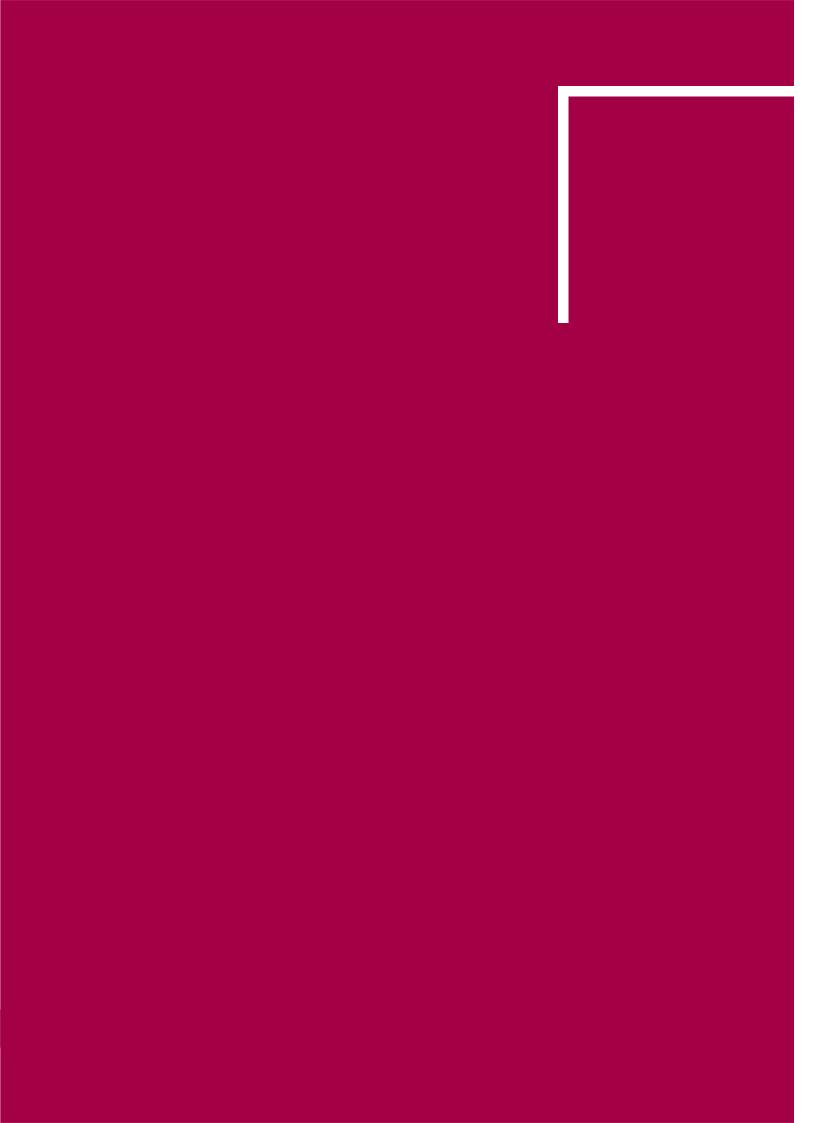




Annual Report & Financial Statements 2004



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National Pensions Reserve Fund Commission

20 June 2005

Mr. Brian Cowen TD Minister for Finance Government Buildings Upper Merrion Street Dublin 2

Dear Minister

I have the honour to submit to you the Report and Accounts of the National Pensions Reserve Fund Commission for the year ended 31 December 2004.

Yours sincerely

Donal J Geaney Chairman



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"We engaged in a substantial diversification exercise... with the objective of increasing the Fund's potential long-term return"

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Chairman's Statement

The National Pensions Reserve Fund performed well in 2004, earning a return of 9.3% or just under €1 billion. Coupled with the Exchequer contribution, this resulted in Fund growth of €2.1 billion during the year bringing its value to €11.7 billion.

2004 also marked the end of the Fund's start up phase as the Commission's averaging in approach to the global equity markets was completed. Our decision to stay the course and continue to invest in equities despite the bear market of 2001 and 2002 has enabled the Fund to invest at attractive valuations and to profit as the recovery took hold. Indeed, the events of the last three years illustrate the importance of not being deflected from long-term investment beliefs in the light of short-term market movements.

With its value now equivalent to 9.5% of GNP, the Fund already represents a material provision for future pension liabilities. It is projected to grow rapidly over the next two decades reaching the equivalent of 40% of GNP by 2025, the first year of drawdown. We on the Commission are extremely cognisant of our fiduciary responsibilities in managing these public moneys and are determined to do our best, within prudent risk parameters, to meet as much as possible of future public pension liabilities so that today's workforce can look forward to secure pensions in their retirement.

With this in mind, we focused in 2004 on the next developmental phase in the Fund's lifecycle and, in particular, on the framework within which it will operate over the next five vears. Specifically, we engaged in a substantial diversification exercise, evaluating prospective new asset classes with the objective of increasing the Fund's potential long-term return without substantially changing its risk profile. As a result we have decided to allocate 18% of the Fund to additional asset classes - property, private equity and commodities. We took into account the asset allocations of international peer funds in making final judgements as to our desired allocations.

The last twelve months or so have seen considerable change in the make-up of the Commission. Three of the commissioners initially appointed in 2001, Dan Tully, Bob Curran and Martin Kohlhaussen have completed their terms of office and I would like to thank them for their commitment in helping to turn what was in effect a €6.5 billion bank balance into a diversified pension fund. I am also pleased to welcome the reappointments as commissioners of Brid Horan and Don Roth and the appointments of Brian Hillery and John Canning.

Indeed the work involved in the Fund's start-up phase has demanded enormous effort from all the commissioners and the staff of the

Fund's Manager, the NTMA, and I would like to thank them all for their dedication in this regard. We are now embarking on an equally challenging task, one that involves building up significant high quality property and private equity portfolios, as well as expansion into commodities and emerging markets, involving a total investment in the region of €5 billion over the next five years. At the same time, we must ensure that our approach to managing the Fund's core equity and bond investments is continually refreshed in the light of experience and market developments. It is, however, a challenge we are looking forward to as we implement the Government's objective in establishing the Fund - providing for Irish pensioners in the challenging demographic climate that lies ahead.

Donal J Geaney Chairman 20 June 2005

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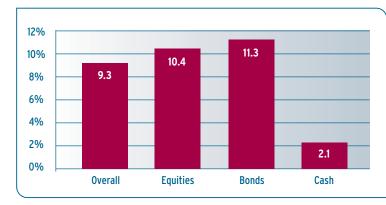


2004 - At a Glance

Performance

 The Commission achieved a return of 9.3% on its investments in 2004 with both equities and bonds contributing strongly.

NPRF PERFORMANCE 2004



- The Commission's averaging in or phased entry programme to the capital markets (in order to reduce market entry risk by spreading it over time) was completed during 2004. The programme has seen the Fund outperform its strategic benchmark by a cumulative 8.9% over the period since its inception in 2001.
- The Fund's market value at end 2004 was €11,689m (equivalent to 9.5% of GNP). Excluding the 2004 Exchequer contribution of €1,177m, there was an appreciation of €951m in the value of the Fund during the year.

Change in NPRF Financial Position 2004		
	€m	
Net Assets of Fund at 1 January 2004	9,561	
Contributions	1,177	
Net Investment Return	951	
Net Assets of Fund at 31 December 2004	11,689	

2004 - At a Glance

Asset Allocation

- The Commission invested €1,415m in global equity markets during the year. It made no new investments in bonds reflecting a tactical decision not to commit additional moneys to bonds at current yields.
- Managers were appointed to two new small cap equity mandates (the United States and EAFE (Europe, Australasia, Far East)). 1% of the Fund (€109m) was invested in each mandate in September.
- The Fund commenced its property investment programme in December.

Investment Strategy

• Building on the initial investment strategy in 2001, which allocated 80% of the Fund to equities and other real assets and 20% to bonds, the Commission carried out a substantial evaluation of prospective Fund asset classes in 2004 with a view to diversifying the Fund's investment base. The aim of this diversification is to exploit potential sources of additional long-term return without substantially altering the Fund's risk profile. As a result of the evaluation, the Commission has decided to allocate 18% of the Fund to additional real asset classes (property, private equity and commodities). It has decided to increase its small cap equity allocation from 2% to 4% and to allocate 2% of the Fund to emerging market equities. The Fund's revised target strategic asset allocation will set out the framework within which it will operate over the next five years.

"The Commission
achieved a return
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Overview

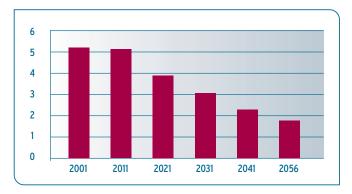
"Establishment of the Fund before the fiscal issues caused by population ageing begin to bite means that relatively modest contributions can have a significant effect"

Background - the Pensions Issue

The National Pensions Reserve Fund was established in April 2001 in line with recommendations that there should be partial prefunding of the costs of social welfare and public service pensions in the reports of the Pension Board's National Pensions Policy Initiative, the Department of Finance's Budgetary Strategy for Ageing Group and the Commission on Public Service Pensions. The Fund's objective is to meet as much as possible of the increased costs of social welfare and public service pensions from 2025 until at least 2055.

Ireland currently has a pay as you go public pension system - in any one year pensions are paid out of taxation, social insurance contributions and other Government receipts. This system works well when there are sufficient people in employment to meet the costs of pensions for those who have retired. At present this is the case in Ireland as there are more than five people of working age to every pensioner and it will remain the case for some years to come. However, in the longer-term, the ratio of people of working age to pensioners (the pensioner support ratio) is projected to fall: to 3:1 by 2030 and to less than 2:1 by mid-century.

PROJECTED PENSIONER SUPPORT RATIO



Source: Department of Social and Family Affairs (2002)

This ageing of the population is due to increased life expectancy and lower birth rates. In particular, the proportion of pensioners will start to rapidly increase as the bulge in the population caused by the baby boom generation of the 1970s and 1980s, which is now in the workforce and contributing to economic growth, moves into retirement.

Overview

Population ageing will inevitably lead to significantly increased public pension costs, in particular in the social welfare area, as more pensioners have to be supported by proportionally fewer workers. Projections indicate that social welfare and public service pension costs are likely to double as a proportion of GNP from 4.5% at the start of this century to over 9% by mid-century putting significant pressures on the public finances. These pressures may be met by higher taxation, reduced pension benefits, an increase in the retirement age or by moving from complete reliance on pay as you go to a part prefunded pension system as represented by the establishment of the National Pensions Reserve Fund.

It is important that demographic and pension projections are revised regularly in the light of increases in pay and pensions, updated economic growth projections and changing demographic assumptions (birth rate, mortality, immigration). In this regard, the National Pensions Reserve Fund Act provides that the Commission shall, from time to time. have assessments made of the profiles of Exchequer outlays on social welfare and public service pensions after consultation with the Ministers for Finance and Social and Family Affairs. It is planned to commence this work towards the end of 2005. This exercise will take into account the CSO's Population and Labour Force Projections 2006 - 2036 and the Pensions Board's National Pensions Review.

LIFE CYCLE OF THE NATIONAL PENSIONS RESERVE FUND

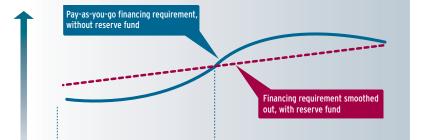
Purpose of the Fund

The Fund is essentially a demographic equalisation mechanism involving the statutory investment by the Government of 1% of GNP annually. No money can be drawn down before 2025 and, from then on, drawdowns will continue until at least 2055 under rules to be made by the Minister for Finance.

Ireland's population is younger than that of other European countries and the issues posed by population ageing will, consequently, impact on us later. The Fund entails setting aside some of the revenues generated while the bulk of our population is in the labour force and contributing to economic growth, investing them. and drawing them down in the future when growth rates are likely to be slower and the age dependency burden very much increased.

Establishment of the Fund before the fiscal issues caused by population ageing begin to bite means that relatively modest contributions can have a significant effect (it is projected that the Fund will be equivalent to 40% of GNP in 2025 - the first year of drawdown).

The Fund's life-cycle consists of (1) an accumulation phase during which moneys are put aside to pre-finance a proportion of the additional pension costs associated with the retirement of the baby boom generation and (2) a payout phase which supplements the pay as you go system. In this way the Fund smooths the Exchequer costs arising from Ireland's additional pension commitments over a lengthy period thus contributing to the long-term sustainability of the pension system.



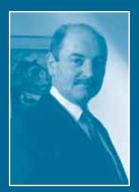
→ Accumulation phase → → Payout phase → → ■ Payout phase → ▶ → ■ Payout phase → ▶ → ■ Payout phase → ▶ ■ Payout phase → ▶

Diagram is not to scale



Fund Governance

National Pensions Reserve Fund Commission Members - June 2005



Mr Donal J Geaney - Chairman Chairman of Irish Aviation Authority, Automsoft International Ltd and Clinical Grid Ltd, and Member of the Court of Directors of the Bank of Ireland.



Mr John A Canning Jr Chairman and Chief Executive of Madison Dearborn Partners LLC and Member of the Boards of Directors of the Federal Reserve Bank of Chicago and the Jefferson Smurfit Group plc.



Dr Brian Hillery Chairman of Independent News & Media plc, Unicredito Italiano Bank (Ireland) plc and Providence Resources plc.



Ms Brid Horan
Group Pensions Manager,
Electricity Supply Board
and Member of the Board
of IDA, Ireland.



Mr Donald C Roth
Managing Partner, EMP
Global LLC, Member of the
Boards of Directors of
Newmont Mining plc and
ISEQ Exchange Traded
Fund plc, Member of the
National Treasury
Management Agency
Advisory Committee and
former Treasurer of the
World Bank.



Dr Michael J Somers (*ex-officio* member) Chief Executive of the **National Treasury** Management Agency and Chairman of the National Development Finance Agency, Member of the Boards of Directors of the Irish Stock Exchange, St Vincents Healthcare Group Ltd, University College Dublin Foundation Ltd and the National Theatre Society Ltd and Member of the Council of the Dublin Chamber of Commerce.

Fund Governance

The National Pensions Reserve Commission

The Fund is controlled and managed by the National Pensions Reserve Fund Commission, a body corporate consisting of seven members appointed by the Minister for Finance. The Commission is independent of Government in the exercise of its functions including the determination and implementation of the Fund's investment strategy in accordance with its statutory investment mandate. This mandate requires that the Fund operate on a commercial basis so as to secure the best possible financial return subject to prudent risk management.

The National Treasury Management Agency (NTMA) is the statutory Manager of the Fund for the period to April 2011 and the Commission is required to perform its functions through the Manager. The Commission may also delegate functions to the Manager; this is without prejudice to the responsibility of the Commission for these functions. The Chief Executive of the NTMA is an *ex officio* member of the Commission.

The members of the Commission in 2004 and as of June 2005 are as follows:

Mr Donal J Geaney - Chairman

Mr John A Canning Jr (from 2 April 2005)

Mr Robert J Curran (to 1 April 2005)

Dr Brian Hillery (from 1 July 2004)

Ms Brid Horan (to 1 April 2004 and from 1 July 2004)

Dr Martin Kohlhaussen (to 1 April 2005)

Mr Donald C Roth

Dr Michael J Somers (ex-officio member)

Mr Daniel P Tully (to 1 April 2004)

There was one vacancy on the Commission as of June 2005

Commissioners are appointed for five year terms. However, the commissioners appointed on the Fund's inception on 2 April 2001 (with the exception of the Chairman who was appointed for a five year term and the *ex officio* member) were appointed for three and four year terms to ensure a staggered rollover of Commission membership.

The Commission met four times during 2004, including a two day meeting regarding the Fund's long-term investment strategy.

Committees

Under Section 14 of the National Pensions Reserve Fund Act, the Commission may establish committees to assist and advise it in relation to the performance of any of its functions. Committees only have advisory functions and all decision making powers reside with the Commission. The Commission has established two committees:

Audit Committee

The Audit Committee reviews the financial reporting process, the NTMA's system of internal control, the audit process and the NTMA's process for monitoring the compliance of the Fund's custodian, investment managers and other key service providers with their contractual obligations to the Commission/NTMA.

The Audit Committee met four times during 2004. It comprises all commissioners except the Chairman and the Chief Executive of the Manager (NTMA) and is chaired by Mr Donald Roth. The Committee meets on an ongoing basis with the senior managers within the NTMA responsible for the Fund and with the Fund's internal and external auditors.

Property Investment Committee

The Commission has decided to delegate property investment decisions to the NTMA. It established the Property Investment Committee to advise the NTMA in relation to property investment, to monitor the implementation of the property investment strategy and to report back to the Commission. The Committee has five members, two commissioners and three external members. The two commissioners on the Committee are Mr Donal Geaney (Chairman) and Ms Brid Horan. The three external members are:

Mr Georg Funke

Chairman of the Management Board, Hypo Real Estate Holding AG.

Mr Barden Gale

Managing Director, Chief Investment Officer, Real Estate, ABP Investments.

Mr John Mulcahy

International Director and Managing Director, Ireland, Jones Lang Lasalle.

1. Following this, and at five yearly intervals thereafter, the Commission, acting in consultation with the Minister for Finance and with his or her consent, may reappoint the NTMA for a further five year term or may appoint an alternative Manager.



Investment Strategy

Strategic Asset Allocation

In June 2001 the National Pensions Reserve Fund Commission adopted the following mission statement:

To meet as much as possible, within prudent risk parameters to be agreed by the Commission, of the cost to the Exchequer of social welfare and public service pensions to be paid from the year 2025 until the year 2055, as provided for in the National Pensions Reserve Fund Act 2000.

This mission statement was put into effect through the Fund's initial strategic allocation of 80% to equities and other real assets and 20% to bonds. This asset mix was chosen based on advice from and on foot of extensive modelling by Mercer Investment Consultants as it offered the most attractive long-term balance between risk and reward. While this initial strategy setting exercise focused on large cap equities and bonds, it was recognised at the time that other real assets, such as property and private equity, were valid investment categories for the Fund and would be evaluated by the Commission in due course.

In interpreting the mission statement the Commission's ongoing focus is on maximising long-term performance and diversifying the sources of risk to the Fund taking into account its long-term investment horizon.

During 2004 the Commission engaged in a substantial diversification exercise, evaluating prospective new asset classes with the aim of exploiting potential sources of additional long-term return without substantially altering the Fund's risk profile. As a result of this evaluation, the Commission has decided to allocate 18% of the Fund to additional asset classes (property, private equity and commodities).

The Commission has also decided to increase its small cap equity allocation from 2% to 4% and to allocate 2% of the Fund to emerging market equities.

The target strategic asset allocation sets out the framework within which the Fund will operate over the next five years. Investment in property and private equity will take place on a phased basis in order to construct high quality diversified portfolios through time. The Commission does not expect to reach its target allocations in respect of these asset classes until the end of 2009.

Investment Strategy

Target NPRF Strategic Asset Allocation (end 2009)

<pre>% Asset Allocation Large Cap Equity 63 Small Cap Equity 4 Emerging Markets Equity 2 Total Quoted Equity 69 Property 8 Private Equity 8 Commodities 2 Total Additional Assets 18 Bonds 13 100</pre>			
Small Cap Equity 4 Emerging Markets Equity 2 Total Quoted Equity 69 Property 8 Private Equity 8 Commodities 2 Total Additional Assets 18		% Asset A	location
Emerging Markets Equity 2 Total Quoted Equity 69 Property 8 Private Equity 8 Commodities 2 Total Additional Assets 18	Large Cap Equity	63	
Total Quoted Equity 69 Property 8 Private Equity 8 Commodities 2 Total Additional Assets 18	Small Cap Equity	4	
Property 8 Private Equity 8 Commodities 2 Total Additional Assets 18	Emerging Markets Equity	2	
Private Equity 8 Commodities 2 Total Additional Assets 18	Total Quoted Equity		69
Commodities 2 Total Additional Assets 18	Property	8	
Total Additional Assets 18	Private Equity	8	
	Commodities	2	
Bonds 13 100	Total Additional Assets		18
100	Bonds		13
			100

The Commission will also invest in Public Private Partnerships (PPPs) in Ireland as appropriate opportunities arise. The Commission has made an initial allocation of €200m to PPPs and will increase this allocation should suitable investments become available.

The following were key factors in both the initial 2001 strategic allocation and the 2004 diversification.

The Fund's Long-Term Investment Horizon

With no drawdown before 2025 the Fund has a very long investment horizon. Asset classes such as quoted and private equities, property and commodities offer the prospect of real capital appreciation over such long timescales. While these asset classes are more volatile than monetary assets such as bonds, this volatility tends to diminish over longer investment horizons. Quoted equities have historically provided investors with additional return over bonds. According to the investment strategy report prepared by Mercer Investment Consultants for the Commission in June 2001, they have, over long time periods, outperformed bonds by around 6% per annum. In making its strategic asset allocation decisions, the Commission assumed a more conservative equity premium of 3% per annum.

The Exchequer Contribution

The Fund receives income of 1% of GNP annually from the Exchequer (€1,177m in 2004). Technically this income acts as a volatility dampener smoothing the prices at which assets are purchased due to the long time period over which purchases are made.

In addition, it provides the Fund with regular cash flow, positioning it to make investments in property and private equity funds (where moneys committed may be called for at short notice) without having to liquidate existing investments in other asset classes.

The Nature of the Exchequer's Pension Liabilities

The value of Ireland's social welfare and public service pension liabilities are, to a large extent, inflation/salary linked. Real assets, such as equities, property and commodities whose values tend to rise with inflation, are reasonable asset classes to consider when funding such long-term liabilities.

Risk Profile

There is, in any investment strategy, a trade-off between risk and return. In 2001 the Commission decided that the most attractive long-term portfolio in terms of risk/reward tradeoffs was an 80/20 equity and other real asset/bond split. While equity weightings substantially lower than this may result in a fund that experiences less volatility from year to year, this greater stability will most likely have been achieved by sacrificing long-term expected return.

In its 2004 diversification exercise, the Commission decided not to substantially alter the Fund's risk profile, with the existing 80/20 equity/bond strategy acting as a baseline for the development of the strategic asset allocation. To be considered for inclusion in the Fund, an asset class had to increase prospective return, reduce risk or both. Different combinations of asset classes will give different risk/return ratios. For example, private equity offers the prospect of substantial additional return while property and commodities also markedly improve diversification. Taken together, the inclusion of these additional asset classes in the Fund should increase prospective long-term return for a similar level of risk.

The Fund's target strategic asset allocation (end 2009) was derived using an asset allocation model with independent inputs from a number of market sources which was calibrated by the NTMA. This calibration was designed to ensure that realistic allocations to new asset classes were derived.



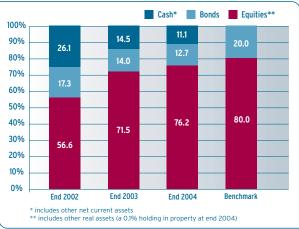
Investment Strategy

Asset allocation models can have difficulty incorporating assets such as property and private equity, mainly due to their illiquid nature, and the calibration of the model by the NTMA made allowances for this. Even so, quantitative modelling can only act as a guide in asset allocation and qualitative considerations also play an extremely important role in the process. In this regard, the Commission took into account the asset allocations of international peer funds in making final judgements as to its desired allocations.

2004 Investments

The Commission committed €1,415m to global equity markets during 2004 including the initial funding of the small cap allocation (€218m). This completed the averaging in or phased approach to investment in the capital markets adopted by the Commission in order to reduce the Fund's market entry risk by spreading it over time.

NPRF INVESTMENTS 2002-2004



The Fund remains underweight relative to its benchmark bond allocation. This is as a result of a tactical decision by the Commission not to make new investments in bonds while yields are at or near historical lows.

The Fund's property investment programme commenced in December 2004 while in the area of PPP the Fund has joined a consortium which has been qualified to tender for the M50 motorway upgrade.

NPRF Investments by Asset Class 31 Dec 2004

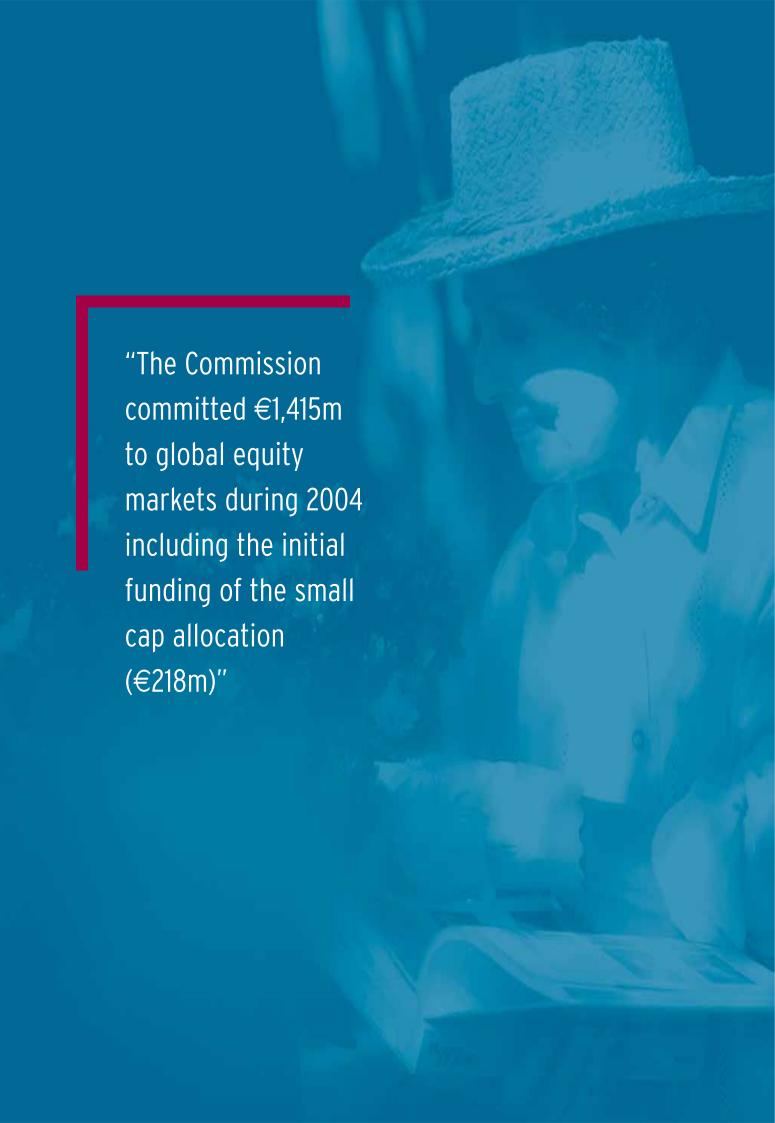
	€m	% of Fund
Large Cap Equities	8,667	74.1
Small Cap Equities*	226	2.0
Property	12	0.1
Bonds	1,485	12.7
Cash**	1,299	11.1
Total	11,689	100.0

all cap equity figures relate to the Fund's dedicated small cap equity mandates only. The Fund's large cap managers also have limited discretion to invest in small



Eurozone Equity Eurozone Gov Bonds Pacific Basin Equity (ex Japan) Japanese Equity European Equity (ex eurozone) North American Equity

DISTRIBUTION OF NPRF INVESTMENTS 31 DECEMBER 2004



Asset Classes

Large Cap Equities

Pacific Basin

Total

The Fund is primarily invested in large cap equities. The Commission's strategic preference for equities is on the basis that over the long-term they will generate a superior return although short-term market volatility can cause large performance swings. 50% of the Fund's large cap equity allocation is to the eurozone and 50% is to non-eurozone developed markets. The regional distribution of the Fund's non-eurozone equities is based on the market capitalisation of each region and is subject to adjustment in the light of market capitalisation changes.

Non-Eurozone Allocation	
North America	33.3%
Europe	8.9%
Japan	5.4%

As the Fund moves towards its 2009 target allocation, its large cap equity allocation will drop progressively from 80% to 63% (to be achieved by not committing new moneys to the asset class rather than by liquidating existing investments).

2.4%

50.0%

Management of the Fund's large cap equities has been divided into a number of regional mandates and outsourced to external investment management institutions. Recognising that large cap equity markets are, to a large extent, efficient, but that opportunities to outperform the market do exist, the Fund employs, both active (where the manager's target is to outperform a specified market index) and passive (where the manager's target is to replicate the return to a specified market index) investment managers. The Fund's active managers employ different investment approaches and styles in seeking to add value above benchmark returns. This allows for diversification so that the Fund's performance is not too dependent on the performance of any one manager or investment style. Passive management offers a low cost means of earning market returns while limiting the risk of the overall portfolio diverging too substantially from the market average.

As of 31 December 2004, 50.0% of the Fund's large cap equity allocation was actively managed.

Investment Manager Styles

Growth managers seek to add value by investing in stocks that they expect to achieve above average earnings growth.

Value managers seek to add value by investing in stocks that are currently underpriced and have the ability to perform well in the future.

Enhanced index managers seek to add value while maintaining portfolios close to the index.

NPRF Large Cap Equity Mandates and Managers June 2005

Mandate	
Eurozone	
Eurozone	

North America

ACTIVE Mandate

Pan Europe Pan Europe Global

North America - Enhanced Index North America - Growth

North America - Value Japan

Pacific Basin (ex Japan)

Manager

Barclays Global Investors Bank of Ireland Asset Management/ State Street Global Advisors Barclavs Global Investors

Manager

Oechsle International Advisors **Putnam Investments** Capital International Invesco Goldman Sachs Asset Management International Lord. Abbett & Co Daiwa SB Investments JPMorgan Asset Management

Schroder Investment Management

Asset Classes

Small Cap Equities

Historical evidence indicates that, over the long-term, small cap equities have tended to outperform their large cap counterparts, but that this outperformance tends to be uneven. However, given its long-term investment horizon, the Fund can reasonably expect to capture this outperformance over its lifetime.

The Fund's small cap equity allocation of 4% is divided 50/50 between the US and EAFE regions (Europe, Australasia, Far East). Recognising the relative inefficiency that exists in the small cap market, all of the Fund's small cap allocation is actively managed.

NPRF Small Cap Equity Mandates and Managers June 2005

Mandate	Manager
United States	UBS Gobal Asset Management
EAFE	Acadian Asset Management

NPRF Investment Managers **Appointment and Review Process**

The Fund's investment managers were appointed following competitions under EU public procurement rules and are formally reviewed twice yearly, and more frequently if necessary, by the NTMA. The review process concentrates on three main areas: the manager's investment team, the investment process and performance. Judgements about a manager's performance, particularly where there have been no changes in the investment team or process, are typically made over the medium-term. The NTMA reports on individual manager performance at each Commission meeting. The decision to hire a manager or to terminate a manager's appointment is ultimately a matter for the Commission.

Emerging Markets Equities

Emerging markets, which include many countries with rapidly growing economies, offer opportunities to earn returns in excess of those available in developed markets. In recognition of the relative inefficiency of emerging markets, the Fund's allocation to this asset class will be actively managed.

Hedging of FX Exposure from Non-Euro **Denominated Equities**

Half of the Fund's equity allocation is invested outside of the eurozone and 50% of the foreign currency exposure arising from this holding is hedged. Gains or losses on the hedge are an integrated part of the Fund's overall return on equity and the hedge is not a discrete trading position.

The decision to hedge 50% of the Fund's noneurozone equity weighting was based on a number of factors. Investment in non-euro denominated assets introduces an element of risk in that long-term currency movements over the Fund's investment timescale may be to the disadvantage of the Fund. On the other hand, investment in non-euro denominated assets can also serve to reduce risk through the increased diversification it brings to the Fund. Essentially the Commission was faced with the task of how to achieve the most efficient trade-off between these possible outcomes. The options ranged from hedging 100% of the Fund's foreign currency exposure to leaving all of this exposure unhedged. Detailed analysis by Mercer Investment Consultants (who advised the Commission on the formulation of its investment strategy in June 2001) indicated that a 50% foreign currency hedge provided the most efficient trade-off between risk and return.

The foreign currency hedge is implemented through a currency overlay strategy effected by the NTMA.

Property

Property offers the prospect of attractive returns and significant diversification benefits - thus significantly improving the Fund's potential return on a risk adjusted basis. It can also act as an effective hedge against inflation.

It is intended to access the property market indirectly through property investment vehicles rather than through acquiring and holding a physical property portfolio. This should help to achieve significant diversification in a reasonable timescale and also offers the opportunity to exploit leveraged structures in order to enhance return.



Asset Classes

The Fund's property investment programme will comprise holdings across the investment style range: core (low risk and market return), value add (medium risk and above average return) and opportunistic (higher risk and higher return), on a global basis: Europe, North America and Asia/Pacific. Achieving the Fund's 8% investment target by end 2009 is likely to involve investments in the region of €2.0bn by that time.

NPRF Property - Strategic Geographic Allocation

	Benchmark	Allocation Range
Europe	50%	Plus or minus 15%
North America	35%	Plus or minus 15%
Asia Pacific	15%	Plus or minus 15%

The Commission has delegated property investment decisions to the NTMA and the NTMA will identify suitable property investment opportunities in accordance with the allocation ranges set out above. It is intended to access the market primarily through the selection of private property funds. These funds are normally structured as partnerships comprising the general partner (the fund manager) who purchases and manages the fund's assets and a number of limited partners (the investors in the fund).

The Property Investment Committee advises the NTMA in relation to property investment. Proposed investments are evaluated by the Committee before money is committed.

Private Equity

Private equity, the provision of equity finance to unquoted firms, offers the Fund the potential for significant additional return. This additional return can take some time to materialise and returns are generally realised either through a trade sale or a market flotation. As with property, achieving the Fund's 8% investment target by end 2009 is likely to involve investments in the region of €2.0bn by that time. Investment will be concentrated in the US and Europe with a slight bias towards Europe reflecting the growing opportunities there.

As is also the case with property funds, private equity funds are generally structured as limited partnerships. It is intended to access the private equity market through a combination of:

- direct investment in funds (where, as with the property programme, the NTMA will identify suitable investment vehicles for the Fund);
- (ii) separate account arrangements (where an external manager builds a customised programme of funds for a client); and
- (iii) funds of funds (where a number of clients invest with an external manager who, in turn, invests in a number of underlying private equity funds).

It is intended to establish a Private Equity Investment Committee along the lines of the Property Investment Committee to assist with the implementation of the private equity investment programme.

Commodities

Commodities (oil and gas, industrial and precious metals and agricultural produce) offer attractive return prospects, a hedge against inflation and substantial diversification benefits. These diversification benefits can be achieved through small allocations to the asset class.

It is intended to access the commodities market passively through the purchase of certificates, available from major financial institutions, which reflect the return on a production weighted commodities index. This approach is simple and straightforward and obviates the need to physically hold commodities or to put in place resources to trade in the various commodities futures contracts.

Commodity indices do not include forestry. However, forestry is an attractive investment for pension funds as mature trees can be left in place during economic downturns and harvested when business improves. The Commission intends to invest in forestry and is currently working on the details of how it will access the asset class.

Asset Classes

Public Private Partnerships

Public private partnerships (PPPs) are arrangements where a private sector consortium contracts with the relevant public service entity to provide and/or operate public services or infrastructure.

PPP projects are financed using debt and equity.
PPP debt normally yields a premium over
corresponding government securities reflecting the risk
transfer to the holders of PPP securities and the
relative lack of liquidity. PPP debt is attractive to the
Fund as it provides a yield pick up over Government
debt while PPP equity investment complements its
private equity programme. The Commission has made
an initial allocation of €200m for investment in PPPs in
Ireland and this will be increased if suitable
opportunities arise.

While the Fund has joined a consortium which has been qualified to tender for the M50 motorway upgrade it will, in future, rather than join particular consortia in tendering for projects, make equity and/or debt finance available to the winning bidder provided it is satisfied with the prospective rates of return.

Bonds

The Fund invests in both government and corporate bonds and all of the Fund's bond investments are denominated in euro. The Fund is prohibited under the National Pensions Reserve Fund Act from investing in Irish Government bonds.

NPRF Bond Mandates and Managers June 2005

Mandate	1
Eurozone Sovereign - Passive	1
Eurozone Sovereign - Active	
Eurozone Corporate - Active	[

Manager
National Treasury Management Agency
Irish Life Investment Managers
Deutsche Asset Management

Reflecting the high degree of efficiency in the sovereign bond markets, the Fund's sovereign bond investments are primarily internally passively managed by the NTMA, with some outsourced active management in seeking to add value. 2% of the Fund is allocated to corporate bonds. The purpose of this allocation is also to add value (corporate bonds offer a yield pick up over Government bonds reflecting both lower issuer credit quality and a liquidity premium) and these investments will be actively managed. The corporate bond mandate was not funded in 2004 due to the narrowness of the difference between corporate and government bond yields which was towards the lower end of its historical range.

As of 31 December 2004, 75.1% of the Fund's bond investments were passively managed.

Over the period 2004 to 2009 it is envisaged that the Fund's benchmark bond allocation will fall from 20% to 13% (to be achieved by not committing new moneys to the asset class rather than by liquidating existing investments). The Fund can afford to let its bond allocation fall in this manner, while broadly maintaining its existing risk profile, due to the diversification effect of the new asset classes which reduces its dependence on the performance of any single asset class.

NATIONAL PENSIONS RESERVE FUND COMMISSION

Performance Review

Overall Fund Performance

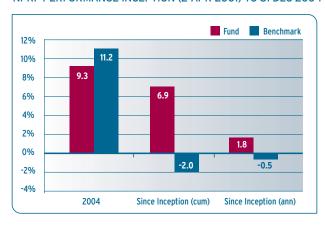
In 2004 the Fund achieved a return of 9.3% on its investments. Both equities and bonds were strong contributors to performance achieving double digit returns in each case.

In monetary terms the Fund appreciated by \leq 951m during 2004. Together with the Exchequer contribution of \leq 1,177m, this brought the Fund's year-end value to \leq 11,689m (equivalent to 9.5% of GNP).



The year also marked the end of the averaging in or phased approach adopted by the Commission to investment in the capital markets in order to reduce the Fund's market entry risk by spreading it over time.

NPRF PERFORMANCE INCEPTION (2 APR 2001) TO 31 DEC 2004



The Fund has outperformed its benchmark by 8.9% since inception, mainly due to the effects of the averaging in programme. The Fund underperformed its

benchmark by 1.9% in 2004: the averaging in programme was the most significant factor while other contributory factors were the tactical underweighting of bonds and relative underperformance by some active managers.

The averaging in process led to the Fund holding more cash and less equities than the benchmark through the year as the Commission adopted a cautious approach to the timing of the commitment of funds to the markets in the uncertain climate which was a feature of the year. As equity markets staged a fourth quarter rally this led to some underperformance. However, the success or otherwise of an averaging in programme can only be properly measured over the full period for which it was in effect and, measured in this context, it has added significant value enabling the Fund to avoid the worst effects of the bear market in 2001 and 2002 and purchase assets at attractive valuations as the recovery took hold and gathered pace through 2003 and 2004.

The Fund remains significantly underweight relative to its benchmark bond allocation as a result of the Commission's tactical decision not to commit additional money to bonds during the year. The Commission's view is that yields currently available on bonds (the real yield on eurozone 10 year bonds when adjusted for Irish inflation is in the region of 1%) are insufficient to meet emerging pension liabilities and do not justify further investment in the asset class at this stage. The Commission is prepared to accept short-term underperformance against the benchmark in the longer-term interests of the Fund.

With regard to manager underperformance, the Commission's policy is that active management can only be justified where there is a reasonable expectation, taking into account the extra costs incurred, that it can add value over and above passive management. While even the best managers can underperform over the short-term, ongoing underperformance would give rise to concern. Given that the initial investment managers appointed to the Fund have now been in place for three years, this is an area which will continue to be closely scrutinised by the Commission over the coming twelve months.

Performance Review

The Fund's Market Entry Programme

On its establishment in April 2001, the Fund received an initial Exchequer contribution of \in 6,515m comprising the net receipts of the Telecom Éireann flotation and 1% of GNP contributions for 1999 and 2000. The Commission was then faced with a decision - whether to commit all funds to the markets together or whether to average in over time.

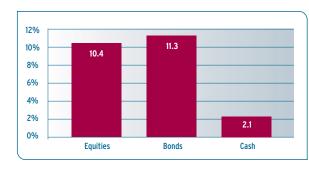
An averaging in approach leads to a fund underperforming its benchmark in a rising equity market due to its holding less equities and more cash than the benchmark. Conversely, it leads to outperformance in a falling market.

Despite widespread expectations of a US led global recovery in early 2002, the Commission decided that the economic and financial markets outlook was not certain. Therefore it pursued an averaging in approach which would reduce the Fund's market entry risk by spreading its market entry over time. This enabled the Commission to delay its investment strategy as market conditions deteriorated through 2002.

As markets recovered from their lows of early 2003, the pace of investment increased with the entry programme being completed by end 2004.

Performance by Asset Class

NPRF PERFORMANCE BY ASSET CLASS 2004



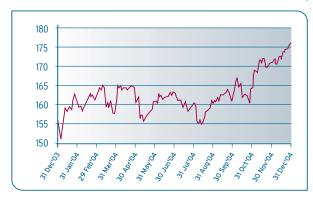
Equities

The Fund's equity investments achieved a return of 10.4% in 2004 as the market recovery which commenced in 2003 continued through 2004.

After making solid progress early in the year,

markets drifted for much of 2004 as investor concerns focused on a range of issues, including the sustainability of the US economic recovery, the oil price and the situation in the Middle East, and markets traded within narrow ranges. As the year progressed, investor sentiment improved and markets experienced an end year rally.

FTSE ALL WORLD DEVELOPED INDEX 2004 (local currency)



In local currency terms, the major regions in which the Fund holds equity investments provided broadly similar returns as corporate earnings continued to recover. Different factors underpinned earnings growth in each region. While the US market benefited from above trend growth, economic activity in Europe remained sluggish: however, positive returns in equity markets were prompted by corporate rationalisation, cost cutting and restructuring. The Pacific Basin outperformed significantly with these economies being major beneficiaries of Chinese growth.

RETURNS TO FTSE EQUITY INDICES 2004



Performance Review

As in 2003, gains on international equities were eroded substantially in euro terms by the appreciation of the currency, in particular against the dollar as substantial increases in the US budget and current account deficits raised doubts about the continued willingness of overseas investors to finance these deficits.

The Fund avoided much of this erosion through its currency hedging strategy whereby 50% of the foreign currency exposure arising from non-euro equity investments is hedged into euro.

Bonds

The Fund's bond investments achieved a return of 11.3% in 2004 as bonds outperformed expectations.

After a positive start to the year, eurozone bond markets reversed direction in the second quarter amid concerns that the short-term outlook for inflation had worsened. As these fears subsided in the latter half of the year bond performance improved steadily.

Contributory factors to this turnaround were the appreciation of the euro, continued sluggish growth in the main eurozone economies and a view that the likely effect of increasing oil prices would be to reduce developed world economic activity rather than to increase inflation. Against this background the ECB did not increase interest rates during the year.

Overall, the fact that eurozone interest rates did not change, whereas substantial increases had been discounted, meant that longer-term eurozone bonds were major beneficiaries (yields on ten year government bonds fell by about 0.6%).

Cash

Due to the continuation of the averaging in market entry approach through 2004 and the tactical decision to underweight bonds, the Fund had significant cash holdings throughout the year. The return earned on the Fund's cash deposits reflects the fact that unallocated cash is placed on deposit with the Central Bank of Ireland.

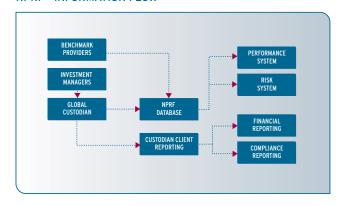
Risk, Oversight and Controls

Overview

The Fund is exposed to a number of risks and one of the principal tasks of the Commission and the NTMA as Fund Manager is managing these risks. To this end, the NTMA has installed information technology systems and developed detailed control procedures in line with industry best practice. These procedures include monitoring the positions taken by the Fund against the benchmark portfolio (both at overall Fund and sub-portfolio level), compliance of investment managers with the provisions of their contracts, investment manager performance and effective execution of trades.

The NTMA has developed an internal database to store Fund transaction, security and valuation data (supplied by the global custodian) and Fund performance indices (supplied by the index providers). This is updated and reconciled daily and is the data source for daily risk and performance monitoring. It provides a record of all Fund transactions since inception.

NPRF - INFORMATION FLOW



Risk

The primary source of risk to the Fund is the amount of market risk the Commission wishes to take so that the Fund will achieve its investment objective. This market risk includes fluctuations in equity and bond prices, foreign exchange movements etc. It is necessary to take some market risk in order to generate return and the extent of the Fund's market risk is inherent in its investment strategy as defined by its strategic benchmark. In formulating this investment strategy the

Commission has taken into account the fact that, due to its long-term investment horizon, the Fund can afford to bear short-term volatility of returns in anticipation of long-term performance. The Commission has endeavoured to maximise potential return while keeping this volatility within reasonable limits by diversifying the Fund's investments across a number of asset classes.

A further source of risk is that of deviation from benchmark return and the Commission has chosen to take a limited degree of risk in this regard in pursuit of additional return. This limited risk arises principally from two sources: the portfolios held by the Fund's active managers and tactical asset allocation decisions by the Commission or NTMA (which can result in the Fund's asset allocation mix temporarily differing from its benchmark). This risk of deviation from benchmark return is monitored on a daily basis by the NTMA through the use of tracking error utilising an externally provided risk management system.

Tracking Error & Risk Budgeting

Tracking error is the standard deviation of the performance difference between an actual and a benchmark portfolio. The Fund's overall tracking error limit is 1.25%. This means that annual fund performance would be expected to be within 1.25% of benchmark performance two thirds of the time. The Fund's overall tracking error is allocated between individual investment managers through a risk budgeting process. The higher the tracking error allocated to a manager, the greater the flexibility accorded to the manager in departing from the benchmark portfolio. For example, the Fund's active equity managers typically have a risk budget of 6%: annual manager performance would be expected to be within 6% of benchmark performance two thirds of the time.





Risk, Oversight and Controls

Compliance

The NTMA monitors each manager's compliance with the terms of their investment contract on a daily basis utilising the global custodian's client reporting system. Each contract contains a set of guidelines, which are referred to as the manager's Statement of Investment Objectives and Restrictions (SIOR). The SIORs typically include restrictions on the currencies in which the manager is permitted to hold assets, a minimum number of securities which the manager must hold, a limit on the proportion of the manager's portfolio invested in any one security and a ceiling on the percentage of the portfolio which may be held in cash.

Performance

The NTMA utilises an externally provided performance measurement system to analyse the performance of each investment manager and of the Fund.

Performance reports analyse sources of value added/lost, identify portfolio deviation from benchmark and chart performance over time. Performance reports are used to inform review meetings with investment managers and monthly summary reports are prepared for the Commission.

Effective Execution

The efficiency with which investment managers execute trades on behalf of the Fund can have an important bearing on investment performance. Trade execution is monitored by an external service provider for all equity mandates and by the NTMA itself for the bond mandates, the currency overlay (the means through which the Fund hedges 50% of the foreign currency exposure arising from investment in non-euro denominated assets) and foreign exchange transactions with the custodian by external managers.

Global Custodian

The Fund's global custodian, ABN Amro Mellon, is responsible for transaction settlement (the delivery of cash or securities in respect of purchase/sales of the Fund's assets) and the safekeeping of the Fund's assets independently of the investment managers. This involves the holding in safe custody of all securities and other assets in the ownership of the Fund and the

issuance of confirmations that such assets are held to the order of the Fund. An essential part of the service is the maintenance of accurate records and the issuance of reports to the Fund and certificates to auditors confirming the details of assets in custody. Data supplied by the custodian is used to generate the Fund's risk, compliance, performance and effective execution reports.

The custodian's functions also include the collection of income and dividends on assets, claims of tax refunds due to the Fund and the provision of a comprehensive range of financial accounting reports.

Reports to Audit Committee

The NTMA makes a series of standard written reports to each Audit Committee meeting setting out details of any breaches of controls and any other control issues which may have arisen.

Fund Audit Arrangements

The Comptroller and Auditor General is the statutory external auditor of the Fund. The NTMA also has in place an internal audit function. This work is supplemented by an external firm of auditors which performs internal audit work. PricewaterhouseCoopers currently carry out this function.

The Fund has received satisfactory reports from both its external and internal auditors in respect of 2004.

Fees, Expenses and Fund Income

The accrued fees and expenses incurred in the operation of the Fund in 2004 (including investment manager fees) totalled €18.3m taking 0.15% from overall Fund performance.

Fund Expenses 2004

	€
Investment Manager fees	16,073,182
Global Custodian fees	1,010,250
Fees & Expenses of Commissioners	313,571
IT Systems	597,494
Legal Fees	3,509
Consultancy Fees	123,410
External & Internal Audit Fees	120,000
Other Fees and Expenses	53,748
Total	18,295,164

Investment manager fees rose over 2003 levels (€11,456,991) reflecting the completion of the market entry process during the year, the growth in the value of the Fund and the consequent increase in funds under management. The Fund has negotiated "most favoured nation" status with all its investment managers which ensures that no other clients with a similar investment mandate can be offered more advantageous terms.

In addition to the above expenses, the costs incurred by the NTMA in its role as Manager amounted to €3,420,775. These costs are borne by the Exchequer and are excluded from the above.

The Fund earned \in 5.4m from its securities lending programme (\in 4.3m) and its participation in a brokerage recapture scheme (\in 1.1m) in 2004.

Securities Lending & Brokerage Recapture

Securities lending involves the temporary transfer of a security from its owner to another investor or financial intermediary and represents a low risk means of earning additional return and enhancing portfolio performance. The Fund's securities lending programme is managed by its global custodian - ABN Amro Mellon. Loans are made to approved counterparties who meet minimum credit criteria. All loans are collateralised and structured in a manner which allows the Fund to terminate the loan at any time.

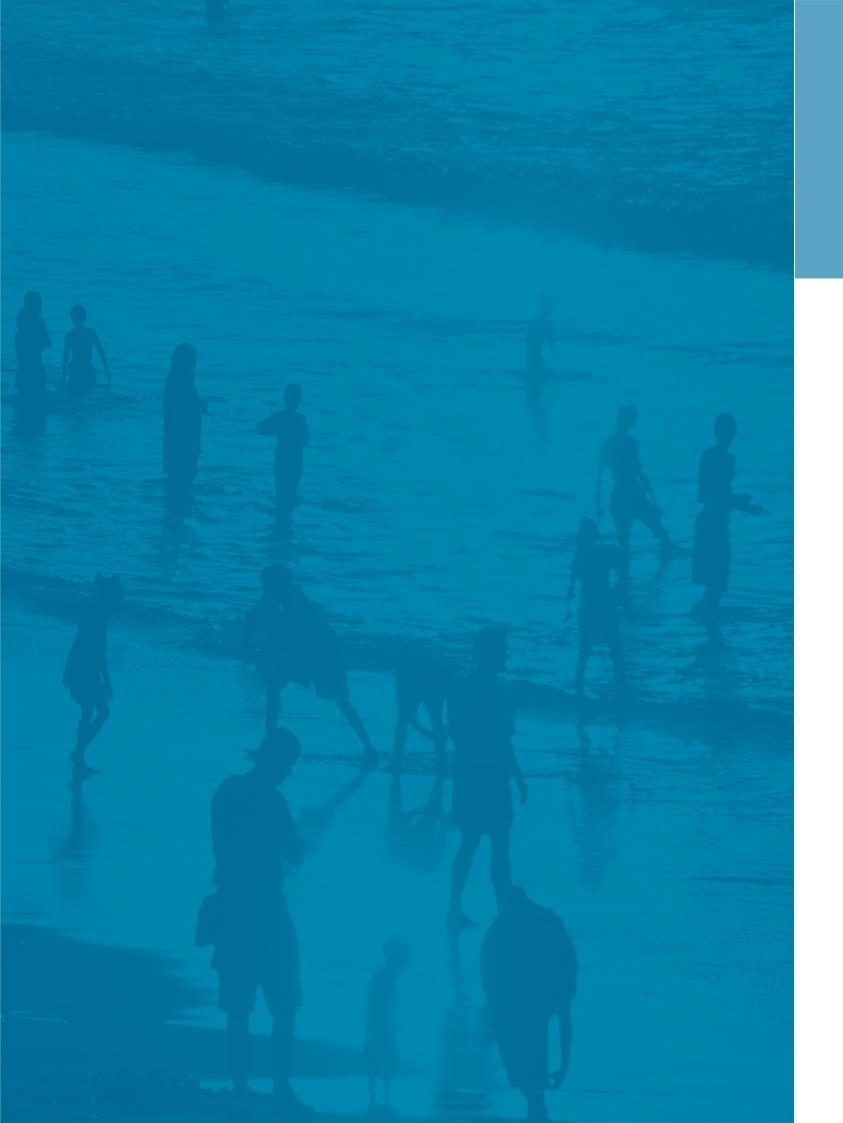
Brokerage recapture allows a fund to separate the cost of research and execution in brokerage commissions and pay only for execution on specified trades. The Fund participates in a programme managed by the Frank Russell Company. The Fund's active equity investment managers have been set a target of directing 25% of trades, subject to best execution, through brokers participating in the programme.

ANNUAL REPORT 2004



Financial Statements of the National Pensions Reserve Fund

for the year ended 31st December 2004





Commission Members and Other Information

COMMISSION MEMBERS

The Members of the Commission at the date of the Report are:

Mr. Donal J. Geaney - Chairman

Mr. John A. Canning Jr.*

Dr. Brian Hillery**

Ms. Brid Horan***

Mr. Donald C. Roth Dr. Michael J. Somers

Mr. Robert Curran and Dr. Martin Kohlhaussen served as members of the Commission until 1 April 2005. Mr. Daniel Tully served as a member of the Commission until 1 April 2004.

BANKERS & CUSTODIAN

Central Bank of Ireland

ABN Amro Mellon

AUDITORS

Comptroller & Auditor General Dublin Castle Dublin 2

MANAGER

National Treasury Management Agency

INVESTMENT MANAGERS

Acadian Asset Management Inc.

Barclays Global Investors Limited

Bank of Ireland Asset Management Limited / State Street Global Advisors (UK) Limited

Capital International Limited

Daiwa SB Investments (UK) Limited

Deutsche Asset Management International GmbH ****

Goldman Sachs Asset Management International

Invesco Institutional (N.A.) Inc.

Irish Life Investment Managers Limited

JPMorgan Asset Management (UK) Limited

Lord, Abbett & Co

Oechsle International Advisors LLC

Putnam Investments Limited

RCM (UK) Limited

Schroder Investment Management (Singapore) Limited

UBS A.G.

- * Mr. John A. Canning Jr was appointed as a member of the Commission on 2 April 2005.
- ** Dr Brian Hillery was appointed as a member of the Commission on 1 July 2004.
- *** Ms. Brid Horan's term of appointment as a member of the Commission ended on 1 April 2004. She was re-appointed on 1 July 2004.
- **** Manager appointed in May 2004, monies not yet invested at 31 December 2004.



Investment Report

The Commission determines the investment strategy for the Fund, which was invested at 31 December 2004 as follows:

	€	% of Total
Equities		mvestment Assets
Europe	5,414,362,505	46.47
North America	2,713,134,247	23.29
Japan	546,757,763	4.69
Asia Pacific	218,648,315	1.88
	8,892,902,830	76.33
Bonds		
Austria	43,892,173	0.38
Belgium	99,773,605	0.86
Finland	12,937,499	0.11
France	304,607,341	2.61
Germany	341,691,987	2.93
Greece	60,697,321	0.52
Italy	374,622,074	3.22
Netherlands	85,693,937	0.74
Portugal	30,584,248	0.26
Spain	130,596,681	1.12
	1,485,096,866	12.75
Property Investments		
United Kingdom	11,346,715	0.10
Deposits		
Euro	1,186,936,807	10.19
US Dollar	41,088,697	0.35
Japanese Yen	3,839,336	0.03
Sterling	1,276,095	0.01
Other Currencies	274,003	0.00
Foreign Exchange Contracts	1,233,414,938	10.58
Unrealised gain/(loss) foreign exchange contracts	28,216,797	0.24
Futures Contracts		
Unrealised gain/(loss) on futures contracts	156,187	0.00
Total Investment Assets	11,651,134,333	100.00

Donal J. Geaney Chairman of Commission Michael J. Somers Chief Executive

National Treasury Management Agency (as Manager)

15 June 2005



Statement of Commission's Responsibilities

The Commission is required by the National Pensions Reserve Fund Act, 2000 to prepare financial statements in respect of its operations for each financial year.

In preparing those statements, the Commission is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate;
- disclose and explain any material departure from applicable accounting standards.

The Commission is responsible for keeping in such form as may be approved 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 National Pensions Reserve Fund and the administrative costs of the Commission.

The Commission is also responsible for safeguarding assets under its control and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Donal J. Geaney Chairman of Commission

15 June 2005

Michael J. Somers Chief Executive

National Treasury Management Agency (as Manager)





Responsibility for System of Internal Financial Control

The Commission acknowledges its responsibility for ensuring that an effective system of internal financial control is maintained in relation to the operations of the National Pensions Reserve Fund ("the Fund").

The National Treasury Management Agency ("the Manager") is the Manager of the Fund and acts as the Commission's agent in the performance of its functions. The Manager implements the system of internal financial control on the Commission's behalf.

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 period.

Key Control Procedures

The Manager has taken steps to ensure an appropriate control environment by:

- clearly defining management responsibilities;
- establishing formal procedures for reporting significant control failures to the Commission and ensuring appropriate corrective action.

The Manager has established processes to identify and evaluate certain risks by:

- identifying the nature, extent and financial implication of risks facing the Fund and monitoring them against standards which the Commission regards as acceptable;
- assessing the likelihood of identified risks occurring;
- assessing the Fund'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 for the administration costs of the Fund, with an annual budget which is determined by the Commission;
- regular reviews of periodic and annual financial reports which indicate financial performance against forecasts;

Statement on the System of Internal Financial Control (CONTINUED)

Key Control Procedures (continued)

- setting targets to measure financial and other performance;
- · clearly defined investment control guidelines;
- · formal project management disciplines.

Under the governance of the Commission, the Manager has an internal audit function, which operates in accordance with the Framework Code of Best Practice set out in the Code of Practice on the Governance of State Bodies. The work of internal audit is informed by analysis of the operational risks to which the Fund is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are approved by the Commission and the Manager. At least annually, the Internal Auditor provides the Commission and the Manager with a report of internal audit activity. The report includes the Internal Auditor's opinion on the adequacy and effectiveness of the system of internal financial control.

The Manager's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal auditor (currently PricewaterhouseCoopers), the Manager's executives who have responsibility for the development and maintenance of the financial control framework, and comments made by the Comptroller and Auditor General in his management letter or other reports.

Annual Review of Controls

For the year ended 31 December 2004, the Commission has conducted a review of the effectiveness of the system of internal financial control.

Donal J. Geaney Chairman of Commission

15 June 2005

Aunheul J. Somers

Chief Executive

National Treasury Management Agency (as Manager)





Report of the Comptroller and Auditor General for presentation to the

Houses of the Oireachtas

I have audited the financial statements on pages 35 to 46 in accordance with Section 26 of the National Pensions Reserve Fund Act, 2000.

Respective Responsibilities of the Commission and the Comptroller and Auditor General

The accounting responsibilities of the Commission are set out on page 31. It is my responsibility, based on my audit, to form an independent opinion on the financial statements presented to me and to report on them.

I review whether the statement on the system of internal financial control on pages 32 and 33 reflects the Commission's compliance with applicable guidance on corporate governance and report any material instance where it does not do so, or if the statement is misleading or inconsistent with other information of which I am aware from my audit of the financial statements.

Basis of Audit Opinion

In the exercise of my function as Comptroller and Auditor General, I conducted my audit of the financial statements in accordance with auditing standards issued by the Auditing Practices Board and by reference to the special considerations which attach to State bodies in relation to their management and operation.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Fund's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinior

In my opinion, proper books of account have been kept by the Commission and the financial statements, which are in agreement with them, properly present the results of the Fund's operations for the year ended 31 December 2004 and its balances at that date.

Namm

Comptroller and Auditor General

Accounting Policies

The National Pensions Reserve Fund was established under the National Pensions Reserve Fund Act, 2000. The significant accounting policies adopted in respect of the National Pensions Reserve Fund are as follows:

Basis of preparation

The financial statements have been prepared in accordance with the National Pensions Reserve Fund Act, 2000 in a format approved by the Minister for Finance. The financial statements are also prepared in accordance with the standards of the Statement of Recommended Practice of the Consultative Committee of Accountancy Bodies.

The financial statements summarise the transactions and net assets of the National Pensions Reserve Fund. They do not reflect the Exchequer's liabilities to pay pensions and other benefits in the future.

Reporting Year

The reporting year is the year ended 31 December 2004.

Reporting Currency

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

Valuation of Investments

Investments are stated at closing market value for quoted investments at the year-end for the individual asset categories, by geographical location and by investment manager in note 3 to the financial statements. Unquoted investments are stated at market value estimated by the NTMA, as Manager of the Fund based on professional advice. Realised and unrealised capital gains and losses on investments are dealt with in the Fund Account in the year in which they arise.

Investment income

Income from investments is accounted for on an income receivable basis.

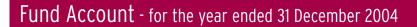
Expenses

Expenses are accounted for in the year in which they fall due.

Foreign Currencies

All transactions in foreign currencies are translated into euro at the rates of exchange prevailing at the dates of such transactions. Assets and liabilities in foreign currencies are translated into euro at the rates of exchange ruling at the year end dates. 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 dealt with as part of investment income.

During the year, the Fund has entered into a number of forward foreign exchange contracts for the purpose of hedging foreign currency risk of its underlying portfolio of investments. Open forward exchange contracts are valued at the cost to close out the contracts on the balance sheet date and are included in investment assets. Gains and losses arising on foreign exchange contracts are included as part of the change in market value of investments.



		Year Ended 31 December 2004	Year Ended 31 December 2003
	Notes	€	€
Contributions	1	1,177,000,000	1,103,000,000
Investment return for the year			
- Investment income - Change in market value of investments	2 3	275,011,799 694,432,327	210,022,566 836,238,467
		2,146,444,126	2,149,261,033
Transfer to Administration Account	4	(18,295,164)	(14,080,090)
Increase / (Decrease) in Fund during the y	ear	2,128,148,962	2,135,180,943
Net assets of Fund at start of year		9,560,848,549	7,425,667,606
Net assets of Fund at year end		11,688,997,511	9,560,848,549

Net Assets Statement - 31 December 2004

		2004	2003
	Notes	€	€
Investment assets	3	11,651,134,333	9,524,939,912
Current assets	6	57,459,515	45,594,272
Current liabilities	7	(19,596,337)	(9,685,635)
Net Assets of Fund at 31 December	2004	11,688,997,511	9,560,848,549

Donal J. Geaney Chairman of Commission

The statement of accounting policies and notes 1 to 14 form part of these accounts.

Michael J. Somers Chief Executive

National Treasury Management Agency (as Manager)

15 June 2005

Donal J. Geaney Chairman of Commission Michael J. Somers Chief Executive

National Treasury Management Agency (as Manager)

15 June 2005

The statement of accounting policies and notes 1 to 14 form part of these accounts.



		Year Ended 31 December 2004	Year Ended 31 December 2003
	Notes	€	€
Transfer from Fund Account	4	18,295,164	14,080,090
Expenses of Fund	5	(18,295,164)	(14,080,090)
Net income\(expenditure)		Nil	Nil

Donal J. Geaney Chairman of Commission Michael J. Somers Chief Executive

National Treasury Management Agency (as Manager)

15 June 2005

Notes to the Accounts

	Year Ended 31 December 2004	Year Ended 31 December 2003
	€	€
Paid in by the Minister for Finance - 1 per cent of GNP	1,177,000,000	1,103,000,000
	1,177,000,000	1,103,000,000
2. Investment Income		
	Year Ended 31 December 2004	Year Ended 31 December 2003

Income from Investments	275,011,799	210,022,566
Summary of Investment Income from	2004	2003
,	€	€
- Deposits	23,756,879	37,225,311
- Equities	181,030,608	106,229,273
- Bonds	64,816,802	62,433,891

	275,011,799	210,022,566
- Commission Recapture	1,123,021	909,476
- Commission Recapture	1,123,821	909,478
- Securities Lending	4,283,689	3,224,613
- Bonds	64,816,802	62,433,891
- Equities	181,030,608	106,229,273
Dehosits	23,130,019	31,223,311

3. Investment Assets			

(a) Summary of Assets	2004	2003
	€	€
- Fauities	8 892 902 830	6 831 630 090

- Equities	8,892,902,830	6,831,630,090
- Bonds	1,485,096,866	1,340,223,966
- Property investments	11,346,715	-
- Deposits and Cash	1,233,414,938	1,282,757,239
- Foreign currency contracts	28,216,797	69,841,335

11,651,134,333 9,524,939,912

156,187

The statement of accounting policies and notes 1 to 14 form part of these accounts.

- Futures contracts

487,282





3. Investment Assets (continued)

(b) Analysis by geographical classification of Assets	2004	2003
	€	€
Europe	8,127,325,384	6,640,558,928
North America	2,754,405,618	2,360,598,584
Japan	550,597,099	380,723,663
Asia Pacific (excluding Japan)	218,806,232	143,058,737
	11,651,134,333	9,524,939,912

(c) The movement in investments held by the Fund during the year was as follows:

	2004 €	2003 €
Investments at the start of the period	9,524,939,912	7,388,992,366
Contributions (Note 1)	1,177,000,000	1,103,000,000
Net cash movement	270,252,635	217,078,937
Securities received for income	785,137	440,004
Outstanding settlements	826,033	(7,842,435)
Fund expenses paid	(17,101,711)	(12,967,427)
Change in market value of investments	694,432,327	836,238,467
Investments at the end of the period	11,651,134,333	9,524,939,912

Notes to the Accounts (CONTINUED)

3. Investment Assets (continued)

Net cash movement	2004 €	2003 €
Transfers to Investment Managers Purchases at Cost Proceeds of Sales	(1,426,623,400) 7,911,387,652 (6,214,511,617)	(1,910,904,913) 8,239,874,340 (6,111,890,490)
Net Cash movement	270,252,635	217,078,937
Net cash movement reconciled to Investment Income	2004 €	2003 €
Income received in Cash	270,252,635	217,078,937
Net Cash Movement	270,252,635	217,078,937
Income received as Securities	785,137	440,004
Opening income accrual Closing income accrual	(43,542,515) 47,516,542	(51,038,890) 43,542,515
Investment income (Note 2)	275,011,799	210,022,566

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NATIONAL PENSIONS RESERVE FUND COMMISSION





3. Investment Assets (continued)

(d) The following investment managers hold the investment assets of the Fund.

	2004	2003
	€	€
Acadian Asset Management	122,388,500	-
Barclays Global Investors	2,682,707,473	2,247,212,388
Bank of Ireland Asset Management /		
State Street Global Advisors	1,700,368,224	1,353,118,388
Bank of Ireland Asset Management	419,912,689	366,054,494
Capital International	558,857,198	471,994,264
Daiwa SB Investments	227,298,472	184,784,335
Goldman Sachs Asset Management International	406,029,090	382,935,088
Invesco	538,791,610	454,231,611
Irish Life Investment Managers	370,201,193	326,851,073
JPMorgan Asset Management	225,578,303	148,948,043
Lord, Abbett & Co	468,235,432	392,681,472
National Treasury Management Agency	2,290,536,971	2,283,064,594
Oechsle International Advisors	473,816,835	-
Putnam Investments	386,677,415	349,402,871
RCM	477,994,127	438,956,314
Schroder Investment Management	192,718,527	124,704,977
UBS Global Asset Management	109,022,274	-
	11,651,134,333	9,524,939,912

4. Transfer to Administration Account

This amount of €18,295,164 represents the amount required to cover the administration costs of the Fund.

Notes to the Accounts (CONTINUED)

5. Expenses of Fund

Under section 26 (1) of the National Pensions Reserve Fund Act, 2000, the Commission is required to include a separate account of the administration fees and expenses incurred by it in the operation of the Fund. These are detailed below on an accruals basis:

	Year Ended 31 December 2004	Year Ended 31 December 2003
	€	€
Investment Managers' fees	16,073,182	11,456,991
Global Custodian fees	1,010,250	1,518,411
Fees & Expenses of Commissioners	313,571	324,430
IT Systems	597,494	535,402
Legal Fees	3,509	-
Consultancy Fees	123,410	87,106
External & Internal Audit Fees	120,000	105,510
Other Fees and Expenses	53,748	52,240
	18,295,164	14,080,090

In addition to the above expenses, the costs incurred by the National Treasury Management Agency in its role as Manager amounted to \leq 3,420,775 (2003: \leq 3,163,667). These costs are charged on the Central Fund and are excluded from the above.

6. Current Assets

	2004	2003
	€	€
Accrued interest on fixed income securities	34,160,037	30,562,597
Amounts receivable for securities sold	9,942,973	2,051,757
Accrued interest on deposits	6,064,803	6,398,356
Dividends Receivable	6,195,955	3,883,267
Tax Reclaims Recoverable	891,728	2,506,508
Securities Lending Income Receivable	141,487	111,274
Commission Recapture Receivable	62,532	80,513
	57,459,515	45,594,272

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7. Current Liabilities	2004 €	2003 €
Amounts payable for securities purchased	13,822,669	5,105,420
Fund Manager fees payable	4,540,926	3,364,893
Custodian fees payable	294,581	387,554
VAT payable	689,909	482,115
Accrued Expenses	248,252	345,653
	19,596,337	9,685,635

8. Taxation

The income and profits of the National Pensions Reserve Fund are exempt from corporation tax in accordance with section 30 of the National Pensions Reserve Fund Act, 2000.

9. Commitments

The notional and unrealised gain / (loss) of derivative contracts entered into by investment managers on behalf of the National Pensions Reserve Fund were:

	2004 Notional	2004 Unrealised gain / (loss)	2003 Notional	2003 Unrealised gain / (loss)
	€	€	€	€
Forward Foreign Exchange Contracts Spot Foreign Exchange Contracts Financial Futures	2,156,294,017 31,190 9,612,341	28,216,545 252 156,187	1,826,754,955 2,207,205 11,906,948	69,839,825 1,510 487,282
	2,165,937,548	28,372,984	1,840,869,108	70,328,617

Notes to the Accounts (CONTINUED)

9. Commitments (continued)

Foreign Exchange Contracts

The Fund follows a policy of hedging 50% of the foreign currency risk on its non-euro equity investments through the use of forward foreign currency contracts. The gain / (loss) on these forward foreign currency contracts offsets the change in the value of the Fund's non-euro investments due to exchange rate movements.

The Fund's investment managers can also execute spot foreign exchange contracts to manage their portfolios.

The notional value represents the total contracted foreign exchange contracts outstanding at the year end. The market value represents the unrealised gain / (loss) on these contracts at the year end.

Financial Futures

The Fund's investment managers are permitted to execute futures contracts. The market value represents the unrealised gain / (loss) on the contracts held at the year end.

10. Contingent Liabilities

In the opinion of the Commission the National Pensions Reserve Fund had no contingent liabilities at 31 December 2004.

11. Securities Lending

Through a programme managed by its Global Custodian, some of the securities in the National Pensions Reserve Fund are lent from time to time.

The Fund receives a Fee from the Global Custodian for securities lent. During the period the Fund earned €4,283,689 through securities lending (2003: €3,224,613).

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 and specified equity index baskets. The value of the collateral maintained by the Global Custodian must be at least 102% of the market value of securities lent, 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.

The market value of securities loaned at 31 December 2004 amounted to €470,581,364 (2003: €694,899,388). The National Pensions Reserve Fund held collateral of 104.15% (2003: 103.58%) of the market value of securities lent.



12. Commission Recapture

The National Pensions Reserve Fund participates in a commission recapture programme administered by Frank Russell Securities Inc to reduce the Fund's commission costs.

Under the programme, the investment managers are requested, subject to best execution, to execute a portion of their investment trades through the programme's network of participating brokers. The investment manager pays the broker the normal negotiated commission for the investment trade at the time of settlement. The participating broker then rebates a portion of the negotiated commission by way of a cash payment to Frank Russell Securities Inc which administers the scheme on behalf of the Fund.

During 2004, the Fund received €1,123,821 (2003: €909,478) from Frank Russell Securities Inc in respect of Commission Recapture.

13. Related parties

(a) Minister for Finance

As set out in note 1, contributions to the National Pensions Reserve Fund are to be made by the Minister for Finance by an annual charge on the Central Fund equivalent to 1 per cent of Gross National Product (GNP) under section 18(2) of the Act. The Minister for Finance may make such additional payments to the National Pensions Reserve Fund as are approved by Dáil Eireann under section 18(5) of the Act.

The members of the Commission of the National Pensions Reserve Fund, as given on page 29, were appointed by the Minister for Finance under section 7 of the Act.

(b) National Treasury Management Agency

Under section 21 of the National Pensions Reserve Fund Act, 2000, the National Treasury Management Agency was appointed as Manager of the Fund by the Commission for 10 years.

14. Approval of Financial Statements

The financial statements were approved by the Commission on 11 March 2005.



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National Pensions Reserve Fund Commission

National Pensions Reserve Fund Portfolio of Investments

for the year ended 31st December 2004

Quoted Securities - Equities

Europe

Austria 58,296

Finland 30,700

Denmark

Belgium 127,652

National Pensions Reserve Fund Portfolio of Investments 31 December 2004

	curities - Equities				curities - Equities		
Holding	Security Description	Market Value €	% of Total Investments	Holding	Security Description	Market Value €	% of Total
rope				France			
· ·				530,960	Accor	17,102,222	0.159
lustria				250,114 161,004	Air France Klm Air Liquide	3,506,598 21,896,544	0.039 0.199
58,296	Bank Austria Creditanstalt	3,876,684	0.03%	2,281,273	Alcatel	26,120,576	0.195
400,543	Erste Bank Der Osterreichis	chen 15,741,340	0.13%	75,039	Assurances Generales De Fi		0.22
14,918	EVN	671,310	0.01%	108,625	Atos Origin	5,427,991	0.04
332,328	Immofinanz	2,339,589	0.02%	49,940	Autoroutes Paris	2,219,833	0.03
6,039	Oesterreichische Electrizitats	•	0.01%	168,770	Autoroutes Du Sud De La Fr		0.05
17,836	OMV	3,954,063	0.03%	3,403,055	Axa	61,867,540	0.53
1,241,981	Telekom Austria	17,325,635	0.15%	50,200	Axalto	961,330	0.01
17,600	Voestalpine	1,005,840	0.01%	2,950	Beneteau	183,343	0.00
98,020	Wienerberger	3,445,403	0.03%	53,443	BIC	1,977,391	0.02
		49,349,656	0.42%	1,922,376	BNP Paribas	102,462,641	0.88
Ladicina				365,111	Bouygues	12,413,774	0.11
lgium				173,467	Cap Gemini	4,086,883	0.04
127,652	Agfa Gevaert	3,186,194	0.03%	1,044,861	Carrefour	36,611,929	0.31
14,767	Almancora Comm	930,321	0.01%	99,898	Casino G. Perrachon	5,874,002	0.05
76,938	Almanij	5,801,125	0.05%	227,877	Christian Dior	11,405,244	0.10
255,863	Belgacom	8,136,443	0.07%	559,347	Cie De St-Gobain	24,790,259	0.21
10,000	CMB	205,500	0.00%	20,190	Ciments Français A	1,389,072	0.01
18,660	Colruyt	2,231,736	0.02%	54,661	CNP Assurances	2,880,635	0.02
8,489	Colruyt (Rights)	9,083	0.00%	1,066,220	Credit Agricole	23,670,084	0.20
122,707	Delhaize Group	6,865,457	0.06%	134,644	Dassault Systemes	4,995,292	0.04
1,124,836	Dexia	19,032,225	0.16%	28,100	Eiffage	2,388,500	0.02
53,931	Electrabel	17,689,368	0.15%	162,248	Essilor International	9,353,597	0.08
10,000	Euronav	191,000	0.00%	30,922 1,700	Eurazeonce Fonciere Financiere	1,921,802 272,000	0.02 0.00
2,083,584	Fortis Group	42,425,816	0.36%	3,224,349	France Telecom	78,545,142	0.00
124,345	Groupe Bruxelles	7,448,266	0.06%	40,888	Gecina	2,980,735	0.07
658,683	InBev	18,798,813	0.16%	11,541	Groupe Bourbon	416,976	0.03
171,936	KBC	9,714,384	0.08%	386,753	Groupe Danone	26,279,866	0.00
24,728	Mobistar	1,704,996	0.02%	1,900	Guyenne & Gascogne	161,500	0.23
8,044	Nationale A Portefeuille	1,254,864	0.01%	42,145	Imerys	2,602,454	0.02
55,655	Solvay	4,508,055	0.04%	104,341	JC Decaux	2,241,245	0.02
10,200	Tessenderlo Chemie	317,628	0.00%	24,374	Klepierre	1,587,966	0.01
144,496	UCB	5,404,150	0.05%	408,999	Lafarge	29,038,929	0.25
109,484	Umicore	7,581,767	0.07%	273,135	Lagardere.	14,503,469	0.12
		163,437,191	1.40%	535,959	L'Oreal	29,933,310	0.26
				485,017	LVMH Moet Hennessy	27,330,708	0.23
ımark				71,810	Maroc Telecom	603,922	0.01
38,000	Auriga Industries 'B'	587,460	0.01%	186,992	Michelin	8,824,152	0.08
5,450	Bavarian Nordic	394,896	0.00%	12,750	Natexis Banque Populaire	1,283,925	0.01
740	D/S Norden	268,592	0.00%	115,082	Pernod-Ricard	12,969,741	0.11
301,982	Danske Bank	6,809,900	0.05%	240,706	Peugeot	11,240,970	0.10
15,100	DSV	753,092	0.01%	121,188	Pinault-Printemps	8,925,496	0.08
55,588	Novo-Nordisk	2,234,340	0.02%	194,513	Publicis Groupe	4,639,135	0.04
490	Ringkjobing Landbobank	143,269	0.00%	463,391	Renault	28,521,716	0.24
137,233	TDC	4,275,387	0.04%	27,084	Rexel	1,034,609	0.01
36,690	Torm	1,104,823	0.01%	96,815	Sagem	1,518,059	0.01
		16,571,759	0.14%	2,206,592	Sanofi-Aventis	129,747,610	1.11
		10/511/107		376,441	Schneider Electric	19,273,779	0.17
nland				142,849	Snecma	2,596,995	0.02
	Floates Natwork	E 40 222	0.010/	628,710	Societe Generale	46,807,460	0.40
30,700 446,503	Elcoteq Network Fortum	549,223 6.081.371	0.01% 0.05%	238,906	Sodexho Alliance	5,318,048	0.05
53,517	Kone	6,081,371 3,055,286	0.03%	1,600	Spir Communication	230,880	0.00
134,310	Metso	1,566,055	0.03%	1,861,240 23,873	Suez Technip	36,517,529 3,246,728	0.31 0.03
6,765,949	Nokia	78,620,327	0.67%	23,873 396,886	TF1-TV Francaise	3,246,728 9,505,420	0.03
35,300	OKO Bank	367,826	0.01%	90,889	Thales	3,210,199	0.08
160,500	Orion	1,911,555	0.01%	359,068	Thomson	6,983,873	0.03
201,586	Outokumpu	2,650,856	0.02%	1,202,147	Total	193,185,023	1.66
	Raisio	296,400	0.02%	10,600	Ubisoft Entertainment	281,854	0.00
156 በበበ	Rautaruukki	2,485,656	0.00%	59,073	Unibail	6,840,653	0.06
156,000 284 400	Sampo	8,381,746	0.02%	109,561	Valeo	3,374,479	0.03
284,400				2,850	Vallourec	313,500	0.00
284,400 824,975	· ·	gun 7/L					0.00
284,400 824,975 52,023	SanomaWSOY	894,275 260,370	0.01% 0.00%		Veolia Environment	22.186 944	0 19
284,400 824,975 52,023 157,800	SanomaWSOY Saunalahti	260,370	0.00%	833,156	Veolia Environment Vinci	22,186,944 17,418,934	
284,400 824,975 52,023 157,800 1,108,633	SanomaWSOY Saunalahti Stora Enso	260,370 12,494,294	0.00% 0.11%			22,186,944 17,418,934 56,691,024	0.15
284,400 824,975 52,023 157,800	SanomaWSOY Saunalahti	260,370	0.00%	833,156 176,305	Vinci	17,418,934	0.19 0.15 0.49 0.01

POLITORIO DI HIVESTIMENTS 31 DECEMBEL 2004							
Quoted Se	curities - Equities						
Holding	Security Description	Market Value	% of Total				
		€					
Germany							
105,278	Adidas-Salomon	12,501,763	0.11%				
593,024 164,760	Allianz Altana	57,879,142 7,662,988	0.49% 0.07%				
14,292	AMB Generali Holding	859,807	0.01%				
13,197	AWD Holdings	405,016	0.00%				
888,995	BASF	47,116,735	0.40%				
1,234,607	Bayer	30,791,099	0.26%				
1,069,258	Bayerische Hypo-Und Verein		0.15%				
801,466 34,900	Bayerische Motoren Werker Bayerische Motoren Werker		0.23% 0.01%				
34,700	(Preferred Stock)	1 030,340	0.0170				
22,221	Beiersdorf	1,902,118	0.01%				
44,955	Celesio	2,690,107	0.02%				
591,947	Commerzbank	8,973,917	0.08%				
180,033 1,658,252	Continental Daimlerchrysler	8,412,942	0.07%				
21,716	Degussa	58,469,966 672,762	0.50% 0.01%				
715,548	Depfa Bank	8,837,018	0.07%				
1,057,592	Deutsche Bank	69,081,909	0.59%				
178,606	Deutsche Boerse	7,908,674	0.07%				
302,685	Deutsche Lufthansa	3,193,327	0.03%				
587,637	Deutsche Post	9,931,065	0.08%				
86,738 4,909,492	Deutsche Postbank Deutsche Telekom	2,818,985 81,743,042	0.02% 0.70%				
1,302,081	E.On	87,317,552	0.75%				
27,088	Fresenius (Preferred Non Vo		0.02%				
10,915	Fresenius	814,805	0.01%				
34,658	Fresenius Medical Care	1,478,164	0.01%				
46.202	(Preferred Non Voting)	2741 (01	0.020/				
46,303 5,869	Fresenius Medical Care Funkwerk	2,741,601 191,329	0.02% 0.00%				
150,452	Hannover Re	4,325,495	0.0070				
61,225	HeidelbergCement	2,712,268	0.02%				
85,181	Heidelberger Druckmaschir		0.02%				
78,543	Henkel KGaA (Preferred Non	200	0.04%				
56,862	Henkel KGaA Hypo Real Estate	3,462,327	0.03% 0.07%				
264,264 16.474	IKB Deutsche Industriebani	8,060,052 335,740	0.01%				
1,913,146	Infineon Technologies	15,266,905	0.13%				
9,616	IWKA	194,724	0.00%				
30,348	K&S	1,189,642	0.01%				
268,567	KarstadtQuelle	2,038,424	0.02%				
118,079 139,820	Linde M.A.N.	5,438,719	0.05%				
44,229	Merck KGaA	3,962,499 2,238,872	0.03% 0.02%				
388,759	Metro	15,740,852	0.0270				
349,600	MG Technologies	3,041,520	0.03%				
72,228	MLP	1,053,807	0.01%				
12,150	MPC Munchmeyer Petersen		0.01%				
375,361	Munich Re	33,951,402	0.29%				
11,533 136,759	Porsche Prosiebensati Media	5,414,744 1,846,246	0.05% 0.02%				
16,267	Puma	3,290,814	0.0270				
19,767	Rheinmetall	757,866	0.01%				
525,772	RWE	21,398,920	0.18%				
47,733	Salzgitter	681,627	0.01%				
415,168 493,796	SAP Schoring	54,553,075 27163,717	0.47%				
493,796 54,058	Schering Schwarz Pharma	27,163,717 1,797,428	0.23% 0.02%				
1,660,469	Siemens	103,580,056	0.89%				
69,754	Suedzucker	1,067,236	0.01%				
7,547	Techem	202,259	0.00%				
509,412	Thyssenkrupp	8,252,474	0.07%				
323,268	T-Online International TUI	3,180,957	0.03%				
233,068	I UI	4,060,044	0.03%				
595 543	Volkswagen	19 861 359	O 17%				
595,543 23,189	Volkswagen Wella	19,861,359 1,808,742	0.17% 0.02%				

	curities - Equities		o/ (= 1 1
Holding	Security Description	Market Value	
		€	Investments
Greece			
310,092	Alpha Bank	7,956,961	0.07%
261,295	Bank Of Piraeus	3,360,254	0.03%
125,216 176,169	Coca-Cola Hellenic Bottling C Cosmote Mobile Tel	2,251,384 2,600,254	0.02% 0.02%
307,317	EFG Eurobank Ergas	7,768,974	0.02%
84,756	Emporiki Bank Of Greece	1,976,510	0.02%
161,976	Hellenic Petroleum	1,295,808	0.01%
965,499	Hellenic Telecom Organizatio		0.11%
118,000	Hellenic Telecommunications		0.01%
795,646 210,950	National Bank of Greece OPAP	19,318,285 4,294,942	0.16% 0.04%
153,360	Public Power	3,159,216	0.04%
170,073	Titan Cement Co	3,707,591	0.03%
		71,216,428	0.61%
Iroland			
Ireland 1,935,613	Allied Irish Banks	29,711,660	0.26%
440,023	Anglo Irish Bank	7,876,412	0.26%
1,276,677	Bank of Ireland	15,639,293	0.13%
1,197,091	C&C Group	3,543,389	0.03%
1,422,487	CRH	28,022,994	0.24%
1,390,200	Eircom Group	2,405,046	0.02%
515,468	Elan	10,103,173	0.09%
1,104,890 355,798	Independent News & Media Irish Life & Permanent	2,563,345 4,910,012	0.02% 0.04%
182,346	Kerry Group	3,218,407	0.04%
1,924,213	Ryanair	10,102,118	0.09%
		118,095,849	1.02%
ltalv			
Italy 1,189,803	AEM	2,010,767	0.02%
558,231	Alleanza Assicurazioni	5,733,032	0.02%
1,908,467	Assicurazioni Generali	47,654,421	0.41%
168,063	Autogrill	2,065,494	0.02%
627,380	Autostrade	12,359,386	0.11%
371,535 634,872	Banca Antonveneta	7,207,779	0.06%
388,632	Banca Carige Banca Fideuram	1,879,221 1,480,688	0.02% 0.01%
306,099	Banca Finnat	196,822	0.00%
6,803,904	Banca Intesa	24,085,820	0.21%
686,250	Banca Intesa (Savings shares		0.02%
417,131	Banca Lombarda Piemontese		0.04%
1,619,443 2,920,963	Banca Monte dei Paschi di Si Banca Nazional del Lavoro	ena 4,251,038 6,411,514	0.04%
2,920,963 97,360	Banca Popolare dell'Emilia Roi		0.06% 0.03%
441,044	Banche Popolari Unite	6,598,018	0.06%
379,941	Banco Popolare di Lodi	3,100,319	0.03%
488,288	Banco Popolare di Verona	7,304,788	0.06%
96,922	Benetton Group	943,051	0.01%
846,300 195,739	Beni Stabili Bulgari	634,725 1,779,268	0.01% 0.02%
2,174,906	Capitalia	7,329,433	0.02%
143,652	Cementir	558,806	0.00%
1,636,950	Edison	2,561,827	0.02%
7,436,718	Enel	53,767,471	0.46%
6,488,270	ENI	119,513,933	1.03%
64,500 4,810	ERG Esprinet	564,375 209,283	0.00% 0.00%
794,861	Fiat	4,689,680	0.00%
209,484	Finecogroup	1,189,869	0.01%
8,312,154	Finmeccanica	5,544,207	0.05%
208,720	Fondiaria	4,138,918	0.04%
141,700	Gemina	128,522	0.00%
285,798 25,312	Gruppo Editoriale L'espresso	1,268,943 266,029	0.01%
25,312	IFI IFIL	2,279,910	0.00% 0.02%
h8h //!!	0.16		
686,720 337,278	Impregilo	128.503	0.00%
337,278 117,311	Impregilo Italcementi	128,503 1,390,135	0.00% 0.01%
337,278		1,390,135	

Quoted Se	curities - Equities			Quoted Se	curities - Equities		
Holding		Market Value	% of Total	Holding		Market Value	% of Total
	occurre, pescription		Investments		occurrey Description .		Investments
		6	investinents			6	investinents
Italy	(Continued)			Netherlan	ds (Continued)		
179,639	Luxottica Group	2,690,992	0.02%	10,200	Wereldhave	816,000	0.01%
1,562,741	Mediaset	14,580,374	0.12%	656,005	Wolters Kluwers	9,689,194	0.08%
913,852	Mediobanca	10,883,977	0.09%	· ·		714,349,172	6.13%
771,001	Mediolanum	4,063,175	0.03%			114,547,112	0.13 /0
56,600	Meliorbanca	191,874	0.00%	Norway			
376,500	Milano Assicurazio	1,562,475	0.01%	100,000	DNB NOR	725,430	0.01%
13,400	Pirelli & Co Real Estate	518,178	0.00%	69,078	Norsk Hvdro	4,000,511	0.03%
4,728,445	Pirelli & Co	4,690,618	0.04%	6,800	Sparebanken Midt-Norge	227,038	0.00%
442,588	RAS	7,364,664	0.06%	3,600	Sparebanken Rogaland	157,348	0.00%
724,802	RCS Mediagroup	3,116,649	0.03%	201,200	Storebrand	1,429,029	0.01%
769,812	Saipem	6,812,836	0.06%	820,000	Telenor	5,475,627	0.05%
1,654,087	San Paolo-IMI	17,533,322	0.15%			12,014,983	0.10%
5,361,565	Seat Pagine Gialle	1,817,571	0.02%				
72,700	SIAS	758,261	0.01%	Portugal			
3,101,397	Snam Rete Gas	13,273,979	0.11%	753,407	Banco BPI	2,245,153	0.02%
1,321,614	T. E. R. N. A.	2,788,606	0.02%	4,541,111	Banco Commercial Portuguese		0.08%
6,060,947	T.I.M.	33,335,209	0.28%	99,355	Banco Espirito Santo	1,321,422	0.01%
9,822,835	Telecom Italia (Savings Share: Telecom Italia		0.20% 0.50%	533,666	Brisa Auto-Estradas De Portug		0.03%
19,381,120	Unicredito Italiano	58,337,171		251,935	Cimpor Cimentos De Portugal	1,045,530	0.01%
8,247,166	Unipol	34,885,512	0.30% 0.01%	4,632,584	EDP Energias Portugal	10,330,662	0.09%
231,393 444.731	Unipol (Preferred)	779,795 1,151,853	0.01%	2,562,422	Portugal Telecom	23,318,040	0.20%
444,131	Onipor (Freierrea)	596,713,615	5.12%	50,790	Pt Multimedia	939,107	0.01%
		390,113,013	3.1270	1,410,276	Sonae	1,508,995	0.01%
Luxembou	ıra					52,893,855	0.46%
627,776	Arcelor	10,653,359	0.09%	Cnain			
18,549	RTL Group	1,020,195	0.01%	Spain	Abangas	20E 741	0.000/
742,510	SES Global	7,058,802	0.06%	28,300	Abengoa Abertisinfraestructuras	205,741	0.00% 0.07%
,		18,732,356	0.16%	509,369 35,011	Acciona	8,251,778 2,279,216	0.07%
				348,058	Acciona	4,110,565	0.02%
Netherlan	ds			469,430	ACS Actividades De Construcc		0.04%
23,000	Aalberts	821,100	0.01%	463,084	Altadis	15,605,931	0.07%
3,179,999	ABN Amro	61,978,181	0.53%	389,863	Amadeus Global Travel	2,951,263	0.03%
2,885,309	Aegon	28,939,649	0.25%	29,397	Antena 3	1,562,450	0.01%
3,075,275	Ahold	17,529,068	0.15%	403,978	Banco De Sabadell	6,948,421	0.06%
611,262	Akzo Nobel	19,181,402	0.16%	372,392	Banco Popular Espanol	18,061,012	0.16%
993,862	ASML	11,737,510	0.10%	10,866,186	Banco Santander Central Hispar		0.85%
21,976	BAM Groep	812,672	0.01%	99,499	Bankinter	3,899,366	0.03%
66,114	Corio	2,849,513	0.02%	5,198,825	BBVA	67,844,666	0.58%
50,503	CSM	1,157,529	0.01%	28,580	CEPSA	848,826	0.01%
116,922	DSM	5,567,826	0.05%	54,130	Corporacion Financiera Alba	1,391,141	0.01%
596,421	EADS	12,757,445	0.11%	157,742	Corporacion Mapfre	1,709,923	0.01%
161,462	Euronext	3,628,051	0.03%	38,200	Cortefiel	444,648	0.00%
7,200	Exact Holdings	159,840	0.00%	52,300	Ebro Puleva	549,150	0.01%
39,000	Hagemeyer (Convertible)	43,193	0.00%	1,397,742	Endesa	24,166,959	0.21%
585,200	Hagemeyer	994,840	0.01%	70,522	Fomento De Construcciones	2,498,594	0.02%
8,700 272 520	Heijmans	209,670	0.00%	160,846	Gamesa	1,656,714	0.01%
272,529	Heineken Class 'A'	6,063,770 15,007,577	0.05% 0.13%	545,426	Gas Natural SDG	12,413,896	0.11%
611,805 69,961	Heineken IHC Caland	3,269,977	0.13%	461,760	Gestevis Telecino	7,009,517	0.06%
4,530,173	ING Groep	100,841,651	0.87%	92,743	Grupo Ferrovial	3,646,655	0.03%
6,249,709	KPN	43,685,466	0.37%	1,511,646	Iberdrola	28,267,780	0.24%
2,888,303	Philips Electronic	56,350,792	0.48%	138,684	Indira Sistemas	1,743,258	0.01%
12,100	Nieuwe Steen	207,152	0.40%	406,166	Indi	8,813,802	0.08%
519,171	Numico	13,773,606	0.12%	32,400	Inmobiliaria Urbis	346,032	0.00%
53,700	Oce	604,662	0.01%	115,577	PRISA	1,805,313	0.02%
21,400	Ordina	197,522	0.00%	101,200	Prosegur Compania Securidad		0.01%
114,697	Randstad	3,320,478	0.03%	2,205,797	Repsol YPF	42,263,071	0.36%
2,051,639	Reed Elsevier	20,577,939	0.18%	175,937	Sacyr Vallermoso	2,137,634	0.02%
88,754	Rodamco Europe	5,183,233	0.04%	124,960	Sogecable	4,081,194	0.04%
4,061,364	Royal Dutch Petroleum Co	171,998,765	1.48%	8,782,785 222,066	Telefonica	121,729,400	1.04%
859	Royal Ten Cate	46,558	0.00%	232,966 402,230	Terra Networks	666,283	0.01%
1,362,822	Stmicroelectronics	19,556,496	0.17%	402,230 115,090	Union Fenosa Zaradoya-Otis	7,783,151 2,171,748	0.07% 0.02%
28,900	Stork	732,615	0.01%	טעט,כוו	∠ai au∪ya⁻UliS	518,425,176	4.45%
783,544	TPG	15,655,209	0.13%			310,423,110	4.4370
877,585	Unilever	43,291,268	0.37%				
15,200	Unit 4 Agresso	173,280	0.00%				
9,900	Vastned	225,720	0.00%				
677,071	VNU	14,712,753	0.13%				

National Pensions Reserve Fund

Portfolio of Investments 31 December 2004

Quoted Se	curities - Equities			Quoted Se	curities - Equities		
Holding	Security Description	Market Value		Holding	Security Description	Market Value	
		€	Investments			€	Investments
Sweden					gdom (Continued)		
501,000	Assa Abloy	6,303,738	0.05%	299,000	Brambles Industries	1,103,677	0.01%
40,700	Atlas Copco	1,353,569	0.01%	654,991	British American Tobacco	8,337,770	0.07%
80,100	Autoliv Inc	2,823,737	0.03%	301,779	Burberry Group	1,716,380	0.01%
17,000	Bergman & Beving	143,228	0.00%	154,000	Burren Energy	1,012,942	0.01%
12,000	Bilia	147,662	0.00%	915,926	Cable & Wireless	1,549,169	0.01%
7,071,893	Ericsson	16,620,195	0.14%	875,441	Cadbury Schweppes	6,022,111	0.05%
36,000	Finnveden	303,306	0.00%	17,857	Capital & Regional Properties	s 176,025	0.00%
171,196	Hennes & Mauritz	4.393.485	0.04%	106,500	Carillion	343,646	0.00%
1,736,482	Nordea Bank	12,897,623	0.11%	88,942	Carnival	4,009,045	0.03%
110,400	S K F	3,622,641	0.03%	1,706,546	Centrica	5,718,340	0.05%
391,994	Skandinaviska Enskilda Bank		0.05%	181,900	Charter	598,551	0.01%
816,948	Teliasonera	3,604,475	0.03%	37,000	Chemring Group	228,807	0.00%
				55,600	Clarkson (Horace)	567,790	0.01%
106,700	Volvo	3,116,805	0.03%	511,100	Corus Group	366,081	0.00%
		60,914,486	0.52%	65,100	Daily Mail	685,117	0.01%
				1,342,335	Diageo	14,145,877	0.0170
witzerlan	d			32,620	Diageo (ADR)	1,386,128	0.12%
28,000	Adecco	1,038,953	0.01%				
9,580	Alcon	566,881	0.00%	40,100	Domino Printing Sciences	144,691	0.00%
52,990	Ascom	652,544	0.01%	142,000	EMI Group	533,721	0.00%
7,070	Baloise	240,570	0.00%	26,800	Enterprise	152,331	0.00%
74,730	Compagnie Financiere Riche		0.02%	29,377	French Connection	102,291	0.00%
458,702	Credit Suisse Group	14,210,875	0.12%	183,099	Friends Provident	399,933	0.00%
2,840	Fischer (Georg)	542,083	0.00%	162,500	Galliford Try	118,421	0.00%
2,490	Geberit	1,342,719	0.01%	1,212,740	Glaxosmithkline	21,019,339	0.18%
2,620	Leica Geosystems	594,335	0.01%	61,300	Glaxosmithkline (ADR)	2,132,741	0.02%
31,180	Logitech International	1,404,505	0.01%	397,864	GUS	5,296,013	0.05%
11,196	Micronas Semiconductor	404,548	0.01%	23,000	HBOS	276,633	0.00%
	Nestle	30,382,258	0.00%	458,900	Hill (William)	3,670,940	0.03%
157,569				161,300	Hiscox	380,916	0.00%
17,900	Nobel Biocare	2,389,916	0.02%	1,072,822	HSBC	13,451,296	0.12%
1,152,057	Novartis	42,784,937	0.37%	94,300	Hunting	241,485	0.00%
195,900	Novartis (ADR)	7,268,766	0.06%	2,352,930	Imperial Chemical Industries	8,042,780	0.07%
3,290	Rieter Holdings	703,675	0.01%	61,000	Inchcape	1,691,441	0.01%
427,233	Roche	36,246,555	0.31%	764,648	Intercontinental Hotels	7,022,334	0.06%
13,650	Saurer	592,748	0.01%	2.331.249	International Power	5,108,546	0.04%
4,180	Serono	2,029,179	0.02%	1,028,625	Invensys	226,136	0.00%
5,140	SIG	866,161	0.01%	1,020,023	ITV	1,635,734	0.01%
10,233	Sulzer	2,999,465	0.02%	75,000	JKX Oil & Gas	124,459	0.00%
19,095	Swatch Group	2,065,562	0.02%	· ·		2,585,450	0.00%
330,291	Swiss Re	17,361,206	0.15%	288,201	Kelda Group		0.02%
25,201	Swisscom	7,317,422	0.06%	288,687	Kesa Electricals	1,156,714	
1,335	Syngenta	104,523	0.00%	41,100	Kier	410,359	0.00%
14,380	Synthes	1,188,314	0.01%	2,473,861	Kingfisher	10,868,429	0.09%
447,363	UBS	27,646,685	0.24%	338,237	Land Securities	6,716,288	0.06%
140	Zehnder Group	140,644	0.00%	168,200	Liberty International	2,315,270	0.02%
63,008	Zurich Financial Services	7,742,770	0.07%	1,179,222	Lloyds TSB Group	7,911,100	0.07%
03,000	Zurien i maneiar services	212,662,055	1.83%	187,800	LogicaCMG	513,417	0.01%
		212,002,033	1.03 70	108,500	London Scottish Bank	190,823	0.00%
In the all IZ to				74,000	Luminar	586,185	0.01%
Jnited Kin	•			126,000	Marks & Spencer	612,978	0.01%
201,000	Acambis	716,992	0.01%	332,600	McBride	666,096	0.01%
2,593,676	Aggregate Industries	3,844,255	0.03%	75,100	McCarthy & Stone	633,778	0.01%
670,449	Allied Domecq	4,878,241	0.04%	2,558,040	MM02	4,453,577	0.04%
165,900	Amlin	332,953	0.00%	2,375,706	Morrison (Wm)	6,974,984	0.06%
538,400	ARM Holdings	843,815	0.01%	796,674	National Grid Transco	5,604,572	0.05%
326,200	Arriva	2,498,376	0.02%	392,930	Northern Rock	4,355,363	0.04%
292,182	Astrazeneca	7,828,148	0.07%		Northgate		
65,000	Astrazeneca (ADR)	1,736,547	0.02%	47,300 106,400	Peacock Group	572,927	0.00%
74,500	Atkins	755,514	0.01%	106,400	· ·	410,479	0.00%
69,900	Aviva	622,611	0.01%	261,949	Peninsular & Oriental Steam	1,105,309	0.01%
					Navigation Co.	0 170 177	
726,860	BAA	6,020,655	0.05%	175,341	Pennon Group	2,479,470	0.02%
916,351	BAE	2,995,801	0.03%	365,400	Persimmon	3,581,185	0.03%
3,047,684	Barclays	25,330,729	0.22%	1,696,991	Prudential	10,903,298	0.09%
292,344	Barratt Developments	2,465,053	0.02%	547,985	Rank Group	2,051,884	0.02%
190,330	Berkeley Group	2,183,916	0.02%	347,702	Reckitt Benckiser	7,762,329	0.07%
(07.40.4	BG Group	3,451,853	0.03%	117,500	Redrow	639,538	0.01%
687,494							
687,494 549,769 450,000	BHP Billiton BP	4,760,429 3,242,324	0.04% 0.03%	105,600	Restaurant Group	175,089	0.00%

National Pensions Reserve Fund

Portfolio of Investments 31 December 2004

Quoted Se	curities - Equities		
Holdina	Security Description	Market Value	% of Total
		€.	
		, in the second	IIIVCStinchts
United Kin	ngdom (Continued)		
376,115	Rio Tinto	8,177,922	0.07%
25,159,364	Rolls Royce Group 'B'	33,900	0.00%
1,176,595	Rolls Royce Group	4,121,964	0.04%
893,783	Royal Bank of Scotland	22,209,886	0.19%
233,600	Sage Group	670,103	0.01%
1,160,975	Sainsbury (J)	4,454,206	0.04%
354,007	Scottish & Southern Energy	4,380,840	0.04%
353,300	Senior	202,194	0.00%
1,101,757	Shell	6,938,234	0.06%
238,233	SIG	1,976,687	0.02%
828,871	Smith & Nephew	6,266,056	0.05%
227,689	Smiths Group	2,654,569	0.02%
19,400	Speedy Hire	154,088	0.00%
339,400	Sportingbet	909,224	0.01%
317,450	Standard Chartered	4,341,607	0.04%
25,230	Telewest Global	325,632	0.00%
6,411,304	Tesco	29,258,029	0.25%
1,179,757	Tomkins	4,254,354	0.04%
156,433	Travis Perkins	3,845,095	0.03%
278,100	TT Electronics	761,270	0.01%
163,200	UK Coal	293,971	0.00%
27,600	Ultra Electronic	270,304	0.00%
1,733,807	Unilever	12,578,433	0.11%
25,000	Uniq	67,141	0.00%
88,200	Viridian	913,212	0.01%
26,101,992	Vodafone	52,292,843	0.45%
25,100	Wembley	227,842	0.00%
619,538	Whitbread	7,438,324	0.06%
107,400	Willis Group	3,246,207	0.03%
69,900	Wimpey (George)	401,029	0.00%
440,886	Wolseley	6,087,548	0.05%
3,252,179	Woolworths	1,845,077	0.02%
1,139,174	WPP Group	9,258,163	0.08%
18,200	XP Power	114,587	0.00%
•		482,017,475	4.14%
TOTAL EUROPEA	IN EQUITIES	5,414,362,505	46.47%

Quoted Se Holding	ecurities - Equities Security Description	Market Value €	% of Tota Investments
North Ar	nerica		
Canada			
598,635	Abitibi-Consolidated	3,012,137	0.03%
14,113	Agrium	174,091	0.00%
191,694	Alcan	6,874,646	0.06%
7,397 25,528	Aliant ATI Technologies	125,266 361,709	0.00% 0.00%
85,351	Bank Montreal Quebec	3,008,423	0.03%
166,272	Bank N S Halifax	4,126,039	0.04%
78,132	Barrick Gold	1,382,939	0.01%
82,801 17,064	BCE Biovail	1,463,618 205,712	0.01% 0.00%
6,346	Bombardier 'A'	9,664	0.00%
149,477	Bombardier 'B'	216,712	0.00%
57,493	Brascan	1,515,715	0.01%
17,124	Brookfield Properties	468,678	0.01%
3,765	Cameco	96,212	0.00%
60,659 152,591	Canadian Imperial Bank Canadian National Railway	2,674,952 6,848,282	0.02% 0.06%
27,627	Canadian Natural Resources	862,502	0.007
16,749	Canadian Pacific Railway	419,337	0.01%
8,253	Canadian Tire	282,591	0.00%
3,290	Canadian Utilities	120,890	0.00%
19,424 32,927	Celestica CGI Group	199,967 160,463	0.00% 0.00%
22,832	CI Fund Management	250,490	0.00%
9,747	Cognos	313,619	0.00%
8,124	Dofasco	224,677	0.00%
17,906	Domtar	158,161	0.00%
27,703	Enbridge	1,009,180	0.01%
90,020 8,480	Encana Fairmont Hotels & Resorts	3,760,443 214,531	0.03% 0.00%
9,637	Falconbridge	182,572	0.00%
9,416	Finning International	200,698	0.00%
20,493	Goldcorp	225,453	0.00%
19,016	Great West Lifeco	309,288	0.00%
13,272 11,122	Husky Energy IGM Financial	276,904 248.240	0.00%
29,356	Imperial Oil	1,276,082	0.01%
88,286	Inco	2,380,032	0.02%
11,745	Loblaw Companies	515,275	0.01%
15,376	Magna International	926,108	0.01%
174,997 14,713	Manulife Financial MDS	5,927,635 151,289	0.05% 0.00%
11,700	Molson	252,873	0.00%
18,217	National Bank of Canada	549,972	0.01%
13,850	Nexen	410,876	0.00%
23,720	Noranda Nortel Networks	304,303	0.00%
684,221 9,278	Nova Chemicals	1,737,232 320,457	0.02% 0.00%
5,537	Penn West Petroleum	267,305	0.00%
47,353	Petro-Canada	1,768,474	0.02%
44,306	Placer Dome	609,423	0.01%
75,048	Potash Corp of Saskatchewa		0.04%
42,108 30,190	Power Corp Canada Power Financial	795,168 588,315	0.01% 0.01%
6,212	Precision Drilling	285,776	0.00%
9,030	Quebecor World	141,919	0.00%
19,034	Research In Motion	1,145,333	0.01%
20,187	Rogers Communications	386,622	0.00%
114,621	Royal Bank of Canada	4,490,684	0.04%
5,779 23,785	Saputo Shaw Communications Inc	127,683 317,742	0.00% 0.00%
8,802	Shell Canada	428,894	0.00%
22,474	Shoppers Drug Mart	510,238	0.01%
103,817	Sun Life Financial	2,546,074	0.02%
85,642	Suncor Energy	2,218,273	0.02%
49,754	Talisman Energy	981,216	0.01%

National Pensions Reserve Fund

Portfolio of Investments 31 December 2004

	curities - Equities				curities - Equities		
Holding	Security Description	Market Value	% of Total Investments	Holding	Security Description	Market Value	% of Total Investments
		€	investments			€	investments
Canada	(Continued)				ites (Continued)		
20,154	Teck Cominco	453,268	0.01%	25,470	Anadarko Petroleum	1,211,887	0.01%
9,866	Telus (Non-Voting)	208,787	0.00%	38,965	Analog Devices	1,056,154	0.01%
14,409	Telus	317,918	0.00%	126,160	Anheuser Busch	4,698,698	0.04%
11,218	Terasen	189,358	0.00%	33,778	Aon	591,692	0.01%
35,570	Thomson	918,242	0.01%	33,283	Apache	1,235,681	0.01%
106,749	Toronto Dominion Bank	3,253,558	0.03%	10,298	Apartment Investment &	291,377	0.00%
21,429	Transalta	235,620	0.00%		Management Co		
93,672	Transcanada	1,705,053	0.02%	42,200	Apogee Enterprises	415,463	0.01%
7,719	Ultra Petroleum	272,752	0.00%	34,326	Apollo Group	2,033,956	0.02%
5,612	Weston (George)	375,056	0.01%	152,700	Apollo Investment	1,692,805	0.02%
		86,849,592	0.75%	171,345	Apple Computer	8,101,181	0.07%
				79,754	Applera Corp-Applied Biosys		0.01%
Jnited Sta	tes			602,703	Applied Materials	7,566,420	0.07%
40,520	3Com	124,050	0.00%	242,400	Applied Micro Circuits	749,214	0.01%
80,592	3M Co	4,855,874	0.04%	225,401	Archer Daniels Midland Co	3,691,870	0.03%
339,509	Abbott Labs	11,627,703	0.10%	109,165	Archstone Smith	3,069,539	0.03%
10,333	Abercrombie & Fitch Co	356,166	0.00%	12,309	Arrow Electronics	219,594	0.00%
240,475	Accenture	4,766,776	0.04%	7,673	Ashland	328,867	0.00%
37,600	Accredited Home Lenders	1,371,388	0.01%	13,848	Associated Banc	337,635	0.00%
29,266	ACE	918,524	0.01%	10,810	Assurant	242,453	0.00%
24,557	Adobe Systems	1,131,126	0.01%	33,571	Astoria Financial	985,121	0.01%
18,900	Advance America Cash	317,752	0.00%	233,038	AT&T	3,260,924	0.03%
,.	Advance Centers			23,808	Autodesk	663,324	0.01%
37,662	Advanced Micro Devices	608,852	0.01%	19,495	Autoliv	691,292	0.01%
33,000	Advo	863,703	0.01%	158,755	Automatic Data Processing	5,169,066	0.05%
68,305	AES	685,507	0.01%	22,163	Autonation	312,570	0.00%
17,746	Aetna	1,625,294	0.02%	36,062	Autozone	2,417,459	0.02%
32,862	Affiliated Computer Services	1,452,143	0.01%	7,700	Avalonbay Communities	425,674	0.01%
52,508	Aflac	1,535,804	0.01%	46,612	Avaya	588,596	0.01%
81,622	Agere Systems Class A	82,095	0.00%	11,741	Avery Dennison	516,928	0.00%
103,437	Agere Systems Class B	102,518	0.00%	13,700	Avnet	183,458	0.00%
80,107	Agilent Technologies	1,417,355	0.01%	295,863	Avon Products	8,406,063	0.07%
23,453	Air Products & Chemicals	998,143	0.01%	15,952	Axis Capital	320,422	0.00%
7,128	Alberto Culver	254,171	0.01%	305,678	Baker Hughes	9,575,861	0.08%
235,489	Albertsons	4,128,535	0.0070	12,400	Ball	400,376	0.01%
359,413	Alcoa	8,290,696	0.04%	974,019	Bank of America	33,601,904	0.0170
70,200	Alkermes	726,171	0.01%	352,760	Bank of New York	8,655,194	0.2570
60,328	Allergan	3,590,625	0.01%	27,871	Banknorth Group	748,901	0.01%
23,000	Allete	620,549	0.03%	11,202	Bard C R	526.176	0.01%
6,308	Alliance Data Systems	219,884	0.01%	8,428	Barr Pharmaceuticals	281,779	0.01%
			0.00%	65,343	Bausch & Lomb	3,092,291	0.00%
11,897	Alliant Energy	249,801					
3,972	Alliant Techsystems	190,654	0.00%	328,103 57,137	Baxter International BB&T	8,320,004 1,763,902	0.07% 0.02%
13,720	Allied Capital	260,278	0.00%				
231,563	Allstate	8,792,628	0.08%	70,934	Bea Systems	461,402	0.01%
87,480	Alltel	3,773,823	0.03%	32,132	Bear Stearns	2,413,497	0.02%
79,382	Altera	1,206,378	0.01%	51,000	Bearingpoint	300,661	0.00%
312,407	Altria	14,013,705	0.12%	6,764	Beckman Coulter	332,663	0.00%
31,423	Amazon.Com	1,021,749	0.01%	141,323	Becton Dickinson & Co	5,893,214	0.05%
9,218	AMB Properties	273,339	0.00%	30,953	Bed Bath & Beyond	905,116	0.01%
55,368	Ambac Financial Group	3,338,502	0.03%	307,385	Bellsouth	6,271,367	0.06%
21,890	Amdocs	421,858	0.01%	11,134	Bemis	237,786	0.00%
28,146	Amerada Hess	1,702,274	0.02%	8,994	Berkley W R	311,465	0.00%
19,954	Ameren	734,523	0.01%	1,700	Berkshire Hathaway Class 'B		0.03%
63,800	American Axle & Manufacturii		0.01%	99	Berkshire Hathaway Class 'A'		0.06%
5,668	American Eagle Outfitters	195,994	0.00%	36,103	Best Buy	1,574,951	0.01%
40,658	American Electric Power	1,025,032	0.01%	104,188	Biogen Idec	5,095,046	0.05%
318,338	American Express	13,174,299	0.11%	26,328	Biomet	838,684	0.01%
506,256	American International Group	24,407,776	0.21%	48,000	BJ Services Co	1,640,056	0.02%
21,381	American Power Conversion	335,918	0.00%	38,711	Black & Decker	2,510,346	0.02%
22,146	American Standard	671,810	0.01%	18,800	Black Box	662,782	0.01%
23,012	American Tower	310,859	0.00%	16,980	Block H & R	610,836	0.01%
16,094	AmeriCredit	288,891	0.00%	90,722	BMC Software	1,238,844	0.01%
11,937	AmerisourceBergen	514,252	0.01%	243,824	Boeing	9,267,138	0.08%
42,124	Ameritrade	439,765	0.01%	8,680	Boston Properties	412,110	0.01%
49,600	Amerus Group	1,649,571	0.02%	69,200	Boston Private Financial	1,431,146	0.01%
410,114	Amgen	19,314,891	0.17%	64,497	Boston Scientific	1,683,333	0.02%
	. inigen				Bowater		0.00%
	Amphenol	2∆5 779	U UU0%	7///	DOMQTEL	IOD 400	() ()()*///
9,112 104,100	Amphenol AMR	245,778 836,866	0.00% 0.01%	5,777 9,251	Brinker International	186,488 238,186	0.00%

ANNUAL REPORT 2004

Holding Security Description Market Value % of Total

€ Investments

0.01%

United States (Continued) 26,902 Broadcom 637,542 224,480 7,021 Brown & Brown

Quoted Securities - Equities

26,902	Broadcom	637,542	0.01%
7,021	Brown & Brown	224,480	0.00%
7,616	Brown Forman	272,188	0.00%
9,907	Brunswick	360,030	0.00%
11,700	Bunge Limited	489,698	0.01%
158,292	Burlington North Santa Fe	5,497,977	0.05%
126,516	Burlington Resources	4,040,413	0.04%
6,777	CDW	330,118	0.00%
9,347	C H Robinson Worldwide	380,989	0.00%
25,869	Cablevision Systems	472,901	0.00%
6,517	Cabot	185,065	0.00%
198.692	Cadence Design Systems	2.014.490	0.02%
49,900	Caesars Entertainment	737,821	0.01%
103,855	Campbell Soup Co	2,279,000	0.02%
165,700	Candela	1,381,948	0.01%
38,993	Capital One Financial	2,410,690	0.02%
190,601	Cardinal Health	8,137,030	0.07%
10,910	Career Education	320,388	0.00%
538,002	Caremark Rx	15,574,054	0.13%
126,400	Carmax	2,881,374	0.02%
207,914	Carnival	8,796,773	0.0270
10,578	Catellus Development	237.638	0.00%
	Caterpillar		0.00%
77,959		5,580,928	
41,100	CBRL Group	1,262,782	0.01%
27,786	Celgene	541,196	0.00%
809,525	Cendant	13,895,231	0.12%
34,106	Centerpoint Energy	282,944	0.00%
13,200	Centex	577,385	0.00%
20,946	Centurytel	545,448	0.00%
6,226	Cephalon	232,567	0.00%
16,395	Ceridian	220,028	0.00%
6,890	Certegy	179,724	0.00%
20,430	Checkpoint Software Technologies		0.00%
29,370	Chesapeake Energy	355,778	0.00%
375,414	ChevronTexaco	14,472,498	0.12%
1,045	Chicago Mercantile Exchange	175,458	0.00%
9,180	Chico's FAS	306,854	0.00%
21,930	Chiron	536,618	0.00%
9,566	Choicepoint	322,987	0.00%
49,737	Chubb	2,807,999	0.02%
136,065	Cigna	8,148,317	0.07%
29,600	Cimarex Energy	823,611	0.01%
17,962	Cincinnati Financial	583,656	0.01%
19,216	Cinergy	587,301	0.01%
13,563	Cintas	436,732	0.00%
20,123	Circuit City	231,058	0.00%
2,179,752	Cisco Systems	30,885,554	0.27%
187,952	CIT Group	6,322,561	0.05%
1,393,072	Citigroup	49,275,537	0.42%
32,700	Citizens Communications Co	331,057	0.00%
28,795	Citrix Systems	518,568	0.00%
5,403	City National	280,245	0.00%
722,642	Clear Channel Communications	17,767,624	0.15%
103,787	Clorox Co	4,490,249	0.04%
22,322	Coach	924,279	0.01%
326,550	Coca Cola Co	9,980,381	0.01%
37,788	Coca Cola Enterprises	578.430	0.00%
12 520	Cognizant Tachnology Colutions	420 472	0.0070

Quoted Se	ecurities - Equities	;	
Holding	Security Description	Market Value €	% of Total
	1 (0 () ()		

United Sta	tes (Continued)		·
40,000	Compuware	190,001	0.00%
80,620	Comverse Technology	1,447,147	0.01%
53,361	Conagra Foods	1,153,720	0.01%
70,456 9,248	Conocophillips CONSOL Energy	4,491,370 278,710	0.04% 0.00%
25,631	Consolidated Edison	823,255	0.00%
9,879	Constellation Brands	337,326	0.00%
79,885	Constellation Energy	2,563,522	0.02%
18,000	Convergys	198,091	0.00%
6,163 9,748	Cooper Cameron Cooper Industries	243,470 485,861	0.00% 0.00%
814,342	Corning	7,036,785	0.06%
120,871	Costco Wholesale	4,295,841	0.04%
118,107	Countrywide Financial	3,209,118	0.03%
46,817	Coventry Health Care Credence Systems	1,824,423	0.02%
46,000 373,425	Crown Castle International	309,008 4,561,921	0.00% 0.04%
102,196	CSX	3,007,133	0.03%
49,000	Cullen Frost Bankers	1,748,330	0.02%
23,459	Cummins	1,443,088	0.01%
148,493 24.916	CVS D R Horton	4,913,427 737,364	0.04% 0.01%
42,906	Danaher	1,808,409	0.01%
17,348	Darden Restaurants	353,303	0.00%
10,108	Davita	293,348	0.00%
16,935	Dean Foods Co	409,668	0.00%
306,918 21,750	Deere & Co Del Monte Foods	16,764,334 175,967	0.14% 0.00%
810,630	Dell	25,078,884	0.22%
276,793	Delphi Corporation	1,832,959	0.02%
5,700	Deluxe	156,215	0.00%
8,677 136,400	DENTSPLY International Department 56	358,011 1,667,323	0.00% 0.01%
10,479	Developers Diversified Realty	341,350	0.01%
50,050	Devon Energy	1,430,105	0.01%
11,607	Dex Media	212,694	0.00%
7,314 7,700	Diamond Offshore Drilling Diebold	215,054 315,044	0.00% 0.00%
23,300	Digene	447,320	0.00%
307,237	DirectTV Group	3,775,896	0.03%
1,058,633	Disney Walt	21,606,341	0.19%
22,700	DNP Select Income Fund Dollar General	198,652	0.00%
26,758 99,205	Dollar Tree Stores	408,020 2.088.833	0.00% 0.02%
34,006	Dominion Resources	1,691,187	0.01%
23,510	Donnelley R R & Sons Co	609,109	0.01%
21,850	Doral Financial	790,039	0.01%
24,200 69,779	Dov Pharmaceutical Dover	320,689 2,148,544	0.00% 0.02%
206,661	Dow Chem Co	7,511,773	0.0270
4,756	Dow Jones & Co	150,351	0.00%
8,944	DST Systems	342,237	0.00%
18,539 367,253	DTE Energy Co Du Pont E I De Nemours & Co	587,025 13,224,991	0.01% 0.11%
98,519	Duke Energy	1,832,087	0.02%
15,229	Duke Realty Corporation	381,703	0.00%
7,507	Dun & Bradstreet	328,752	0.00%
55,239	E Trade Financial Eastman Chemicals	606,287	0.01%
18,068 110,949	Eastman Kodak Co	765,778 2,626,903	0.01% 0.02%
152,973	Eaton	8,126,515	0.07%
166,470	Ebay	14,211,241	0.12%
141,729	Echostar Communications	3,458,683	0.03%
26,461 193,252	Ecolab Edison International	682,457 4,544,352	0.01% 0.04%
8,540	Edwards A G	270,915	0.04%
66,114	El Paso	504,798	0.00%
76,882	Electronic Arts	3,481,449	0.03%
54,538	Electronic Data Systems	924,916	0.01%

National Pensions Reserve Fund

Portfolio of Investments 31 December 2004

Quoted Se	curities - Equities			Quoted Se	curities - Equities		
Holding		Market Value	% of Total	Holding		Market Value	% of Total
		€	Investments			€	Investments
United Sta	ites (Continued)			United Sta	ates (Continued)		
1,379,236	EMC	15,057,073	0.13%	18,786	Genuine Parts Co	607,673	0.01%
117,610	Emerson Elecric Co	6,052,758	0.05%	15,085	Genworth Financial	299,020	0.00%
109,290	Energizer	3,986,947	0.03%	28,727	Genzyme	1,224,710	0.01%
15,944	Energy East	312,302	0.00%	100,786	Georgia Pacific	2,773,261	0.02%
13,432	Engelhard	302,444	0.00%	4,640	Getty Images	234,538	0.00%
16,226	Ensco International	378,102	0.00%	122,581	Gilead Sciences	3,148,894	0.03%
23,020	Entergy	1,142,296	0.01%	333,368	Gillette Co	10,959,709	0.09%
19,345	Enterprise Products Partners	L P 367,272 661,734	0.00% 0.01%	84,915	Globalsantafe Corporation	2,064,118 8,057,289	0.02% 0.07%
12,631 60,811	EOG Resources Equifax	1,254,525	0.01%	178,685 161,471	Golden West Financial Goldman Sachs Group	12,333,487	0.07%
51,605	Equitable Resources	2,298,186	0.01%	12,697	Goodrich	304,258	0.00%
41,469	Equity Office Properties Trus	886,556	0.027	43,400	Goodyear Tire & Rubber	467,105	0.00%
29,800	Equity Residential	791,545	0.01%	33,700	Google	4,777,527	0.04%
2,966	Erie Indemnity Co	114,472	0.00%	47,900	Government Properties	346,740	0.00%
80,157	Estee Lauder Cos	2,693,478	0.02%	14,718	Grainger W W	719,854	0.01%
82,400	Esterline Technologies	1,975,156	0.02%	11,929	GTech Holdings	227,265	0.00%
5,779	Everest Re Group	379,977	0.00%	88,831	Guidant	4,702,089	0.04%
209,908	Exelon	6,791,458	0.06%	57,900	Haemonetics	1,539,211	0.01%
11,180	Expeditors International	458,658	0.00%	74,000	Hain Celestial	1,122,957	0.01%
,	Washington	,		45,468	Halliburton	1,309,863	0.01%
8,236	Express Scripts	462,198	0.00%	33,822	Harley Davidson	1,508,470	0.01%
1,947,683	Exxon Mobil	73,297,284	0.63%	13,572	Harman International	1,265,431	0.01%
7,500	Fair Isaac	201,968	0.00%	171,631	Harrahs Entertainment	8,428,454	0.07%
232,274	Family Dollar Stores	5,325,539	0.05%	83,316	Harris	3,779,528	0.03%
547,697	Fannie Mae	28,633,363	0.25%	82,602	Hartford Financial Services G	oup 4,203,175	0.04%
8,148	Fastenal Co	368,248	0.00%	40,670	Hasbro	578,654	0.00%
127,943	Federated Department Stores		0.05%	41,404	HCA	1,214,671	0.01%
8,595	Federated Investors Class 'B'	191,827	0.00%	13,968	Health Care Property Investm		0.00%
121,793	Fedex	8,806,543	0.08%	101,867	Health Management Associate		0.01%
18,508	Fidelity National Financial	620,557	0.01%	12,457	Health Net	264,029	0.00%
58,175	Fifth Third Bancorp	2,019,319	0.02%	209,674	Heinz H J Co	6,001,901	0.05%
9,161	First American	236,339	0.00%	89,576	Hershey Foods	3,652,486	0.03%
27,400	First Bancorp	1,277,567	0.01%	333,384	Hewlett Packard Co	5,132,562	0.04%
508,156	First Data	15,870,315	0.14%	17,021	Hibernia	368,761	0.00%
10,112	First Health Group	138,900	0.00%	6,622	Hillenbrand Inds	270,014	0.00%
45,199	First Horizon National	1,430,533	0.01%	41,057	Hilton Hotels	685,439	0.01%
3,328	First Marblehead	137,435 985,241	0.00% 0.01%	491,084	Home Depot Honeywell International	15,409,243	0.13% 0.07%
33,966 20,902	Firstenergy Fiserv	616,733	0.01%	326,425 11,843	Hormel Foods	8,485,948 272,578	0.07%
11,750	Fisher Scientific	538,114	0.01%	16,529	Hospira	406,520	0.00%
8,952	Fluor	358,251	0.00%	6,857	Hospitality Properties	231,570	0.00%
16,029	Foot Locker	316,908	0.00%	37,226	Host Marriott	472,807	0.00%
525,280	Ford Motor Co	5,645,767	0.05%	6,063	Hudson City Bancorp	163,894	0.00%
2,812	Forest City Enterprises	118,810	0.00%	55,683	Humana	1,213,735	0.00%
194,375	Forest Labs	6,401,632	0.05%	6,181	Hunt J B Transport Services	203,522	0.00%
61,260	Fortune Brands	3,471,145	0.03%	116,097	Huntington Bancshares	2,112,094	0.02%
22,660	Fox Entertainment Group	520,044	0.00%	20,437	lac/Interactivecorp	414,412	0.00%
90,378	FPL Group	4,959,809	0.04%	392,228	IBM	28,386,929	0.24%
19,263	Franklin Resources	985,000	0.01%	102,600	Ikon Office Solutions	870,755	0.01%
503,085	Freddie Mac	27,220,736	0.23%	75,823	Illinois Tool Works	5,159,148	0.04%
19,600	Freeport McMoran Copper B	550,112	0.00%	6,367	Imclone Systems	215,396	0.00%
13,389	Freescale Semiconductor	175,165	0.00%	126,270	IMS Health	2,151,624	0.02%
27,545	Freescale Semiconductor Clas	ss 'B' 371,284	0.00%	8,706	Independence Community Ba	n 272,154	0.00%
14,675	Friedman Billings Ramsey Gro	up 208,904	0.00%	24,900	Indymac Bancorp	629,767	0.01%
12,461	Fulton Financial	213,249	0.00%	82,846	Ingersoll-Rand	4,884,027	0.04%
136,900	Furniture Brands Internationa	2,517,690	0.02%	64,800	Integrated Silicon Solution	390,104	0.00%
10,166	Gallagher Arthur J & Co	242,563	0.00%	1,606,764	Intel	27,591,374	0.24%
64,985	Gannett	3,897,860	0.03%	35,490	International Game Technolog		0.01%
390,794	Gap	6,059,444	0.05%	420,385	International Paper	12,962,462	0.11%
61,500	Gardner Denver	1,638,525	0.01%	10,301	International Steel Group	306,739	0.00%
8,352	Garmin	373,053	0.00%	355,484	Interpublic Group Cos	3,497,163	0.03%
106,935	Genentech	4,273,946	0.04%	10,400	International Flavors & Fragra		0.00%
47 024	General Dynamics	3,595,764	0.03%	30,773	Intuit	994,288	0.01%
46,824	General Electric	57,350,367	0.49%	6,794	Investors Financial Services	249,295	0.00%
2,140,190				8,276	Invitrogen	407.077	0.000/
2,140,190 17,532	General Growth Properties	465,426	0.00%			407,876	
2,140,190 17,532 37,452	General Growth Properties General Mills	1,366,815	0.01%	13,921	Iron Mountain	311,615	0.00%
2,140,190 17,532 37,452 97,357	General Growth Properties General Mills General Motors	1,366,815 2,863,315	0.01% 0.02%	13,921 28,300	Iron Mountain iShares Russell 2000 Index Fu	311,615 and 2,690,588	0.00% 0.00% 0.02%
2,140,190 17,532 37,452	General Growth Properties General Mills	1,366,815	0.01%	13,921	Iron Mountain	311,615	0.00%

54.794

94,625

139,543

621,159

72,564

8,974

13,014

45,208

29,736

Coca Cola Enterprises Cognizant Technology Solutions

Colgate Palmolive Co

Colonial Bancgroup

Comcast 'A' Special

Commerce Bancorp N J

Commerce Bancshares

Compass Bancshares

Computer Sciences

Community Health Systems

Computer Associates International 1,030,879

Comcast 'A'

Comerica

420,472

2.058.043

1,474,847

3,409,435

14,976,038

3,250,756

396,773

277,001

183,683

465,011

1,230,613

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0.03%

0.13%

0.03%

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0.01%

0.01%

National Pensions Reserve Fund

Portfolio of Investments 31 December 2004

	curities - Equities				ecurities - Equities		
Holding	Security Description	Market Value		Holding	Security Description	Market Value	
		€	Investments			€	Investments
United Sta	ites (Continued)			United Sta	ates (Continued)		
25,932	IVAX	301,185	0.00%	35,571	Marathon Oil	982,178	0.01%
21,507	Jabil Circuit	403,898	0.00%	1,012	Markel	270,441	0.00%
85,800 5,850	Jackson Hewitt Tax Service Jacobs Engineering Group	1,590,522 205,250	0.01% 0.00%	178,827 128,188	Marriott International Marsh & McLennan Cos	8,268,500 3,096,238	0.07% 0.03%
25,522	Janus Capital Group	314,973	0.00%	86,420	Marshall & IIsley	2,804,320	0.03%
130,872	JC Penney Co	3.977.756	0.03%	20,847	Marvell Technology	542,870	0.02 %
147,734	JDS Uniphase	343,820	0.00%	109,618	Masco	2,939,832	0.03%
34,905	Jefferson Pilot	1,331,520	0.01%	43,498	Mattel	622,404	0.01%
726,406	Johnson & Johnson	33,821,796	0.29%	34,443	Maxim Integrated Products	1,071,903	0.01%
19,417 13,400	Johnson Controls Jones Apparel Group	904,350 359,767	0.01% 0.00%	31,193 23,692	May Department Stores Co MBIA	673,280 1,100,675	0.01% 0.01%
930,111	JPMorgan Chase	26,638,008	0.00%	632,376	MBNA	13,087,644	0.01%
54,989	Juniper Networks	1,097,681	0.01%	17,025	McAfee	361,598	0.00%
43,400	K V Pharmaceutical	702,570	0.01%	13,257	McCormick & Co	375,685	0.00%
4,869	KB Home	373,191	0.00%	429,092	McDonalds	10,099,618	0.09%
167,946	Kellogg Co	5,506,548	0.05%	82,100	McGrath Rent	2,628,574	0.02%
24,400	Kellwood Co	618,016	0.01% 0.01%	208,040	McGraw Hill Cos	13,981,339	0.12%
16,001 121,456	Kerr McGee Keycorp	678,877 3,022,802	0.01%	32,735 31,106	MCI McKesson	484,500 718,446	0.00% 0.01%
17,204	Keyspan	498,273	0.00%	12,161	MDU Resources	238,202	0.0170
46,200	Kilroy Realty	1,450,004	0.01%	21,542	MeadWestvaco	535.980	0.00%
167,285	Kimberly Clark	8,082,392	0.07%	28,854	Medco Health Solutions	881,232	0.01%
15,470	Kimco Realty	658,619	0.01%	117,237	Medimmune	2,333,379	0.02%
9,800	Kinder Morgan	526,154	0.00%	294,822	Medtronic	10,750,906	0.09%
5,150 25,862	Kinetic Concepts	288,485 235,437	0.00% 0.00%	351,291 42,200	Mellon Financial Mentor	8,023,393 1,045,318	0.07% 0.01%
25,662 95,315	King Pharmaceuticals KLA Tencor	3,259,506	0.00%	119,600	Mentor Graphics	1,342,548	0.01%
6,951	KMart	504,957	0.00%	8,556	Mercantile Bankshares	327,893	0.0170
8,280	Knight Ridder	406,918	0.00%	607,729	Merck	14,339,924	0.12%
34,892	Kohls	1,259,555	0.01%	3,024	Mercury General	133,028	0.00%
437,630	Kraft Foods	11,441,160	0.10%	9,823	Mercury Interactive	328,491	0.00%
401,233	Kroger Co	5,166,748	0.04%	1,300	Meritage Homes	107,562	0.00%
11,173 15,154	L-3 Communications Laboratory Corporation of A	600,771 merica 554,271	0.01% 0.00%	318,249 157,000	Merrill Lynch & Co Mesa Air	13,965,012 915,190	0.12% 0.01%
3,801	Lafarge North America	143,211	0.00%	89,800	Methode Electrics	847,170	0.01%
110,355	Lam Resh	2,342,238	0.02%	77,248	Metlife	2,297,421	0.02%
122,765	Lamar Advertising Co	3,855,728	0.03%	6,061	Metro-Goldwyn Mayer	52,863	0.00%
7,339	Lear	328,722	0.00%	9,966	MGIC Investment	504,190	0.00%
10,807	Legg Mason	581,250	0.00%	11,552	MGM Mirage	616,910	0.01%
20,556 31,144	Leggett & Platt Lehman Brothers	429,049 2,000,203	0.00% 0.02%	33,000 67,997	Michaels Stores Microchip Technology	726,092 1,330,886	0.01% 0.01%
13,266	Lennar	552,028	0.00%	64,796	Micron Technology	587,498	0.01%
5,467	Leucadia	278,869	0.00%	3,197,063	Microsoft	62,692,572	0.54%
72,100	Level 3 Communications	179,443	0.00%	3,538,000	Midland Realty	1,470,254	0.01%
34,980	Lexmark International	2,182,879	0.02%	32,553	Millennium Pharmaceuticals		0.00%
644,006	Liberty Media A	5,191,385	0.04%	17,113	Millipore	625,797	0.01%
16,940 9,061	Liberty Media International Liberty Property Trust	574,948 287,376	0.00% 0.00%	5,589 67,800	Mills Mobile Mini	261,622 1,644,602	0.00% 0.01%
41,000	Lifepoint Hospitals	1,048,102	0.01%	7,062	Mohawk Industries	473,099	0.01%
84,500	Ligand Pharmaceutical	722,106	0.01%	7,283	Molex 'A'	142,495	0.00%
251,714	Lilly Eli	10,487,313	0.09%	7,823	Molex	172,300	0.00%
194,336	Limited Brands	3,284,351	0.03%	36,200	Molina Healthcare	1,232,623	0.01%
10,945	Lincare Holdings	342,709	0.00%	9,230	Moneygram	143,251	0.00%
100,401 309,763	Lincoln National Linear Technology	3,440,804 8,814,635	0.03% 0.08%	207,027 11,723	Monsanto Monster Worldwide	8,443,102 289,525	0.07% 0.00%
56,000	Linens 'n Things	1,019,602	0.01%	133,772	Moodys	8,529,549	0.00%
11,590	Liz Claiborne	359,162	0.00%	189,155	Morgan Stanley	7,710,069	0.07%
45,814	Lockheed Martin	1,868,415	0.02%	1,584,457	Motorola	20,007,826	0.17%
44,273	Loews	2,284,995	0.02%	64,600	Movado Group	884,509	0.01%
11,204	Louisiana Pacific	219,951	0.00%	9,712	Murphy Oil	573,622	0.00%
331,184	Lowes Cos LSI Logic	14,002,560 165,937	0.12% 0.00%	43,149 15,396	Mylan Labs Nabors Industries	560,072 579,738	0.00% 0.00%
41,245 452,765	Lucent Technologies	1,249,832	0.00%	15,396 181,388	National City	5,000,455	0.00%
22,563	Lyondell Chemical	479,056	0.01%	31,900	National Financial Partners	908,685	0.04%
12,057	M & T Bank	954,575	0.01%	39,168	National Semiconductor	516,163	0.01%
6,028	Macerich	277,923	0.00%	8,828	National-Oilwell	228,720	0.00%
10,900	Mandalay Resort Group	563,605	0.00%	51,000	Navistar	1,646,707	0.02%
9,900	Mannower	257,512	0.00%	6,767	Navteq	230,319	0.00%
9,700	Manpower	343,962	0.00%	46,998	NCR	2,388,717	0.02%

1 01 110110	of investments 31	December	2004			
Quoted Se	curities - Equities			Quoted Se	curities - Equities	
Holding	Security Description	Market Value	% of Total Investments	Holding	Security Description	Market Value € I
	1 (0 11 0	€	ilivestillelits		1 10 11 15	€ 1
	ntes (Continued)	150 /50	0.00%	United Sta 9.685	tes (Continued) Pinnacle West Cap	215 770
3,017 1,540	Neiman-Marcus Group Neiman-Marcus Group 'B'	158,458 75,525	0.00%	9,000 15,471	Pioneer Natural Resources	315,770 398,673
50,688	Network Appliance	1,236,220	0.01%	33,401	Pitney Bowes	1,134,864
28,366	New York Community Bancor		0.00%	2,427	Pixar	152,541
14,853	New York Times	444,903	0.00%	31,396	Plum Creek Timber	886,031
226,845	Newell Rubbermaid	4,028,618	0.04%	10,261	PMI	314,512
6,412	Newfield	277,974	0.00%	40,005	PNC Financial Services	1,687,018
222,094	Newmont Mining Holding Co	7,241,168	0.06%	7,001	Pogo Producing	249,232 596,919
118,483 71,889	Newport News Corp CDI 'B'	1,226,496 1,009,222	0.01% 0.01%	28,202 41,262	Popular PPG	2,064,766
176,872	News Corp CDI 'A'	2,411,109	0.01%	19,444	PPL	760,573
229,057	News Corporation 'A'	3,137,951	0.03%	210,474	Praxair	6,822,133
291,986	News Corporation 'B'	4,115,800	0.04%	6,654	Precision Castparts	320,854
109,555	Nextel Communications	2,412,929	0.02%	6,885	Premcor	213,156
13,930	Nextel Partners	199,833	0.00%	13,592	Price T Rowe Group	620,676
45,900	NGP Capital Resources	517,938	0.01%	14,187	Pride International	213,935
7,191	NII	250,505	0.00%	31,610	Principal Financial Group	950,087
80,376	Nike	5,351,516	0.05%	630,164	Procter & Gamble Co	25,482,294
27,937 14,400	NiSource Noble	467,223 525,847	0.01% 0.01%	96,138 20,598	Progress Energy Progressive	3,193,072
5,978	Noble Energy	270,614	0.01%	19,348	Prologis	1,282,971 615,483
50,400	Nordson	1,482,658	0.00%	7,148	Protective Life	224,028
45,420	Nordstrom	1,558,238	0.01%	195,768	Providian Financial	2.367.153
110,675	Norfolk Southern	2,940,554	0.03%	198,922	Prudential Financial	8,026,395
13,228	Northeast Utilities	183,061	0.00%	10,327	Public Storage	422,678
56,736	Northern Trust	2,023,519	0.02%	24,429	Public Service Enterprise G	
76,404	Northfork Bancorporation	1,618,277	0.01%	10,610	Puget Energy	192,399
38,396	Northrop Grumman	1,532,345	0.01%	13,600	Pulte Homes	637,016
39,362	Novellus Systems	805,966	0.01%	9,900	QLogic	266,961
6,000 9,027	Nstar NTL	239,101 483,525	0.00% 0.01%	901,224 6,700	Qualcomm Quanex	28,053,665 337,287
75,600	Nu Skin Enterprises	1,408,654	0.01%	7,869	Quest Diagnostics	552,003
98,088	Nucor	3,769,126	0.0170	9,208	Questar	344,497
2,571	NVR	1,452,263	0.01%	194,564	QWest Communications Inter	
289,948	Occidental Petroleum	12,422,998	0.11%	9,882	Radian Group	386,255
74,200	Oceaneering International	2,032,996	0.02%	115,300	Radio One	1,364,537
153,300	Ocwen Financial	1,075,947	0.01%	74,852	Radio Shack	1,806,867
32,852	Office Depot	418,700	0.00%	46,100	Raytheon Co	1,314,194
8,982	Officemax	206,927	0.00%	104,100	Regal Beloit	2,185,787
67,400	Offshore Logistics	1,606,694	0.01%	6,423	Regency Centres	261,239
19,105 11,112	Old Republic International Omnicare	354,861 282,430	0.00% 0.00%	47,539 38,000	Regions Financial Rehabcare Group	1,242,136 780,868
19,188	Omnicom Group	1,187,822	0.00%	6,087	Reliant Energy	61,000
718,921	Oracle Corporation	7,241,463	0.06%	7,314	Renaissancere Holdings	279,651
8,159	Outback Steakhouse	274,223	0.00%	98,500	Renal Care Group	2,602,610
17,936	Paccar	1,059,753	0.01%	57,300	Rent-A-Center	1,114,786
8,677	Pacificare Health Systems	360,050	0.00%	71,635	Republic Services	1,763,922
16,119	Pactiv	299,280	0.00%	53,400	Reynolds & Reynolds	1,039,303
13,409	Pall	284,994	0.00%	16,131	Reynolds American	930,840
95,800	Park Electrochemical	1,524,810	0.01%	66,200	Robert Half International	1,430,340
118,396 35,800	Parker Hannifin Parkway Properties	6,583,447	0.06% 0.01%	38,571 19,043	Rockwell Automation Rockwell Collins	1,403,122 551,396
5,462	Partnerre Holdings	1,333,859 248,378	0.01%	17,701	Rohm & Haas	574,785
139,400	Party City	1,323,282	0.00%	16,324	Ross Stores	345,991
14,470	Patterson	460,945	0.01%	10,877	Rowan Cos	206,824
18,428	Patterson UTI Energy	263,141	0.00%	15,774	Royal Caribbean Cruises	630,450
38,730	Paychex	969,032	0.01%	14,481	Ryder Systems	507,861
6,654	Peabody Energy	395,254	0.00%	42,200	Ryland	1,782,680
10,329	Pentair	330,322	0.00%	362,400	Sabre Group	5,895,884
4,826	Peoples Bank Bridgeport	137,790	0.00%	21,040	Safeco	806,938
18,686	Pepco	292,479	0.00%	47,859	Safeway	693,588
134,515	Pepsi Bottling Group	2,670,351	0.02%	89,800	Saga Communications	1,110,880
11,500 719,420	Pepsiamericas Pepsico	179,326 27,570,460	0.00% 0.24%	16,608 55,665	Sandisk Sanmina-SCI	304,458 346,144
719,420 15,408	Petsmart	401,913	0.24%	80,819	Sara Lee	1,432,326
2,546,627	Pfizer	50,274,429	0.43%	80,200	Saxon Capital	1,412,523
42,723	PG&E	1,043,845	0.4370	880,712	SBC Communications	16,662,468
14,645	Phelps Dodge	1,063,566	0.01%	11,786	Scana	340,921
155,800	Pinnacle Airlines	1,594,488	0.01%	4,938	Schein Henry	252,465

ANNUAL REPORT 2004 NATIONAL PENSIONS RESERVE FUND COMMISSION

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Holding Security Description Market Value % of Total

550,356 Schering Plough 8,436,556

Quoted Securities - Equities

United States (Continued)

	tes (Continued)		
550,356	Schering Plough	8,436,556	0.07%
307,855	Schlumberger	15,131,703	0.13%
22,900	School Specialty	648,281	0.01%
1,231,209	Schwab Charles	10,810,704	0.09%
53,650	Scientific Atlanta	1,300,188	0.01%
10,134	Scripps	359,202	0.00%
384.826	Seagate Technology	4,879,190	0.00%
	21		
9,029	Sealed Air	353,113	0.00%
33,797	Sears Roebuck	1,266,178	0.01%
133,500	Seattle Genetics	640,008	0.01%
8,200	SEI Investment	252,423	0.00%
38,200	Selective Insurance Group	1,240,708	0.01%
24,824	Sempra Energy	668,486	0.01%
10,820	Sepracor	471,613	0.01%
31,766	Service Master	321,601	0.00%
21,400	Sharper Image	296,153	0.00%
107,956	Sherwin Williams	3,537,241	0.03%
53,960	Siebel Systems	415,961	0.01%
15,452	Sigma Aldrich	685,873	0.01%
96,951	Simon Property Group	4,603,055	0.04%
	Sinclair Broadcast	555,805	
82,200			0.01%
129,938	Sirius Satellite Radio	729,774	0.01%
44,200	SLM	1,732,500	0.02%
11,200	Smith International	447,391	0.01%
11,426	Smithfield Foods	248,216	0.00%
20,109	Smurfit-Stone Container	275,777	0.00%
47,900	Snap On	1,208,314	0.01%
1,190,267	Solectron	4,657,604	0.04%
50,500	South Financial Group	1,206,053	0.01%
75,741	Southern Co	1,863,915	0.02%
112,864	Southwest Airlines	1,348,965	0.01%
36,602	Sovereign Bancorp	605,958	0.01%
48,200	Sports Authority	911,203	0.01%
332,322	Sprint Corp	6,062,845	0.05%
8,126	SPX	238,989	0.00%
8,116	St Joe Company	382,532	0.00%
36,282	St Jude Medical	1,116,881	0.00%
92,344	St Paul Travelers Companies	2,513,172	0.02%
83,634	Stanley Works	3,008,024	0.03%
111,089	Staples	2,749,292	0.02%
40,794	Starbucks	1,867,641	0.02%
108,716	Starwood Hotels & Resorts	4,661,195	0.05%
102,138	State Street	3,683,297	0.03%
5,102	Station Casinos	204,814	0.00%
12,306	Storage Technology	285,583	0.00%
30,761	Stryker	1,089,654	0.01%
412	Student Loan	55,655	0.00%
1,637,104	Sun Microsystems	6,466,206	0.06%
30,201	Sungard Data Systems	628,144	0.01%
51,330	Sunoco	3,079,197	0.03%
57,390	Suntrust Banks	3,112,821	0.03%
64,579	Supervalu	1,636,640	0.03%
	•		
216,007	Symantec Symbol Technologies	4,085,119	0.04%
24,648	Symbol Technologies	313,054	0.00%
16,352	Synopsys	235,538	0.00%
33,076	Synovus Financial	694,011	0.01%
77,647	Sysco	2,175,895	0.02%
171,924	Target	6,554,595	0.06%
15,282	TCF Financial	360,593	0.00%
21 2 47	Така Гакания	240.200	0.000/

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Quoted Securities - Equities Holding Security Description	Market Value	% of Total
United States (Continued) 59,484 Textron	3,222,905	0.03%

		€	Investments
United Sta	tes (Continued)		
59.484	Textron	3,222,905	0.03%
74,567	Thermo Electron	1,652,726	0.0370
71,400	Thornburg Mortgage	1,518,056	0.01%
15,600	Tiffany & Co	366,149	0.01%
2,242,503	Time Warner	32,005,182	0.28%
50,331	TJX Cos	928,579	0.01%
5,745	Toll Brothers	289,380	0.00%
11,133	Torchmark	467,028	0.01%
4,461	Total Systems Services	79,585	0.00%
22,795	Toys R Us	342,569	0.01%
2,850	Transatlantic Hldgs	129,370	0.00%
32,929	Transocean	1,024,785	0.01%
14,079	Tri Continental Triad Hospitals	188,946	0.00%
8,163 177,180	Tribune Co	222,998 5,481,510	0.00% 0.05%
41,400	Trimeris	430,686	0.03%
32,500	Triumph Group	942,478	0.01%
12,036	Trizec Properties	167,184	0.00%
57,400	Trustmark	1,309,315	0.01%
472,500	Tumbleweed	1,158,615	0.01%
30,173	TXU	1,430,122	0.01%
1,113,324	Tyco International	29,212,392	0.25%
139,100	Tyson Foods	1,879,040	0.02%
82,900	Ultralife Batteries	1,183,764	0.01%
136,755	Union Pacific	6,751,908	0.06%
13,873	UnionBanCal	656,729	0.01%
35,544	Unisys	265,647	0.00%
108,638	United Health Group	7,021,073	0.06%
140,078 11,651	United Parcel Service United States Steel	8,788,684	0.08% 0.01%
100,072	United Technologies	438,377 7,593,012	0.01%
39,952	UnitedGlobalCom	283,339	0.00%
5,565	Unitrin	185,691	0.00%
6,187	Universal Health Services	202,130	0.00%
431,829	Univision Communications	9,279,520	0.08%
103,340	Unocal	3,280,539	0.03%
31,318	Unumprovident	412,484	0.01%
6,207	Urban Outfitters	202,328	0.00%
697,397	US Bancorp	16,035,881	0.14%
17,760	UST	627,291	0.01%
49,420 131,700	V F	2,009,309	0.02%
131,700 26,513	Valassis Communications Valero Energy	3,385,079 883,702	0.03%
10.296	Valley National Bancorp	209,004	0.01% 0.00%
33,858	Varian Medical Systems	1,074,825	0.00%
76,042	Verisign	1,871,322	0.02%
43,839	Veritas Software	918,878	0.01%
836,116	Verizon Communications	24,866,793	0.21%
806,675	Viacom	21,551,210	0.19%
33,000	Vicuron Pharmaceuticals	421,797	0.01%
10,063	Vornado Realty	562,437	0.01%
10,925	Vulcan Materials	438,010	0.01%
269,178	Wachovia	10,394,804	0.09%
744,075	Wal Mart Stores	28,854,006	0.25%
105,228	Walgreen	2,964,245	0.03%
179,483	Washington Mutual	5,571,207	0.05%
217 270,207	Washington Post Co Waste Management	156,608	0.00%
270,207 34,415	Waters	5,939,356 1,182,202	0.05% 0.01%
34,413 11,627	Watson Pharmaceuticals	280,069	0.01%
13,900	Weatherford International	523,508	0.00%
34,455	WebMD	206,411	0.00%
4,653	Weight Watchers International	140,297	0.00%
9,133	Weingarten Realty	268,874	0.00%
8,598	Wellchoice	337,077	0.01%
30,266	Wellpoint	2,555,311	0.02%
384,869	Wells Fargo	17,560,831	0.15%
11,964	Wendys	344,840	0.00%
59,300	Werner Enterprises	985,648	0.01%

National Pensions Reserve Fund

Portfolio of Investments 31 December 2004

	curities - Equities Security Description M	arket Value €	% of Total Investments
Jnited Sta	tes (Continued)		
130	Wesco Financial	37,508	0.00%
7,796	Westwood One	154,134	0.00%
86,659	Weyerhaeuser	4,276,645	0.04%
7,249	Whirlpool	368,331	0.01%
936	White Mountains Insurance Gro	up 443,914	0.01%
6,600	Whole Foods Market	462,015	0.01%
56,000	Williams Cos	669,730	0.01%
12,407	Williams Sonoma	319,170	0.01%
12,556	Wisconsin Energy	310,743	0.01%
159,239	Wrigley WM Jr Co	8,088,794	0.07%
781,478	Wyeth	24,435,172	0.21%
3,028	Wynn Resorts	148,766	0.00%
42,134	Xcel Energy	562,982	0.01%
1,082,875	Xerox	13,523,018	0.12%
59,702	Xilinx	1,299,584	0.01%
28,279	XL Capital	1,612,117	0.01%
15,790	XM Satellite Radio	436,106	0.00%
27,100	XTO Energy	703,912	0.01%
400 (46	34.4	44 4 4 4 4 6 7	0.4007

35,835	Zions Bank	1,789,777	0.02%
		2,626,284,655	22.54%
TOTAL NORTH AMI	ERICAN EQUITIES	2,713,134,247	23.29%

11,166,127

1,390,603

1,044,881

303,195

1,484,346

0.10%

0.01% 0.01%

0.01%

403,646

34,000

30,166

7,338

25,235

Yahoo

Yellow Roadway

Zebra Technologies

Zimmer Holdings

Yum Brands

Japan			
660,000	77th Bank	3,407,519	0.03%
76,620	Acom	4,208,202	0.04%
22,800	Advantest	1,435,102	0.01%
24,550	Aiful	1,981,228	0.02%
240,000	Aisin Seiki	4,459,721	0.04%
350	Alpha Group	907,268	0.01%
142,000	Anritsu	802,277	0.01%
43,500	Aoyama Trading	869,066	0.01%
167,000	Asahi Glass	1,351,307	0.01%
539,000	Asahi Kasei	1,980,000	0.02%
22,500	Asahi Soft Drinks	140,333	0.00%
925	Asset Managers	2,391,156	0.02%
152,200	Bandai	2,539,391	0.02%
23,000	Bank of Kyoto	149,875	0.00%
1,354,000	Bank of Yokohama	6,263,401	0.05%
145,000	Bridgestone	2,118,153	0.02%
18,000	Canon Electronics	300,322	0.00%
471,800	Canon	18,682,807	0.16%
405,000	Central Glass	2,105,478	0.02%
289,000	Chori	370,433	0.00%
30,000	Chubu Electric Power	528,464	0.00%
28,373	Chugai Pharmaceutical	344,174	0.00%
120,000	Daikin Industries	2,543,502	0.02%
44,000	Daiwa House Industry	367,061	0.00%
458,000	Daiwa Securities Group	2,426,924	0.02%
216,600	Denso Corporation	4,257,551	0.04%
36,000	Disco	1,209,023	0.01%
57,000	Don Quijote	2,134,694	0.02%
6,000	Doshisha	139,205	0.00%
107,000	Doutor Coffee	1,494,092	0.01%
580,000	Dowa Mining	2,770,211	0.02%
1,000	eAccess	648,049	0.01%
800	East Japan Railway Co	3,265,306	0.03%
128,000	Eisai	3,088,865	0.03%
31.000	Fizo Nanao	560,508	0.00%

Quoted Se	curities - Equities Security Description	Market Value	% of Total
Holding	Security Description		Investments
Janan (Ca	antinued)		
Japan (Co 216,100	Electric Power Development	Co 4,441,153	0.04%
29,900	Elpida Memory	869,273	0.01%
750	E-Trade Securities	4,613,319	0.04%
9,300	F.C.C.	265,714	0.00%
133,400	Fanuc	6,400,143	0.05%
36,000	Fast Retailing	2,010,741	0.02%
87	Fields	343,265	0.00%
39,000	Foster Electric	224,812	0.00%
215,000	Fuji Oil	1,944,468	0.02%
40,000	Fuji Photo Film	1,071,250	0.01%
119,000	Fujitsu General	305,915	0.00%
500,000 720,000	Fukuoka Bank of Fukuyama Transporting	2,416,756 2,314,930	0.02% 0.02%
1,250	Fullcast Co	2,622,628	0.02%
42,600	Glory Kogyo	490,213	0.00%
1,780	Goodwill Group	3,224,776	0.03%
280,000	Gunma Bank	1,192,982	0.01%
36,000	Hirose Electronics	3,088,292	0.03%
200,000	Hitachi Capital	3,029,001	0.03%
84,000	Hitachi High Technologies	870,376	0.01%
200,000	Hitachi	1,016,828	0.01%
347,400	Honda Motor	13,209,409	0.11%
205,600	Hoya	17,033,956	0.15%
21,000	Ichiyoshi Securities	143,308	0.00%
6,000	lida Home	95,596	0.00%
249	Intelligence Ltd	301,332	0.00%
40,000	Isetan Ito En	342,284	0.00%
59,100 81,000	Ito-Yokado	2,251,429 2,494,092	0.02% 0.02%
200,000	Izumiya	999,642	0.01%
25,000	Jafco	1,245,972	0.01%
470,000	Japan Asia Investment Co	1,426,996	0.01%
2,250	K K Davinci Advisors	1,901,182	0.02%
87,800	Kansai Electric Power	1,307,726	0.01%
177,000	Kao	3,320,730	0.03%
47,100	Kato Sangyo	523,446	0.00%
977,000	Kawasaki Kisen Kaisha	4,610,405	0.04%
480	KDDI	1,897,315	0.02%
182,300	Keihin	2,212,664	0.02%
30,100 12,800	Keyence Kibun Food Chemifa	4,948,772 211,729	0.04% 0.00%
18.000	Kikkoman Shoyu	125,929	0.00%
101,000	Koito Manufacturing	667,547	0.01%
220,000	Komatsu	1,129,538	0.01%
321,000	Konica Minolta	3,126,101	0.03%
115,000	Kurabo Industries	191,873	0.00%
43,000	Kureha Chemical	129,015	0.00%
48,200	Kyoden	276,119	0.00%
93,000	Kyowa Exeo	675,940	0.01%
194,000	Kyushu Electric Power	2,875,618	0.03%
535	Land Co	1,494,092	0.01%
40,000	Mabuchi Motor	2,116,720	0.02%
656,000	Maeda Mars Engineering	2,315,847 351,822	0.02%
14,200 125,000	Marubeni Corp	254,207	0.00% 0.00%
228,000	Matsui Securities	5,828,571	0.05%
522,000	Matsushita Electric	6,077,852	0.05%
65,000	Meganesuper	942,535	0.01%
425,000	Mikuni	873,434	0.01%
90	Millea Holdings	979,592	0.01%
352,000	Mitsubishi	3,337,257	0.03%
203,000	Mitsubishi Heavy Industries	423,008	0.00%
3,060,000	Mitsubishi Motor	2,563,695	0.02%

13,665,592

4.823.681

9,806,659

1,213,749

1,459,434

3,043,036

0.12%

0.04%

0.09%

0.01%

0.01%

0.03%

1,835 Mitsubishi Tokyo Financial

Mitsui & Co

Mitsui Fudosan

Mitsui Mining & Smelt

Mitsui Trust Holdings

Mitsui Sumitomo Insurance

733.000

1,100,000

375,000

229,000

415,000

21,346

69,400

8,870

5,627

76,574

5,835

252,021

211,313

207,447

Teco Energy Teekay Shipping

Tekelec

Tektronix

Tellabs

Teradyne

Temple Inland

Tenet Healthcare

Texas Instruments

Telephone & Data Systems

National Pensions Reserve Fund

Portfolio of Investments 31 December 2004

Quoted Se	curities - Equities		
Holding		Market Value	% of Total
	Cooding Doornpales	€	
Japan (Co	entinued)		
200,900	Miura Kogyo	2.577.965	0.02%
3,713	Mizuho Financial	13,719,355	0.12%
88,000	Morinaga Milk Industry	276,634	0.00%
73,000	Murata Manufacturing	2,995,274	0.03%
268,000 51,000	N.G.K. Spark Plug NEC	2,036,148 232,632	0.02% 0.00%
13,000	NEC Electronics	465,449	0.00%
23,000	Neomax	299,420	0.00%
640	Net One Systems	1,956,892	0.02%
66,000	Nidec	5,902,900	0.05%
65,000	Nikko Cordial	252,739	0.00%
26,000 116,000	Nintendo Nippon Chemical Industrial	2,396,133 291,557	0.02% 0.00%
308,000	Nippon Express	1,113,784	0.01%
39,000	Nippon Konpo Unyu Soko	303,287	0.00%
900,000	Nippon Mining	3,106,337	0.03%
506,000	Nippon Oil	2,380,537	0.02%
700	Nippon Paper	2,305,764	0.02%
4,516,000	Nippon Steel Nippon Telegraph & Telepho	8,116,835	0.07%
640 580,000	Nippon Yusen	ne 2,108,127 2,292,589	0.02% 0.02%
1,070,900	Nissan Motor	8.542.661	0.02 %
660,000	Nissay Dowa General Insura	111	0.02%
424,000	Nissin Electric	1,029,259	0.01%
10	Nitori	479	0.00%
65,000	Nittetsu Mining	184,783	0.00%
155,000 53,000	Nitto Denko Nok Corporation	6,237,737 1,218,260	0.05% 0.01%
430,000	Nomura Holding	4,600,215	0.01%
13,000	Nomura Research Institute	893,663	
3,513	NTT Docomo	4,754,436	0.04%
493,000	Obayashi	2,280,544	0.02%
13,200	Obic	1,923,523	0.02%
3,300 18,500	Okinawa Electric Power Co Omron	109,409 323,899	0.00% 0.00%
34,000	Orix	3,389,044	0.00%
471,000	Pacific Metals	1,460,387	0.01%
238,800	Park 24	3,146,380	0.03%
540	Pasona	1,206,445	0.01%
18,000	Point	436,950	0.00%
567	Rakuten Rakuten (Deferred)	475,038	0.00%
6,498 2,000,000	Resona Holdings	4,280,816 2,978,876	0.04% 0.03%
72,000	Rhythm Watch	110,849	0.00%
19,900	Ricoh Leasing	373,348	0.00%
250,000	Ricoh	3,539,205	0.03%
11,000	Right-On	276,477	0.00%
35,200 450,000	Rohm Ryobi	2,671,822 1,346,939	0.02% 0.01%
18,100	Ryohin Keikaku	667,490	0.01%
66,000	Sanden	299,635	0.00%
70,000	Sankyo-Tatetama	143,860	0.00%
104,600	Sanyo Electric Credit	1,614,128	0.01%
59,000	Secom Techno Services	1,689,939	0.01%
90,000	Sega Sammy Hldgs Sekisui House	3,628,357	0.03%
262,000 40,000	Seven-Eleven Japan	2,240,086 925,170	0.02% 0.01%
21,830	SFCG	4,048,672	0.0170
310,000	Sharp	3,713,784	0.03%
43,000	Shimamura	2,303,187	0.02%
570,000	Shimizu	2,097,959	0.02%
31,100	Shimojima Shin Etau Chamicala	325,141	0.00%
302,500 25,000	Shin-Etsu Chemicals Shiseido	9,097,744 265,664	0.08% 0.00%
252,000	Shizuoka Bank	1,752,180	0.00%
654,000	Showa Denko	1,236,348	0.01%
42,000	SMC	3,527,820	0.03%
294,600	Sony	8,353,856	0.07%
1,767	SRL	16,639	0.00%

Holding	curities - Equities Security Description	Market Value €	
Japan (Co	ntinued)		
64,000	Star Micronics	390,004	0.00%
263,000	Sumikin Bussan	423,738	0.00%
1,125,000	Sumitomo Chemical	4,044,039	0.04%
15,600	Sumitomo Corp Leasing	466,939	0.01%
1,062,000	Sumitomo Corp	6,722,578	0.06%
437,000	Sumitomo Electric	3,489,116	0.03%
595,000	Sumitomo Heavy Industries	1,623,308	0.01%
525,000	Sumitomo Metal	2,751,880	0.02%
484	Sumitomo Mitsui	2,582,026	0.02%
842,000	Sumitomo Trust & Banking	4,467,755	0.04%
104,200	Sundrug	2,693,605	0.02%
23,700	Sysmex	816,305	0.01%
65,000	T&D Holdings	2,280,702	0.02%
50,000	Takashimaya	353,025	0.00%
252,000	Takeda Pharmaceutical	9,311,278	0.08%
7,000	Tamron	148,622	0.00%
34,000	TDK	1,847,906	0.02%
117,000	Terumo	2,312,352	0.02%
109,000	TIS	3,504,547	0.03%
220,000	Tohoku Electric Power	2,898,675	0.03%
864,000	Tokuyama	3,941,053	0.03%
100,400	Tokyo Broadcasting Systems	1,201,349	0.01%
210,000	Tokyo Electric	3,781,955	0.03%
85,600	Tokyo Electron	3,867,784	0.03%
611,000	Tokyo Gas	1,837,594	0.02%
486,000	Toray Industries	1,670,462	0.02%
1,530,000	Toshiba	4,820,623	0.04%
91,000	Toshiba TEC	316,692	0.00%
158,000	Tosoh	521,575	0.01%
247,000	Toyo Tire & Rubber	583,673	0.01%
120,000	Toyoda Machine Works	751,880	0.01%
872,500	Toyota Motor	26,053,169	0.22%
20,000	Toyota Tsushu	226,423	0.00%
59,300	Trans Cosmos	1,490,462	0.01%
1,000	UFJ Holdings	4,446,831	0.04%
76,580	USS West Japan Bailway	4,715,990	0.04%
700	West Japan Railway	2,075,188	0.02%
98,000	World Co	2,526,316	0.02%
140,000	Yamanouchi Pharmaceutical Yamato Kogyo	4,000,000	0.04%
60,000 149,000	Yamato Transport	565,843 1,621,769	0.01% 0.01%
	Yodogawa Steel Works	248,622	0.01%
70,000 400,000	Yokohama Rubber	1,145,721	0.00%
62,000	Yusen Air & Sea Services	1,642,678	0.01%
02,000	rusen Air & Sea Services	546,757,763	4.69%
TOTAL JAPANESI	ECHITIES	546,757,763	4.69%

National Pensions Reserve Fund

Portfolio of Investments 31 December 2004

Holding	curities - Equities Security Description N	larket Value €	% of Total Investments
Asia Pac	ific		
ustralia	IIIC		
422,400	Adelaide Brighton Cement	411,295	0.00%
173,300	Aristocrat Leisure	987,649	0.01%
824,505	Australia & New Zealand Bank	9,723,675	0.08%
2,076,518	BHP Billiton	18,244,916	0.16%
63,100	Bluescope Steel	298,170	0.00%
1,667,075 148,900	Brambles Industries Bunnings Warehouse	6,636,220 155,220	0.06% 0.00%
72,400	Caltex Australia	450,349	0.00%
845,116	Coca-Cola Amatil	3,935,389	0.03%
66,500	Colorado Group	232,345	0.00%
310,309	Commonwealth Bank of Austra		0.05%
25,500	Crane Group	142,113	0.00%
218,520 140,000	CSL CSR	3,660,984	0.03%
542,600	Downer Edi	213,300 1,470,015	0.00% 0.01%
54,800	Excel Coal	146,581	0.01%
92,000	FKP Property	203,929	0.00%
1,638,870	Fosters Group	5,435,054	0.05%
212,900	Great Southern Plantations	513,380	0.01%
157,200	Gunns Limited	425,887	0.00%
93,700	Insurance Australia James Hardie Industries	345,089	0.00%
530,655 208,200	Jubilee Mines	2,036,422 530,666	0.02% 0.01%
182,800	MacQuarie Prologis	117,267	0.00%
559,596	National Bank of Australia	9,237,392	0.08%
572,300	Oil Search	593,312	0.01%
97,600	Orica	1,138,732	0.01%
819,070	Pacific Brands	1,496,554	0.01%
76,900 925,641	Portman Promina Group	123,770 2,862,972	0.00% 0.03%
245,330	Qantas Airways	521,321	0.0370
816,561	QBE Insurance	7,179,229	0.06%
525,333	Rinker Group	3,204,536	0.03%
317,269	Rio Tinto Limited	7,108,980	0.06%
28,500	Santos Limited	138,427	0.00%
362,714 288,600	TAB Corp Holdings TAP Oil	3,592,031 277,707	0.03% 0.00%
589,190	Telstra	1,656,982	0.00%
691,100	Transurban	2,652,140	0.02%
57,560	Wesfarmers	1,312,154	0.01%
554,702	Westpac Banking Corp	6,192,306	0.05%
326,000	WMC Resources	1,348,142	0.01%
403,865	Woodside Petroleum	4,649,573	0.04%
648,328 108,300	Woolworths Zinifex	5,573,863 145,153	0.05% 0.00%
100,000	Limited	123,026,514	1.06%
_			
long Kond			
900,500	ASM Pacific Technology	2,381,353	0.02%
140,000	Cafe De Coral Cathay Pacific Airways	119,001 1,209,254	0.00%
871,000 976,000	Champion Technology	1,209,254	0.01% 0.00%
800,500	China Mobile (Hk)	1,992,158	0.00%
1,516,000	China Oilfield	340,051	0.00%
1,622,000	China Resources Logic	139,404	0.00%
8,272,000	China Telecom	2,226,575	0.02%
2,188,000	Clear Media	1,539,521	0.01%
377,000	CLP Holdings	1,591,589	0.01%
13,458,500 2,052,000	CNOOC Cosco Pacific	5,306,829 3,120,220	0.05% 0.03%
330,400	Dah Sing Financial	1,880,092	0.03%
2,576,000	Datang International Power	1,423,258	0.01%
744,000	Esprit Holdings	3,302,575	0.03%
38,200	Hang Seng Bank	389,645	0.00%
972,000	Hong Kong & China Gas	1,473,409	0.01%
908,500 1,230,000	Hong Kong Electric Holdings Hong Kong Exchanges & Cleari	3,046,037	0.03%
	TOTAL NOTICE ACTIONALS & CIEDLE	ng 2,416,297	0.02%

	curities - Equities Security Description	Market Value	% of Tota
,	,,	€	Investment
Hong Kong	(Continued)		
416,022	Jardine Matheson Holdings	4.856.288	0.049
1,598,500	Kerry Properties	2,506,125	0.029
2,162,000	Li & Fung	2,674,908	0.029
618,000	Luen Thai Holdings	234,929	0.009
112,000	Orient Overseas	311,519	0.009
1,342,500	Ping An Insurance	1,673,671	0.029
5,668,000	Sinopec	1,713,017	0.029
2,224,000	Solomon Systech	403,290	0.009
245,000	Sun Hung Kai Properties	1,799,071	0.029
1,617,500	Swire Pacific	9,929,779	0.099
636,000	Tai Cheung Holdings	255,287	0.009
1,182,000	Top Form International	205,408	0.009
232,000	Varitronix International	161,049	0.009
900,000	Vedan International	137,702	0.009
434,500	Wing Hang Bank	2,236,497	0.029
		63,276,369	0.549
New Zealan	hd		
1,272,800	Telecom Corp of New Zealand	4,148,013	0.049
1,212,000		4,148,013	0.049
Singapore			
552,000	DBS	3,992,094	0.049
212,209	Flextronics International	2,153,093	0.029
738,000	Jardine Cycle & Carriage	3,513,970	0.039
854,000	MFS Technology	354,842	0.009
2,762,100	Mobileone	2,258,118	0.029
1,993,000	SembCorp Logistics	1,548,778	0.019
3,278,000	Singapore Exchange	2,635,711	0.029
640,000	Singapore Press Holdings	1,322,433	0.019
2,552,000	Singapore Technologies	2,670,991	0.029
1,748,430	Singapore Telecommunication		0.029
687,000	Suntec Real Estate Investmen		0.009
893,000	United Overseas Bank	5,535,622	0.059
,		28,197,419	0.24%
TOTAL ASIA PACIF	FIC EQUITIES	218,648,315	1.889
	_	892,902,830	76.33%
TOTAL EQUITIES			76 220

National Pensions Reserve Fund

Portfolio of Investments 31 December 2004

Quoted S Holding	Securities - Bonds Security Description	Market Value €	% of Total
GOVERNME	ENT BONDS		
Austria			
12,600,000	Republic of Austria 6.25% 15/07/27	16,258,536	0.14%
24,875,000	Republic of Austria 5.5% 15/01/10	27,633,637	0.24%
Belgium		43,892,173	0.38%
65,265,000	Kingdom of Belgium 4.25% 28/09/13	68,440,143	0.59%
2,900,000	Kingdom of Belgium 5% 28/09/12	3,195,974	0.03%
15,315,000	Kingdom of Belgium 5.5% 28/03/28	18,126,068	0.15%
9,000,000	Kingdom of Belgium 5% 28/03/35	10,011,420	0.09%
Finland		99,773,605	0.86%
3,650,000	Republic of Finland 4.25% 4/07/15	3,823,083	0.03%
4,100,000	Republic of Finland 5.375% 4/07/13	4,648,826	0.04%
3,925,000	Republic of Finland 5.75% 23/02/11	4,465,590	0.04%
France	3.1370 23/02/11	12,937,499	0.11%
10,065,400	Government of France 1.6% 25/07/15	10,183,165	0.09%
10,000,000	Government of France 4% 25/10/14	10,264,900	0.09%
18,000,000	Government of France 4.75% 25/04/35	19,371,780	0.17%
81,500,000	Government of France 5% 25/10/11	89,729,870	0.77%
54,890,000	Government of France 4% 25/10/13	56,606,411	0.48%
10,435,000	Government of France 5.5% 25/04/29	12,402,415	0.10%
39,240,000	Government of France 5.75% 25/10/32	48,564,601	0.42%
15,000,000	Government of France 3% 12/07/08	15,105,000	0.13%
41,050,000	Government of France 4.25% 25/04/19	42,379,199	0.36%
Cormany		304,607,341	2.61%
Germany 64,500,000	Federal Republic of Germany	71,286,690	0.61%
2,000,000	5.25% 4/07/10 Federal Republic of Germany	2,097,960	0.02%
89,514,000	4.25% 4/07/14 Federal Republic of Germany	106,749,921	0.91%
9,806,000	5.5% 4/01/31 Federal Republic of Germany	11,797,500	0.10%
8,770,000	5.625% 4/01/28 Federal Republic of Germany	11,658,663	0.10%
102,140,000	6.5% 4/07/27 Federal Republic of Germany	109,288,778	0.94%
19,385,000	4.5% 4/01/13 Federal Republic of Germany 4.75% 4/07/28	20,822,204	0.18%
6,130,000	Federal Republic of Germany 6.25% 4/01/30	7,990,271	0.07%
	U.2J70 4/UI/JU	341,691,987	2.93%

Quoted Holding	Securities - Bonds Security Description	Market Value	% of Total Investments
Greece			
10,000,000	Republic of Greece 3.5% 18/04/08	10,200,000	0.09%
2,000,000	Republic of Greece 6.5% 11/01/14	2,418,940	0.02%
12,050,000	Republic of Greece	13,374,175	0.11%
12,150,000	5.35% 18/05/11 Republic of Greece	13,475,565	0.12%
16,850,000	5.25% 18/05/12 Republic of Greece	21,228,641	0.18%
	6.5% 22/10/19	60,697,321	0.52%
Italy			
Italy 5,300,000	Republic of Italy	5,791,522	0.05%
58,200,000	5% 1/08/34 Republic of Italy	63,889,050	0.55%
94,250,000	5% 1/02/12 Republic of Italy	106,730,585	0.92%
41,072,000	5.25% 1/08/17 Republic of Italy	49,932,873	0.43%
73,725,000	5.75% 1/02/33 Republic of Italy	92,257,991	0.79%
14,896,000	6% 1/05/31 Republic of Italy	16,838,587	0.15%
6,589,000	5.25% 1/11/29 Republic of Italy	9,351,768	0.08%
8,136,000	7.25% 1/11/26 Republic of Italy	13,241,910	0.11%
12,614,000	9% 1/11/23 Republic of Italy	16,587,788	0.14%
	6.5% 1/11/27	374,622,074	3.22%
Netherl	ands		
10,000,000	Dutch Government	10,068,900	0.09%
6,900,000	3.75% 15/07/14 Dutch Government 4.25% 15/07/13	7,245,897	0.06%
16,450,000		19,512,332	0.17%
34,500,000	Dutch Government	38,548,575	0.33%
7,202,000	5.5% 15/07/17 Dutch Government	10,318,233	0.09%
	7.5% 15/07/18	85,693,937	0.74%
Portuga	al		
10,000,000	Republic of Portugal 5.375% 23/06/08	10,827,000	0.09%
7,550,000	5.375% 23/06/06 Republic of Portugal 5.45% 23/09/13	8,600,130	0.07%
10,090,000	5.45% 25/09/15 Republic of Portugal 5.15% 15/06/11	11,157,118	0.10%
	3.1370 13/00/11	30,584,248	0.26%
Spain			
71,850,000	Government of Spain	78,322,248	0.67%
30,532,000	4.75% 30/07/14 Government of Spain 6% 31/01/29	38,545,123	0.33%
12,250,000	Government of Spain 5.35% 31/10/1	13,729,310	0.12%
	J.JJ 70 JI/ IU/ I	130,596,681	1.12%
TOTAL QUOT	TED GOVERNMENT BONDS	1,485,096,866	12.75%

National Pensions Reserve Fund

	December	L004
Property Investments Holding Security Description	Market Value €	% of Total Investments
United Kingdom 8,000,000 Barclays Bank Property Index Certificates 31/03/09	11,346,715	0.10%
Cash Deposits & Other Inve	estments Market Value €	% of Total Investments
Deposits		
Euro	1,186,936,807	10.19%
JS Dollar	41,088,697	0.35%
Sterling Japanese Yen	1,276,095 3.839.336	0.01% 0.03%
Other Currencies	274,003	0.00%
other ourrendes		
TOTAL CASH DEPOSITS	1,233,414,938	10.58%
Unrealised loss on foreign exchange contracts	28,216,797	0.24%
Unrealised loss on futures contracts (note 1)	156,187	0.00%
TOTAL INVESTMENTS	11,651,134,333	100.00%
Note 1 Dpen Futures at 31 December 2004 DJ Euro Stoxx Contracts (Expiring March 2005) S&P 500 Index Contracts (Expiring March 2005)	Commitment	Unrealised Gain € 8,180 148,007

156,187

9,612,340

NATIONAL PENSIONS RESERVE FUND COMMISSION ANNUAL REPORT 2004

Notes







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