting in cash savings of €100 million to date (approximately equivalent to 70 per cent of the premiums which would have been paid).

Recoveries and Costs Saving Initiatives

The SCA vigorously pursues all available money recoveries in accordance with best claim practices and as permitted by law. One such example is the recovery of monies by means of third party/co-defendant contributions. Whether by adjudication of the court or agreement with the third party/co-defendant, a percentage contribution in relation to a particular claim may be paid by the third party/co-defendant to the SCA. Additionally, in some cases, an indemnity in full may be received from a third party/co-defendant.

| Recoveries and Third Party Contributions by Year Transacted | | | | | |
|---|-------|--------|-------|-------|-------|
| | 2010 | 2011 | 2012 | 2013 | 2014 |
| Total Recoveries | €6.1m | €15.1m | €3.8m | €1.8m | €2.8m |

Source: NTMA

The level of legal costs paid to plaintiffs' legal representatives is carefully examined and, wherever possible and by means of negotiations, the SCA seeks to achieve the maximum possible reduction in legal costs. If the SCA cannot successfully agree the level of legal costs to be paid to plaintiffs' legal representatives, the matter is determined by a Taxing Master.

| Negotiated Legal Cost Savings by Year Claim Finalised | | | | | |
|---|-------|-------|-------|-------|------|
| | 2010 | 2011 | 2012 | 2013 | 2014 |
| Total Negotiated Savings | €5.7m | €6.6m | €7.8m | €8.6m | €10m |

Source: NTMA

The SCA, in an initiative designed to reduce barristers' fees, invited barristers to tender competitively for their services and barristers' panels were put in place in January 2014. During 2014 this initiative yielded legal costs savings of 22 per cent compared with projected costs for the year. A similar tendering initiative conducted in 2011 with regard to solicitors' panels yielded legal costs savings of 19 per cent in 2014 compared with projected costs for the year.

Legal Costs Precedent Case of Significance

Isabelle Sheehan (An Infant) Suing by her Mother and Next Friend Catherine Sheehan v David Corr

This was a catastrophic injuries case involving an infant. The SCA agreed to make a PPO settlement of €1.9 million in April 2011, the PPO to cover a two-year period. Subsequent to the PPO settlement, the plaintiff's solicitors submitted a Bill of Costs in the sum of €1,046,000. The SCA, in view of the amounts claimed in the overall Bill, decided to proceed to tax the Bill through the Taxation of Costs System. The Taxing Master, on appeal by the plaintiff's solicitor, reduced the plaintiff's solicitor's professional fee from €485,000 to €276,000. Senior Counsel's brief fee of €125,000 was reduced to €65,000 and junior counsel's brief fee was reduced from €90,000 to €32,500.

The plaintiff's solicitor appealed the Taxing Master's decision to the High Court. The High Court Appeal was heard by the President of the High Court who dismissed the appeal and affirmed the Taxing Master's original decision. The President's judgment is particularly helpful in laying out certain principles and guidelines concerning the measurement of costs in catastrophic injury cases.

Legal Costs Unit

In 2012 the Government decided to establish a Legal Costs Unit (LCU) within the SCA to deal with third-party costs arising from certain Tribunals of Inquiry (the Mahon, Moriarty and Smithwick Tribunals).

| Legal Cost Unit Claims Negotiated at End-2014 | | | | |
|---|----------------------------------|----------|-----------------------|---------------------|
| | Number of Cost Claims Negotiated | Value €m | Cost Claims Agreed €m | Legal Cost Saving % |
| Mahon Tribunal | 103 | 8.7 | 4.5 | 48 |
| Moriarty Tribunal | 26 | 8.0 | 3.4 | 58 |
| Smithwick Tribunal | 2 | 2.6 | 1.5 | 42 |

Source: NTMA

Approximately 300 costs orders have been made in respect of the Mahon Tribunal. The LCU received 125 costs claims to end-2014 with a total value of €13 million.

One hundred and three of these claims amounting to €8.7 million have been negotiated and agreed at €4.5 million without the necessity for taxation, representing a saving of approximately 48 per cent.

A further 125 costs orders have been made in respect of the Moriarty Tribunal. The LCU received 33 costs claims to end-2014 with a total value of €9.2 million. Twenty-six of these claims amounting to €8.0 million have been negotiated and agreed at €3.4 million without the necessity for taxation, representing a saving of approximately 58 per cent.

A further 10 costs orders have been made in respect of the Smithwick Tribunal. The LCU received 8 costs claims to end-2014 with a total value of €11.8 million. Two of these claims amounting to €2.6 million have been negotiated and agreed at €1.5 million without the necessity for taxation, representing a saving of approximately 42 per cent.

The LCU continues its robust approach to the management and resolution of bills of costs by way of negotiation and, where necessary, through the taxation of costs system, in an effort to deliver significant savings to the Exchequer.

Risk Management

The “risk universe” indemnified by the State and managed by the SCA is extensive. For example, it includes over 200,000 State employees and all public healthcare service users (public healthcare has approximately 7 million contacts with members of the public per annum). It also includes public services that, by their nature, constitute higher risk activities such as the provision of clinical care in hospitals, Defence Forces personnel on operations overseas, members of An Garda Síochána on operational duty, customs inspections, emergency response services and custody of prisoners.

The SCA’s risk management objective, and statutory duty, is to advise and assist State authorities and healthcare enterprises on

measures to be taken to prevent the occurrence, or to reduce the incidence, of acts or omissions that may give rise to personal injury, property damage or medical negligence adverse events that could subsequently result in claims. The SCA’s clinical risk management programme focuses on collaboration with risk managers and other personnel in healthcare enterprises to support patient safety.

The personal injury and property damage risk management programme focuses on providing advice and support to State authorities and healthcare enterprises within its remit in relation to risk management structures, maintenance of buildings, fire safety, health and safety and environmental management.

Specifically, the SCA provides a range of practical risk management services and advice to include:

- The hosting of the National Incident Management System (NIMS), a web-based database which facilitates direct reporting of adverse events by State authorities and healthcare enterprises;
- The analysis of adverse events and claims data and the provision of this analysis to State authorities and healthcare enterprises in order to identify risk clusters;
- Publication of risk management guidance and the provision of practical risk management tools;
- The provision of information and training by means of seminars and publications, including the SCA website and newsletters;
- The provision of risk management solutions directly to State authorities and healthcare enterprises in respect of specific macro risk issues;
- Carrying out risk management reviews and assisting with the development and implementation of State authorities’ risk management policies and procedures;
- Supporting the implementation of the SCA’s recommendations issued to State authorities; and
- The provision of insurance, indemnity and liability advices to State authorities and healthcare enterprises.

Each year the SCA carries out litigation risk management work programmes in association with client State authorities and healthcare enterprises. Some significant risk management projects undertaken during 2014 are summarised below.

Health and Safety Risk Management Systems

In 2014 the SCA continued to support State authorities to implement best practice health and safety risk management systems in their organisations.

The Defence Forces and Irish Prison Service have fully operational systems in place. These health and safety risk management systems significantly improve the management of risk in an organisation. Measurable outputs include increased incident reporting rates, ability to obtain key claims documentation quickly, improvement in staff communication and greater management oversight.

In 2014 the Department of Agriculture formally launched its system becoming the first Government Department to implement a complete health and safety risk management system across all of its operations. In addition, the Probation Service launched its system at a number of pilot sites. The SCA actively supported the development, roll out and training in connection with these new systems. A number of other agencies are working with the SCA on their health and safety risk management systems with proposed roll outs scheduled for 2015.

Critical Incident Stress Management (CISM) Work Positive Framework

The SCA and CISM Network Ireland have worked collaboratively to produce a new and innovative psychosocial risk assessment tool with specific guidance for dealing with critical incidents and/or traumatic events. The psychosocial risk assessment has been developed in accordance with best practice and will become an accepted tool for stress management, supported by the Health and Safety Authority (HSA). The SCA, as project sponsor, has championed and maintained oversight of the CISM Work Positive Framework to date.

CISM is an internationally recognised approach for managing critical incidents and/or traumatic events. The implementation of CISM risk management strategies will protect workers' health from existing and emerging work related hazards, including psychosocial hazards. It will encourage workplace practices to promote good health, improve employee wellbeing and the wellbeing of others.

The primary goal of the CISM Work Positive Framework is for organisations to adopt the risk reduction methodology through interventions in order to reduce risk, foster wellbeing in the workplace and adhere to national policy and statutory obligations. It will have particular use in high risk occupations such as healthcare services, emergency or rescue services, security agencies etc. The SCA estimate that 70,000 employees in the State have the potential to be exposed to a critical incident.

National Incident Management System

The SCA officially launched the new National Incident Management System (NIMS), the successor to the former STARSWeb system, in June 2014. NIMS is a confidential, highly secure web based system. It is an end-to-end risk management tool that allows enterprises to manage incidents throughout the incident lifecycle. This includes:

- Reporting of incidents (including Serious Reportable Events);
- Management of investigations;
- Recording of investigation conclusions;
- Recording of recommendations;
- Tracking recommendations to closure; and
- Analysis of incident, investigation and recommendations data and other functionality.

NIMS represents a considerable upgrade to the former system and will enable all designated State authorities to report incidents, in accordance with their statutory reporting obligation, to the SCA.

In 2014 NIMS was implemented in a large number of sites:

- The Rotunda Hospital, one of Ireland's largest maternity hospitals;
- All 20 locations in the Irish Prison Service; and
- All five brigades of the Defence Forces and General Headquarters.

In 2015 the SCA intend to roll out the system to a further 36 State Authorities including the healthcare sector which, in itself, comprises over 2,600 locations.

Obstetrics (Maternity Services)

Obstetrics continues to provide the most significant challenge from a clinical risk management perspective. It accounted for 54 per cent of the spend on clinical claims in 2014. In 2015 the SCA will undertake a programme of site visits to each of the 19 maternity units, following pre-site assessments. The purpose of the pre-assessment is to identify those areas of maternity practice, in the 19 units, which require priority risk management measures.

Pre and Post Graduate training

The SCA has agreed with the Head of the Medical School at University of Dublin, Trinity to provide a pilot undergraduate course on clinical risk management issues. The aim is to roll out this pilot course to all universities nationwide in 2015. Similarly, the SCA has reached agreement with the Royal College of Physicians to design and run a pilot course for medical postgraduates. It is hoped to roll out the pilot course to the remaining training bodies such as the Royal College of Surgeons in 2015.

Open Disclosure

Open Disclosure, the open communication with a patient or his/her close relative following an adverse clinical event, has been pioneered nationally by the SCA. In collaboration with the HSE, 200 staff training sessions have been delivered to 47 acute hospitals. Early adopter sites have undergone independent external review and an official, external report is awaited in 2015. Open Disclosure has been identified as a priority project within the HSE Service Plan 2015. Further “train the trainer” programmes, which focus on building capacity and capability within the system, will continue throughout 2015. Evidence in the medical literature – the University of Michigan Health System Early Disclosure and Offer Study - is supportive of Open Disclosure as one of a combination of changes that has led to a reduction in litigation costs in the U.S. over the last 10 years. Legislation is currently being drafted pertaining to the “protection of the apology” which is critical to have in place to protect front line workers and ensure Open Disclosure is fully adopted. While an apology is an expression of regret that a patient safety incident has occurred, it is not an admission of liability. From an indemnifier, patient and front line healthcare worker viewpoint, the mandatory introduction of Open Disclosure nationally is a welcome step forward.

The National Falls Prevention and Bone Health Implementation Project

The AFFINITY (Activating Falls and Fracture Prevention in Ireland Together) collaborative project between the SCA and the HSE aims to prevent harmful falls amongst persons aged 65 years and older, enhance the management of falls and improve health and wellbeing through a focus on bone health.

Falls account for approximately one-third of fatal injuries in persons aged more than 60 years. The annual financial cost currently of dealing directly with the effects of falls and fractures is €520 million, a figure predicted to quadruple to €2 billion by 2031.

The AFFINITY programme will implement the *National Strategy for the Prevention of Falls and Fractures in Ireland's Ageing Population* and is a priority commitment within the European Innovation Partnership on Active and Healthy Ageing. During 2015 four sites will adopt an education package and a “measure and monitor” framework will be developed, followed by site evaluation.

Agency Members



Willie Walsh

Chairperson (appointed for a five year term from 22 December 2014)
Member of the Remuneration Committee

Willie Walsh is Chief Executive of International Airlines Group (IAG), the parent company of British Airways, Iberia and Vueling. Previously he was Chief Executive at British Airways and Aer Lingus. He is president of the London Chamber of Commerce and Industry.



Maeve Carton

Agency member (appointed for a three year term from 22 December 2014)
Member of the Audit Committee

Maeve Carton is Finance Director of CRH. Since joining CRH in 1988, she has held a number of roles in the Group Finance area and was appointed Group Controller in 2001, Head of Group Finance in January 2009 and to the position of Finance Director in May 2010. She has broad-ranging experience of CRH's reporting, control, budgetary and capital expenditure processes and has been extensively involved in CRH's evaluation of acquisitions. Prior to joining CRH, she worked for a number of years as a chartered accountant in an international accountancy practice.



Brendan McDonagh

Agency member (appointed for a three year term from 22 December 2014)
Chairperson of the Investment Committee
Chairperson of the Remuneration Committee

Brendan McDonagh is Chairman and Chief Executive Officer of the Bank of Butterfield & Son Limited, Hamilton, Bermuda.

He is a former CEO of HSBC Holdings North America Inc, a Group Managing Director of HSBC Holdings Inc and a member of the HSBC Group Management Board. He is a graduate of Trinity College Dublin and serves as a board member of the American Ireland Fund and the Trinity College Business School.



Derek Moran

Agency member (ex officio)

Derek Moran is Secretary General of the Department of Finance having previously been the Assistant Secretary General with responsibility for Fiscal Policy Division. He is responsible for economic, budgetary and fiscal, banking and financial services policy matters and oversight of Ireland's investments in and support for covered banks. He has served on the National Economic and Social Council, National Statistics Board and the EU's Economic Policy and Tax Policy Committees.



Martin Murphy

Agency member (appointed for a four year term from 22 December 2014)
Chairperson of the Audit Committee
Member of the Risk Committee
Member of the Remuneration Committee

Martin Murphy is Managing Director, HP Ireland. Previously he held a number of leadership positions within HP internationally. He was formerly president of the Dublin Chamber of Commerce and chair of the National Internship Scheme. He is chair of the Labour Market Council, an independent expert group that oversees the Government's Pathways to Work strategy. He serves as a board member of the UCD Smurfit Business School.



Conor O’Kelly

Agency member (ex officio)

Conor O’Kelly was appointed Chief Executive of the NTMA in January 2015. He is the former Deputy Chairman of Investec Holdings (Ireland) Ltd. Prior to that he was Chief Executive of NCB Group and in 2003 successfully negotiated and led a management buyout of the firm, which was subsequently acquired by Investec plc. Before joining NCB as Head of Fixed Income he had spent 11 years with Barclays Capital where he held senior management positions and worked in London, Tokyo and New York. He is a former director of the Irish Stock Exchange and a former member of the Trinity College Foundation Board. He is a graduate of Trinity College Dublin and holds a master’s degree from Senshu University in Japan.



Mary Walsh

Agency member (appointed for a five year term from 22 December 2014)

Chairperson of the Risk Committee

Mary Walsh is a Chartered Accountant. She is an independent member of the National Economic and Social Council and she serves on several private sector and not-for-profit boards. She has held a number of public sector positions in Ireland and in the EU and is a former international tax partner in PricewaterhouseCoopers in Dublin.



Robert Watt

Agency member (ex officio)

Member of the Risk Committee

Member of the Remuneration Committee

Robert Watt is Secretary General of the Department of Public Expenditure and Reform in Ireland, which has responsibility for public expenditure policy, capital spending and Public Private Partnerships and overall management and reform of the Irish public service.

He is a member of the Government’s Economic Management Council and is a key advisor to the Government on budget, financial and economic matters. He is an economist and has experience in both the public and private sectors. He has worked in a range of roles within the Department of Finance as well as previously working as an economic consultant.



Susan Webb

Agency member (appointed for a four year term from 22 December 2014)

Member of the Audit Committee

Member of the Investment Committee

Susan Webb is a former Managing Director of Pfizer’s international treasury centre based in Dublin and a former chair of Financial Services Ireland’s Corporate Treasury group. She is a fellow of the Institute of Chartered Accountants in Ireland and an independent non-executive director of Wells Fargo Bank International.

Management Team



Conor O'Kelly
Chief Executive



Deirdre Hannigan
Chief Risk Officer



Ian Black
Chief Financial and Operating Officer



Brian Murphy
Director, National Development
Finance Agency



Ciarán Breen
Director, State Claims Agency



Eugene O'Callaghan
Director, Ireland Strategic
Investment Fund



Sinéad Brennan
Head of Human Resources



Frank O'Connor
Director, Funding and Debt Management



Des Carville
Head of Banking (on secondment to
Department of Finance)



Andrew O'Flanagan
Chief Legal Officer



Eileen Fitzpatrick
Director, NewERA

Agency and Committee Information

Change in Governance Structure

The NTMA is a statutory body established under the *National Treasury Management Agency Act, 1990*.

There were significant changes in the NTMA's governance structure and statutory remit in 2014. Previously, the NTMA did not have a board structure and the Chief Executive reported directly to the Minister for Finance on the NTMA's funding and debt management, State Claims Agency and NewERA functions. The NTMA's governing legislation also provided for an Advisory Committee and a State Claims Agency Policy Committee. The National Pensions Reserve Fund Commission (NPRF Commission), National Development Finance Agency (NDFA) and National Asset Management Agency (NAMA) were established as statutory bodies under their own governing legislation. The Strategic Banking Corporation of Ireland (SBCI) was established in September 2014 as a private limited company in order to perform certain statutory functions. Each of these bodies had its own board. The NTMA acted as the executive in respect of the NPRF Commission and the NDFA. It assigns staff to NAMA and the SBCI and also provides them with business and support services and systems.

The *National Treasury Management Agency (Amendment) Act 2014* streamlined and simplified the NTMA's governance structures to enable a more integrated approach to the performance of its functions. On 22 December 2014 the NTMA was reconstituted as an Agency with a Chairperson and eight other members reporting to the Minister for Finance with over-arching responsibility for all of the NTMA's functions (excluding NAMA and the SBCI which will continue to have their own separate boards).

The Advisory Committee and State Claims Agency Policy Committee were dissolved on 22 December 2014. The NPRF Commission was reduced to one commissioner (the NTMA Chief Executive) on that date pending the transfer of all of the NPRF's assets to the Ireland Strategic Investment Fund (ISIF) following which the NPRF Commission too will be dissolved. The NDFA was dissolved on 27 January 2015. The Act also provided for:

- the putting of the NTMA's NewERA functions on a statutory basis;
- the establishment of the Ireland Strategic Investment Fund with a mandate to invest on a commercial basis in a manner designed to support economic activity and employment in Ireland and the transfer of the NPRF's assets to the ISIF;
- the putting of the State Claims Agency's legal costs function on a statutory basis; and
- the transfer of the NDFA's functions to the NTMA.

The Agency and its Committees

The Agency comprises nine members. Six members, including the Chairperson, are appointed by the Minister for Finance. The Chief Executive of the NTMA and the Secretaries General of the Departments of Finance and Public Expenditure and Reform are *ex-officio* members of the Agency. The Agency reports to the Minister for Finance.

The term of office of an appointed member is five years, other than the initial appointed members of whom two members are appointed for three years and two members are appointed for four years.

The Agency met on one occasion in 2014, the date of its reconstitution 22 December.

The Agency has established four committees:

- Investment Committee;
- Audit Committee;
- Risk Committee; and
- Remuneration Committee.

Each of the Agency Committees has formal terms of reference. These are published on the Agency's website ntma.ie.

Investment Committee

The Investment Committee is a statutory committee provided for by the *National Treasury Management Agency Act, 1990 (as amended)*. It is required to comprise of two appointed members of the Agency and not more than five persons who are not members of the Agency but who have acquired substantial relevant expertise and experience and who are appointed by the Agency with the consent of the Minister for Finance.

The Investment Committee makes decisions about the acquisition and disposal of assets of the Ireland Strategic Investment Fund within such parameters as may be set by the Agency, advises the Agency on the investment strategy for the Fund and oversees the implementation of the investment strategy. The Committee comprises five members of which two are members of the Agency and three are external members. The members of the Committee are:

- Brendan McDonagh, *Chairperson (Agency member)*
- Susan Webb (*Agency member*)

- John Herlihy (*external member*)
John Herlihy is former Vice President, Sales and Operations and Managing Director, Google Ireland. Prior to joining Google in 2005, he worked internationally in senior management positions at leading global technology companies including First Data, Adobe Systems and Oracle Corporation.
- Richard Leonard (*external member*)
Richard Leonard is Partner in Charge, Grant Thornton Limerick. He was made a partner in the firm in 1983. He is Managing Director Grant Thornton Financial Counselling Ltd and also a member of the National Grant Thornton Management Team. He has considerable experience in Business Advisory Services and Personal Financial Planning.
- Julie Sinnamon (*external member*)
Julie Sinnamon is Chief Executive Officer of Enterprise Ireland, a position she has held since November 2013. Prior to her appointment as CEO, she held a number of senior roles at Enterprise Ireland including that of Executive Director for Global Business Development. Prior to joining Enterprise Ireland, she spent 10 years with IDA Ireland. She previously worked in banking, with First National of Chicago and Trinity Bank. She is a business graduate of the University of Ulster, has a Masters in International Business (Fordham & IMI) and is a graduate of the Stanford Executive Programme, USA.

Audit Committee

The Audit Committee comprises three members:

- Martin Murphy, *Chairperson*
- Maeve Carton
- Susan Webb

Risk Committee

The Risk Committee comprises three members:

- Mary Walsh, *Chairperson*
- Martin Murphy
- Robert Watt

Remuneration Committee

The Remuneration Committee comprises four members:

- Brendan McDonagh, *Chairperson*
- Martin Murphy
- Willie Walsh
- Robert Watt

Codes of business conduct are in place for Agency and committee members and employees. Committee members and employees are expected to ensure that all their activities are governed by the ethical standards reflected in the relevant code. A separate code has been prepared for employees assigned to NAMA reflecting specific requirements of the NAMA Act.

The Agency is currently putting in place policies and procedures to ensure compliance with corporate governance best practice including the *Code of Practice for the Governance of State Bodies*.

The NTMA is a prescribed public body for the purposes of the *Ethics in Public Office Acts, 1995 and 2001*. In addition there are specific disclosure of interest requirements under the NTMA Act. In cases where a material interest has been disclosed, Agency or committee members do not receive Agency or committee papers on the relevant matter nor do the members participate in or attend Agency or committee discussions relating to the matter. All disclosures are recorded in the relevant Agency or committee meeting minutes.

Risk Management

The NTMA's risk management framework is predicated on the three-lines-of-defence model. Within this model, business unit staff and management (the first line) incur and own the risks, while the Risk Unit and other control functions (the second line) provide independent oversight and objective challenge to the first line of defence, as well as monitoring and control of risk. Internal Audit (the third line) provides assurance that control objectives are achieved by the first and second lines of defence.

Auditors

In accordance with statutory requirements the NTMA is audited by the Comptroller and Auditor General. The NTMA has in place an internal audit function managed by the Head of Internal Audit and including an external firm, currently KPMG, appointed to carry out internal audit work reporting to the Head of Internal Audit.

Advisory Committee and State Claims Agency Policy Committee

The Advisory Committee and State Claims Agency Policy Committee were dissolved on the reconstitution of the NTMA on 22 December 2014.

The Advisory Committee assisted and advised the NTMA in relation to such matters as were referred to it for that purpose by the NTMA. It also advised the Minister for Finance on the Chief Executive's terms and conditions (including terms and conditions relating to remuneration).

Members of the Advisory Committee over the period 1 January 2014 to 21 December 2014 were as follows:

- Willie Walsh, *Chairperson*
- Brendan McDonagh
- Derek Moran (from 3 September 2014)*
- John Moran (to 14 August 2014)*
- Tytti Noras
Former Legal Counsellor, Financial Markets Department, Ministry of Finance, Finland and former member of the Board of Directors of the European Investment Bank
- Donald C Roth
Former Managing Partner of EMP Global LLC

*Derek Moran and John Moran were members in their capacity as Secretary General of the Department of Finance.

The Advisory Committee met on 6 occasions in 2014.

| NTMA Advisory Committee – Meeting Attendance 2014 | |
|---|-------------------|
| Committee Member | Meetings Attended |
| Willie Walsh | 6/6 |
| Brendan McDonagh | 6/6 |
| Derek Moran | 1/3(p) |
| John Moran | 3/3(p) |
| Tytti Noras | 6/6 |
| Donald C Roth | 6/6 |

(p) refers to the number of meetings it was possible to attend relative to the dates of appointment.
Source: NTMA

The Advisory Committee had established an Audit Committee and a Remuneration Committee. The Audit Committee also acted as the NDFA Audit Committee. Membership of these committees over the period 1 January 2014 to 21 December 2014 was as follows:

Audit Committee

- Brendan McDonagh, *Chairperson*
- Gerry Murray, Member of the NDFA Board
- Michael O’Grady, External Member

Remuneration Committee

- Don Roth, *Chairperson* (Member over full period and Chairperson from 25 March 2014)
- Paul Carty, Chairperson of the NPRF Commission
- Frank Daly, Chairperson of the NAMA Board

- Brendan McDonagh
- Willie Walsh

In 2014 the Advisory Committee appointed a Nomination Committee to assist the Minister for Finance in the recruitment of a new Chief Executive: the then Chief Executive, John Corrigan, having given notice of his intention to retire on the expiry of his contract in December 2014. Willie Walsh, Brendan McDonagh and Don Roth were appointed members of the Nomination Committee.

The State Claims Agency Policy Committee advised the NTMA on policy and procedures relating to the performance of its State Claims Agency functions. The Committee consisted of 7 members appointed by the Minister for Finance. Members over the period 1 January 2014 to 21 December 2014 were as follows:

- Noel Whelan, *Chairperson*
Vice President and Dean Emeritus, University of Limerick
- Tony Delany
Former Director of Claims at Norwich Union/Hibernian Insurance
- Mary Jackson
Principal Officer, Department of Health
- Christopher Moore
Brigadier General (Retired)
- Niamh Moran
Solicitor, Carmody Moran, Solicitors
- Fachtna Murphy
Former Garda Commissioner
- Wendy Thompson
Insurance & Litigation Manager, Railway Procurement Agency

The Committee met on 4 occasions in 2014.

| State Claims Agency Policy Committee – Meeting Attendance 2014 | |
|--|-------------------|
| Committee Member | Meetings Attended |
| Noel Whelan | 4/4 |
| Tony Delany | 4/4 |
| Mary Jackson | 4/4 |
| Christopher Moore | 4/4 |
| Niamh Moran | 4/4 |
| Fachtna Murphy | 3/4 |
| Wendy Thompson | 4/4 |

Source: NTMA

Other Corporate Information

National Asset Management Agency

The National Asset Management Agency (NAMA) was formally established in December 2009 as one of a number of initiatives taken by the Government to address the serious crisis in Irish banking which had developed as a result of excessive lending to the property sector, particularly during the years 2003 to 2007. It acquired certain loan assets (land and development and associated loans) in exchange for Government-guaranteed securities issued by it directly to five participating institutions, namely, Allied Irish Banks, Anglo Irish Bank, Bank of Ireland, Irish Nationwide Building Society and EBS Building Society.¹²

NAMA's commercial objective, under section 10 of the NAMA Act, is to obtain, in so far as possible, the best achievable financial return for the State having regard to the cost to the Exchequer of acquiring and dealing with bank assets, NAMA's cost of capital and other costs.

NAMA operates as an independent commercial entity with its own board appointed by the Minister for Finance and including, *ex officio*, the Chief Executive of the NTMA and the Chief Executive of NAMA. Under section 42 of the NAMA Act, NAMA's staff are employees of the NTMA and are assigned to NAMA by the NTMA.

NAMA is required to submit an annual report and accounts to the Minister for Finance. These are published separately.

The NTMA provides NAMA with business and support services, including HR, IT, compliance, market risk, transaction processing and treasury services. NAMA reimburses the NTMA the cost of these services (including staff costs).

Strategic Banking Corporation of Ireland

The Strategic Banking Corporation of Ireland (SBCI) was established in September 2014 as a private limited company as provided for by the *Strategic Banking Corporation of Ireland Act 2014*.

The SBCI's goal is to avail of both national and international sources of funding to support access to flexible funding for Irish SMEs by facilitating the provision of longer-term lower cost loans for investment and working capital purposes. It is also set to drive competition in the market for SME finance by supporting non-bank lenders and new entrants to the market with finance that makes them competitive with existing banks. The benefits of the lower cost and longer-term funding must be passed on in the ultimate SME loans.

Credit is being provided to SMEs through on-lending institutions who, in turn, lend directly to SMEs. Funding has been sourced from KfW (the German State Development Bank), the European Investment Bank and the National Pensions Reserve Fund/Ireland Strategic Investment Fund (at the direction of the Minister for Finance).

During 2014 the NTMA worked closely with the Department of Finance on the SBCI's design, enabling legislation and establishment so that it was up and running with €800 million of funding in place in a timeframe of under a year.

The SBCI is an independent company with its own board. The NTMA Chief Executive is Chairperson of the SBCI. Under section 10 of the SBCI Act, the SBCI's staff are employees of the NTMA and are assigned to the SBCI by the NTMA.

The NTMA provides the SBCI with business and support services, including legal, HR, compliance, IT, risk, communications, company secretariat, transaction processing and treasury services. The SBCI reimburses the NTMA the cost of these services (including staff costs).

Staffing & Remuneration

The NTMA had 759 staff at end-2014. This includes staff assigned to NAMA and the SBCI and also a number of staff seconded to the Department of Finance following the revocation of the delegation of banking system functions of the Minister for Finance to the NTMA from August 2011.

Other than a small number of staff reassigned from other functions within the NTMA, staff assigned to NAMA are employed on the basis of specified purpose contracts - their employment lasts for as long as their role is required by NAMA – or fixed-term contracts.

Excluding NAMA, the SBCI and staff on secondment to the Department of Finance, the NTMA had 374 staff at end-2014.

¹² Anglo Irish Bank and Irish Nationwide Building Society were merged in July 2011 and renamed Irish Bank Resolution Corporation Limited (IBRC) in October 2011. Special Liquidators were appointed to IBRC in February 2013. EBS Building Society was acquired by Allied Irish Banks in July 2011.

| NTMA Staffing at End-2014 | |
|--|------------|
| Funding and Debt Management | 19 |
| Ireland Strategic Investment Fund | 33 |
| National Development Finance Agency | 63 |
| NewERA | 14 |
| State Claims Agency | 91 |
| Finance, Technology and Operations | 112 |
| Legal, Compliance, HR and Internal Audit | 22 |
| Risk | 14 |
| Other | 6 |
| Total | 374 |
| Staff assigned to National Asset Management Agency | 369 |
| Staff assigned to Strategic Banking Corporation of Ireland | 3 |
| Staff on secondment to Department of Finance | 13 |
| Overall | 759 |

The NTMA's business model is designed to support it in acting commercially to achieve its business objectives.

Under the NTMA business model there are no general pay grades and staff are employed on the basis of confidential, individually negotiated contracts. This business model is designed to enable the NTMA to compete with the private sector to attract and retain staff with specialist and highly marketable skills.

| NTMA Salaries by Salary Band at End-2014 | | | |
|--|----------------|------------|------------|
| | NTMA (ex NAMA) | NAMA | Total |
| up to €50,000 | 110 | 41 | 151 |
| €50,001 to €75,000 | 124 | 112 | 236 |
| €75,001 to €100,000 | 75 | 104 | 179 |
| €100,001 to €125,000 | 32 | 54 | 86 |
| €125,001 to €150,000 | 16 | 39 | 55 |
| €150,001 to €175,000 | 12 | 9 | 21 |
| €175,001 to €200,000 | 12 | 5 | 17 |
| €200,001 to €225,000 | 1 | 1 | 2 |
| €225,001 to €250,000 | 1 | 1 | 2 |
| €250,001 to €275,000 | 3 | 2 | 5 |
| €275,001 to €300,000 | 1 | - | 1 |
| €300,001 to €325,000 | 1 | - | 1 |
| €325,001 to €350,000 | 1 | - | 1 |
| €350,001 to €375,000 | - | 1 | 1 |
| €375,001 to €400,000 | - | - | - |
| €400,001 to €425,000 | 1 | - | 1 |
| Total | 390 | 369 | 759 |

Note: The public service pension deduction is applied to NTMA employees. The figures above do not include employer pension contributions.

Reflecting remuneration structures in sectors the NTMA recruits from, a performance related pay provision is built into the contract terms of most employees. The NTMA made performance-related payments to 16 staff in respect of 2014. These payments, in aggregate, totalled €79,200. No performance related payments were made to any employee earning a salary of over €150,000.

Energy Usage

The NTMA operates from Treasury Building on Grand Canal Street, Dublin 2. In 2014 the NTMA consumed 1,829,959kWh of electricity representing an average consumption of 2,581 kWh per employee. This compares with an average consumption of 2,631 kWh per employee in 2013 – a reduction of 1.9 per cent per employee.

Air conditioning in the building is provided by the landlord and is powered by natural gas.

Actions undertaken in 2014

All light fittings in the landlord areas of the building were changed to energy saving fittings. It is estimated that this should reduce energy consumption by 32,000 kWh per annum.

The landlord carried out feasibility studies on upgrading the air handling units for all the floors in Treasury Building with a view to improving energy performance.

Actions planned for 2015

The landlord is to carry out works on the existing air handling units which includes new energy efficient variable speed drives on the motors of the air handling units.



Financial Statements

Prepared by the National Treasury Management Agency in accordance with section 12 of the National Treasury Management Agency Act, 1990

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Statement of Responsibilities

The National Treasury Management Agency (“the Agency”) is required by the National Treasury Management Agency Acts 1990 to 2014 to prepare financial statements in respect of its operations for each financial year.

In preparing those statements, the Agency:

- selects suitable accounting policies and then applies them consistently;
- makes judgements and estimates that are reasonable and prudent;
- prepares the financial statements on a going concern basis unless it is inappropriate to do so;
- discloses and explains any material departure from applicable accounting standards.

The Agency is responsible for keeping in such form as may be approved by the Minister all proper and usual accounts of all moneys received or expended by it and for maintaining accounting records which disclose with reasonable accuracy at any time the financial position of the Agency, its funds and the National Debt.

The Agency is also responsible for safeguarding assets under its control and hence for taking reasonable steps in order to prevent and detect fraud and other irregularities.



Conor O’Kelly, Chief Executive
National Treasury Management Agency



Willie Walsh, Chairperson
National Treasury Management Agency

Statement on Internal Financial Control

Responsibility for the System of Internal Financial Control

We acknowledge the responsibility for ensuring that an effective system of internal financial control is maintained and operated.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner.

Key Control Procedures

We have taken steps to ensure an appropriate control environment by:

- clearly defining management responsibilities;
- establishing formal procedures for reporting significant control failures and ensuring appropriate corrective action;
- establishing an Audit Committee to advise us on discharging our responsibilities for the internal financial control system.

The National Treasury Management Agency ('the Agency') has established processes to identify and evaluate business risks by:

- identifying the nature, extent and financial implication of risks facing the organisation;
- assessing the likelihood of identified risks occurring;
- assessing the organisation's ability to manage and mitigate the risks that do occur;
- assessing the costs of operating particular controls relative to the benefit obtained.

The system of internal financial control is based on a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability. In particular it includes:

- a comprehensive budgeting system with an annual budget which is reviewed and agreed by the Chief Executive with the Minister for Finance;
- regular reviews of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines;
- formal project management disciplines;
- adoption of an Anti-Fraud policy and the Reporting of 'Relevant Wrongdoing' and Protected Disclosures Policy (formerly the Good Faith Reporting Policy).

The Agency has an Audit Committee which operates in accordance with the principles in the Code of Practice for the Governance of State Bodies. The Agency's internal audit function is overseen by this Audit Committee. The work of the internal audit function is informed by an analysis of the risks to which the Agency is exposed, and annual internal audit plans are based on this analysis. The internal audit plans are agreed with the Chief Executive and management of the Agency and approved by the Agency's Audit Committee. On a regular basis, the internal audit function provides the management of the Agency and the Agency's Audit Committee with reports of internal audit activity. These reports outline any findings and recommendations in relation to internal controls that have been reviewed. Progress against recommendations is monitored and reported to the Audit Committee.

The Agency has a Code of Practice on Confidentiality and Professional Conduct which sets out the agreed standards of principles and practice in relation to confidentiality, conflicts of interest, insider dealing, market manipulation and personal account transactions.

The Agency has put in place an appropriate framework to ensure that it complies with the Data Protection Acts. As part of this framework, the Agency has implemented systems and controls to restrict the access to confidential data. Under the framework, where the Agency becomes aware of breaches or alleged breaches of confidential data, these are fully investigated and where necessary reported to the appropriate authorities.

Statement on Internal Financial Control (Continued)

The Agency's monitoring and review of the effectiveness of the system of internal financial control is informed by the management within the Agency who have responsibility for the development and maintenance of the financial control framework, the findings from the work of the internal audit function and comments made by the Comptroller and Auditor General in his management letter or other reports.

During 2014, expenditure of €0.3m was incurred in relation to a service provided to the State Claims Agency without recourse to a public procurement tender process following the expiry of a publicly procured contract governing the provision of such service. The total spend since the contract expired in 2010 was €0.8m. A Request for Tender has since been published in accordance with public procurement tender requirements for the provision of this service going forward.

Annual Review of Controls

We confirm that, in respect of the year ended 31 December 2014, the Agency members, having taken advice from the Agency's Audit Committee, conducted a review of the effectiveness of the system of internal financial control.

On behalf of the Agency members



Willie Walsh, Chairperson
National Treasury Management Agency



Martin Murphy, Chairperson, Audit Committee
National Treasury Management Agency

Financial Statements of the National Debt of Ireland

For the year ended 31 December 2014

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Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

National Debt of Ireland

I have audited the financial statements of the National Debt of Ireland for the year ended 31 December 2014 under the National Treasury Management Agency Act 1990. The financial statements, which have been prepared under the accounting policies set out therein, comprise the accounting policies, the service of debt statement, the national debt statement, the national debt cash flow statement, the statement of movement in national debt and the related notes. The financial statements have been prepared in the form prescribed under section 12 of the Act and on the basis set out in paragraph (b) of the accounting policies.

Responsibilities of the National Treasury Management Agency

The National Treasury Management Agency (the Agency) is responsible for the preparation of the financial statements, for ensuring that they properly present the balance outstanding on the national debt at year end and the debt service cost for the year, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

I read the information about the national debt in the annual report of the Agency to identify if there are any material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in the form prescribed under section 12 of the National Treasury Management Agency Act 1990 and on the basis set out in paragraph (b) of the accounting policies, properly present the balance outstanding on the national debt at 31 December 2014 and the debt service cost for 2014.

In my opinion, proper books of account have been kept by the Agency. The financial statements are in agreement with the books of account.

Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where public money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information pertaining to the national debt in the Agency's annual report is not consistent with the related financial statements, or
- the statement on internal financial control does not reflect the Agency's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.



Seamus McCarthy
Comptroller and Auditor General

16 June 2015

Accounting Policies

(a) Background

Under the National Treasury Management Agency Act, 1990, The National Treasury Management Agency (“the Agency”) performs borrowing and National Debt Management functions on behalf of the Minister for Finance.

Pages 55 to 69 set out the financial statements of the National Debt of Ireland. The form of the statements has been approved by the Minister for Finance under section 12 of the National Treasury Management Agency Act, 1990.

The financial statements of the National Debt include a full disclosure note in relation to the Capital Services Redemption Account (“CSRA”) in accordance with section 99(1) (f) of the Finance Act, 2014, which states the CSRA is to be reported as part of the National Debt for 2014 and each subsequent year. This account was presented separately prior to the 2014 financial statements.

The financial statements of the National Debt also include disclosure notes in relation to the National Loans Advance Interest Account, the National Loans (Winding Up) Account, the National Treasury Management Agency (Unclaimed Dividends) Account, the Deposit Monies Investment Account and the Account of Stock Accepted in Payment of Inheritance Tax and Death Duties. As they are operational accounts set up for specific purposes, their cash balances are not included with the Exchequer account balance reported under Cash and Other Financial Assets in the National Debt Statement.

(b) Basis of Accounting

The measurement basis adopted is that of historical cost except where otherwise stated. Transactions are recognised using the cash basis of accounting.

The National Debt Statement is a Statement of the total amount of principal borrowed by Ireland not repaid at the end of the year, less cash and other financial assets available for redemption of those liabilities at the same date. The Minister for Finance under various statutes also guarantees borrowings by the State and other agencies. These guarantees are not included in these financial statements.

(c) Reporting Period

The reporting period is for the year ended 31 December 2014.

(d) Reporting Currency

The reporting currency is the euro, which is denoted by the symbol €.

(e) Receipts and Payments

Receipts and payments relating to the National Debt through the Exchequer Account, Foreign Currency Clearing Accounts and the CSRA are recorded at the time the money is received or payment made.

(f) Liability Valuation

Debt balances are recorded at redeemable par value.

(g) Derivatives

Swap agreements and other financial instruments are entered into for hedging purposes as part of the process of managing the National Debt. The results of those hedging activities that are linked with specific borrowing transactions are recognised in accordance with the underlying transactions. The net fund flows arising on hedging activities that are not linked with specific borrowing transactions are included in debt service costs at the time the funds are received or payment made. Where swaps are terminated or converted into other swap instruments the net fund flows affect debt service in accordance with the terms of the revised instrument.

(h) Foreign Currencies

Receipts and payments in foreign currencies are translated into euro at the rates of exchange prevailing at the date of the transaction. Liabilities and assets in foreign currencies are translated into euro at the rates of exchange ruling at the year end date.

(i) Maturity Profile

Medium/Long Term Debt is debt with an original maturity of more than one year and Short Term Debt is debt with an original maturity of not more than one year.

Service of Debt Statement

Year Ended 31 December

| | Note | 2014 €000 | 2013 €000 |
|---|------|-------------------------|-------------------------|
| Interest Paid | | | |
| Medium/Long Term Debt | 1 | 7,180,087 | 7,075,211 |
| Short Term Debt | 2 | 14,534 | 25,245 |
| State Savings Schemes | 3 | 399,632 | 349,952 |
| Other Movements | 4 | 1 | (993) |
| Sinking Fund Payments | 5(i) | 633,177 | 624,552 |
| Fees and Expenses | 6(a) | 70,234 | 96,463 |
| Expenses of the Agency | 6(b) | 37,905 | 37,938 |
| Interest Received on Deposits, Treasury Bills and Other Financial Assets | | <u>(123,837)</u> | <u>(125,204)</u> |
| Total Debt Service Cost | | <u>8,211,733</u> | <u>8,083,164</u> |

Notes 1 to 22 form part of these financial statements.



Conor O'Kelly, Chief Executive
National Treasury Management Agency

15 June 2015



Willie Walsh, Chairperson
National Treasury Management Agency

National Debt Statement

31 December

| | Note | 2014 € million | 2013 € million |
|---|------|-----------------------|-----------------------|
| Medium/Long Term Debt | 7(a) | | |
| Irish Government Bonds listed on the Irish Stock Exchange | 7(b) | 116,339 | 111,007 |
| EU/IMF Programme Funding | 7(c) | 58,793 | 66,942 |
| Private Placements | | 602 | 602 |
| European Investment Bank Loans | | 300 | 100 |
| Council of Europe Development Bank Loan | | 20 | - |
| Medium Term Notes | | - | 65 |
| Other Medium/Long Term Loans | | <u>5</u> | <u>5</u> |
| | | 176,059 | 178,721 |
| Short Term Debt | | | |
| Short Term Paper | 8 | 4,102 | 2,645 |
| Borrowings from Funds under the Control of the Minister for Finance | 15 | <u>523</u> | <u>676</u> |
| | | 4,625 | 3,321 |
| State Savings Schemes | | | |
| Savings Certificates | | 6,041 | 6,002 |
| Savings Bonds | | 5,110 | 5,342 |
| National Solidarity Bonds | | 2,576 | 1,752 |
| Prize Bonds | | 2,176 | 1,932 |
| Instalment Savings | | 479 | 476 |
| Savings Stamps | | <u>2</u> | <u>2</u> |
| | 9 | <u>16,384</u> | <u>15,506</u> |
| | | 197,068 | 197,548 |
| Less: Cash and Other Financial Assets | 10 | <u>(14,759)</u> | <u>(23,601)</u> |
| National Debt | 13 | <u>182,309</u> | <u>173,947</u> |

Notes 1 to 22 form part of these financial statements.



Conor O'Kelly, Chief Executive
National Treasury Management Agency

15 June 2015



Willie Walsh, Chairperson
National Treasury Management Agency

National Debt Cash Flow Statement

Year Ended 31 December

| | Note | 2014 €000 | 2013 €000 |
|---|-----------|--|--|
| Movement in Exchequer Balances: | | | |
| Opening Balance in Exchequer Account | 10 | 4,432,115 | 15,279,782 |
| Deposits, Treasury Bills and Other Financial Assets | 16 | 8,498,545 | (10,597,868) |
| Borrowing Activity (see below) | | <u>(653,060)</u> | <u>36,287,560</u> |
| | | 12,277,600 | 40,969,474 |
| Exchequer Deficit | | (8,188,537) | (11,503,359) |
| IBRC Promissory Notes Liability Discharged by the Issue of Irish Government Bonds | 22 | <u>-</u> | <u>(25,034,000)</u> |
| Closing Balance in Exchequer Account | 10 | <u>4,089,063</u> | <u>4,432,115</u> |
| | | 2014 Net¹ €000 | 2013 Net¹ €000 |
| Borrowing/(Repayment) Activity | | | |
| Irish Government Bonds listed on the Irish Stock Exchange | | 5,162,211 | 23,372,907 ² |
| EU/IMF Programme Funding | | (8,153,016) | 11,046,885 |
| European Investment Bank Loans | | 200,000 | - |
| Council of Europe Development Bank Loan | | 20,000 | - |
| Medium Term Notes | | (69,049) | - |
| Other Medium/Long Term Loans | | - | (126) |
| Short Term Paper | | 1,459,918 | (45,025) |
| Borrowings from Ministerial Funds | | (152,455) | (110,109) |
| Savings Certificates | | 38,987 | 1,210,847 |
| Savings Bonds | | (231,447) | (225,507) |
| National Solidarity Bonds | | 824,163 | 750,999 |
| Prize Bonds | | 244,647 | 282,430 |
| Instalment Savings | | <u>2,981</u> | <u>4,259</u> |
| Total Borrowing/(Repayment) Activity | | <u>(653,060)</u> | <u>36,287,560</u> |

¹ The amounts represent the net borrowing activity, including rollover of debt and related hedging transactions.

² Borrowing activity includes €25.03 billion of floating rate Government bonds which were issued to the Central Bank of Ireland following the liquidation of IBRC in exchange for the Promissory Notes previously held by IBRC.

Notes 1 to 22 form part of these financial statements.



Conor O'Kelly, Chief Executive
National Treasury Management Agency

15 June 2015



Willie Walsh, Chairperson
National Treasury Management Agency

Statement of Movement in National Debt

Year Ended 31 December

| | Note | 2014 €000 | 2013 €000 |
|---|------|---------------------------|---------------------------|
| Opening National Debt | | 173,946,651 | 137,632,014 |
| Increase in National Debt (nominal) | | <u>8,362,755</u> | <u>36,314,637</u> |
| Closing National Debt | | <u>182,309,406</u> | <u>173,946,651</u> |
| Increase in National Debt (nominal) represented by: | | | |
| Exchequer Deficit | | 8,188,537 | 11,503,359 |
| Effect of Foreign Exchange Rate Movements | | (2,661) | (3,433) |
| Net Premium/(Discount) on Medium/Long Term Loans | | 6,660 | - |
| Net Premium/(Discount) on Bond Issuances and Cancellations | | 170,171 | (219,150) |
| Movement in CSRA Current Balance | 5(i) | 48 | (139) |
| Settlement of IBRC Promissory Notes Discharged through the issue of Irish Government Bonds | 22 | - | <u>25,034,000</u> |
| | | <u>8,362,755</u> | <u>36,314,637</u> |

Notes 1 to 22 form part of these financial statements.



Conor O'Kelly, Chief Executive
National Treasury Management Agency

15 June 2015



Willie Walsh, Chairperson
National Treasury Management Agency

Notes to the Financial Statements

1. Interest Paid on Medium/Long Term Debt

| | 2014 | 2013 |
|---|-------------------------|-------------------------|
| | €000 | €000 |
| Irish Government Bonds listed on the Irish Stock Exchange | 4,974,316 | 5,128,943 |
| EU/IMF Programme Funding | 2,166,321 | 1,904,968 |
| Private Placements | 34,693 | 34,693 |
| European Investment Bank Loans | 3,665 | 3,665 |
| Council of Europe Development Bank Loan | 277 | - |
| Medium Term Notes | 817 | 2,953 |
| Other Medium/Long Term Debt | (2) | (11) |
| | <u>7,180,087</u> | <u>7,075,211</u> |

2. Interest Paid on Short Term Debt

| | 2014 | 2013 |
|------------------|----------------------|----------------------|
| | €000 | €000 |
| Short Term Paper | <u>14,534</u> | <u>25,245</u> |

3. Interest Paid on State Savings Schemes

| | 2014 | 2013 |
|----------------------------------|-----------------------|-----------------------|
| | €000 | €000 |
| Savings Certificates | 197,953 | 103,824 |
| Savings Bonds | 136,605 | 187,790 |
| National Solidarity Bonds | 16,657 | 9,718 |
| Prizes in respect of Prize Bonds | 32,873 | 35,160 |
| Instalment Savings | 15,544 | 13,460 |
| | <u>399,632</u> | <u>349,952</u> |

Payments for interest on State Savings Schemes include transfers to the Dormant Accounts Fund in respect of accumulated capitalised interest on certain accounts deemed dormant by An Post under the Dormant Accounts Act, 2001. The net interest amounts transferred were as follows:

| | 2014 | 2013 |
|----------------------|---------------------|---------------------|
| | €000 | €000 |
| Savings Certificates | 787 | 906 |
| Savings Bonds | 1,029 | 515 |
| Instalment Savings | 255 | 224 |
| | <u>2,071</u> | <u>1,645</u> |

Notes to the Financial Statements (Continued)

4. Other Movements

The Agency, as part of its remit, engages in a range of debt management transactions including derivatives (note 12). This figure includes the effect of net cashflows associated with these activities.

The net fund flows arising on hedging activities that are not linked with specific borrowing transactions are included in debt service costs at the time the funds are received or payment made.

5. Capital Services Redemption Account

The CSRA was established under section 22 of the Finance Act, 1950, as amended and provided an annuity to be charged on the Central Fund to meet the principal and interest on borrowings for voted capital services. Successive Finance Acts specified the amount of the annuity where money was borrowed to fund capital services in that year. A fixed amount may be used for servicing (interest payments) of the public debt with the balance to be applied for principal repayments ("Sinking Fund").

The annuity charge will cease from 2015 in accordance with section 99 of the Finance Act, 2014.

The balance in the account is maintained by the Agency at a level subject to guidelines issued by the Minister for Finance under section 4(4) of the National Treasury Management Agency Act, 1990. Under ministerial guidelines, the balance in the CSRA at year-end 2014 was to be less than €1 million. To adhere to these guidelines, the Agency transfers excess funds from the CSRA to the Exchequer Account before year-end.

(i) Movement in the Account for the Period

| | 2014 | 2013 |
|---|---------------------|---------------------|
| | €000 | €000 |
| Balance at 1 January | 499 | 360 |
| Receipts | | |
| Interest Annuity | 1,996,275 | 1,959,426 |
| Sinking Fund Annuity | 633,177 | 624,552 |
| Derivative Transactions (note 5 (ii)) | 62,538,569 | 76,014,770 |
| Interest on Cash and Other Financial Assets | 115,356 | 114,163 |
| Commitment and Other Fees | <u>62</u> | <u>12,089</u> |
| | 65,283,439 | 78,725,000 |
| Payments | | |
| Sinking Fund Payments, Redemption of: | | |
| Irish Government Bonds | (600,000) | (619,489) |
| Other Debt Instruments | (33,177) | (5,063) |
| Derivative Transactions (note 5 (ii)) | (62,566,218) | (76,069,810) |
| Interest on National Debt | (1,997,608) | (1,960,440) |
| Expenses on National Debt | (1,134) | (389) |
| Transfer to Exchequer Account | (85,350) | (69,670) |
| | <u>(65,283,487)</u> | <u>(78,724,861)</u> |
| Balance at 31 December | <u>451</u> | <u>499</u> |
| Movement in the Year | <u>(48)</u> | <u>139</u> |

Notes to the Financial Statements (Continued)

5. Capital Services Redemption Account (continued)

(ii) Derivative Transactions

The Minister for Finance may enter into transactions of a normal banking nature in accordance with section 54(7) of the Finance Act, 1970.

Transactions of a normal banking nature include portfolio management activities such as forward exchange deals, swaps and interest on deposits which are related to debt servicing costs. Receipts from such transactions, other than those in a currency for which a foreign currency clearing account has been established under section 139 of the Finance Act, 1993, must be received into the CSRA. Such amounts may be used to make payments and repayments in respect of normal banking transactions or towards defraying interest and expenses on the public debt.

In addition transactions of a normal banking nature include derivative transactions entered into by the Agency with the National Asset Management Agency ("NAMA") (in accordance with sections 52 and 235 of the National Asset Management Agency Act, 2009 and Statutory Instrument No. 203/2010) and the Irish Bank Resolution Corporation Limited (in Special Liquidation) ("IBRC") (in accordance with section 17(4) of the Irish Bank Resolution Corporation Act, 2013 and Statutory Instrument No. 57/2013). Such transactions entered into with NAMA and IBRC are offset by matching transactions with market counterparties. As a result there is no net effect on the account.

Receipts and payments in respect of derivative transactions undertaken in respect of the National Debt, IBRC and NAMA in the period are outlined below:

| | Receipts €000 | Payments €000 | Net 2014 €000 | Net 2013 €000 |
|-----------------------------------|--------------------------|----------------------------|------------------------|------------------------|
| NAMA Related Derivatives | 14,808,469 | (14,808,469) | - | - |
| IBRC Related Derivatives | 47,729,459 | (47,729,459) | - | - |
| National Debt Related Derivatives | <u>641</u> | <u>(28,290)</u> | <u>(27,649)</u> | <u>(55,040)</u> |
| | <u>62,538,569</u> | <u>(62,566,218)</u> | <u>(27,649)</u> | <u>(55,040)</u> |

6(a). Fees and Expenses

| | 2014 €000 | 2013 €000 |
|-------------------------------------|----------------------|----------------------|
| EU/IMF Programme Funding | 20,346 | 60,793 |
| Government Bonds and Other Expenses | 15,730 | 13,677 |
| Savings Certificates | 9,186 | 9,207 |
| National Solidarity Bonds | 3,909 | 3,032 |
| Prize Bonds | 11,546 | 12,038 |
| Savings Bonds | 8,845 | 10,714 |
| Instalment Savings | 747 | 743 |
| Fee Receipts | <u>(75)</u> | <u>(13,741)</u> |
| | <u>70,234</u> | <u>96,463</u> |

6(b). Expenses of the Agency

Expenses incurred by the Agency in the performance of its functions are charged on and paid out of the Exchequer Account or the growing produce thereof. Further details can be found in the financial statements of the NTMA Administration Account (note 1).

Notes to the Financial Statements (Continued)

7(a). Medium/Long Term Debt

The residual maturity profile at year end of the Medium/Long Term Debt, taking into account the treasury management transactions entered into by the Agency, is as follows:

| | 2014 | 2013 |
|--|-----------------------|-----------------------|
| | € million | € million |
| Debt Due for Repayment within 1 year | 7,148 | 3,002 |
| Debt Due for Repayment between 2 and 5 years | 48,520 | 48,909 |
| Debt Due for Repayment in more than 5 years | <u>120,391</u> | <u>126,810</u> |
| | <u>176,059</u> | <u>178,721</u> |

7(b). Irish Government Bonds listed on the Irish Stock Exchange

| | 2014 | 2013 |
|-------------------------------|-----------------------|-----------------------|
| | € million | € million |
| Fixed Rate Bonds | 90,600 | 84,586 |
| Floating Rate Bonds (note 22) | 24,534 | 25,034 |
| Amortising Bonds | <u>1,205</u> | <u>1,387</u> |
| | <u>116,339</u> | <u>111,007</u> |

7(c). EU/IMF Programme Funding

Ireland's EU/IMF programme provided for €67.5 billion¹ in external support from the International Monetary Fund ("IMF"), the European Financial Stabilisation Mechanism ("EFSM"), the European Financial Stability Facility ("EFSF") and other bilateral loans. The final programme disbursement of €0.80 billion from the EFSM took place in March 2014.

The liabilities outstanding under the EU/IMF Programme at end 2014 included in 7(a) above, taking into account the effect of currency hedging transactions, are as follows:

| | 2014 | Weighted | 2013 | Weighted |
|--|----------------------|--------------|----------------------|--------------|
| | € million | Average Term | € million | Average Term |
| | | Years | | Years |
| Lender | | | | |
| International Monetary Fund | 13,550 | 8.3 Years | 22,528 | 7.3 Years |
| European Financial Stability Facility | 17,881 | 20.7 Years | 17,881 | 20.7 Years |
| European Financial Stabilisation Mechanism | 22,500 | 12.2 Years | 21,700 | 12.4 Years |
| United Kingdom Treasury | 3,862 | 7.5 Years | 3,833 | 7.5 Years |
| Kingdom of Denmark | 400 | 7.5 Years | 400 | 7.5 Years |
| Kingdom of Sweden | <u>600</u> | 7.5 Years | <u>600</u> | 7.5 Years |
| Total | <u>58,793</u> | | <u>66,942</u> | |

The maturity extensions to loans from the EFSF agreed in June 2013 are reflected above. While maturity extensions to loans from the EFSM were also agreed in 2013, the revised maturity dates will only be determined as they approach their original maturity dates. Accordingly the EFSM loan maturity extensions are not reflected above. It is not expected that Ireland will have to refinance any of its EFSM loans before 2027.

The net loan provided by the EFSF of €17,881 million is net of certain prepaid margins deducted from the initial drawdown in 2011. The total nominal debt due to the EFSF is €18,411 million. €485 million of the prepaid margin of €530 million will be rebated to Ireland along with the related EFSF investment return; the remaining prepaid margin of €45 million is due to the Member State Guarantors, and will be reflected as a debt service cost in future periods.

¹The net euro amount received by the Exchequer was €67.5 billion after adjustment for below par issuance, deduction of a prepaid margin, and the effect of foreign exchange transactions.

Notes to the Financial Statements (Continued)

7(c). EU/IMF Programme Funding (continued)

In December 2014, the Agency completed the first tranche of early repayment of Ireland's IMF loan facility. The total repayment of €9 billion was made over two dates, December 10th and 17th. During Quarter 1 of 2015, the Agency made two further repayments of Ireland's IMF loan facility and at 31st March 2015, the outstanding loan balance was €4.8 billion. These repayments discharged all scheduled IMF principal repayment obligations that were originally to fall due from July 2015 to January 2021.

These repayments were made with the agreement of the IMF and no penalties or charges were incurred. The early repayment of the IMF loan facility is expected to generate significant savings in Government interest expenditure starting in 2015.

8. Short Term Paper

The Agency issues short-term paper of maturities of up to one year to raise short-term funds. The proceeds are used to fund the Exchequer deficit and as bridging finance in the replacement of longer term debt, and for other liquidity management purposes. Borrowings may be in a range of currencies, but all non-euro borrowings are immediately swapped back into euro using foreign exchange contracts. An increase of €1.8 billion in Euro Commercial Paper was the primary reason for the increase at end 2014.

9. State Savings Schemes

Amounts shown in respect of Savings Certificates, Instalment Savings, Savings Bonds, Solidarity Bonds and Prize Bonds are net of €1.5 million (2013: €9.6 million) cash balances held by An Post, Permanent TSB and the Prize Bond Company. An Post and the Prize Bond Company act as registrars for the respective schemes.

As these financial statements are prepared on a cash basis, the liabilities do not include the sum of €599 million (2013: €604 million), being the estimate of the amount of accrued interest at 31 December 2014 in respect of Savings Bonds, Savings Certificates and Instalment Savings.

The Small Savings Reserve Fund ("the Fund") was set up under section 160 of the Finance Act, 1994. In any calendar year if interest payments on encashments of small savings exceed 11 per cent of the total interest accrued on such savings for the previous year, the resources of the Fund may be applied towards meeting those interest costs which exceed 11 percent of that accrued income. The initial amount paid into the Fund has been expended. No moneys were paid into the Fund in 2014 or were held in the Fund at year end. The Fund was dissolved under section 98 of the Finance Act, 2014.

10. Cash and Other Financial Assets

| | Opening Balance at 1 January 2014 €000 | Net Movements during 2014 €000 | Closing Balance at 31 December 2014 €000 |
|--|---|---|---|
| Exchequer Account | 4,432,115 | (343,052) | 4,089,063 |
| Capital Services Redemption Account (note 5(i)) | 499 | (48) | 451 |
| Housing Finance Agency Guaranteed Notes | 3,703,756 | (559,241) | 3,144,515 |
| Deposits, Collateralised Deposits and Treasury Bills | 14,108,725 | (7,095,053) | 7,013,672 |
| CSA Collateral Funding (note 12) | 1,355,640 | (844,230) | 511,410 |
| | <u>23,600,735</u> | <u>(8,841,624)</u> | <u>14,759,111</u> |

Deposits, Collateralised Deposits and Treasury Bills are made up of Deposits with commercial banks of €2.984 billion (2013: €3.679 billion), Collateralised Deposits of €2.556 billion (2013: €7.389 billion) and Treasury Bills of €1.474 billion (2013: €3.041 billion).

The Housing Finance Agency Guaranteed Notes may not be readily realisable dependent on market conditions.

Notes to the Financial Statements (Continued)

10. Cash and Other Financial Assets (continued)

CSA Collateral Funding arises from the requirement to post cash collateral under Credit Support Annexes associated with certain derivative transactions. These balances, and access to the related cash collateral, change on a daily basis and are dependent on the market value of these derivatives.

11. Risk Management

The Agency's responsibility for both the issuance of new debt and the repayment of maturing debt, together with the management of the interest rate and currency profile of the total debt portfolio, makes the management of risk a central and critical element of the Agency's business. The principal categories of risk arising from the Agency's activities are liquidity, market, counterparty credit and operational risk and the Agency has a range of policies and procedures to measure and control the risks involved.

A key objective of the Agency is to ensure that the Exchequer has sufficient cash to meet all obligations as they fall due. Ensuring that the Exchequer has sufficient liquidity is one of the Agency's most critical tasks. Liquidity risks related to the National Debt can arise either from domestic events or, given the high level of linkage between markets, from events outside Ireland. The Agency manages this risk primarily by maintaining appropriate cash buffers and by controlling the amount of liabilities maturing in any particular period of time and matching the timing and volume of funding. This is reinforced by the Agency's activities in maintaining a well informed and diversified international investor base, with a presence in all major capital markets and a broad range of debt instruments which can be issued.

Market risk is the risk that movements in market interest or exchange rates or other prices adversely impact on debt service costs or the total market value of the debt. The Agency must have regard both to the short term and long term implications of its transactions given its task of controlling not only the immediate fiscal debt service costs but also the present value of all future payments of principal and interest. The exposure to interest rate and currency risk is controlled by managing the interest rate and currency composition of the portfolio in accordance with Ministerial guidelines. Specific quantitative limits are in place to control market risk; exposures against these limits are reported regularly both to portfolio managers and to senior management. As conditions in financial markets change, the appropriate interest rate and currency profile of the portfolio is reassessed. The Agency seeks to achieve the best trade-off between cost and risk over time and has in place a hedging programme to manage interest rate and exchange rate risks and to protect the Exchequer from potential volatility in future years. More information on the use of derivatives is set out in Derivatives (note 12).

Counterparty credit risk arises from derivatives, deposits and foreign exchange transactions. The level of credit risk is managed by dealing only with counterparties of high credit standing. Procedures provide for the approval of risk limits for all counterparties and exposures are reported daily to management. A review of all limits is undertaken periodically to take account of changes in the credit standing of counterparties or economic and political events. In order to mitigate the Exchequer's exposure to market counterparties while at the same time ensuring that Ireland has efficient market access for its hedging activities, the Agency may enter into credit support arrangements with the market participants with which it wishes to trade – this involves the receipt and posting of collateral to offset the market value of exposures. More information on the use of credit support arrangements is set out in Derivatives (note 12).

Controls have been established to ensure that operational risks are managed in a prudent manner. These controls include the segregation of duties between dealing, processing, payments and reporting.

Notes to the Financial Statements (Continued)

12. Derivatives

As part of its risk management strategy the Agency uses a combination of derivatives including interest rate swaps, currency swaps and foreign exchange contracts. The following table shows the nominal value, and present value, of the instruments related to the National Debt outstanding at year end. The present value of each instrument is determined by using an appropriate rate of interest to discount all its future cashflows to their present value.

| | 31 December 2014 | | 31 December 2013 | |
|--|----------------------|----------------------------|----------------------|----------------------------|
| | Nominal € million | Present Value € million | Nominal € million | Present Value € million |
| Interest Rate Swaps | 19,079 | (1,321) | 28,909 | (923) |
| Currency Swaps and Foreign Exchange Contracts | <u>15,402</u> | <u>878</u> | <u>18,225</u> | <u>(750)</u> |
| | <u>34,481</u> | <u>(443)</u> | <u>47,134</u> | <u>(1,673)</u> |

The Agency provides treasury services to the National Asset Management Agency (“NAMA”) under section 52 of the National Asset Management Agency Act, 2009. Accordingly it may enter into derivative transactions with NAMA. Any such transactions are offset by matching transactions with market counterparties. As a result there is no net effect on the National Debt accounts. The nominal value of interest rate swaps transacted with NAMA outstanding at end 2014 was €12.8 billion (2013: €23.5 billion); the nominal value of currency swaps and foreign exchange rate contracts transacted with NAMA outstanding at end 2014 was €3.0 billion (2013: €5.6 billion).

In order to mitigate the risks arising from derivative transactions, the Agency enters into credit support arrangements with its market counterparties. Derivative contracts are drawn up in accordance with Master Agreements of the International Swaps and Derivatives Association (“ISDA”). A Credit Support Annex (“CSA”) is a legal document which may be attached to an ISDA Master Agreement to regulate credit support (in this case, cash collateral) for derivative transactions and it defines the circumstances under which counterparties are required to post collateral. Under the CSAs, the posting of cash constitutes an outright transfer of ownership. However, the transfer is subject to an obligation to return equivalent collateral in line with changes in market values or under certain circumstances such as a Termination Event or an Event of Default. The provider of collateral is entitled to deposit interest on cash balances posted.

The Agency established a Credit Support Account in the Central Bank of Ireland in 2010 to facilitate these transactions. Derivative contracts are valued daily. When collateral is required from a counterparty it is paid into the Credit Support Account. When the Agency is required to post collateral with a counterparty, it uses the funds in the Credit Support Account to fund the collateral payment. If there are insufficient funds in the Credit Support Account, the Account is funded from the Exchequer.

| | 2014 € million | 2013 € million |
|--|-------------------|-------------------|
| Credit Support Account | | |
| Balance at 1 January | - | - |
| Margin Transfers Received from Counterparties | 4,194 | 5,702 |
| Margin Transfers Paid to Counterparties | (3,350) | (6,535) |
| Net Exchequer Funding during the Year (note 10) | <u>(844)</u> | <u>833</u> |
| Balance at 31 December | <u>NIL</u> | <u>NIL</u> |
| Note: | 2014 | 2013 |
| | € million | € million |
| Exchequer Funding at 31 December | 511 | 1,356 |
| Net Collateral Posted to Counterparties at 31 December (note 10) | (511) | (1,356) |

Notes to the Financial Statements (Continued)

12. Derivatives (continued)

The Agency has entered into a Collateral Posting Agreement with NAMA. At end 2014, NAMA had posted collateral of €0.69 billion (2013: €0.802 billion) to the Agency as part of this agreement.

The Agency has also entered into a Collateral Posting Agreement with IBRC. At end 2014, IBRC had posted collateral of €0.025 billion (2013: €0.102 billion) to the Agency as part of this agreement.

13. National Debt – Currency Composition

The Agency hedges the foreign currency risk of the National Debt through the use of forward foreign exchange contracts and currency swaps. The currency composition of the National Debt, and related currency hedges, are as follows:

| Currency | As at 31 December | |
|--|-----------------------|-----------------------|
| | 2014 € million | 2013 € million |
| Debt Instruments | | |
| Euro | 167,871 | 155,722 |
| US Dollar | 8,312 | 9,323 |
| Pound Sterling | 6,023 | 6,462 |
| Japanese Yen | 978 | 1,697 |
| Swiss Franc | - | 24 |
| | <u>183,184</u> | <u>173,228</u> |
| Foreign Currency and Swap Contracts | | |
| Euro | 14,460 | 18,225 |
| US Dollar | (8,324) | (9,323) |
| Pound Sterling | (6,024) | (6,462) |
| Japanese Yen | (987) | (1,697) |
| Swiss Franc | - | (24) |
| | <u>(875)</u> | <u>719</u> |
| National Debt¹ | <u>182,309</u> | <u>173,947</u> |

¹ This figure is net of cash and other financial assets as at 31 December 2014 of €14,759 million (31 December 2013: €23,601 million) (note 10).

Notes to the Financial Statements (Continued)

14. Foreign Currency Clearing Accounts

| | Receipts €000 | Payments €000 | 2014 Net €000 |
|-----------------------------|-------------------|---------------------|---------------------|
| Balance at 1 January 2014 | | | NIL |
| Debt Service | | | |
| MLT Loans Interest | 542,503 | (891,509) | (349,006) |
| Short Term Debt Interest | - | (1,185) | (1,185) |
| Other Movements | 68,839,917 | (69,756,584) | (916,667) |
| Fees and Expenses | - | (7,601) | (7,601) |
| Expenses of the Agency | - | (1,367) | (1,367) |
| Borrowing Activity | | | |
| EU/IMF Programme | 8,341,039 | (8,994,157) | (653,118) |
| Other MLT Loans | 12,936 | (81,985) | (69,049) |
| Short Term Debt | 6,891,196 | (4,893,203) | 1,997,993 |
| Balance at 31 December 2014 | <u>84,627,591</u> | <u>(84,627,591)</u> | <u>NIL</u> |

15. Borrowings from Funds under the Control of the Minister for Finance

These funds are short term borrowings of the Exchequer drawn down as a “ways and means” of funding Exchequer requirements from a number of funds under the control of the Minister for Finance.

| | 2014 € million | 2013 € million |
|---|-------------------|-------------------|
| Post Office Savings Bank Fund | 456 | 471 |
| Deposit Monies Investment Account (note 20) | <u>67</u> | <u>205</u> |
| | <u>523</u> | <u>676</u> |

16. Deposits, Treasury Bills and Other Financial Assets

The Agency places short-term investments in Deposits, Collateralised Deposits and Treasury Bills for maturities of up to one year for the purpose of liquidity management.

17. National Loans Advance Interest Account

The Agency can cancel or issue amounts of existing Irish Government Bonds. These transactions are effected by means of sales or purchases undertaken by the Post Office Savings Bank Fund (“POSBF”). The POSBF then settles with the Exchequer. The settlement amount for each bond transaction includes the accrued interest at that point in the coupon period. The interest paid is deposited in the National Loans Advance Interest Account until the full dividend is due on the coupon date. On the coupon date, the interest is then used to offset the related servicing costs of the Exchequer.

A full dividend is payable to the registered owner where a bond is held on an ex-dividend date. The purpose of this account is for the POSBF to compensate the Exchequer for the unearned element of the dividend arising on tranching bonds cum-dividend or on cancelling bonds ex-dividend.

Notes to the Financial Statements (Continued)

17. National Loans Advance Interest Account (continued)

| | 2014 €000 | 2013 €000 |
|--|----------------------|---------------------|
| Account of Receipts and Payments | | |
| Balance at 1 January | 5,344 | 12,179 |
| Accrued Interest Received on National Loans | | |
| - Tranches and Auctions | 46,913 | 42,038 |
| Accrued Interest Paid on National Loans | <u>(3,447)</u> | <u>(48,873)</u> |
| Balance at 31 December - Cash with Central Bank of Ireland | <u>48,810</u> | <u>5,344</u> |

18. National Loans (Winding Up) Account

When a National Loan, Stock or Government Bond is due for redemption, the full amount outstanding is payable to the holder. Any amount not claimed by the holder at the redemption date is transferred into this account by a payment from the Exchequer. Any future claims which are made in relation to these loans are therefore met from this account. This account also includes balances which were held by the Central Bank and the Department of Finance as Paying Agents in respect of uncashed redemption payments, and were transferred to the Agency.

| | 2014 €000 | 2013 €000 |
|--|---------------------|---------------------|
| Account of Receipts and Payments | | |
| Balance at 1 January | 3,089 | 3,455 |
| Receipts from the Exchequer | 75 | 198 |
| Receipts from Central Bank Account | 69 | 102 |
| Payments to Central Bank Account | (102) | (70) |
| Payments for Redemption of National Loans | <u>(56)</u> | <u>(596)</u> |
| Balance at 31 December - Cash with Central Bank of Ireland | <u>3,075</u> | <u>3,089</u> |

19. National Treasury Management Agency (Unclaimed Dividends) Account

When a dividend payment is due on a bond liability, the full amount due is paid by the Agency to the Paying Agent which then issues to the registered holders. The balance in the unclaimed dividends account represents dividends on matured loans, which have been returned to the Agency by the Paying Agent and have yet to be claimed by the registered holders. The Paying Agent maintains a cash float, on behalf of the Agency, which it uses to service claims as they arise during the year.

| | 2014 €000 | 2013 €000 |
|--|---------------------|---------------------|
| Account of Receipts and Payments | | |
| Balance at 1 January | 2,528 | 2,556 |
| Receipts/(Payments) of Unclaimed Dividends | <u>21</u> | <u>(28)</u> |
| Balance at 31 December - Cash with Central Bank of Ireland | <u>2,549</u> | <u>2,528</u> |

Notes to the Financial Statements (Continued)

20. Deposit Monies Investment Account

This account records the borrowings and repayments of surplus funds held in the Supply Account of the Paymaster General.

| Account of Receipts and Payments | 2014 €000 | 2013 €000 |
|---|--------------------|--------------------|
| Balance at 1 January | 204,975 | 162,082 |
| Ways and Means Advances Paid to the Exchequer | 4,978,316 | 6,763,310 |
| Ways and Means Advances Repaid by the Exchequer | <u>(5,116,066)</u> | <u>(6,720,417)</u> |
| Balance at 31 December – Ways and Means Advances to the Exchequer (note 15) | <u>67,225</u> | <u>204,975</u> |

21. Account of Stock Accepted in Payment of Inheritance Tax and Death Duties

No stock was accepted in payment of inheritance tax and death duties during 2014.

22. Settlement of IBRC Promissory Notes

Following the liquidation of Irish Bank Resolution Corporation (“IBRC”) on 7th February 2013, and the agreement between the Irish Government and the Central Bank of Ireland (“CBI”) to replace the promissory notes provided to State-owned IBRC with long-term Government Bonds, the promissory notes were cancelled and replaced with eight new Floating Rate Treasury Bonds. A total amount of €25.03 billion was issued on 8th February 2013 to the CBI with maturities ranging from 25 to 40 years. The bonds will pay interest every six months (June and December) based on the 6-month Euribor interest rate plus a fixed margin which averages 2.63 percentage points across the eight issues.

In December 2014, the Agency bought and cancelled €0.5 billion of the Floating Rate Treasury Bond due to mature in June 2038. The bonds were purchased from the CBI, reducing the total nominal outstanding of the Floating Rate Bonds to €24.53 billion. The CBI intends to sell a minimum of these securities in accordance with the following schedule: 2015-2018 (€0.5 billion per annum), 2019-2023 (€1 billion per annum), and 2024 on (€2 billion per annum until all bonds are sold).

Financial Statements of the National Treasury Management Agency – Administration Account

For the year ended 31 December 2014

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Comptroller and Auditor General Report for presentation to the Houses of the Oireachtas

National Treasury Management Agency - Administration Account

I have audited the administration account of the National Treasury Management Agency for the year ended 31 December 2014 under the National Treasury Management Agency Act 1990. The administration account, which has been prepared under the accounting policies set out therein, comprises the accounting policies, the income and expenditure account, the statement of total recognised gains and losses, the balance sheet and the related notes. The financial statements have been prepared in the form prescribed under section 12 of the Act, and in accordance with generally accepted accounting practice in Ireland.

Responsibilities of the Agency

The Agency is responsible for the preparation of the administration account, for ensuring that it gives a true and fair view of the state of the Agency's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the administration account and report on it in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit of the administration account

An audit involves obtaining evidence about the amounts and disclosures in the administration account, sufficient to give reasonable assurance that the administration account is free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Agency's circumstances, and have been consistently applied and adequately disclosed.
- the reasonableness of significant accounting estimates made in the preparation of the account, and
- the overall presentation of the account.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read the Agency's annual report to identify if there are any material inconsistencies with the audited administration account. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the administration account

In my opinion, the administration account, which has been properly prepared in accordance with generally accepted accounting practice in Ireland, gives a true and fair view of the state of the Agency's affairs at 31 December 2014 and of its income and expenditure for 2014.

In my opinion, proper books of account have been kept by the Agency. The administration account is in agreement with the books of account.

Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where public money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information given in the Agency's annual report is not consistent with the related administration account, or
- the statement on internal financial control does not reflect the Agency's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.



Seamus McCarthy
Comptroller and Auditor General

16 June 2015

Accounting Policies

(a) Background

The National Treasury Management Agency (the “Agency”) is a statutory body established under the National Treasury Management Agency Act, 1990. The Agency operates to provide asset and liability management services to Government. Businesses managed by the Agency include borrowing for the Exchequer and management of the National Debt, the Ireland Strategic Investment Fund (“ISIF”), the National Development Finance Agency (“NDFA”), NewERA and the State Claims Agency (“SCA”). The Agency also assigns staff to the National Asset Management Agency (“NAMA”) and to the Strategic Banking Corporation of Ireland (“SBCI”) and provides them with business support services and systems.

There were significant changes in the Agency’s governance structure and statutory remit in 2014. Previously, the Agency did not have a board structure and the Chief Executive reported directly to the Minister for Finance on the Agency’s funding and debt management, SCA and NewERA functions. The Agency’s governing legislation also provided for an Advisory Committee and a State Claims Policy Committee. The National Pensions Reserve Fund (“NPRF”), NDFA and NAMA were established as statutory bodies under their own governing legislation. The SBCI was established in September 2014 as a private limited company in order to perform certain statutory functions. Each of these bodies had their own board. The Agency acted as the executive in respect of the NPRF and the NDFA. It assigns staff to NAMA and the SBCI and also provides them with business and support services and systems.

The National Treasury Management Agency (Amendment) Act 2014 (the “Act”) streamlined and simplified the Agency’s governance structures to enable a more integrated approach to the performance of its functions. On 22 December 2014 the Agency was reconstituted as a body with a Chairperson and eight other members reporting to the Minister for Finance with over-arching responsibility for all of the Agency’s functions (excluding NAMA and the SBCI which will continue to have their own separate boards).

The Advisory Committee and State Claims Policy Committee were dissolved on 22 December 2014. The NPRF Commission was reduced to one member (the NTMA Chief Executive) on that date pending the transfer of all of the NPRF’s assets to the ISIF when it too will be dissolved. The NDFA was dissolved on 27 January 2015.

(b) Reporting Currency

The reporting currency is the euro which is denoted by the symbol €.

(c) Basis of Accounting

The financial statements have been prepared on an accruals basis under the historical cost convention. The form of the financial statements has been approved by the Minister for Finance under section 12 of the National Treasury Management Agency Act, 1990 as amended.

(d) Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation. Fixed assets are depreciated by annual instalments over their estimated useful lives.

(e) Leasing

Rentals under operating leases are charged to the Income and Expenditure Account on an accruals basis.

(f) Pensions

The Agency operates a defined benefit pension scheme, and for staff who choose not to join the scheme it makes contributions to Personal Retirement Savings Accounts (“PRSA”). Contributions are funded out of the Agency’s administration budget.

The defined benefit pension scheme costs are accounted for under FRS 17. Pension scheme assets are measured at fair value. Pension scheme liabilities are measured on an actuarial basis using the projected unit method. An excess of scheme liabilities over scheme assets is presented on the Balance Sheet as a liability. Deferred pension funding represents the corresponding asset to be recovered in future periods from the Central Fund.

The defined benefit pension charge in the Income and Expenditure Account comprises the current service cost and past service cost plus the difference between the expected return on scheme assets and the interest cost on the scheme liabilities. An amount corresponding to the pension charge is recognised as income recoverable from the Central Fund in future periods.

Accounting Policies (Continued)

(f) Pensions (continued)

Actuarial gains and losses arising from changes in actuarial assumptions and from experience are recognised in the Statement of Total Recognised Gains and Losses for the year in which they occur and a corresponding adjustment is recognised in the amount recoverable from the Central Fund.

The cost of contributions by the Agency to PRSAs is recognised as a charge to the Administration Account in the financial year to which the employee service relates.

(g) Software

Computer software costs are charged to the Income and Expenditure Account in the year in which they are incurred.

(h) Capital Account

The capital account represents receipts from the Central Fund which have been allocated for the purchase of fixed assets. The receipts are amortised in line with depreciation on the related fixed assets.

Income and Expenditure Account

Year ended 31 December

| | Note | 2014 €000 | 2013 €000 |
|---------------------------------|------|-----------------|-----------------|
| Income | | | |
| Central Fund Income | 1(a) | 43,262 | 41,915 |
| Other Income | 2 | 55,501 | 41,847 |
| Net Deferred Pension Funding | 4(a) | 720 | 1,049 |
| Transfer from Capital Account | 9 | <u>224</u> | <u>47</u> |
| | | 99,707 | 84,858 |
| Expenditure | | | |
| Agency Costs | 3(a) | <u>(99,707)</u> | <u>(84,858)</u> |
| Net Income/(Expenditure) | | <u>-</u> | <u>-</u> |

Statement of Total Recognised Gains and Losses

Year ended 31 December

| | Note | 2014 €000 | 2013 €000 |
|--|------|---------------|--------------|
| Actuarial (Loss) recognised on Pension Liabilities | 5(f) | (21,268) | (1,630) |
| Movement in Deferred Pension Funding | 4(b) | <u>21,268</u> | <u>1,630</u> |
| Total Recognised (Loss)/gain | | <u>-</u> | <u>-</u> |

Notes 1 to 14 form part of these financial statements.



Conor O'Kelly, Chief Executive
National Treasury Management Agency

15 June 2015



Willie Walsh, Chairperson
National Treasury Management Agency

Balance Sheet

31 December

| | Note | 2014 €000 | 2013 €000 |
|--|------|-----------------|-----------------|
| Fixed Assets | | | |
| Fixed Assets | 6 | <u>2,978</u> | <u>3,202</u> |
| Current Assets | | | |
| Debtors | 7 | 5,636 | 9,130 |
| Cash at Bank and in Hand | | <u>1,009</u> | <u>3,180</u> |
| Total Current Assets | | 6,645 | 12,310 |
| Current Liabilities | | | |
| Creditors | 8 | <u>(6,645)</u> | <u>(12,310)</u> |
| Current Assets less Current Liabilities | | - | - |
| Total Assets less Current Liabilities before Pensions | | 2,978 | 3,202 |
| Deferred Pension Funding | 5(d) | 25,537 | 3,549 |
| Pension Liability | 5(d) | <u>(25,537)</u> | <u>(3,549)</u> |
| Total Assets less Current Liabilities | | <u>2,978</u> | <u>3,202</u> |
| Representing: | | | |
| Capital Account | 9 | <u>2,978</u> | <u>3,202</u> |

Notes 1 to 14 form part of these financial statements.



Conor O'Kelly, Chief Executive
National Treasury Management Agency



Willie Walsh, Chairperson
National Treasury Management Agency

15 June 2015

Notes to the Financial Statements

1. Central Fund Income

(a) The Central Fund operates on a receipts and payments basis whereas these financial statements have been prepared on an accruals basis. The following table sets out the reconciling items:

| | Note | 2014 €000 | 2013 €000 |
|----------------------------------|------|----------------------|----------------------|
| Opening balance at 1 January | | 5,442 | 9,419 |
| Received from Central Fund | | 37,905 | 37,938 |
| Closing balance at 31 December | 8 | <u>(85)</u> | <u>(5,442)</u> |
| Central Fund receivable for year | | <u>43,262</u> | <u>41,915</u> |

(b) The total amount recognised as (payable to) / recoverable from the Central Fund is:

| | Note | 2014 €000 | 2013 €000 |
|-----------------------------|------|----------------------|-----------------------|
| Payable to the Central Fund | 8 | (85) | (5,442) |
| Deferred pension funding | 5(d) | <u>25,537</u> | <u>3,549</u> |
| | | <u>25,452</u> | <u>(1,893)</u> |

2. Other Income

| | 2014 €000 | 2013 €000 |
|---|----------------------|----------------------|
| Recovery of expenses from NAMA | 53,838 | 40,768 |
| Recovery of expenses from SBCI | 676 | - |
| Recovery of expenses from ISIF | 182 | - |
| Other income | 415 | 237 |
| Asset Covered Securities income | 390 | 811 |
| Recovery of expenses from Covered Credit Institutions | <u>-</u> | <u>31</u> |
| | <u>55,501</u> | <u>41,847</u> |

The Agency is required to provide business and support services and systems in addition to assigning staff to a number of functions under prescribed legislation as follows:

- To NAMA under sections 41 and 42 of the National Asset Management Agency Act 2009. The cost of these services for the year ended 31 December 2014 was €53.8m (2013: €40.8m).
- To the SBCI under section 10 of the Strategic Banking Corporation of Ireland Act 2014. The cost of these services for the year ended 31 December 2014 was €0.7m (2013: Nil).

In addition, under section 48 of the National Treasury Management Agency (Amendment) Act 2014, the expenses of the Agency with regard to the ISIF are defrayed from the ISIF.

Asset Covered Securities are issued under the Asset Covered Securities Act, 2001 as amended by the Asset Covered Securities (Amendment) Act 2007. The Act (as amended) provides that in the event of a default by a bank registered as a designated mortgage credit institution or as a designated public credit institution under the Act (as amended), the Agency must in the following order, (i) attempt to secure an alternative service provider to manage the relevant asset pools, (ii) secure an appropriate body corporate to become the parent entity of the relevant pools or, (iii) manage the pools itself. In return, the Agency receives asset covered securities income based on the nominal amount of each asset covered bond in issue.

No professional fees were recovered in 2014 (2013: €0.03m) relating to banking system functions.

Other income primarily comprises an annual service fee charged to the Housing Finance Agency for borrowing on its behalf under a Commercial Paper Programme. In 2014 it also includes the recovery of certain secondment, administrative and professional fees.

Notes to the Financial Statements (Continued)

3. Agency Costs

(a) Agency Costs

| | Note | 2014 €000 | 2013 €000 |
|-------------------------------------|------|---------------|---------------|
| Employment Costs | | 71,387 | 57,831 |
| Operating Expenses | | 13,781 | 13,371 |
| Defined Benefit Pension Annual Cost | 5(e) | 9,280 | 6,617 |
| Professional Fees | | 3,829 | 5,803 |
| Depreciation | 6 | 1,384 | 1,088 |
| PRSA Pension Costs | 3(d) | 46 | 148 |
| Total Expenses | | 99,707 | 84,858 |

Employment costs include remuneration and other staff related costs. Operating expenses include technology costs, occupancy costs, business services costs and staff travel expenses.

Under the direction issued to the Agency under Statutory Instrument (S.I.) No. 115 of 2010, the Minister for Finance delegated a number of banking system functions to the Agency. This delegation was revoked with effect from 5 August 2011 under S.I. No. 395 of 2011 and since then Agency staff have been seconded to the Department of Finance. At the direction of the Minister, the staff costs were incurred and professional adviser costs continue to be met by the Agency. No professional adviser costs were incurred in this regard during 2014 (2013: €2.1m).

(b) Expenses of the Agency for Specified Functions

| | 2014 €m | 2013 €m |
|--|------------|------------|
| National Asset Management Agency | 53.8 | 40.8 |
| State Claims Agency | 13.5 | 11.5 |
| National Development Finance Agency | 8.4 | 7.1 |
| National Pensions Reserve Fund | 6.2 | 3.9 |
| Ireland Strategic Investment Fund | 0.2 | 0.0 |
| Strategic Banking Corporation of Ireland | 0.7 | 0.0 |

Notes to the Financial Statements (Continued)

3. Agency Costs (continued)

(c) Remuneration and Expenses (continued)

Advisory Committee and Agency Member Fees

Remuneration of Advisory Committee and Agency members is determined by the Minister for Finance. The Advisory Committee was dissolved on 22 December 2014 and Agency members were appointed on this date. Remuneration of Advisory Committee and Agency members is set out below:

Advisory Committee

| | 2014 | 2013 |
|--------------------------------|----------------------|----------------------|
| | € | € |
| Brendan McDonagh | 21,889 | 22,500 |
| Tytti Noras | 21,889 | 22,500 |
| Donald Roth | <u>21,889</u> | <u>22,500</u> |
| Advisory Committee Fees | <u>65,667</u> | <u>67,500</u> |

The Chairperson of the Advisory Committee (Willie Walsh) waived his remuneration for 2013 and 2014.

John Moran (resigned 14 August 2014) and Derek Moran (from 3 September 2014 to 21 December 2014) each served on the Committee in an ex officio capacity as Secretary General of the Department of Finance. They received no remuneration in respect of their membership.

Agency Member Fees

| | 2014 |
|--------------------|---------------------|
| | € |
| Maeve Carton | 815 |
| Brendan McDonagh | 815 |
| Martin Murphy | 815 |
| Mary Walsh | 815 |
| Susan Webb | <u>815</u> |
| Agency Fees | <u>4,075</u> |

Remuneration attached to the position of Chairperson is €45,000 per annum and €30,000 for an Ordinary Member. The Chairperson of the Agency (Willie Walsh) waived his remuneration for 2014.

Derek Moran and Robert Watt serve on the Agency in an ex officio capacity as Secretary General of the Department of Finance and the Department of Public Expenditure and Reform respectively. John Corrigan served in an ex officio capacity as Chief Executive of the Agency. They received no remuneration in respect of their membership.

Notes to the Financial Statements (Continued)

3. Agency Costs (continued)

(c) Remuneration and Expenses (continued)

Advisory Committee and Agency Member Expenses

Expenses incurred in respect of Advisory Committee members are set out below:

| Committee Member ¹ | Accommodation | | Total 2014 | Total 2013 |
|-------------------------------|---------------|-----------------|---------------|---------------|
| | Travel | and Subsistence | | |
| | € | € | € | € |
| Brendan McDonagh | 15,249 | 2,986 | 18,235 | 19,159 |
| Tytti Noras | 4,529 | 1,830 | 6,359 | 8,021 |
| Donald Roth | 34,112 | 3,636 | 37,748 | 21,398 |
| | <u>53,890</u> | <u>8,452</u> | <u>62,342</u> | <u>48,578</u> |

Advisory Committee members are reimbursed approved expenses on a vouched basis. The 2014 tax payable by the Agency to the Revenue Commissioners in relation to the reimbursed expenses is €59,839 (2013: €29,266).

Agency members incurred no expenses in respect of 2014.

¹Brendan McDonagh lives in Bermuda, Tytti Noras lives in Finland and Donald Roth lives in the USA. Expenses relate to travel and accommodation costs to attend Advisory Committee meetings in the Agency's offices in Dublin.

Chief Executive Remuneration

| | 2014 | 2013 |
|------------------|---------|---------|
| | € | € |
| Salary | 416,500 | 416,500 |
| Taxable benefits | 29,075 | 29,129 |

The Chief Executive's pension entitlements are within the standard entitlements in the model public sector defined benefit superannuation scheme.

In 2012, the Chief Executive agreed to waive 15 per cent of his salary following a request by the Minister for Finance. The pay reductions provided for in the Financial Emergency Measures in the Public Interest Act 2013, which came into effect from 1 July 2013, apply to the Agency's staff. Notwithstanding the reductions imposed by this Act, the Chief Executive continued to waive such amount that his annual base salary remained as it was under the original waiver arrangement.

The remuneration of the Chief Executive consisted of basic remuneration, taxable benefits (car and health insurance) and a performance related payment of up to 80 per cent of annual salary. The Chief Executive waived any consideration for performance related pay in respect of 2013 and 2014.

The remuneration details above relate to John Corrigan who retired as Chief Executive on 4 January 2015.

Gardening Leave

18 Agency staff (inclusive of staff assigned to NAMA) were placed on gardening leave during 2014 with an attributable 2014 cost of approximately €0.4m. This does not represent an incremental cost for the Agency but instead forms part of the overall Agency remuneration cost that would have been incurred regardless of the decision to place the relevant staff on gardening leave. The decision on whether or not to place staff on gardening leave is made on a case-by-case basis and would include consideration, inter alia, of the person's role within the Agency and the person's new employer. The average period of gardening leave for the 18 staff was for 8.8 weeks.

Notes to the Financial Statements (Continued)

3. Agency Costs (continued)

(c) Superannuation

Superannuation entitlements of staff are conferred under a defined benefit superannuation scheme set up under section 8 of the National Treasury Management Agency Act, 1990. Contributions are transferred to an externally managed fund. The Agency contribution is determined on the advice of an independent actuary. Following an actuarial review at the end of 2013, the Agency contribution was set at a level of 14.2 per cent of salary in respect of members of the Scheme. Contributions to the defined benefit scheme by the Agency for the year ended 31 December 2014 amounted to €8.6m (2013: €5.6m).

Liabilities arising under the defined benefit scheme are provided for under the above arrangements, except for entitlements arising in respect of the service of certain members of the Agency's staff recruited from other areas of the public sector. On 7 April 1997 the Minister for Finance designated the Agency as an approved organisation for the purposes of the Public Sector (Transfer of Service) Scheme. This designation provides for, inter alia, contributions to be paid out of the Exchequer, as and when benefits fall due for payment in the normal course, in respect of prior service of former civil servants employed by the Agency. No provision has been made for funding the payment of such entitlements.

The Agency also contributed €46,416 (2013: €147,791) to PRSAs for a number of employees who are not members of the defined benefit scheme in 2014.

4. Net Deferred Pension Funding

(a) Net Deferred Pension Reserve Funding in respect of the Year

| | Note | 2014 €000 | 2013 €000 |
|--|------|--------------|--------------|
| Funding Recoverable in Respect of Current Year Pension Costs | 5(e) | 9,280 | 6,617 |
| Income Applied To Pay Contributions to Pension Fund | 3(d) | (8,560) | (5,568) |
| Net Deferred Pension Funding | | <u>720</u> | <u>1,049</u> |

(b) Movement in the Deferred Pension Funding

| | Note | 2014 €000 | 2013 €000 |
|--|------|---------------|--------------|
| Movement in amount recoverable in respect of current year actuarial loss | 5(f) | <u>21,268</u> | <u>1,630</u> |

5. Retirement Benefits

(a) Defined Benefit Pension Scheme

The valuation of the defined benefit scheme used for the purposes of FRS 17 disclosures has been based on data provided by the scheme administrator, Mercer (Ireland) Limited. The valuation has been determined by an independent actuary to take account of the requirements of FRS 17 in order to assess the liabilities at the balance sheet date. Scheme assets are stated at their market value at the balance sheet date.

Notes to the Financial Statements (Continued)

5. Retirement Benefits

(b) Change in the Present Value of Defined Benefit Obligations

| | 2014 €000 | 2013 €000 |
|--|----------------|---------------|
| Benefit Obligations at Beginning of Year | 79,490 | 63,254 |
| Service Cost | 10,651 | 7,616 |
| Interest Cost | 3,610 | 3,034 |
| Actuarial Loss | 29,263 | 6,060 |
| Transfers received / (benefits paid) | 458 | (344) |
| Premiums Paid | (130) | (130) |
| Benefit Obligations at End of Year | <u>123,342</u> | <u>79,490</u> |

(c) Change in the Fair Value of Scheme Assets

| | 2014 €000 | 2013 €000 |
|--|---------------|---------------|
| Fair Value of Scheme Assets at Beginning of Year | 75,941 | 62,384 |
| Expected Return on Scheme Assets | 3,639 | 2,921 |
| Actuarial Gain | 7,995 | 4,430 |
| Employer Contributions | 8,560 | 5,568 |
| Member Contributions | 1,342 | 1,112 |
| Transfers received / (benefits paid) | 458 | (344) |
| Premiums Paid | (130) | (130) |
| Fair value of Scheme Assets at End of Year | <u>97,805</u> | <u>75,941</u> |

Scheme assets

| | % | % |
|--|---------------|---------------|
| The asset allocations at the year end were as follows: | | |
| Equities | 51.01 | 51.20 |
| Debt securities | 34.33 | 34.31 |
| Property | 4.30 | 4.19 |
| Alternatives | 9.87 | 9.93 |
| Cash | 0.49 | 0.37 |
| | <u>100.00</u> | <u>100.00</u> |

To develop the assumption for the expected long-term rate of return on assets, consideration was given to the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the actual asset allocation to develop the assumption for the expected long-term rate of return on assets for the portfolio.

Notes to the Financial Statements (Continued)

5. Retirement Benefits (continued)

(c) Change in the Fair Value of Scheme Assets (continued)

| | 2014 €000 | 2013 €000 |
|--------------------------------|---------------|--------------|
| Actual Return on Scheme Assets | <u>11,634</u> | <u>7,351</u> |

(d) Scheme Surplus/(Deficit)

| | 2014 €000 | 2013 €000 |
|-------------------------------------|-----------------|----------------|
| Fair Value of Scheme Assets | 97,805 | 75,941 |
| Present Value of Funded Obligations | (123,342) | (79,490) |
| Deficit at year end | <u>(25,537)</u> | <u>(3,549)</u> |

Amounts in the Balance Sheet

| | | |
|--------------------------|-----------------|----------------|
| Deferred Pension Funding | 25,537 | 3,549 |
| Pension Liability | <u>(25,537)</u> | <u>(3,549)</u> |

(e) Components of Pension Expense

The amount recognised in the Income and Expenditure Account is as follows:

| | Note | 2014 €000 | 2013 €000 |
|----------------------------------|------|----------------|----------------|
| Total Service Cost | | 10,651 | 7,616 |
| Less Employee Contributions | | <u>(1,342)</u> | <u>(1,112)</u> |
| Employer Current Service Cost | | 9,309 | 6,504 |
| Interest Cost | | 3,610 | 3,034 |
| Expected Return on Scheme Assets | | <u>(3,639)</u> | <u>(2,921)</u> |
| Income and Expenditure Charge | 3(a) | <u>9,280</u> | <u>6,617</u> |

(f) Actuarial gain/(loss)

The actuarial gain/(loss) recognised in the Statement of Total Recognised Gains and Losses is as follows:

| | 2014 €000 | 2013 €000 |
|--------------------------------------|-----------------|----------------|
| Actuarial Loss on Scheme Obligations | (29,263) | (6,060) |
| Actuarial Gain on Scheme Assets | <u>7,995</u> | <u>4,430</u> |
| Actuarial Loss on Scheme Liabilities | <u>(21,268)</u> | <u>(1,630)</u> |

Notes to the Financial Statements (Continued)

5. Retirement Benefits (continued)

(g) Principal Actuarial Assumptions

The principal actuarial assumptions used were as follows:

| | 2014 | 2013 |
|--|--------------------|--------------------|
| | % | % |
| Weighted average assumptions used to determine benefit obligations: | | |
| Discount rate | 2.30 | 4.00 |
| Rate of salary increase | 2.50 | 3.00 |
| Rate of price inflation | 1.50 | 2.00 |
| Rate of pension increase | 1.50/2.50 | 2.00/3.00 |
| Weighted average assumptions used to determine pension expense: | | |
| Discount rate | 4.00 | 4.30 |
| Expected long-term return on scheme assets | 4.49 | 4.46 |
| Rate of salary increase | 3.00 | 3.00 |
| Rate of price inflation | 2.00 | 2.00 |
| Rate of pension increase | 2.00/3.00 | 2.00/3.00 |
| | Years | Years |
| Weighted average life expectancy at age 60 for mortality tables used to determine benefit obligations: | | |
| Future Pensioners | | |
| - Male (current age 45) | 30.6 | 30.5 |
| - Female (current age 45) | 31.7 | 31.6 |
| Current Pensioners | | |
| - Male (current age 60) | 28.7 | 28.6 |
| - Female (current age 60) | 30.1 | 30.0 |
| Weighted average life expectancy at age 65 for mortality tables used to determine benefit obligations: | | |
| Future Pensioners | | |
| - Male (current age 45) | 26.1 | 26.0 |
| - Female (current age 45) | 27.1 | 27.0 |
| Current Pensioners | | |
| - Male (current age 65) | 23.7 | 23.5 |
| - Female (current age 65) | 25.0 | 24.9 |
| Expected return on assets by asset allocation: | | |
| | % | % |
| Equity securities | 5.30 | 6.50 |
| Debt securities | 1.80 | 3.00 |
| Property | 4.30 | 5.50 |
| Cash | 0.00 | 1.00 |
| Alternatives | <u>5.30</u> | <u>6.50</u> |
| Weighted average return based on asset allocation | <u>3.88</u> | <u>4.49</u> |

The estimated pension expense for the year ended 31 December 2015 is €16.308m (2014: €8.871m).

Notes to the Financial Statements (Continued)

5. Retirement Benefits (continued)

(h) History of Defined Benefit Obligations, Assets and Experience Gains and Losses

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|----------------|----------------|----------------|----------------|----------------|
| | €000 | €000 | €000 | €000 | €000 |
| Defined Benefit Obligation | 123,342 | 79,490 | 63,254 | 52,560 | 42,829 |
| Fair Value of Scheme Assets | <u>97,805</u> | <u>75,941</u> | <u>62,384</u> | <u>49,223</u> | <u>44,492</u> |
| Deficit/(Surplus) | <u>25,537</u> | <u>3,549</u> | <u>870</u> | <u>3,337</u> | <u>(1,663)</u> |
| Difference between Expected and Actual Return on Scheme Assets: | | | | | |
| Amount | <u>(7,995)</u> | <u>(4,430)</u> | <u>(5,626)</u> | <u>3,528</u> | <u>224</u> |
| Expressed as a % of Scheme Assets | <u>(8.17%)</u> | <u>(5.83%)</u> | <u>(9.02%)</u> | <u>7.17%</u> | <u>0.50%</u> |
| Experience (Gain)/Losses on Scheme Liabilities: | | | | | |
| Amount | <u>(1,791)</u> | <u>532</u> | <u>(1,128)</u> | <u>(821)</u> | <u>(1,814)</u> |
| Expressed as a % of Scheme Liabilities | <u>(1.45%)</u> | <u>0.67%</u> | <u>(1.78%)</u> | <u>(1.56%)</u> | <u>(4.24%)</u> |

6. Fixed Assets

| | Leasehold Improvements | Furniture, Equipment and Motor Vehicles | Total |
|------------------------------------|---------------------------|---|----------------|
| | €000 | €000 | €000 |
| Cost: | | | |
| Balance at 1 January 2014 | 2,818 | 7,966 | 10,784 |
| Additions at cost | 462 | 732 | 1,194 |
| Disposals ¹ | - | <u>(1,417)</u> | <u>(1,417)</u> |
| Balance at 31 December 2014 | <u>3,280</u> | <u>7,281</u> | <u>10,561</u> |
| Accumulated Depreciation: | | | |
| Balance at 1 January 2014 | 1,464 | 6,118 | 7,582 |
| Depreciation for the year | 449 | 935 | 1,384 |
| Disposals | - | <u>(1,383)</u> | <u>(1,383)</u> |
| Balance at 31 December 2014 | <u>1,913</u> | <u>5,670</u> | <u>7,583</u> |
| Net Book Value at 31 December 2014 | <u>1,367</u> | <u>1,611</u> | <u>2,978</u> |
| Net Book Value at 31 December 2013 | <u>1,354</u> | <u>1,848</u> | <u>3,202</u> |

¹Disposals include €1.1m relating to the retirement of IT and Office Equipment which had a zero net book value.

Notes to the Financial Statements (Continued)

6. Fixed Assets (continued)

The estimated useful life of fixed assets by reference to which depreciation is calculated is as follows:

| | |
|----------------------------|--------------|
| Leasehold Improvements | 10 years |
| Equipment & Motor Vehicles | 3 to 5 years |
| Furniture | 10 years |

The estimated useful life of leasehold improvements was reduced from 20 years in 2013 to 10 years in 2014. This resulted in an additional depreciation charge of €0.3m in 2014.

The capitalised leasehold costs relate to the fit-out costs of the office space occupied by the Agency. The property is leased under long-term leases, as referred to in Note 10.

7. Debtors

| | 2014 €000 | 2013 €000 |
|------------------------------|---------------------|---------------------|
| Amounts receivable from NAMA | 1,344 | 5,351 |
| Amounts receivable from ISIF | 182 | - |
| Amounts receivable from SBCI | 676 | - |
| Other debtors | 2,107 | 2,315 |
| Prepayments | <u>1,327</u> | <u>1,464</u> |
| | <u>5,636</u> | <u>9,130</u> |

Other debtors primarily comprise reimbursements due from the State Claims Agency, Asset Covered Securities income and income due from the Housing Finance Agency.

8. Creditors

| | 2014 €000 | 2013 €000 |
|-----------------|---------------------|----------------------|
| Central Fund | 85 | 5,442 |
| Creditors | 2,840 | 3,524 |
| Deferred Income | 1,094 | 1,563 |
| Accruals | <u>2,626</u> | <u>1,781</u> |
| | <u>6,645</u> | <u>12,310</u> |

Deferred Income relates to a reverse premium on rental payments that will be credited to the Income and Expenditure Account on an annual basis in the period to April 2017 (Note 10).

Notes to the Financial Statements (Continued)

9. Capital Account

| | | 2014 | 2013 |
|--|---------|--------------|--------------|
| | | €000 | €000 |
| Opening Balance | | 3,202 | 3,249 |
| Transfer to Income and Expenditure Account | | | |
| Asset Funding | | | |
| - Fixed Assets | 1,194 | | |
| Capital Funding | | | |
| - Amortisation in Line with Depreciation | (1,384) | | |
| - Net amount Released on Asset Disposal | (34) | (1,418) | (224) |
| Closing Balance | | <u>2,978</u> | <u>3,202</u> |

10. Commitments

In 1991, 2007 and 2012, the Agency entered into lease agreements of varying duration until 2017, 2026 and 2027, in respect of office accommodation at Treasury Building, Grand Canal Street, Dublin 2.

The gross annual rental cost under these operating leases is €2.8m, excluding a reverse premium of €0.5m per annum relating to deferred income included in Note 8.

The nominal future minimum lease payments are set out in the following table:

Operating Leases

| | Less than 1 year €000 | 1-5 years €000 | More than 5 years €000 | Total €000 |
|------------------|-----------------------------|-------------------|------------------------------|---------------|
| 31 December 2014 | <u>2,828</u> | <u>8,457</u> | <u>12,104</u> | <u>23,389</u> |
| 31 December 2013 | <u>2,828</u> | <u>9,527</u> | <u>13,861</u> | <u>26,216</u> |

11. Contingent Liabilities

The Agency had no contingent liabilities at 31 December 2014.

12. Related Parties

Minister for Finance

The Minister for Finance appoints six members of the Agency in accordance with section 3A of the National Treasury Management Agency Act, 1990, as amended.

National Asset Management Agency

In accordance with sections 41 and 42 of the National Asset Management Agency Act 2009, the Agency provides business and support services and systems in addition to assigning staff to NAMA.

The recovery of expenses from NAMA is detailed in note 2.

Strategic Banking Corporation of Ireland

In accordance with section 10 of the Strategic Banking Corporation of Ireland Act 2014, the Agency provides business and support services and systems in addition to assigning staff to the SBCI.

The recovery of expenses from the SBCI is detailed in note 2.

Notes to the Financial Statements (Continued)

12. Related Parties (continued)

Ireland Strategic Investment Fund

In accordance with section 41 of the National Treasury Management Agency (Amendment) Act 2014, the ISIF is controlled and managed by the Agency. Under section 48 of the Act, the expenses of the Agency in the performance of its functions relating to the ISIF are defrayed from the ISIF. The recovery of expenses from the ISIF is detailed in note 2.

National Pensions Reserve Fund

In accordance with section 21 of the National Pensions Reserve Fund Act, 2000, the Agency is manager of the NPRF.

National Development Finance Agency

In accordance with section 11 of the National Development Finance Agency Act, 2002, the NDFA performed its functions through the Agency.

13. Events since the Balance Sheet Date

Under the provisions of the National Treasury Management Agency (Amendment) Act 2014, as commenced by S.I. 22 of 2015, the NDFA was dissolved on 27 January 2015. On this date the relevant statutory functions were given to the Agency and all property, rights and liabilities of the NDFA were transferred to the Agency.

14. Approval of Financial Statements

The financial statements were approved by the Agency on 26 May 2015.

Financial Statements of the Post Office Savings Bank Fund

For the year ended 31 December 2014

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Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Post Office Savings Bank Fund

I have audited the financial statements of the Post Office Savings Bank Fund (the Fund) for the year ended 31 December 2014 under the National Treasury Management Agency Act 1990. The financial statements, which have been prepared under the accounting policies set out therein, comprise the accounting policies, the income and expenditure account, the balance sheet and the related notes. The financial statements have been prepared in the form prescribed under section 12 of the Act, and in accordance with generally accepted accounting practice in Ireland.

Responsibilities of the National Treasury Management Agency

The National Treasury Management Agency (the Agency) is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the Fund's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Fund's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read the information about the Fund in the Agency's annual report to identify if there are any material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the Fund's affairs at 31 December 2014 and of its income and expenditure for 2014.

In my opinion, proper books of account have been kept by the Agency. The financial statements are in agreement with the books of account.

Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where public money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information about the Fund in the Agency's annual report is not consistent with the related financial statements, or
- the statement on internal financial control does not reflect the Agency's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.



Seamus McCarthy
Comptroller and Auditor General

16 June 2015

Accounting Policies

a) Background

The Minister for Finance guarantees the repayment and servicing of moneys invested by depositors in the Post Office Savings Bank. An Post remits the net proceeds of this investment to the National Treasury Management Agency ("the Agency"). The Post Office Savings Bank Fund ("Fund") does not form part of the Exchequer.

The Minister for Finance may appropriate for the Exchequer any accumulated surplus in the Fund after making appropriate provision for depreciation in the value of the Fund's assets available to meet the liabilities to the depositors (Finance Act 1930, Sect 19(1)).

The Fund has the following main purposes:

- to invest the moneys made available by depositors, and
- to act as an intermediary through which the tranching, cancellation, sale and repurchase (repo) transactions and secondary market trading can be transacted by the Agency, and
- to provide moneys under Central Treasury Services to designated state bodies.

b) Reporting Currency

The reporting currency is the euro, which is denoted by the symbol €.

c) Basis of Accounting

The financial statements are prepared on an accruals basis under the historical cost convention.

d) Investments

Investments are stated at cost.

Income and Expenditure Account

Year Ended 31 December

| | Note | 2014 €000 | 2013 €000 |
|---------------------------|------|----------------|---------------|
| Investment Income | 1 | <u>129,625</u> | <u>65,905</u> |
| Interest Paid and Payable | 2 | 8,121 | 9,988 |
| Other Expenses | 3 | <u>27,312</u> | <u>26,303</u> |
| | | <u>35,433</u> | <u>36,291</u> |
| Surplus for the Year | | 94,192 | 29,614 |
| Balance at 1 January | | <u>96,218</u> | <u>66,604</u> |
| Balance at 31 December | | <u>190,410</u> | <u>96,218</u> |

Notes 1 to 8 form part of these financial statements.



Conor O'Kelly, Chief Executive
National Treasury Management Agency
15 June 2015



Willie Walsh, Chairperson
National Treasury Management Agency

Balance Sheet

31 December

| | Note | 2014 €000 | 2013 €000 |
|-----------------------------------|------|------------------|------------------|
| Assets | | | |
| Advances | 4 | 459,727 | 484,932 |
| Investments | 5 | 1,791,925 | 1,319,896 |
| Debtors | 6 | 57,812 | 44,902 |
| Central Treasury Loans | | 31,918 | 37,384 |
| Cash with Central Bank of Ireland | | <u>521,965</u> | <u>864,379</u> |
| | | <u>2,863,347</u> | <u>2,751,493</u> |
| Liabilities | | | |
| Post Office Savings Bank Deposits | 7 | 2,670,290 | 2,650,450 |
| Creditors | 8 | 2,647 | 4,825 |
| Accumulated Reserves | | <u>190,410</u> | <u>96,218</u> |
| | | <u>2,863,347</u> | <u>2,751,493</u> |

Notes 1 to 8 form part of these financial statements.



Conor O'Kelly, Chief Executive
National Treasury Management Agency
15 June 2015



Willie Walsh, Chairperson
National Treasury Management Agency

Notes to the Financial Statements

1. Investment Income

| | 2014 | 2013 |
|--------------------------------------|----------------|---------------|
| | €000 | €000 |
| Net Interest Received and Receivable | 66,255 | 64,017 |
| Profit on Sale of Investments | <u>63,370</u> | <u>1,888</u> |
| | <u>129,625</u> | <u>65,905</u> |

Sale and Repurchase agreements are transacted between the Fund and primary dealers in the bond market. The related income or interest cost arising from these transactions is reflected in Investment Income.

2. Interest Paid and Payable

| | 2014 | 2013 |
|--|--------------|--------------|
| | €000 | €000 |
| Interest Payable to Depositors of Post Office Savings Bank | <u>8,121</u> | <u>9,988</u> |

3. Other Expenses

| | 2014 | 2013 |
|---------------------|---------------|---------------|
| | €000 | €000 |
| Management Expenses | <u>27,312</u> | <u>26,303</u> |

4. Advances

| | 2014 | 2013 |
|-------------------------------------|----------------|----------------|
| | €000 | €000 |
| Advances to Exchequer | 455,927 | 470,632 |
| Advances to the State Claims Agency | <u>3,800</u> | <u>14,300</u> |
| | <u>459,727</u> | <u>484,932</u> |

Advances to the Exchequer represent Ways and Means funds, which have been loaned to the Exchequer. No financing costs were charged by the Fund to the State Claims Agency.

5. Investments

| | 2014 | 2013 |
|-----------------------------|------------------|------------------|
| | €000 | €000 |
| Bonds | | |
| At Cost | <u>1,791,925</u> | <u>1,319,896</u> |
| Valuation as at 31 December | <u>1,825,383</u> | <u>1,366,997</u> |

Notes to the Financial Statements (Continued)

5. Investments (Continued)

| Schedule of Investment Holdings: | | 2014 |
|----------------------------------|--------------------------|------------------|
| Nominal | Stock | Cost |
| €000 | | €000 |
| 83 | 8.25% Treasury Bond 2015 | 98 |
| 453,787 | 4.5% Treasury Bond 2015 | 465,929 |
| 422,252 | 4.6% Treasury Bond 2016 | 452,262 |
| 328,331 | 5.5% Treasury Bond 2017 | 380,348 |
| 107,589 | 4.5% Treasury Bond 2018 | 124,694 |
| 225 | 5.9% Treasury Bond 2019 | 283 |
| 59,837 | 4.4% Treasury Bond 2019 | 70,272 |
| 33,400 | 5.0% Treasury Bond 2020 | 41,043 |
| 83,136 | 4.5% Treasury Bond 2020 | 99,608 |
| 277 | 3.9% Treasury Bond 2023 | 331 |
| 45,949 | 3.4% Treasury Bond 2024 | 53,101 |
| 55,725 | 5.4% Treasury Bond 2025 | 74,175 |
| 29,840 | 2.4% Treasury Bond 2030 | 29,781 |
| <u>1,620,431</u> | | <u>1,791,925</u> |

6. Debtors

| | 2014 | 2013 |
|------------------------------------|---------------|---------------|
| | €000 | €000 |
| Dividends and Interest Receivable | 44,181 | 40,549 |
| Cash Balances held by An Post | 1,499 | 4,353 |
| Outstanding Bond Trade Settlements | <u>12,132</u> | <u>-</u> |
| | <u>57,812</u> | <u>44,902</u> |

7. Post Office Savings Bank Deposits

| | 2014 | 2013 |
|-----------------------------------|------------------|------------------|
| | €000 | €000 |
| Post Office Savings Bank Deposits | <u>2,670,290</u> | <u>2,650,450</u> |

In April 2014 €2,226,367 (2013: €2,282,998) was transferred from the Fund to the Dormant Accounts Fund under the Dormant Accounts Act, 2001. At 31 December 2014, a liability of €38,933,835 (2013: €37,378,265) remained following account reactivations of €730,147 (2013: €1,190,604) and the capitalisation of interest (net of DIRT) of €59,350 (2013: €65,188). If reclaimed by POSB depositors this is payable from the Dormant Accounts Fund. The POSB deposits of €2,670,289,962 (2013: €2,650,449,890) do not include this liability.

8. Creditors

| | 2014 | 2013 |
|--|--------------|--------------|
| | €000 | €000 |
| Net Funds payable due under Sale and Repurchase Agreements | 1,824 | 4,164 |
| DIRT to An Post | <u>823</u> | <u>661</u> |
| | <u>2,647</u> | <u>4,825</u> |

Financial Statements of the State Claims Agency

For the year ended 31 December 2014

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Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

State Claims Agency

I have audited the financial statements of the State Claims Agency (the Agency) for the year ended 31 December 2014 under the National Treasury Management Agency Act 1990. The financial statements, which have been prepared under the accounting policies set out therein, comprise the accounting policies, the claims statement account, the balance sheet and the related notes. The financial statements have been prepared in the form prescribed under section 12 of the Act, and in accordance with generally accepted accounting practice in Ireland.

Responsibilities of the National Treasury Management Agency

The National Treasury Management Agency is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the Agency's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Agency's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read the information about the Agency in the annual report of the National Treasury Management Agency to identify if there are material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the Agency's affairs at 31 December 2014 and of its income and expenditure for 2014.

In my opinion, proper books of account have been kept by the National Treasury Management Agency. The financial statements are in agreement with the books of account.

Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where public money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information about the Agency in the National Treasury Management Agency's annual report is not consistent with the related financial statements, or
- the statement on internal financial control does not reflect the Agency's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.



Seamus McCarthy
Comptroller and Auditor General

16 June 2015

Accounting Policies

(a) Background

Under the National Treasury Management Agency (Amendment) Act, 2000, the management of personal injury and property damage claims against certain State Authorities (“Delegated State Authorities”), and of the underlying risks, was delegated to the National Treasury Management Agency (“NTMA”). When performing these functions, the NTMA is known as the State Claims Agency (“SCA”). The SCA incurs expenditure on awards, claim settlements and associated costs. The SCA recovers this expenditure from the Delegated State Authorities who are liable in respect of claims.

The SCA has three objectives as follows:

- A duty to act in the best interest of taxpayers. It also has a duty towards persons who have suffered injuries and who take legal actions against the State or Health Enterprises, and the families of such persons. It acts fairly and ethically in its dealings with injured persons and their families and in the management of all cases that fall within its remit;
- To provide risk advisory services to Delegated State Authorities with the aim of reducing over time the frequency and severity of claims;
- To deal with third-party costs arising from certain Tribunals of Inquiry.

In February 2003, the management of clinical negligence claims and associated risks under the Clinical Indemnity Scheme (the “CIS”) was delegated to the SCA. The CIS was established in order to rationalise medical indemnity arrangements for the health service. Under the CIS, the State assumes full responsibility for the indemnification and management of clinical negligence claims.

The SCA’s remit was further expanded in February 2011 with the delegation of the management of personal injury and property damage claims against 13 new authorities and several additional classes of claims (including personal injury related to bullying / harassment, members of the Defence Forces and An Garda Síochána while serving abroad and prisoner in-cell sanitation claims).

Claims alleging personal injury in respect of the medicinal products Thalidomide and Nimesulide were delegated to the SCA in April 2012. Following a Government decision in 2012, a State Legal Cost Unit was set up within the SCA in February 2013 to deal with third-party costs arising from certain Tribunals of Enquiry. In October 2013 the Government delegated to the SCA the management of personal injury claims concerning the ingestion of the medicinal products Celvepan and Pandemrix.

In April 2014 the claims management of a further 61 public bodies (including the Voluntary Hospitals’ Group Delegations) was delegated to the SCA, bringing the total number within the SCA’s remit from 56 to 117.

Under the National Treasury Management Agency (Amendment) Act 2014, as commenced by Statutory Instrument (S.I.) No. 586 of 2014, the State Claims Policy Committee was dissolved on 22 December 2014. On this date, the NTMA was reconstituted as a body with a Chairperson and eight other members reporting to the Minister for Finance with over-arching responsibility for all of the NTMA’s functions (including the functions of the SCA).

(b) Reporting Currency

The reporting currency is the euro which is denoted by the symbol €.

(c) Basis of Accounting

The financial statements are prepared on an accruals basis under the historical cost convention. The functions of the SCA relate to the management of claims on behalf of Delegated State Authorities who are liable in respect of claims and from whom the SCA recovers the amounts of any awards and associated costs. The financial statements report only on the transactions of the SCA and therefore no amount is included for the value of outstanding claims.

(d) Expenditure

Expenditure on awards, claim settlements and associated costs are recognised on receipt of a validated approval or the validated settlement of such expenditure.

(e) Amounts receivable from Delegated State Authorities

The SCA recovers the amounts of any awards, claim settlements and associated costs from Delegated State Authorities who are liable in respect of claims. Amounts are accounted for on an accruals basis and are treated as receivable from Delegated State Authorities in line with the recognition of the related expenditure.

Claims Statement Account

Year Ended 31 December

| | Note | 2014 €000 | 2013 €000 |
|---|------|-----------------------|-----------------------|
| Received and receivable from Delegated State Authorities in respect of claims and expenses | 1 | 141,400 | 139,592 |
| Costs recovered on behalf of Delegated State Authorities | 2 | <u>2,789</u> | <u>1,738</u> |
| | | <u>144,189</u> | <u>141,330</u> |
| Paid and payable in respect of awards and claim settlements | 3 | 86,852 | 92,521 |
| Other expenses | 4 | 54,548 | 47,071 |
| Reimbursement of costs recovered on behalf of Delegated State Authorities | 2 | <u>2,789</u> | <u>1,738</u> |
| | | <u>144,189</u> | <u>141,330</u> |

Notes 1 to 13 form part of these financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

15 June 2015



Willie Walsh, Chairperson
National Treasury Management Agency

Balance Sheet

31 December

| | Note | 2014 €000 | 2013 €000 |
|---|------|----------------------|----------------------|
| Assets | | | |
| Investments | 6 | 5,522 | 5,623 |
| Debtors | 7 | 11,834 | 15,096 |
| Cash at Bank | | <u>1,444</u> | <u>2,126</u> |
| | | <u>18,800</u> | <u>22,845</u> |
| Liabilities | | | |
| Scheme Liabilities | 6 | 5,522 | 5,623 |
| Borrowings from Post Office Savings Bank Fund | 8 | 3,800 | 14,300 |
| Creditors | 9 | <u>9,478</u> | <u>2,922</u> |
| | | <u>18,800</u> | <u>22,845</u> |

Notes 1 to 13 form part of these financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

15 June 2015



Willie Walsh, Chairperson
National Treasury Management Agency

Notes to the Financial Statements

1. Received and receivable from Delegated State Authorities

| | 2014 | 2013 |
|---|-----------------------|-----------------------|
| | €000 | €000 |
| Amounts receivable at 1 January (Note 7) | (15,082) | (13,827) |
| Receivable from Delegated State Authorities | 144,559 | 138,272 |
| Receivable from Scheme funds (Note 6) | 111 | 65 |
| Amounts receivable at 31 December (Note 7) | <u>11,812</u> | <u>15,082</u> |
| | <u>141,400</u> | <u>139,592</u> |

Amounts receivable from Delegated State Authorities comprise reimbursements of any awards, claim settlements and associated costs incurred by the SCA from the Delegated State Authorities who are liable in respect of claims.

2. Costs recovered on behalf of Delegated State Authorities

| | 2014 | 2013 |
|--|--------------|--------------|
| | €000 | €000 |
| Costs recovered on behalf of Delegated State Authorities | <u>2,789</u> | <u>1,738</u> |

In certain cases, whether by adjudication of the court or agreement with the third party / co-defendant, a specified percentage contribution in relation to a particular claim may be paid by a third party / co-defendant to the SCA. These amounts represent costs recovered by the SCA on behalf of the Delegated State Authorities.

3. Paid and payable in respect of awards and claim settlements

| | 2014 | 2013 |
|---|---------------|---------------|
| | €000 | €000 |
| Paid and payable in respect of awards and claim settlements | <u>86,852</u> | <u>92,521</u> |

Expenditure on awards are recognised on receipt of a validated approval or the validated settlement of such expenditure.

4. Other Expenses

| | 2014 | 2013 |
|---|----------------------|----------------------|
| | €000 | €000 |
| State Claims Agency Expenses | | |
| Legal Fees | 20,520 | 18,759 |
| Medical Fees | 3,360 | 2,674 |
| Engineers' Fees | 350 | 265 |
| Other Fees (including investigation and actuary fees) | <u>1,312</u> | <u>1,107</u> |
| | <u>25,542</u> | <u>22,805</u> |
| Plaintiff Expenses | | |
| Legal Fees | 28,913 | 24,233 |
| Other Expert Fees | 76 | 2 |
| Travel Expenses | <u>10</u> | <u>12</u> |
| | <u>28,999</u> | <u>24,247</u> |
| Witness Expenses | | |
| | <u>7</u> | <u>19</u> |
| | <u>54,548</u> | <u>47,071</u> |

Notes to the Financial Statements (Continued)

5. Remuneration and Expenses (included in the Administration Expenses of the NTMA)

The administrative costs incurred by the NTMA in the performance of the SCA's functions amounted to €13.5m (2013: €11.5m). These costs are included in the administration expenses of the NTMA and are charged on the Central Fund. The NTMA does not seek reimbursement of these costs from Delegated State Authorities.

State Claims Policy Committee

Remuneration of State Claims Policy Committee members is set by the NTMA with the consent of the Minister for Finance.

Remuneration in respect of 2013 and 2014 is set out below:

| | 2014 | 2013 |
|---|---------------|---------------|
| | € | € |
| Noel Whelan (Chair of Committee) | 13,317 | 13,713 |
| Anthony Delaney | 8,877 | 9,142 |
| Christopher Moore | 8,877 | 9,142 |
| Niamh Moran | 8,877 | 9,142 |
| Fachtna Murphy | 8,877 | 9,142 |
| Wendy Thompson | - | - |
| Mary Jackson | - | - |
| Charlie Hardy (Resigned 15 November 2013) | - | - |
| | <u>48,825</u> | <u>50,281</u> |

Wendy Thompson waived her fees as a Committee member for 2013 and 2014. Mary Jackson, appointed in her capacity as a civil servant, did not receive any remuneration in respect of her Committee membership. Charlie Hardy, appointed in his capacity as a civil servant, did not receive any remuneration in respect of his Committee membership.

No Committee member related expenses were paid for 2014 (2013: Nil).

Under the National Treasury Management Agency (Amendment) Act 2014, as commenced by S.I. No. 586 of 2014, the State Claims Policy Committee was dissolved on 22 December 2014. On this date, the NTMA was reconstituted as a body with a Chairperson and eight other members reporting to the Minister for Finance with over-arching responsibility for all of the NTMA's functions (including the functions of the SCA).

6. Investments / Scheme Liabilities

In 2008, the Minister for Health established the Special Obstetrics Indemnity Scheme (the "SOIS"). Under the SOIS, the Minister agreed to indemnify the Bon Secours and Mount Carmel Hospitals¹ in respect of specified obstetric claims. The Government delegated managing claims under the SOIS to the NTMA under S.I. No. 628 of 2007, National Treasury Management Agency (Delegation of Functions) (Amendment) Order, 2007. The named participating hospitals made contributions to a fund which is managed by the NTMA on behalf of the Minister for Health under section 29(2) of the National Treasury Management Agency (Amendment) Act, 2000.

The Minister for Health authorised the SCA to draw down amounts from the fund to reimburse the SCA under section 16(2) of the National Treasury Management Agency (Amendment) Act, 2000 for any amounts paid by the SCA on behalf of the participating hospitals.

Notes to the Financial Statements (Continued)

6. Investments / Scheme Liabilities (continued)

In 2008, the Government delegated the management of historical claims against consultant obstetricians which were previously managed by the Medical Protection Society ("MPS") to the NTMA under S.I. No. 628 of 2007, National Treasury Management Agency (Delegation of Functions) (Amendment) Order, 2007. The delegation of the management of the claims included the transfer of an existing fund to the SCA. Following draw down of the balance of the fund in 2013 (€13k), any remaining claim settlements and expenses are being met by the SCA under the Clinical Indemnity Scheme, and reimbursed to the SCA by the Health Service Executive (the "HSE").

Scheme Funds

Scheme funds are invested in Exchequer Notes on behalf of the Department of Health. Income earned on the Schemes' investments is paid into the fund and is not recognised as income of the SCA.

The movement on the Scheme funds is set out below:

| | 2014 | 2013 |
|---|---------------------|---------------------|
| | €000 | €000 |
| Balance at 1 January | 5,623 | 5,327 |
| Contributions to Fund | - | 350 |
| Claim settlements and expenses | (111) | (65) |
| Income earned | <u>10</u> | <u>11</u> |
| Balance at 31 December available for settlement of claims | <u>5,522</u> | <u>5,623</u> |

The amounts remaining in the Scheme funds at 31 December 2014 relate to the SOIS.

¹Mount Carmel went into liquidation in January 2014 and was subsequently purchased by the HSE in September 2014, to be utilised as a step down facility. It is expected there will be future claims in respect of its obstetric activities.

7. Debtors

| | 2014 | 2013 |
|---|----------------------|----------------------|
| | €000 | €000 |
| Receivable from Delegated State Authorities | 11,812 | 15,082 |
| Other | <u>22</u> | <u>14</u> |
| | <u>11,834</u> | <u>15,096</u> |

8. Borrowings from the Post Office Savings Bank Fund

| | 2014 | 2013 |
|---|---------------------|----------------------|
| | €000 | €000 |
| Borrowings from the Post Office Savings Bank Fund | <u>3,800</u> | <u>14,300</u> |

Under section 16 of the National Treasury Management Agency (Amendment) Act, 2000 the Minister for Finance may advance monies from the Post Office Savings Bank Fund (the "POSB") to the SCA for payment of the amount of any costs, charges and expenses in respect of the services of professional and other expert advisers, the amount of any award or settlement to be paid to a claimant in respect of a delegated claim, and the amount of interest, if any, payable thereon. Funds are drawn from the POSB Fund as required during the year to cover the above costs incurred by the SCA on behalf of the Delegated State Authorities. The SCA then receives reimbursements from the Delegated State Authorities and repays the POSB on a regular basis throughout the year. No financing costs are charged to the SCA by the POSB.

Notes to the Financial Statements (Continued)

9. Creditors

| | 2014 | 2013 |
|--|---------------------|---------------------|
| | €000 | €000 |
| Payable in respect of expenses | 5,943 | 1,423 |
| Payable in respect of awards | 2,561 | 521 |
| Professional Services Withholding Tax due | 225 | 405 |
| Amounts due to Delegated State Authorities | <u>749</u> | <u>573</u> |
| | <u>9,478</u> | <u>2,922</u> |

10. Estimated Liabilities of Delegated State Authorities

During 2014, 3,003 (2013: 2,242) new claims were received and 1,939 (2013: 1,861) were resolved. At 31 December 2014, the SCA had a total of 7,221 (2013: 6,188) claims under management.

At 31 December 2014 the estimated liability of Delegated State Authorities in respect of claims under management by the SCA was €1.47bn (2013: €1.23bn), of which €1.16bn (2013: €1.04bn) was attributable to Clinical Claims and €309m (2013: €187m) to General Damage Claims. The liability is an estimate calculated by reference to the ultimate cost of resolving each claim including all foreseeable costs such as settlement amounts, plaintiff legal costs and defence costs.

The estimated liability calculation is based on actuarial assumptions including a real rate of return of 3%. There has been a recent High Court ruling that a real rate of return of 1% should apply to Court Awards, however the SCA has appealed that decision to the Court of Appeal. The SCA has not adjusted its estimated liability to take account of this reduction, pending the outcome of the Appeal.

A change in the real rate of return to 1% would, based on actuarial assumptions, result in an estimated increase in the yearly CIS budget of between €80m and €100m.

11. Contingent Liabilities

The State Claims Agency had no contingent liabilities at 31 December 2014.

12. Related Parties

Minister for Finance

The members of the State Claims Policy Committee, as set out in note 5, were appointed by the Minister for Finance under section 12 of the National Treasury Management Agency (Amendment) Act, 2000.

13. Approval of Financial Statements

The financial statements were approved by the Agency on 26 May 2015.

Financial Statements of the Dormant Accounts Fund

For the year ended 31 December 2014

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Statement Of Agency's Responsibilities

The National Treasury Management Agency ("the Agency") is required by the Dormant Accounts Act 2001 (as amended by the Unclaimed Life Assurance Policies Act 2003, the Dormant Accounts (Amendment) Act 2005 and the Dormant Accounts (Amendment) Act 2012) to prepare financial statements in respect of the operations of the Dormant Accounts Fund for each financial year.

In preparing those statements, the Agency:

- selects suitable accounting policies and then applies them consistently;
- makes judgements and estimates that are reasonable and prudent;
- prepares the financial statements on a going concern basis unless it is inappropriate to do so;
- discloses and explains any material departure from applicable accounting standards.

The Agency shall, in relation to the Dormant Accounts Fund, keep in a form that may be specified by the Minister for Finance all proper and usual accounts of all moneys received or expended by it and for maintaining accounting records which disclose with reasonable accuracy at any time the financial position of the Fund.

The Agency is also responsible for safeguarding assets under its control and hence for taking reasonable steps in order to prevent and detect fraud and other irregularities.



Conor O'Kelly, Chief Executive
National Treasury Management Agency



Willie Walsh, Chairperson
National Treasury Management Agency

15 June 2015

Comptroller and Auditor General Report for presentation to the Houses of the Oireachtas

Dormant Accounts Fund

I have audited the financial statements of the Dormant Accounts Fund for the year ended 31 December 2014 under the Dormant Accounts Act 2001. The financial statements, which have been prepared under the accounting policies set out therein, comprise the accounting policies, the investment and disbursements account, the reserve account, the balance sheet and the related notes. The financial statements have been prepared in the form prescribed under section 46 of the Act, and in accordance with generally accepted accounting practice in Ireland.

Responsibilities of the National Treasury Management Agency

The National Treasury Management Agency (the Agency) is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the Fund's affairs at year end and of its transactions for the year, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Fund's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read the information about the Fund in the annual report of the Agency to identify if there are any material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the Fund's affairs at 31 December 2014 and of its transactions for 2014.

In my opinion, proper books of account have been kept by the Agency. The financial statements are in agreement with the books of account.

Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where public money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information about the Fund in the Agency's annual report is not consistent with the related financial statements, or
- the statement on internal financial control does not reflect the Agency's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.



Seamus McCarthy

Comptroller and Auditor General

16 June 2015

Accounting Policies

Background

The Dormant Accounts Act 2001 (as amended by the Unclaimed Life Assurance Policies Act 2003, the Dormant Accounts (Amendment) Act 2005 and the Dormant Accounts (Amendment) Act 2012), provides for a scheme to transfer dormant funds in banks, building societies and An Post and the transfer of moneys payable under unclaimed life assurance policies to the care of the State, while guaranteeing a right of reclaim to those funds. It further provides for the introduction of a scheme for the disbursement, for charitable purposes, or purposes of societal and community benefit, of funds which are not likely to be reclaimed.

The Dormant Accounts Fund consists of a Reserve Account from which reclaims and various expenses are paid and an Investment and Disbursements Account from which investments and disbursements are made.

The Agency is responsible, under sections 17 and 18 of the 2001 Act, for establishing, managing and controlling the Dormant Accounts Fund and has all powers (including the power to charge fees, payable from the Fund, in relation to the management and control of the Fund) that are necessary to the performance of its functions. These functions include:

- the making of disbursements in accordance with the directions of the Minister for Public Expenditure and Reform
- the maintenance of the Reserve Account
- the defraying of the specified fees, costs and expenses incurred
- the defraying of the remuneration, fees and expenses of the authorised inspectors
- the repayment of moneys transferred to the Fund
- the preparation of the annual investment plan, having regard to the disbursement plan and any direction from the Minister for the Environment, Community and Local Government.
- the investment of any moneys standing to the credit of the Fund that are not, for the time being, required for the purpose of meeting the liabilities of the Fund
- the keeping of proper accounts of all moneys received and expended by the Agency
- the submitting of annual accounts to the Comptroller and Auditor General and the presentation of a copy of accounts so audited to the Minister for Finance and the Minister for the Environment, Community and Local Government.

In accordance with the Dormant Accounts (Amendment) Act 2012, the Minister for Environment, Community and Local Government is responsible for the administration of the process by which the Government approves projects and programmes to which funds from the Dormant Accounts Fund can be disbursed. In accordance with this Act, a new Disbursement Scheme was approved by Government in December 2013 and a Dormant Accounts Action Plan for 2014 was published, which details projects and programmes to which funds from the Dormant Accounts Fund may be allocated.

The significant accounting policies adopted are as follows: -

Reporting Currency

The reporting currency is the euro, which is denoted by the symbol €.

Reporting Period

The reporting period is the year ended 31 December 2014.

Basis of Accounting

The financial statements are prepared on an accruals basis under the historical cost convention.

Investment And Disbursements Account

Year ended 31 December

| | Note | 2014 €000 | 2013 €000 |
|--|------|-----------------------|-----------------------|
| Moneys transferred to the Fund in respect of dormant accounts and unclaimed assurance policies | 1 | 49,344 | 44,561 |
| Amount transferred to Reserve Account | 2 | (23,553) | (23,425) |
| Disbursements | 3 | (1,989) | (1,487) |
| Interest Earned | 10 | <u>835</u> | <u>1,509</u> |
| Movement for the year | | 24,637 | 21,158 |
| Balance at 1 January | | 123,100 | 101,942 |
| Balance at 31 December | | <u>147,737</u> | <u>123,100</u> |

Notes 1 – 10 form part of these financial statements.



Conor O'Kelly, Chief Executive
National Treasury Management Agency

15 June 2015



Willie Walsh, Chairperson
National Treasury Management Agency

Reserve Account

Year ended 31 December

| | Note | 2014 €000 | 2013 €000 |
|---|------|----------------------|----------------------|
| Repayment of moneys transferred to the Fund | 1 | (18,791) | (19,546) |
| Interest on repayment of moneys transferred to the Fund | 1 | (166) | (422) |
| Transfer from Investment and Disbursements Account | 2 | 23,553 | 23,425 |
| Other Expenses | 4 | (400) | (647) |
| Interest Earned | 10 | <u>451</u> | <u>210</u> |
| Movement for the year | | 4,647 | 3,020 |
| Balance at 1 January | | <u>62,408</u> | <u>59,388</u> |
| Balance at 31 December | | <u>67,055</u> | <u>62,408</u> |

Notes 1 – 10 form part of these financial statements.



Conor O'Kelly, Chief Executive
National Treasury Management Agency

15 June 2015



Willie Walsh, Chairperson
National Treasury Management Agency

Balance Sheet

31 December

| | Note | 2014 €000 | 2013 €000 |
|--------------------------------------|------|-----------------------|-----------------------|
| Assets | | | |
| <i>Financial Assets</i> | | | |
| - Investments at cost | 5 | 60,151 | 49,052 |
| Current Assets | | | |
| - Cash and Bank Deposits | 6 | 152,386 | 134,378 |
| - Debtors | 7 | 2,484 | 2,137 |
| Liabilities | | | |
| - Accrued Reclaims | | <u>(229)</u> | <u>(59)</u> |
| Net Assets | | <u>214,792</u> | <u>185,508</u> |
| Represented by: | | | |
| Investment and Disbursements Account | | 147,737 | 123,100 |
| Reserve Account | | <u>67,055</u> | <u>62,408</u> |
| | | <u>214,792</u> | <u>185,508</u> |

Notes 1 – 10 form part of these financial statements.



Conor O'Kelly, Chief Executive
National Treasury Management Agency

15 June 2015



Willie Walsh, Chairperson
National Treasury Management Agency

Notes to the Financial Statements

1. Cumulative amounts transferred and reclaimed in respect of dormant accounts and unclaimed assurance policies

Banks – Dormant Accounts

| <u>Institution</u> | <u>Opening Balance</u> | | <u>Reclaimed</u> | <u>Closing Balance</u> | | <u>Interest Paid</u> |
|---|---------------------------|--------------------------|----------------------------|---------------------------|----------|-----------------------|
| | <u>1/1/14</u> | <u>Transferred</u> | | <u>31/12/14</u> | | |
| | <u>€</u> | <u>€</u> | <u>€</u> | <u>€</u> | <u>€</u> | <u>€</u> |
| ACC Bank plc | 6,253,816 | 858,595 | (707,745) | 6,404,666 | | 2,941 |
| Allied Irish Banks plc | 67,861,490 | 5,597,700 | (972,945) | 72,486,245 | | 6,052 |
| Barclays Bank Ireland plc | 344,025 | - | - | 344,025 | | - |
| BNP Paribas SA | 83,575 | - | - | 83,575 | | - |
| Bank of America National Association | 154,778 | - | - | 154,778 | | - |
| Bank of Ireland (The Governor & Company) | 69,123,039 | 6,870,716 | (2,344,985) | 73,648,770 | | 7,283 |
| Bank of Scotland plc | 567,088 | - | - | 567,088 | | - |
| Citibank Europe plc | 28,700 | - | - | 28,700 | | - |
| EBS Ltd | 15,948,043 | 3,779,119 | (1,615,927) | 18,111,235 | | 67,117 |
| EAA Covered Bond Bank | 122,119 | - | - | 122,119 | | - |
| KBC Bank Ireland plc | 785,993 | 103 | - | 786,096 | | - |
| Irish Bank Resolution Corporation Ltd (in special liquidation) | 629,363 | - | - | 629,363 | | - |
| Investec Bank plc | 1,609,821 | 17,692 | (8,575) | 1,618,938 | | 95 |
| JP Morgan Bank (Ireland) plc | 48,897 | - | - | 48,897 | | - |
| Danske Bank Plc | 5,710,171 | 1,014,517 | (702,693) | 6,021,995 | | 3,167 |
| Permanent tsb plc | 38,582,773 | 3,452,933 | (1,118,356) | 40,917,350 | | - |
| Pfizer International Bank | 33,573 | - | (954) | 32,619 | | 5,833 |
| An Post | 78,126,940 | 13,410,555 | (8,029,272) | 83,508,223 | | 44,175 |
| An Post – Post Office Savings Bank | 36,044,871 | 2,226,367 | (701,259) | 37,569,979 | | 29,150 |
| RBS NV (formerly ABN AMRO) | 34,992 | 463 | - | 35,455 | | - |
| The Royal Bank of Scotland plc | 37,336 | 349,399 | - | 386,735 | | - |
| Scotiabank (Ireland) Ltd | 92,953 | - | - | 92,953 | | - |
| Ulster Bank Ireland Ltd | <u>23,850,966</u> | <u>2,768,263</u> | <u>(479,744)</u> | <u>26,139,485</u> | | <u>402</u> |
| TOTAL (Banks) | <u>346,075,322</u> | <u>40,346,422</u> | <u>(16,682,455)</u> | <u>369,739,289</u> | | <u>166,215</u> |

Notes to the Financial Statements (Continued)

1. Cumulative amounts transferred and reclaimed in respect of dormant accounts and unclaimed assurance policies (continued)

Assurance Companies – Unclaimed Assurance Policies

| Institution | Opening | Transferred | Reclaimed | Closing | Interest |
|---|--------------------|-------------------|---------------------|--------------------|----------------|
| | Balance | | | Balance | |
| | 1/1/14 | € | € | 31/12/14 | € |
| | € | € | € | € | € |
| <i>Specified Term Accounts:</i> | | | | | |
| Ark Life Assurance Co. Ltd | 538,504 | 135,349 | (52,002) | 621,851 | - |
| Aviva Life International Ltd | 3,225,808 | 532,066 | (315,166) | 3,442,708 | - |
| Caledonian Life | 104,748 | - | - | 104,748 | - |
| Equitable Life | 7,131 | 257 | - | 7,388 | - |
| Friends First Life Assurance Co. Ltd | 2,069,786 | 247,287 | (16,632) | 2,300,441 | - |
| Irish Life Assurance plc (including former Canada Life Ire) | 5,902,361 | 1,193,921 | (49,456) | 7,046,826 | - |
| New Ireland Assurance Co. Ltd | 239,681 | 641,171 | - | 880,852 | - |
| Phoenix Life Ltd | 3,581,657 | 1,186,603 | (133,480) | 4,634,780 | - |
| The Royal London Mutual Insurance Society Ltd | 6,817,645 | 820,453 | (63,643) | 7,574,455 | - |
| St. James Place International plc | 10,649 | - | - | 10,649 | - |
| Scottish Legal Life | 598,319 | 4,047 | - | 602,366 | - |
| Standard Life International Ltd | 1,046,720 | 254,088 | - | 1,300,808 | - |
| Sun Life | 193,599 | 8,445 | (15,117) | 186,927 | - |
| Zurich Life Assurance plc | 1,042,057 | 228,870 | (13,512) | 1,257,415 | - |
| <i>No Specified Term Accounts:</i> | | | | | |
| Acorn Life Ltd | 14,846 | 17,958 | - | 32,804 | - |
| Ark Life Assurance Co. Ltd | 224,883 | 400,343 | (35,428) | 589,798 | - |
| Aviva Life International Ltd | 1,939,603 | 170,193 | (99,479) | 2,010,317 | - |
| Caledonian Life | 31,113 | - | - | 31,113 | - |
| Friends First Life Assurance Co. Ltd | 1,139,980 | 101,897 | (16,315) | 1,225,562 | - |
| Irish Life Assurance plc (including former Canada Life Ire) | 8,743,552 | 446,536 | (368,511) | 8,821,577 | - |
| New Ireland Assurance Co.plc | 10,775,570 | 641,171 | - | 11,416,741 | - |
| Phoenix Life Ltd | 324,881 | 172,051 | (6,691) | 490,241 | - |
| The Royal London Mutual Insurance Society Ltd | 9,605,117 | 1,005,468 | (210,361) | 10,400,224 | - |
| Scottish Legal Life | 502,824 | 35,860 | - | 538,684 | - |
| Standard Life International Ltd | 1,461,902 | 402,485 | (383,670) | 1,480,717 | - |
| Sun Life | 47,473 | - | - | 47,473 | - |
| Zurich Life Assurance plc | 2,218,193 | 291,962 | (100,163) | 2,409,992 | - |
| TOTAL (UNCLAIMED POLICIES) | 62,408,602 | 8,938,481 | (1,879,626) | 69,467,457 | - |
| The Escheated Estate Fund | 4,400,000 | - | - | 4,400,000 | - |
| Accrued Reclaims | (58,975) | 58,975 | (228,581) | (228,581) | 280 |
| GRAND TOTAL | 412,824,949 | 49,343,878 | (18,790,662) | 443,378,165 | 166,495 |

Notes to the Financial Statements (Continued)

1. Cumulative amounts transferred and reclaimed in respect of dormant accounts and unclaimed assurance policies (continued)

The amounts transferred to the Fund included accounts denominated in currencies other than euro. The effect of revaluing these accounts at the year end exchange rates would be to increase the total amount transferred to the Fund and not yet reclaimed by €460,806 from €443,378,165 to €443,838,971.

2. Transfers to the Reserve Account

Under section 17 (4) of the Dormant Accounts Act 2001 as amended, the Agency pays into the Reserve Account, from time to time, an amount determined by the Agency, with the approval of the Minister for the Environment, Community and Local Government given with the consent of the Minister for Finance, for the purposes of making repayments from the Fund and of defraying various fees and expenses. A transfer is made periodically by the Agency to maintain the balance in the Reserve Account at a currently approved 15 per cent of the total dormant funds received by the Dormant Accounts Fund and not yet reclaimed. The balance in the Reserve account may deviate from 15 per cent in the intervening period between the periodic rebalancing dates.

3. Disbursements

The following disbursements were made from the Fund during the year:

| | 2014 | 2013 |
|---|--------------|--------------|
| | €000 | €000 |
| <u>On direction of the Minister for Public Expenditure and Reform:</u> | | |
| Department of Children and Youth Affairs | - | 800 |
| Department of Education and Skills | (3) | 8 |
| Department of Environment, Community and Local Government | - | 5 |
| Department of Environment, Community and Local Government (administered by Pobal) | 1,942 | 591 |
| Department of Justice and Equality | 50 | - |
| Irish Prison Service (administered by Pobal) | - | 83 |
| | <u>1,989</u> | <u>1,487</u> |

4.a) Other Expenses

| | 2014 | 2013 |
|----------------------------------|------------|------------|
| | €000 | €000 |
| Board Fees and Expenses | - | 1 |
| Fees of service provider (Pobal) | 400 | 645 |
| Consultancy and Advisory fees | - | 1 |
| | <u>400</u> | <u>647</u> |

The Dormant Accounts Board was dissolved on 26 September 2013 and its remaining functions transferred to the Minister for Environment, Community and Local Government

Pobal receives an annual service fee for its administration of certain projects in receipt of Dormant Accounts Fund disbursements. The fee is paid by the Department of the Environment, Community and Local Government (DECLG) and reimbursed from the Dormant Accounts Fund.

Notes to the Financial Statements (Continued)

4.b) Expenses of the National Treasury Management Agency

Under section 45 (1)(c) of the Dormant Accounts Act 2001 as amended, the Agency is required to report certain specified information including a separate account of the administration fees and expenses incurred by the Agency in the operation of the Fund. These are detailed below:

| | 2014 | 2013 |
|------------------------|------|------|
| | €000 | €000 |
| General Administration | 150 | 150 |

This is an estimate, included in the Notes to the accounts only, as the Agency has not charged these fees and expenses to the Dormant Accounts Fund.

5. Financial Asset

| | 2014 | 2013 |
|--------------------------------|---------------|---------------|
| | €000 | €000 |
| 4.0% Bank of Ireland Bond 2015 | 60,151 | - |
| 4.0% Irish Treasury Bond 2014 | - | 49,052 |
| | <u>60,151</u> | <u>49,052</u> |

6. Cash and Bank Deposits

This figure represents the cash balance held at the Central Bank of Ireland, and Commercial Term Deposits held with Permanent tsb, Bank of Ireland and Allied Irish Banks plc.

7. Debtors

| | 2014 | 2013 |
|--|--------------|--------------|
| | €000 | €000 |
| Bond Interest Receivable | 2,219 | 1,885 |
| Interest Receivable on Cash on Deposit | 265 | 252 |
| | <u>2,484</u> | <u>2,137</u> |

8. Contingent Exchequer Liability

a) As a result of cumulative disbursements to date the net assets of the Fund are less than the dormant funds transferred and not yet reclaimed. This difference represents a contingent exchequer liability that would have to be met by the Central Fund in the event that all moneys transferred to the Dormant Accounts Fund were reclaimed. Under section 17(7) of the Dormant Accounts Act 2001 as amended, whenever the moneys in the Investment and Disbursement Account are insufficient to meet the deficiency in the Reserve Account, a payment can be made out of the Central Fund into the Reserve Account of an amount not exceeding the deficiency. The moneys are repaid to the Central Fund, as soon as practicable, from surplus moneys remaining in the Fund after providing for any liabilities or contingent liabilities of the Fund.

Notes to the Financial Statements (Continued)

8. Contingent Exchequer Liability (continued)

b) Analysis of Contingent Exchequer Liability:

| | 1 January 2014 €000 | Movement during the year €000 | 31 December 2014 €000 |
|---|---------------------------|-------------------------------------|-----------------------------|
| Net Assets of Fund | 185,508 | 29,284 | 214,792 |
| Dormant Funds Transferred not reclaimed | (412,825) | (30,553) | (443,378) |
| Contingent liability | <u>(227,317)</u> | <u>(1,269)</u> | <u>(228,586)</u> |

c) The movement in the Contingent Exchequer Liability is represented by:

| | Note | €000 |
|--|------|----------------|
| Interest Earned | 10 | 1,286 |
| Interest on repayments of moneys transferred to the Fund | 1 | (166) |
| Disbursements | 3 | (1,989) |
| Other expenses | 4 | <u>(400)</u> |
| Movement for the year | | <u>(1,269)</u> |

9. Investment Return

Under section 45 (1)(b) of the Dormant Accounts Act 2001 as amended, the Agency is required to report to the Minister for Environment, Community and Local Government the investment return achieved by the Fund. The annualised return on the Fund for the year was 0.61 per cent (2013 0.93%)¹.

10. Interest Earned

| | Investment & Disbursements Account €000 | Reserve Account €000 | Total 2014 €000 | Total 2013 €000 |
|-----------------------|--|----------------------------|-----------------------|-----------------------|
| Bond Holding | 312 | - | 312 | 892 |
| Commercial Deposits | 512 | 436 | 948 | 776 |
| Central Bank Deposits | <u>11</u> | <u>15</u> | <u>26</u> | <u>51</u> |
| | <u>835</u> | <u>451</u> | <u>1,286</u> | <u>1,719</u> |

¹Comparative 2013 return has been restated for the inclusion of premiums on acquisitions of bond investments.

Financial Statements of the Ireland Strategic Investment Fund

For the period from 22 December 2014 to 31 December 2014

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Other Information

Bankers

Central Bank of Ireland
Dame Street
Dublin 2

Allied Irish Banks p.l.c.
1-4 Lower Baggot Street
Dublin 2

Global Custodian

The Bank of New York Mellon (“BNYM”)
One Canada Square
London E14 5AL

Auditor

Comptroller and Auditor General
Dublin Castle
Dublin 2

Controller And Manager

National Treasury Management Agency
Treasury Building
Grand Canal Street
Dublin 2

Investment Report

Pursuant to section 38(1) of the National Treasury Management Agency (Amendment) Act 2014 (“NTMA Act 2014”), the Ireland Strategic Investment Fund (“the Fund”) was established on 22 December 2014. The assets and liabilities of the National Pensions Reserve Fund (“NPRF”) became assets and liabilities of the Fund on 22 December 2014, except for certain foreign assets and liabilities. The assets remaining in the NPRF as at 31 December 2014 have been derecognised by the NPRF Commission and are presented within the Fund’s financial statements for the period ending 31 December 2014. With the exception of the Directed Investments the Agency determines the investment strategy for the Fund.

A summary of the Investment assets of the Fund is listed below:

| | 2014 €m | % of Total Investment Assets |
|--|----------------------|------------------------------------|
| Quoted Investments | 3,528 | 16.2% |
| Unquoted Investments | 1,237 | 5.6% |
| Loans and Receivables | 338 | 1.6% |
| Deposits, Cash and Other Investments | 1,689 | 7.8% |
| Derivatives | <u>(22)</u> | <u>(0.1%)</u> |
| Total Discretionary Investment Assets | <u>6,770</u> | <u>31.1%</u> |
| Directed Investments | 13,123 | 60.3% |
| Cash | 1,109 | 5.1% |
| Repurchase Agreements | <u>765</u> | <u>3.5%</u> |
| Total Directed Investments | <u>14,997</u> | <u>68.9%</u> |
| Total Investment Assets | <u>21,767</u> | <u>100.0%</u> |



Conor O’Kelly, Chief Executive
National Treasury Management Agency

15 June 2015



Willie Walsh, Chairperson
National Treasury Management Agency

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Ireland Strategic Investment Fund

I have audited the financial statements of the Ireland Strategic Investment Fund for the period ended 31 December 2014 under the National Treasury Management Agency Act 1990. The financial statements, which have been prepared under the accounting policies set out therein, comprise the accounting policies, the fund account, the net assets statement, the cash flow statement and the related notes. The financial statements have been prepared in the form prescribed under section 12 of the Act.

Responsibilities of the National Treasury Management Agency

The National Treasury Management Agency (the Agency) is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the results of the Fund's operations for the period and of its balances at year end, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Fund's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read the information about the Fund in the Agency's annual report to identify if there are any material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in accordance with the National Treasury Management Agency Act 1990 in the form approved by the Minister for Finance, give a true and fair view of the results of the Fund's operations for the period ended 31 December 2014 and of its balances at that date.

In my opinion, proper books of account have been kept by the Agency. The financial statements are in agreement with the books of account.

Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where public money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information about the Fund in the Agency's annual report is not consistent with the related financial statements, or
- the statement on internal financial control does not reflect the Agency's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters on which reporting is by exception.



Seamus McCarthy
Comptroller and Auditor General

16 June 2015

Accounting Policies

The Ireland Strategic Investment Fund (“the Fund”) was established on 22 December 2014 on the commencement of the National Treasury Management Agency (Amendment) Act 2014 (“NTMA Act 2014”). The National Treasury Management Agency (the “Agency” or the “Manager”) is the controller and manager of the Fund. The statutory mandate of the Fund is to invest on a commercial basis in a manner designed to support economic activity and employment in the State. In addition in accordance with section 42 and 43 of the NTMA Act 2014 the Minister may give directions in relation to certain investments. The significant accounting policies adopted in respect of the Fund are as follows:

(a) Basis of Preparation

The financial statements have been prepared in accordance with section 12 of the National Treasury Management Agency Act, 1990 in a format approved by the Minister for Finance.

On the commencement of Part 6 of the NTMA Act 2014, the assets and liabilities of the NPRF became the assets and liabilities of the Fund (subject to the provisions of schedule 4 of the Act in the case of certain foreign assets and foreign liabilities). The legal transfer of foreign assets must be done in conjunction with the relevant counterparty. This process is ongoing, and certain foreign assets remained in the NPRF as at 31 December 2014. These assets (held by the NPRF Commission) have been derecognised, and are recognised and presented within the Fund’s financial statements for the period ending 31 December 2014, in line with Accounting Standards.

The financial statements summarise the transactions and net assets of the Fund.

Notwithstanding the Fund’s significant holdings in the equity of Bank of Ireland and Allied Irish Banks, (“the Directed Investments”) the Agency (as Manager and Controller of the Fund) does not have the ability to exercise control, dominant influence or significant influence, over the Directed Investments. Therefore, the Agency does not consolidate the results and the financial position of Bank of Ireland or Allied Irish Banks into the financial statements of the Fund.

(b) Reporting Period

The reporting period is the period from establishment of the Fund on 22 December 2014 to 31 December 2014.

(c) Reporting Currency

The reporting currency is the euro which is denoted by the symbol €. Monetary amounts are stated in €m unless otherwise indicated. Where used, ‘€000’ or ‘k’ denotes thousand, ‘m’ denotes million and ‘bn’ denotes billion.

(d) Investments

The Fund holds two types of investments:

(i) Discretionary Investments

Investments made in accordance with Part 6 of the NTMA Act 2014, whereby the Agency shall hold or invest the assets of the Fund on a commercial basis in a manner designed to support economic activity and employment in the State.

(ii) Directed Investments

The Agency holds the Directed Investments subject to directions given by the Minister for Finance pursuant to section 43 of the NTMA Act 2014. The holding and management of the Directed Investments, the exercise by the Agency of voting and other rights attaching to the Directed Investments and the disposal by the Agency of the Directed Investments must be conducted in accordance with any directions given by the Minister for Finance.

Any interest or other income received in respect of deposits and / or securities held in the Directed Portfolio are transferred to the Discretionary Portfolio and are held or invested by the Agency in line with Ministerial Direction.

(e) Valuation of Discretionary Investments

Investments are recorded on a trade date basis and are stated at fair value. Fair value is determined as follows for quoted, unquoted, loans and receivables and derivative investments:

(i) Quoted Investments

Fair value is the closing market value on the primary exchange or market where the investment is quoted.

Accounting Policies (Continued)

(e) Valuation of Discretionary Investments (continued)

(ii) Unquoted Investments

Fair value is estimated by the National Treasury Management Agency as Manager and Controller of the Fund and approved by the Agency. The principal unquoted valuations are as follows:

Investments in Property, Private Equity, Forestry and Infrastructure Funds

The estimated fair value for unquoted investments in property, private equity, forestry and infrastructure funds for which there is not an active market is based on the latest audited valuation placed on the fund or partnership by the external manager of that fund or partnership. Where an audited valuation is not available, in circumstances such as where the fund or partnership's year end does not coincide with that of the Fund, the latest available unaudited valuation is used.

The valuations of these investments are determined by external managers using accepted industry valuation methods and guidelines published by relevant industry bodies. Such valuation methodologies used by external managers may include considerations such as earnings multiples of comparable publicly traded companies, discounted cash flows, third party transactions, or events which suggest material impairment or improvement in the fair value of the investment. In the first year of ownership cost is usually considered to be an appropriate estimate of the fair value for these investments unless there is an indication of a permanent impairment in value.

A range of possible values can exist for these investments and estimated fair values may differ from the values that would have been used had there been an active market value for such investments.

The Agency relies on the external managers' valuations as being a representative estimate of the fair value of an investment. The Agency has established procedures to periodically review the fund or partnership's valuation of these investments. Based on its judgement, and relevant information available to it, the Agency may in certain circumstances determine that an adjustment to the external manager's valuation is appropriate in recording an investment's fair value.

Unquoted Bonds

Unquoted bonds are valued at their fair value as estimated by the Manager using bond valuation models based on observable market data.

Unquoted Investment Funds

Unquoted investment funds are valued at the most recent Net Asset Value as published by the funds' administrators.

(iii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest rate method less any impairment.

(iv) Derivatives

Futures

Futures contracts used by the Fund's investment managers are valued at their closing market value on the exchange on which they are traded and are recognised as investment assets.

Foreign Exchange Contracts

The market value of Foreign Exchange Contracts is the unrealised gain / loss on the contract at the Net Assets Statement date.

Equity Options

Equity options are valued at their closing market value on the exchange on which they are traded and are recognised as investment assets.

Accounting Policies (Continued)

(f) Valuation of Directed Investments

Directed Investments are valued as follows:

Ordinary Shares

The ordinary shares held as part of the Directed Investment portfolio are valued at fair value. Fair value is the closing market value on the primary exchange or market where the investment is quoted.

Where closing market prices are deemed not to be a reliable estimation of fair value, ordinary shares are valued using appropriate valuation methodologies. Valuation methodologies used include discounted cash flow analysis, total equity analysis, comparable company analysis or precedent transaction analysis.

Preference Shares

The preference shares held as part of the Directed Investment portfolio are valued at fair value. Fair value is determined using valuation methodologies which may include discounted cash flow analysis, an annuity valuation based on comparable company yields, comparable company analysis or precedent transaction analysis.

(g) Gains and Losses on Investments

Realised and unrealised capital gains and losses on investments are dealt with in the Fund Account in the period in which they arise (Change in Value of Investments).

(h) Long Term Receivables

Long term receivables are shown at their fair value. The fair value of these receivables is estimated by discounting the contractual future cash flows at the market rate that is currently available to the Fund for similar financial instruments.

(i) Cash Collateral arising from Derivative Transactions

Cash received / posted as collateral arising from derivative transactions is recorded as an asset / liability on the Net Assets Statement and is valued at its fair value. The obligation to repay the collateral is recorded as a liability and the entitlement to receive the collateral is recorded as an asset in the Net Assets Statement.

(j) Investment Income

Income from investments is recognised at fair value on an accruals basis. Dividends are credited to income on the dates on which the relevant securities are listed as "ex-dividend". Income is shown gross of any non-recoverable withholding taxes which are disclosed separately in the Fund Account as part of the taxation charge.

(k) Expenses

Expenses are accounted for in the period in which they fall due.

(l) Foreign Currencies

All transactions in foreign currencies are translated into euro at the rate of exchange prevailing at the dates of such transactions. Assets and liabilities in foreign currencies are translated into euro at the rate of exchange ruling at the period end date.

Exchange differences arising on the revaluation of investments and settlement of investments are dealt with in the change in market value of investments. Exchange differences arising on income items are accounted for as part of investment income.

(m) Securities Lending

The Fund undertakes securities lending arrangements whereby securities are loaned to external counterparties for a set period of time. The Fund receives collateral of greater value than the securities loaned for the duration of the loan period and receives interest where the collateral assets are reinvested. Under the terms of the securities lending agreements, the Fund retains substantially all the risks and rewards of ownership of the loaned securities and also retains the rights to any cashflows relating to the securities. Therefore the loaned securities are not derecognised from the Fund's Net Assets and collateral assets held are not recognised in the Fund's Net Assets Statement.

Fund Account

| | | 22 December 2014 to 31 December 2014 |
|---|------|---|
| | Note | €m |
| Discretionary Portfolio | | |
| - Discretionary Investment Income | 1 | 3 |
| - Change in Value of Investments | 6(e) | 10 |
| - Taxation | 2 | - |
| Discretionary Investment Return | | <u>13</u> |
| Directed Investments Portfolio | | |
| - Directed Investment Income | 3 | - |
| - Change in Value of Investments | 9(b) | 4 |
| Directed Investment Return | | <u>4</u> |
| Total Investment Return after Tax | | 17 |
| Fund Expenses | 5 | (1) |
| Total Investment Return after Tax and Expenses | | <u>16</u> |
| Contributions | | |
| - Assets Transferred from NPRF | 4(a) | 22,153 |
| Total Contributions | | <u>22,153</u> |
| Increase in Fund during the Period | | 22,169 |
| Net Assets of Fund at Start of Period | | - |
| Net Assets of Fund at Period End | | <u>22,169</u> |

The accounting policies and notes 1 to 16 form part of these financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

15 June 2015



Willie Walsh, Chairperson
National Treasury Management Agency

Net Assets Statement

| | Note | Period Ended 31 December 2014 €m |
|--|------|--|
| Discretionary Portfolio | | |
| Discretionary Investments | 6 | 6,770 |
| Non Current Assets | 7(a) | 356 |
| Current Assets | 7(b) | 53 |
| Current Liabilities | 8(a) | <u>(7)</u> |
| Net Assets - Discretionary Portfolio | | <u>7,172</u> |
| Directed Investments Portfolio | | |
| Directed Investments | 9(a) | <u>14,997</u> |
| Net Assets - Directed Investments Portfolio | | <u>14,997</u> |
| Net Assets of the Fund at Period End | | <u>22,169</u> |

The accounting policies and notes 1 to 16 form part of these financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

15 June 2015



Willie Walsh, Chairperson
National Treasury Management Agency

Cashflow Statement

22 December 2014
to 31 December 2014
€m

Discretionary Investments Cashflow

Cashflows from Operating Activities

| | |
|---|-------------------|
| Purchase of Investments | (93) |
| Proceeds from Sale of Investments | <u>275</u> |
| Net Cash from Operating Activities | <u>182</u> |

Cashflows from Financing Activities

| | |
|---|------------------|
| Transfer from NPRF | <u>55</u> |
| Net Cash from Financing Activities | <u>55</u> |

| | |
|-----------------------------|-------------------|
| Net Increase in Cash | <u>237</u> |
|-----------------------------|-------------------|

Cash at Beginning of Period

| | |
|------------------------------|-------------------|
| Exchange Gain on Cash | 2 |
| Net Increase in Cash | <u>237</u> |
| Cash at End of Period | <u>239</u> |

2014

€m

Directed Investments Cashflow

Cashflows from Operating Activities

| | |
|---|---------------------|
| Net proceeds from Sale of Investments | <u>1,109</u> |
| Net Cash from Operating Activities | <u>1,109</u> |

| | |
|----------------------|--------------|
| Net Increase in Cash | <u>1,109</u> |
|----------------------|--------------|

| | |
|------------------------------|---------------------|
| Cash at End of Period | <u>1,109</u> |
|------------------------------|---------------------|

Notes to the Financial Statements

1. Discretionary Investment Income

| | 2014 |
|--|--------------|
| | €000 |
| Income from Discretionary Investments | |
| Equities | 1,926 |
| Bonds | 921 |
| Private Equity | 13 |
| Deposits | (1) |
| Other Income | 78 |
| | <u>2,937</u> |

2. Taxation

The income and profits of the Fund are exempt from Irish Corporation Tax in accordance with section 230 (1A) of the Taxes Consolidation Act, 1997 which was inserted by the NTMA Act 2014. The Fund may, however, be liable for taxes in overseas jurisdictions where full tax exemptions are not available.

Dividends and interest may be subject to irrecoverable foreign withholding taxes imposed by the country from which the investment income is received. Distributions of income and gains received by the Fund from its property and private equity fund investments may also be subject to foreign withholding taxes. The Fund may also be subject to additional foreign taxes payable on certain property and private equity investments annually, based on their asset values at the reporting date.

The foreign taxes provided for are detailed below:

| | 2014 |
|-------------------------|--------------|
| | €000 |
| Withholding Tax Reclaim | - |
| Foreign Taxes on Income | (266) |
| Net Tax Cost | <u>(266)</u> |

In 2014, the Fund received €Nil Withholding Tax Reclaims in relation to tax reclaims submitted for the period from 22 December to 31 December 2014.

3. Directed Investment Income

| | 2014 |
|--|-----------|
| | €000 |
| Income from Discretionary Investments | |
| Income Received - Cash Instruments | 16 |
| | <u>16</u> |

The Income received from Cash Instruments is the interest received from Irish Exchequer notes that were held in 2014.

The holding of preference shares in Allied Irish Banks ("AIB") entitles the Fund to an annual dividend which is payable in May each year.

Notes to the Financial Statements (Continued)

4. Contributions / Withdrawals

(a) Assets transferred to the Fund

The breakdown of the assets transferred from the NPRF to ISIF on 22 December 2014 is below:

| | 2014 €000 |
|--|----------------------|
| Discretionary Portfolio | |
| Currency and other Investment Funds | 1,772 |
| Cash Enhancement Investments | 1,724 |
| Equities | 1,248 |
| Bonds | 868 |
| Deposits, Cash and other Investments | 361 |
| Debt | 321 |
| Commodity Investments | 288 |
| Property Investments | 242 |
| Private Equity Investments | 230 |
| Infrastructure Investments | 76 |
| Equity Options | 30 |
| Forestry Investments | 25 |
| Unrealised gain / (loss) on futures contracts | (7) |
| Unrealised gain / (loss) on foreign currency contracts | (32) |
| | <u>7,146</u> |
| Current Assets | 396 |
| Current Liabilities | (395) |
| Other (see note 4(b)) | 13 |
| Total Discretionary Portfolio | 7,160 |
| Directed Portfolio | |
| Directed Investments | 13,119 |
| Deposits, Cash and other Investments | 1,874 |
| Total Directed Portfolio | 14,993 |
| Total Assets Transferred | <u>22,153</u> |

Pursuant to the NTMA Act 2014, all assets of the NPRF governed by Irish law transferred automatically by operation of law from the NPRF Commission to the NTMA on 22 December 2014 (becoming assets of the Fund). The value of the assets transferred to the Fund was €22,153m.

Notes to the Financial Statements (Continued)

4. Contributions / Withdrawals (continued)

(b) Assets derecognised by the NPRF

From the 22 December 2014 the NPRF Commission consists of a single commissioner (the Chief Executive, NTMA) who is required by the NTMA Act 2014 to do everything that is reasonably practicable to give effect to the transfer of any remaining assets governed by foreign law. The legal transfer of foreign assets must be done in conjunction with the relevant counterparty. This process is ongoing, and some foreign assets remained in the NPRF as at 31 December 2014. The assets of the NPRF have been derecognised by the NPRF Commission, and are recognised and presented within the Fund's financial statements for the period ending 31 December 2014, in line with Accounting Standards.

A breakdown of the assets remaining in legal ownership of the NPRF as at 31 December 2014 reflected in the Financial Statements of the Fund is listed below:

| | 2014 |
|--|---------------------|
| | €m |
| Discretionary Portfolio | |
| Equities | 1,084 |
| Currency and Other Investment Funds | 273 |
| Property Investments | 242 |
| Private Equity Investments | 169 |
| Deposits, Cash and other Investments | <u>2</u> |
| | <u>1,770</u> |
| Current Assets | 37 |
| Current Liabilities | <u>(7)</u> |
| Total Assets derecognised by NPRF | <u>1,800</u> |

The €1,800m above is included in the €22,153m assets transferred from the NPRF to ISIF. The movement in the value of these assets in the period from the 22 December to 31 December 2014 was €13m. As at 30 April 2015 the market value of assets remaining to be transferred to the Fund was €240m.

5. Fund Expenses

€293k represents the amount required to cover the investment management and administration costs of the Fund.

| | 2014 |
|---|-------------------|
| | €000 |
| (a) General Administration Fees and Expenses | |
| Legal Fees | 33 |
| National Treasury Management Agency Recharge | <u>182</u> |
| | 215 |
| (b) Directed Investment Fees and Expenses | |
| Advisory Fees | <u>78</u> |
| Total Expenses | <u>293</u> |

Under section 48 of the NTMA Act 2014, the expenses of the Agency in the performance of its functions to the Fund may be defrayed from the Fund. These amount to €182k in 2014.

Notes to the Financial Statements (Continued)

6. Discretionary Investment Assets

Pursuant to section 38(1) of the NTMA Act 2014, the Fund was established on 22 December 2014. All assets and liabilities of the NPRF became assets and liabilities of the Fund on the commencement of the NTMA Act 2014.

(a) Summary of Assets

| | 2014 |
|---|--------------|
| | €m |
| Quoted Investments | |
| Global Low Volatility Equity Funds | 1,360 |
| Developed Markets Equities | 1,076 |
| Corporate Bonds | 534 |
| Commodity Investments | 281 |
| Emerging Markets Equities | 196 |
| Currency Investments | <u>81</u> |
| Total Quoted Investments | 3,528 |
| Unquoted Investments | |
| Other Investment Funds | 338 |
| Corporate Bonds | 247 |
| Property Investments | 246 |
| Private Equity Investments | 240 |
| Infrastructure Investments | 76 |
| Other Bonds | 63 |
| Forestry Investments | <u>27</u> |
| Total Unquoted Investments | 1,237 |
| Loans and Receivables | |
| Other Debt | 321 |
| Other Bonds | <u>17</u> |
| Total Loans and Receivables | 338 |
| Derivatives | |
| Equity Options | 31 |
| Unrealised Loss on Futures Contracts | (6) |
| Unrealised Loss on Foreign Exchange Contracts | <u>(47)</u> |
| Total Derivatives | (22) |
| Deposits, Cash and other Investments | |
| Cash Enhancement Investments | 1,450 |
| Deposits and Cash | <u>239</u> |
| Total Deposits, Cash and Other Investments | 1,689 |
| Total Discretionary Investment Assets | 6,770 |

Notes to the Financial Statements (Continued)

6. Discretionary Investment Assets (continued)

(b) Analysis by Geographical Classification

| | 2014 |
|------------------|--------------|
| | €m |
| Europe | 4,980 |
| North America | 1,482 |
| Emerging Markets | 210 |
| Asia Pacific | 98 |
| | <u>6,770</u> |

(c) The Investment Assets of the Fund at the period end are held as follows:

| | 2014 |
|--|---------------------|
| | €m |
| Investment Managers | |
| BlackRock Advisors (UK) Limited | 1,273 |
| Deutsche Asset Management International GmbH | 556 |
| National Treasury Management Agency | 137 |
| Citigroup Global Markets Limited | 51 |
| | <u>2,017</u> |
| Other Investments | |
| Cash Enhancement Investments | 1,450 |
| Global Low Volatility Equity Funds | 1,360 |
| Other Investment Funds | 338 |
| Other Debt | 321 |
| Commodity Investments | 281 |
| Unquoted Property Investments | 248 |
| Unquoted Corporate Bonds | 247 |
| Unquoted Private Equity Investments | 244 |
| Currency Funds | 81 |
| Other Bonds | 80 |
| Unquoted Irish Infrastructure Fund | 76 |
| Forestry Investments | 27 |
| | <u>4,753</u> |
| Total Investment Assets | <u>6,770</u> |

Notes to the Financial Statements (Continued)

6. Discretionary Investment Assets (continued)

(d) Valuation of Investments

The investment assets of the Fund are valued at their fair value as described in the accounting policy on the valuation of investments.

The following table analyses the investment assets between those whose fair value is based on:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques involving only the use of model inputs observable in the market.
- Level 3 - Valuation techniques which do not involve the use of model inputs observable in the market.

| | 2014 Level 1 €m | 2014 Level 2 €m | 2014 Level 3 €m | 2014 Total €m |
|---|-----------------------|-----------------------|-----------------------|---------------------|
| (i) Listed Equities and Manged Funds | | | | |
| Listed Equity Securities | 2,632 | - | - | 2,632 |
| Commodity Investments | 281 | - | - | 281 |
| Other Investment Funds | - | 338 | - | 338 |
| Currency Funds | 81 | - | - | 81 |
| Forestry Investments | - | - | 27 | 27 |
| (ii) Debt Securities | | | | |
| Unlisted Debt Securities | - | 631 | 17 | 648 |
| Listed Debt Securities | 534 | - | - | 534 |
| (iii) Limited Partnerships/Trusts | | | | |
| Property | - | - | 246 | 246 |
| Private Equity | - | - | 240 | 240 |
| Infrastructure | - | - | 76 | 76 |
| (iv) Derivatives Financial Assets | | | | |
| Cash and Cash Equivalents | 1,689 | - | - | 1,689 |
| Equity Options | 31 | - | - | 31 |
| Futures Contracts | (6) | - | - | (6) |
| Foreign Exchange Contracts | (47) | - | - | (47) |
| | <u>5,195</u> | <u>969</u> | <u>606</u> | <u>6,770</u> |

Investment assets included in Level 3 include Property, Private Equity, Forestry, Infrastructure and Unlisted Debt Securities, for which there is currently no active market. In valuing these investments the Fund relies on valuations received from external managers as outlined in the accounting policy.

Notes to the Financial Statements (Continued)

6. Discretionary Investment Assets (continued)

(d) Valuation of Investments (continued)

The following table shows a reconciliation of all movements in the fair value of investment assets categorised within Level 3 between the beginning and the end of the period:

Investment Assets included in Level 3

| | 2014 |
|--|-------------------|
| | €m |
| Opening Valuation | - |
| Transfers from NPRF | 588 |
| Total Net Level 3 Gains and Losses in the Fund Account | 21 |
| Net Transfer out of Level 3 | (3) |
| Closing Valuation | <u>606</u> |

(e) The Movement in the Value of Discretionary Investments Held by the Fund during the Period was as Follows:

| | 2014 |
|--|---------------------|
| | €m |
| Value of Investments as at Start of Period | - |
| Assets Transferred from NPRF | 7,160 |
| Realised Loss on Investments | 0 |
| Unrealised Gain on Investments | 10 |
| Movement in Pending Settlements | (8) |
| Transfer to Long Term Receivable | (356) |
| Movement in Cash Collateral | (35) |
| Fund Expenses Paid | (1) |
| Net Cash Movement | - |
| Total Investments | <u>6,770</u> |

7(a) Non Current Assets

| | 2014 |
|-----------------------|-------------------|
| | €m |
| Long Term Receivables | <u>356</u> |

Long term receivables represent the present value of the contractual cash flows receivable in the period to 2017 arising from the sale of private equity investments by the Fund.

7(b) Current Assets

| | 2014 |
|---|------------------|
| | €m |
| Cash Collateral arising from Derivative Transactions (7c) | 35 |
| Accrued Interest on Fixed Income Securities | 11 |
| Amounts Receivable for Securities Sold | 3 |
| Dividends Receivable | 2 |
| Tax Reclaims Recoverable | 2 |
| | <u>53</u> |

Notes to the Financial Statements (Continued)

7(c) Cash Collateral Arising From Derivative Transactions

| | 2014 |
|----------------------------------|-----------|
| | €m |
| Opening Balance | - |
| Collateral Transferred from NPRF | <u>35</u> |
| Net Cash Collateral held | <u>35</u> |

Cash collateral arising from derivative transactions under Credit Support Annexes (CSA), represents cash deposits with / from derivative counterparties. These balances can change on a daily basis and are dependent on the market value of the underlying derivatives. At 31 December 2014 the cash collateral was held with Royal Bank of Scotland.

8. Current Liabilities

| | 2014 |
|--|----------|
| | €m |
| VAT Payable and Other Accrued Expenses | 4 |
| Amounts Payable for Securities Purchased | <u>3</u> |
| | <u>7</u> |

9. Directed Investments

The Agency holds the Directed Investments subject to directions given by the Minister for Finance pursuant to section 43 of the NTMA Act 2014. The holding and management of the Directed Investments, the exercise by the Agency of voting and other rights attaching to the Directed Investments and the disposal by the Agency of the Directed Investments must be conducted in accordance with any directions given by the Minister for Finance. Pursuant to the NTMA Act 2014, all assets of the NPRF governed by Irish law, including the Directed Investments, automatically transferred by operation of law from the NPRF Commission to the NTMA on 22 December 2014 (becoming assets of the ISIF).

Notes to the Financial Statements (Continued)

9. Directed Investments (continued)

(a) Directed Investments Valuation

| | 2014 Units Millions | Valuation (€) Per Unit | 2014 €m |
|--|------------------------|---------------------------|----------------------|
| Bank of Ireland (BoI) | | | |
| Ordinary Shares ¹ | 4,512 | 0.313000 | 1,412 |
| Allied Irish Banks (AIB) | | | |
| Ordinary Shares ² | 522,556 | 0.013699 | 7,159 |
| Preference Shares ² | 3,500 | 1.300667 | <u>4,552</u> |
| | | | <u>11,711</u> |
| Total Directed Investments Assets | | | <u>13,123</u> |
| Directed Investments Cash | | | 1,109 |
| Repurchase Agreements ³ | | | <u>765</u> |
| Total Directed Investments | | | <u>14,997</u> |

¹ The valuation of BoI Ordinary shares is based on quoted prices.

² Given the Fund's ordinary share holding in AIB (99.8%) and as the preference share investments in AIB are unlisted and not traded, the Agency engaged EY to provide an independent fair value of the investments as at 31 December 2014.

³ The reverse repurchase agreement is an agreement to purchase Irish bonds and to sell them back to the original seller at a higher price at a fixed date in the future.

Pursuant to a direction dated 4 December 2013, the Minister for Finance directed the Fund to invest the cash proceeds from the sale of BoI preference shares in securities guaranteed by the Minister at prevailing market rates. These securities valued at €1,874m were transferred from the NPRF to the Fund on 22 December 2014.

(b) Summary of Directed Investment valuation movement

| | 2014 €m |
|-----------------------------------|----------------------|
| Bank of Ireland (BoI) | |
| Transferred from NPRF | 1,421 |
| Investment Loss during the Period | <u>(9)</u> |
| Closing Valuation | <u>1,412</u> |
| Allied Irish Banks (AIB) | |
| Transferred from NPRF | 11,698 |
| Investment Gain during the Period | <u>13</u> |
| Closing Valuation | <u>11,711</u> |

In determining the Fund's valuation of AIB, EY considered a number of valuation methodologies including an annuity valuation based on comparable company yields, comparable company analysis and precedent transaction analysis.

For the purposes of valuing the AIB Ordinary shares, a comparable company analysis was deemed the most appropriate methodology. This analysis used comparable, publicly available, market multiples such as tangible book value relative to return on equity to allocate value to the ordinary shares. EY also had consideration to other multiples such as price to earnings and price to book. The Preference Shares were valued by reference to the 25% step-up in May 2014 (Note 9(c)).

Notes to the Financial Statements (Continued)

9. Directed Investments (continued)

(b) Summary of Directed Investment valuation movement (continued)

The increase in value of the investment between 31 December 2013 and 31 December 2014 is based primarily on two factors;

1. Increase in net book value of AIB over the period;
2. Increase in selected market multiple, based on improving trading performance of the company and a better outlook across the sector.

It should be noted that there are a number of sensitivities which may impact the AIB valuation including:

- Changes in sentiment and perceptions of investors regarding banks and the outlook for the banking industry and the broader domestic and European economy.
- AIB is heavily exposed to the domestic Irish economy. A change in economic conditions may impact on the implied valuations.

All other things remaining constant, a 1% movement in the valuation of the comparable peer group would have impacted the AIB Ordinary Share valuation by approximately €72m as at 31 December 2014.

(c) Directed Investment Summary

At 31 December 2014, the Fund's percentage ownership of AIB and Bol was 99.8% and 13.95% respectively.

The AIB preference shares pay an annual non-cumulative fixed dividend of 8%. If the dividend is not paid in cash, the fund will receive the dividend in the form of ordinary shares. The preference shares can be repurchased by AIB at €1 per share within the first five years after issue and thereafter at €1.25 per share. The step-up to €1.25 per share became effective from May 2014. This will have no impact on the dividend income.

(d) Directed Investment Transactions during 2014

The Directed Investments were transferred to the Fund on 22 December 2014 on the commencement of the relevant sections of the NTMA Act 2014. No new directed investment transactions occurred in the period from 22 December to 31 December 2014.

(e) Developments since the year end

On 13 May 2015 AIB paid the Fund the preference share dividend of €280m in cash.

(f) Ministerial Directions during 2014

Pursuant to a direction dated 15 May 2014, the Minister for Finance directed the NPRF Commission (under section 19B(1) of the NPRF Act) to execute a Letter of Consent to the Capital Reduction of AIB, substantially in the form of the letter attached to the direction. The AIB shares held by the NPRF Commission transferred to the NTMA by operation of law on 22 December 2014.

Pursuant to a direction on 10 September 2014 under section 19B(c) of the NPRF Act, the Commission provided funds of €10 million to the Strategic Banking Corporation of Ireland ("SBCI") for the purpose of funding the Minister for Finance's subscription for shares in the SBCI in September 2014.

Pursuant to a direction dated 30 October 2014, the Minister for Finance directed the NPRF Commission to provide a loan facility of €240 million to the Strategic Banking Corporation of Ireland. To facilitate drawdowns pursuant to such loan facility, the NPRF Commission was also directed to dispose of certain securities and to hold the proceeds of such disposal in short term securities and / or on deposit. This loan facility transferred from the NPRF Commission to the NTMA by operation of law on 22 December 2014.

Notes to the Financial Statements (Continued)

10. Commitments

(a) Foreign Currency and Futures Commitments

The notional principal and unrealised gain / (loss) of currency derivative contracts entered into by the Manager and investment managers on behalf of the Fund was:

| | 2014 Notional Principal €m | 2014 Unrealised loss €m |
|------------------------------------|-------------------------------------|----------------------------------|
| NTMA | | |
| Forward Foreign Exchange Contracts | 1,546 | (47) |
| Investment Managers | | |
| Financial Futures | 33 | <u>(6)</u> |
| | | <u>(53)</u> |

Foreign Exchange Contracts

The Fund follows a policy of hedging its foreign currency risk, using forward foreign exchange contracts.

The Fund's investment managers are not required to hedge currency exposure. They are permitted to carry out spot and foreign exchange contracts in order to satisfy the settlement of securities transactions, and to manage their portfolios solely in line with the Statement of Investment Objectives and Restrictions agreed with the Fund.

The notional value represents the total contracted foreign exchange contracts outstanding at the period end. A negative notional position represents a short position.

Financial Futures

The Fund's investment managers are permitted to execute futures contracts solely in line with the Statement of Investment Objectives and Restrictions agreed with the Fund.

(b) Uncalled Investment Commitments

The Fund has entered into commitments in respect of certain types of investments as outlined below.

| | 2014 €m |
|------------------------------------|-------------------|
| Unquoted Investments | |
| Private Equity Investments | 222 |
| Infrastructure Investments | 183 |
| SME Credit Investments | 120 |
| SME Equity Investments | 111 |
| SIF Real Estate | 75 |
| Property Investments | <u>39</u> |
| Total Unquoted Investments | 750 |
| Loans and Receivables | |
| Covanta | 44 |
| Public Private Partnership | <u>26</u> |
| Total Loans and Receivables | <u>70</u> |
| Total Uncalled Commitments | <u>820</u> |

Notes to the Financial Statements (Continued)

11. Contingent liabilities

In the opinion of the Agency the Fund has no material contingent liabilities at 31 December 2014.

12. Securities Lending

Through a programme managed by its Global Custodian, some of the securities in the Fund are loaned from time to time.

The Fund receives income through the Global Custodian for securities loaned. During the period to 31 December 2014 the Fund earned €77k through securities lending.

Loans are made to approved counterparties who meet minimum credit criteria. The loans are secured by collateral in the form of government bonds; bonds of specified supranational issuers; specified equity index baskets and cash. The value of the collateral maintained by the Global Custodian must be at least 102% of the market value of securities loaned where the collateral is in the same currency as the loaned securities and 105% where the collateral is not in the same currency as the loaned securities. Where the value of collateral falls below the required limits additional collateral is called by the Global Custodian from the counterparty, restoring collateral requirements the following day.

The market value of securities loaned at 31 December 2014 amounted to €148.4m. The Fund held collateral of 111.6% of the market value of securities loaned.

13. Related Parties

(a) Minister for Finance

Ownership of the Fund vests in the Minister for Finance pursuant to section 38(3) of the NTMA Act 2014.

Under section 46(2) of the NTMA Act 2014 the Minister for Finance may make payments into the Fund from the Central Fund. Where the Minister proposes to make a payment into the Fund, the Minister must seek approval from the Houses of the Oireachtas before processing the payment.

(b) National Treasury Management Agency

The Fund is controlled and managed by the Agency pursuant to section 41(1) of the NTMA Act 2014.

The Agency provides business and support services and systems in addition to assigning staff to the Fund. Under section 48 of the NTMA Act 2014, the expenses of the Agency are defrayed from the Fund. The cost of these business and support services and systems and staffing for the period from 22 December 2014 to 31 December 2014 was €182k.

14. Financial Risk Management

In the ordinary course of its activities, the Fund actively manages a variety of financial risks including market risk, credit risk and liquidity risk. The Fund identifies, measures and monitors risk through various control mechanisms as detailed in the following sections. The base currency of the Fund is euro. The measured returns and monitored portfolio risks are aggregated in euro.

The Agency is responsible for the risk in the Discretionary Portfolio whereas the risks associated with Directed Investments are the responsibility of the Minister for Finance. This note refers solely to financial risk in the Discretionary Portfolio.

(a) Market Risk - Price, Currency and Interest Rate Risks

Market risk is the risk of potential loss the Fund may incur as a result of adverse changes to the fair value of the Fund's financial instruments due to fluctuations in risk factors such as interest rates, foreign exchange rates and market prices. Market risk includes fluctuations in equity, bond and other investment prices, currency rates and interest rates. The Agency has endeavoured to maximise potential return while keeping volatility within acceptable limits by diversifying the Fund's investments across multiple asset classes.

The Fund has a Capital Preservation Strategy which provides some downside protection against equity market declines while providing some upside participation if markets perform well.

Notes to the Financial Statements (Continued)

14. Financial Risk Management (continued)

(a) Market Risk - Price, Currency and Interest Rate Risks (continued)

The Agency monitors the Fund's absolute market risk (an ex-ante measure) and the Fund's performance (an ex-post measure) on a daily basis. This is the critical control in overseeing the total risk arising within the Fund. The risk management procedures further described in this note principally reflect more detailed analysis of components of the Fund's market risk. Market risk comprises three types of risk: price risk, currency risk and interest rate risk.

(i) Price Risk

Price risk is the risk that the value of an asset will fluctuate in its local currency due to changes in market price, caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Price Risk Exposure

The maximum asset value exposed to price risk at 31 December 2014 is the value of investment assets as detailed in the following table:

| | 2014 |
|---|---------------------|
| | €m |
| Exposed to Price Risk | |
| Quoted Investments ¹ | 3,559 |
| Cash Enhancement Investments | 1,450 |
| Unquoted Investments | 986 |
| Property | 246 |
| Private Equity | 240 |
| Infrastructure | 76 |
| Forestry | 27 |
| Derivative Instruments (Net) | <u>(53)</u> |
| Total | <u>6,531</u> |
| Not Exposed to Price Risk | |
| Cash | <u>239</u> |
| Total Discretionary Fund Investment Assets | <u>6,770</u> |

¹The Fund's exposure to quoted investments was reduced by €132m in 2014 through the usage of futures contracts (not included in the above table). The Fund held equity index put options with a notional value of €1,520m on 31 December 2014.

Price Risk Management

A geographical analysis of the Fund's investment portfolio is shown in Note 6(b). This shows that there is a level of diversification by market. The Agency monitors the price risk inherent in the investment portfolio by ensuring full and timely access to relevant information from the Fund's Investment Managers. The Agency meets the Investment Managers regularly and at each meeting reviews investment performance.

(ii) Currency Risk

Currency risk is the risk that the value of an asset or liability will fluctuate due to changes to currency exchange rates. The base currency of the Fund is euro. The Fund has investment assets denominated in currencies other than euro and is therefore impacted by fluctuations in currency exchange rates.

The Fund has no significant financial liabilities denominated in currencies other than euro. The Fund has outstanding commitments in respect of property and private equity investments of USD 234m and JPY 16m as at 31 December 2014.

Notes to the Financial Statements (Continued)

14. Financial Risk Management (continued)

(a) Market Risk - Price, Currency and Interest Rate Risks (continued)

(ii) Currency Risk (continued)

Currency Risk Management

The Fund follows a policy designed to reduce its foreign currency risk, using forward foreign exchange contracts (See Note 10(a)). In respect of quoted developed equities the Fund used forward foreign exchange contracts to maintain a currency exposure of 50% of the foreign currency exposure of the Fund's underlying holdings. In respect of its property and private equity investments, the Fund hedged 50% of its non-euro private equity investments and 100% of its non-euro property investments. The loss on these forward foreign exchange contracts offsets the change in the value of the Fund's non-euro investments due to exchange rate movements.

Currency Risk Exposure

The following table details the asset values exposed to currency risk as at 31 December 2014 both before and after the impact of the currency hedge:

Currency of Investments Assets: 2014

| | Local Currency €m | Base Currency €m | Hedge €m | Net Exposure € |
|-------------------|-------------------------|------------------------|-----------------------|----------------------|
| US Dollar | 2,603 | 2,144 | (1,320) | 824 |
| Other* | Various | 146 | (6) | 140 |
| British Pound | 59 | 76 | (56) | 20 |
| Hong Kong Dollar | 610 | 65 | (10) | 55 |
| Canadian Dollar | 70 | 50 | (34) | 16 |
| Australian Dollar | 29 | 19 | (10) | 9 |
| Japanese Yen | 1,349 | 9 | (36) | (27) |
| Swiss Franc | 8 | 7 | (10) | (3) |
| Swedish Krona | 53 | 6 | (4) | 2 |
| Norwegian Krona | 23 | 3 | (5) | (2) |
| Danish Krone | 19 | 3 | (5) | (2) |
| Singapore Dollar | 5 | 3 | (5) | (2) |
| Total | | <u>2,531</u> | <u>(1,501)</u> | <u>1,030</u> |

* Other is made up of several currencies including South African Rand, Taiwanese Dollar, Mexican Peso and Brazilian Real.

(iii) Interest Rate Risk

Interest rate risk is the risk that future cash flows of a financial instrument, and the value of a financial instrument, will fluctuate due to changes in the market interest rates. The Fund's fixed income investments are susceptible to value changes due to fluctuations in market interest rates.

Notes to the Financial Statements (Continued)

14. Financial Risk Management (continued)

(a) Market Risk - Price, Currency and Interest Rate Risks (continued)

(iii) Interest Rate Risk (continued)

Interest Rate Exposure

The following table details the value of fixed interest-bearing securities exposed to interest rate risk as at 31 December 2014:

| Fixed Interest Bearing Investments | 2014 |
|---|---------------------|
| | €m |
| Maturing within one year | 452 |
| Maturing between one and five years | 309 |
| Maturing after five years | <u>294</u> |
| Total Fixed Interest Bearing Investments | <u>1,055</u> |

This table reflects the portion of financial assets exposed to changes in interest rate risk. For disclosure purposes fixed-interest bearing assets are included in exposures to both price and interest rate risk.

In addition to the interest-bearing securities detailed in the table above, the Fund holds investment cash of €0.2bn. These assets are interest-bearing and the future cash flows from these assets will fluctuate with changes in market interest rates.

Interest Rate Risk Management

The Agency has regard to the possible effects of a change in interest rates on the fair value of interest-bearing financial assets when making investment decisions.

(b) Credit Risk

Credit risk is the risk that the Fund would incur a financial loss if a counterparty failed to discharge its obligations to the Fund.

Credit Risk Exposure

The main credit risk to which the Fund is exposed arises from the Fund's investments in cash and debt securities. The Fund's assets are valued at fair value which reflects the market assessment of the likelihood and estimated impact of default. Credit risk is therefore primarily managed by reference to market price risk. The Fund is also subject to counterparty credit risk on trading derivative products, cash and cash equivalents.

The maximum exposure to credit risk at 31 December 2014 is the carrying value of the financial assets as set out below.

| | 2014 |
|---------------------------------|---------------------|
| | €m |
| Cash and Cash Equivalents | 1,689 |
| Corporate Debt Securities | 1,183 |
| Long Term Receivables | 360 |
| Accrued Income from Investments | 13 |
| Derivatives | <u>6</u> |
| Total | <u>3,251</u> |

Credit Risk Management

The objective of managing credit risk is to minimise the impact of counterparty default on the Fund's financial assets. The Fund, aims to mitigate its counterparty credit risk exposure by monitoring the size of its credit exposure to, and the creditworthiness of, counterparties including setting appropriate exposure limits. Counterparties are selected based on their financial ratings, regulatory environment and specific circumstances.

Notes to the Financial Statements (Continued)

14. Financial Risk Management (continued)

(b) Credit Risk (continued)

The following details the risk management policies applied to the financial assets exposed to credit risk:

For interest-bearing securities the credit rating of the issuer is taken into account when credit limits are set, to control the exposure to the Fund in the event of default. Investments are made across a variety of industry sectors and issuers to reduce credit risk concentrations.

Derivative financial instruments generating credit risk arise from the Fund's forward foreign exchange contracts and cross currency swap contracts. The Fund's forward foreign exchange contracts were entered into only with approved counterparties within defined limits. In order to mitigate the credit risks arising from derivative transactions, the Fund in some cases, enters into Credit Support Annexes (CSA) with its market counterparties. CSAs require the posting of collateral by counterparties in specified circumstances.

Forward foreign exchange contracts are settled through Continuous Linked Settlement (CLS) where trades are pre-matched ahead of settlement date limiting the risk of settlement failure. The Fund's Global Custodian, Bank of New York Mellon, holds the Fund's securities in segregated accounts, where possible, minimising the risk of value loss of the securities held by the Global Custodian. In the event of its failure, the ability of the Fund to transfer the securities might be temporarily impaired. The Fund's Global Custodian is a member of a major securities exchange and at 31 December 2014 held a Moody's credit rating of A1. The Global Custodian's credit rating is reviewed regularly by the Agency.

At 31 December 2014 cash was held at the Central Bank of Ireland (€176m) and with the Global Custodian (€63m).

(c) Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulties in raising cash to meet its obligations as they fall due. The primary source of this risk for the Fund arises from the value of the Fund's commitments to unquoted investments and loans and receivables (Note 10(b)) and ongoing operational expenses.

Liquidity Risk Management

The Agency monitors the Fund's exposure to liquidity risk by regularly monitoring the liquidity of its investment portfolio and holding appropriate levels of liquid assets. The Fund held highly liquid assets amounting to €0.2bn as at 31 December 2014, comprising cash and cash equivalent assets.

The Fund also mitigates its exposure to liquidity risk through investment in assets that are readily realisable at low transaction costs and within a short time frame. At 31 December 2014, the Fund held €5.0bn of readily realisable assets.

15. Subsequent Events

On 19 March 2015 €1.6bn was transferred to the Exchequer from the Directed Portfolio as directed by the Minister of Finance. Apart from the ongoing formal transfer of assets as outlined in Note 4(b) there were no other significant subsequent events impacting the Fund as at 31 December 2014.

16. Approval of Financial Statements

The financial statements were approved by the Agency on 26 May 2015.

Portfolio of Investments Ireland Strategic Investment Fund

31 December 2014



Quoted Securities – Equities

| EUROPE | | |
|---------|--------------------------------|------------------|
| Austria | | |
| Holding | Security Description | Market Value € |
| 627 | AMAG Austria Metall | 17,243 |
| 6,170 | AMS | 186,013 |
| 9,849 | Andritz | 450,001 |
| 2,486 | Austria Technologie & Systemte | 22,255 |
| 4,747 | Buwog | 77,756 |
| 6,900 | CA Immobilien Anlagen | 106,950 |
| 1,901 | CAT Oil | 28,040 |
| 5,911 | Conwert Immobilien Invest | 57,680 |
| 391 | DO & Co | 24,391 |
| 38,666 | Erste Group Bank | 743,741 |
| 3,317 | EVN | 33,170 |
| 1,211 | Facc | 8,666 |
| 731 | Flughafen Wien | 56,155 |
| 564,273 | Immoeast | 0 |
| 127,150 | Immofinaz | 265,998 |
| 491,815 | Immofinaz NPV | 0 |
| 46,574 | Immofinaz ANSPR | 0 |
| 476 | Kapsch Trafficcom | 8,370 |
| 730 | Lenzing | 38,500 |
| 828 | Mayr Menlhof Karton | 71,208 |
| 3,110 | Oesterreichische Post | 125,582 |
| 19,114 | OMV | 420,699 |
| 1,151 | Palfinger | 24,159 |
| 15,663 | Raiffeisen Bank International | 196,336 |
| 2,013 | RHI | 37,854 |
| 5,035 | S Immo | 31,066 |
| 1,028 | Schoeller-Bleckmann Oilfield | 61,680 |
| 944 | Semperit Holding | 37,930 |
| 2,094 | Strabag | 38,058 |
| 11,029 | Uniqi Insurance Group | 85,773 |
| 9,131 | Verbund | 139,659 |
| 5,218 | Vienna Insurance Group | 193,483 |
| 15,235 | Voestalpine | 499,632 |
| 10,815 | Wienerberger | 123,778 |
| 2,590 | Zumtobel Group | 48,446 |
| | | 4,260,270 |
| | % of Total Investments | 0.02% |

| Belgium | | |
|---------|------------------------|----------------|
| Holding | Security Description | Market Value € |
| 4,009 | Ablynx | 36,241 |
| 2,163 | Ackermans & Van Haaren | 220,842 |
| 28,424 | Ageas | 838,650 |
| 15,713 | Agfa-Gevaert | 32,840 |
| 106,647 | Anheuser-Busch | 10,009,887 |
| 232,744 | Anheuser-Busch VVPR | 0 |
| 989 | Barco | 57,599 |
| 1,754 | Befimmo | 105,608 |
| 18,907 | Belgacom | 569,101 |
| 5,525 | Bpost | 114,837 |
| 662 | CIE D'Entreprises CFE | 56,283 |
| 1,123 | CIE Maritime Belge | 17,199 |
| 1,573 | Cofinimmo | 150,961 |
| 9,185 | Colruyt | 353,347 |
| 13,314 | Delhaize Group | 804,565 |
| 2,111 | D'leteren | 61,842 |

| Belgium (continued) | | |
|---------------------|--------------------------------|-------------------|
| Holding | Security Description | Market Value € |
| 5,695 | Econocom Group | 37,354 |
| 16,129 | Elia System Operator | 621,128 |
| 7,058 | Euronav | 73,191 |
| 1,128 | EVS Broadcast Equipment | 33,710 |
| 2,173 | Exmar | 22,393 |
| 2,798 | Fagron | 97,147 |
| 2,173 | Galapagos | 33,660 |
| 1,700 | Gimv | 64,660 |
| 10,354 | Groupe Bruxelles Lambert | 732,546 |
| 663 | Intervest Offices & Warehouses | 14,918 |
| 1,620 | ION Beam Applications | 23,231 |
| 2,925 | KBC Ancora | 78,068 |
| 36,618 | KBC Groupe | 1,702,554 |
| 1,475 | Kinepolis Group | 49,354 |
| 1,868 | Melexis | 70,050 |
| 2,744 | Mobistar | 53,796 |
| 3,568 | NV Bekaert | 93,999 |
| 26,446 | Nyrstar | 77,487 |
| 3,063 | Ontex Group | 72,639 |
| 6,911 | Rezidor Hotel Group | 20,675 |
| 6,618 | RHJ International | 30,509 |
| 7,537 | Solvay | 847,159 |
| 6,373 | Telenet Group | 295,930 |
| 2,897 | Tessenderlo Chemie | 60,649 |
| 2,984 | Thrombogenics | 19,575 |
| 16,136 | UCB | 1,019,795 |
| 14,720 | Umicore | 490,250 |
| 1,090 | Warehouses De Pauw | 68,321 |
| | | 20,234,550 |
| | % of Total Investments | 0.09% |

| Denmark | | |
|---------|------------------------|----------------|
| Holding | Security Description | Market Value € |
| 549 | ALK-Abello | 48,003 |
| 7,140 | ALM Brand | 31,359 |
| 2,220 | AMBU | 44,428 |
| 1,319 | Auriga Industries | 54,476 |
| 3,230 | Bang & Olufsen | 15,661 |
| 2,269 | Bavarian Nordic | 60,189 |
| 9,158 | CHR Hansen Holding | 337,399 |
| 2,367 | D/S Norden | 41,775 |
| 680 | DFDS | 53,978 |
| 4,324 | Flsmidth & Co | 158,143 |
| 3,658 | Genmab | 177,021 |
| 14,184 | GN Store Nord | 256,807 |
| 691 | IC Group | 13,179 |
| 6,473 | Jyske Bank | 271,951 |
| 2,996 | Matas | 56,739 |
| 2,194 | NKT Holding | 97,687 |
| 171 | Per Aarsleff | 26,596 |
| 643 | Rockwool International | 60,066 |
| 806 | Royal Unibrew | 117,675 |
| 1,046 | Schouw & Co | 40,742 |
| 3,406 | Simcorp | 74,339 |
| 541 | Solar | 21,036 |
| 8,401 | Spar Nord Bank | 65,445 |
| 6,466 | Sydbank | 165,183 |

| Denmark (continued) | | |
|---------------------|-------------------------------|------------------|
| Holding | Security Description | Market Value € |
| 7,789 | Topdanmark | 209,442 |
| 1,217 | Zealand Pharma | 13,567 |
| | | 2,512,886 |
| | % of Total Investments | 0.01% |

| Finland | | |
|---------|-------------------------------|-------------------|
| Holding | Security Description | Market Value € |
| 10,947 | Amer Sports | 175,809 |
| 914 | ATRIA | 6,051 |
| 3,270 | Cargotec | 83,549 |
| 8,560 | Caverion | 56,924 |
| 22,834 | Citycon | 58,912 |
| 3,114 | Cramo | 37,617 |
| 5,318 | Elektrobit | 17,868 |
| 59,106 | Fortum | 1,062,135 |
| 7,969 | F-Secure | 17,930 |
| 3,122 | HKScan | 10,209 |
| 7,908 | Huhtamaki | 172,711 |
| 9,268 | Kemira | 91,614 |
| 14,889 | Kesko | 449,350 |
| 50,861 | Kone | 1,923,563 |
| 4,354 | Konecranes | 103,712 |
| 13,066 | Metsa Board | 58,405 |
| 17,978 | Metso | 446,933 |
| 17,158 | Neste Oil | 344,189 |
| 499,813 | Nokia | 3,278,773 |
| 18,007 | Nokian Renkaat | 365,362 |
| 9,397 | Oriola-KD | 32,508 |
| 13,276 | Orion | 342,123 |
| 17,118 | Outokumpu | 81,687 |
| 13,985 | Outotec | 61,338 |
| 1,954 | PKC Group | 34,351 |
| 5,979 | Ramirent | 38,565 |
| 63,281 | Sampo | 2,456,568 |
| 5,354 | Sanitec | 55,147 |
| 7,465 | Sanoma | 34,354 |
| 19,143 | Sponda | 69,298 |
| 3,043 | Stockmann | 19,353 |
| 77,635 | Stora Enso | 577,216 |
| 8,304 | Technopolis | 30,725 |
| 4,896 | Tieto | 105,313 |
| 72,199 | UPM-Kymmene | 983,350 |
| 5,042 | Uponor | 57,933 |
| 11,745 | Valmet | 120,034 |
| 21,071 | Wartsila ABP | 781,523 |
| 8,653 | Yit | 36,948 |
| | | 14,680,050 |
| | % of Total Investments | 0.07% |

Quoted Securities – Equities (continued)

| France | | |
|---------|-----------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 1,479 | AB Science | 17,023 |
| 2,473 | ABC Arbitrage | 11,574 |
| 23,262 | Accor | 868,603 |
| 18,320 | Aeroports De Paris | 1,836,580 |
| 33,179 | Air France - KLM | 264,238 |
| 45,783 | Air Liquide | 4,708,782 |
| 74,312 | Airbus Group | 3,072,801 |
| 683 | AKKA Technologies | 19,780 |
| 1,595 | Albioma | 26,302 |
| 364,892 | Alcatel - Lucent | 1,083,729 |
| 29,152 | Alstom | 783,023 |
| 2,104 | Alten | 74,376 |
| 12,835 | Altran Technologies | 100,780 |
| 494 | ANF Immobilier | 9,979 |
| 8,898 | Arkema | 490,013 |
| 171 | Assystem | 2,993 |
| 10,208 | Atos | 676,790 |
| 253,272 | AXA | 4,864,089 |
| 652 | Axway Software | 10,758 |
| 2,181 | Belvedere | 23,642 |
| 3,423 | Beneteau | 39,741 |
| 1,848 | Biomerieux | 158,448 |
| 130,793 | BNP Paribas | 6,442,863 |
| 622 | Boiron | 43,372 |
| 71,000 | Bolloré | 267,658 |
| 1,143 | Bonduelle | 22,929 |
| 1,500 | Bourbon | 28,800 |
| 25,151 | Bouygues | 754,027 |
| 29,500 | Bureau Veritas | 540,145 |
| 19,709 | Cap Gemini | 1,172,291 |
| 112 | Carmat | 7,325 |
| 78,224 | Carrefour | 1,979,067 |
| 7,711 | Casino Guichard Perrachon | 589,583 |
| 494 | Cegedim | 14,415 |
| 494 | Cegid Group | 14,924 |
| 14,205 | CGG | 70,741 |
| 6,973 | Christian Dior | 996,442 |
| 60,553 | Cie De Saint-Gobain | 2,133,282 |
| 967 | Cie Des Alpes | 14,698 |
| 25,150 | Cie Generale Des Etablissement | 1,893,041 |
| 1,698 | Club Mediterranee | 42,620 |
| 22,056 | CNP Assurances | 324,775 |
| 8,493 | Coface | 93,253 |
| 137,552 | Credit Agricole | 1,480,060 |
| 74,151 | Danone | 4,037,522 |
| 16,822 | Dassault Systemes | 850,184 |
| 831 | DBV Technologies | 36,547 |
| 7,684 | Derichebourg | 19,594 |
| 27,350 | Edenred | 627,819 |
| 8,937 | Eiffage | 376,426 |
| 34,242 | Electricite de France | 781,574 |
| 6,652 | Elior Participations | 81,820 |
| 480 | Eramet | 36,720 |
| 26,284 | Essilor International | 2,436,001 |
| 285 | Esso SA Francaise | 9,103 |
| 8,331 | Etablissements Maurel ET Prom | 64,640 |
| 2,895 | Euler Hermes Group | 247,928 |

| France (continued) | | |
|--------------------|---------------------------|----------------|
| Holding | Security Description | Market Value € |
| 5,119 | Eurazeo | 297,977 |
| 84,197 | Eutelsat Communications | 2,256,059 |
| 597 | Faiveley Transport | 28,596 |
| 5,383 | Faurecia | 166,415 |
| 568 | FFP | 28,394 |
| 4,526 | Fonciere des Regions | 347,597 |
| 6,480 | Gameloft | 21,643 |
| 1,502 | Gaztransport ET Technigaz | 73,448 |
| 190,302 | GDF Suez | 3,697,568 |
| 4,620 | Gecina | 478,170 |
| 1,683 | Genfit | 63,415 |
| 820 | GL Events | 12,858 |
| 251 | Groupe Crit | 9,375 |
| 282,750 | Groupe Eurotunnel | 3,025,425 |
| 912 | Groupe Fnac | 37,848 |
| 448 | Guerbet | 15,277 |
| 1,134 | Haulotte Group | 14,186 |
| 23,228 | Havas | 156,952 |
| 3,118 | Hermes | 919,076 |
| 4,662 | Icade | 309,557 |
| 3,144 | Iliad | 624,713 |
| 4,369 | Imerys | 266,553 |
| 4,026 | Ingenico | 351,389 |
| 3,061 | Innate Pharma | 24,182 |
| 802 | Interparfums | 18,005 |
| 7,397 | Ipsen | 318,071 |
| 3,119 | Ipsos | 73,967 |
| 1,073 | Jacquet Metal Service | 16,685 |
| 8,992 | JC Decaux | 256,856 |
| 9,876 | Kering | 1,575,222 |
| 12,822 | Klepierre | 458,130 |
| 3,300 | Korian-Medica | 99,660 |
| 24,473 | Lafarge | 1,421,392 |
| 15,103 | Lagardere | 326,225 |
| 35,607 | Legrand | 1,550,507 |
| 1,490 | Lisi | 32,035 |
| 31,686 | L'Oreal | 4,413,860 |
| 33,548 | LVMH Moët Hennessy | 4,436,723 |
| 381 | Maisons France Confort | 11,140 |
| 896 | Manitou BF | 10,931 |
| 4,256 | Mercialys | 78,459 |
| 1,139 | Mersen | 22,917 |
| 5,204 | Metropole Television | 81,052 |
| 690 | MGI Coutier | 8,032 |
| 594 | Montupet | 39,471 |
| 7,267 | MPI | 22,237 |
| 123,053 | Natixis | 674,946 |
| 525 | Naturex | 26,250 |
| 3,013 | Neopost | 142,048 |
| 2,698 | Nexans | 68,543 |
| 2,443 | Nexity | 76,674 |
| 370 | Nextradiotv | 9,846 |
| 266 | Norbert Dentressangle | 32,452 |
| 12,167 | Numericable | 498,117 |
| 240,440 | Orange | 3,402,226 |
| 3,218 | Orpea | 166,950 |
| 631 | Parrot | 13,421 |
| 26,318 | Pernod Ricard | 2,428,099 |

| France (continued) | | |
|--------------------|-------------------------------|--------------------|
| Holding | Security Description | Market Value € |
| 49,859 | Peugeot | 509,559 |
| 433 | Pierre & Vacances | 9,686 |
| 5,531 | Plastic Omnium | 125,084 |
| 26,271 | Publicis Groupe | 1,566,802 |
| 2,009 | Rallye | 58,462 |
| 3,169 | Remy Cointreau | 175,436 |
| 24,934 | Renault | 1,509,255 |
| 36,096 | Rexel | 536,026 |
| 3,028 | Rubis | 143,149 |
| 35,190 | Safran | 1,803,488 |
| 2,355 | Saft Groupe | 59,228 |
| 153,117 | Sanofi | 11,584,832 |
| 392 | Sartorius Stedim Biotech | 63,230 |
| 73,425 | Schneider Electric | 4,450,289 |
| 19,486 | SCOR | 490,950 |
| 5,671 | SEB | 349,163 |
| 355 | Sechie Environnement | 7,065 |
| 3,586 | Societe BIC | 393,922 |
| 95,689 | Societe Generale | 3,348,158 |
| 25,207 | Societe Television Francaise | 320,633 |
| 12,084 | Sodexo | 982,067 |
| 16,445 | Soitec | 16,609 |
| 72,201 | Solocal Group | 42,021 |
| 1,211 | Sopra Steria Group | 76,899 |
| 309 | Stallergenes | 15,286 |
| 34,413 | Suez Environnement | 496,752 |
| 490 | Synergie | 9,139 |
| 1,706 | Tarkett | 30,537 |
| 24,660 | Technicolor | 114,398 |
| 14,506 | Technip | 716,814 |
| 5,231 | Teleperformance | 295,185 |
| 13,738 | Thales | 618,141 |
| 271,645 | Total | 11,550,345 |
| 1,160 | Transgene | 8,120 |
| 842 | Trigano | 18,777 |
| 8,605 | Ubisoft Entertainment | 130,495 |
| 13,004 | Unibail-Rodamco | 2,767,901 |
| 10,364 | Valeo | 1,073,710 |
| 15,573 | Vallourec | 354,286 |
| 2,931 | Valneva | 12,427 |
| 57,926 | Veolia Environnement | 854,698 |
| 1,626 | Vicat | 96,910 |
| 432 | Vilmorin & CIE | 36,534 |
| 63,193 | Vinci | 2,875,913 |
| 388 | Virbac | 67,628 |
| 170,775 | Vivendi | 3,533,335 |
| 4,174 | Wendel | 387,932 |
| 26,062 | Zodiac Aerospace | 727,390 |
| | | 139,128,721 |
| | % of Total Investments | 0.64% |

| Georgia | | |
|---------|-------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 2,668 | Bank of Georgia Holdings | 71,110 |
| | | 71,110 |
| | % of Total Investments | 0.00% |

Quoted Securities – Equities (continued)

| Germany | | |
|---------|--------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 4,418 | Aareal Bank | 147,075 |
| 28,039 | Adidas | 1,615,607 |
| 9,591 | Aixtron | 89,868 |
| 60,886 | Allianz | 8,362,692 |
| 6,854 | Alstria Office Reit | 70,596 |
| 451 | Amadeus Fire | 28,142 |
| 1,751 | Aurelius | 55,130 |
| 3,081 | Aurubis | 143,405 |
| 5,438 | Axel Springer | 272,335 |
| 123,407 | BASF | 8,623,681 |
| 856 | Bauer | 11,428 |
| 110,573 | Bayer | 12,494,749 |
| 43,569 | Bayerische Motoren Werke (BMW) | 3,911,189 |
| 1,205 | BayWa AG | 36,891 |
| 1,352 | Bechtle | 89,205 |
| 13,412 | Beiersdorf | 904,237 |
| 374 | Bertrandt | 43,010 |
| 367 | Bijou Brigitte | 18,592 |
| 9,178 | Bilfinger | 425,446 |
| 719 | Biotest | 67,050 |
| 6,451 | Borussia Dortmund | 24,940 |
| 20,789 | Brenntag | 966,896 |
| 1,073 | Cancom | 38,070 |
| 2,989 | Carl Zeiss Meditec | 63,068 |
| 5,989 | Celesio | 160,026 |
| 787 | Centrotec Sustainable | 11,234 |
| 399 | Cewe Stiftung & Co | 20,552 |
| 2,072 | Comdirect Bank | 17,220 |
| 125,854 | Commerzbank | 1,381,877 |
| 2,137 | Compugroup Medical | 42,526 |
| 14,480 | Continental | 2,541,964 |
| 2,059 | Cropenergies | 6,012 |
| 3,972 | CTS Eventim & Co KGAA | 97,314 |
| 127,794 | Daimler | 8,813,952 |
| 486 | Delticom | 9,195 |
| 184,721 | Deutsche Bank | 4,615,254 |
| 863 | Deutsche Beteiligungs | 21,929 |
| 24,650 | Deutsche Boerse | 1,459,773 |
| 3,926 | Deutsche Euroshop | 142,102 |
| 30,028 | Deutsche Lufthansa | 415,287 |
| 126,712 | Deutsche Post | 3,426,926 |
| 415,060 | Deutsche Telekom | 5,499,545 |
| 38,217 | Deutsche Wohnen | 748,289 |
| 7,773 | Deutz | 31,092 |
| 6,533 | Dialog Semiconductor | 191,580 |
| 2,860 | Dic Asset | 21,181 |
| 5,798 | DMG Mori Seiki | 136,253 |
| 4,930 | Do Deutsche Office | 14,430 |
| 862 | Draegerwerk & Co | 66,746 |
| 3,672 | Drillisch | 108,618 |
| 2,229 | Duerr | 163,297 |
| 247,701 | E.ON | 3,516,116 |
| 2,912 | Elringklinger | 83,851 |
| 9,810 | Evonik Industries | 266,096 |
| 8,386 | Evotec | 30,819 |
| 3,410 | Fielmann | 192,836 |
| 19,586 | Fraport Frankfurt Airport | 940,911 |

| Germany (continued) | | |
|---------------------|-------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 11,427 | Freenet | 270,763 |
| 28,028 | Fresenius Medical Care | 1,733,532 |
| 52,708 | Fresenius & Co | 2,274,877 |
| 14,272 | Fuchs Petrolub | 467,940 |
| 23,919 | GEA Group | 875,435 |
| 2,881 | Gerresheimer | 129,501 |
| 2,317 | Gerry Weber International | 79,126 |
| 266 | Gesco | 18,641 |
| 1,005 | Grammer | 33,210 |
| 1,306 | H&R | 9,851 |
| 3,962 | Hamborner Reit | 32,164 |
| 11,818 | Hamburger Hafen Und Logistik | 203,861 |
| 7,838 | Hannover Rueck | 587,615 |
| 18,943 | Heidelbergerment | 1,114,038 |
| 20,453 | Heidelberger Druckmaschinen | 42,358 |
| 38,752 | Henkel | 3,325,089 |
| 3,452 | Hochtief | 202,011 |
| 646 | Homag Group | 19,380 |
| 5,632 | Hugo Boss | 572,774 |
| 2,182 | Indus Holding | 83,156 |
| 149,207 | Infineon Technologies | 1,319,736 |
| 497 | Init Innovaton in Traffic Sys | 10,193 |
| 3,946 | Jenoptik | 40,900 |
| 1,470 | Jungheinrich | 77,807 |
| 25,252 | K+S | 578,650 |
| 2,808 | Kabel Deutschland | 315,619 |
| 4,451 | Kion Group | 141,252 |
| 9,102 | Kloekner & Co | 81,581 |
| 4,343 | Kontron | 21,737 |
| 1,306 | Krones | 105,473 |
| 2,366 | Kuka | 139,547 |
| 212 | KWS ASST | 57,134 |
| 11,831 | Lanxess | 454,961 |
| 4,938 | Leg Immobilien | 306,107 |
| 3,005 | Leoni | 148,432 |
| 24,772 | Linde | 3,819,842 |
| 2,050 | Lpk Laser & electroniccs | 22,202 |
| 4,706 | MAN | 433,705 |
| 242 | MANZ | 13,547 |
| 17,292 | Merck KGAA | 1,356,039 |
| 17,693 | Metro | 447,810 |
| 4,413 | MLP | 16,372 |
| 1,984 | Morphosys | 152,034 |
| 11,232 | MTU Aero Engines | 810,501 |
| 20,459 | Muenchener Rueckversicherungs | 3,391,079 |
| 440 | Nemetschek | 36,788 |
| 5,949 | Nordex | 89,265 |
| 2,930 | Norma Group | 116,145 |
| 427 | OHB | 8,412 |
| 11,277 | Osram Licht | 369,435 |
| 3,197 | Patrizia Immobilien | 38,971 |
| 859 | Pfeiffer Vacuum Technology | 58,927 |
| 20,533 | Porsche Automobil | 1,378,996 |
| 28,443 | Prosiebensat 1 Media | 990,670 |
| 440 | Puma | 75,922 |
| 8,538 | QSC | 14,873 |
| 310 | R Stahl | 12,248 |

| Germany (continued) | | |
|---------------------|--------------------------------|--------------------|
| Holding | Security Description | Market Value € |
| 314 | Rational | 81,562 |
| 3,428 | Rheinmetall | 124,334 |
| 4,993 | Rhoen-Klinikum | 115,813 |
| 1,727 | Rib Software | 18,893 |
| 64,723 | RWE | 1,660,145 |
| 3,951 | SAF-Holland | 43,856 |
| 3,571 | Salzgitter | 83,597 |
| 119,661 | SAP | 6,971,450 |
| 818 | Sartorius | 82,823 |
| 3,192 | SGL Carbon | 43,794 |
| 105,843 | Siemens | 9,922,781 |
| 2,703 | Sixt | 77,188 |
| 974 | SLM Solutions Group | 18,798 |
| 957 | SMA Solar Technology | 14,642 |
| 12,980 | Software | 262,196 |
| 5,481 | Stada Arzneimittel | 138,395 |
| 232 | STO & Co | 29,000 |
| 531 | Stratec Biomedical | 24,291 |
| 2,017 | Stroeer Media | 49,860 |
| 18,668 | Suedzucker | 223,363 |
| 15,727 | Symrise | 788,395 |
| 9,479 | Tag Immobilien | 91,188 |
| 2,927 | Takkt | 39,836 |
| 4,631 | Talanx | 117,025 |
| 67,910 | Telefonica Deutschland Holding | 299,755 |
| 56,891 | Thyssenkrupp | 1,209,503 |
| 1,667 | Tom Tailor Holding | 19,937 |
| 15,097 | United Internet | 565,911 |
| 1,128 | Villeroy & Boch | 13,592 |
| 24,450 | Volkswagen | 4,496,806 |
| 832 | Vossloh | 44,512 |
| 953 | VTG | 17,488 |
| 3,329 | Wacker Chemie | 303,105 |
| 2,247 | Wacker Neuson | 38,098 |
| 2,737 | Wincor Nixdorf | 110,055 |
| 25,848 | Wirecard | 942,289 |
| 179 | Xing | 16,613 |
| 248 | Zooplus | 16,356 |
| | | 132,343,584 |
| | % of Total Investments | 0.61% |

| Greece | | |
|---------|-------------------------------|------------------|
| Holding | Security Description | Market Value € |
| 789,851 | Alpha Bank | 369,650 |
| 498,028 | Eurobank Ergasias | 93,131 |
| 1,862 | FF Group | 49,157 |
| 52,561 | Hellenic Telecom Organization | 478,305 |
| 6,298 | Jumbo | 53,344 |
| 300,638 | National Bank of Greece | 441,938 |
| 45,584 | OPAP | 405,698 |
| 422,780 | Piraeus Bank | 384,730 |
| 7,168 | Public Power | 38,707 |
| 3,095 | Titan Cement | 59,331 |
| | | 2,373,991 |
| | % of Total Investments | 0.01% |

Quoted Securities – Equities (continued)

| Ireland | | |
|-----------|-----------------------------------|------------------|
| Holding | Security Description | Market Value € |
| 5,856 | Accenture | 430,771 |
| 2,423 | Actavis | 513,718 |
| 21,914 | Aer Lingus Group | 48,342 |
| 899 | Allegion | 41,066 |
| 3,022,929 | Allied Irish Banks | 41,441 |
| 3,677,374 | Bank of Ireland | 1,151,018 |
| 45,731 | Beazley | 169,091 |
| 31,671 | C&C Group | 114,649 |
| 4,170 | Covidien | 351,295 |
| 7,668 | DCC | 349,781 |
| 4,351 | Eaton | 243,550 |
| 1,125 | Endo International | 66,827 |
| 2,019 | FBD Holdings | 23,077 |
| 15,828 | Glanbia | 201,016 |
| 20,267 | Grafton Group | 166,008 |
| 36,903 | Greencore Group | 135,597 |
| 53,438 | Hibernia REIT | 57,980 |
| 2,661 | Ingersoll-Rand Public | 138,935 |
| 772,932 | Irish Bank Resolution Corporation | 0 |
| 12,580 | Irish Continental Group | 40,885 |
| 449 | Jazz Pharmaceuticals | 60,551 |
| 19,576 | Kerry Group | 1,117,202 |
| 13,296 | Kingspan Group | 190,798 |
| 92,941 | National Toll Road | 190,529 |
| 2,818 | Origin Enterprises | 23,812 |
| 4,064 | Paddy Power | 280,050 |
| 1,840 | Pentair | 100,661 |
| 1,142 | Perrigo | 157,233 |
| 94,096 | Ryanair | 922,611 |
| 2,886 | Seagate Technology | 158,075 |
| 51,033 | Smurfit Kappa Group | 954,317 |
| 4,263 | Tyco International | 154,003 |
| 22,139 | UDG Healthcare | 108,805 |
| 3,050 | Unidare Units | 153 |
| 793,776 | Waterford Wedgewood UTS | 794 |
| 7,103 | Weatherford International | 66,987 |
| 1,658 | Willis Group Holdings | 61,193 |
| 2,611 | XL Group | 73,915 |
| | | 8,906,737 |
| | % of Total Investments | 0.04% |

| Israel | | |
|---------|-------------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 11,196 | Africa Israel Investments | 8,463 |
| 1,163 | Africa Israel Properties | 12,665 |
| 3,011 | Airport City | 21,932 |
| 6,546 | Alony Hetz Properties & Investments | 35,587 |
| 428 | Al-Rov Israel | 9,013 |
| 527 | Alrov Properties and Lodgings | 8,038 |
| 5,850 | Amot Investments | 14,402 |
| 662 | B Communications | 9,836 |
| 63 | Bayside Land Corp | 13,708 |
| 5,001 | Cellcom Israel | 35,982 |
| 1,392 | Check Point Software Technology | 90,083 |
| 1,758 | Clal Insurance Enterprises Holding | 20,761 |

| Israel (continued) | | |
|--------------------|------------------------------------|------------------|
| Holding | Security Description | Market Value € |
| 2,935 | Delek Automotive Systems | 21,639 |
| 423 | Delta-Galil Industries | 9,491 |
| 2,323 | Discount Investment Corp | 3,716 |
| 2,125 | Elbit Systems | 107,150 |
| 143 | Electra | 13,134 |
| 2,631 | Ezchip Semiconductor | 42,029 |
| 1,796 | First International Bank of Israel | 18,987 |
| 3,441 | Frutarom Industries | 87,848 |
| 8,269 | Gazit-Globe | 80,903 |
| 9,671 | Harel Insurance Investments | 36,307 |
| 325 | IDI Insurance | 9,261 |
| 84,631 | Israel Discount Bank | 112,064 |
| 1,430 | Ituran Location and Control | 26,034 |
| 1,865 | Jerusalem Economy | 4,418 |
| 790 | Jerusalem Oil Exploration | 20,152 |
| 3,104 | Matrix IT | 11,555 |
| 1,103 | Maliron | 25,238 |
| 2,282 | Menorah Mivtachim Holdings | 16,424 |
| 32,278 | Migdal Insurance & Financial | 31,861 |
| 2,939 | Naphtha Israel Petroleum Corp | 12,061 |
| 2,334 | Nitsba Holdings 1995 | 25,639 |
| 762 | Norstar Holdings | 14,754 |
| 102,224 | Oil Refineries | 22,437 |
| 4,724 | Ormat Industries SHK1 | 26,873 |
| 2,945 | Osem Investments | 43,239 |
| 7,843 | Partner Communications Co | 33,715 |
| 411 | Paz Oil Co | 43,939 |
| 5,055 | Phoenix Industries | 11,074 |
| 285 | Plasson Industries | 7,765 |
| 4,100 | PLUS500 | 31,583 |
| 550 | Rami Levy Chain Stores Hashikma | 16,756 |
| 18,427 | Shikun & Binui | 32,169 |
| 6,683 | Shufersal | 11,779 |
| 3,397 | Strauss Group | 42,175 |
| 3,417 | Tower Semiconductor | 37,355 |
| | | 1,371,993 |
| | % of Total Investments | 0.01% |

| Italy | | |
|---------|------------------------|----------------|
| Holding | Security Description | Market Value € |
| 115,398 | A2A | 96,646 |
| 4,904 | Acea | 43,842 |
| 8,070 | Amplifon | 39,575 |
| 17,541 | Anima Holding | 73,041 |
| 10,988 | Ansaldo STS | 91,530 |
| 3,441 | Ascopiave | 6,283 |
| 169,182 | Assicurazioni Generali | 2,876,094 |
| 4,459 | Astaldi | 21,314 |
| 3,199 | ASTM | 30,582 |
| 215,134 | Atlantia | 4,158,540 |
| 10,506 | Autogrill | 65,663 |
| 9,260 | Azimut Holding | 166,958 |
| 503,646 | Banca Carige | 27,449 |
| 5,266 | Banca Generali | 121,381 |
| 1,959 | Banca IFIS | 26,819 |

| Italy (continued) | | |
|-------------------|---------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 587,736 | Banca Monte dei Paschi di Siena | 276,236 |
| 43,551 | Banca Popolare Dell'Emilia Roma | 238,006 |
| 372,315 | Banca Popolare Di Milano Scarl | 201,981 |
| 41,553 | Banca Popolare Di Sondrio Scar | 128,648 |
| 18,080 | Banca Profilo | 5,587 |
| 47,724 | Banco Popolare | 480,103 |
| 98,982 | Beni Stabili Spa | 57,459 |
| 2,446 | Brembo | 67,754 |
| 1,868 | Brunello Cucinelli | 34,614 |
| 20,794 | Buzzi Unicem | 201,970 |
| 2,133 | Cairo Communication | 10,354 |
| 4,357 | Cementir Holding | 21,850 |
| 7,899 | Cerved Information Solutions | 34,519 |
| 36,152 | Cir-Compagnie Industriali Run | 31,271 |
| 29,169 | COFIDE | 12,601 |
| 413 | Cosmo Pharmaceuticals | 50,423 |
| 7,611 | Credito Emiliano | 47,417 |
| 99,176 | Credito Valtellinese | 78,647 |
| 4,502 | Danieli & C'Officine | 70,416 |
| 2,164 | Datalogic | 19,260 |
| 64,090 | Davide Campari-Milano | 330,704 |
| 4,669 | De'Longhi | 69,895 |
| 9,564 | Dea Capital | 15,503 |
| 2,047 | Diasorin | 68,227 |
| 1,513 | Ei Towers | 62,593 |
| 208,621 | Enel Green Power | 361,749 |
| 870,137 | Enel Engineering | 3,216,026 |
| 395 | Eni | 14,813 |
| 329,350 | Eni | 4,778,869 |
| 4,785 | ERG | 44,285 |
| 2,633 | Esprinet | 15,087 |
| 13,199 | Exor | 449,294 |
| 9,137 | Falck Renewables | 8,493 |
| 45,709 | Fincantieri | 35,127 |
| 19,100 | Finecobank Banca Fineco | 89,159 |
| 51,841 | Finmeccanica | 400,990 |
| 7,096 | Geox | 19,159 |
| 11,222 | Gruppo Editoriale L'Espresso | 10,700 |
| 15,350 | GTECH | 283,822 |
| 15,350 | Gtech RTS | 0 |
| 52,303 | Hera | 101,729 |
| 26,970 | Immobiliare Grande | 17,396 |
| 837 | Industria Macchine Automatiche | 30,383 |
| 6,083 | Interpump Group | 70,867 |
| 1,578,218 | Intesa Sanpaolo | 3,822,444 |
| 43,504 | Iren | 39,393 |
| 16,625 | Italcementi | 82,128 |
| 2,103 | Italmobiliare | 33,249 |
| 53,741 | Juventus Football Club | 11,823 |
| 23,677 | Luxottica | 1,077,304 |
| 9,791 | Maire Tecnimont | 17,683 |
| 3,030 | Marr | 44,602 |
| 153,672 | Mediaset | 528,632 |

Quoted Securities – Equities (continued)

| Italy (continued) | | |
|-------------------|----------------------------------|-------------------|
| Holding | Security Description | Market Value € |
| 73,406 | Mediobanca | 496,959 |
| 53,095 | Mediolanum | 280,873 |
| 10,542 | Moleskine | 10,516 |
| 8,923 | Moncler | 99,224 |
| 45,278 | Parmalat | 108,214 |
| 13,072 | Piaggio & C | 31,504 |
| 43,815 | Pirelli & C | 491,166 |
| 28,284 | Prysmian | 428,503 |
| 13,270 | RCS Mediagroup | 12,401 |
| 8,620 | Recordati | 110,767 |
| 381 | Reply | 23,203 |
| 3,120 | Saflo | 33,634 |
| 33,799 | Saipem | 296,248 |
| 17,721 | Salini Impregilo | 53,447 |
| 10,804 | Salvatore Ferragamo | 220,510 |
| 20,807 | Saras | 17,353 |
| 1,006 | Save | 13,269 |
| 1,109,797 | Snam | 4,550,168 |
| 12,059 | Societa Cattolica Di Assicuraz | 69,038 |
| 33,653 | Societa Iniziative Austostradali | 268,719 |
| 3,712 | Sogefi | 7,691 |
| 31,243 | Sorin | 60,174 |
| 5,463 | Tamburi Investment Partners | 14,335 |
| 2,204,442 | Telecom Italia | 1,792,675 |
| 752,920 | Terna Rete Elettrica Nazionale | 2,830,979 |
| 1,124 | Tod's | 80,928 |
| 7,385 | Trevi Finanziaria Industriale | 20,900 |
| 599,160 | Unicredit | 3,196,519 |
| 116,457 | Unione Di Banche Italiane | 694,084 |
| 42,368 | Unipol Gruppo | 173,440 |
| 160,065 | Unipolsai | 357,686 |
| 2,106 | Vittoria Accisurazioni | 18,112 |
| 11,774 | World Duty Free | 93,780 |
| 4,498 | Yoox | 82,763 |
| 2,677 | Zignago Vetro | 13,572 |
| | | 43,120,308 |
| | % of Total Investments | 0.20% |

| Luxembourg | | |
|------------|-------------------------------|-------------------|
| Holding | Security Description | Market Value € |
| 11,268 | Altice | 735,350 |
| 4,266 | Aperam | 104,880 |
| 133,882 | Arcelormittal | 1,216,720 |
| 1,940 | Braas Monier Building Group | 31,069 |
| 798 | Eurofins Scientific | 169,216 |
| 19,628 | Gagfah | 363,118 |
| 6,753 | Grand City Properties | 82,184 |
| 3,849 | Oriflame Cosmetics | 44,460 |
| 60,844 | Regus | 162,792 |
| 5,177 | PLT Group | 409,604 |
| 220,981 | Ses | 6,566,450 |
| 63,054 | Tenaris | 785,653 |
| | | 10,671,496 |
| | % of Total Investments | 0.05% |

| Malta | | |
|---------|-------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 20,000 | Brait | 112,145 |
| 2,254 | Unibet Group | 118,183 |
| | | 230,328 |
| | % of Total Investments | 0.00% |

| Netherlands | | |
|-------------|-----------------------------|----------------|
| Holding | Security Description | Market Value € |
| 9,079 | Aalberts Industries | 222,753 |
| 1,842 | Accell Group | 25,051 |
| 254,436 | Aegon | 1,592,515 |
| 630 | Aercap Holdings | 20,144 |
| 32,658 | Akzo Nobel | 1,882,734 |
| 1,253 | Amsterdam Commodities | 23,820 |
| 5,505 | Arcadis | 137,240 |
| 4,651 | ASM International | 163,250 |
| 44,671 | ASML | 3,998,055 |
| 2,206 | Be Semiconductor Industries | 40,877 |
| 4,778 | BinckBank | 33,680 |
| 10,340 | Boskalis Westminster | 469,953 |
| 1,790 | Brunel International | 24,344 |
| 990 | Chicago Bridge & Iron Co | 34,231 |
| 4,956 | Corbion | 68,467 |
| 415 | Core Laboratories | 41,134 |
| 8,962 | Corio | 364,126 |
| 3,626 | Eurocommercial Properties | 127,526 |
| 5,356 | Euronext | 143,514 |
| 1,208 | Exact Holding | 38,294 |
| 9,407 | First Britannia Mezzanine | 604 |
| 16,990 | Fugro | 293,247 |
| 10,457 | Gemalto | 710,344 |
| 5,511 | Grontmij | 19,459 |
| 13,070 | Heineken Holding | 678,725 |
| 29,095 | Heineken | 1,715,150 |
| 2,700 | HMCD Group | 76,140 |
| 517,294 | ING | 5,602,294 |
| 856 | Kendrion | 18,507 |
| 110,989 | Koninklijke Ahold | 1,637,643 |
| 22,288 | Koninklijke BAM Groep | 57,414 |
| 23,381 | Koninklijke DSM | 1,184,014 |
| 409,212 | Koninklijke KPN | 1,075,409 |
| 123,549 | Koninklijke Philips | 2,983,708 |
| 2,379 | Koninklijke Ten Cate | 44,464 |
| 35,753 | Koninklijke Vopak | 1,540,418 |
| 4,020 | Lyondellbasell Industries | 262,868 |
| 2,728 | Nielsen N.V | 100,505 |
| 12,537 | NSI | 46,161 |
| 6,330 | Nutreco | 281,590 |
| 2,493 | NXP Semiconductors | 156,878 |
| 10,752 | Oci | 310,625 |
| 40,481 | Postnl | 125,491 |
| 31,533 | Qiagen | 610,479 |
| 14,563 | Randstad | 583,394 |
| 8,137 | Royal Imtech | 31,327 |
| 41,303 | SBM Offshore | 403,985 |
| 71,429 | SNS Reaal Groep | 60,069 |
| 3,007 | TKH Group | 79,265 |
| 63,316 | TNT Express | 350,834 |
| 9,178 | TomTom | 50,745 |

| Netherlands (continued) | | |
|-------------------------|-------------------------------|-------------------|
| Holding | Security Description | Market Value € |
| 6,000 | USG People | 55,998 |
| 1,670 | Vastned Retail | 62,542 |
| 3,089 | Wereldhave | 176,073 |
| 6,812 | Wessanen | 35,777 |
| 39,728 | Wolters Kluwers | 1,007,105 |
| 2,123 | Yandex | 31,405 |
| | | 31,912,363 |
| | % of Total Investments | 0.15% |

| Norway | | |
|---------|-------------------------------|------------------|
| Holding | Security Description | Market Value € |
| 13,711 | Akastor | 32,754 |
| 2,341 | Aker | 42,590 |
| 13,468 | Aker Solutions | 61,888 |
| 3,516 | American Shipping | 14,582 |
| 6,598 | Atea | 56,187 |
| 8,403 | Austevoll Seafood | 43,214 |
| 1,906 | Avance Gas Holding | 21,501 |
| 3,423 | Bakkafrost | 63,410 |
| 7,352 | Borregaard | 45,127 |
| 31,542 | BW Offshore | 26,198 |
| 9,300 | Det Norske Oljeselskap | 41,008 |
| 55,366 | DNO | 97,849 |
| 3,068 | Fred Olsen Energy | 23,124 |
| 5,947 | Hexagon Composites | 14,996 |
| 34,480 | Kongsberg Automotive | 21,965 |
| 14,711 | Kvaerner | 14,464 |
| 1,760 | Leroy Seafood Group | 53,139 |
| 27,463 | Marine Harvest | 312,535 |
| 9,830 | Nordic Semiconductor | 51,313 |
| 2,721 | Norwegian Air Shuttle | 83,117 |
| 45,661 | Norwegian Property | 51,004 |
| 3,656 | Ocean Yield | 17,791 |
| 11,019 | Opera Software | 115,771 |
| 20,027 | Petroleum Geo-Services | 93,778 |
| 170,457 | Rec Silicon | 33,631 |
| 4,549 | Salmar | 64,145 |
| 6,760 | Schibsted | 354,149 |
| 5,000 | Selvaag Bolig | 11,115 |
| 8,062 | Sparebank 1 Nord | 35,576 |
| 10,809 | Sparebanken 1 | 69,932 |
| 40,329 | Storebrand | 130,237 |
| 9,518 | TGS Neotec Geophysical | 170,212 |
| 27,257 | Thin Film Electronics | 15,072 |
| 49,000 | Vard | 18,309 |
| 6,090 | Wilh Wilhelmsen | 30,982 |
| | | 2,332,663 |
| | % of Total Investments | 0.01% |

| Portugal | | |
|-----------|---------------------------|----------------|
| Holding | Security Description | Market Value € |
| 6,732 | Altri | 16,716 |
| 33,712 | Banco BPI | 34,589 |
| 5,002,911 | Banco Comercial Portugues | 328,691 |
| 3,491,304 | Banif Banco Internacional | 19,900 |
| 13,506 | CTT Correios de Portugal | 108,278 |
| 340,443 | EDP Energias Portugal | 1,095,546 |
| 49,335 | GALP Energia | 415,943 |

Quoted Securities – Equities (continued)

| Portugal (continued) | | |
|----------------------|----------------------------------|------------------|
| Holding | Security Description | Market Value € |
| 33,589 | Jeronimo Martins | 279,964 |
| 6,418 | Mota Engil | 17,078 |
| 15,941 | NOS | 83,467 |
| 13,828 | Portucel | 42,659 |
| 124,497 | Portugal Telecom | 107,565 |
| 15,859 | REN - Redes Energeticas Nacion | 38,157 |
| 5,391 | Semapa Sociedade de Investimento | 54,045 |
| 68,883 | Sonae | 70,536 |
| | | 2,713,134 |
| | % of Total Investments | 0.01% |

| Spain | | |
|-----------|---------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 38,173 | Abengoa | 70,384 |
| 209,100 | Abertis Infraestructuras | 3,435,513 |
| 5,791 | Acciona | 325,454 |
| 27,487 | Acerinox | 343,725 |
| 23,358 | ACS Actividades | 676,681 |
| 5,567 | Almirall | 76,546 |
| 56,903 | Amadeus IT Holding | 1,882,636 |
| 7,607 | Applus Services | 69,604 |
| 6,136 | Atresmedia Corp De Medios | 71,423 |
| 3,250 | Axia Real Estate | 35,149 |
| 793,840 | Banco Bilbao Vizcaya Argentaria | 6,234,819 |
| 793,840 | Banco Bilbao Vizcaya Argentaria | 62,713 |
| 464,321 | Banco de Sabadell | 1,023,828 |
| 204,519 | Banco Popular Espanol | 850,799 |
| 1,686,007 | Banco Santander | 11,795,305 |
| 605,063 | Bankia | 749,068 |
| 90,119 | Bankinter S A | 603,887 |
| 6,540 | Bolsas y Mercados Espanoles | 210,196 |
| 261,955 | Caixabank | 1,142,386 |
| 4,760 | Carbures Europe | 25,323 |
| 15,982 | Cemex Latam Holdings | 88,922 |
| 3,585 | Cia De Distribucion Integral | 64,960 |
| 3,569 | Cie Automotive | 40,205 |
| 158 | Construccion y Auxiliar | 47,771 |
| 3,852 | Corporacion Financiera Alba | 156,391 |
| 47,663 | Deoleo | 17,874 |
| 75,704 | Distribuidora Internacional | 425,986 |
| 6,576 | Duro Felguera | 22,030 |
| 7,077 | Ebro Foods | 97,026 |
| 27,381 | EDP Renovaveis | 147,967 |
| 113,262 | Enagas | 2,965,765 |
| 11,374 | ENCE Energia y Celulosa | 23,544 |
| 42,583 | Endesa | 704,749 |
| 21,597 | Faes Farma | 37,039 |
| 21,597 | Faes Farma SA | 1,339 |
| 222,917 | Ferrovial | 3,661,412 |
| 5,679 | Fomento De Construcciones y RTS | 66,728 |
| 5,679 | Fomento De Construcciones RTS | 20,444 |
| 21,601 | Gamesa Corp Tecnologica | 163,282 |
| 40,656 | Gas Natural | 846,051 |
| 22,170 | Grifols | 734,270 |
| 3,875 | Grupo Catalana Occidente | 92,961 |

| Spain (continued) | | |
|-------------------|--------------------------------|-------------------|
| Holding | Security Description | Market Value € |
| 4,710 | Hispania Activos Inmobiliarios | 51,056 |
| 700,607 | Iberdrola | 3,921,297 |
| 141,582 | Inditex | 3,356,201 |
| 9,066 | Indra Sistemas | 73,163 |
| 183,441 | Inmobiliaria Colonial | 100,342 |
| 1,365 | Laboratorios Farmaceuticos | 14,060 |
| 3,613 | Lar Espana Real Estate | 33,153 |
| 2,662 | Let's Gowex | 21,083 |
| 129,026 | Liberbank | 87,222 |
| 132,302 | Mapfre | 372,166 |
| 47,771 | Mediaset Espana Comunicacion | 498,968 |
| 4,254 | Melia Hotels International | 37,690 |
| 11,663 | Merlin Properties Socimi | 116,980 |
| 673 | Miquel y Costas & Miquel | 21,536 |
| 14,444 | NH Hotel Group | 57,415 |
| 19,304 | Obrascon Huarte Lain | 358,089 |
| 3,283 | Papeles y Cartones De Europa | 12,574 |
| 96,272 | Promotora De Informaciones | 24,838 |
| 24,779 | Prosegur Cia De Seguridad | 116,957 |
| 6,536 | Realia Business | 3,333 |
| 57,685 | Red Electrica | 4,223,119 |
| 137,087 | Repsol | 2,131,017 |
| 137,087 | Repsol SA | 62,649 |
| 28,167 | Sacyr | 80,642 |
| 2,819 | Tecnicas Reunidas | 102,302 |
| 546,946 | Telefonica | 6,519,596 |
| 7,775 | Tubacex | 24,103 |
| 7,629 | Tubos Reunidos | 13,046 |
| 4,070 | Viscofan | 179,345 |
| 23,240 | Zardoya Otis | 213,808 |
| 15,316 | Zeltia | 40,894 |
| | | 62,980,799 |
| | % of Total Investments | 0.29% |

| Sweden | | |
|---------|----------------------|----------------|
| Holding | Security Description | Market Value € |
| 2,444 | AAK | 108,631 |
| 4,951 | Active Biotech | 9,883 |
| 5,416 | AF | 72,652 |
| 1,266 | Arcam | 19,543 |
| 1,725 | Avanza Bank Holding | 47,381 |
| 1,691 | Axfood | 83,983 |
| 3,836 | Axis Communications | 81,514 |
| 2,253 | B&B Tools | 36,579 |
| 3,136 | Betssson | 91,813 |
| 1,733 | Bilia | 43,819 |
| 15,792 | Billerudkorsnas | 189,141 |
| 1,211 | Biogaia | 23,142 |
| 5,066 | Bure Equity | 19,362 |
| 3,880 | Byggmax Group | 21,790 |
| 13,672 | Castellum | 177,723 |
| 3,416 | Cdon Group | 6,401 |
| 3,573 | Clas Ohlson | 51,258 |
| 19,898 | Cloetta | 47,876 |
| 10,274 | Com Hem Holding | 68,909 |
| 3,667 | Dios Fastigheter | 22,545 |
| 3,173 | Duni | 39,185 |

| Sweden (continued) | | |
|--------------------|--------------------------------|------------------|
| Holding | Security Description | Market Value € |
| 12,238 | Fabege | 131,070 |
| 7,026 | Fastighets Balder | 82,467 |
| 4,555 | Fingerprint Cards | 16,876 |
| 3,797 | Gunnebo | 15,240 |
| 3,241 | Haldex | 35,108 |
| 5,620 | Hemfosa Fastigheter | 98,722 |
| 2,287 | Hexpol | 179,322 |
| 4,536 | HIQ International | 19,848 |
| 4,390 | Holmen | 124,367 |
| 10,377 | Hufvudstaden | 112,244 |
| 1,518 | Industrial & Financial Systems | 38,625 |
| 2,855 | Indutrade | 94,832 |
| 6,893 | Intrum Justitia | 170,252 |
| 1,202 | Investment Oresund | 21,243 |
| 6,803 | JM | 180,341 |
| 5,145 | KappAhl | 22,951 |
| 42,498 | Klovern | 34,632 |
| 13,659 | Kungsliden | 82,160 |
| 3,494 | L E Lundbergforetagen | 125,803 |
| 5,404 | Lindab International | 37,741 |
| 4,989 | Loomis | 120,038 |
| 22,629 | Meda | 271,028 |
| 2,525 | Medivir | 26,411 |
| 2,137 | Mekonomen | 46,412 |
| 5,171 | Modern Times Group MTG | 136,968 |
| 7,862 | NCC | 206,504 |
| 2,495 | Net Entertainment NE | 69,859 |
| 3,699 | New Wave Group | 15,122 |
| 7,648 | Nibe Industrier | 163,577 |
| 10,472 | Nobia | 77,762 |
| 1,733 | Nolato | 32,841 |
| 7,217 | Nordnet | 21,667 |
| 15,704 | Opus Group | 15,214 |
| 1,352 | Orexo | 19,503 |
| 15,021 | Peab | 87,874 |
| 6,833 | Qliro Group | 12,730 |
| 17,646 | Ratos | 88,427 |
| 1,398 | Recipharm | 20,018 |
| 5,910 | Saab | 127,286 |
| 12,072 | SAS | 19,535 |
| 3,786 | Scandi Standard | 19,428 |
| 2,015 | Skistar | 18,717 |
| 36,821 | Ssab | 168,794 |
| 13,222 | Swedish Orphan Biovitrum | 111,697 |
| 2,737 | Tethys Oil | 17,775 |
| 21,659 | Trelleborg | 304,374 |
| 7,801 | Wallenstam | 107,717 |
| 6,047 | Wihlborgs Fastigheter | 91,899 |
| | | 5,306,153 |
| | % of Total Investments | 0.02% |

| Switzerland | | |
|-------------|----------------------|----------------|
| Holding | Security Description | Market Value € |
| 3,123 | Ace | 295,503 |
| 1,418 | AFG | 29,070 |
| 1,250 | Allreal Holding | 142,527 |
| 3,301 | Ascom Holding | 41,866 |
| 279 | Autoneum Holding | 39,330 |

Quoted Securities – Equities (continued)

| Switzerland (continued) | | |
|-------------------------|----------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 277 | Banque Cantonale Vaudoise | 124,171 |
| 826 | Basilea Pharmaceutica | 63,303 |
| 1,197 | BKW | 29,318 |
| 516 | Bossard Holding | 46,905 |
| 605 | Bucher Industries | 125,237 |
| 265 | Burckhardt Compression Holding | 83,914 |
| 321 | Burkhalter Holding | 23,053 |
| 1,874 | Cembra Money Bank | 85,720 |
| 26,717 | Clariant | 371,514 |
| 65 | Comet | 34,922 |
| 635 | Daetwyler | 67,440 |
| 2,634 | Dufry | 326,402 |
| 4,716 | EFG International | 45,497 |
| 195 | Emmi | 56,924 |
| 19,723 | Evolva Holding | 21,652 |
| 13,357 | Ferrexpo | 9,089 |
| 1,896 | Flughafen Zurich | 1,050,968 |
| 115 | Forbo Holdings | 95,116 |
| 403 | Galenica | 265,449 |
| 14,139 | Gam Holding | 211,662 |
| 1,012 | Garmin | 44,036 |
| 2,331 | Gategroup Holding | 55,057 |
| 373 | Georg Fischer | 195,124 |
| 591 | Helvetia | 232,979 |
| 1,196 | Huber & Suhner | 47,148 |
| 1,319 | Implenia | 63,350 |
| 147 | Inficon Holding | 37,685 |
| 96 | Intershop Holding | 28,423 |
| 279 | Kaba Holding | 116,598 |
| 283 | Komax | 34,010 |
| 3,593 | Kudelski | 36,157 |
| 291 | Kuoni Reisen Holding | 72,907 |
| 363 | Leonteq | 72,455 |
| 13,786 | Logitech International | 154,210 |
| 8,227 | Meyer Burger Technology | 44,132 |
| 2,541 | Mobilezone Holding | 22,295 |
| 572 | Mobimo Holding | 94,763 |
| 5,245 | Myriad Group | 18,626 |
| 16,152 | OC Oerlikon | 167,914 |
| 1,045 | Orascom Development Holding | 15,687 |
| 1,191 | Panalpina Welttransport Holding | 132,234 |
| 3,741 | PSP Swiss Property | 266,948 |
| 300 | Rieter Holding | 41,292 |
| 335 | Santhera Pharmaceuticals Holding | 23,696 |
| 53,006 | Schmolz - Bickenbach | 47,610 |
| 79 | Schweiter Technologies | 51,248 |
| 1,013 | SFS Group | 66,640 |
| 321 | Siegfried Holding | 43,249 |
| 230 | ST Galler Kantonalbank | 69,054 |
| 84,858 | Stmicroelectronics | 526,120 |
| 909 | Straumann Holding | 189,564 |
| 870 | Swissquote Group Holding | 22,575 |
| 3,822 | TE Connectivity | 199,112 |
| 945 | Tecan Group | 88,810 |
| 5,496 | Temenos Group | 162,266 |

| Switzerland (continued) | | |
|-------------------------------|----------------------|------------------|
| Holding | Security Description | Market Value € |
| 502 | U Blox Holding | 57,364 |
| 1,448 | Valiant Holding | 99,412 |
| 251 | Valora | 47,678 |
| 20 | Vetropack | 26,364 |
| 8,098 | Von Roll Holding | 9,159 |
| 2,393 | Vontobel Holding | 74,632 |
| 255 | Walter Meier | 8,674 |
| 887 | Zehnder Group | 30,467 |
| | | 7,524,274 |
| % of Total Investments | | 0.03% |

| United Kingdom | | |
|----------------|----------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 233,659 | 3I Infrastructure | 458,978 |
| 12,845 | 888 Holdings | 22,840 |
| 15,546 | Abcam | 92,959 |
| 14,386 | Acacia Mining | 47,171 |
| 38,328 | Advanced Computer Software | 68,276 |
| 18,839 | Advanced Medical Solutions | 30,294 |
| 93,473 | Afren | 56,739 |
| 22,783 | African Minerals | 2,925 |
| 18,190 | Alent | 74,965 |
| 8,642 | Allied Minds | 40,719 |
| 77,462 | Amerisur Resources | 44,255 |
| 46,031 | Amlin | 282,604 |
| 8,802 | Anglo Pacific Group | 11,301 |
| 27,543 | Anite | 28,112 |
| 15,028 | AO World | 54,061 |
| 2,776 | Aon | 216,826 |
| 14,008 | Arrow Global Group | 40,914 |
| 32,547 | Ashmore Group | 117,000 |
| 4,881 | Asos | 161,426 |
| 8,194 | Avanti Communications Group | 27,326 |
| 5,899 | Aveva Group | 99,516 |
| 1,340 | Awilco Drilling | 11,559 |
| 63,085 | Balfour Beatty | 171,704 |
| 88,158 | Barratt Developments | 533,090 |
| 39,749 | BBA Aviation | 183,716 |
| 11,139 | Bellway | 277,295 |
| 15,830 | Berendsen | 223,559 |
| 11,491 | Berkeley | 365,871 |
| 7,032 | Betfair Group | 141,922 |
| 11,732 | Big Yellow Group | 91,579 |
| 17,641 | Bodycote | 146,650 |
| 60,678 | BooHoo.com | 30,771 |
| 132,120 | Booker Group | 277,505 |
| 12,319 | Bovis Homes Group | 139,892 |
| 25,077 | Brewin Dolphin Holdings | 95,942 |
| 10,817 | Brit plc | 37,566 |
| 369 | British Land Co | 3,681 |
| 22,840 | Britvic | 197,786 |
| 33,092 | BTG | 337,760 |
| 69,800 | Bwin.Party Digital Entertainment | 105,565 |
| 249,128 | Cable & Wireless Communication | 158,772 |
| 52,437 | Cairn Energy | 120,170 |
| 67,436 | Capital & Counties Properties | 315,665 |

| United Kingdom (continued) | | |
|----------------------------|----------------------------|----------------|
| Holding | Security Description | Market Value € |
| 12,271 | Card Factory | 44,600 |
| 39,650 | Carillion | 170,939 |
| 102,995 | Centamin | 77,884 |
| 17,700 | Chemring | 54,311 |
| 10,514 | Chesnara | 45,794 |
| 17,125 | Cineworld Group | 91,264 |
| 3,801 | Clinigen Group | 25,815 |
| 13,617 | Close Brothers Group | 261,186 |
| 123,825 | CNH Industrial N.V. | 829,628 |
| 32,805 | Colt Group | 56,437 |
| 3,429 | Concentric | 33,951 |
| 6,898 | Costain Group | 24,775 |
| 20,840 | Crest Nicholson Holdings | 103,919 |
| 14,523 | CSR | 159,606 |
| 24,901 | Daily Mail & General Trust | 263,588 |
| 12,503 | Dairy Crest | 80,100 |
| 8,632 | Dart | 32,249 |
| 9,180 | De La Rue | 61,345 |
| 102,823 | Debenhams | 99,338 |
| 2,840 | Delphi Automotive | 170,105 |
| 8,795 | Derwent London plc | 340,779 |
| 15,222 | Devro | 59,606 |
| 2,809 | Dialight | 29,212 |
| 4,462 | Dignity | 109,359 |
| 9,105 | Diploma | 82,879 |
| 10,289 | Domino Printing Sciences | 87,184 |
| 14,756 | Domino's Pizza Group | 133,086 |
| 37,150 | Drax Group | 219,685 |
| 85,611 | DS Smith | 353,919 |
| 8,397 | Dunelm Group | 100,475 |
| 17,892 | DX Group | 20,100 |
| 40,354 | Electrocomponents | 111,389 |
| 42,113 | Elementis | 141,548 |
| 65,914 | Enquest | 30,042 |
| 2,158 | Ensco | 53,235 |
| 44,172 | Enterprise Inns | 64,991 |
| 22,589 | Essentra | 212,288 |
| 24,902 | Esure Group | 65,284 |
| 34,703 | Evraz | 68,836 |
| 14,363 | Faroe Petroleum | 11,156 |
| 17,810 | Fenner | 49,447 |
| 113,233 | Fiat Chrysler Automobiles | 1,087,037 |
| 3,438 | Fidessa Group | 105,493 |
| 104,787 | Firstgroup | 143,546 |
| 18,365 | Flybe Group | 26,172 |
| 20,142 | Foxtons Group | 41,440 |
| 7,515 | Galliford Try | 124,269 |
| 7,654 | Game Digital | 35,376 |
| 8,615 | Gem Diamonds | 19,328 |
| 5,562 | Genus | 89,332 |
| 21,866 | Globo | 11,229 |
| 3,558 | Go-Ahead Group | 112,327 |
| 38,263 | Grainger | 92,354 |
| 31,463 | Great Portland Estates | 298,109 |
| 20,119 | Greene King | 192,434 |
| 9,271 | Greggs | 87,128 |
| 18,087 | GW Pharmaceuticals | 83,132 |
| 3,126 | GVC Holdings | 19,304 |

Quoted Securities – Equities (continued)

| NORTH AMERICA | | |
|---------------|-------------------------------------|----------------|
| Canada | | |
| Holding | Security Description | Market Value € |
| 2,150 | Agnico-Eagle Mines | 44,214 |
| 1,350 | Agrium | 105,596 |
| 3,636 | Alimentation Couche-Tard | 125,888 |
| 2,886 | ARC Resources | 51,633 |
| 6,043 | Bank of Montreal | 353,135 |
| 11,345 | Bank of Nova Scotia | 534,940 |
| 10,809 | Barrick Gold | 96,230 |
| 2,403 | BCE | 91,042 |
| 4,632 | BlackBerry | 41,962 |
| 13,282 | Bombardier | 39,195 |
| 5,278 | Brookfield Asset Management | 218,506 |
| 3,650 | Cameco | 49,444 |
| 3,718 | Canadian Imperial Bank of Commerce | 263,959 |
| 7,025 | Canadian National Railway | 399,730 |
| 10,178 | Canadian Natural Resources | 259,968 |
| 4,492 | Canadian Oil Sands | 33,284 |
| 1,475 | Canadian Pacific Railway | 234,680 |
| 723 | Canadian Tire | 63,102 |
| 1,724 | Canadian Utilities | 50,152 |
| 6,973 | Cenovus Energy | 118,853 |
| 2,437 | CGI Group | 76,751 |
| 1,872 | CI Financial | 42,983 |
| 4,018 | Crescent Point Energy | 76,886 |
| 6,608 | Eldorado Gold | 33,268 |
| 349,020 | Enbridge | 14,826,457 |
| 6,893 | Encana | 79,257 |
| 17,971 | Entertainment One | 74,385 |
| 200 | Fairfax Financial | 86,579 |
| 1,591 | Finning International | 28,544 |
| 5,488 | First Quantum Minerals | 64,429 |
| 112,731 | Fortis | 3,123,088 |
| 1,358 | Franco-Nevada | 55,245 |
| 7,501 | Goldcorp | 114,731 |
| 2,792 | Great West Lifeco | 66,688 |
| 2,741 | Husky Energy | 53,600 |
| 921 | IGM Financial | 30,329 |
| 2,450 | Imperial Oil | 87,195 |
| 1,244 | Intact Financial | 74,173 |
| 132,863 | Inter Pipeline | 3,395,502 |
| 34,170 | Keyera | 1,969,822 |
| 10,496 | Kinross Gold | 24,331 |
| 2,157 | Loblaws Companies | 95,357 |
| 2,039 | Magna International | 182,528 |
| 17,006 | Manulife Financial | 268,217 |
| 1,374 | MEG Energy | 19,101 |
| 854 | Metro | 56,658 |
| 3,014 | National Bank of Canada | 105,960 |
| 134,491 | Pembina Pipeline | 4,049,169 |
| 4,482 | Penn West Petroleum | 7,745 |
| 8,028 | Potash Corporation of Saskatchewan | 234,452 |
| 3,234 | Power Canada | 73,037 |
| 2,166 | Power Financial | 55,725 |
| 982 | Restaurant Brands International | 31,565 |
| 1,124 | Restaurant Brands International Inc | 36,352 |

| Canada (continued) | | |
|--------------------|---------------------------------------|-------------------|
| Holding | Security Description | Market Value € |
| 3,373 | Rogers Communications | 108,340 |
| 13,336 | Royal Bank of Canada | 760,919 |
| 2,370 | Saputo | 58,850 |
| 3,611 | Shaw Communications | 80,498 |
| 3,282 | Silver Wheaton | 55,147 |
| 1,404 | SNC-Lavalin Group | 44,238 |
| 5,602 | Sun Life Financial | 166,988 |
| 13,988 | Suncor Energy | 367,032 |
| 9,554 | Talisman Energy | 61,823 |
| 4,374 | Teck Resources | 49,391 |
| 87 | Telus | 2,592 |
| 1,844 | Telus Corporation | 54,862 |
| 17,128 | Toronto-Dominion Bank | 676,083 |
| 1,443 | Tourmaline | 39,710 |
| 2,480 | Transalta | 18,552 |
| 291,739 | TransCanada | 11,845,474 |
| 7,407 | Turquoise Hill Resources | 18,909 |
| 1,361 | Ultra Petroleum | 14,752 |
| 2,876 | Valeant Pharmaceuticals International | 340,159 |
| 111,165 | Veresen | 1,451,318 |
| 479 | Weston (George) | 34,180 |
| 24,457 | Westshore Terminals Investment | 550,078 |
| 9,246 | Yamana Gold | 30,835 |
| 2,505 | Riocan Reit | 47,079 |
| | | 49,653,431 |
| | % of Total Investments | 0.23% |

| United States | | |
|---------------|---------------------------|----------------|
| Holding | Security Description | Market Value € |
| 865 | 3D Systems | 23,419 |
| 6,098 | 3M | 825,322 |
| 14,294 | Abbott Laboratories | 530,035 |
| 14,806 | AbbVie | 798,044 |
| 6,528 | Activision Blizzard | 108,343 |
| 4,629 | Adobe Systems | 277,183 |
| 1,860 | ADT | 55,504 |
| 678 | Advance Auto Parts | 88,948 |
| 6,147 | AES | 69,718 |
| 3,391 | Aetna | 248,104 |
| 495 | Affiliated Managers Group | 86,532 |
| 4,159 | Aflac | 209,269 |
| 3,045 | Agilent Technologies | 102,679 |
| 47,993 | AGL Resources | 2,154,764 |
| 1,913 | Air Products & Chemicals | 227,256 |
| 511 | Airgas | 48,478 |
| 1,575 | Akamai Technologies | 81,675 |
| 11,058 | Alcoa | 143,815 |
| 1,791 | Alexion Pharmaceuticals | 272,950 |
| 163 | Alleghany | 62,228 |
| 992 | Allegheny Technologies | 28,409 |
| 2,811 | Allergan | 492,209 |
| 521 | Alliance Data Systems | 122,751 |
| 1,030 | Alliant Energy | 56,348 |
| 4,193 | Allstate | 242,614 |
| 2,953 | Altera | 89,847 |
| 18,928 | Altria | 768,127 |

| United States (continued) | | |
|---------------------------|---------------------------|----------------|
| Holding | Security Description | Market Value € |
| 3,455 | Amazon.com | 883,172 |
| 1,516 | Amdocs | 58,256 |
| 2,233 | Ameren | 84,843 |
| 1,472 | American Airlines | 65,022 |
| 3,569 | American Capital Agency | 64,172 |
| 4,490 | American Electric Power | 224,555 |
| 8,640 | American Express | 662,108 |
| 13,582 | American International | 626,578 |
| 7,744 | American Realty Capital | 57,724 |
| 15,549 | American States Water | 482,312 |
| 163,253 | American Tower | 13,291,787 |
| 74,182 | American Water Works | 3,256,652 |
| 1,797 | Ameriprise Financial | 195,744 |
| 2,127 | Amerisourcebergen | 157,953 |
| 2,258 | Ametek | 97,882 |
| 7,120 | Amgen | 934,144 |
| 2,970 | Amphenol | 131,633 |
| 4,616 | Anadarko Petroleum | 313,664 |
| 2,824 | Analog Devices | 129,140 |
| 8,794 | Annaly Capital Management | 78,299 |
| 815 | ANSYS | 55,045 |
| 515 | Antero Resources | 17,213 |
| 2,561 | Anthem | 265,086 |
| 3,680 | Apache | 189,956 |
| 55,011 | Apple | 5,001,330 |
| 11,053 | Applied Materials | 226,868 |
| 71,171 | Aqua America | 1,565,164 |
| 1,145 | Arch Capital | 55,736 |
| 23,827 | Archer | 10,646 |
| 6,054 | Archer-Daniels-Midland | 259,293 |
| 935 | Arrow Electronics | 44,582 |
| 1,629 | Arthur J Gallagher & Co | 63,169 |
| 725 | Ashland | 71,515 |
| 675 | Assurant | 38,045 |
| 48,707 | AT&T | 1,347,556 |
| 40,310 | Atmos Energy | 1,850,654 |
| 2,068 | Autodesk | 102,301 |
| 889 | Autoliv | 77,704 |
| 4,436 | Automatic Data Processing | 304,612 |
| 318 | Autozone | 162,159 |
| 1,198 | Avalonbay Communities | 161,223 |
| 894 | Avery Dennison | 38,202 |
| 1,280 | Avnet | 45,355 |
| 3,984 | Avon Products | 30,813 |
| 1,003 | Axis Capital | 42,207 |
| 961 | B/E Aerospace | 45,925 |
| 1,036 | Babcock & Wilcox Co | 25,855 |
| 4,077 | Baker Hughes | 188,285 |
| 1,343 | Ball Corp | 75,408 |
| 98,522 | Bank of America | 1,451,741 |
| 10,579 | Bank of New York Mellon | 353,505 |
| 4,987 | Baxter International | 301,044 |
| 6,488 | BB&T | 207,823 |
| 1,793 | Becton Dickinson & Co | 205,513 |
| 1,983 | Bed Bath & Beyond | 124,409 |
| 958 | Bemis | 35,673 |
| 9,795 | Berkshire Hathaway | 2,141,478 |
| 2,512 | Best Buy | 80,650 |

Quoted Securities – Equities (continued)

| United States (continued) | | | United States (continued) | | | United States (continued) | | |
|---------------------------|--------------------------------|----------------|---------------------------|--------------------------------|----------------|---------------------------|--|----------------|
| Holding | Security Description | Market Value € | Holding | Security Description | Market Value € | Holding | Security Description | Market Value € |
| 2,183 | Biogen Idec | 610,345 | 2,596 | Coach | 80,311 | 10,671 | Ebay | 493,251 |
| 1,284 | Biomarin Pharmaceutical | 95,605 | 3,074 | Cobalt International Energy | 22,509 | 2,498 | Ecolab | 215,049 |
| 1,176 | Blackrock | 346,339 | 38,940 | Coca-Cola | 1,354,128 | 3,008 | Edison International | 162,230 |
| 6,227 | Boeing | 666,655 | 2,396 | Coca-Cola Enterprises | 87,267 | 1,012 | Edwards Lifesciences | 106,176 |
| 2,115 | Borgwarner | 95,725 | 5,556 | Cognizant Technology Solutions | 240,984 | 8,455 | Ei Du Pont De Nemours & Co | 514,919 |
| 1,398 | Boston Properties | 148,183 | 854 | Colfax | 36,274 | 2,717 | Electronic Arts | 105,214 |
| 12,368 | Boston Scientific | 134,977 | 8,539 | Colgate-Palmolive | 486,627 | 9,598 | Eli Lilly & Co | 545,397 |
| 15,576 | Bristol-Myers Squibb | 757,311 | 23,874 | Comcast | 1,139,234 | 18,925 | EMC | 463,578 |
| 5,091 | Broadcom | 181,693 | 1,692 | Comerica | 65,277 | 6,483 | Emerson Electric | 329,623 |
| 1,112 | Broadridge Financial Solutions | 42,296 | 888 | Commerce Bancshares | 31,820 | 24,145 | Enbridge Energy Management | 771,423 |
| 1,129 | Brown & Brown | 30,603 | 1,367 | Computer Sciences | 70,990 | 582 | Energizer | 61,627 |
| 1,188 | Brown-Forman | 85,952 | 3,894 | Conagra Foods | 116,361 | 18,325 | Enlink Midstream | 536,724 |
| 1,374 | Bunge | 102,883 | 1,106 | Concho Resources | 90,869 | 1,647 | Entergy | 118,672 |
| 3,140 | CA | 78,752 | 11,393 | Conocophillips | 648,053 | 5,014 | EOG Resouces | 380,231 |
| 1,732 | Cablevision Systems | 29,444 | 2,113 | Consol Energy | 58,842 | 1,380 | EQT | 86,044 |
| 3,855 | Cabot Oil & Gas | 94,017 | 120,683 | Consolidated Edison | 6,561,473 | 1,123 | Equifax | 74,802 |
| 33,293 | Catlin Group | 286,810 | 1,453 | Constellation Brands | 117,487 | 474 | Equinix | 88,518 |
| 2,954 | California Resources | 13,406 | 836 | Continental Resources | 26,414 | 3,279 | Equity Residential | 194,023 |
| 19,202 | California Water Service | 389,228 | 12,057 | Corning | 227,714 | 558 | Essex Property Trust | 94,953 |
| 3,432 | Calpine | 62,557 | 4,142 | Costco Wholesale | 483,592 | 2,118 | Estee Lauders | 132,931 |
| 1,907 | Cameron International | 78,457 | 200 | Cousins Properties | 1,881 | 450 | Everest Reinsurance Group | 63,121 |
| 1,680 | Campbell Soup | 60,885 | 724 | CR Bard | 99,360 | 7,869 | Exelon | 240,328 |
| 4,803 | Capital One Financial | 326,569 | 4,660 | Credicorp | 614,808 | 957 | Expedia | 67,284 |
| 3,148 | Cardinal Health | 209,322 | 1,032 | Cree | 27,387 | 1,908 | Expeditors International of Washington | 70,106 |
| 1,951 | Carefusion | 95,357 | 137,584 | Crown Castle International | 8,918,426 | 6,962 | Express Scripts Holding | 485,522 |
| 2,073 | Carmax | 113,681 | 9,381 | CSX | 279,939 | 39,758 | Exxon Mobil | 3,027,450 |
| 1,899 | Catamaran | 81,183 | 1,733 | Cummins | 205,788 | 728 | F5 Networks | 78,230 |
| 5,862 | Caterpillar | 441,931 | 10,955 | CVS Caremark | 869,019 | 18,943 | Facebook | 1,217,307 |
| 2,587 | CBRE | 72,980 | 5,586 | Danaher | 394,346 | 888 | Family Dollar Stores | 57,935 |
| 4,445 | CBS | 202,608 | 1,203 | Darden Restaurants | 58,094 | 2,506 | Fastenal | 98,168 |
| 1,478 | CDK Global | 49,620 | 1,938 | Davita Healthcare Partners | 120,900 | 617 | Federal Realty Investment Trust | 67,824 |
| 1,485 | Celanese | 73,339 | 3,318 | Deere & Co | 241,779 | 2,492 | Fedex | 356,446 |
| 7,582 | Celgene | 698,561 | 1,910 | Delta Air Lines | 77,385 | 2,710 | Fidelity National Information | 138,837 |
| 177,860 | Centerpoint Energy | 3,432,386 | 3,383 | Denbury Resources | 22,654 | 8,156 | Fifth Third Bancorp | 136,874 |
| 5,447 | Centurylink | 177,574 | 1,327 | Dentsply International | 58,224 | 648 | First Solar | 23,802 |
| 2,719 | Cerner | 144,807 | 3,730 | Devon Energy | 188,051 | 3,858 | Firstenergy | 123,897 |
| 535 | CF Industries | 120,096 | 644 | Diamond Offshore Drilling | 19,472 | 2,405 | Fiserv | 140,584 |
| 1,400 | CH Robinson Worldwide | 86,357 | 1,199 | Digital Realty Trust | 65,475 | 632 | Fleetcor Technologies | 77,411 |
| 10,028 | Charles Schwab | 249,358 | 6,155 | Diligent Board Member Services | 20,854 | 1,303 | Flowerserve | 64,211 |
| 656 | Charter Communications | 90,028 | 4,839 | Directv | 345,557 | 1,504 | Fluor | 75,107 |
| 91,349 | Cheniere Energy | 5,296,903 | 4,397 | Discover Financial Services | 237,179 | 1,234 | FMC | 57,965 |
| 6,145 | Chesapeake Energy | 99,051 | 4,204 | Discovery Communications | 117,569 | 2,194 | FMC Technologies | 84,645 |
| 17,780 | Chevron | 1,642,830 | 1,913 | Dish Network | 114,849 | 2,540 | FNF Group | 72,072 |
| 292 | Chipotle Mexican Grill | 164,630 | 2,777 | Dollar General | 161,711 | 1,384 | Foot Locker | 64,042 |
| 2,325 | Chubb | 198,145 | 1,917 | Dollar Tree | 111,126 | 36,500 | Ford Motor | 465,983 |
| 1,296 | Church & Dwight | 84,126 | 5,317 | Dominion Resources | 336,774 | 1,539 | Fortune Brands Home & Security | 57,385 |
| 2,550 | Cigna | 216,144 | 1,585 | Dover | 93,630 | 458 | Fossil | 41,775 |
| 809 | Cimarex Energy | 70,632 | 11,129 | Dow Chemical | 418,082 | 3,826 | Franklin Resources | 174,488 |
| 1,313 | Cincinnati Financial | 56,052 | 3,211 | Dr Horton | 66,886 | 9,543 | Freeport-Mcmoran | 183,613 |
| 942 | Cintas | 60,860 | 1,852 | Dr Pepper Snapple | 109,341 | 9,117 | Frontier Communications | 50,087 |
| 47,609 | Cisco Systems | 1,090,721 | 299 | DST Systems | 23,187 | 1,089 | Gamestop | 30,317 |
| 1,863 | CIT | 73,394 | 1,626 | DTE Energy | 115,672 | 2,115 | Gannett | 55,623 |
| 28,372 | Citigroup | 1,264,483 | 6,500 | Duke Energy | 447,253 | 2,452 | GAP | 85,045 |
| 1,717 | Citrix Systems | 90,227 | 3,024 | Duke Realty | 50,313 | 1,950,000 | General Electric Capital Trust II | 2,091,336 |
| 435 | City National | 28,953 | 357 | Dun & Bradstreet | 35,568 | | | |
| 1,202 | Clorox | 103,171 | 1,419 | Eastman Chemical | 88,663 | | | |
| 2,911 | CME | 212,553 | | | | | | |
| 2,448 | CMS Energy | 70,067 | | | | | | |

Quoted Securities – Equities (continued)

| United States (continued) | | |
|---------------------------|------------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 900,000 | General Electric Capital Trust IV | 928,782 |
| 93,597 | General Electric | 1,948,107 |
| 4,767 | General Growth Properties | 110,449 |
| 5,843 | General Mills | 256,657 |
| 12,013 | General Motors | 345,420 |
| 1,345 | Gentex | 40,025 |
| 1,441 | Genuine Parts | 126,487 |
| 4,553 | Genworth Financial | 31,876 |
| 14,237 | Gilead Sciences | 1,105,329 |
| 24,716 | Golden Ocean | 12,957 |
| 3,920 | Goldman Sachs | 625,825 |
| 5,293 | Google | 2,304,231 |
| 77,498 | Gulf Keystone Petroleum | 67,658 |
| 2,505 | H&R Block | 69,490 |
| 7,776 | Halliburton | 251,899 |
| 443 | Halyard Health | 16,591 |
| 845 | Hanesbrands | 77,686 |
| 2,043 | Harley-Davidson | 110,909 |
| 634 | Harman International Industries | 55,724 |
| 990 | Harris | 58,563 |
| 4,122 | Hartford Financial Services | 141,542 |
| 1,076 | Hasbro | 48,735 |
| 2,961 | HCA | 178,987 |
| 4,178 | HCP | 151,517 |
| 2,925 | Healthcare Reit | 182,304 |
| 941 | Helmerich & Payne | 52,255 |
| 802 | Henry Schein | 89,937 |
| 944 | Herbalife | 29,313 |
| 1,505 | Hershey | 128,832 |
| 4,175 | Hertz Global Holdings | 85,763 |
| 2,558 | Hess | 155,532 |
| 17,733 | Hewlett-Packard | 586,134 |
| 2,941 | Hilton Worldwide Holdings | 63,200 |
| 29,032 | Hiscox | 268,553 |
| 3,480 | Hoegh Lng Holdings | 31,656 |
| 1,861 | Hollyfrontier | 57,450 |
| 12,650 | Home Depot | 1,093,708 |
| 7,377 | Honeywell International | 607,124 |
| 1,269 | Hormel Foods | 54,456 |
| 1,525 | Hospira | 76,935 |
| 1,399 | Hospitality Properties | 35,721 |
| 6,825 | Host Hotels & Resorts | 133,622 |
| 4,029 | Hudson City Bancorp | 33,583 |
| 1,449 | Humana | 171,419 |
| 7,646 | Huntington Bancshares | 66,251 |
| 666 | IAC | 33,347 |
| 627 | IHS | 58,811 |
| 3,413 | Illinois Tool Works | 266,215 |
| 1,256 | Illumina | 190,950 |
| 1,178 | Incyte | 70,936 |
| 46,552 | Intel | 1,391,460 |
| 1,061 | Intercontinental Exchange | 191,637 |
| 9,303 | International Business Machine | 1,229,366 |
| 757 | International Flavors & Fragrances | 63,199 |
| 2,409 | International Game Technology | 34,227 |

| United States (continued) | | |
|---------------------------|-----------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 4,090 | International Paper | 180,498 |
| 4,005 | Interpublic | 68,515 |
| 2,424 | Intuit | 184,061 |
| 355 | Intuitive Surgical | 154,661 |
| 62,497 | ITC Holdings | 2,081,174 |
| 4,097 | Invesco | 133,361 |
| 1,666 | Iron Mountain | 53,050 |
| 1,101,704 | iShares Russell 2000 Index Fund | 108,591,482 |
| 1,721 | Jabil Circuit | 30,944 |
| 1,212 | Jacobs Engineering | 44,613 |
| 865 | JB Hunt Transport Services | 60,025 |
| 934 | JM Smucker | 77,683 |
| 25,599 | Johnson & Johnson | 2,204,833 |
| 6,231 | Johnson Controls | 248,090 |
| 980 | Joy Global | 37,550 |
| 35,372 | JPMorgan Chase & Co | 1,823,227 |
| 4,670 | Juniper Networks | 85,853 |
| 1,015 | Kansas City Southern Railway | 102,018 |
| 2,278 | Kellogg | 122,784 |
| 1,238 | Keurig Green Mountain | 135,001 |
| 8,251 | Keycorp | 94,464 |
| 1,522 | Keysight Technologies | 42,334 |
| 3,544 | Kimberly-Clark | 337,265 |
| 3,745 | Kimco Realty | 77,547 |
| 700,649 | Kinder Morgan | 24,416,802 |
| 1,536 | KLA-Tencor | 88,964 |
| 481 | KLX | 16,325 |
| 1,864 | Kohl's | 93,714 |
| 5,414 | Kraft Foods | 279,418 |
| 4,541 | Kroger | 240,159 |
| 1,990 | L Brands | 141,862 |
| 811 | Laboratory Corporation of America | 72,076 |
| 17,340 | Laclede | 759,812 |
| 1,502 | LAM Research | 98,154 |
| 3,825 | Las Vegas Sands | 183,232 |
| 1,005 | Legg Mason | 44,178 |
| 1,322 | Leggett & Platt | 46,397 |
| 1,496 | Lennar | 55,214 |
| 2,902 | Leucadia National | 53,589 |
| 2,544 | Level 3 Communications | 103,470 |
| 648 | Liberty Broadband | 26,638 |
| 131 | Liberty Broadband RT | 1,025 |
| 4,452 | Liberty Interactive | 107,881 |
| 2,592 | Liberty Media | 74,957 |
| 1,363 | Liberty Property Trust | 42,245 |
| 666 | Liberty TripAdvisor | 14,756 |
| 1,298 | Liberty Ventures | 40,327 |
| 2,445 | Lincoln National | 116,138 |
| 2,156 | Linear Technology | 80,977 |
| 1,010 | LinkedIn | 191,094 |
| 2,530 | LKQ | 58,598 |
| 2,837 | Loews | 98,189 |
| 3,399 | Lorillard | 176,207 |
| 9,314 | Lowe's | 527,801 |
| 976 | Lululemon Athletica | 44,849 |
| 1,059 | M&T Bank | 109,572 |

| United States (continued) | | |
|---------------------------|----------------------------|----------------|
| Holding | Security Description | Market Value € |
| 1,302 | Marcerich | 89,449 |
| 3,490 | Macy's | 189,002 |
| 733 | Manpower | 41,157 |
| 6,419 | Marathon Oil | 149,570 |
| 2,773 | Marathon Petroleum | 206,154 |
| 125 | Markel | 70,303 |
| 2,158 | Marriott International | 138,694 |
| 5,070 | Marsh & McLennan | 239,030 |
| 3,789 | Marvell Technology Group | 45,252 |
| 3,323 | Masco | 68,973 |
| 9,605 | Mastercard | 681,630 |
| 3,123 | Mattel | 79,599 |
| 2,651 | Maxim Integrated Products | 69,588 |
| 1,108 | McCormick & Co | 67,807 |
| 9,242 | McDonald's | 713,265 |
| 2,503 | McGraw Hills | 183,442 |
| 2,191 | McKesson | 374,605 |
| 1,748 | MDU Resources | 33,834 |
| 1,889 | Mead Johnson Nutrition | 156,429 |
| 1,637 | Meadwestvaco | 59,852 |
| 9,184 | Medtronic | 546,153 |
| 27,231 | Merck & Co | 1,273,741 |
| 8,347 | Metlife | 371,872 |
| 3,409 | MGM Resorts International | 60,032 |
| 1880 | Michael Kors Holdings | 116,290 |
| 1,821 | Microchip Technology | 67,659 |
| 10,241 | Micron Technology | 295,311 |
| 69,356 | Microsoft | 2,653,477 |
| 567 | Mohawk Industries | 72,555 |
| 1,242 | Molson Coors Brewing | 76,232 |
| 16,135 | Mondelez International | 482,748 |
| 4,994 | Monsanto | 491,420 |
| 1,260 | Monster Beverage | 112,446 |
| 1,988 | Moody's | 156,882 |
| 12,914 | Morgan Stanley | 412,703 |
| 3,103 | Mosaic | 116,672 |
| 2,270 | Motorola Solutions | 125,419 |
| 1,626 | Murphy Oil | 67,660 |
| 3,519 | Mylan | 163,385 |
| 2,505 | Nabors Industries | 26,781 |
| 4,054 | National Oilwell Varco | 218,811 |
| 4,025 | Navient | 71,642 |
| 1,534 | NCR | 36,818 |
| 3,140 | Netapp | 107,201 |
| 522 | Netflix | 146,875 |
| 16,956 | New Jersey Resources | 854,713 |
| 3,930 | New York Community Bancorp | 51,791 |
| 2,665 | Newell Rubbermaid | 83,609 |
| 1,250 | Newfield Exploration | 27,922 |
| 4,521 | Newmont Mining | 70,379 |
| 3,516 | News | 45,438 |
| 4,014 | Nextera Energy | 351,411 |
| 5,392 | Nike | 427,017 |
| 129,896 | Nisource | 4,538,496 |
| 3,290 | Noble Energy | 128,527 |
| 1,387 | Nordstrom | 90,696 |
| 2,849 | Norfolk Southern | 257,210 |
| 130,194 | Northeast Utilities | 5,739,217 |

Quoted Securities – Equities (continued)

| United States (continued) | | | United States (continued) | | | United States (continued) | | |
|---------------------------|-----------------------------|----------------|---------------------------|--------------------------------|----------------|---------------------------|---------------------------|----------------|
| Holding | Security Description | Market Value € | Holding | Security Description | Market Value € | Holding | Security Description | Market Value € |
| 2,227 | Northern Trust | 123,631 | 1,345 | Quest Diagnostics | 74,290 | 6,396 | Symantec | 135,153 |
| 10,918 | Northwest Natural Gas | 448,734 | 1,637 | Questar | 34,086 | 1,243 | Synchrony Financial | 30,458 |
| 18,440 | Northwestern | 859,349 | 1,012 | Rackspace | 39,018 | 1,434 | Synopsys | 51,343 |
| 974 | Now | 20,642 | 563 | Ralph Lauren | 85,862 | 5,356 | Sysco | 175,092 |
| 2,989 | NRG Energy | 66,348 | 1,509 | Range Resources | 66,433 | 2,288 | T Rowe Price | 161,805 |
| 2,341 | Nuance Communications | 27,515 | 1,177 | Rayonier | 27,086 | 11,854 | Targa Resources | 1,035,431 |
| 2,924 | Nucor | 118,130 | 1,911 | Realty Income | 75,096 | 5,807 | Target | 363,075 |
| 5,029 | Nvidia | 83,050 | 1,754 | Red Hat | 99,886 | 1,995 | TD Ameritrade | 58,793 |
| 44 | NVR | 46,219 | 857 | Regency Centers | 45,021 | 2,008 | Teco Energy | 33,888 |
| 7,386 | Occidental Petroleum | 490,392 | 705 | Regeneron Pharmaceuticals | 238,223 | 1,512 | Teradata | 54,398 |
| 942 | Oceaneering International | 45,630 | 12,680 | Regions Financial | 110,288 | 798 | Tesla Motors | 146,185 |
| 5,354 | Odfjell Drilling | 7,875 | 398 | Renaissancere | 31,870 | 10,201 | Texas Instruments | 449,219 |
| 2,238 | Old Republic International | 26,968 | 2,768 | Republic Services | 91,765 | 3,661 | Thermo Fisher Scientific | 377,800 |
| 965 | Omnicare | 57,967 | 2,918 | Reynolds American | 154,468 | 3,452 | Thomson Reuters | 115,050 |
| 2,379 | Omnicom | 151,801 | 1,222 | Robert Half International | 58,760 | 1,083 | Tiffany & Co | 95,321 |
| 20,887 | One Gas | 709,136 | 1,284 | Rockwell Automation | 117,602 | 2,603 | Time Warner Cable | 326,013 |
| 86,015 | Oneok | 3,527,458 | 1,250 | Rockwell Collins | 86,978 | 8,129 | Time Warner | 571,929 |
| 32,252 | Oracle | 1,194,607 | 910 | Roper Industries | 117,188 | 6,633 | TJX | 374,674 |
| 993 | O'Reilly Automotive | 157,542 | 2,001 | Ross Stores | 155,353 | 2,387 | T-Mobile | 52,966 |
| 1,526 | Owens-Illinois | 33,924 | 484 | Ryder System | 37,015 | 1,493 | Toll Brothers | 42,142 |
| 3,252 | Paccar | 182,167 | 3290 | Safecharge International Group | 11,193 | 1,194 | Torchmark | 53,273 |
| 1,029 | Pall | 85,780 | 2,222 | Safeway | 64,275 | 1,489 | Total System Services | 41,649 |
| 1,383 | Parker Hannifin | 146,889 | 5,311 | Salesforce.com | 259,448 | 652 | Towers Watson | 60,775 |
| 501 | Partnerre | 47,096 | 2,081 | Sandisk | 167,940 | 982 | Tractor Supply | 63,752 |
| 791 | Patterson | 31,338 | 53,097 | SBA Communications | 4,843,937 | 445 | TransDigm Group | 71,968 |
| 1,331 | Patterson-UTI Energy | 18,187 | 1,162 | Scana | 57,808 | 3,355 | Travelers | 292,502 |
| 3,022 | Paychex | 114,921 | 12,174 | Schlumberger | 856,422 | 2,378 | Trimble Navigation | 51,983 |
| 2,479 | Peabody Energy | 15,804 | 780 | Scripps Networks Interactive | 48,357 | 934 | Tripadvisor | 57,436 |
| 2,932 | People's United Financial | 36,659 | 1,794 | Sealed Air | 62,696 | 1,065 | TRW Automotive Holdings | 90,219 |
| 103,128 | Pepco | 2,287,486 | 1,202 | SEI Investments | 39,641 | 16,997 | Twenty-First Century Fox | 532,655 |
| 14,181 | Pepsico | 1,104,485 | 17,129 | Semgroup | 964,873 | 3,962 | Twitter | 117,055 |
| 951 | Petsmart | 63,678 | 95,374 | Sempra Energy | 8,747,919 | 2,857 | Tyson Foods | 94,339 |
| 59,487 | Pfizer | 1,526,250 | 771 | Sherwin-Williams | 167,040 | 22,714 | UIL | 814,568 |
| 194,424 | PG&E | 8,525,767 | 1,116 | Sigma-Aldrich | 126,179 | 1,479 | Under Armour | 82,715 |
| 14,739 | Philip Morris International | 988,791 | 654 | Signet Jewelers | 70,873 | 8,423 | Union Pacific | 826,482 |
| 5,392 | Phillips 66 | 318,430 | 2,943 | Simon Property | 441,438 | 846 | United Continental | 46,610 |
| 31,468 | Piedmont Natural Gas | 1,021,459 | 16,426 | Sims Metal Management | 133,256 | 6,589 | United Parcel Service | 603,327 |
| 1,013 | Pinnacle West Capital | 56,995 | 28,440 | Sirius Xm | 81,987 | 716 | United Rentals | 60,159 |
| 1,319 | Pioneer Natural Resources | 161,711 | 1,560 | Skyworks Solutions | 93,425 | 1,327 | United States Steel | 29,227 |
| 1,627 | Plum Creek Timber | 57,342 | 889 | SL Green Realty | 87,150 | 8,528 | United Technologies | 807,775 |
| 5,043 | PNC Financial Services | 378,942 | 4,025 | SLM | 33,782 | 9,256 | Unitedhealth | 770,685 |
| 559 | Polaris Industries | 69,634 | 8,539 | Southern | 345,400 | 849 | Universal Health Services | 77,802 |
| 1,320 | PPG Industries | 251,312 | 11,786 | Southern Copper | 273,754 | 2,437 | UNUM | 70,013 |
| 6,211 | PPL | 185,854 | 1,574 | Southwest Airlines | 54,865 | 1,012 | Urban Outfitters | 29,282 |
| 2,726 | Praxair | 290,899 | 18,684 | Southwest Gas | 951,205 | 17,014 | US Bancorp | 629,915 |
| 1,342 | Precision Castparts | 266,256 | 3,235 | Southwestern Energy | 72,715 | 5,028 | Valero Energy | 204,996 |
| 480 | Priceline Group | 450,787 | 276,416 | Spectra Energy | 8,264,476 | 997 | Varian Medical Systems | 71,041 |
| 2,727 | Principal Financial Group | 116,663 | 7,661 | Sprint | 26,187 | 2,717 | Ventas | 160,455 |
| 25,306 | Procter & Gamble | 1,898,627 | 427 | SPX | 30,218 | 1,268 | Verisign | 59,531 |
| 5,132 | Progressive | 114,087 | 2,685 | St Jude Medical | 143,815 | 1,303 | Verisk Analytics | 68,740 |
| 4,596 | Prologis | 162,891 | 1,435 | Stanley Black & Decker | 113,561 | 38,710 | Verizon communications | 1,491,519 |
| 4,272 | Prudential Financial | 318,298 | 6,020 | Staples | 89,846 | 2,151 | Vertex Pharmaceuticals | 210,476 |
| 4,691 | Public Service Enterprise | 159,999 | 6,657 | Starbucks | 449,886 | 3,190 | VF | 196,797 |
| 1,324 | Public Storage | 201,583 | 1,768 | Starwood Hotels & Resorts | 118,056 | 3,639 | Viacom | 225,545 |
| 2,896 | PulteGroup | 51,189 | 4,048 | State Street | 261,731 | 4,667 | Visa | 1,007,897 |
| 714 | PVH | 75,375 | 761 | Stericycle | 82,161 | 688 | VMware | 46,762 |
| 1,658 | QEP Resources | 27,613 | 2,614 | Stryker | 203,096 | 1,550 | Vornado Realty Trust | 150,276 |
| 15,775 | Qualcomm | 965,782 | 4,951 | Suntrust Banks | 170,865 | 1,578 | Voya Financial | 55,082 |

Quoted Securities – Equities (continued)

| United States (continued) | | |
|--------------------------------------|-------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 6,203 | Vostok Nafta Investment | 25,095 |
| 1,195 | Vulcan Materials | 64,696 |
| 8,311 | Walgreens Boots Alliance | 521,619 |
| 15,167 | Wal-Mart Stores | 1,072,846 |
| 16,168 | Walt Disney | 1,254,315 |
| 4,296 | Waste Management | 181,592 |
| 756 | Waters | 70,189 |
| 1,016 | Weingarten Realty Investors | 29,222 |
| 48,964 | Wells Fargo & Co | 2,210,861 |
| 2,077 | Western Digital | 189,378 |
| 5,140 | Western Union | 75,824 |
| 370 | Westlake Chemical | 18,617 |
| 4,650 | Weyerhaeuser | 137,459 |
| 20,864 | WGL | 938,631 |
| 736 | Whirlpool | 117,447 |
| 989 | Whiting Petroleum | 26,882 |
| 3,123 | Whole Foods Market | 129,694 |
| 277,788 | Williams | 10,282,343 |
| 5,424 | Windstream | 36,812 |
| 2,104 | Wisconsin Energy | 91,397 |
| 764 | Workday | 51,355 |
| 1,836 | WPX Energy | 17,587 |
| 1,023 | WR Berkeley | 43,192 |
| 560 | WW Grainger | 117,567 |
| 1,206 | Wyndham Worldwide | 85,188 |
| 752 | Wynn Resorts | 92,140 |
| 4,586 | Xcel Energy | 135,680 |
| 11,278 | Xerox | 128,748 |
| 2,460 | Xilinx | 87,714 |
| 1,718 | Xylem | 53,871 |
| 8,347 | Yahoo! | 347,259 |
| 4,141 | Yum! Brands | 248,474 |
| 1,559 | Zimmer | 145,640 |
| 1,702 | Zions Bancorporation | 39,967 |
| 4,609 | Zoetis | 163,352 |
| | 394,368,629 | |
| | % of Total Investments | 1.81% |
| Total North American Equities | 444,022,060 | |
| | % of Total Investments | 2.04% |

| JAPAN | | |
|---------|--------------------------------|------------------|
| Japan | | |
| Holding | Security Description | Market Value € |
| 29,166 | Japan Airport Terminal | 960,954 |
| 206,000 | Toho Gas | 839,716 |
| 930,213 | Tokyo Gas | 4,176,767 |
| | Total Japanese Equities | 5,977,437 |
| | % of Total Investments | 0.03% |

| ASIA PACIFIC | | |
|--------------|---------------------------|----------------|
| Australia | | |
| Holding | Security Description | Market Value € |
| 29,804 | Abacus Property Group | 59,692 |
| 41,051 | Adelaide Brighton | 98,828 |
| 10,331 | Ainsworth Game Technology | 16,442 |
| 17,853 | Amcom Telecommunications | 35,275 |
| 13,686 | Ansell | 207,842 |

| Australia (continued) | | |
|-----------------------|-------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 447,614 | Apa Group | 2,248,786 |
| 61,936 | APN News & Media | 34,875 |
| 5,894 | ARB | 45,192 |
| 36,899 | Ardent Leisure Group | 72,658 |
| 47,798 | Aristocrat Leisure | 211,447 |
| 248,656 | Arrium | 36,052 |
| 38,024 | Asaleo Care | 42,565 |
| 5,441 | Astro Japan Property Group | 18,639 |
| 75,009 | Atlas Iron | 8,346 |
| 663,862 | Ausnet Services | 595,412 |
| 33,680 | Australian Agricultural Co | 33,614 |
| 19,344 | Automotive Holdings Group | 49,700 |
| 34,500 | Aveo Group | 50,253 |
| 44,986 | Awe | 38,982 |
| 10,660 | BC Iron | 3,810 |
| 116,034 | Beach Energy | 81,769 |
| 10,302 | Bega Cheese | 35,778 |
| 53,021 | Billabong International | 23,956 |
| 51,183 | Bluescope Steel | 193,632 |
| 15,522 | Bradken | 49,510 |
| 7,777 | Breville Group | 33,879 |
| 6,397 | BT Investment Management | 28,946 |
| 43,557 | BWP Trust | 81,950 |
| 10,392 | Cabcharge Australia | 32,026 |
| 13,945 | Cardno | 32,161 |
| 19,094 | Carsales.com | 134,169 |
| 23,102 | Cash Converters International | 15,657 |
| 4,934 | Cedar Woods | 19,964 |
| 51,279 | Challenger | 225,809 |
| 22,890 | Charter Hall Group | 69,771 |
| 28,389 | Charter Hall Retail Reit | 78,874 |
| 27,000 | Civmec | 11,602 |
| 3,534 | Corporate Travel Management | 23,236 |
| 25,517 | Cover-More Group | 32,780 |
| 3,543 | Credit Corp Group | 23,343 |
| 118,827 | Cromwell Property Group | 82,535 |
| 46,465 | CSR | 122,202 |
| 12,195 | Cudoco | 16,036 |
| 11,535 | Decmil Group | 11,396 |
| 15,828 | Dick Smith Holdings | 22,308 |
| 5,911 | Domino's Pizza Enterprises | 100,450 |
| 39,832 | Downer Edi | 126,783 |
| 35,142 | Drillsearch Energy | 19,196 |
| 681,663 | Duet Group | 1,107,835 |
| 34,626 | Duluxgroup | 135,431 |
| 69,989 | Echo Entertainment Group | 178,878 |
| 16,461 | Energy Resources of Australia | 14,431 |
| 63,490 | Energy World | 12,630 |
| 10,675 | ERM Power | 15,261 |
| 41,920 | Evolution Mining | 18,233 |
| 183,546 | Fairfax Media | 108,303 |
| 21,904 | Flexigroup | 44,313 |
| 27,856 | G8 Education | 78,333 |
| 20,478 | Genworth Mortgage Insurance | 50,266 |
| 45,579 | GDI Property Group | 26,433 |
| 161,312 | Goodman Fielder | 69,620 |
| 16,792 | Graincorp | 93,421 |
| 8,048 | Greencross | 43,363 |

| Australia (continued) | | |
|-----------------------|-----------------------------|----------------|
| Holding | Security Description | Market Value € |
| 6,443 | GUD Holdings | 31,457 |
| 19,635 | GWA Group | 39,458 |
| 19,201 | Hills | 15,279 |
| 94,058 | Horizon Oil | 10,149 |
| 12,894 | Inet | 68,431 |
| 10,631 | IMF Bentham | 15,127 |
| 22,128 | Independence Group | 66,105 |
| 9,533 | Invocare | 77,786 |
| 22,352 | loof Holdings | 134,151 |
| 12,383 | Iress | 89,434 |
| 13,506 | Isentia Group | 25,229 |
| 51,106 | Investa Office Fund | 125,447 |
| 2,423 | Jacana Minerals | 0 |
| 21,310 | Japara Healthcare | 29,603 |
| 9,189 | JB Hi-Fi | 97,845 |
| 19,484 | Karoo Gas Australia | 32,059 |
| 33,226 | Liquefied Natural Gas | 54,223 |
| 419,748 | Lynas | 19,248 |
| 13,086 | M2 Group | 71,744 |
| 13,023 | MACA | 7,465 |
| 187,833 | Macquarie Atlas Roads | 405,331 |
| 9,181 | Magellan Financial Group | 102,156 |
| 12,355 | Mantra Group | 24,162 |
| 41,220 | Mayne Pharma Group | 18,068 |
| 4,793 | McMillan Shakespeare | 34,003 |
| 14,463 | Mesoblast | 42,816 |
| 25,998 | Metals X | 13,763 |
| 13,477 | Mineral Resources | 68,889 |
| 31,429 | MMA Offshore | 26,281 |
| 7,516 | Monadelphous Group | 47,593 |
| 59,768 | Mount Gibson Iron | 9,875 |
| 365 | Multiplex Sites Trust | 21,783 |
| 53,672 | Myer Holdings | 50,672 |
| 3,442 | Mysale Group | 3,668 |
| 20,099 | Navitas | 68,854 |
| 16,172 | Nextdc | 20,503 |
| 41,950 | Nine Entertainment Holdings | 54,032 |
| 47,759 | Northern Star Resources | 47,988 |
| 15,613 | Nufarm Australia | 49,906 |
| 110,834 | Orora | 145,746 |
| 27,812 | OZ Minerals | 65,268 |
| 20,344 | Ozforex Group | 38,825 |
| 83,728 | Pacific Brands | 30,490 |
| 15,745 | Pact Group Holdings | 46,187 |
| 119,127 | Paladin Energy | 28,920 |
| 45,312 | Panaust | 43,237 |
| 3,981 | Perpetual | 124,297 |
| 18,634 | Platinum Asset Management | 90,977 |
| 7,793 | Premier Investments | 51,764 |
| 42,470 | Primary Health Care | 134,894 |
| 10,275 | Programmed Maintenance | 17,808 |
| 59,041 | Qube Holdings | 96,749 |
| 11,661 | RCR Tomlinson | 17,300 |
| 28,615 | Recall Holdings | 138,743 |
| 29,508 | Regis Resources | 38,405 |
| 11,994 | Retail Food Group | 46,588 |
| 19,190 | Sai Global | 51,763 |
| 8,446 | Sandfire Resources | 25,915 |

Quoted Securities – Equities (continued)

Australia (continued)

| Holding | Security Description | Market Value € |
|---------|-------------------------------|----------------|
| 83,306 | Senex Energy | 17,977 |
| 59,630 | Seven West Media | 54,286 |
| 7,082 | SG Fleet Group | 10,029 |
| 58,990 | Shopping Centres Australasia | 73,792 |
| 103,085 | Sigma Pharmaceuticals | 51,442 |
| 24,246 | Sirius Resources | 41,857 |
| 4,966 | Sirtex Medical | 95,007 |
| 14,979 | Skilled Group | 15,051 |
| 15,459 | Slater & Gordon | 66,719 |
| 48,499 | Southern Cross Media Group | 36,794 |
| 660,991 | Spark Infrastructure Group | 949,431 |
| 49,430 | Spotless Group Holdings | 63,667 |
| 45,929 | Steadfast Group | 48,007 |
| 31,279 | STW Communications Group | 20,566 |
| 39,714 | Sundance Energy Australia | 14,060 |
| 12,660 | Super Retail Group | 61,042 |
| 431,902 | Sydney Airport | 1,371,811 |
| 8,077 | Syrah Resources | 17,375 |
| 14,168 | Tassal | 37,357 |
| 19,457 | Technology One | 41,987 |
| 154,145 | Ten Network Holdings | 23,388 |
| 23,430 | TFS | 24,569 |
| 12,100 | Thorn Group | 25,377 |
| 11,464 | Tox Free Solutions | 18,399 |
| 42,301 | Transfield Services | 46,782 |
| 145,076 | Transpacific Industries Group | 84,136 |
| 764,030 | Transurban Group | 4,420,647 |
| 15,270 | UGL | 22,551 |
| 23,941 | UXC | 11,947 |
| 60,636 | Veda Group | 93,638 |
| 7,116 | Village Roadshow | 28,936 |
| 111,406 | Virgin Australia Holdings | 31,553 |
| 7,265 | Virtus Health | 38,459 |
| 12,492 | Vocation | 1,895 |
| 7,078 | Vocus Communications | 30,548 |
| 17,666 | Western Areas | 44,674 |
| 28,287 | Western Desert Resources | 2,766 |
| 65,844 | Whitehaven Coal | 62,163 |

19,090,026

% of Total Investments 0.09%

Hong Kong

| Holding | Security Description | Market Value € |
|-----------|---------------------------------|----------------|
| 150,000 | Alibaba Health Information | 81,077 |
| 245,500 | Beijing Enterprise H | 1,585,048 |
| 2,108,000 | Beijing Enterprises Water Group | 1,184,169 |
| 297,000 | Belle International | 275,018 |
| 118,800 | Bonjour Holdings | 10,723 |
| 241,000 | Brightoil Petroleum Holdings | 50,416 |
| 190,000 | Brilliance China Automated | 251,396 |
| 32,000 | Cafe De Coral Holdings | 91,409 |
| 212,000 | Century City International | 12,607 |
| 172,000 | Chaoda Modern Agriculture | 20,091 |
| 206,000 | Champion Reit | 78,751 |
| 136,500 | China Agri-Industries | 46,384 |
| 210,963 | China Everbright International | 258,523 |
| 48,000 | China Everbright | 94,399 |

Hong Kong (continued)

| Holding | Security Description | Market Value € |
|-----------|---------------------------------------|----------------|
| 290,000 | China Financial International | 24,636 |
| 1,082,000 | China Gas Holdings | 1,404,061 |
| 300,000 | China LNG Group | 47,786 |
| 814,634 | China Merchants | 2,257,826 |
| 428,269 | China Mobile | 4,115,785 |
| 276,000 | China Overseas Land & Investment | 675,565 |
| 776,000 | China Public Procurement | 14,091 |
| 130,720 | China Resources Cement | 69,684 |
| 93,149 | China Resources Enterprise | 160,639 |
| 401,953 | China Resources Gas Group | 860,078 |
| 142,000 | China Resources Land | 308,368 |
| 145,493 | China Resources Power | 309,001 |
| 164,139 | China South City Holdings | 61,702 |
| 153,100 | China State Construction | 177,210 |
| 92,272 | China Taiping Insurance | 217,526 |
| 355,332 | China Unicom (Hong Kong) | 392,424 |
| 27,000 | Chow Sang Sang Holdings International | 58,633 |
| 154,000 | Citic Pacific | 216,192 |
| 120,000 | Citic Telecom International | 37,082 |
| 258,000 | CK Life Sciences International | 21,644 |
| 108,980 | Cosco Pacific | 127,531 |
| 510,000 | CSI Properties | 16,789 |
| 38,528 | DAH Sing Banking Group | 50,896 |
| 13,560 | DAH Sing Financial Holdings | 65,158 |
| 28,000 | Dickson Concepts International | 11,418 |
| 85,000 | Dorsett Hospitality International | 12,005 |
| 45,000 | Emperor Entertainment Hotel | 8,936 |
| 98,000 | Emperor International | 17,587 |
| 300,000 | Emperor Watch & Jewellery | 12,265 |
| 169,200 | Esprit Holdings | 166,738 |
| 79,000 | Far East Consortium International | 25,251 |
| 148,000 | Far East Horizon | 120,229 |
| 250,000 | Franshion Properties China | 58,936 |
| 56,000 | GCL New Energy | 4,757 |
| 737,975 | GCL-Poly Energy | 141,059 |
| 108,000 | Giordano International | 39,452 |
| 528,000 | Global Brands Group | 85,225 |
| 23,000 | Great Eagle | 61,670 |
| 2,043,000 | G-Resources Group | 39,918 |
| 170,000 | Guangdong Investment | 182,330 |
| 78,000 | Guotai Junan International | 48,869 |
| 73,000 | Haier Electronics | 143,101 |
| 48,000 | Haitong International Securities | 25,180 |
| 689,100 | Hanergy Thin Film Power Group | 205,625 |
| 2,584,837 | Hong Kong & China Gas | 4,874,876 |
| 43,000 | Hong Kong Television Network | 17,397 |
| 50,500 | Hopewell Holdings | 152,031 |
| 53,400 | Hsin Chong Construction Group Ltd | 57 |
| 178,000 | Hsin Chong Construction Group | 18,713 |
| 132,000 | Hutchison Telecommunications | 45,976 |

Hong Kong (continued)

| Holding | Security Description | Market Value € |
|-----------|------------------------------------|----------------|
| 2,080,000 | Hutchison Whampoa Europe | 2,109,640 |
| 84,000 | IRC | 4,638 |
| 42,000 | IT | 9,990 |
| 32,750 | Johnson Electric Holdings | 99,290 |
| 99,156 | K Wah International Holdings | 43,276 |
| 53,000 | Kerry Logistics Network | 69,226 |
| 40,800 | Kingboard Chemical | 56,757 |
| 29,000 | Kowloon Development | 27,962 |
| 242,298 | Kunlun Energy Company | 188,600 |
| 874,000 | Lai Sun Development | 16,335 |
| 88,000 | Langham Hospitality Investment | 31,399 |
| 108,000 | Lee & Man Paper | 49,774 |
| 8,000 | Liu Chong Hing Investment | 8,325 |
| 29,000 | Luk Fook Holdings International | 89,769 |
| 248,000 | Lung Cheong International Holdings | 23,702 |
| 28,400 | Man Wah Holdings | 38,542 |
| 140,000 | Mei Ah Entertainment Group | 7,879 |
| 78,000 | Melco International Development | 141,637 |
| 60,000 | Midland Holdings | 25,104 |
| 149,311 | New World China Land | 72,935 |
| 90,000 | Newocean Energy Holdings | 28,480 |
| 91,000 | Nine Dragons Paper | 65,711 |
| 20,000 | Orient Overseas International | 96,315 |
| 159,000 | Pacific Basin Shipping | 52,848 |
| 47,000 | Pacific Textiles | 51,307 |
| 36,000 | Paradise Entertainment | 12,119 |
| 44,000 | Playmates | 8,177 |
| 125,000 | Polytec Asset Holdings | 14,601 |
| 97,000 | Prosperity Reit | 27,193 |
| 36,000 | Regal Hotels | 19,573 |
| 85,000 | Regal Real Estate Investment | 18,504 |
| 92,000 | SA SA International Holdings | 53,049 |
| 115,000 | Samson Holding | 13,189 |
| 49,000 | Shanghai Industrial | 120,978 |
| 90,000 | Shimao Property | 165,722 |
| 136,000 | Shun Tak Holdings | 51,847 |
| 130,000 | Singamas Container | 17,808 |
| 184,000 | Sino Biopharmaceutical | 137,360 |
| 107,000 | Sitc International Holdings | 48,177 |
| 28,000 | Sitoy Group Holdings | 18,673 |
| 33,000 | Smartone Telecommunications | 45,556 |
| 24,000 | Socam Development | 15,801 |
| 10,000 | Soundwill Holdings | 12,977 |
| 43,500 | Stella International Holdings | 94,696 |
| 56,000 | Summit Ascent Holdings | 22,419 |
| 51,000 | Sun Hung Kai & Co | 32,061 |
| 92,000 | Sunlight Real Estate Investment | 34,193 |
| 62,000 | Sunevision | 15,933 |
| 30,000 | Television Broadcast | 143,836 |
| 62,000 | Texwinca Holdings | 44,112 |
| 122,000 | Tom Group | 19,822 |
| 258,000 | Town Health International | 33,425 |
| 356,000 | Towngas China | 297,139 |
| 86,000 | Trinity | 13,333 |

Quoted Securities – Equities (continued)

| Hong Kong (continued) | | |
|-----------------------|-----------------------------------|-------------------|
| Holding | Security Description | Market Value € |
| 130,000 | Truly International Holdings | 42,933 |
| 38,000 | Tsui Wah Holdings | 11,097 |
| 44,000 | United Laboratories International | 21,166 |
| 232,000 | United Photovoltaics Group | 25,375 |
| 72,000 | Value Partners Group | 49,850 |
| 66,000 | VST | 17,732 |
| 15,000 | Vtech Holdings | 177,126 |
| 178,000 | Xinyi Glass Holdings | 73,907 |
| 369,740 | Yuexiu Property | 58,502 |
| 24,000 | Yunbo Digital Synergy Group | 9,583 |
| | | 27,698,905 |
| | % of Total Investments | 0.13% |

| Macau | | |
|---------|-------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 144,000 | Macau Legend Development | 44,498 |
| | | 44,498 |
| | % of Total Investments | 0.00% |

| New Zealand | | |
|-------------|--------------------------------|------------------|
| Holding | Security Description | Market Value € |
| 35,070 | A2 Milk | 13,102 |
| 45,616 | Air New Zealand | 72,574 |
| 64,999 | Argosy Property | 45,217 |
| 365,958 | Auckland International Airport | 997,103 |
| 35,741 | Chorus | 61,237 |
| 50,314 | Fisher & Paykel Healthcare | 202,552 |
| 13,387 | Freightways | 50,013 |
| 45,006 | Genesis Energy | 62,907 |
| 45,772 | Infratil | 88,448 |
| 18,413 | Kathmandu Holdings | 25,618 |
| 10,605 | Metlifecare | 32,105 |
| 18,088 | Nuplex Industries | 34,720 |
| 35,158 | Sky Network Television | 136,782 |
| 53,332 | Skycity Entertainment Group | 133,287 |
| 19,748 | Summerset Gorup Holdings | 35,235 |
| 6,013 | Synlait Milk | 12,394 |
| 36,332 | Trade Me Group | 85,418 |
| 8,922 | Warehouse Group | 17,930 |
| 5,754 | Xero | 59,856 |
| 21,861 | Z Energy | 65,196 |
| | | 2,231,694 |
| | % of Total Investments | 0.01% |

| Singapore | | |
|-----------|--------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 74,000 | Accordia Golf Trust | 34,562 |
| 49,000 | Aims Amp Capital Industrial | 43,178 |
| 43,000 | ARA Asset Management | 45,522 |
| 70,000 | Ascendas Hospitality Trust | 29,643 |
| 63,000 | Ascendas India Trust | 32,171 |
| 90,000 | Ascott Residence Trust | 71,179 |
| 131,000 | Asian Pay Television Trust | 70,158 |
| 2,285 | Avago Technologies | 189,316 |
| 80,000 | Biosensors International Group | 29,144 |
| 21,000 | Boustead Singapore | 23,409 |

| Singapore (continued) | | |
|-----------------------|---------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 6,688 | BW LPG | 38,758 |
| 64,000 | Cache Logistics Trust | 46,232 |
| 106,000 | Cambridge Industrial Trust | 44,887 |
| 11,092 | Cape Plc | 34,249 |
| 47,000 | Capitaland | 47,269 |
| 58,000 | CDL Hospitality Trusts | 62,847 |
| 269,000 | Charisma Energy Services | 4,523 |
| 40,000 | Chip Eng Seng | 21,049 |
| 91,000 | Cosco Corporation Singapore | 31,735 |
| 18,000 | CWT | 17,935 |
| 30,000 | Dyna-Mac Holdings | 6,072 |
| 112,800 | Ezion Holdings | 78,675 |
| 65,520 | Ezra Holdings | 21,421 |
| 80,000 | Far East Hospitality Trust | 40,603 |
| 145,100 | Fibra Uno Administracion SA DE | 353,088 |
| 45,765 | First Real Estate Investment | 35,767 |
| 51,000 | First Resources | 59,391 |
| 5,686 | Flextronics International | 52,359 |
| 45,000 | Frasers Centrepoint Trust | 53,104 |
| 45,673 | Frasers Commercial Trust | 40,246 |
| 17,000 | Frasers Hospitality Trust | 9,422 |
| 264,000 | GMG Global | 10,193 |
| 94,873 | Goodman Property Trust | 69,665 |
| 171,813 | Growthpoint Properties | 336,519 |
| 314,000 | GSH Coporation | 15,057 |
| 43,000 | Gucolesure | 23,966 |
| 19,000 | Ho Bee Land | 23,073 |
| 30,000 | Hong Fok | 15,413 |
| 16,000 | Hong Leong Asia | 12,953 |
| 2,169,800 | Hutchison Port Trust | 1,233,146 |
| 47,000 | Hyflux | 24,732 |
| 49,000 | IGG | 14,361 |
| 38,000 | Indofood Agri Resources | 17,157 |
| 617,189 | iShares MSCI India | 15,296,283 |
| 23,000 | Japfa | 7,878 |
| 64,000 | K1 Ventures | 7,453 |
| 153,000 | Keppel | 116,241 |
| 79,030 | Kiwi Property Group | 63,122 |
| 21,000 | Krisenergy | 8,239 |
| 146,000 | Lippo Malls Indonesia Retail | 30,913 |
| 114,000 | Mapletree Commercial Trust | 100,100 |
| 171,000 | Mapletree Greater China | 101,165 |
| 98,000 | Mapletree Industrial Trust | 90,628 |
| 134,000 | Mapletree Logistics Trust | 98,885 |
| 34,000 | M1 Singapore | 76,435 |
| 87,000 | Midas Holdings | 13,545 |
| 81,000 | Neptune Orient Lines | 42,371 |
| 20,000 | Osim International | 24,661 |
| 23,000 | OUE | 29,219 |
| 70,000 | Oue Hospitality Trust | 39,451 |
| 24,000 | Pacc Offshore Services Holdings | 8,145 |
| 16,000 | Pacific Radiance | 7,871 |
| 33,000 | Parkway Life Real Estate | 48,910 |
| 51,000 | Perennial China Retail Trust | 16,356 |
| 82,127 | Precinct Properties New Zealand | 62,951 |
| 15,000 | QAF | 9,014 |
| 74,000 | Raffles Education | 15,438 |

| Singapore (continued) | | |
|------------------------------------|-----------------------------------|-------------------|
| Holding | Security Description | Market Value € |
| 22,000 | Raffles Medical Group | 53,294 |
| 3,034 | Rec Solar ASA | 34,226 |
| 50,000 | Religare Health Trust | 31,137 |
| 64,000 | Rex International Holdings | 15,145 |
| 33,000 | Rotary Engineering | 11,919 |
| 78,000 | Rowsley | 9,423 |
| 53,000 | Sabana Shari'ah Compliant | 31,025 |
| 62,000 | Sats | 117,761 |
| 36,000 | Sheng Siong Group | 15,469 |
| 60,000 | Silverlake Axis | 46,893 |
| 133,000 | Singapore Post | 159,024 |
| 95,500 | Singhaiyi Group | 8,623 |
| 69,000 | Smart Corporation | 67,891 |
| 55,000 | Soilbuild Business Space Reit | 27,058 |
| 124,000 | Starhill Global Reit | 61,776 |
| 39,000 | Stats Chippac | 11,658 |
| 40,000 | Super Group Singapore | 28,522 |
| 24,000 | Tat Hong Holdings | 11,209 |
| 44,200 | Tiger Airways Holding | 1,349 |
| 52,000 | Tiger Airways Holdings | 8,581 |
| 31,000 | Tuan Sing Holdings | 7,625 |
| 37,000 | United Engineers | 67,281 |
| 41,000 | United Envirotech | 41,107 |
| 24,000 | Venture Corporation | 117,624 |
| 31,000 | Wheelock Properties Singapore | 33,977 |
| 36,000 | Wing Tai Holdings | 36,655 |
| 54,000 | Yanlord Land Group | 34,973 |
| 79,000 | Ying Li International Real Estate | 12,053 |
| 58,000 | Yoma Strategic Holdings | 23,839 |
| | | 20,906,541 |
| | % of Total Investments | 0.10% |
| Total Asia Pacific Equities | | 69,971,663 |
| | % of Total Investments | 0.32% |

EMERGING MARKETS

| Brazil | | |
|---------|---|----------------|
| Holding | Security Description | Market Value € |
| 6,900 | Aes Tiete (Preference) | 38,820 |
| 337,272 | Ambev | 1,712,173 |
| 192,524 | Banco Bradesco | 2,086,203 |
| 59,323 | Banco do Brasil | 437,826 |
| 10,123 | Banco do Estado do Rio Grande (Preference) | 45,575 |
| 45,119 | BB Seguridade Participacoes | 450,532 |
| 126,219 | BM&F Bovespa | 386,021 |
| 27,040 | BR Malls Participacoes | 137,941 |
| 13,800 | Bradespar (Preference) | 61,272 |
| 8,700 | Braskem (Preference) | 47,272 |
| 47,687 | BRF - Brasil Foods | 939,319 |
| 60,300 | CCR | 288,516 |
| 35,300 | Centrais Eletricas Brasileiras (Preference) | 73,324 |
| 10,832 | Cetip - Mercados | 108,296 |
| 10,685 | Cia Brasileira de Distribuicao | 327,215 |
| 20,673 | Cia de Saneamento Basico | 109,184 |
| 137,279 | Cia de Saneamento Basico ADR | 711,214 |

Quoted Securities – Equities (continued)

| Brazil (continued) | | |
|--------------------|---|-------------------|
| Holding | Security Description | Market Value € |
| 47,673 | Cia de Saneamento Minas Gerais | 194,499 |
| 9,583 | Cia Energetica de Sao Paulo | 79,772 |
| 8,700 | Cia Paranaense de Energia (Preference) | 96,976 |
| 44,900 | Cia Siderurgica Nacional | 77,791 |
| 47,922 | Cielo | 620,023 |
| 6,842 | Cosan Industria e Comercio | 61,288 |
| 11,600 | CPFL Energia | 66,595 |
| 17,000 | Cyrela Brazil Real | 58,379 |
| 20,824 | Duratex | 51,919 |
| 11,147 | Ecorodovias Infraestrutura e Logistica | 36,895 |
| 24,300 | EDP - Energias Do Brasil | 67,678 |
| 45,401 | Embraer | 344,522 |
| 16,500 | Estacio Participacoes | 122,032 |
| 15,901 | Fibra Celulose | 160,506 |
| 56,300 | Gerdau | 167,465 |
| 28,822 | Hypermarcas | 149,001 |
| 117 | Hypermarcas WTS | 0 |
| 197,261 | Itau Unibanco | 2,119,176 |
| 233,404 | Itausa - Investimentos | 680,493 |
| 50,519 | JBS | 175,680 |
| 27,000 | Klabin (Preference) | 121,474 |
| 99,208 | Kroton Educacional | 477,450 |
| 6,391 | Localiza Rent A Car | 70,861 |
| 46,742 | Lojas Americanas (Preference) | 226,756 |
| 7,100 | Lojas Renner | 168,577 |
| 3,264 | M Dias Branco | 92,223 |
| 16,000 | Metalurgica Gerdau | 56,137 |
| 4,578 | Multipplan Empreendimentos Imobiliarios | 67,433 |
| 10,400 | Natura Cosmetics | 102,847 |
| 17,667 | Odontoprev | 54,087 |
| 19,111 | OI (Preference) | 51,090 |
| 515,380 | Petroleo Brasileiro (Preference) | 1,574,769 |
| 6,343 | Porto Seguro | 59,871 |
| 18,489 | Qualicorp | 159,591 |
| 10,714 | Raia Drogasil | 84,329 |
| 26,700 | Souza Cruz | 160,165 |
| 9,265 | Sul America | 37,138 |
| 28,974 | Suzano Papel E Celulose | 101,207 |
| 20,144 | Telefonica Brasil (Preference) | 293,025 |
| 64,711 | Tim Participacoes | 236,686 |
| 6,120 | Totvs | 66,507 |
| 13,539 | Tractebel Energia | 142,213 |
| 10,574 | Transmissora Alianca De Energia | 61,854 |
| 21,600 | Ultrapar Participacoes | 345,055 |
| 27,700 | Usinas Siderurgicas de Minas (Preference) | 43,433 |
| 229,530 | Vale | 1,448,722 |
| 23,172 | Weg | 220,158 |
| | | 19,815,051 |
| | % of Total Investments | 0.09% |

| Chile | | |
|------------|----------------------------------|------------------|
| Holding | Security Description | Market Value € |
| 172,449 | Aes Gener | 75,748 |
| 144,281 | Aguas Andinas | 69,026 |
| 1,126,678 | Banco de Chile | 107,893 |
| 1,815 | Banco Credito Inversiones | 74,012 |
| 4,638,723 | Banco Santander | 191,596 |
| 4,337 | CAP | 15,841 |
| 68,067 | Cencosud | 140,357 |
| 8,844 | Cervecerias Unidas | 69,140 |
| 390,881 | Colbun | 86,004 |
| 11,634,458 | Corpbanca | 115,470 |
| 16,158 | Embotelladora Andina | 37,781 |
| 250,901 | Empresa Nacional De Electricidad | 314,857 |
| 75,121 | Empresas CMPC | 155,353 |
| 34,307 | Empresas Copec | 319,977 |
| 1,496,398 | Eneris | 405,034 |
| 5,884 | Entel Chile | 48,851 |
| 19,827 | Latam Airlines Group | 190,737 |
| 5,228 | Latam Airlines Group ADR | 51,587 |
| 92,078 | Saci Falabella | 510,523 |
| 6,422 | Quimica y Minera | 128,935 |
| 33,208 | Vina Concha y Toro | 53,666 |
| | | 3,162,388 |
| | % of Total Investments | 0.01% |

| China | | |
|-----------|---------------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 45,500 | AAA Technologies | 200,757 |
| 1,580,694 | Agricultural Bank of China | 657,993 |
| 150,000 | Air China | 99,873 |
| 228,000 | Aluminum Corporation of China 'H' | 86,919 |
| 88,000 | Anhui Conch Cement | 271,466 |
| 59,700 | Anta Sports Products | 86,853 |
| 108,000 | AviChina | 54,935 |
| 5,518,342 | Bank of China | 2,560,811 |
| 659,174 | Bank of Communications | 506,788 |
| 59,500 | BBMG Corporation | 41,006 |
| 736,000 | Beijing Capital International Airport | 486,915 |
| 44,000 | BYD 'H' | 141,807 |
| 637,429 | China Citic Bank Corporation | 421,027 |
| 300,000 | China Coal Energy | 154,826 |
| 303,000 | China Communications Construction H | 300,201 |
| 146,400 | China Communications Services | 56,589 |
| 5,126,629 | China Construction Bank | 3,467,838 |
| 147,000 | China Cosco Holdings | 59,787 |
| 109,770 | China Galaxy Securities | 113,419 |
| 286,000 | China Hongxing Sports | 20,482 |
| 48,114 | China International Marine Containers | 87,982 |
| 534,446 | China Life Insurance | 1,728,138 |
| 168,002 | China Longyuan Power Group | 143,971 |
| 74,259 | China Medical System Holdings | 101,094 |
| 102,976 | China Mengniu Dairy | 349,924 |
| 311,110 | China Merchants | 642,901 |
| 262,000 | China Milk Products Group | 78,293 |

| China (continued) | | |
|-------------------|------------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 437,400 | China Minsheng Banking Corporation | 473,769 |
| 176,000 | China National Building Materials | 140,920 |
| 138,527 | China Oilfield Services H | 198,001 |
| 193,843 | China Pacific Insurance | 811,024 |
| 1,836,071 | China Petroleum and Chemical | 1,218,588 |
| 103,000 | China Railway Construction | 108,064 |
| 226,000 | China Railway Group | 153,115 |
| 226,000 | China Shenhua Energy | 550,780 |
| 231,000 | China Shipping Container Lines | 60,099 |
| 279,000 | China Sky Chemical Fibre | 17,722 |
| 936,000 | China Telecom | 451,252 |
| 134,400 | Chongqing Rural Commercial | 68,934 |
| 87,757 | Citic Securities | 272,115 |
| 1,276,754 | Cnooc | 1,415,452 |
| 402,875 | Country Garden | 132,623 |
| 107,500 | CSR | 119,178 |
| 214,000 | Datang International Power | 94,763 |
| 210,527 | Dongfeng Motor Group | 245,470 |
| 362,000 | ENN Energy | 1,691,409 |
| 534,467 | Evergrande Real Estate Group | 178,212 |
| 237,000 | Fih Mobile | 87,834 |
| 109,800 | Fosun International | 118,463 |
| 440,339 | Geely Automobile Holdings | 115,497 |
| 607,000 | GOME Electrical | 73,482 |
| 81,250 | Great Wall Motor Company | 380,495 |
| 126,000 | Guangzhou Automobile Group | 94,463 |
| 66,000 | Guangzhou R&F Properties | 66,512 |
| 35,953 | Haitian International Holdings | 62,461 |
| 110,000 | Haitong Securities | 228,013 |
| 50,500 | Hengan International Group | 434,642 |
| 62,000 | Hilong Holdings | 11,917 |
| 85,720 | Huadin Power International | 61,898 |
| 208,000 | Huaneng Power International H | 231,479 |
| 5,255,709 | Industrial & Commercial Bank | 3,158,895 |
| 56,600 | Intime Retail Group | 33,778 |
| 700,000 | Jiangsu Expressway | 688,330 |
| 81,000 | Jiangxi Copper H | 114,399 |
| 459,102 | Lenovo Group | 497,275 |
| 106,900 | Longfor Properties | 113,405 |
| 57,000 | New China Life Insurance | 236,970 |
| 402,316 | People's Insurance | 155,082 |
| 1,515,305 | Petrochina | 1,383,840 |
| 236,898 | PICC Property & Casualty | 379,359 |
| 164,948 | Ping An Insurance | 1,385,514 |
| 1,419,503 | Semiconductor Manufacturing | 107,024 |
| 96,000 | Shandong Electric Group | 63,817 |
| 192,000 | Shanghai Electric Group | 84,205 |
| 60,400 | Shanghai Pharmaceuticals Holding | 112,244 |
| 33,000 | Shenzhou International Group | 89,710 |
| 251,333 | Shui On Land | 48,841 |
| 349,468 | Sihuan Pharmaceutical Holdings | 192,603 |
| 278,511 | Sino-Ocean Land Holdings | 130,427 |
| 90,517 | Sinopec Engineering Group | 50,367 |

Quoted Securities – Equities (continued)

| China (continued) | | |
|-------------------|--------------------------------|-------------------|
| Holding | Security Description | Market Value € |
| 240,000 | Sinopec Shanghai Petrochemical | 57,853 |
| 79,641 | Sinopharm Group | 232,149 |
| 124,580 | Sinotrans | 68,395 |
| 114,500 | Soho China | 66,631 |
| 62,000 | SPT Energy Group | 9,415 |
| 149,500 | Sun Art Retail Group | 122,400 |
| 362,825 | Tencent | 4,334,481 |
| 136,000 | Tingyi Cayman | 255,912 |
| 28,460 | Tsingtao Brewery | 158,967 |
| 81,600 | Uni-President China | 61,869 |
| 410,900 | Want Want China | 445,938 |
| 31,200 | Weichai Power | 108,340 |
| 118,000 | Yanzhou Coal Mining | 82,326 |
| 674,000 | Zhejiang Expressway H | 644,870 |
| 30,200 | Zhuzhou CSR Times Electric | 145,115 |
| 345,000 | Zijin Mining Group | 80,599 |
| 33,600 | ZTE | 60,085 |
| | | 39,252,671 |
| | % of Total Investments | 0.18% |

| Colombia | | |
|----------|--|------------------|
| Holding | Security Description | Market Value € |
| 16,241 | Almacenes Exito | 164,913 |
| 5,516 | Banco Davivienda (Preference) | 53,900 |
| 22,380 | Bancolombia | 222,890 |
| 34,980 | Cementos Argos | 124,073 |
| 4,866 | Corporacion Financiera Colombiana | 67,617 |
| 363,798 | Ecopetrol | 263,137 |
| 28,870 | Grupo Argos (Preference) | 203,849 |
| 96,454 | Grupo Aval Acciones y Valores (Preference) | 42,933 |
| 24,804 | Grupo de Inversiones Suramericana | 343,532 |
| 22,059 | Interconexion Electrica | 66,200 |
| 51,293 | Isaen | 52,886 |
| 3,000 | Pacific Rubiales Energy | 15,338 |
| | | 1,621,268 |
| | % of Total Investments | 0.01% |

| Cyprus | | |
|---------|-------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 9,253 | Deep Sea Supply | 5,413 |
| 21,691 | Prosafe | 55,175 |
| 28,333 | Songa Offshore | 4,638 |
| | | 65,226 |
| | % of Total Investments | 0.00% |

| Czech Republic | | |
|----------------|-------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 10,587 | CEZ | 225,596 |
| 1,060 | Komerční Banka | 181,157 |
| 7,710 | O2 Czech Republic | 64,771 |
| | | 471,524 |
| | % of Total Investments | 0.00% |

| Egypt | | |
|---------|---------------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 48,609 | Commercial International Bank (Egypt) | 276,364 |
| 145,820 | Global Telecom | 68,596 |
| 64,045 | Talaat Moustafa Group | 72,988 |
| 23,350 | Telecom Egypt | 32,170 |
| | | 450,118 |
| | % of Total Investments | 0.00% |

| Hungary | | |
|---------|-------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 2,534 | Mol Hungarian Oil & Gas Plc | 92,714 |
| 16,344 | OTP Bank | 197,398 |
| 8,644 | Richter Gedeon | 96,839 |
| | | 386,951 |
| | % of Total Investments | 0.00% |

| India | | |
|---------|-------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 8,539 | Vedanta Resources | 62,982 |
| 553,980 | Zee Entertainment Enterprises | 6,282 |
| | | 69,264 |
| | % of Total Investments | 0.00% |

| Indonesia | | |
|-----------|-------------------------------|------------------|
| Holding | Security Description | Market Value € |
| 855,500 | Adaro Energy | 59,015 |
| 26,500 | Astra Agro Lestari | 42,625 |
| 1,476,593 | Astra International | 727,222 |
| 905,616 | Bank Central Asia | 788,412 |
| 187,770 | Bank Danamon | 56,358 |
| 624,978 | Bank Mandiri | 446,675 |
| 564,761 | Bank Negara Indonesia Persero | 228,510 |
| 824,771 | Bank Rakyat Indonesia Persero | 637,337 |
| 434,000 | Bumi Serpong Damai | 51,961 |
| 30,000 | Bumitama Agri | 19,523 |
| 491,500 | Charoen Pokphand Indonesia | 123,233 |
| 433,000 | Global Mediacom | 40,927 |
| 35,000 | Gudang Garam | 140,918 |
| 23,000 | Indo Tambangraya Megah | 23,456 |
| 89,000 | Indocement Tunggal Prakarsa | 147,584 |
| 116,318 | Indofoods CBP Sukses Makmur | 101,071 |
| 250,000 | Indofoods Sukses | 111,932 |
| 213,603 | Jasa Marga Persero | 99,886 |
| 1,520,000 | Kalbe Farma | 184,504 |
| 1,217,000 | Lippo Karawaci | 82,338 |
| 91,000 | Matahari Department Store | 90,540 |
| 260,500 | Media Nusantara Citra | 43,889 |
| 778,200 | Perusahaan Gas Negara | 309,708 |
| 179,500 | Semen Indonesia Persero | 192,881 |
| 454,699 | Surya Citra Media | 105,561 |
| 71,500 | Tambang Batubara | 59,282 |
| 3,377,500 | Telekomunikasi Indonesia | 641,845 |
| 110,500 | Unilever Indonesia | 236,742 |
| 117,545 | United Tractors | 135,274 |
| 206,100 | XI Axiata | 66,508 |
| | | 5,995,717 |
| | % of Total Investments | 0.03% |

| Liberia | | |
|---------|-------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 1,432 | Royal Caribbean Cruises | 97,224 |
| | | 97,224 |
| | % of Total Investments | 0.00% |

| Malaysia | | |
|----------|-----------------------------------|------------------|
| Holding | Security Description | Market Value € |
| 84,900 | AirAsia | 54,371 |
| 63,500 | Alliance Financial Group | 70,268 |
| 105,000 | AMMB | 163,162 |
| 121,300 | Astro Malaysia | 86,535 |
| 195,196 | Axiata Group | 324,002 |
| 48,324 | Berjaya Sports Toto | 39,935 |
| 7,200 | British American Tobacco Malaysia | 110,357 |
| 102,600 | Bumi Armada | 26,331 |
| 392,400 | CIMB | 513,678 |
| 327,870 | Dialog Group | 115,792 |
| 213,464 | Digi.com | 310,096 |
| 68,700 | Felda Global Ventures | 35,261 |
| 91,500 | Gamuda | 107,931 |
| 135,000 | Genting | 281,932 |
| 231,199 | Genting Malaysia | 221,548 |
| 15,500 | Genting Plantations | 36,494 |
| 38,880 | Hong Leong Bank | 127,974 |
| 14,400 | Hong Leong Finance | 56,009 |
| 197,849 | IHH Healthcare | 224,527 |
| 90,200 | IJM | 139,527 |
| 202,800 | IOI | 229,190 |
| 101,400 | IOI Properties Group | 57,775 |
| 8,101 | iProperty Group | 14,641 |
| 28,100 | Kuala Lumpur Kepong | 150,844 |
| 23,200 | Lafarge Malaysia | 53,312 |
| 317,844 | Malayan Banking | 686,231 |
| 35,100 | Malaysia Airports | 56,196 |
| 172,463 | Maxis | 278,146 |
| 67,600 | MISC | 114,913 |
| 213,177 | Petronas Chemicals | 273,542 |
| 17,000 | Petronas Dagangan | 68,524 |
| 40,800 | Petronas Gas | 212,871 |
| 32,900 | PPB | 110,769 |
| 190,799 | Public Bank | 822,080 |
| 30,122 | RHB Capital | 54,041 |
| 242,900 | Sapura Kencana Petroleum | 132,679 |
| 201,233 | Sime Darby | 435,413 |
| 74,629 | Telekom Malaysia | 120,888 |
| 206,721 | Tenaga Nasional | 671,662 |
| 96,500 | UEM | 32,036 |
| 38,800 | UMW | 100,122 |
| 404,881 | YTL | 151,569 |
| 154,875 | YTL Power International | 53,967 |
| | | 7,927,141 |
| | % of Total Investments | 0.04% |

| Mexico | | |
|-----------|----------------------|----------------|
| Holding | Security Description | Market Value € |
| 209,693 | ALFA | 386,575 |
| 2,533,270 | America Movil | 2,325,155 |
| 1,700,000 | America Movil Var RT | 1,838,550 |

Quoted Securities – Equities (continued)

| Mexico (continued) | | |
|--------------------|--------------------------------------|-------------------|
| Holding | Security Description | Market Value € |
| 30,574 | Arca Continental | 159,715 |
| 850,695 | Cemex | 716,058 |
| 25,600 | Coca Cola Femsa | 181,442 |
| 25,000 | Controladora Comercial Mexicana | 73,008 |
| 11,500 | El Puerto de Liverpool | 95,158 |
| 57,333 | Empresas Ica | 232,335 |
| 140,231 | Fomento Economico Mexicano | 1,027,174 |
| 49,000 | Genomma Lab Internacional SAB | 76,950 |
| 68,300 | Genera | 113,337 |
| 26,500 | Grupo Aeroportuario del Pacifico | 137,514 |
| 13,746 | Grupo Aeroportuario del Pacifico ADR | 715,548 |
| 13,000 | Grupo Aeroportuario del Sureste | 141,904 |
| 8,124 | Grupo Aeroportuario del Sureste ADR | 882,191 |
| 110,300 | Grupo Bimbo | 251,244 |
| 37,307 | Grupo Carso | 151,563 |
| 33,732 | Grupo Comercial Chedraui | 79,856 |
| 180,673 | Grupo Financiero Banorte | 821,062 |
| 176,285 | Grupo Financiero Inbursa | 375,698 |
| 140,922 | Grupo Financiero Santander | 243,231 |
| 254,413 | Grupo Mexico | 609,695 |
| 171,700 | Grupo Televisa | 966,611 |
| 8,265 | Industrias Penoles | 133,454 |
| 90,600 | Kimberly Clark de Mexico | 162,714 |
| 65,359 | Mexichem | 163,911 |
| 37,330 | Minera Frisco | 44,897 |
| 37,100 | Ohl Mexico | 56,788 |
| 16,500 | Promotora y Operadora | 163,810 |
| 385,501 | Wal-Mart de Mexico | 684,361 |
| | | 14,011,509 |
| | % of Total Investments | 0.06% |

| Panama | | |
|---------|-------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 3,827 | Carnival | 142,886 |
| | | 142,886 |
| | % of Total Investments | 0.00% |

| Peru | | |
|---------|-------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 11,551 | Cia de Minas Buenaventura | 90,954 |
| 16,803 | Hochschild Mining | 18,984 |
| | | 109,938 |
| | % of Total Investments | 0.00% |

| Philippines | | |
|-------------|------------------------|----------------|
| Holding | Security Description | Market Value € |
| 126,061 | Aboitiz Equity Venture | 122,041 |
| 122,332 | Aboitiz Power | 96,408 |
| 273,183 | Alliance Global | 113,165 |
| 11,088 | Ayala | 141,360 |

| Philippines (continued) | | |
|-------------------------|---|------------------|
| Holding | Security Description | Market Value € |
| 489,400 | Ayala Land | 302,976 |
| 87,459 | Bank of The Philippine Islands | 151,024 |
| 99,938 | BDO Unibank | 201,580 |
| 513,000 | Energy Development | 77,276 |
| 2,260 | Globe Telecom | 71,824 |
| 45,270 | International Container Terminal Services | 95,636 |
| 126,800 | JG Summit | 153,737 |
| 28,300 | Jollibee Foods | 111,773 |
| 1,157,800 | Metro Pacific Investments | 97,837 |
| 56,320 | Metropolitan Bank & Trust | 85,873 |
| 6,682 | Philippine Long Distance Telephone | 356,710 |
| 12,937 | SM Investments | 193,689 |
| 398,750 | SM Prime | 124,820 |
| 58,500 | Universal Robina | 210,633 |
| | | 2,708,362 |
| | % of Total Investments | 0.01% |

| Poland | | |
|---------|--|------------------|
| Holding | Security Description | Market Value € |
| 2,374 | Alior Bank | 43,322 |
| 2,234 | Bank Handlowy w Warszawie | 55,913 |
| 29,039 | Bank Millennium | 56,404 |
| 9,780 | Bank Pekao | 408,988 |
| 2,054 | Bank Zachodni WBK | 180,251 |
| 1,038 | CCC | 32,428 |
| 18,334 | Cyfrowy Polsat | 100,826 |
| 15,232 | Enea | 54,181 |
| 5,153 | Eurocash | 45,824 |
| 6,321 | Grupa Lotos | 38,336 |
| 10,641 | KGHM Polska Miedz | 271,055 |
| 63 | LPP | 106,660 |
| 1,019 | MBank | 118,755 |
| 42,968 | Orange Polska | 83,660 |
| 58,180 | PGE Polska Grupa Energetyczna | 257,189 |
| 25,498 | Polski Koncern Naftowy Orlen | 291,904 |
| 122,148 | Polskie Gornictwo Naftowe i Gazowe | 127,202 |
| 64,259 | Powszechna Kasa Oszczednosci Bank Polski | 537,747 |
| 3,823 | Powszechny Zaklad Ubezpieczen | 434,798 |
| 48,520 | Synthos | 46,667 |
| 94,260 | Tauron Polska Energia | 111,395 |
| | | 3,403,505 |
| | % of Total Investments | 0.02% |

| Russia | | |
|---------|----------------------|----------------|
| Holding | Security Description | Market Value € |
| 418,165 | Gazprom | 1,600,385 |
| 36,567 | Lukoil | 1,192,815 |
| 20,688 | Magnit | 773,606 |
| 7,702 | Megafon | 87,417 |
| 45,262 | MMC Norilsk Nickel | 515,217 |
| 41,254 | Mobile Telesystems | 243,970 |

| Russia (continued) | | |
|--------------------|-------------------------------|------------------|
| Holding | Security Description | Market Value € |
| 7,247 | Novatek | 467,972 |
| 74,526 | Rosneft | 216,124 |
| 13,519 | Rostelecom | 101,217 |
| 69,170 | Rushydro | 53,098 |
| 193,081 | Sberbank of Russia | 618,412 |
| 11,769 | Severstal | 88,212 |
| 10,360 | Sistema | 44,457 |
| 95,173 | Surgutneftegas | 346,141 |
| 15,841 | Tatneft | 319,664 |
| 16,532 | Uralkali | 152,162 |
| 156,685 | VTB Bank | 296,825 |
| | | 7,117,694 |
| | % of Total Investments | 0.03% |

| South Africa | | |
|--------------|--------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 77,602 | African Bank Investments | 6 |
| 6,203 | African Rainbow Minerals | 52,593 |
| 3,991 | Anglo American Platinum | 96,999 |
| 29,168 | Anglogold Ashanti | 211,352 |
| 25,583 | Aspen Pharmacare | 740,041 |
| 3,117 | Assore | 33,235 |
| 26,465 | Barclays Africa Group | 343,180 |
| 12,282 | Barlorld | 83,780 |
| 21,285 | Bidvest | 460,844 |
| 23,794 | Discovery | 188,856 |
| 7,598 | Exxaro | 56,030 |
| 206,480 | Firstrand | 743,959 |
| 11,656 | Foschini | 110,653 |
| 46,785 | Gold Fields | 174,369 |
| 36,221 | Impala Platinum | 195,566 |
| 12,584 | Imperial | 165,870 |
| 23,686 | Investec | 164,541 |
| 4,879 | Kumba Iron | 83,395 |
| 6,847 | Liberty | 59,853 |
| 69,268 | Life Healthcare | 211,032 |
| 41,664 | Lonmin | 95,107 |
| 7,789 | Massmart | 79,248 |
| 23,221 | Mediclinic International | 166,523 |
| 64,302 | MMI | 137,443 |
| 33,462 | Mondi | 451,086 |
| 5,572 | Mota-Engil Africa | 39,884 |
| 14,800 | Mr Price | 247,804 |
| 121,004 | MTN | 1,908,865 |
| 37,014 | Nampak | 115,035 |
| 28,169 | Naspers | 3,040,862 |
| 13,175 | Nedbank | 233,737 |
| 60,845 | Netcare | 164,519 |
| 14,785 | Pick'N Pay Stores | 55,431 |
| 29,333 | PPC | 57,473 |
| 46,827 | Rand Merchant Insurance | 136,324 |
| 241,036 | Redefine Properties | 183,757 |
| 35,468 | Remgro | 641,847 |
| 13,334 | Resilient Property Income Fund | 79,793 |
| 46,827 | RMB | 214,662 |
| 131,736 | Sanlam | 657,023 |
| 32,577 | Sappi | 97,949 |
| 39,482 | Sasol | 1,212,453 |

Quoted Securities – Equities (continued)

| South Africa | | |
|--------------|-------------------------------|-------------------|
| Holding | Security Description | Market Value € |
| 28,907 | Shoprite | 346,506 |
| 9,699 | SPAR | 111,507 |
| 88,082 | Standard Bank | 900,444 |
| 113,420 | Steinhoff | 480,015 |
| 11,746 | Telcom | 58,582 |
| 12,644 | Tiger Brands | 331,575 |
| 26,269 | Truworths | 144,640 |
| 24,355 | Tsogo Sun Holdings | 50,323 |
| 28,636 | Vodacom | 262,034 |
| 70,911 | Woolworths | 389,535 |
| | | 17,268,140 |
| | % of Total Investments | 0.08% |

| South Korea | | |
|-------------|---|----------------|
| Holding | Security Description | Market Value € |
| 195 | Amorepacific Corporation | 326,766 |
| 176 | Amorepacific Group | 132,585 |
| 15,181 | BS Financial | 166,157 |
| 4,438 | Celltrion | 130,145 |
| 6,450 | Cheil Worldwide | 83,741 |
| 846 | CJ | 99,620 |
| 550 | CJ Cheiljedang | 127,246 |
| 350 | CJ Korea Express | 51,781 |
| 4,184 | Coway | 265,922 |
| 1,620 | Daelim Industrial | 80,462 |
| 9,390 | Daewoo Engineering | 41,748 |
| 3,860 | Daewoo International | 91,634 |
| 10,993 | Daewoo Securities | 81,568 |
| 7,440 | Daewoo Shipbuilding & Marine | 104,737 |
| 1,519 | Daum Kakao | 141,718 |
| 1,460 | DGB Financial RTS | 1,918 |
| 6,990 | DGB Financial | 59,622 |
| 2,360 | Dongbu Insurance | 97,977 |
| 3,016 | Doosan Heavy Industry | 53,841 |
| 7,820 | Doosan Infracore | 57,375 |
| 1,572 | E-Mart | 240,879 |
| 3,227 | Forhuman | 27 |
| 2,791 | GS Engineering & Construction | 48,982 |
| 3,000 | GS | 90,580 |
| 3,700 | Halla Visteon Climate Control | 135,175 |
| 19,312 | Hana Financial | 466,473 |
| 4,899 | Hankook Tire | 194,880 |
| 5,100 | Hanwha Chemical | 45,426 |
| 11,880 | Hanwha Life Insurance | 74,340 |
| 3,220 | Hite Jinro | 56,510 |
| 1,036 | Hotel Shilla | 71,475 |
| 1,263 | Hyosung | 65,209 |
| 822 | Hyundai Department Store | 76,318 |
| 3,090 | Hyundai Development Co-Engineering Construction | 90,265 |
| 5,525 | Hyundai Engineering & Construction | 175,576 |
| 906 | Hyundai Glovis | 199,350 |
| 3,046 | Hyundai Heavy Industries | 264,410 |
| 3 | Hyundai Hysco | 165 |
| 4,390 | Hyundai Marine & Fire Insurance | 86,156 |

| South Korea (continued) | | |
|-------------------------|------------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 3,221 | Hyundai Merchant Marine | 24,313 |
| 611 | Hyundai Mipo Dock | 32,146 |
| 4,871 | Hyundai Mobis | 867,721 |
| 15,467 | Hyundai Motor | 1,844,409 |
| 5,977 | Hyundai Steel | 286,488 |
| 969 | Hyundai Wia | 128,732 |
| 17,158 | Industrial Bank of Korea | 182,615 |
| 7,550 | Kangwon Land | 173,249 |
| 26,386 | KB Financial Group | 719,998 |
| 320 | KCC | 125,604 |
| 1,109 | Kepeco Plant Service & Engineering | 66,717 |
| 19,003 | Kia Motors | 750,194 |
| 2,560 | Korea Aerospace Industries | 76,908 |
| 18,010 | Korea Electric Power | 580,485 |
| 1,854 | Korea Gas | 69,343 |
| 2,120 | Korea Investment | 77,612 |
| 514 | Korea Zinc | 156,551 |
| 559 | Korean Reinsurance | 4,557 |
| 50 | KT Corporation | 1,179 |
| 7,665 | KT Corporation ADR | 89,144 |
| 7,703 | KT&G | 442,481 |
| 868 | Kumho Petrochemical | 52,809 |
| 7,093 | LG | 327,666 |
| 3,862 | LG Chemical | 512,245 |
| 15,940 | LG Display | 404,877 |
| 7,849 | LG Electronics | 350,148 |
| 639 | LG Household & Health Care | 300,496 |
| 680 | LG Innotek | 57,745 |
| 15,850 | LG Uplus | 137,587 |
| 1,056 | Lotte Chemical | 127,536 |
| 49 | Lotte Confectionery | 65,836 |
| 843 | Lotte Shopping Center | 173,716 |
| 976 | LS | 40,004 |
| 1,030 | LS Industrial Systems | 46,493 |
| 1,659 | Mirae Asset Securities | 53,785 |
| 1,965 | Naver | 1,056,069 |
| 1,064 | NCSOFT | 146,172 |
| 6,384 | NH Investment & Securities | 49,393 |
| 1,302 | Oci | 77,247 |
| 209 | Orion | 160,126 |
| 4,674 | Posco | 971,986 |
| 1,170 | S-1 | 62,880 |
| 9,221 | Samsung C&T | 428,058 |
| 2,416 | Samsung Card | 80,606 |
| 3,620 | Samsung Electro Mechanics | 149,467 |
| 9,116 | Samsung Electronics | 8,811,791 |
| 1,818 | Samsung Engineering | 52,010 |
| 2,601 | Samsung Fire & Marine Insurance | 554,637 |
| 11,330 | Samsung Heavy Industries | 170,617 |
| 4,474 | Samsung Life Insurance | 393,434 |
| 4,034 | Samsung SDI | 353,219 |
| 1,527 | Samsung SDS | 338,296 |
| 3,872 | Samsung Securities | 130,207 |
| 29,930 | Shinhan Financial | 1,004,218 |
| 447 | Shinsegae | 61,071 |
| 1,425 | SK C&C | 229,648 |

| South Korea (continued) | | |
|-------------------------|-------------------------------|-------------------|
| Holding | Security Description | Market Value € |
| 1,959 | SK Holdings | 241,770 |
| 38,080 | SK Hynix | 1,372,524 |
| 3,985 | SK Innovation | 255,981 |
| 5,940 | SK Networks | 40,084 |
| 10 | SK Telecom | 2,023 |
| 8,752 | SK Telecom ADR | 194,705 |
| 2,660 | S-Oil | 97,180 |
| 21,160 | Woori Finance | 159,722 |
| 568 | Yuhan | 72,672 |
| | | 31,647,961 |
| | % of Total Investments | 0.15% |

| Thailand | | |
|----------|------------------------------------|------------------|
| Holding | Security Description | Market Value € |
| 60,900 | Advanced Info Services | 383,009 |
| 26,500 | Airports of Thailand | 187,246 |
| 48,500 | Bangkok Bank | 236,617 |
| 191,000 | Bangkok Dusit Medical Services | 82,315 |
| 106,000 | Banpu | 66,134 |
| 61,500 | Bec World | 78,589 |
| 354,700 | BTS Group Holdings | 85,764 |
| 81,800 | Central Pattana | 93,257 |
| 205,800 | Charoen Pokhand Foods | 140,517 |
| 267,000 | CP All | 284,327 |
| 23,800 | Delta Electronics Thailand | 42,042 |
| 47,600 | Energy Absolute | 29,817 |
| 30,000 | Glow Energy | 67,088 |
| 228,471 | Home Product Center | 47,228 |
| 95,178 | Indorama Ventures | 48,173 |
| 670,400 | IRPC | 51,401 |
| 115,700 | Kasikornbank | 663,876 |
| 239,125 | Krung Thai Bank | 136,009 |
| 96,300 | Minor International Public | 78,420 |
| 4,815 | Minor International Public Company | 586 |
| 89,564 | PTT Exploration & Production | 251,345 |
| 112,556 | PTT Global Chemical | 144,538 |
| 51,700 | PTT | 419,714 |
| 49,300 | Siam Cement | 555,089 |
| 131,679 | Siam Commercial Bank | 600,491 |
| 55,800 | Thai Oil | 58,722 |
| 31,400 | Thai Union Frozen Products | 71,203 |
| 439,923 | True Corporation | 122,354 |
| | | 5,025,871 |
| | % of Total Investments | 0.02% |

| Turkey | | |
|---------|---------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 136,631 | Akbank | 417,805 |
| 12,283 | Anadolu Efes | 98,455 |
| 11,554 | Arcelik | 61,197 |
| 15,070 | Bim Birlesik Magazalar | 266,066 |
| 4,349 | Coca Cola Icecek | 77,551 |
| 177,862 | Emlak Konut Gayrimenkul Yatirim | 173,968 |
| 32,006 | Enka Insaat | 59,672 |
| 123,020 | Eregli Demir Ve Celik | 193,739 |
| 5,864 | Ford Otomotiv Sanayi | 67,399 |

Quoted Securities – Equities (continued)

| Turkey (continued) | | |
|--------------------|------------------------------------|------------------|
| Holding | Security Description | Market Value € |
| 66,054 | Haci Omer Sabanci | 236,740 |
| 38,452 | KOC | 168,363 |
| 27,332 | Petkim Petrokimya | 38,122 |
| 13,438 | Tav Havalimanlari | 90,631 |
| 14,676 | Tofas Turk Otomobil Fabrikasi | 82,656 |
| 7,334 | Tupras Turkiye Petrol Rafinerileri | 143,210 |
| 37,752 | Turk Hava Yollari | 128,373 |
| 29,975 | Turk Telekomunikasyon | 76,949 |
| 46,682 | Turkcell Iletisim Hizmetleri A | 235,718 |
| 154,061 | Turkiye Garanti Bankasi | 512,449 |
| 39,757 | Turkiye Halk Bankasi | 195,135 |
| 95,487 | Turkiye Bankasi | 227,254 |
| 47,458 | Turkiye Sise Ve Cam Fabrikalar | 60,998 |
| 41,819 | Turkiye Vakiflar Bankasi | 72,061 |
| 14,597 | Ulker Biskuvi Sanayi | 95,612 |
| 49,543 | Yapi Ve Kredi Bankasi | 85,546 |
| | | 3,865,669 |
| | % of Total Investments | 0.02% |

| Taiwan | | |
|-----------|------------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 155,000 | Acer | 86,539 |
| 372,359 | Advanced Semiconductor Engineering | 370,996 |
| 21,768 | Advantech | 133,488 |
| 112,582 | Asia Cement | 114,820 |
| 60,480 | Asustek Computer | 548,021 |
| 455,000 | Au Optronics | 192,756 |
| 54,000 | Catcher Technology | 348,091 |
| 610,612 | Cathay Financial | 749,692 |
| 50,820 | Chailease | 104,723 |
| 287,673 | Chang Hwa Commercial Bank | 136,539 |
| 133,241 | Cheng Shin Rubber Industry | 259,235 |
| 30,444 | Chicony Electronics | 70,457 |
| 154,842 | China Airlines | 58,714 |
| 1,123,507 | China Development Financial | 296,742 |
| 131,245 | China Life Insurance | 90,265 |
| 37,000 | China Motor | 27,044 |
| 882,327 | China Steel | 606,831 |
| 282,200 | Chunghwa Telecom | 693,692 |
| 25,933 | Clevo | 33,569 |
| 258,000 | Compal Electronics | 149,780 |
| 1,053,621 | CTBC Financial | 566,211 |
| 59,000 | CTCI | 77,762 |
| 138,000 | Delta Electronic | 680,2563 |
| 287,112 | E.Sun Financial | 147,535 |
| 10,400 | Eclat Textile | 87,301 |
| 59,000 | Epistar | 97,048 |
| 111,100 | Eva Airways | 64,353 |
| 16,363 | Eva Airways Non Trade | 2,204 |
| 92,399 | Evergreen Marine | 54,125 |
| 54,433 | Far Eastern Department | 40,141 |
| 184,327 | Far Eastern New Century | 151,356 |
| 96,000 | Far Eastone Telecommunications | 183,264 |
| 18,128 | Farglory Land Development | 17,896 |
| 606,421 | First Financial Holding | 295,757 |

| Taiwan (continued) | | |
|--------------------|------------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 245,730 | Formosa Chemicals & Fibre | 429,899 |
| 2,928 | Formosa International Hotels | 25,880 |
| 67,000 | Formosa Petrochemical | 120,369 |
| 308,240 | Formosa Plastic | 582,786 |
| 52,000 | Formosa Tafeetta | 42,699 |
| 48,620 | Foxconn Technology | 108,454 |
| 519,839 | Fubon Group | 689,222 |
| 20,000 | Giant Manufacturing | 146,967 |
| 2,000 | Hermes Microvision | 83,682 |
| 31,200 | Highwealth Construction | 52,136 |
| 10,324 | Hiwin Technologies | 71,544 |
| 905,943 | Hon Hai Precision Industry | 2,082,437 |
| 14,000 | Hotai Motor | 174,085 |
| 47,100 | HTC | 174,901 |
| 315,090 | Hua Nan Financial Holdings | 146,256 |
| 656,805 | Innolux | 264,508 |
| 194,000 | Inoter Memories | 254,676 |
| 136,620 | Inventec | 76,277 |
| 18,000 | Kinsus Interconnect Technology | 49,660 |
| 8,000 | Largan Precision C | 501,046 |
| 126,495 | Lite-On Technology | 120,408 |
| 102,341 | Mediatek | 1,236,442 |
| 721,211 | Mega Financial | 461,130 |
| 23,100 | Merida Industry | 129,575 |
| 313,100 | Nan Ya Plastic | 536,298 |
| 25,000 | Novatek Microelectronics | 116,370 |
| 124,000 | Pegatron | 236,715 |
| 8,000 | Phison Electronics | 45,816 |
| 120,000 | Pou Chen | 120,659 |
| 37,400 | Powertech Technologies | 53,009 |
| 39,000 | President Chain Store | 249,359 |
| 170,000 | Quanta Computer | 352,092 |
| 25,461 | Radiant Opto-Electronics | 67,581 |
| 26,787 | Realtek Semiconductor | 74,253 |
| 42,660 | Ruentex Development | 56,226 |
| 36,399 | Ruentex Industries | 63,489 |
| 333,224 | Shin Kong Financial | 78,513 |
| 175,000 | Siliconware Precision Industries | 219,436 |
| 13,310 | Simplo Technology | 54,820 |
| 447,298 | Sinopac Financial | 152,063 |
| 27,978 | Standards Foods | 51,215 |
| 93,000 | Synnex Technology | 112,116 |
| 576,388 | Taishin Financial | 196,701 |
| 193,953 | Taiwan Business Bank | 46,612 |
| 264,764 | Taiwan Cement | 300,491 |
| 307,771 | Taiwan Cooperative Financial | 131,189 |
| 41,000 | Taiwan Fertilizer | 59,827 |
| 65,521 | Taiwan Glass | 42,321 |
| 115,100 | Taiwan Mobile | 314,538 |
| 1,701,000 | Taiwan Semiconductor Manufacturing | 6,271,993 |
| 112,000 | Teco Electric & Machinery | 88,305 |
| 14,803 | TPK | 73,357 |
| 13,000 | Transcend Information | 33,554 |
| 39,385 | TSRC | 34,967 |
| 29,000 | U-Ming Marine Transport | 37,843 |

| Taiwan (continued) | | |
|--------------------|--------------------------------------|-------------------|
| Holding | Security Description | Market Value € |
| 69,000 | Unimicron Technology | 43,576 |
| 356,898 | Uni-President Enterprises | 468,522 |
| 748,000 | United Micro Electronics | 288,520 |
| 92,000 | Vanguard International Semiconductor | 125,826 |
| 215,000 | Walsin Lihwa | 55,999 |
| 167,891 | Wistron | 126,006 |
| 107,400 | WPG | 103,496 |
| 96,800 | Yang Ming Marine | 42,654 |
| 694,644 | Yuanta Financial | 279,747 |
| 42,000 | Yulon Motor | 51,072 |
| | | 27,419,388 |
| | % of Total Investments | 0.13% |

| United Arab Emirates | | |
|----------------------|--|--------------------|
| Holding | Security Description | Market Value € |
| 3,225 | Al Noor Hospitals Group | 40,991 |
| 78,079 | DP World | 1,349,165 |
| | | 1,390,156 |
| | % of Total Investments | 0.01% |
| | Total Emerging Markets Equities | 193,425,622 |
| | % of Total Investments | 0.89% |

| Global Low Volatility Equity Funds | | |
|------------------------------------|---|----------------------|
| Holding | Security Description | Market Value € |
| 32,077,925 | Acadian Global Managed Volatility Fund | 373,859,357 |
| 319,059 | Unigestion Global Managed Volatility Fund | 386,767,584 |
| 2,389,489 | DWS Floating Rate Note | 200,191,390 |
| 26,308 | JP Morgan – Managed Reserves | 199,958,588 |
| 873 | Amundi Tresor 6 Mois | 199,702,679 |
| | Total Global Low Volatility Equity Funds | 1,360,479,598 |
| | % of Total Investments | 6.25% |

| Equity Index Options | | |
|----------------------|-----------------------------------|-------------------|
| Holding | Security Description | Market Value € |
| 4,800 | S&P 500 Index Put | 12,928,095 |
| 25,400 | DJ Euro Stoxx 50 Put | 17,830,800 |
| | Total Equity Index Options | 30,758,895 |
| | % of Total Investments | 0.14% |

| | | |
|--|-------------------------------|----------------------|
| | Total Equities | 2,663,469,335 |
| | % of Total Investments | 12.24% |

Quoted Securities – Corporate Bonds

| Australia | | |
|-----------|--|-------------------|
| Holding | Security Description | Market Value € |
| 1,180,000 | Amcor 4.625% 4/16/2019 | 1,369,779 |
| 1,580,000 | Aurizon Network 2% 9/18/2024 | 1,609,407 |
| 2,490,000 | Ausnet Services Holdings 2.375% 7/24/2020 | 2,683,100 |
| 2,850,000 | National Australia Bank 2% 11/12/2020 | 3,079,351 |
| 2,670,000 | Origin Energy Finance 2.875% 10/11/2019 | 2,838,627 |
| 1,640,000 | Scentre Group Trust 3.25% 9/11/2023 | 1,889,810 |
| 1,070,000 | Scentre Management Ltd 1.5% 7/16/2020 | 1,099,410 |
| 2,440,000 | SGSP Australia Assets 2% 6/30/2022 | 2,547,990 |
| 980,000 | Transurban Finance 2.5% 10/8/2020 | 1,004,818 |
| | | 18,122,292 |
| | % of Total Investments | 0.08% |

| Austria | | |
|-----------|--|------------------|
| Holding | Security Description | Market Value € |
| 500,000 | Erste Group Bank 3.375% 3/28/2017 | 529,035 |
| 1,860,000 | OMV 0.600% 11/19/2018 | 1,867,122 |
| 700,000 | Verbund 4.750% 7/16/2019 | 825,075 |
| 1,200,000 | Vienna Insurance Group Variable 10/9/2043 | 1,354,603 |
| | | 4,575,835 |
| | % of Total Investments | 0.02% |

| Belgium | | |
|-----------|---|------------------|
| Holding | Security Description | Market Value € |
| 2,800,000 | Anheuser-Busch inbev 2.25% 9/24/2020 | 3,046,411 |
| 1,800,000 | Belgacom 2.375% 4/4/2024 | 1,994,094 |
| 400,000 | Delhaize Group 3.125% 2/27/2020 | 441,560 |
| 800,000 | KBC Groep Variable 11/25/2024 | 805,840 |
| | | 6,287,905 |
| | % of Total Investments | 0.03% |

| Brazil | | |
|-----------|--|------------------|
| Holding | Security Description | Market Value € |
| 117 | Hypermarcas Debs Series 1 Variable 10/15/2015 | 36,829 |
| 117 | Hypermarcas Series 2 11.3% 10/15/2018 | 30,761 |
| 1,900,000 | Vale Sa 4.375% 03/24/2018 | 2,046,904 |
| | | 2,114,494 |
| | % of Total Investments | 0.01% |

| British Virgin Islands | | |
|------------------------|--|------------------|
| Holding | Security Description | Market Value € |
| 1,750,000 | Global Switch Holdings Ltd 5.5% 4/18/2018 | 2,014,584 |
| | | 2,014,584 |
| | % of Total Investments | 0.01% |

| Canada | | |
|-----------|--|------------------|
| Holding | Security Description | Market Value € |
| 1,400,000 | Total Capital Canada 2.125% 9/18/2029 | 1,471,931 |
| | | 1,471,931 |
| | % of Total Investments | 0.01% |

| Cayman Islands | | |
|----------------|--|------------------|
| Holding | Security Description | Market Value € |
| 3,560,000 | Hutchison Whampoa (Europe) 2.5% 6/6/2017 | 3,724,650 |
| 3,410,000 | Hutchison Whampoa Finance 1.375% 10/31/2021 | 3,451,091 |
| 1,730,000 | IPIC GMTN 2.375% 5/30/2018 | 1,812,175 |
| 700,000 | IPIC GMTN 4.875% 5/14/2016 | 737,625 |
| | | 9,725,541 |
| | % of Total Investments | 0.04% |

| Czech Republic | | |
|----------------|-------------------------------|----------------|
| Holding | Security Description | Market Value € |
| 289,000 | CEZ 3.625% 5/27/2016 | 301,926 |
| | | 301,926 |
| | % of Total Investments | 0.00% |

| Denmark | | |
|-----------|---------------------------------------|------------------|
| Holding | Security Description | Market Value € |
| 1,500,000 | Carlsberg Breweries 2.5% 5/28/2024 | 1,552,644 |
| 1,820,000 | Danske Bank Variable 5/19/2026 | 1,878,386 |
| 1,270,000 | Dong Energy 6.5% 5/7/2019 | 1,584,461 |
| 1,960,000 | ISS Global 1.125% 1/9/2020 | 1,965,155 |
| | | 6,980,646 |
| | % of Total Investments | 0.03% |

| Finland | | |
|-----------|--|------------------|
| Holding | Security Description | Market Value € |
| 1,670,000 | Teollisuuden Voima Oyj 2.5% 3/17/2021 | 1,754,769 |
| | | 1,754,769 |
| | % of Total Investments | 0.01% |

| France | | |
|-----------|--|----------------|
| Holding | Security Description | Market Value € |
| 900,000 | Alstom 3% 7/8/2019 | 987,085 |
| 1,850,000 | Autoroutes du Sud de La France 4.125% 4/13/2020 | 2,164,896 |
| 1,950,000 | Axa Variable 4/16/2040 | 2,216,661 |
| 1,790,000 | Axa Variable 5/20/2049 | 1,800,203 |
| 400,000 | Axa Variable 7/4/2043 | 468,754 |

| France (continued) | | |
|--------------------|--|----------------|
| Holding | Security Description | Market Value € |
| 2,400,000 | Banque Federale du Credit Mutuel 2.625% 3/18/2024 | 2,709,946 |
| 1,980,000 | Banque Federale du Credit Mutuel 3% 5/21/2024 | 2,107,001 |
| 2,800,000 | Banque Federative du Credit Mutuel 1.625% 1/11/2018 | 2,897,532 |
| 1,800,000 | BNP Paribas Cardif Variable 11/29/2049 | 1,809,000 |
| 1,560,000 | BNP Paribas 2.5% 8/23/2019 | 1,696,570 |
| 1,460,000 | BNP Paribas 2.375% 5/20/2024 | 1,625,009 |
| 3,770,000 | BNP Paribas 3% 2/24/2017 | 3,986,390 |
| 2,000,000 | BNP Paribas Variable 3/20/2026 | 2,066,108 |
| 2,450,000 | BNP Paribas Variable 10/14/2027 | 2,463,931 |
| 2,800,000 | BPCE 2% 4/24/2018 | 2,938,090 |
| 4,200,000 | BPCE 2.125% 3/17/2021 | 4,530,414 |
| 1,400,000 | BPCE Varibale 7/8/2026 | 1,418,222 |
| 1,680,000 | Carrefour 1.75% 7/15/2022 | 1,761,119 |
| 1,850,000 | Carrefour 1.875% 12/19/2017 | 1,927,360 |
| 1,400,000 | Casino Guichard Perrachon 2.798% 8/5/2026 | 1,464,694 |
| 1,800,000 | Casino Guichard Perrachon 3.157% 8/6/2019 | 1,982,988 |
| 1,200,000 | Casino Guichard Perrachon 3.248% 3/7/2024 | 1,331,880 |
| 1,180,000 | Cie de St-Gobain 4.75% 4/11/2017 | 1,291,899 |
| 1,500,000 | CNP Assurances Variable 9/14/2040 | 1,738,425 |
| 700,000 | CNP Assurances Variable 11/29/2049 | 705,277 |
| 550,000 | CNP Assurances Variable 12/29/2049 | 570,625 |
| 1,350,000 | Credit Agricole 5.875% 6/11/2019 | 1,625,315 |
| 1,500,000 | Credit Agricole London 2.375% 5/20/2024 | 1,666,650 |
| 2,300,000 | Credit Agricole London 2.375% 11/27/2020 | 2,531,559 |
| 1,900,000 | Credit Agricole London 3.875% 2/13/2019 | 2,160,144 |
| 1,400,000 | Electricite de France 4.625% 4/26/2030 | 1,925,454 |
| 600,000 | Electricite de France 2.75% 3/10/2023 | 683,101 |
| 2,800,000 | Electricite de France 3.875% 1/18/2022 | 3,389,551 |
| 1,500,000 | Electricite de France Variable 1/29/2049 | 1,611,405 |
| 1,400,000 | Eutelsat SA 2.625% 1/13/2020 | 1,512,311 |
| 680,000 | GDF Suez 1.5% 2/11/2016 | 689,543 |
| 3,200,000 | GDF Suez Variable 6/29/2049 | 3,272,035 |
| 1,500,000 | Holding D'Infrastructures 2.25% 3/24/202 | 1,560,987 |
| 2,300,000 | HSBC France 1.625% 12/3/2018 | 2,403,031 |

Quoted Securities – Corporate Bonds (continued)

| France (continued) | | |
|--------------------|--|--------------------|
| Holding | Security Description | Market Value € |
| 700,000 | Kering 2.5% 7/15/2020 | 762,307 |
| 1,740,000 | Orange SA 4.75% 2/21/2017 | 1,901,677 |
| 2,600,000 | Orange SA 1.875% 9/3/2018 | 2,727,356 |
| 1,600,000 | Orange SA 3.125% 1/9/2024 | 1,851,258 |
| 1,810,000 | Orange Variable 10/29/2049 | 1,882,349 |
| 1,300,000 | Orange Variable 12/29/2049 | 1,425,125 |
| 1,800,000 | Pernod Ricard 2% 6/22/2020 | 1,901,239 |
| 470,000 | RCI Banque 1.75% 7/6/2016 | 478,475 |
| 2,100,000 | Sanofi 1.75% 9/10/2026 | 2,189,548 |
| 1,500,000 | Societe Des Autoroutes 1.875% 1/15/2025 | 1,534,290 |
| 1,400,000 | Societe Generale 2.25% 1/23/2020 | 1,516,612 |
| 2,700,000 | Societe Generale 3.75% 3/1/2017 | 2,897,008 |
| 300,000 | Societe Generale 4% 6/7/2023 | 332,674 |
| 1,760,000 | Sodexo 1.75% 1/24/2022 | 1,858,014 |
| 2,600,000 | Sogecap Variable 12/29/2049 | 2,583,750 |
| 694,000 | Veolia Environnement 5.125% 5/24/2022 | 889,578 |
| 1,300,000 | Veolia Environnement 4.625% 3/30/2027 | 1,701,596 |
| | | 104,124,021 |
| | % of Total Investments | 0.48% |

| Germany | | |
|-----------|---|-------------------|
| Holding | Security Description | Market Value € |
| 1,200,000 | Allianz Variable 9/29/2049 | 1,202,244 |
| 2,720,000 | Bayer Variable 7/1/2074 | 2,885,920 |
| 1,800,000 | Bayer Variable 7/1/2075 | 1,852,110 |
| 1,900,000 | Commerzbank 4% 9/16/2020 | 2,237,311 |
| 2,760,000 | Daimler 2% 5/5/2017 | 2,869,172 |
| 3,600,000 | Deutsche Bank 1.25% 9/8/2021 | 3,686,112 |
| 1,750,000 | LBBW Variable 5/27/26 | 1,765,817 |
| 2,140,000 | Merck KGaA Variable 12/12/2074 | 2,185,160 |
| 2,200,000 | Munchener Ruckversicherungs Variable 6/29/2049 | 2,408,952 |
| 2,060,000 | Volkswagen Leasing 1.125% 2/20/2023 | 2,115,867 |
| | | 23,208,665 |
| | % of Total Investments | 0.11% |

| Ireland | | |
|-----------|---|------------------|
| Holding | Security Description | Market Value € |
| 1,230,000 | Cloverie for Zurich 1.75% 9/16/2024 | 1,286,306 |
| 600,000 | Ervia 3.625% 12/4/2017 | 651,418 |
| 1,120,000 | ESB Finance 4.375% 11/21/2019 | 1,309,483 |
| 1,000,000 | ESB Finance 6.25% 9/11/2017 | 1,150,804 |
| 1,800,000 | GE Capital European Funding 4.25% 3/1/2017 | 1,952,548 |
| 1,450,000 | GE Capital European Funding 4.625% 2/22/2027 | 1,974,610 |
| | | 8,325,169 |
| | % of Total Investments | 0.04% |

| Italy | | |
|-----------|--|-------------------|
| Holding | Security Description | Market Value € |
| 1,520,000 | 2i Rete 1.125% 1/2/2020 | 1,519,742 |
| 1,150,000 | 2i Rete 1.75% 7/16/2019 | 1,188,587 |
| 687,000 | Acea 2.625% 7/15/2024 | 730,611 |
| 1,260,000 | Assicurazioni Generali 2.875% 1/14/2020 | 1,378,929 |
| 1,700,000 | Assicurazioni Generali Variable 12/12/2042 | 2,125,000 |
| 1,150,000 | Atlantia 4.375% 3/16/2020 | 1,354,040 |
| 860,000 | Atlantia 4.5% 2/8/2019 | 989,050 |
| 1,190,000 | ENI 3.625% 1/29/2029 | 1,416,148 |
| 1,450,000 | ENI 4% 6/29/2020 | 1,688,000 |
| 1,630,000 | Hera 2.375% 7/4/2024 | 1,744,273 |
| 1,100,000 | Hera 3.25% 10/4/2021 | 1,247,763 |
| 1,500,000 | Intesa Sanpaolo 3.5% 1/17/2022 | 1,704,120 |
| 1,400,000 | Intesa Sanpaolo 4.125% 1/14/2016 | 1,449,868 |
| 900,000 | Intesa Sanpaolo 4.375% 10/15/2019 | 1,034,685 |
| 2,400,000 | Intesa Sanpaolo 5% 2/28/2017 | 2,614,757 |
| 1,850,000 | SNAM 2.375% 06/30/2017 | 1,931,494 |
| 1,410,000 | SNAM 3.500% 02/13/2020 | 1,584,451 |
| 950,000 | SNAM 3.875% 03/19/2018 | 1,044,236 |
| 1,430,000 | Terna Rete Elettrica Nazionale 2.875% 2/16/2018 | 1,528,885 |
| 1,670,000 | Terna Rete Elettrica Nazionale 4.125% 2/17/2017 | 1,798,152 |
| 1,200,000 | Unicredit 3.25% 1/14/2021 | 1,312,205 |
| 1,800,000 | Unicredit 3.625% 1/24/2019 | 1,974,499 |
| 1,500,000 | Unicredit 4.875% 3/7/2017 | 1,628,229 |
| 920,000 | Unione di Banche Italiane 2.875% 2/18/2019 | 979,633 |
| | | 35,967,357 |
| | % of Total Investments | 0.17% |

| Jersey Channel Islands | | |
|------------------------|-------------------------------|------------------|
| Holding | Security Description | Market Value € |
| 2,050,000 | WPP 6.625% 5/12/2016 | 2,221,905 |
| | | 2,221,905 |
| | % of Total Investments | 0.01% |

| Luxembourg | | |
|------------|--|------------------|
| Holding | Security Description | Market Value € |
| 2,770,000 | Glencore Finance Europe 3.375% 9/30/2020 | 3,079,758 |
| 550,000 | Glencore Finance Europe 7.125% 4/23/2015 | 560,155 |
| 1,720,000 | Novartis Finance 1.625% 11/9/2026 | 1,784,448 |
| 1,200,000 | Talanx Finanz Luxembourg Variable 6/15/2042 | 1,563,599 |
| | | 6,987,960 |
| | % of Total Investments | 0.03% |

| Mexico | | |
|-----------|--|------------------|
| Holding | Security Description | Market Value € |
| 1,600,000 | America Movil 3.75% 6/28/2017 | 1,727,280 |
| 1,340,000 | Petroleos Mexicanos 3.75% 4/16/2026 | 1,413,700 |
| 2,200,000 | Petroleos Mexicanos 5.5% 1/9/2017 | 2,371,050 |
| | | 5,512,030 |
| | % of Total Investments | 0.03% |

| Netherlands | | |
|-------------|--|----------------|
| Holding | Security Description | Market Value € |
| 1,620,000 | ABN Amro Bank 4.25% 4/11/2016 | 1,701,701 |
| 2,190,000 | Achmea 2.5% 11/19/2020 | 2,376,680 |
| 1,320,000 | Aegon Variable 4/25/2044 | 1,372,800 |
| 1,520,000 | Airbus Group Finance 2.375% 4/2/2024 | 1,685,653 |
| 2,290,000 | Alliander Variable 11/29/2049 | 2,407,363 |
| 2,000,000 | Allianz Finance II 3.5% 2/14/2022 | 2,370,528 |
| 2,900,000 | Allianz Finance II Variable 7/8/2041 | 3,458,294 |
| 1,540,000 | ASML Holding 3.375% 9/19/2023 | 1,788,590 |
| 1,480,000 | BAT Netherlands Finance 4% 7/7/2020 | 1,744,849 |
| 1,050,000 | Bharti Airtel International 3.375% 5/20/2021 | 1,113,273 |
| 2,990,000 | Bharti Airtel International 4% 12/10/2018 | 3,227,735 |
| 1,950,000 | Cooperatieve Centrale Raiffeisen 4.125% 9/14/2022 | 2,252,102 |
| 1,860,000 | Cooperatieve Centrale Raiffeisen Variable 5/26/2026 | 1,891,713 |
| 4,550,000 | Cooperatieve Centrale Raiffeisen 4% 1/11/2022 | 5,548,953 |
| 1,880,000 | Delta Lloyd 4.25% 11/17/2017 | 2,060,476 |
| 700,000 | Deutsche Telekom 4.25% 3/16/2020 | 829,382 |
| 2,600,000 | Deutsche Telekom 6% 1/20/2017 | 2,898,893 |
| 1,500,000 | ELM for Swiss Life Insurance Variable 4/29/2049 | 1,596,750 |
| 1,860,000 | Eneco Holding Variable BV 12/29/2049 | 1,860,000 |
| 1,970,000 | Enel Finance 3.625% 4/17/2018 | 2,159,445 |
| 450,000 | Enel Finance 4% 9/14/2016 | 476,879 |
| 1,480,000 | Enel Finance 4.125% 7/12/2017 | 1,611,124 |
| 1,950,000 | Enel Finance 5% 7/12/2021 | 2,428,175 |
| 1,000,000 | Gas Natural Fenosa 3.875% 1/17/2023 | 1,197,224 |
| 1,100,000 | Iberdrola International 4.5% 9/21/2017 | 1,218,230 |
| 3,800,000 | ING Bank 3.25% 4/3/2019 | 4,236,962 |
| 2,735,000 | ING Bank 4.25% 1/13/2017 | 2,949,744 |
| 1,620,000 | ING Bank Variable 2/25/2026 | 1,746,878 |
| 1,550,000 | ING Bank Variable 11/21/2023 | 1,636,800 |
| 1,250,000 | ING Bank Variable 9/16/2020 | 1,266,560 |

Quoted Securities – Corporate Bonds (continued)

| Netherlands (continued) | | |
|-------------------------|--|-------------------|
| Holding | Security Description | Market Value € |
| 500,000 | Koninklijke KPN 3.25% 2/1/2021 | 563,199 |
| 2,550,000 | Koninklijke KPN 7.5% 2/4/2019 | 3,246,553 |
| 750,000 | Madrilena Red de Gas 3,779% 9/11/2018 | 827,020 |
| 1,505,000 | Metro Finance 4.25% 2/22/2017 | 1,620,217 |
| 1,920,000 | Petrobras Global Finance 2.75% 1/15/2018 | 1,756,800 |
| 2,750,000 | Petrobras International Finance 4.875% 3/7/2018 | 2,701,875 |
| 800,000 | Repsol International Finance 2.25% 12/10/2026 | 800,258 |
| 1,000,000 | Repsol International Finance 4.25% 2/12/2016 | 1,041,499 |
| 1,200,000 | Robert Bosch Investment 2.625% 5/24/2028 | 1,371,600 |
| 1,150,000 | SABIC Capital I 2.75% 11/20/2020 | 1,243,265 |
| 2,460,000 | Shell International 1.625% 1/20/2027 | 2,489,235 |
| 870,000 | Tennet Holding 2.125% 11/1/2020 | 934,122 |
| 2,500,000 | Volkswagen Variable 9/29/2049 | 2,755,250 |
| 2,330,000 | Wolters Kluwer 2.875% 3/21/2023 | 2,640,799 |
| | | 87,105,447 |
| | % of Total Investments | 0.40% |

| New Zealand | | |
|-------------|--|------------------|
| Holding | Security Description | Market Value € |
| 1,630,000 | BNZ International Funding 1.25% 5/23/2018 | 1,664,455 |
| | | 1,664,455 |
| | % of Total Investments | 0.01% |

| Norway | | |
|-----------|------------------------------------|------------------|
| Holding | Security Description | Market Value € |
| 1,080,000 | DNB Bank ASA Variable 9/26/2023 | 1,129,246 |
| | | 1,129,246 |
| | % of Total Investments | 0.01% |

| Slovakia | | |
|-----------|--------------------------------------|------------------|
| Holding | Security Description | Market Value € |
| 1,340,000 | SPP-Distribucia 2.625% 11/20/2020 | 1,410,243 |
| | | 1,410,243 |
| | % of Total Investments | 0.01% |

| South Korea | | |
|-------------|---|------------------|
| Holding | Security Description | Market Value € |
| 2,130,000 | Korea Gas Corporation 2.375% 4/15/2019 | 2,273,136 |
| | | 2,273,136 |
| | % of Total Investments | 0.01% |

| Spain | | |
|-----------|--|-------------------|
| Holding | Security Description | Market Value € |
| 1,900,000 | Banco Popular Espanol 2.125% 10/8/2019 | 2,020,492 |
| 1,000,000 | BBVA Senior Finance 2.375% 1/22/2019 | 1,065,392 |
| 1,700,000 | Caixabank 3.125% 5/14/2018 | 1,833,205 |
| 950,000 | Gas Natural Capital 4.375% 11/2/2016 | 1,018,383 |
| 1,000,000 | Gas Natural Capital 5.375% 5/24/2019 | 1,200,309 |
| 100,000 | Iberdrola Finanzas 4.625% 4/7/2017 | 109,282 |
| 1,400,000 | Santander International Debt 4% 3/27/2017 | 1,504,608 |
| 1,400,000 | Santander International Debt 4.625% 3/21/2016 | 1,469,112 |
| 2,100,000 | Telefonica Emisiones 2.242% 5/27/2022 | 2,248,029 |
| 1,900,000 | Telefonica Emisiones 4.71% 1/20/2020 | 2,260,658 |
| 800,000 | Telefonica Emisiones 5.811% 9/5/2017 | 910,931 |
| | | 15,640,402 |
| | % of Total Investments | 0.07% |

| Sweden | | |
|-----------|---|-------------------|
| Holding | Security Description | Market Value € |
| 1,200,000 | Alfa Laval Treasury International 1.375% 9/12/2022 | 1,223,674 |
| 2,520,000 | Energa Finance AB 3.25% 3/19/2020 | 2,755,950 |
| 500,000 | Nordea Bank 4% 3/29/2021 | 574,532 |
| 1,990,000 | Nordea Bank 4% 7/11/2019 | 2,302,727 |
| 2,380,000 | PGE Sweden 1.625% 6/9/2019 | 2,440,174 |
| 1,920,000 | Skandinaviska Enskilda Banken Variable 5/8/2026 | 1,974,478 |
| 1,100,000 | SKF 3.875% 5/25/2018 | 1,219,324 |
| 650,000 | Svenska Cellulosa 2.5% 6/9/2023 | 719,429 |
| 1,210,000 | Svenska Handelsbanken Variable 1/15/2024 | 1,261,669 |
| | | 14,471,957 |
| | % of Total Investments | 0.07% |

| Switzerland | | |
|-------------|--|-------------------|
| Holding | Security Description | Market Value € |
| 1,700,000 | Credit Suisse Variable 9/18/2025 | 1,920,998 |
| 2,790,000 | Credit Suisse AG (London) 1.375% 1/31/2022 | 2,867,813 |
| 3,180,000 | Credit Suisse AG (London) 1.375% 11/29/2019 | 3,286,180 |
| 1,700,000 | UBS Variable 2/12/2026 | 1,820,275 |
| 2,560,000 | UBS London 1.25% 9/3/2021 | 2,638,459 |
| | | 12,533,725 |
| | % of Total Investments | 0.06% |

| United Arab Emirates | | |
|----------------------|---|------------------|
| Holding | Security Description | Market Value € |
| 4,490,000 | Glencore Finance Dubai Step 5/19/2016 | 4,562,469 |
| 1,600,000 | Glencore Finance Dubai Step 11/19/2018 | 1,687,250 |
| | | 6,249,718 |
| | % of Total Investments | 0.03% |

| United Kingdom | | |
|----------------|--|----------------|
| Holding | Security Description | Market Value € |
| 3,980,000 | Anglo American Capital 1.75% 11/20/2017 | 4,083,209 |
| 2,710,000 | Anglo American Capital 2.5% 9/18/2018 | 2,851,551 |
| 2,750,000 | Aviva Variable 9/29/2049 | 2,814,900 |
| 2,470,000 | Barclays Bank 2.125% 2/24/2021 | 2,668,460 |
| 1,580,000 | Barclays Bank 6% 1/14/2021 | 1,936,916 |
| 2,090,000 | BG Energy Capital 2.25% 11/21/2029 | 2,129,125 |
| 2,130,000 | BG Energy Capital Variable 11/30/2072 | 2,332,350 |
| 3,030,000 | BP Capital Markets 2.972% 2/27/2026 | 3,402,484 |
| 2,150,000 | Brambles Finance 4.625% 4/20/2018 | 2,426,066 |
| 1,410,000 | Compass Group 1.875% 1/27/2023 | 1,495,407 |
| 1,320,000 | Compass Group 3.125% 2/13/2019 | 1,461,763 |
| 2,500,000 | FCE Bank 1.875% 5/12/2016 | 2,547,425 |
| 2,220,000 | FCE Bank 1.875% 6/24/2021 | 2,302,948 |
| 1,370,000 | Glaxosmithkline Capital 0.625% 12/02/2019 | 1,379,756 |
| 1,790,000 | HSBC Bank 3.125% 11/15/2017 | 1,932,638 |
| 1,400,000 | HSBC Holdings 6% 6/10/2019 | 1,674,037 |
| 2,010,000 | HSBC Holdings Variable 1/10/2024 | 2,136,923 |
| 1,130,000 | Imperial Tobacco Finance 4.5% 7/5/2018 | 1,279,524 |
| 1,840,000 | Imperial Tobacco Finance 5% 12/2/2019 | 2,201,072 |
| 1,290,000 | Lloyds Bank 1% 11/19/2021 | 1,304,552 |
| 1,600,000 | Lloyds Bank 1.875% 10/10/2018 | 1,681,203 |
| 2,900,000 | Lloyds Bank 6.5% 3/24/2020 | 3,572,353 |
| 1,500,000 | NGG Finance Variable 6/18/2076 | 1,625,222 |
| 1,020,000 | Pearson Funding Five 1.875% 5/19/2021 | 1,070,082 |
| 1,680,000 | Royal Bank of Scotland 1.5% 11/28/2016 | 1,708,024 |
| 1,850,000 | Royal Bank of Scotland 4.75% 5/18/2016 | 1,958,151 |
| 1,010,000 | Royal Bank of Scotland 5.5% 3/23/2020 | 1,251,729 |
| 1,060,000 | Sky 1.5% 9/15/2021 | 1,078,306 |
| 2,000,000 | Sky 1.875% 11/24/2023 | 2,061,536 |
| 1,780,000 | SSE Variable 9/29/2049 | 1,929,128 |

Quoted Securities – Corporate Bonds (continued)

| United Kingdom (continued) | | |
|----------------------------|---|-------------------|
| Holding | Security Description | Market Value € |
| 3,660,000 | Standard Chartered 1.625% 6/13/2021 | 3,754,428 |
| 2,500,000 | Tesco Corporate Treasury 1.25% 11/13/2017 | 2,454,663 |
| 2,330,000 | Tesco Corporate Treasury 1.375% 7/1/2019 | 2,219,642 |
| 600,000 | Tesco Corporate Treasury 2.125% 11/12/2020 | 580,213 |
| | | 71,305,786 |
| | % of Total Investments | 0.33% |

| United States | | |
|---------------|--|----------------|
| Holding | Security Description | Market Value € |
| 1,750,000 | 3M 1.5% 11/9/2026 | 1,787,548 |
| 3,190,000 | American Honda Finance 1.875% 9/4/2019 | 3,390,396 |
| 810,000 | Apple 1% 11/10/2022 | 820,097 |
| 1,200,000 | Apple 1.625% 11/10/2026 | 1,225,030 |
| 2,020,000 | AT&T 1.45% 6/1/2022 | 2,063,333 |
| 2,155,000 | AT&T 2.4% 3/15/2024 | 2,324,292 |
| 1,720,000 | Bank of America 1.375% 9/10/2021 | 1,751,940 |
| 2,400,000 | Bank of America 4.625% 8/7/2017 | 2,653,884 |
| 1,800,000 | Citigroup 1.75% 1/29/2018 | 1,866,679 |
| 2,130,000 | Citigroup 2.125% 9/10/2026 | 2,219,528 |
| 1,995,000 | Citigroup 2.375% 5/22/2024 | 2,156,447 |
| 600,000 | Coca-Cola 1.875% 9/22/2026 | 631,529 |
| 1,170,000 | Goldman Sachs 2.625% 8/19/2020 | 1,272,955 |
| 450,000 | Goldman Sachs 3.25% 2/1/2023 | 512,383 |
| 2,550,000 | Goldman Sachs 6.375% 5/2/2018 | 3,025,736 |
| 2,040,000 | Illinois Tool Works 1.75% 5/20/2022 | 2,152,033 |
| 2,450,000 | IBM 1.875% 11/6/2020 | 2,621,108 |
| 1,700,000 | JPMorgan Chase 1.875% 11/21/2019 | 1,804,635 |
| 1,485,000 | JPMorgan Chase 2.75% 2/1/2023 | 1,674,902 |
| 1,650,000 | JPMorgan Chase 3% 2/19/2026 | 1,913,353 |
| 1,400,000 | JPMorgan Chase Bank Variable 11/30/2021 | 1,469,373 |
| 1,600,000 | Lehman Brothers 4.25% 9/26/2016 | 160 |
| 1,200,000 | Lehman Brothers 4.625% 3/14/2019 | 120 |
| 1,950,000 | Merck & Co 1.125% 10/15/2021 | 1,999,920 |
| 1,330,000 | Merck & Co 2.5% 10/15/2034 | 1,465,253 |
| 2,250,000 | Metropolitan Life Global Funding 4.625% 5/16/2017 | 2,470,014 |
| 2,940,000 | Mondelez International 1.125% 1/26/2017 | 2,979,126 |
| 2,140,000 | Morgan Stanley 1.875% 3/30/2023 | 2,215,170 |
| 2,500,000 | Morgan Stanley 2.375% 3/31/2021 | 2,685,300 |

| United States (continued) | | |
|-------------------------------------|---|--------------------|
| Holding | Security Description | Market Value € |
| 1,400,000 | Morgan Stanley 4.5% 2/23/2016 | 1,464,130 |
| 2,060,000 | Oracle 2.25% 1/10/2021 | 2,245,276 |
| 1,370,000 | PepsiCo 2.625% 4/28/2026 | 1,551,618 |
| 1,430,000 | Philip Morris 2.125% 5/30/2019 | 1,528,850 |
| 1,730,000 | Prologis 1.375% 10/7/2020 | 1,752,127 |
| 1,250,000 | Prologis 3.375% 2/20/2024 | 1,425,003 |
| 470,000 | SES Global Americas Holdings 1.875% 10/24/2018 | 492,969 |
| 1,720,000 | Simon Property Group 2.375% 10/2/2020 | 1,862,530 |
| 2,480,000 | Verizon Communications 1.625% 3/1/2024 | 2,513,257 |
| 1,720,000 | Verizon Communications 2.625% 12/1/2031 | 1,768,934 |
| 1,500,000 | Verizon Communications 3.25% 2/17/2026 | 1,733,850 |
| 1,690,000 | Walgreens Boots Alliance 2.125% 11/20/2026 | 1,722,130 |
| 3,050,000 | Wal-Mart Stores 2.55% 4/8/2026 | 3,424,418 |
| 2,210,000 | Wells Fargo 2.25% 9/3/2020 | 2,399,096 |
| 1,750,000 | Wells Fargo 2.625% 8/16/2022 | 1,964,232 |
| | | 81,000,664 |
| | % of Total Investments | 0.37% |
| Total Quoted Corporate Bonds | | 534,481,810 |
| | % of Total Investments | 2.46% |

Unquoted Securities – Corporate Bonds

| Ireland | | |
|---------------------------------------|--|--------------------|
| Holding | Security Description | Market Value € |
| 100,000,000 | Bank of Ireland Variable 6/12/2027 | 99,272,711 |
| 20,071,048 | Housing Finance Agency 4% 4/3/2015 | 43,353,464 |
| 19,450,000 | European Investment Bank 01/08/2027 | 21,447,515 |
| 12,500,000 | European Investment Bank 01/08/2032 | 13,260,000 |
| 13,650,000 | European Investment Bank 01/08/2037 | 13,921,635 |
| 47,000,000 | DAA Finance 6.587% 7/9/2018 | 56,071,000 |
| Total Unquoted Corporate Bonds | | 247,326,325 |
| % of Total Investments | | 1.14% |

Unquoted Securities – Other Bonds

| Ireland | | |
|--------------------------|--|-------------------|
| Commitment €m | Security Description | Market Value € |
| 150 | Bluebay Ireland Corporate Credit 1 Limited Super Senior Notes | 60,000,000 |
| 8 | Bluebay Ireland Corporate Credit 1 Limited Senior Notes | 3,000,000 |
| 42 | Bluebay Ireland Corporate Credit 1 Limited Subordinated Notes | 16,900,000 |
| Total Other Bonds | | 79,900,000 |
| % of Total Investments | | 0.37% |

Unquoted Securities – Other Debt

| Ireland | | |
|-------------------------|------------------------------|--------------------|
| Commitment €m | Security Description | Market Value € |
| 300 | Irish Water Loan | 307,709,391 |
| 0 | Loan to Irish Infrastructure | 13,376,647 |
| Total Other Debt | | 321,086,038 |
| % of Total Investments | | 1.48% |

Unquoted Securities – Property

| Commitment €m | Security Description | Market Value € |
|---------------|--|--------------------|
| 38 | Apollo Domestic Emerging Markets Fund | 27,229,617 |
| 0 | Ardawn II Loan Notes | 3,723 |
| 14 | Asian Retail Mall II | 40,088 |
| 30 | Berkshire Multifamily Value Fund | 3,514,383 |
| 31 | Blackrock Japan Core Plus Fund | 3,420,693 |
| 58 | Broadway Partners Value Added Fund | 357,884 |
| 37 | CBRE Strategic Partners UK FD III LP | 4,343,179 |
| 37 | CBRE Strategic Partners UK II | 0 |
| 44 | CBRE Strategic Partners US IV Blocker LP | 4,187,485 |
| 18 | Composition Capital Asia Fund | 7,730,377 |
| 0 | Crystal UK Development Fund | 55,570 |
| 30 | CT Large Loan 2006 | 1,904,263 |
| 15 | French Development Venture II | 63,877 |
| 35 | Forum Asian Realty Income II | 8,925,294 |
| 44 | Forum European Realty Income II GP | 17,627,890 |
| 30 | Grosvenor French Retail Feeder Investment | 27,396,006 |
| 50 | Madison Marquette Retail Enhancement Fund | 36,341,774 |
| 45 | Morgan Stanley Real Estate Fund V International | 3,721,537 |
| 82 | Morgan Stanley Real Estate Fund V US | 10,348,227 |
| 80 | Morgan Stanley Real Estate Fund VI International | 20,531,849 |
| 37 | PRECO III (UK) LP | 14,873,605 |
| 0 | Rockspring Pan European Fund | 456,015 |
| 39 | Silverpeak Real Estate Partners II | 19,989,415 |
| 75 | Tishman Speyer European Real Estate Venture VI | 18,132,469 |
| 45 | Tishman Speyer Real Estate VI Fund | 14,979,238 |
| 914 | Total Unquoted Property Investments | 246,174,458 |
| | % of Total Investments | 1.13% |

Unquoted Securities – Private Equity

| Commitment €m | Security Description | Market Value € |
|---------------|--|-------------------------------|
| 0 | Act 2001 - BIAM Venture | 207,501 |
| 0 | Allianz Irish Life | 360,091 |
| 23 | Arch Venture Fund VIII | 724,812 |
| 10 | Atlantic Bridge II | 10,621,700 |
| 20 | Atlantic Bridge III | 2,000 |
| 0 | Bank of Ireland Unlisted Fund | 20,218 |
| 0 | Better Capital (Ireland) | 0 |
| 0 | Canford Healthcare | 175,889 |
| 125 | Carlyle Cardinal Ireland | 7,144,410 |
| 41 | China Ireland Growth Technology Fund | 5,966,906 |
| 25 | CVC European Equity Partners | 12,592,899 |
| 1 | Delta Equity Fund II | 555,115 |
| 23 | Delta Equity Fund III | 12,459,668 |
| 0 | Delta Equity Fund No.2 | 155,076 |
| 0 | Delta I 9900777 | 100,224 |
| 20 | DFJ Espirit Capital III | 26,316,703 |
| 9 | Draper Fisher Jurveston | 12,605,349 |
| 30 | Fortress IW Coinvestment Fund | 0 |
| 15 | Fountain Healthcare Partners Fund I | 8,389,213 |
| 13 | Fountain Healthcare Partners Fund II | 1,397,732 |
| 10 | Highland Europe Technology Growth | 7,943,799 |
| 0 | ICC Private Equity Fund | 38,527 |
| 1 | KBI Venture Capital Fund | 858,577 |
| 10 | Lightstone Ventures LP | 1,507,913 |
| 37 | OCM Opportunities Fund VIIb | 5,934,084 |
| 41 | Polaris Partners VII | 6,809,991 |
| 39 | Polaris Venture Partners VI | 34,262,559 |
| 15 | Seroba Kernel Life Sciences Fund II | 12,604,041 |
| 10 | Sofinnova Venture Partners VIII | 8,305,754 |
| 20 | Strategic Investors Fund V | 15,108,048 |
| 20 | Strategic Investors Fund VI | 5,710,831 |
| 18 | Ulster Bank Diageo Venture Fund | 10,913,019 |
| 39 | WestSummit Global Technology Provision | 31,712,878 (1,436,752) |
| 615 | Total Private Equity Investments | 240,068,775 |
| | % of Total Investments | 1.10% |

Unquoted Securities – Infrastructure Fund

| Commitment €m | Security Description | Market Value € |
|---------------|--|-------------------|
| 250 | Irish Infrastructure Trust | 75,611,520 |
| 250 | Total Infrastructure Fund Investments | 75,611,520 |
| | % of Total Investments | 0.35% |

Other Investments

| Commodity Investments | | |
|--------------------------------|---|--------------------|
| Holding | Security Description | Market Value € |
| 4,416,745 | Fundlogic Global Solutions | 280,771,247 |
| | | 280,771,247 |
| | % of Total Investments | 1.29% |
| Other Investment Funds | | |
| Holding | Security Description | Market Value € |
| 61,612 | Bridgewater Pure Alpha Euro | 114,317,176 |
| 66,442 | Bridgewater Pure Alpha Major Markets II | 77,498,796 |
| 668,206 | Generation IM Global Equity | 145,751,806 |
| | | 337,567,778 |
| | % of Total Investments | 1.55% |
| Currency Funds | | |
| Holding | Security Description | Market Value € |
| 800,000 | J.P. Morgan Asset Management Europe | 81,544,000 |
| | | 81,544,000 |
| | % of Total Investments | 0.37% |
| Forestry Funds | | |
| Holding | Security Description | Market Value € |
| 20,000,000 | AIBIM 1st Forestry Fund | 26,808,737 |
| 16,210 | ILIM- Irish Forestry Unit Trust | 119,072 |
| | | 26,927,809 |
| | % of Total Investments | 0.12% |
| Total Other Investments | | 726,810,834 |
| | % of Total Investments | 3.34% |

Cash Deposits and Other Cash Investments

| Deposits and Cash | | |
|------------------------------|---|----------------------|
| | Security Description | Market Value € |
| | Euro | 211,393,916 |
| | US Dollar | 21,656,336 |
| | Other Currencies | 1,627,058 |
| | Sterling | 4,205,785 |
| | Japanese Yen | 58 |
| | | 238,883,153 |
| | % of Total Investments | 1.10% |
| Cash Enhancement Investments | | |
| Holding | Security Description | Market Value € |
| 200 | Belgian Treasury Bills | 200,008,000 |
| 200 | French Treasury Bills | 200,004,500 |
| 450 | Italian Treasury Bills | 449,716,250 |
| 450 | Spanish Treasury Bills | 449,925,000 |
| 150 | Goldman Sachs International Senior Secured Note | 150,000,000 |
| | | 1,449,653,750 |
| | % of Total Investments | 6.66% |

Cash Deposits and Other Cash Investments (continued)

| Unrealised Gains/Losses | |
|---|----------------------|
| Security Description | Market Value € |
| Unrealised Loss on Foreign Exchange Contracts | (47,424,301) |
| Unrealised Loss on Futures Contracts (Note 1) | (6,197,454) |
| | (53,621,755) |
| % of Total Investments | -0.25% |
| Total Cash Deposits and Other Cash Investments | 1,634,915,148 |
| % of Total Investments | 7.51% |

Directed Investments

| Directed Investments | | |
|----------------------|--------------------------------------|-----------------------|
| Holdings | Security Description | Market Value € |
| 522,555,689,981 | Allied Irish Banks | 7,158,447,508 |
| 3,500,000,000 | Allied Irish Banks Preference Shares | 4,552,333,333 |
| 4,512,323,039 | Bank of Ireland | 1,412,357,111 |
| | | 13,123,137,952 |
| | % of Total Investments | 60.29% |

| Cash | | |
|----------|-------------------------------|----------------------|
| Holdings | Security Description | Market Value € |
| | Euro | 1,108,922,278 |
| | | 1,108,922,278 |
| | % of Total Investments | 5.09% |

| Repurchase Agreements | | |
|-----------------------|---|--------------------|
| Holdings | Security Description | Market Value € |
| 382,660,000 | Ireland Government Repurchase Agreement 14-JAN-15 | 382,660,000 |
| 382,660,000 | Ireland Government Repurchase Agreement 21-JAN-15 | 382,660,000 |
| | | 765,320,000 |
| | % of Total Investments | 3.52% |

| | |
|-----------------------------------|--------------------------|
| Total Directed Investments | 14,997,380,230 |
| % of Total Investments | 68.90% |
| Total Investments | 21,767,224,471.91 |
| % of Total Investments | 100.00% |

Note 1 : Open Futures 31 December 2014

| Contracts | Security Description | Unrealised Profit & Loss |
|----------------------|---|--------------------------|
| (80) | Euro-Bobl Contracts (Expiring March 2015) | (62,800) |
| (40) | Euro-Bund Contracts (Expiring March 2015) | (111,000) |
| (1,500) | DJ Euro Stoxx Index Contracts (Expiring March 2015) | (3,135,000) |
| (1,010) | S&P 500 Mini Contracts (Expiring March 2015) | (2,888,745) |
| Total Futures | | (6,197,545) |

Investment Managers

| Investment Type | Mandate | Manager | Value € |
|------------------------------|---------------------------------|--|--------------|
| Equity | | | |
| Passive | Global | Blackrock Advisors (UK) | 997 |
| Active | Global | Generation Investment Management | 146 |
| Active low volatility | Global | Unigestion | 387 |
| Active low volatility | Global | Acadian Asset Management | 374 |
| Total Equity | | | 1,903 |
| Futures | | | |
| Short Position | Global | Citigroup Global Markets Limited | (132) |
| Total Futures | | | (132) |
| Options | | | |
| Equity Options | Global | National Treasury Management Agency | 31 |
| Total Options | | | 31 |
| Fixed Income | | | |
| Active | Corporate Bonds | Deutsche Asset Management International GmbH | 565 |
| Active | Eurozone Inflation linked Bonds | National Treasury Management Agency | 204 |
| Long term receivables | Global | National Treasury Management Agency | 368 |
| Strategic | Ireland | National Treasury Management Agency | 309 |
| SME | Ireland | Bluebay Asset Management | 64 |
| Total Fixed Income | | | 1,509 |
| Cash | | | |
| Cash | Ireland | National Treasury Management Agency | 175 |
| Exposure From Equity Futures | Global | Citigroup Global Markets Limited | 132 |
| Short Duration Fund | Global | Amundi Asset Management | 200 |
| Short Duration Fund | Global | JP Morgan Asset Management | 200 |
| Short Duration Fund | Global | Deutsche Asset Management | 200 |
| HFA Bond | Ireland | National Treasury Management Agency | 43 |
| Structured Note | Eurozone | Goldman Sachs Asset Management International | 150 |
| Sovereign Bills | Eurozone | National Treasury Management Agency | 1,300 |
| Currency Forwards | Global | National Treasury Management Agency | (12) |
| Margin for Futures | Global | Citigroup Global Markets Limited | 20 |
| Transition | Global | Legacy Managers | 1 |
| Total Cash Assets | | | 2,410 |
| Infrastructure | | | |
| Passive | Global | Listed:Blackrock | 279 |
| Strategic Irish | Irish | Dublin Waste to Energy (Covanta) | 0 |
| Strategic Irish | Irish | Irish Infrastructure Fund | 89 |
| Total Infrastructure | | | 368 |
| Commodity | | | |
| Forestry | Ireland | Davy Group | 27 |
| Active | Global | Fund Logic / Morgan Stanley | 281 |
| Total Commodity | | | 308 |

| Investment Type | Mandate | Manager | Value € |
|------------------------------|--------------|----------------------------|------------|
| Absolute Return | | | |
| Active | Currency | JP Morgan Asset Management | 82 |
| Active | Global Macro | Bridgewater Associates | 192 |
| Total Absolute Return | | | 273 |

| Private Equity | | | |
|-----------------------------|-------------------------|------------------------------|------------|
| Buyout | Global | CVC Capital Partners | 13 |
| Venture Capital | Ireland | Atlantic Bridge | 11 |
| Other | US and Europe | Oaktree Capital Management | 6 |
| Venture Capital | Global | Silicon Valley Bank | 21 |
| Venture Capital | Ireland | Delta Partners | 12 |
| Venture Capital | Ireland | Fountain Healthcare Partners | 10 |
| Venture Capital | Ireland | Seroba Kernel Lifesciences | 13 |
| Venture Capital | Ireland | NCB | 11 |
| Venture Capital | Innovation Fund Ireland | Draper, Fisher, Jurvetson | 13 |
| Venture Capital | Innovation Fund Ireland | DFJ Esprit | 26 |
| Venture Capital | Innovation Fund Ireland | Highland Europe | 8 |
| Venture Capital | Innovation Fund Ireland | Polaris Ventures | 41 |
| Venture Capital | Innovation Fund Ireland | Sofinnova Venture Partners | 8 |
| Venture Capital | Innovation Fund Ireland | Lightstone Ventures | 2 |
| SME | Ireland | Bluebay Asset Management | 17 |
| SME | Ireland | Carlyle Cardinal Ireland | 7 |
| Venture Capital | Ireland/China | Summit Bridge Capital | 6 |
| Venture Capital | Global | WestSummit Capital | 32 |
| Venture Capital | IFI | Arch Venture Fund VIII Lp | 1 |
| Total Private Equity | | | 256 |

| Property | | | |
|-----------------------|-----------------|--------------------------|------------|
| Core | Europe | Grosvenor | 27 |
| Opportunistic | Asia | Composition Capital | 8 |
| Opportunistic | Europe and Asia | Forum Partners | 27 |
| Opportunistic | Global | Morgan Stanley | 35 |
| Opportunistic | Global | Silverpeak | 20 |
| Opportunistic | US | Broadway Partners | 0 |
| Opportunistic | US | Capital Trust | 2 |
| Opportunistic | US and Europe | Tishman Speyer | 33 |
| Value Add | Europe | Rockspring PIM | 0 |
| Value Add | Europe and US | CBRE Investors | 9 |
| Value Add | US | Berkshire | 4 |
| Value Add | US | Madison Marquette | 36 |
| Value Add | US | Apollo Domestic Emerging | 27 |
| Opportunistic | US & Europe | PRECO III (UK) L P | 15 |
| Other | Global | Various | 4 |
| Total Property | | | 246 |

| | | | |
|--------------------------------------|--|--|--------------|
| Total Discretionary Portfolio | | | 7,171 |
|--------------------------------------|--|--|--------------|

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