



**National Pensions Reserve Fund
Commission**

Annual Report and Financial Statements

2009



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Fund Commission**

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**National Pensions Reserve Fund
Commission**

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30 June 2010

Mr. Brian Lenihan, T.D.,
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 2009.

Yours sincerely,

Paul Carty,
Chairman

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From the Chairman



2009 was a year of significant change for the National Pensions Reserve Fund involving investment in the Irish banks and a review of investment strategy. The result is the NPRF is now positioned quite differently for the next phase of its development, compared with its portfolio and investment strategy since its inception in 2001.

In reviewing these developments, it is important to recognise that the two main elements for the funding of the NPRF remain unchanged – the rules that legislate 1% of GNP be paid into the NPRF each year and that withdrawals cannot take place before 2025. The NPRF remains a long-term investor.

The Minister for Finance directed the Commission to invest €7.0 billion in preference shares issued by Bank of Ireland and Allied Irish Banks. These banking investments were funded from a combination of an Exchequer contribution (€3.0 billion) and from the NPRF's existing resources (€4.0 billion). Subsequently the Minister for Finance announced the transfer to the NPRF of the pension fund assets of sixteen universities and non-commercial bodies. These assets have an estimated value in excess of €2.0 billion and by 31 March 2010 had been almost entirely transferred into the NPRF. As a result of both of these injections, it is estimated that the Exchequer's statutory annual contribution to the NPRF of 1% of GNP will have been pre-funded out to early 2012.

Given the directed nature of the banking investments and the fact that the Commission's statutory investment policy does not apply to them, the Commission decided to separate the NPRF into two parts for management purposes – the Discretionary Portfolio (the investment of which remains the Commission's responsibility) and the Directed Investments.

At 31 December 2009, the NPRF was valued at €22.3 billion, comprising the Discretionary Portfolio €15.3 billion and the Directed Investments €7.0 billion.

The Discretionary Portfolio's performance rebounded from what was a very difficult 2008 and recorded a return of +20.6% in 2009 and of +2.6% per annum since inception. The Directed Investments continue to be held at cost, thereby recording a 0% return in 2009. The combined return for the Total Fund for the year was +11.5%.

The strong performance of the Discretionary Portfolio was achieved in very volatile market conditions. Following the financial crisis in late 2008, equity markets fell to new lows in March 2009 before rebounding strongly for the remainder of the year, as investors concluded that aggressive global stimulus initiatives and the clear commitment of authorities were likely to prevent a meltdown, as had previously been feared. Consequently investors partly regained their appetite for risk. Into 2010 the market outlook is uncertain, as the abilities of authorities to unwind stimulus initiatives and of corporates to sustain earnings recoveries require constant scrutiny.

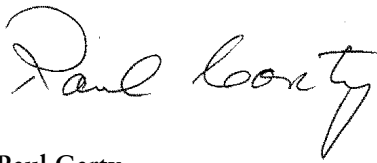
During the second half of 2009 and early 2010, the Commission completed a scheduled review of the NPRF's long term investment strategy. Circumstances have changed materially over the period since the previous target asset allocation was originally determined some years ago. Principally the Exchequer has moved from surplus to deficit, and therefore the Commission decided to include a secondary objective within the NPRF's investment strategy to seek to outperform the cost of government debt over rolling five year periods. The updated strategy is set out in more detail in the main body of the report. Its main points are:

- Equity weightings are reduced, principally reflecting risk considerations attaching to the secondary objective of outperforming the cost of government debt; and
- Diversification is enhanced through the inclusion of some new asset classes and increased weightings to others, asset classes which are more likely to deliver superior longer term growth and to protect against longer term inflation. These increased allocations include emerging markets and small cap equities, inflation linked bonds, commodities, infrastructure and absolute return investments.

I would like to thank my fellow commissioners and the members of our advisory committees for their commitment and diligence over the past twelve months. In particular I would like to thank Brid Horan and Donald Roth who stood down in 2009 and 2010 respectively after their maximum permitted two terms in office as commissioners. Both made very substantial contributions since the inception of the NPRF and their inputs will be missed. I would like to welcome new commissioners Prof. Frances Ruane and Knut Kjaer to the Commission.

I would like to thank Dr. Michael Somers, who has also retired from the Commission, for his significant contribution to the NPRF in his role as Chief Executive of the NTMA and ex-officio commissioner. He was succeeded by John Corrigan, who as Investment Director guided the NPRF since its inception with skill and dedication, and I welcome him to the Commission. I would also like to thank the staff of the NTMA for their hard work and positive attitude through what has been a period of significant change for the Fund.

In summary, a very difficult 2008 and the inclusion of the Directed Investments in 2009 have been followed by a strong performance rebound, substantial pre-funding of the Exchequer contribution and a detailed investment strategy review. In that light I am confident that the NPRF, which through the Directed Investments has already made a major contribution to the stabilisation of the country's banking system, remains well placed to deliver on its long-term goal of meeting as much as possible of the costs of Ireland's social welfare and public service pensions costs between 2025 and 2055.



Paul Carty
Chairman
30 June 2010

Key Facts and Figures

2009 saw a significant change to the asset mix of the National Pensions Reserve Fund. In the first half of 2009, the NPRF, under the direction of the Minister for Finance, invested a total of €7 billion in preference shares to recapitalise Bank of Ireland and Allied Irish Banks plc (AIB). For both performance and asset allocation purposes, a distinction is now drawn between the Discretionary Portfolio (the investment of which is the Commission's responsibility), and the Directed Investments (the NPRF's investments in Bank of Ireland and AIB, which were made at the direction of the Minister for Finance).

At 31 December 2009 the Fund's total value stood at €22.3 billion.

The NPRF's Discretionary Portfolio earned a return of 20.6% in 2009. This compares with a return to the NPRF's benchmark of 19.9% in 2009. Including the bank preference shares and related warrants, which are held at cost and zero respectively, the NPRF recorded an overall return of 11.5% in 2009¹. Since the NPRF's inception in 2001, the Discretionary Portfolio has delivered an annualised return of 2.6% per annum².

To fund the Directed Investments, the Commission, viewing equity markets as oversold at the time, decided to sell all of the NPRF's sovereign bonds and use all cash balances. As a result the Discretionary Portfolio had an elevated level of quoted equity exposure (83%) following the bank recapitalisation and the Commission took advantage of a strong equity rally in the second half of the year to reduce its absolute risk arising from exposure to the equity markets through phased equity sales of €2.7 billion.

As at the end of December 2009, the NPRF was an investor in over 2,900 companies worldwide. During 2009 the NPRF exercised its voting rights at 2,812 shareholder meetings and engaged with 323 companies on 1,076 topics including environmental, social and governance issues.

Chart 1.1 NPRF Value and Cumulative Exchequer Contribution 2001 to 2009

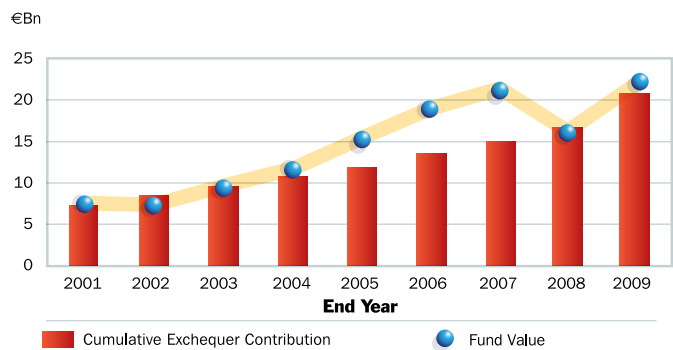


Chart 1.2 NPRF Discretionary Fund Performance 2001 to 2009

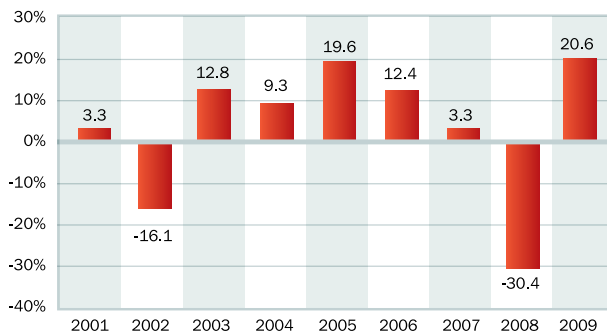


Table 1.1 NPRF Asset Allocation as at 31 December 2009

	Assets €m*	% of Total fund	% of Discretionary Portfolio**	% of Benchmark
Large Cap	7,575	33.9	52.8	48.4
Small Cap	731	3.3	5.1	5.0
Emerging Markets	777	3.5	5.4	5.0
Total Listed Equity	9,083	40.7	63.3	58.4
Bonds	1,225	5.5	8.5	8.0
Cash	2,701	12.1	18.8	23.5
Total Financial Assets	3,926	17.6	27.3	31.5
Private Equity	616	2.8	4.3	4.3
Property	383	1.7	2.7	3.0
Commodities	154	0.7	1.1	1.6
Total Alternative Assets	1,153	5.2	8.1	8.9
Currency and Asset Allocation Funds	180	0.8	1.3	1.2
Total Absolute Return Assets	180	0.8	1.3	1.2
Assets transferred on 31.12.2009***	993	4.4		
Total Discretionary Portfolio	15,335	68.7	100.0	100.0
Directed Investments	7,000	31.3		
Total	22,335	100.0		

* Asset allocation is based on amounts allocated to each investment manager and includes cash and other net assets held. Euro amounts and percentages in this table are rounded.

**Asset classes as a percentage of the total Discretionary Portfolio are calculated excluding assets transferred on 31st December 2009.

*** Transfers from ten university and non-commercial state body pension funds took place on 31 December 2009 under the Financial Measures (Miscellaneous Provisions) Act.

¹ Fund performance is calculated using time weighted return which is the industry standard for reporting investment performance.

² Comprising the entire portfolio from the Fund's inception until Directed Investments were made and thereafter the Discretionary Portfolio.

Fund Overview

The National Pensions Reserve Fund was established in April 2001 under the National Pensions Reserve Fund Act, 2000. Its objective is to meet as much as possible of the costs of social welfare and public service pensions from 2025 until at least 2055.

Ireland currently has a pay-as-you-go State pension system – in any one year the costs of social welfare and public service 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. While this is currently the case in Ireland, this situation will change as the population ages due to increased life expectancy and lower birth rates.

Demographic projections indicate that there will be less than two people of working age to every person aged 65 or over by the middle of the century, compared to almost six people today. This demographic change will lead to a projected increase in spending on social welfare and public service pensions from approximately 5.5% of GDP in 2008 to almost 15% of GDP in 2050. This rise in public expenditure is the equivalent of over €8 billion in 2009 present value terms.³

With the establishment of the National Pensions Reserve Fund, the Government is moving from a fully pay-as-you-go to a part pre-funded public pension system. The Government invests the equivalent of 1% of GNP in the NPRF annually in order to lessen the cost to future generations of the pensions for today's workforce.

No money can be drawn down from the NPRF before 2025 and, from then on, drawdowns will continue until at least 2055 to support the pay-as-you-go system under rules to be made by the Minister for Finance. The NPRF will smooth 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.

It should be emphasised that the NPRF is not designed to provide a complete solution to the budgetary issues posed by increased pension costs and, even allowing for part pre-funding, the costs to the Exchequer of public pension provision are set to increase substantially. However, they will increase in a more controlled manner and to a lower peak than they would in the absence of pre-funding. In the *National Pensions Framework* the Government has announced additional measures to address the budgetary issues posed by increased pension costs including a phased increase in the State pension age to 68 by 2028.

The NPRF is controlled and managed by the National Pensions Reserve Fund Commission. The Commission's functions include the determination and implementation of the NPRF's investment strategy in accordance with its statutory investment policy. This policy requires that the NPRF be invested so as to secure the optimal total financial return provided the level of risk to the moneys held or invested is acceptable to the Commission.

Using the powers granted him under the Investment of the National Pensions Reserve Fund and Miscellaneous Provisions Act 2009, the Minister for Finance directed the Commission to make investments in Bank of Ireland and AIB for the purpose of recapitalising these institutions. The NPRF's statutory investment policy does not apply to Directed Investments. Please refer to page 8 for further information on Directed Investments.

The National Treasury Management Agency (NTMA) has been appointed the Manager of the NPRF until April 2011 and the Commission is required to perform its functions through the Manager.

³ Pension projections are taken from the National Pensions Framework published by the Department of Social Protection in March 2010.

Directed Investments

Directed Investments 2009

On 30 March 2009 the Minister for Finance directed the Commission to invest €3.5 billion in preference shares issued by Bank of Ireland and on 12 May 2009 he directed the Commission to invest €3.5 billion in preference shares issued by AIB. The “Directed Investments” followed intensive discussions between the Government and Bank of Ireland and AIB with a view to improving the capital position of these two listed banks.

The preference share investments form part of the National Pensions Reserve Fund and any income or capital gains from these assets will accrue to the NPRF. The Directed Investments do not involve any change in the date of the first drawdown from the NPRF, which is 2025.

The investments comprise part of each bank’s core Tier 1 capital. Tier 1 capital includes ordinary shares, retained earnings and other long-term securities subordinate to all other claims on the bank.

Preference shares are a type of share capital which confer particular rights, including priority payment of any dividend. The NPRF’s Bank of Ireland and AIB preference shares rank *pari passu* with ordinary shares in liquidation and the annual dividend ranks *pari passu* with dividend claims of other preference shares and ahead of ordinary share dividends.

The main features of the preference share investments made in 2009 were as follows:

- The NPRF invested in perpetual preference shares with an annual non-cumulative fixed dividend of 8% payable in cash or, in the case of non-payment by either bank of the cash dividend, ordinary shares in lieu. These preference shares can be repurchased by the issuing bank at par up to the fifth anniversary of the issue and at 125% of face value thereafter.
- The Minister for Finance can appoint 25% of the directors to each bank.
- The NPRF receives 25% of total ordinary voting rights in respect of change of control and board appointments.
- Warrants were also issued with, but detachable from, the preference shares giving the NPRF an option to purchase at different fixed prices (all less than €1 per share) up to 25% of the enlarged ordinary share capital of each bank (following exercise of the warrants). The warrants were exercisable at any time from the fifth to tenth anniversary of issue of the preference shares or immediately prior to any takeover or merger of the bank concerned, whichever is earlier.

2010 Developments

In February and May 2010 the NPRF received ordinary shares in Bank of Ireland and AIB respectively in lieu of cash as payment of the first dividend on its preference share investments. The payment was made in the form of ordinary shares as the European Commission had requested that discretionary coupon payments on Tier 1 and Upper Tier 2 capital instruments in Bank of Ireland and AIB not be paid while it considered each bank’s restructuring plan. The number of shares issued in each case represented the amount of the preference share dividend divided by the average share price in the 30 trading days prior to the date on which the dividend payment was due. Following the issue of these shares the NPRF (including small shareholdings already held in its indexed portfolio within the Discretionary Portfolio) held 15.7% of the ordinary shares of Bank of Ireland in issue and 18.6% of the ordinary shares of AIB in issue.

On 30 March 2010 the Minister for Finance, in a Dáil Statement, provided details of the capital determined by the Financial Regulator to be necessary for the banks to meet its requirement of a Tier 1 capital ratio of 8%, of which 7% must be equity. In the case of Bank of Ireland this translated into an additional equity requirement of €2.7 billion and in the case of AIB into an additional equity requirement of at least €7.4 billion. In his statement, the Minister said the State would support both banks in their capital raising to meet these new capital standards. In the case of Bank of Ireland this support would be provided through the conversion of the part of the NPRF’s preference shares into ordinary equity. In the case of AIB it would be provided through commitment to convert part or all the NPRF’s preference shares as required into ordinary equity. If additional capital is required it would be provided through investment in ordinary equity by the NPRF.

Bank of Ireland Capital Raising

At the direction of the Minister for Finance, the NPRF participated in a share placement and rights issue as part of a capital raising announced by Bank of Ireland on 26 April 2010.

As part of a transaction agreement entered into with Bank of Ireland:

- 1) The NPRF subscribed for 576 million units of ordinary stock at a price of €1.80 per unit, by the conversion of 1,036 million units of the 2009 preference shares into ordinary stock at a price of €1 per unit (being the issue price).
- 2) Bank of Ireland re-purchased the warrants issued in conjunction with the 2009 preference stock issuance for €491 million.

- 3) The NPRF participated in the Bank of Ireland rights issue, taking up the full allocation to which it was entitled, based on its holding of ordinary stock after the share placement. The subscription price for the rights issue was €0.55 per unit of ordinary stock and the NPRF's consideration for the shares purchased was met by the conversion of 627 million additional units of the 2009 preference shares, also at their issue price of €1 per unit.
- 4) The coupon on the remaining preference shares was increased from 8% to 10.25%.
- 5) The NPRF received a further €52 million in related transaction fees.

Following the transactions, the NPRF's ordinary share investment in Bank of Ireland represents 36% of the bank's ordinary share capital and it continues to hold 1,837 million units of preference shares.

Statutory Basis of Directed Investments

The Investment of the National Pensions Reserve Fund and Miscellaneous Provisions Act 2009 made the necessary legislative changes to the National Pensions Reserve Fund Act, 2000 to enable the NPRF to be used for the purposes of bank recapitalisation. It empowers the Minister for Finance to direct the Commission to invest in listed credit institutions or to underwrite share issues by these institutions where, having consulted the Governor of the Central Bank and the Financial Regulator, he decides such a direction is required, in the public interest, for either or both of the following purposes –

- a) to remedy a serious disturbance in the economy of the State;
- b) to prevent potential serious damage to the financial system in the State and ensure the continued stability of that system.

The Act provides the Minister with power to give directions to the Commission with regard to the management and disposal of any Directed Investments. It amends Section 19 of the National Pensions Reserve Fund Act, 2000 to disapply the NPRF's statutory investment policy (to seek the optimal financial return provided the level of risk is acceptable to the Commission) from the NPRF's Directed Investments.

The Act also provides that the Commission shall, when requested by the Minister for Finance, advise him on any matter about which he proposes to give a direction. Under this provision, the Commission, at the request of the Minister, carried out comprehensive legal and financial due diligence on Bank of Ireland and on AIB prior to the preference share investments being completed.

Investment Strategy Review

Background

The NPRF's end 2009 target strategic asset allocation as set out in table 2.1 was agreed by the Commission in late 2004, modified in 2006, and represented a five-year operating framework for the NPRF. This strategy was driven by the principle of diversification – both across and within asset classes.

As well as investments in diversified quoted equities (large cap, small cap and emerging markets) and bonds (sovereigns and corporates), the target asset allocation included a significant allocation to alternative assets: property, private equity and commodities. The property and private equity allocations represented “soft” targets to be achieved on a phased basis as suitable investment opportunities arose and were subject to prevailing market conditions.

The end 2009 target strategic asset allocation was primarily focused on building up a diversified portfolio of equities and other real assets on the basis that, over the long holding period before significant disbursements are made from the NPRF, such assets should outperform financial assets such as bonds and cash. Equities and other real assets represent a claim on the real economy and on economic growth whereas bonds and cash represent a nominal financial return. Thus, while returns to financial assets are much less volatile over short time periods, over the longer term they are more likely to be eroded by inflation.

The Commission carried out a scheduled review of its long-term investment strategy and the NPRF's strategic asset allocation during the second half of 2009 and early 2010. In carrying out the review the Commission recognised that since it last reviewed investment strategy in 2006, real assets have produced negative returns, volatility has at times been a multiple of projected levels and the expected benefits of diversification were not fully realised as asset classes became closely correlated with each other during the financial crisis. However, the Commission also recognised that the period since 2006 is short in the context of the NPRF's long time horizon, and that, when setting strategy, it is important not to be excessively influenced by developments during the recent crisis period.

Investment Objective

As part of the process for reviewing its long term investment process the Commission examined its Mission Statement and Investment Objective.

The Commission's Mission Statement as adopted in 2001 is:

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.

The Commission noted that there had been no legislative changes which would cause it to revisit the Mission Statement insofar as it relates to the NPRF's discretionary investments. The Commission agreed that, for the purpose of the review, it would consider the NPRF's Discretionary Portfolio only and would not take the NPRF's Directed Investments in Irish credit institutions into account when setting investment strategy. In this context it should be noted that the Investment of the National Pensions Reserve Fund and Miscellaneous Provisions Act 2009 disappplied Section 19(1) of the National Pensions Reserve Fund Act, 2000 – which sets out the NPRF's statutory commercial investment policy - from the NPRF's Directed Investments and the Commission is not responsible for the risk taken and return earned on these investments.

The Commission agreed that its existing Investment Objective should be modified to include a supplementary objective of seeking to outperform the cost of government debt (debt service costs) over rolling five year periods at a defined probability level as follows:

to maximise the terminal wealth of the Fund over the time scale as laid down in the Act through an investment strategy which has due regard to the purpose of the Fund as set out in Section 18 of the Act and the payment requirements as set out in Section 20 of the Act; a supplementary objective will be to outperform the cost of five year government debt over rolling five year periods at a 75% probability level.

The cost of Government borrowing has become of greater importance since the Commission's last investment strategy review. This is for two reasons: the Exchequer has moved into deficit and the cost of Irish Government borrowing has substantially increased. Borrowing costs are now a more salient issue than they were in the early years of the NPRF's existence when the Exchequer was in surplus and the debt/GDP ratio was low. While the Commission has always set investment strategy on the basis that the NPRF's strategic asset allocation is likely to outperform the cost of borrowing over the NPRF's long investment horizon, it has decided that the costs of borrowing should now be formally recognised in its investment objective and explicitly factored into the level of risk it is satisfied to take with regard to the NPRF. The supplementary objective set out above was adopted on the basis that it represents a reasonable balance between maintaining a long-term investment perspective and recognising Ireland's changed fiscal position and the increased budgetary impact of debt service costs.

Strategic Asset Allocation

In deriving a strategic asset allocation based on its Investment Objective, the Commission utilised a twin track approach combining asset allocation modelling on one hand with its own investment judgement and its analysis of the allocations of peer international funds on the other. It is important to emphasise that asset allocation modelling has limitations. These include the difficulty in specifying inputs (for example, expected returns and volatility for each asset class and expected correlations between asset classes), its extreme sensitivity to small changes in expected return, the way it strongly favours asset classes with high estimated returns and/or low estimated volatility and its difficulty in dealing with factors such as illiquidity. As a result of these limitations, modelling can only ever act as a guide to investment strategy and needs to be supplemented with qualitative considerations. Arising from this twin track approach the Commission agreed the Revised Target 2010 Strategic Asset Allocation as set out in table 2.1.

The Commission's asset allocation strategy remains focused on investment in real assets and on maximising return within acceptable risk levels over the long term, given that the purpose of the NPRF remains to meet as much as possible of the costs of social welfare and public service pensions from the year 2025 until at least 2055.

The investment drivers behind the principal changes in asset allocation compared with the previous asset allocation strategy are:

- i. Diversification: allocations to bonds and absolute return funds and a reduction in the allocation to quoted equities.
- ii. Growth: within equities an increased allocation to Emerging Markets, Small Cap and Private Equity.
- iii. Inflation protection: increased allocations to assets that are more likely to protect against longer term inflation – inflation linked bonds, commodities and infrastructure.

Table 2.1 NPRF Discretionary Portfolio Strategic Asset Allocation

	Revised Target 2010 %	Previous Target end 2009 %
Quoted Equity		
Global Large Cap ^{Note 1}	29	56
Global Small Cap	10	5
Global Emerging Markets	10	5
Total Quoted Equities	49	66
Fixed Income		
Eurozone Government Bonds	6	11
Eurozone Corporate Bonds	6	2
Eurozone Inflation Linked Government Bonds	5	-
Cash	1	-
Total Financial Assets	18	13
Alternative Assets		
Private Equity	10	8
Property	8	8
Commodities and Forestry	5	2
Absolute Return Investments ^{Note 2}	5	1
Infrastructure	5	2
Total Alternative Assets	33	21
Total Discretionary Portfolio	100	100

Note 1: Global large cap allocation currently split 50%:50% between eurozone and non-eurozone markets.

Note 2: 5% is an initial target. When this has been completed the Commission will consider if an allocation of a further 5% to absolute return (out of large cap quoted equities) is appropriate.

These changes arise because of the following changes in the NPRF's environment:

- i. The Commission's supplementary Investment Objective of outperforming the cost of five year government debt over five year rolling periods and the need to reduce volatility at overall Fund level in order to meet this objective.
- ii. The diverging longer term outlook for economic growth between emerging markets and the more traditional large cap developed markets.
- iii. The uncertainty generally regarding the effects of the reversal globally of loose fiscal and monetary policies.

The Commission will be investing in a number of new asset classes:

- Eurozone Index Linked Government Bonds, indexed to the Eurozone Harmonized Index of Consumer Prices, are issued by a number of governments including France, Germany and Italy. These investments provide strong inflation protection.
- Absolute return investments seek an absolute return in all market conditions rather than seeking to outperform a market index. In general, absolute return funds seek to insulate themselves from market movements and to profit from mispricings of securities or asset classes. The NPRF's first new investments in this asset class are expected to consist of a small number of funds of hedge funds. The attraction of absolute return funds is that their returns are expected to act on a year by year basis as a strong diversifier away from equity and credit market movements, thus reducing the NPRF's overall volatility.

Dynamic Asset Allocation

As part of the investment strategy review the Commission also agreed that, while the NPRF retained the capacity to bear short-term volatility (and maintain significant exposure to real assets), the consequent risk should be managed more actively on an ongoing basis by varying the NPRF's asset allocation around strategic levels (dynamic asset allocation) and that it would delegate authority to the NTMA to vary asset allocation around the central levels as set out in its investment strategy within the following ranges:

Table 2.2 Asset Class	Range (% of Discretionary Portfolio)
Quoted Equity	+/- 10%
Nominal and Inflation Linked Bonds	+/- 10%
Cash	+ 10%
Property / Private Equity	+/- 2%
Commodities	+/- 2%
Infrastructure	+/- 2%

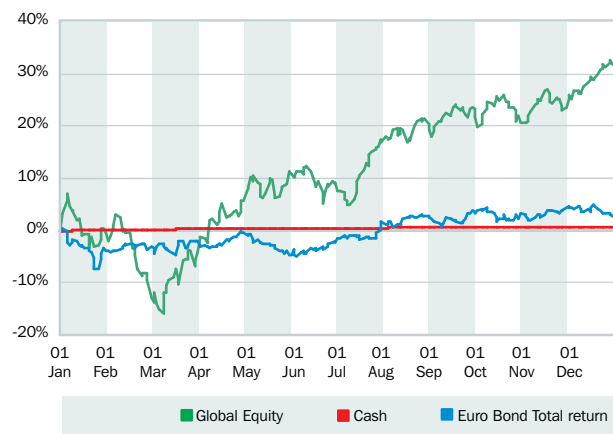
These ranges are based on the belief that dynamic asset allocation movements should be large enough to have a material impact on Fund risk and return while not being so large as to make the strategic asset allocation meaningless or to compromise the Commission's fiduciary role with regard to the NPRF. The dynamic asset allocation policy is based on taking significant positions if and when market positions move to extremes rather than on taking small positions on an ongoing basis or attempting to time the market, and will only be implemented where suitable liquid investment instruments or vehicles are available.

Market Review

The global financial crisis that took hold in the latter part of 2008 was the deepest in 70 years and continued into 2009 with conditions deteriorating further in many markets in the early part of the year. Equity markets plunged to new cycle lows in early March 2009, as investors concluded that official efforts to improve credit availability and to stimulate economic activity were failing. The falls recorded in industrial output and global trade were unprecedented. Early statements on first quarter trading conditions were uniformly pessimistic. However, as March progressed, it became apparent that even though economic conditions continued to disimprove, the pace of decline was slackening. The combination of aggressive global stimulus, the clear commitment of authorities to contribute their support and very rapid interest rate falls were after all having an effect. Equity markets then experienced a powerful rally, which brought them into positive territory. These emerging signs of stabilisation and recovery in the spring of 2009 were followed by the start of an economic rebound that began to take hold during the second half of the year. During this period, emerging market economies were much less affected by the credit crisis and continued to perform strongly.

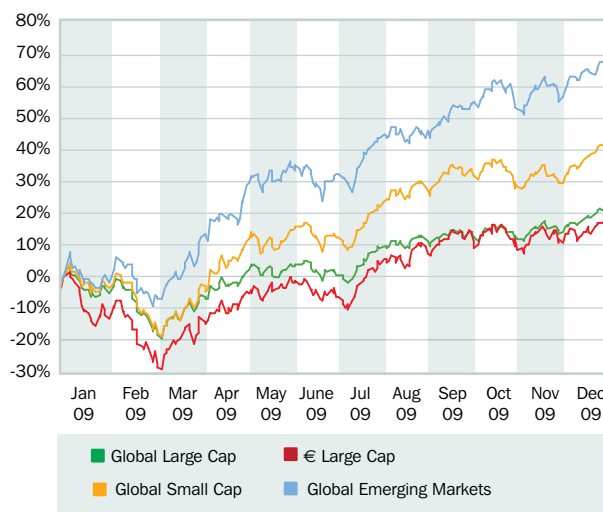
For 2009 as a whole, developed world equity markets, with the exception of Japan, produced impressive returns. Returns from Emerging Markets and the Pacific Rim region were more than double their developed world counterparts. Bonds delivered modest total returns, as deflationary pressures competed with increased supply and produced a neutral outcome.

Chart 3.1 2009 Asset Class Returns



Source: Bloomberg (euro terms)

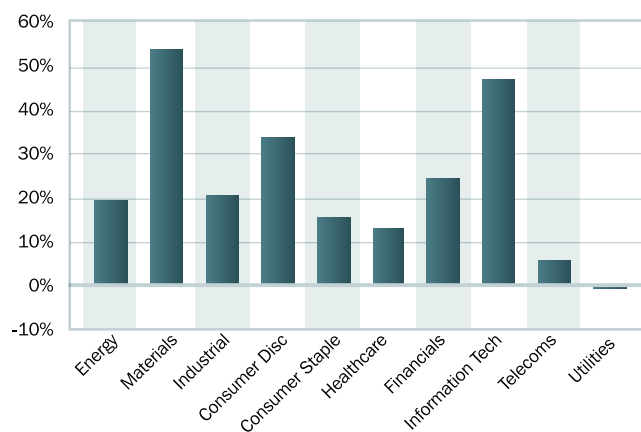
Chart 3.2 2009 Equity Returns



Source: Bloomberg (euro terms)

All equity sectors, with the exception of utilities, posted strong returns for the calendar year 2009, with Materials and Information Technology being the strongest performing Industry sectors. Banking stocks, which bore the brunt of the fallout from the credit crisis in 2008, recovered well over the year.

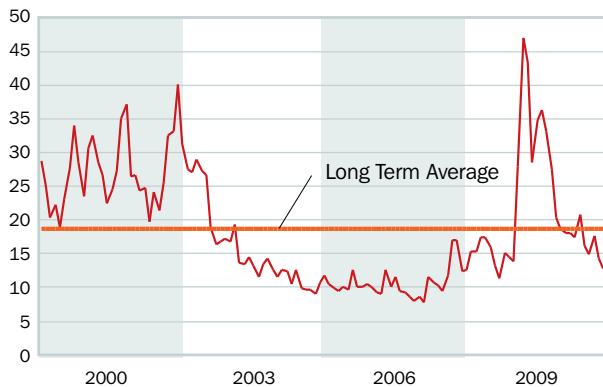
Chart 3.3 MSCI World Sectors



Source: Bloomberg (euro terms)

The Chicago Board Options Exchange Volatility Index (VIX) is a measure of equity market volatility based on the prices of options on the S&P 500 equity index. The VIX had soared in October 2008 indicating extreme levels of risk aversion, but steadily declined from March 2009 indicating a return to more normal market conditions.

Chart 3.4 Volatility Index (VIX)



Source: Bloomberg

European government bond prices fell in 2009 as investors factored in a large increase in bond issuance by governments seeking to plug budget deficits and fund economic stimulus measures. The yield on the 10-year German bund, Europe's benchmark government security, rose to 3.39% at the end of 2009 having started the year just below 3%.

Corporate bonds, whose prices had fallen as yields soared to record levels during 2008, rallied strongly in 2009 as investors regained their appetite for risk and their belief that corporate defaults could be less than had previously been feared.

The Merrill Lynch 10-year Eurozone Sovereign Bond Index showed a return of 2.8% in 2009. The Barclays Capital Euro Aggregate Corporate Bond index recorded a return of 15.7%.

2010 Developments

Equity markets have continued to be volatile and in particular eurozone equities have been a weak performer, indicative of significant imbalances within the eurozone and between the eurozone and the rest of the world.

Prior to Q4 2008 the differences in yield that countries within the eurozone paid investors to secure funding was small. This is no longer the case for a number of 'peripheral' eurozone countries (including Ireland). Spreads have increased significantly for these countries as investors began to differentiate on the basis of future funding requirements. In early May 2010, the yield investors demanded for Greek sovereign debt reached such a high level that the country was, in effect, cut off from the debt markets. The ECB then decided to introduce several support measures to reduce tensions in sovereign bond markets and this has had a stabilising effect.

Equity markets are regarded as fairly valued when viewed in the context of traditional earnings and dividend yield metrics. Corporates generally have deleveraged and built up sizeable cash balances. Market concerns relate to the uncertain macroeconomic environment and the ability of the corporates to sustain earnings recovery and growth in 2010 and 2011.

Performance

Overall

As a result of the preference share investments in Bank of Ireland and AIB held on the direction of the Minister for Finance, performance of the National Pensions Reserve Fund is now reported on three levels to include (i) the Discretionary Portfolio, (ii) the Directed Investments, and (iii) the Total Fund.

At 31 December 2009 the NPRF's total value stood at €22.3 billion, comprising the Discretionary Portfolio €15.3 billion and Directed Investments €7.0 billion.

The Discretionary Investment Portfolio (the NPRF excluding the preference shares in Bank of Ireland and AIB held on the direction of the Minister for Finance) earned a return of 20.6% in 2009. Since the NPRF's inception in 2001, the Discretionary Portfolio has delivered an annualised return of 2.6% per annum. Including the bank preference shares and related warrants, which were held at cost and zero respectively, the NPRF recorded a total return of 11.5% in 2009.

Table 4.1 Fund Performance – Investment Return

	Fund 2009	Benchmark 2009	Fund Since Inception*	Benchmark Since Inception*
	%	%	%	%
Discretionary Portfolio	20.6	19.9	2.6	1.2
Directed Investments	0.0	-	0.0	-
Total	11.5	-	1.7	-

* April 2001 to 31 December 2009 annualised

Discretionary Portfolio Returns

The NPRF's positive return in 2009 is primarily attributable to the performance of its equity investments. During 2009 all markets, except for Japan, rebounded strongly from very low levels at the end of 2008. Emerging Market equities, to which the NPRF has allocated 5%, performed extremely well. Small cap markets performance slightly exceeded large cap.

Bonds and cash made a slight positive contribution to the NPRF's overall performance in 2009. Given the favourable market conditions for corporate bonds the NPRF's total bond investment return in 2009 was 12.9%.

In 2009, private equity and property returns were affected by weak global economic conditions, credit constraints and market volatility. There were signs of a modest recovery in private equity performance in the second half of the year, while property markets remained under pressure.

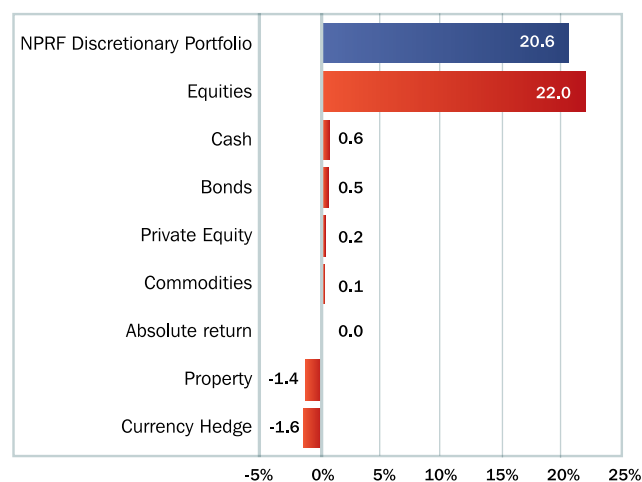
Table 4.2 Asset Class

	Asset Return	Contribution to Discretionary Portfolio Return
Equities	28.3%	22.0%
Bonds	12.9%	0.5%
Property	-33.0%	-1.4%
Private Equity	7.0%	0.2%
Commodities	9.5%	0.1%
Cash*	0.6%	0.6%
Absolute Return	7.7%	0.0%
Currency Hedge		-1.6%
Total Return **		20.6%

* Cash contribution includes €60m preference share arrangement fee, management fees, stock lending revenues and cash yield.

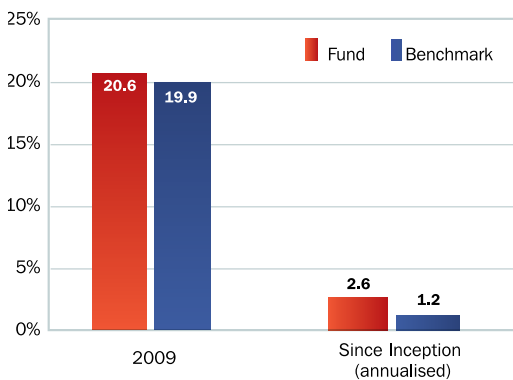
** Figures do not add due to rounding.

Chart 4.1 NPRF Discretionary Portfolio Performance 2009 Weighted Contribution by Asset Class



The NPRF's passive currency hedging strategy is designed to mitigate the effect on the NPRF of volatile currency movements relating to non-euro denominated assets. The rule applied has been to hedge 50% of non-euro exposures in quoted equities (other than emerging markets which are not hedged) and private equity and to hedge 100% of non-euro denominated exposures in property. However, in March 2009, it was decided to suspend the currency hedge due to liquidity constraints within the NPRF arising from the need to purchase the banks' preference shares. Hedging foreign currencies in Q1 2009 hurt performance due to appreciation in the US Dollar (4.5%) and British Pound (4.2%) against the euro; however the US and UK equity assets benefited from the appreciation of these currencies. The passive currency hedge was reinstated in May 2010.

Chart 4.2 Discretionary Portfolio Relative Performance



The NPRF finished 0.7% ahead of its benchmark in 2009. Since inception the NPRF has outperformed its benchmark by 1.4% on an annualised basis (2.6% for the Discretionary Portfolio vs. 1.2% for the benchmark). Outperformance in 2009 was primarily due to tactical overweight cash and bonds and underweight equity positions in January and February when equity market returns were negative.

Table 4.3 Discretionary Portfolio Contributors to Relative Performance Against Benchmark 2009

	2009	2008
Tactical Decisions	2.2%	2.2%
Active Manager Performance	-0.1%	0.5%
Fees	0.1%*	-0.1%
Property	-0.6%	-0.5%
Private Equity	-0.9%	0.3%
Total	0.7%	2.4%

* Net effect of fees received from directed investment transactions less investment manager fees paid

The performance of the property and private equity portfolios against their benchmarks in any single year should be interpreted with caution. Because of their illiquid nature, it is difficult to find suitable benchmarks against which short-term portfolio performance can be measured. The investment performance of these asset classes is best evaluated on a longer-term basis.

Benchmark Portfolio

Under the National Pensions Reserve Fund Act, 2000 the Commission is required to determine appropriate benchmarks against which the investment return of the NPRF can be assessed. The NPRF's performance is measured relative to a benchmark portfolio consistent with its strategic asset allocation. The performance of each asset class is measured against a defined benchmark (e.g. the NPRF's eurozone equity investments are measured against the FTSE All World eurobloc Index). The NPRF's overall benchmark return is the sum of the returns to the benchmarks for each asset class weighted according to their relative percentage share in the NPRF's strategic asset allocation.

As the Commission has been transitioning the NPRF from a strategic allocation based solely on quoted investments to one that also includes non-quoted and illiquid asset classes, it has adopted a benchmark which moves in a reasonable and replicable way to the targeted investment strategy, while also providing an objective standard against which overall Fund performance can be measured. In particular, the weightings of property and private equity in the benchmark are increased each quarter in line with projected investment in these areas. As these weightings are increased, the large cap equity and bond weightings are correspondingly reduced.

The 2009 benchmark equity allocation has also been adjusted in line with the progressive de-risking of the NPRF through phased equity sales that took place during 2009 following the use of the NPRF's cash and the liquidation of the government bond portfolio to finance the NPRF's Directed Investments. This adjustment was included in the benchmark as the equity sales represented a strategic reduction in the NPRF's absolute risk level.

Portfolio Review

This review section refers only to the Discretionary Portfolio of the NPRF.

Portfolio Construction

When required in the second quarter of 2009 to raise €4 billion to meet the cost of the Directed Investments the Commission decided, rather than selling assets across the entire portfolio, to raise the necessary liquidity by selling its sovereign bond portfolios and utilising all of its cash. This decision was taken firstly because following the extreme market events of Q4 2008 and Q1 2009 it was felt that risk aversion in markets had reached very high levels and that it was not appropriate as a long term investor to sell equities immediately after a major market crash. Secondly, the yields on sovereign bonds had reached historic lows and bond prices were therefore viewed as being relatively high.

Table 5.1 Funding of Directed Investments in Financial Institutions 2009

	€ Billion
Fund Cash	1.6
Government Bonds	2.3
Equities	0.1
Exchequer Contribution	3.0
Total	7.0

Consequently, the Discretionary Portfolio had an elevated level of quoted equity exposure of 83%, compared with 57% before the preference share investments were made. This represented a higher level of risk than the Commission would choose to hold or be comfortable with on a long-term basis. Therefore while avoiding selling equities at market lows in March, it instead took advantage of the strong equity market rally from Q2 2009 onwards to reduce its absolute risk and exposure to the equity markets through phased equity sales of €2.7 billion through the remainder of the year. The Discretionary Portfolio's exposure to the quoted equity markets was reduced to 63% by year end.

Equities

Equities, having fallen in March 2009 to their lowest levels since the onset of the financial crisis, sustained a strong rally through the rest of the year as increasing evidence of economic stabilisation emerged and corporate profits exceeded analysts' lowered expectations.

As a large globally diversified investor the NPRF holds shares in over 2,900 companies worldwide. At end December 2009, it did not own more than 1.1% of the shares outstanding of any company, and no single stock accounted for more than 1.0% of the Discretionary Portfolio.

While the NPRF's equity investments are predominantly in large cap companies in the eurozone and other developed markets, the Commission has also made allocations to small cap and emerging markets equities. Half of the NPRF's large cap allocation is to the eurozone. Allocations to other large cap markets are on the basis of market weightings and are adjusted quarterly in the light of market movements.

Table 5.2 NPRF Equity Weightings
% of Discretionary Portfolio -
31 December 2009

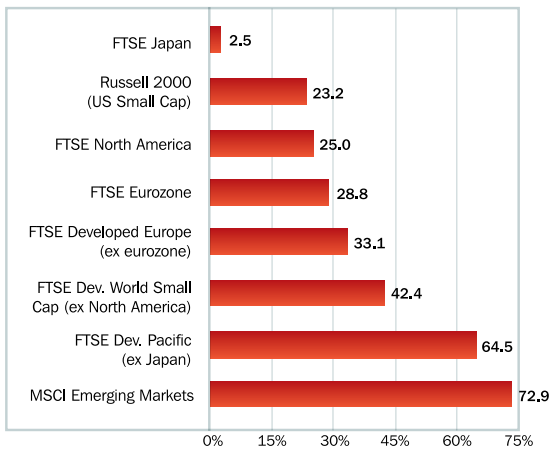
	Fund Allocation	Benchmark
	%	%
Total Large Cap Eurozone	26.0	24.2
<i>North America</i>	16.1	14.7
<i>Europe ex Eurozone</i>	5.0	4.4
<i>Japan</i>	3.0	2.6
<i>Pacific Basin</i>	2.7	2.5
Total Large Cap Non-Eurozone	26.8	24.2
Small Cap	5.1	5.0
Emerging Markets	5.4	5.0
Total	63.3	58.4

The NPRF's overweight equity position at the year end was temporary and was eliminated when a portfolio rebalancing took place in early January 2010.

The Commission increased the NPRF's emerging markets equities exposure over the year to 5.4% compared with 1.3% at end 2008. This increase in the emerging markets allocation was funded from sales of developed market equities.

Performance of the NPRF's benchmark equity indices are shown in Chart 5.1.

Chart 5.1 NPRF Equity Indices Returns 2009 (in euro)



Source: Bloomberg (euro terms)

By any standard, the rally that began in March and continued through the remainder of the year was remarkable, but 2009 was mainly dominated by Emerging Markets and Asia (ex Japan) which strongly outperformed their developed world peers and posted their biggest gains on record.

Bonds

The Commission is prohibited under the National Pensions Reserve Fund Act, 2000 from investing in Irish Government bonds. The NPRF has historically invested in euro denominated government and corporate bonds. However, as mentioned previously, when required in the second quarter of 2009 to raise €4 billion to meet the cost of the Directed Investments the Commission decided to raise the necessary liquidity by selling its sovereign bond portfolios and utilising all of its cash.

Table 5.3 NPRF Fixed Income Weightings % of Discretionary Portfolio - 31 December 2009		
	Fund Allocation	Benchmark
	%	%
Eurozone Corporate Bonds	2.9	2.7
Private Placements	5.6	5.3
Total	8.5	8.0

The private placements represent investments which are not generally traded in the markets and the intention is to hold them to maturity. These investments are in securities issued by Irish financial institutions and an infrastructural bond issued by the Dublin Airport Authority.

Cash

The NPRF's benchmark for cash holdings was increased to 21% through 2009 as the Commission decided to de-risk the portfolio over the second half of the year by phased selling of equities. By end 2009 the NPRF's actual cash balances equalled 18.8% of the NPRF's assets. The NPRF's cash is placed on deposit with the Central Bank of Ireland.

Commodities

The NPRF has had an exposure to global commodities since 2005. The Commission originally accessed the global commodities market through the purchase of certificates which provide a return based on a commodities index (the S&P GSCI™) and during 2009 made further investments through an enhanced index fund. The commodities portfolio returned 9.5% in 2009, and at 31 December 2009 represented 1.1% of the Discretionary Portfolio.

The NPRF made its first investment in forestry during 2009 with a €20 million investment in an Irish forestry fund, the "1st Forestry Fund". This fund purchased about 5 million semi-mature trees (but not the underlying land) from Coillte, which will remain in charge of the day-to-day management of the trees. Coillte's forests have been certified by the Forest Stewardship Council (FSC) scheme since May 2001, which demonstrates that they are well managed in accordance with strict environmental, social and economic criteria. The 1st Forestry Fund's investment return will be derived from the sale of the trees when they mature in the period 2025-2035. The NPRF is, to date, the sole investor in this forestry fund. It has committed a further €30 million, subject to successful marketing to other investors.

Absolute Return Investments

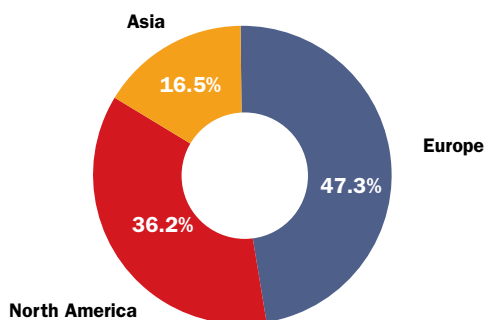
Absolute Return investments are strategies that aim to show positive return irrespective of market conditions. The Commission has invested in two Currency funds and one Global Tactical Asset Allocation fund. These funds aim to generate returns by identifying and exploiting price inefficiencies among currencies and other asset classes. These investments which at 31 December 2009 represented 1.3% of the Discretionary Portfolio returned 7.7% in 2009.

Property

At end December 2009 property investments represented 2.7% of the Discretionary Portfolio. Property commitments are drawn down by managers on a phased basis as they identify suitable investment opportunities. When commitments outstanding were added, property represented 4.1% of the Discretionary Portfolio.

The property portfolio is well diversified by geographic region, sector and investment manager. On a geographic basis the NPRF is targeting a property allocation of 50% to Europe, 35% to North America and 15% to Asia. On a commitment basis, the portfolio was broadly in line with this target allocation at end 2009.

Chart 5.2 NPRF Property Commitments at 31 December 2009



Part of the NPRF's property portfolio consists of listed real estate securities. These investments possess equity as well as property characteristics and are expected to be liquidated as indirect investment vehicles are identified.

The return from NPRF's direct property investment (not including listed securities) was -39.1% in 2009. The impact of the credit crisis continued into 2009 with the majority of property markets experiencing write downs and weak occupier fundamentals. The lack of available credit to finance new transactions and the volume of maturing debt is weighing on the sector.

Listed real estate securities performed better than indirect vehicles in 2009, as equity markets globally began to anticipate economic recovery. The overall return for the NPRF property portfolio was -33.0%.

There are now signs of stabilisation and attractive opportunities are gradually emerging in selected markets.

At the end of 2009 the NPRF had investments in 33 unlisted property vehicles with 25 managers. In addition, the NPRF has invested in the US and UK listed property markets through one of its passive equity managers.

Features of NPRF Property & Private Equity Investment Programmes

The NPRF's property and private equity programmes each principally comprise a portfolio of indirect investment vehicles, typically structured as limited partnerships, which acquire physical buildings or companies relevant to the specific property or private equity strategy being pursued e.g. a US office property fund will acquire office investments in the major US metropolitan areas.

These vehicles are generally constituted in such a way that the NPRF is an arms length investor with no involvement in the day to day management of the investment. The vehicles are usually closed end with a fixed life of around eight to ten years. A general partner is responsible for the implementation of strategy while the NPRF, as a limited partner, receives regular reports on how the investment is performing. The NPRF may be represented on the advisory board of the investment vehicle.

Investments are generally undertaken on a commitment basis i.e. the NPRF commits a certain amount of money that can be called over a defined period, generally three to five years.

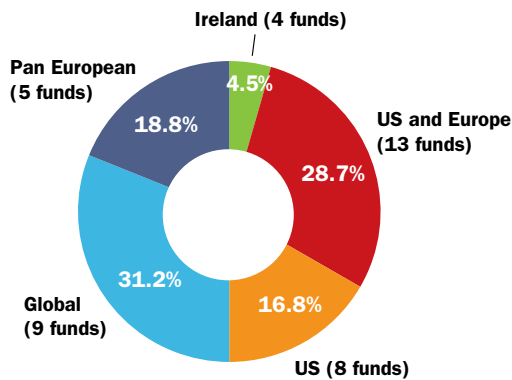
Private Equity

At end December 2009, private equity investments represented 4.3% of the Discretionary Portfolio. Private equity commitments are drawn down by managers on a phased basis as they identify suitable investment opportunities. When commitments outstanding were added, private equity represented 9.2% of the Discretionary Portfolio.

The private equity portfolio is diversified by both investment type and region. On a commitment basis, the portfolio is split 67% to managers specialising in buyout deals, 13% to managers specialising in venture capital and 20% to managers specialising in other investment categories.

On a geographic basis the portfolio can be classified into five major groupings as follows:

Chart 5.3 NPRF Private Equity Commitments at 31 December 2009



The allocation to Ireland comprises four commitments totalling €68 million made to Irish venture capital funds that were raised in 2007 and 2008. Very little of this commitment has been drawn to date and the combined value of the NPRF's investment at 31 December 2009 was €9.5 million.

The NPRF's private equity investment return was 7.0% in 2009.

The private equity industry saw activity levels almost disappear in the first half of 2009 as the financial crisis peaked. This was followed by a modest resumption in the second half of the year after the public markets began to rally. This lack of activity reflected ongoing levels of market uncertainty, lack of availability of leverage and reluctance by sellers to accept lower prices for their companies. The 31 December 2009 valuations reflect a modest recovery in comparable price-to-earnings valuation multiples in the public markets and a slowly improving economic outlook.

The drawdown of committed capital by private equity managers on a phased basis means that the underlying investments are acquired at different stages of the economic cycle. At end 2009, 49% of the NPRF's private equity commitments remained undrawn and were spread across a diversified portfolio of managers. As a result, the NPRF's private equity portfolio remains relatively well positioned to capitalise on the more favourable acquisitions market expected over the next three to four years.

At end 2009 the NPRF had investments in 39 private equity investment vehicles across 26 private equity firms.

Liquidity Risk

During 2009 the NPRF carried out a full review of its liquidity position and in particular its ability to meet commitments to property and private equity investment vehicles when drawn. The review was triggered both by reports of liquidity difficulties experienced by some large pension funds particularly in the US and by the need in Q2 2009 for the NPRF to commit all its cash to the Directed Investments. The conclusion of the review was that the NPRF holds ample liquid assets to meet its commitments as they were drawn and therefore that it could continue with its preferred investment decisions which should not need to be affected by liquidity considerations.

Exchequer Contributions

1. The Exchequer contributed €3 billion to the Fund in 2009 for the purposes of the Bank of Ireland and AIB recapitalisations, frontloading the Exchequer contribution of 1% GNP for 2009 and 2010.
2. The Financial Measures (Miscellaneous Provisions) Act 2009 provides for the transfer of assets of sixteen universities and non-commercial State bodies pension funds to the NPRF and the crediting of these assets against the annual Exchequer contribution. The pension liabilities of these bodies will, in future, be met on a pay-as-you-go basis.

The first phase of the transfer, which took place on 31 December 2009, involved ten schemes with assets valued at approximately €993 million.

Physical transfer of assets from legacy custodians and investment managers (largely in specie quoted equities, bonds and cash) into BNY Mellon, the NPRF's Global Custodian, took place in the first two weeks in January 2010. These assets were transitioned into the NPRF's asset allocation during January 2010. Illiquid investments such as property and forestry were re-registered directly into the NPRF's name.

The second phase of the transfer, which took place on 31 March 2010, involved three universities. The value of assets transferred on this date was approximately €1,024 million.

Transfer of the assets of the final three schemes is expected to take place on 30 June 2010. The amount to be transferred in this phase is expected to be approximately €50 million.

3. Taken together it is estimated therefore that the Exchequer's annual contribution to the NPRF of 1% of GNP will have been pre-funded out to early 2012.

NPRF Mandates and Managers

31 December 2009

The Fund's strategic asset allocation is broken down for investment purposes into a number of investment mandates. In most cases the Commission has outsourced the management of these mandates to specialist investment management institutions.

Mandates are managed within guidelines and parameters set down by the Commission. Tactical and stock level investment decisions are delegated to the individual managers. Investment mandates may be passive (where the manager's target is to reproduce the return of a specified market index) or active (where the manager's target is to outperform a specified market index).

Passive management, where the fund manager's task is to replicate the return of a specified market index, represents an extremely cost effective way of achieving market index returns and 60% of the Fund's quoted equity allocation was passively managed at end 2009.

Active managers are engaged where there is a reasonable expectation that they can add value over and above any extra costs incurred and the Commission's approach is to channel active management risk into those areas most likely to lead to additional return.

The Fund's multi-manager investment approach allows for diversification so that the Fund's performance is not overly dependent on the performance of any one manager or investment style.

NPRF Mandates and Managers 31 December 2009

Investment Style	Mandate	Manager	Value (€m) 31/12/2009
Large Cap Equity			
Passive	Eurozone	Blackrock	1,377
Passive	Eurozone	State Street / Bank of Ireland Asset Management	1,892
Passive	Europe Ex-Eurozone	State Street / Bank of Ireland Asset Management	350
Active	Global	Generation Investment Management	73
Active	Global	RCM	183
Active	Japan	Daiwa SB Investments	155
Passive	Japan	Blackrock	258
Active	North America	Goldman Sachs Asset Management International	310
Active	North America	Lord, Abbett & Co.	321
Enhanced	North America	Invesco	420
Index Plus*	North America	AI Global Investment Group	147
Passive	North America	Blackrock	1,042
Active	Pan-European	Oechsle International Advisors	367
Active	Pan-European	Putnam Investments	311
Active	Asia Pacific Ex-Japan	Schroder Investment Management	369
Emerging Markets Equity			
Active	Emerging Markets	Emerging Markets Management	167
Active	Emerging Markets	Alliance Bernstein	185
Active	Emerging Markets	Pioneer Investments Management	83
Active	Emerging Markets	Batterymarch Financial Management	173
Active	Emerging Markets	Principal Global Investors	169
Small Cap Equity			
Active	EAFE	Acadian Asset Management	251
Active	EAFE	Axa Rosenberg Investment Management	120
Passive	North America	Blackrock	360
Fixed Income			
Active	European Corporates	DB Advisors	418
Active	Private Placements	National Treasury Management Agency	807
Absolute Return			
Active	Currency	Goldman Sachs Asset Management International	40
Active	Currency	JP Morgan Asset Management	67
Active	Global Tactical Asset Allocation	Bridgewater Associates	73
Commodity			
Passive	Commodity Note & Fund	Morgan Stanley	95
Passive	Commodity Note	Merrill Lynch	41
Forestry	Ireland	AIB Investment Managers	18
Cash**			
Cash		National Treasury Management Agency	2,704
Listed Property			
Passive equity	United Kingdom	State Street / Bank of Ireland Asset Management	26
Passive equity	North America	State Street / Bank of Ireland Asset Management	41

Investment Style	Mandate	Manager	Value (€m) 31/12/2009
Property			
Core	Europe	Scottish Widows	20
Value Add	US	AREA Property Partners	3
Value Add / Opportunistic	Global	Pramerica	30
Value Add	US	Berkshire Property Advisors	14
Value Add	US	Broadway Partners	8
Value Add	Europe and US	CBRE Investors	28
Value Add / Opportunistic	Asia	Composition Capital Partners	7
Core	US	Capital Trust Incorporated	-10
Value Add / Opportunistic	Europe and Asia	Forum Partners	53
Opportunistic	Europe	AXA REIM	9
Core	Europe	Grosvenor Fund Management	9
Opportunistic	Global	Lehman REPE	17
Core / Value Add	Japan	MGPA	14
Value Add	US	Madison Marquette	12
Core	Europe	Aviva Investors	4
Value Add / Opportunistic	Global	Morgan Stanley	62
Core / Value Add	Europe	Rockspring PIM Ltd	28
Core / Value Add	US and Europe	Tishman Speyer	8
Private Equity			
Venture Capital	US and Europe	Abingworth Bioventures	5
Buyout	Pan European	Charterhouse Capital Partners	36
Buyout	US and Europe	Clayton, Dubilier & Rice	84
Buyout	Global	CVC Capital Partners	78
Venture Capital	Ireland	Delta	3
Other	US	Fortress Investment Group	46
Venture Capital	Ireland	Fountain Healthcare	3
Venture Capital	US	Frazier Healthcare	3
Buyout	US and Europe	Hellman & Friedman	35
Buyout	US	Madison Dearborn Partners	40
Venture Capital	Global	Montagu Newhall Associates	17
Venture Capital	Ireland	NCB	3
Venture Capital	US	New Enterprise Associates	9
Buyout	US	New Mountain Capital	15
Buyout	Pan European	Nordic Capital	19
Venture Capital	US	Oak Investment Partners	9
Other	Global	Oaktree Capital Management	79
Other	Pan European	Palamon Capital Partners	24
Buyout	Global	Providence Equity Partners	30
Venture Capital	Ireland	Seroba Kernel Life Sciences	0
Other	US and Europe	Summit Partners	1
Other	US and Europe	TA Associates	4
Buyout	US	The Jordan Company	14
Buyout	Global	TPG	31
Buyout	Global	Vestar Capital Partners	20
Venture Capital	US	Weathergage Capital	5
Assets transferred on 31.12.2009			
Various	Transition	NPRF Transition Managers	993
Passive Currency Hedging			
		National Treasury Management Agency	-
Total Discretionary Portfolio			15,335

NPRF Transition Managers***

- Citigroup Global Markets
- Nomura International
- State Street Bank Europe

Notes:

* The index plus product is designed to provide the NPRF with the total return on the index with upside that is based on a participation in profits but not losses in designated proprietary trading strategies.

** Cash total includes €3m specifically assigned to private equity but not yet allocated to particular managers.

*** Transition managers specialise in carrying out large blocks of trades in the market on behalf of institutional investors in order to minimise the costs and portfolio risk arising from such trades. Typically these services are employed when sizeable transactions are required to effect portfolio rebalancing.

Responsible Investment

The Commission recognises that the way in which companies manage environmental, social and governance (ESG) factors can affect their long-term performance and it has taken steps to integrate these factors into its ownership and investment decision making practices. It has adopted a formal Responsible Investment Policy and is a founder signatory to the UN sponsored Principles for Responsible Investment (PRI).

Principles for Responsible Investment (PRI)

The PRI provide a best-practice framework for investors to integrate consideration of ESG factors into investment decision making and ownership practices.

Since its launch in April 2006, the number of signatories has increased to over 700 signatories representing US \$18 trillion in assets under management.

As a PRI signatory, the National Pensions Reserve Fund commits to its six principles, which serve as a guide for activities and reporting related to responsible investing.

Signatory Commitments

- 1. Incorporate ESG issues into investment analysis and decision-making processes.**
- 2. Be active owners and incorporate ESG issues into ownership policies and practices.**
- 3. Seek appropriate disclosure on ESG issues by the entities in which they invest.**
- 4. Promote acceptance and implementation of the PRI within the investment industry.**
- 5. Work together to enhance the effectiveness of the PRI within the investment industry.**
- 6. Report on activities related to and progress towards implementing the PRI.**

As a PRI signatory the NPRF is obliged to report on its progress in implementing the Principles as part of the Annual PRI Assessment survey. During 2009 the Commission elected to make public its responses to the 2008 survey. This information is available on www.nprf.ie.

Further details on the PRI are available at www.unpri.org

The Commission has appointed Hermes Equity Ownership Services (Hermes) to execute proxy votes on the NPRF's behalf and to engage with companies on environmental, social and governance issues across its global equity portfolio, which comprises investments in some 2,900 public companies.

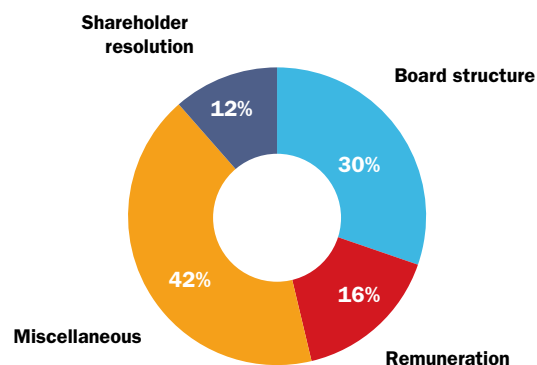
The Hermes approach is based on the premise that a company run in the long-term interest of shareholders will need to manage effectively its relationships with employees, suppliers and customers, behave ethically and have regard for the environment and society as a whole. The Hermes team includes former chief executives and board members of public companies, as well as senior strategists, corporate governance experts, investment bankers, fund managers, lawyers and accountants. Hermes usually engages on a discreet basis thus giving it greater access to boards and management.

Voting

In 2009 Hermes voted on the NPRF's behalf on 29,463 resolutions at 2,812 meetings and opposed one or more resolutions at 1,207 of those meetings. Hermes voted with management by exception⁴ at 33 meetings and abstained at 6 meetings. It supported management on all resolutions at the remaining 1,566 meetings.

Hermes will generally support the recommendations of a company's board unless it has a good reason not to do so. The Commission reserves the right to override Hermes' voting recommendations. The issues on which Hermes voted against management or abstained on resolutions are shown in the table below.

Chart 6.1 Issues where NPRF voted against management/abstained



In respect of its ordinary share holdings in Bank of Ireland and AIB, the Commission voted its shareholdings in line with the vote directed by the Minister for Finance in respect of the Preference Share investments.

During 2009 the Commission continued to publish its proxy voting record quarterly in arrears on its website.

⁴ In certain instances Hermes may support a resolution about which it has concerns if, based on its engagement with the company, it is satisfied that the company's management will act subsequently to address those concerns.

Engagement

Engagement is based on the concept of shareholders raising concerns directly with company management and boards in a constructive manner in order to address issues and to effect change. In the majority of cases, engagement is a more appropriate strategy than the option of excluding stocks from portfolios as a first step, thereby eliminating any possibility of influencing these companies for the better.

Engagement activities include:

- Meeting with a company's executive and non-executive directors;
- Participating in initiatives with other investors; and
- Submitting shareholder resolutions at general meetings.

During 2009 Hermes engaged with 323 companies on 1,076 issues ranging from executive compensation and risk management to supply chain labour practices and water scarcity. The nature of these engagements is shown in the charts.

Some engagements involve one or two meetings over a period of months while others are more complex and entail multiple meetings with different board members over several years. The case study on Climate Change, Copenhagen, the role of policy makers and individual companies as described on page 27 is an example of the engagement work undertaken by Hermes during the year. The NPRF publishes a detailed summary of Hermes' ongoing engagements on its website every quarter.

In addition to its engagement activities through Hermes, the NPRF has been part of the UN PRI Sudan Engagement Group, a collaborative engagement by institutional investors with approximately US\$2.5 trillion total assets under management, and which are all PRI signatories. These signatories recognise that their international investments include companies with operations in or exposure to Sudan – a country where human rights is a subject of public and political concern. The Group is involved in ongoing engagements with relevant companies to encourage the companies operating in Sudan to act responsibly and respect human rights.

Carbon Disclosure Project (CDP)

The NPRF has been a signatory to the Carbon Disclosure Project (CDP) Information Request for the last four years. The CDP 2010 Information Request was sent to more than 3,700 companies worldwide. 2009 saw Irish companies encouraged to complete the CDP questionnaire for the first time. CDP has recently launched a Water Disclosure Project, to which NPRF is also a signatory. This new programme aims to help institutional investors better understand the business risks and opportunities associated with water scarcity and other water-related issues by increasing the availability of high quality information on this critical issue.

Chart 6.2 Engagement Issues in 2009

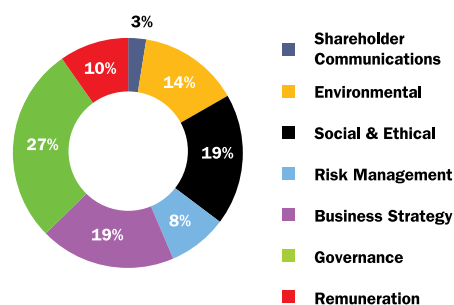


Chart 6.3 Environmental Issues featured in 14% of 2009 Engagements

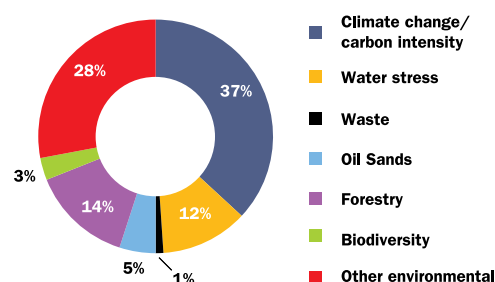


Chart 6.4 Social & Ethical Issues featured in 19% of 2009 Engagements

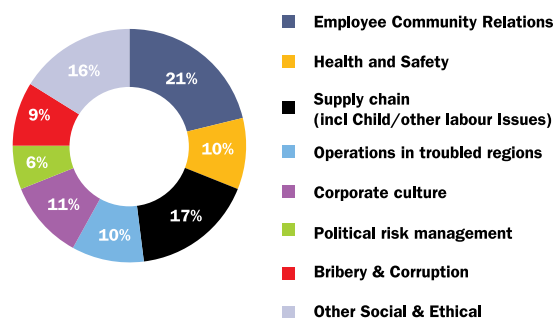
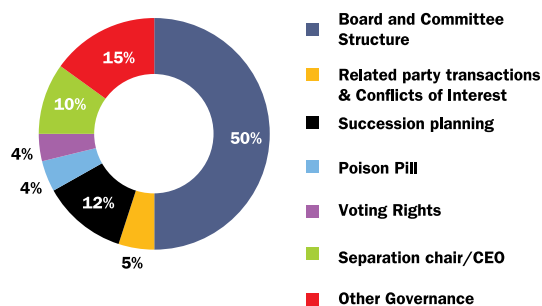


Chart 6.5 Governance featured in 27% of 2009 Engagements



Cluster Munitions

The Cluster Munitions and Anti-Personnel Mines Act 2008 obliges the NPRF to avoid investment in manufacturers of cluster munitions or anti-personnel mines.

The Commission has divested from seven companies and excluded four others (where it did not have existing investments) from the NPRF because of their involvement in the manufacture of cluster munitions or anti-personnel mines or where companies have not distanced themselves sufficiently from the manufacture of these weapons.

Table 6.1 Prohibited Securities List

Aerostar SA (Romania)
Alliant Techsystems Inc (US)
General Dynamics Corp (US)
L-3 Communications Holdings Inc (US)
Lockheed Martin Corp (US)
Northrop Grumman Corp (US)
Raytheon Co. (US)
Textron Inc (US)
Hanwha Corp (South Korea)
Poongsang Corp (South Korea)
Singapore Technologies Engineering Ltd

Hermes Engagement Case Study⁵

Environmental: Copenhagen and beyond

Overview

Beyond the potential macroeconomic impacts, Hermes continues to be concerned about the effects of climate change and climate policy on its clients' investments. Companies are likely to be affected by regulatory and fiscal measures directed at reducing greenhouse gas emissions, and consumer or public pressure to take action on climate change. The costs for carbon intensive companies, in particular, are unlikely to diminish in the foreseeable future and those with low carbon energy mixes will be best positioned in the long term.

In the build up to the United Nations negotiations in Copenhagen in December 2009 Hermes urged boldness from the climate change negotiators in order to send a strong signal to capital markets and help encourage carbon prices to be built into investment decisions by companies and institutions.

Hermes set out the three key elements investors require from policy-makers:

- a long-term global target for greenhouse gas emission reductions;
- measures that support the development of an effective global carbon market;
- the recognition that a strong carbon price alone is not enough to deliver the scale of change required.

Hermes also called for additional support for energy efficiency and low-carbon technologies, funding for adaptation to help manage the unavoidable climate change impacts and measures to reduce deforestation and promote afforestation.

Issues and Companies

After many months of negotiations, on 18th December 2009, 140 countries backed the 'Copenhagen Accord'. Beyond a non-binding commitment to hold emissions at a level that keeps global warming below two degrees Celsius, the Accord lacked any medium or long-term emission reduction targets that could mobilise additional private investment for low carbon technologies. More positively, the Accord signalled that all the world's major emitters are willing to contribute to the transition to a low-carbon global economy, with commitments from Brazil, China, India, Japan, South Africa, the European Union and the United States, among others.

Beyond Copenhagen, it is anticipated that negotiators will seek to build on the existing Accord to reach a legally binding treaty with emission reduction targets in December 2010, when the 16th Conference of the Parties will be held in Mexico. In the meantime, Hermes will focus on the potential impact of legislative developments to introduce a federal cap-and-trade scheme in the USA. Hermes is in discussions with the Coalition for Environmentally Responsible Economies (CERES) to leverage their resources in this area as we increase our engagement activity with US companies on climate change issues.

Hermes has not been waiting passively for the development of a binding global treaty. On the contrary, we are determined not to continue with business as usual. Prudence and our clients' fiduciary duty to prevent long-term destruction of shareholder value compel us to increase our efforts to engage carbon exposed companies and encourage them to effectively mitigate the financial impacts of climate change.

Hermes continues to target those companies operating in sectors and countries with a high exposure to existing and planned environmental regulations including surface and air transport, power generation, construction, clothing and food retail and real estate. In particular, Hermes has ongoing engagements with those companies which have (i) a high level of direct and indirect carbon emissions compared to the average for their sector and (ii) insufficient disclosure of the material financial risks associated with climate change and how those risks and opportunities relate to long-term business strategy.

In most cases Hermes' objective is to encourage companies to take a long-term view on the price of carbon when making major capital expenditure decisions. Hermes has sought to actively persuade major listed companies to consider long-term investments in cost-effective alternative technologies as we believe this will put them at a competitive advantage. Among the companies particularly exposed in this area that Hermes has engaged with are: American Electric Power (US); Exxon (US); WalMart (US); Enel (Italy); Drax Group (UK); easyjet (UK); Associated British Foods (UK); Arriva (UK) Balfour Beatty (UK); Sainsbury (UK); Tesco (UK); RWE (Ger); Hochtief (Ger); Veolia (Fr); Carrefour (Fr); Bouygues (Fr); Lafarge (Fr); Grupo Ferrovial (Spain); Ryanair (Irl); Hyundai Motors (SK); Nissan Motor (Jap); Toyota (Jap); Takeda Pharmaceutical (Jap); Kenya Airways (Kenya); Canadian Oil Sands Trust (Can); CNOOC (China/HK); China Mobile (China/HK); ArcelorMittal (Lux).

⁵ This case study is taken from Hermes Equity Ownership Services' Public Engagement report for Q4, 2009. Hermes engaged on this issue on behalf of the NPRF and a number of other like minded investors.

Risk, Oversight and Controls

The NPRF is exposed to a number of risks and one of the principal tasks of the Commission and the NTMA 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.

Market Risk

The primary source of risk to the NPRF is the amount of absolute market risk inherent in the NPRF's strategic asset or benchmark allocation. Market risk includes fluctuations in equity, bond and property prices and foreign exchange movements. It is obviously necessary to take market risk in order to generate return. The Commission's objective has endeavoured to maximise potential return while keeping volatility within reasonable limits by diversifying the NPRF's investments across multiple asset classes.

Relative market risk arises from the performance of the NPRF's investment managers as compared to their benchmark and from any tactical asset allocation decisions taken by the Commission. The Commission has chosen to take a limited degree of risk in these areas. The risk of deviation of the NPRF's actual return from the benchmark return arising from relative market risk is measured by tracking error, which is the expected standard deviation of the difference between the performance of the actual Fund and its benchmark portfolio.

Standard deviation is a statistical concept which reflects variability of return. The overall tracking error limit for the NPRF as determined by the Commission was set at 1.25% during 2009. This means that annual Fund performance was expected to be within 1.25% of benchmark performance approximately two thirds of the time. During and following the credit crisis, the Commission increased the tracking error limit to 2.75% if used to reduce (but not to increase) volatility of the overall Fund. In 2010 the tracking error limit was increased to 3% to take account of the NPRF's dynamic asset allocation strategy.

The NPRF's overall tracking error is allocated to individual investment managers and to tactical asset allocation decisions 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 NPRF's active equity managers typically have a risk budget of 6%, which means annual manager performance would be expected to be within 6% of benchmark performance two thirds of the time.

The NTMA monitors the NPRF's tracking error at both Fund level and at individual manager portfolio level on a daily basis.

The NPRF's counterparty risk is monitored as part of the NTMA's overall management of counterparty risk across its various business divisions.

Operational Risk

Operational risk arises in the implementation of the NPRF's investment strategy. The Commission's aim is to minimise operational risk. To this end the NTMA has installed information technology systems and developed detailed control procedures in line with industry best practice. These controls are regularly reviewed to ensure that they address and remain appropriate to the risks to which the NPRF is exposed. The implementation of the controls is monitored by the NTMA's Internal Control Unit. This work is supplemented by an external firm, currently PricewaterhouseCoopers, which performs internal audit work. The Internal Control Unit and the external firm are required to draw attention to any deficiencies in controls or instances where they believe controls should be strengthened in line with best international practice and make appropriate recommendations for change.

The Commission's Audit Committee is actively involved in the controls process. Designated senior personnel within the NTMA are required to make 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. Each year, the Committee considers the NTMA's risk review as well as the results of the audits carried out by the NTMA Internal Control Unit, the external firm and the NPRF's statutory external auditor, the Comptroller and Auditor General.

Global Custodian

The NPRF's global custodian, BNY Mellon, is responsible for transaction settlement (the delivery of cash or securities in respect of purchases/sales of the NPRF's assets) and, in most cases, the holding of the NPRF's assets independently of the investment managers. An essential part of the service is the maintenance of accurate records and the issuance of reports to the NPRF and certificates to auditors confirming the details of assets in custody. Data supplied electronically every day by the custodian is used to generate the NPRF's valuations and its risk, performance and control reports.

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

The NPRF's property and private equity investments and its investments in pooled funds are not held by the global custodian. The NPRF's property and private equity investments are mainly structured as limited partnerships, in which the NPRF is a limited partner. The NPRF's holdings in pooled investment funds, certain property unit trusts and structured equity products are registered in the name of the NPRF with the relevant transfer agent or trustee.

Fees and Expenses

The accrued fees and expenses incurred in the operation of the NPRF in 2009 totalled €22.2 million.

	€
Investment Manager Fees	14,326,630
Global Custodian Fees	1,527,144
Fees & Expenses of Commissioners	284,853
Systems and Services	1,992,906
Legal and Tax Advisory Fees	202,011
Consultancy Fees	90,634
External & Internal Audit Fees	155,500
Bank Recapitalisation Due Diligence*	3,646,616
Other Fees and Expenses	6,110
Total	22,232,404

* Bank recapitalisation due diligence costs relate to Directed Investments.

In addition to the above expenses, the costs incurred by the NTMA in its role as Manager amounted to €6,085,249 in 2009. These costs are borne by the Exchequer.

The investment manager fees set out above are those charged directly to the NPRF and are in respect of the majority of the NPRF's assets. However, in some instances, particularly in property and private equity, the NPRF invests through third-party pooled funds and other investment vehicles. In most cases fees and expenses in respect of these investment vehicles are charged within the investment vehicle concerned and are not charged separately to the NPRF.

The NPRF participates each year in a survey run by a Canadian firm, CEM Benchmarking Inc (CEM), which measures the total operating costs of pension funds relative to their peers. The survey benchmarks the NPRF's cost performance against a customised cost benchmark comprising a peer group of similar international funds that CEM has identified as the most appropriate comparison for the NPRF. The survey takes account of differences in asset allocation within the peer group.

The most recent survey, which was in respect of 2008, found that total Fund costs, including the costs incurred by the NTMA as Manager and fees charged within third-party investment vehicles, were 0.33% of average Fund assets. Against its peer group benchmark the NPRF costs are slightly favourable.

Current Commissioners



Paul Carty – Chairman

Financial Consultant and Former Managing Partner, Deloitte & Touche, Ireland.



John A Canning Jr

Chairman of Madison Dearborn Partners LLC.



Dr Brian Hillery

Chairman of Independent News & Media plc and Director of the Central Bank and Financial Services Authority of Ireland.



Maurice Keane

Company Director (including Anglo Irish Bank Corporation Limited) and Retired Group Chief Executive, Bank of Ireland.



Knut N. Kjaer

Formerly President of Risk Metrics Group & formerly Chief Executive, Norges Bank Investment Management.



Prof. Frances Ruane

Director of the Economic and Social Research Institute (ESRI).



John C. Corrigan

Chief Executive, National Treasury Management Agency.

Fund Governance

Overview

The NPRF is controlled and managed by the National Pensions Reserve Fund Commission, a body corporate consisting of seven members appointed by the Minister for Finance. Under the National Pensions Reserve Fund Act, 2000, the Minister may only appoint persons to be commissioners who have acquired substantial expertise and experience at a senior level in any of a number of listed areas including investment or international business management, finance or economics, law, actuarial practice and accountancy and auditing.

The Commission's functions include the determination and implementation of the NPRF's investment strategy in accordance with its statutory investment policy. This policy requires that the NPRF be invested so as to secure the optimal total financial return provided the level of risk to the moneys held or invested is acceptable to the Commission.

The NPRF's statutory investment policy does not apply to Directed Investments.

The National Treasury Management Agency (NTMA) is the statutory Manager of the NPRF for the period to April 2011⁶ and the Commission is required to perform its functions through the Manager.

The Commission

The Commission sets the NPRF's asset allocation strategy and the parameters within which Fund assets may be invested and reviews Fund performance and strategy implementation.

The Commission has established an Audit Committee, a Property Advisory Committee and a Private Equity Advisory Committee to assist it in carrying out its functions. Without prejudice to its own responsibility for its functions, the Commission may also delegate to the Manager any of its functions as it considers appropriate.

The Commission held five formal meetings during 2009.

The members of the NPRF Commission as of June 2010 are:

Paul Carty – Chairman (Appointed an ordinary commissioner from 1 August 2005 and appointed Chairman from 19 December 2005).
Financial Consultant and Former Managing Partner, Deloitte & Touche, Ireland.

John A Canning Jr. (Reappointed from 2 April 2010).
Chairman of Madison Dearborn Partners LLC.

Dr. Brian Hillery (Reappointed from 1 July 2009).
Chairman of Independent News & Media plc and Director of the Central Bank and Financial Services Authority of Ireland.

Maurice Keane (Appointed from 5 February 2007).
Company Director (including Anglo Irish Bank Corporation Limited) and Retired Group Chief Executive, Bank of Ireland.

Knut N. Kjaer (Appointed from 2 April 2010)
Formerly President of Risk Metrics Group & formerly Chief Executive, Norges Bank Investment Management.

Prof. Frances Ruane (Appointed from 1 July 2009).
Director of the Economic and Social Research Institute (ESRI).

John C. Corrigan (Ex-officio member, appointed 4 December 2009)
Chief Executive, National Treasury Management Agency.

The term of office of a commissioner, other than the chief executive of the Manager who serves on the Commission in an ex-officio capacity, is five years. A commissioner, other than the chief executive officer of the Manager, may not serve for more than two consecutive terms of office.

Brid Horan and Donald C Roth each completed two terms of appointment as commissioners, in July 2009 and April 2010 respectively.

Dr. Michael J. Somers retired as Chief Executive of the National Treasury Management Agency on 3 December 2009.

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 NPRF's custodian, investment managers and other key service providers with their contractual obligations to the Commission/NTMA.

The Committee comprises three commissioners:

Maurice Keane (Chairman)

Brian Hillery

Frances Ruane

⁶ 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.

The Committee meets on an ongoing basis with the senior managers within the NTMA responsible for the NPRF, the NTMA's Head of Internal Control, the NTMA's Compliance Officer and the NPRF's internal and external auditors.

The Audit Committee met five times during 2009.

Property Advisory Committee

The Commission has delegated property investment decisions to the NTMA. It established the Property Advisory 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 four members, two commissioners and two external members. The two commissioners on the Committee are Paul Carty (Chairman) and Maurice Keane. The two external members are:

Barden Gale
CEO, J.E. Roberts Companies (JER.)

John Mulcahy
Head of Portfolio Management, National Asset Management Agency (NAMA)

Private Equity Advisory Committee

The Commission has delegated private equity investment decisions to the NTMA. It established the Private Equity Advisory Committee to advise the NTMA in relation to private equity investment, to monitor the implementation of the private equity investment strategy and to report back to the Commission.

The Committee has five members, three commissioners and two external members. The three commissioners on the Committee are Paul Carty (Chairman), John Canning and Brian Hillery. The two external members are:

Maurice O'Connell
Former Governor of the Central Bank of Ireland

Walter O'Hara
Managing Director, Allen & Co. New York

Disclosure of Interests

Section 12(1) of the National Pensions Reserve Fund Act, 2000 provides, inter alia, that, where a commissioner or member of staff of the Manager or member of a committee established by the Commission has a pecuniary or other beneficial interest in any matter being considered by the Commission, the Manager or the committee, he or she must disclose that interest, not seek to influence a

decision in relation to the matter and take no part in any consideration of the matter.

During the course of 2009 there was one disclosure of interest made under Section 12(1) of the Act. Mr. Maurice Keane, who was appointed a Director of Anglo Irish Bank by the Minister for Finance on 21st January 2009, declared a potential conflict of interest with regard to the Commission's considerations of the NPRF's Directed Investments in Bank of Ireland and AIB as Anglo Irish Bank is a potential competitor of Bank of Ireland and AIB. Mr Keane absented himself from meetings and parts of meetings where issues relating to Bank of Ireland and AIB were discussed and took no part in any consideration of these matters.

The National Treasury Management Agency

The National Treasury Management Agency (NTMA) manages assets and liabilities on behalf of the Irish Government. It was established at the end of 1990 to borrow for the Exchequer and manage the National Debt. Since then, its remit has been expanded greatly and now includes the management of the National Pensions Reserve Fund, the National Development Finance Agency, the National Asset Management Agency and the State Claims Agency. Certain banking system functions of the Minister for Finance have also been delegated to the NTMA.

Further information on the NTMA's functions is available at www.ntma.ie.

The core functions of the NTMA in its capacity as NPRF Manager include:

- provision of policy advice to the Commission;
- implementation of the NPRF's investment strategy
 - dynamic asset allocation decision making within agreed parameters;
 - selection and performance review of investment managers and investment vehicles;
- monitoring of the NPRF's Directed Investments and the financial condition of the institutions concerned;
- development and operation of Fund controls to ensure that the NPRF is managed within the parameters set down by the Commission and the operational risks to the NPRF are minimised; and
- preparation of the NPRF's financial statements and monitoring of the NPRF's global custodian.

These functions are primarily delivered through a dedicated NPRF Unit, the NTMA Banking Unit and through a specialist accounting and operational team within the NTMA's Finance Directorate. Support for NPRF activities is also provided by the NTMA's IT and Legal Units.



**National Pensions
Reserve Fund**

Financial Statements

For the Year Ended 31 December 2009

Commission Members and Other Information

COMMISSION MEMBERS

Mr. Paul Carty - Chairman

Mr. John A. Canning Jr.

Mr. John C. Corrigan (ex-officio)

Dr. Brian Hillery

Mr. Maurice Keane

Mr. Knut N. Kjaer

Prof. Frances Ruane

Ms. Brid Horan and Mr. Donald C. Roth each completed two terms of appointment as Commissioners in July 2009 and April 2010 respectively.

Prof. Frances Ruane was appointed as a Commission member on 1 July 2009.

Mr. Knut N. Kjaer was appointed as a Commission member on 2 April 2010.

Dr. Michael J. Somers served as ex-officio Commission member until 3 December 2009.

Mr. John C. Corrigan was appointed as Chief Executive of the National Treasury Management Agency and ex-officio member of the Commission on 4 December 2009.

BANKERS

Central Bank of Ireland

Dame St

Dublin 2

CUSTODIAN

The Bank of New York Mellon (BNYM)

160 Queen Victoria Street

London, EC4V 4LA

AUDITORS

Comptroller & Auditor General

Dublin Castle

Dublin 2

MANAGER

National Treasury Management Agency

Treasury Building

Grand Canal St.

Dublin 2

INVESTMENT MANAGERS*

Acadian Asset Management

AXA Rosenberg Investment Management Ltd

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

Batterymarch Financial Management Inc

Blackrock Advisors (UK) Limited

Daiwa SB Investments (UK) Limited

Deutsche Asset Management International GmbH

Generation Investment Management LLP

Goldman Sachs Asset Management International

Invesco Institutional (N.A.) Inc.

Lord, Abbett & Co. LLC

Oechsle International Advisors LLC

AIG Global Investment Group

Pioneer Investments Management Limited

Principal Global Investors

Putnam Investments Limited

RCM (UK) Limited


Schroder Investment Management (Singapore) Limited

*Managers of quoted investments only

Discretionary Investment Report

With the exception of the directed investments the Commission determines the investment strategy for the fund. The discretionary investment assets of the Fund were invested at 31 December 2009 as follows:

	€	% of Total Investment Assets
Equities		
Quoted Equities	8,197,560,927	53.56%
Global Equity Fund	72,857,602	0.47%
Quoted Emerging Markets	428,342,927	2.80%
Emerging Markets Funds	352,683,644	2.30%
	9,051,445,100	59.13%
Bonds		
Quoted Government Bonds	2,530,441	0.02%
Quoted Corporate Bonds	395,931,206	2.59%
Unquoted Corporate Bonds	558,493,555	3.64%
	956,955,202	6.25%
Unquoted Property Investments	316,287,802	2.07%
Unquoted Private Equity Investments	612,763,043	4.00%
Forestry Investments	18,456,400	0.12%
Commodity Investments	135,462,438	0.89%
Currency & other Investment Funds	179,870,956	1.18%
Repurchase Agreements	200,000,000	1.31%
Universities and Non-Commercial State Assets	993,297,237	6.49%
Deposits, Cash and Other Investments		
Deposits and cash	2,808,081,531	18.34%
Cross Currency Swaps	32,618,583	0.21%
Unrealised gain / (loss) on futures contracts	785,244	0.01%
Unrealised gain / (loss) on foreign exchange contracts	2,634	0.00%
	2,841,487,992	18.56%
Total Discretionary Investment Assets	15,306,026,170	100.00%



Paul Carty
Chairman of Commission



John C. Corrigan
Chief Executive
National Treasury Management Agency (as Manager)

30 June 2010

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.



Paul Carty
Chairman of Commission



John C. Corrigan
Chief Executive
National Treasury Management Agency (as Manager)

30 June 2010

Statement on Internal Financial Control

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

Statement on Internal Financial Control *(continued)*

Key Control Procedures (continued)

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 2009, the Commission, having taken advice from the NPRF Audit Committee, has conducted a review of the effectiveness of the system of internal financial control.



Paul Carty
Chairman of Commission



John C. Corrigan
Chief Executive
National Treasury Management Agency (as Manager)

30 June 2010

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

I have audited the financial statements of the National Pensions Reserve Fund for the year ended 31 December 2009 under the National Pensions Reserve Fund Act 2000.

The financial statements, which have been prepared under the accounting policies set out therein, comprise the Accounting Policies, the Fund Account, the Net Assets Statement, the Administration Account and the related notes.

Respective Responsibilities of the Commission and the Comptroller and Auditor General

The Commission is responsible for preparing the financial statements in accordance with the National Pensions Reserve Fund Act 2000, and for ensuring the regularity of transactions. The Commission prepares the financial statements in accordance with Generally Accepted Accounting Practice in Ireland. The accounting responsibilities of the Members of the Commission are set out in the Statement of Commission's Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report my opinion as to whether the financial statements properly present, in accordance with Generally Accepted Accounting Practice in Ireland, the results of the Fund's operations for the year and its balances at year-end. I also report whether in my opinion proper books of account have been kept. In addition, I state whether the financial statements are in agreement with the books of account.

I report any material instance where moneys have not been applied for the purposes intended or where the transactions do not conform to the authorities governing them.

I also report if I have not obtained all the information and explanations necessary for the purposes of my audit.

I review whether the Statement on Internal Financial Control reflects the Commission's compliance with the Code of Practice for the Governance of State Bodies 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. I am not required to consider whether the Statement on Internal Financial Control covers all financial risks and controls, or to form an opinion on the effectiveness of the risk and control procedures.

I read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with 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 International Standards on Auditing (UK and Ireland) 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 and regularity of the financial transactions included 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 Commission'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 in order 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.

Directed Investments

Without qualifying my opinion, which is set out below, I draw attention to Note 7 to the financial statements which sets out the basis of valuation of the directed investments.

Opinion

In my opinion, the financial statements properly present, in accordance with Generally Accepted Accounting Practice in Ireland, the results of the Fund's operations for the year ended 31 December 2009 and its balances at that date.

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



John Buckley

Comptroller and Auditor General

30 June 2010

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 Generally Accepted Accounting Practice in Ireland.

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

Reporting Period

The reporting period is the year ended 31 December 2009.

Reporting Currency

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

Investments

The National Pensions Reserve Fund holds two types of investments:

(a) Discretionary Investments

Investments which are controlled and managed by the Commission with the discretionary authority to determine and implement an investment strategy for the purpose of meeting the objectives of providing a fund of money to meet future costs of social welfare and public service pensions.

(b) Directed Investments

Investments made in accordance with the National Pensions Reserve Fund and Miscellaneous Provisions Act 2009 whereby the Minister for Finance directs the Commission to invest in listed financial institutions or to underwrite share issues by those institutions where he decides such a direction is warranted in the public interest.

(a) Valuation of Discretionary Investments

Investments are recorded on a trade date basis and are stated at fair market value. Fair market value is determined as follows for quoted and unquoted investments:

(i) Quoted Investments

For quoted investments fair market value is the closing market value on the primary exchange or market where the investment is quoted.

(ii) Unquoted Investments

Unquoted investments are valued at their fair market value estimated by the NTMA as the Manager of the Fund and approved by the Commission. The principal unquoted valuations are as follows:

Investments in property and private equity funds

The estimated fair value for unquoted investments in property and private equity funds for which there is not an active market is based on the latest audited valuation placed on the fund or partnership by the external manager of that fund or partnership. Where an audited valuation is not available, in circumstances such as where the fund or partnership's year end does not coincide with that of the Fund, the latest available unaudited valuation is used. The valuations of these investments are determined by external managers using accepted industry valuation methods and guidelines published by relevant industry bodies. Such valuation methodologies used by external managers may include considerations such as earnings multiples of comparable publicly traded companies, discounted cash flows and third party transactions or other events which suggest material impairment or improvement in fair value of the investment. In the first year of ownership cost is usually considered to be an appropriate estimate of the fair value for property and private equity investments unless there is an indication of a permanent impairment in value.

A range of possible values can exist for these investments, and estimated fair values may differ from the values that would have been used had there been an active market value for such investments.

The Commission relies on the external manager's valuation as being a representative estimate of the fair value of an investment. The Commission has, in conjunction with the NTMA as Manager, established procedures to periodically review the fund or partnership's valuation of individual property and private equity investments. Based on its judgement

Accounting Policies *(continued)*

Investments (continued)

and relevant information available to it the Commission may in certain circumstances determine that an adjustment to the external manager's valuation is appropriate in recording an investment's fair value.

Unquoted Commodity Notes

Unquoted commodity notes are fixed term passive investments which provide for a return on maturity based on the return of S&P Commodities Index ("the commodities index") over the period of the investment (except the Fund Logic commodity which is based on a composite index). The fair value of the notes is determined based on the terms of issue of each note and the value of the underlying commodities index at the year end. An additional discount may be applied to the valuation to reflect restrictions on the sale of the notes and the credit risk of the issuer.

Unquoted bonds

Unquoted Bonds are valued at their estimated fair market value as estimated by the NTMA using bond valuation models.

Currency funds and other unquoted investments

Currency funds and other unquoted investments are valued at the most recent Net Asset Value as published by the funds' administrators.

(iii) Derivatives

Cross Currency Swaps

Cross currency swaps are valued at their estimated fair value using industry standard valuation models. Cross currency swaps which are entered into for the purpose of hedging the currency risk of underlying investment assets are recognised as part of the change in the fair value of the underlying investment assets.

Futures

Futures contracts used by the Fund's investment managers are valued at their closing market value on the exchange on which they are traded and are recognised as investment assets.

(b) Valuation of Directed Investments

Directed investments are valued at cost in accordance with the a direction received from the Minister for Finance (Note 7).

Gains and losses on investments

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 recognised on an accruals basis. Dividends are credited to income on the dates on which the relevant securities are listed as "ex-dividend". Income is shown gross of any non-recoverable withholding taxes which are disclosed separately in the Fund Account as part of the taxation charge.

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.

Securities Lending

The Fund undertakes securities lending arrangements whereby securities are loaned to external counterparties for a set period of time ("the loan period"). The Fund receives collateral of greater value than the securities loaned for the duration of the loan period and receives interest where the collateral assets are reinvested. Under the terms of the securities lending agreements the Fund retains substantially all the risks and rewards of ownership of the loaned securities and also retains the rights to any cashflows relating to the securities. Therefore the loaned securities are not derecognised from the Fund's Balance Sheet and collateral assets held are not recognised in the Fund's Balance Sheet.

Deferred Tax

Provision for deferred tax is made in respect of the additional foreign taxes that it is expected will be payable on the realisation of unrealised gains on property and private equity investments. Deferred tax is calculated based on the average tax rates that are expected to apply when the unrealised gains are expected to be realised.

Fund Account *for the Year ended 31 December 2009*

	Notes	Year Ended 31 December 2009 €	Year Ended 31 December 2008 €
Investment Return for the Year			
- Discretionary Investment Income	1(a)	430,902,935	694,987,312
- Directed Investment Income	1(b)	60,000,000	-
- Change in value of Discretionary Investments		1,758,334,605	(7,344,012,346)
Total Investment Return for the Year		2,249,237,540	(6,649,025,034)
Taxation	2	(26,919,589)	(26,565,754)
Total Investment Return after Tax		2,222,317,951	(6,675,590,788)
Transfer to the Administration Account	3	(22,232,404)	(25,238,804)
Total Investment Return after Tax and Expenses		2,200,085,547	(6,700,829,592)
Contributions			
- Contributions from the Exchequer	4(a)	3,000,000,000	1,690,000,000
- Assets transferred to the Fund	4(b)	993,297,237	-
Total Contributions		3,993,297,237	1,690,000,000
Increase/(Decrease) in Fund during the Year		6,193,382,784	(5,010,829,592)
Net Assets of Fund at Start of Year		16,142,116,970	21,152,946,562
Net Assets of Fund at Year End		22,335,499,754	16,142,116,970



Paul Carty
Chairman of Commission



John C. Corrigan
Chief Executive
National Treasury Management Agency (as Manager)

30 June 2010

The statement of accounting policies and notes 1 to 18 form part of these accounts.

Net Assets Statement *as at 31 December 2009*

	Notes	2009 €	2008 €
Discretionary Investment Assets	6	15,306,026,170	16,035,837,637
Directed Investments	7	7,000,000,000	-
Current Assets	8	44,440,085	119,920,447
Current Liabilities	9	(14,966,501)	(13,641,114)
Net Assets of the Fund at 31 December 2009		<u>22,335,499,754</u>	<u>16,142,116,970</u>



Paul Carty
Chairman of Commission



John C. Corrigan
Chief Executive
National Treasury Management Agency (as Manager)

30 June 2010

The statement of accounting policies and notes 1 to 18 form part of these accounts.

Administration Account *for the Year ended 31 December 2009*

	Notes	Year Ended 31 December 2009 €	Year Ended 31 December 2008 €
Transfer from Fund Account	3	22,232,404	25,238,804
General Administration Fees and Expenses	5 (a)	(18,585,788)	(25,238,804)
Directed Investments Fees and Expenses	5 (b)	(3,646,616)	-
Net Income/(Expenditure)		<u>NIL</u>	<u>NIL</u>



Paul Carty
Chairman of Commission



John C. Corrigan
Chief Executive
National Treasury Management Agency (as Manager)

30 June 2010

The statement of accounting policies and notes 1 to 18 form part of these accounts.

Notes to the Accounts

1. INVESTMENT INCOME

	2009 €	2008 €
(a) Income from Discretionary Investments		
Deposits	39,053,985	72,766,760
Equities	306,106,110	421,292,861
Bonds	55,210,719	142,251,789
Property	8,350,199	11,997,917
Private Equity	2,353,613	1,131,702
Securities Lending	19,738,431	45,451,765
Commission Recapture	89,878	94,518
	430,902,935	694,987,312
(b) Income from Directed Investments		
Bank Arrangement Fee	60,000,000	-
Total Income	490,902,935	-

Upon completion of the directed investments in Bank of Ireland and Allied Irish Banks an arrangement fee was payable to the Fund to be satisfied by deduction from the amount payable for the preference shares.

2. TAXATION

The income and profits of the National Pensions Reserve Fund are exempt from Irish corporation tax in accordance with Section 30 of the National Pensions Reserve Fund Act, 2000. The National Pensions Reserve Fund may, however, be liable for taxes in overseas jurisdictions where full tax exemptions are not available.

Dividends and interest may be subject to irrecoverable foreign withholding taxes imposed by the country from which the investment income is received. Distributions of income and gains received by the Fund from its property and private equity fund investments may also be subject to foreign withholding taxes. The Fund may also be subject to additional foreign taxes payable on certain property and private equity investments annually.

Deferred tax may be provided in respect of unrealised gains on property or private equity investments where it is expected additional tax may be payable in respect of these gains on disposal. A provision was reversed in 2008, currently no additional tax is expected to be payable.

The foreign taxes and deferred tax provided are detailed below:

	2009 €	2008 €
Foreign Taxes on Income	26,919,589	34,726,049
Foreign Taxes on Realised Gains	-	1,039,705
Deferred Tax	-	(9,200,000)
	26,919,589	26,565,754

Notes to the Accounts *(continued)*

3. TRANSFER TO ADMINISTRATION ACCOUNT

This amount of €22,232,404 represents the amount required to cover the administration costs of the Commission. (Note 5).

4. CONTRIBUTIONS

(a) Contributions from the Exchequer

In accordance with the National Pensions Reserve Act, 2000 each year the Minister for Finance is required to make a contribution equivalent to 1% of GNP to the Fund. This amounted to €1,584,000,000 for 2009.

Additional contributions were made to the Fund in 2009 of €1,416,000,000 from the Exchequer under section 18(5C) of the Act and assets with a value of €993,297,237 were transferred to the Fund from certain universities and non-commercial state bodies under the National Pensions Reserve Fund and Miscellaneous Provisions Act 2009.

	2009 €	2008 €
Minister for Finance - 1% GNP	1,584,000,000	1,690,000,000
Contribution from the Exchequer	1,416,000,000	-
	3,000,000,000	1,690,000,000
Additional contribution - assets transferred	Note 4(b) 993,297,237	-
	3,993,297,237	1,690,000,000

(b) Assets transferred to the Fund

Under the the Financial Measures (Miscellaneous Provisions) Act, 2009 the assets of ten university and non-commercial state bodies pension funds were transferred to the Fund on 31 December 2009.

The Commission has determined in consultation with the Minister for Finance that the value of assets transferred to the Fund on 31 December 2009 was €993,297,237.

	2009 €
Arts Council	2,577,166
Bord Bia	15,668,832
CERT	12,898,036
FÁS	364,571,145
Industrial Development Authority	183,665,964
Irish Goods Council	2,607,723
Regional Tourist Office	19,909,054
Shannon Development	52,349,646
National University of Ireland Maynooth	58,519,473
Trinity College Dublin	280,530,198
Total Assets Transferred	993,297,237

Notes to the Accounts *(continued)*

5. EXPENSES

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:

(a) General Administration Fees and Expenses

	2009	2008
	€	€
Investment Managers' fees	14,326,630	20,125,952
Global Custodian fees	1,527,144	1,542,874
Commission fees	274,853	336,176
Commission expenses	10,000	4,534
Systems & Services	1,992,906	1,886,626
Legal Fees & Tax Advisory fees	202,011	832,252
Consultancy fees	90,634	328,988
Internal Audit fees	115,500	110,000
External Audit fees	40,000	32,000
Annual Review, Report & Publicity	6,110	39,402
	<u>18,585,788</u>	<u>25,238,804</u>

(b) Directed Investment Fees and Expenses

Business and Accounting due diligence	1,579,500	-
Legal advice	1,945,967	-
Consultancy and expert advice	121,149	-
	<u>3,646,616</u>	<u>-</u>
Total Expenses	<u>22,232,404</u>	<u>25,238,804</u>

To 30 September 2009, the Chairman of the Commission and each ordinary member of the Commission received an annual fee of €57,138 and €38,092 respectively. The Commission agreed to a 10% reduction in fees from 1 October 2009 resulting in an annual fee of €51,424 for the Chairman and €34,283 for each of the ordinary members of the Commission.

In addition to the above expenses the costs incurred by the National Treasury Management Agency in its role as Manager amounted to €6,085,249 (2008: €6,673,568). These costs are charged on the Central Fund and are excluded from the above.

Notes to the Accounts *(continued)*

6. DISCRETIONARY INVESTMENT ASSETS

(a) Summary of assets	2009	2008
	€	€
Quoted Equities	8,698,761,456	9,156,209,228
Quoted Bonds	2,530,441	2,292,220,562
Quoted Corporate Bonds	395,931,206	420,095,866
Unquoted Structured Equity Notes	-	230,758,641
Unquoted Commodity Investments	135,462,438	82,068,197
Forestry Investments	18,456,400	-
Unquoted Property Investments	316,287,802	413,738,498
Unquoted Private Equity Investments	612,763,043	477,760,320
Currency & Other Investment Funds	179,870,956	202,147,442
Unquoted Corporate Bonds	558,493,555	461,674,974
Emerging Markets Funds	352,683,644	208,742,546
Repurchase Agreements	200,000,000	200,000,000
Deposits and cash	2,808,081,531	1,602,635,678
Foreign currency contracts	2,634	250,069,455
Cross currency swaps	32,618,583	37,351,041
Futures contracts	785,244	365,189
Universities and non-commercial State Bodies	993,297,237	-
	<u>15,306,026,170</u>	<u>16,035,837,637</u>
(b) Analysis by geographical classification	2009	2008
	€	€
Europe	10,324,856,801	11,103,468,006
North America	3,267,550,995	3,776,454,022
Japan	515,985,173	613,441,287
Asia Pacific (excluding Japan)	468,031,258	333,731,776
Emerging Markets	729,601,943	208,742,546
	<u>15,306,026,170</u>	<u>16,035,837,637</u>

Notes to the Accounts *(continued)*

6. DISCRETIONARY INVESTMENT ASSETS *(continued)*

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

	2009	2008
	€	€
Value of Investments as at start of year	16,035,837,637	21,059,165,559
Transfer to Fund (Note 4)	3,993,297,237	1,690,000,000
Transfer to Directed Investments	(7,000,000,000)	-
Net cash movement	536,421,833	665,924,679
Movement in pending settlements	1,411,632	(10,131,092)
Fund expenses paid	(19,276,774)	(24,069,458)
Foreign withholding tax on realised gains	-	(1,039,705)
Change in value of investments	1,758,334,605	(7,344,012,346)
Total Investments	<u>15,306,026,170</u>	<u>16,035,837,637</u>

Net Cash Movement Reconciled to Investment Income

	2009	2008
	€	€
Income received net of foreign withholding tax	<u>536,421,833</u>	<u>665,924,679</u>
Net cash movement	536,421,833	665,924,679
Opening income accrual	(109,707,456)	(115,370,872)
Closing income accrual	37,268,969	109,707,456
Foreign withholding tax on income (Note 2)	26,919,589	34,726,049
Investment Income (Note 1)	<u>490,902,935</u>	<u>694,987,312</u>

Net Cash Movement

	2009	2008
	€	€
Transfer of Funds to Investment Managers and other Investments	(2,432,315,571)	(635,998,284)
Purchases at cost	22,988,332,478	12,111,139,571
Proceeds of sales	(20,019,595,074)	(10,809,216,608)
Net Cash Movement	<u>536,421,833</u>	<u>665,924,679</u>

Notes to the Accounts *(continued)*

6. DISCRETIONARY INVESTMENT ASSETS *(continued)*

(d) The investment assets of the Fund at the year end are held as follows:

	2009	2008
	€	€
Investment Managers		
Acadian Asset Management Inc.	251,349,277	165,267,228
AXA Rosenberg Investment Management Ltd	120,526,785	81,916,384
Blackrock Advisors (UK) Limited	3,034,131,127	3,203,370,403
Bank of Ireland Asset Management Limited / State Street Global Advisors (UK) Limited	2,306,990,773	2,530,440,312
Batterymarch Financial Management Inc	172,347,431	-
Daiwa SB Investments (UK) Limited	155,141,960	230,028,828
Deutsche Asset Management	406,845,139	355,004,648
Generation Investment Management LLP	72,857,603	52,745,542
Goldman Sachs Asset Management International	309,646,911	348,881,560
Invesco Institutional (N.A.) Inc.	418,617,923	672,747,738
Irish Life Investment Managers Limited	-	697,272,805
Lord, Abbett & Co. LLC	321,448,667	487,945,783
National Treasury Management Agency	2,709,141,450	3,314,035,399
Oechsle International Advisors LLC	366,502,000	550,943,690
AIJ Global Investment Group	146,697,627	118,906,613
Pioneer Investments Management Limited	83,185,279	-
Principal Global Investors	168,396,782	-
Putnam Investment Limited	310,240,976	390,854,226
RCM (UK) Limited	183,391,438	151,254,496
Schroder Investment Management Limited	368,633,364	269,400,323
	<u>11,906,092,512</u>	<u>13,621,015,978</u>
Other Investments		
Emerging Markets Funds	352,683,644	208,742,546
Quoted Corporate Bonds	-	100,580,000
Unquoted Structured Equity Notes	-	230,758,640
Currency & Other Investment Funds	179,870,956	202,147,442
Commodity Investments	135,462,438	82,068,198
Unquoted Forestry Investments	18,456,400	-
Unquoted Property Investments	316,287,802	413,738,498
Unquoted Private Equity Investments	612,763,043	477,760,320
Unquoted Corporate Bonds	558,493,555	461,413,065
Cross Currency Swaps	32,618,583	37,612,950
Repurchase Agreements	200,000,000	200,000,000
Universities and non-commercial State Bodies	993,297,237	-
	<u>3,399,933,658</u>	<u>2,414,821,659</u>
Total Investment Assets	<u>15,306,026,170</u>	<u>16,035,837,637</u>

Notes to the Accounts *(continued)*

6. DISCRETIONARY INVESTMENT ASSETS *(continued)*

(e) Valuation of Investments:

The investment assets of the Fund are valued at their fair market value as described in the accounting policy on the valuation of investments. The following table analyses the investment assets between those whose fair value is based on:

- Level 1 - quoted prices in active markets for identical assets or liabilities.
- Level 2 - valuation techniques involving only the use of model inputs observable in the market.
- Level 3 - valuation techniques which do not involve the use of model inputs observable in the market.

	Level 1 €m	Level 2 €m	Level 3 €m	2009 Total €m
(i) Listed equities and managed funds				
Listed equity securities	9,408	-	-	9,408
Global Equity Fund	-	73	-	73
Emerging Markets	-	353	-	353
Commodity Investments	-	135	-	135
Currency & other Investment Funds	-	180	-	180
Forestry Investments	-	18	-	18
(ii) Debt securities				
Listed debt securities	398	-	-	398
Unlisted debt securities	-	591	-	591
(iii) Limited Partnerships/Trusts				
Property	-	-	358	358
Private equity	-	-	615	615
(iv) Derivatives financial assets				
Currency Swaps	-	33	-	33
Futures contracts	1	-	-	1
Cash and cash equivalents	3,143	-	-	3,143
	12,950	1,383	973	15,306

Investment assets included in level 3 include property and private equity funds for which there is currently no active market. In valuing such investments the Fund relies on valuations received from external managers as outlined in the accounting policy.

	Property and Private Equity €m
Opening balance	891
Total gains and losses in the Fund Account	(141)
Purchases	-
Sales	-
Transfers to the Fund	43
Settlements	-
Transfers in or out of level 3	180
Closing balance	973

Notes to the Accounts *(continued)*

7. DIRECTED BANK INVESTMENTS

	2009
	€
Bank of Ireland	3,500,000,000
Allied Irish Banks	3,500,000,000
	<u>7,000,000,000</u>

The directions to make these investments were made pursuant to the Investment of the National Pensions Reserve Fund and Miscellaneous Provisions Act, 2009 which empowered the Minister to direct the Commission to invest in listed financial institutions or to underwrite share issues by these institutions, where the Minister decides such a direction is in the public interest. The Minister may also direct the Commission with regard to the management and disposal of these investments.

(a) Directed Investment - Bank of Ireland

The NPRF Commission was directed by the Minister on 30 March 2009 to invest in €3.5 billion of 2009 perpetual non-cumulative preference shares of Bank of Ireland, together with warrants over 334,737,148 ordinary shares of Bank of Ireland.

Preference shares

The preference shares pay an annual non-cumulative fixed dividend of 8% at the discretion of the bank. If the dividend is not paid in cash, the Fund will receive the value of the dividend in shares. The preference shares can be repurchased by the bank at €1 within the first five years and thereafter at €1.25.

Warrants

Warrants attach to the preference shares giving an option to subscribe for ordinary share capital in each bank.

The warrants are exercisable on the earlier of (i) anytime between the fifth and tenth anniversary of the date of the issue of the preference stock and (ii) in the event of an offer for the bank or other change of control.

The exercise price for the warrants will be €0.52 for 177,213,784 shares and €0.20 for 157,523,364 shares.

The potential value of the warrants to the Fund if they could be exercised at 31 December 2009 is €343,243,410.

(b) Directed Investment - Allied Irish Banks

The NPRF Commission was directed by the Minister on 12 May 2009 to invest in €3.5 billion of 2009 perpetual non-cumulative preference shares of Allied Irish Banks, together with warrants over 294,251,819 ordinary shares of Allied Irish Banks.

Preference shares

The preference shares pay an annual non-cumulative fixed dividend of 8% at the discretion of the bank. If the dividend is not paid in cash, the Fund will receive the value of the dividend in shares. The preference shares can be repurchased by the bank at €1 within the first five years and thereafter at €1.25.

Warrants

Warrants attach to the preference shares giving an option to subscribe for ordinary share capital in each bank.

The warrants are exercisable on the earlier of (i) anytime between the fifth and tenth anniversary of the date of the issue of the preference stock and (ii) in the event of an offer for the bank or other change of control.

Notes to the Accounts *(continued)*

7. DIRECTED BANK INVESTMENTS *(continued)*

(b) Directed Investment - Allied Irish Banks *(continued)*

The exercise price for the warrants will be €0.975 for 155,780,375 shares and €0.375 for 138,471,444 shares.

The potential value of the warrants to the Fund if they could be exercised at 31 December 2009 is €221,398,530.

(c) Developments since the year end

Bank of Ireland

On 19 February 2010 Bank of Ireland paid the dividend due (€250,444,444) on the preference shares in Bank of Ireland ordinary shares, in lieu of cash dividend. The Fund received 184,394,378 ordinary shares in Bank of Ireland.

On 26 April 2010 Bank of Ireland announced a plan to raise €3.421 billion equity capital through a share placement and rights issue.

The NPRF Commission was directed by the Minister for Finance in accordance with section 19A of the National Pensions Fund Act to participate in the share placement and rights issue in accordance with the terms of a Transaction Agreement with Bank of Ireland.

Under the terms of the Agreement:

(i) The Commission agreed to subscribe for 576 million units of Ordinary Stock at a price of €1.80 per unit, through the conversion of 1,036 million units of the 2009 Preference Shares into Ordinary Stock at a price of €1 per unit (or par value).

(ii) Bank of Ireland re-purchased the warrants issued in conjunction with the 2009 Preference Stock for €491 million.

(iii) The Commission agreed to participate in the Bank of Ireland rights issue, taking up the full allocation to which it is entitled, based on its holding of ordinary stock after the share placement. The consideration for the shares purchased under the rights issue was met through the conversion of 626,958,696 additional units of the 2009 Preference Shares based on the rights price of €0.55.

(iv) The coupon on the remaining 1,837,041,304 preference shares will be increased from 8% to 10.25%.

Following these transactions, the Fund's holding in Bank of Ireland is 36%. The Fund received, in addition to the €491 million in respect of the warrants, €52 million in transaction fees under the agreement (a €22 million transaction fee, €10 million share placement fees, €19 million underwriting fee and €800,000 incentive fee in respect of the rights issue).

Allied Irish Banks

On 13 May 2010 Allied Irish Banks paid the dividend due of €280,000,000 on the preference shares in Allied Irish Banks ordinary shares, in lieu of a cash dividend. The Fund received 198,089,847 ordinary shares in Allied Irish Banks.

(d) Accounting Treatment

The Commission has valued the preference shares at cost in accordance with the direction received from the Minister for Finance and the equity warrants are valued at zero.

Seeking to attribute a fair value to these shares using normal criteria would involve a significant degree of estimation and assumptions about the market value at the end of December 2009, and would not fairly reflect the nature of these directed holdings.

Notes to the Accounts *(continued)*

7. DIRECTED BANK INVESTMENTS *(continued)*

(d) Accounting Treatment *(continued)*

The Commission has considered whether there is any evidence of impairment of the directed investments which might make it appropriate to recognise a provision for impairment and has concluded that, for the reasons set out below, no such provision is appropriate.

Bank of Ireland successfully completed a share placement and rights issue in 2010. The conversion of €1.7 billion of the Fund's preference shares into Bank of Ireland ordinary shares on the basis of exchanging preference shares at par for ordinary shares at market price at the time of the transaction is evidence that those preference shares had not suffered impairment.

The additional equity share capital generated in the rights issue, both from the market and from the conversion of preference shares, significantly improved the position of the remaining preference shares which rank ahead of that equity share capital. The valuation of the remaining preference shares also benefited from an increase in the coupon rate from 8.0% to 10.25%. In addition, the bank has been recapitalised sufficiently to meet the requirements of the Financial Regulator.

Allied Irish Banks is planning to raise capital from private sources and through the disposal of certain overseas assets to meet the capital requirements of the Financial Regulator. To the extent that Allied Irish Banks is unable to raise sufficient external capital, the Minister has indicated that he will convert the preference shares as required. While there is still uncertainty about the final outcome, the Commission has no evidence that the directed investment is impaired.

Overall, the valuation of the directed investments depends upon a number of factors including the outcome of asset restructuring, future trading performance and the funding of the banks. The Commission has also taken account of the commitment of the State to the recapitalisation of the banks and the acquisition of designated property and development loans by the National Asset Management Agency. The Commission on the basis of the information available to it, has no evidence of an impairment in the value of the directed investments. The Commission will keep the valuations of these investments under ongoing review.

8. CURRENT ASSETS

	2009	2008
	€	€
Amounts receivable for securities sold	7,171,116	7,755,060
Accrued interest on Fixed Income securities	27,127,174	82,160,735
Accrued interest on deposits	2,051,900	12,920,533
Dividends receivable	5,888,094	8,769,929
Tax reclaims recoverable	1,969,369	2,605,442
Amounts recoverable / (payable) under investment insurance policy	(308,697)	277,087
Securities Lending income receivable	541,129	2,973,730
VAT reclaim receivable	-	2,457,931
	<u>44,440,085</u>	<u>119,920,447</u>

Notes to the Accounts *(continued)*

9. CURRENT LIABILITIES

	2009	2008
	€	€
Amounts payable for securities purchased	7,975,088	7,147,400
Fund manager fees payable	5,722,469	5,553,805
Custodian fees payable	347,198	279,583
Legal and tax fees payable	-	20,000
Consultancy fees payable	95,775	53,000
VAT payable	267,085	-
Accrued expenses	558,886	587,326
	<u>14,966,501</u>	<u>13,641,114</u>

10. PROVISIONS FOR LIABILITIES AND CHARGES

	2009	2008
	€	€
<i>Deferred Tax Liabilities</i>		
Opening balance 01 January 2009	-	9,200,000
Charge for the year	-	(9,200,000)
Closing balance 31 December 2009	<u>-</u>	<u>-</u>

11. COMMITMENTS

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

	2009	2009	2008	2008
	Notional Principal €	Unrealised gain / (loss) €	Notional Principal €	Unrealised gain / (loss) €
Forward Foreign Exchange Contracts	-	-	3,780,770,239	250,062,334
Cross Currency Swaps	235,041,649	32,618,583	235,041,649	37,351,041
Spot Foreign Exchange Contracts	1,340,050	2,634	1,377,437	7,121
Financial Futures	20,102,941	785,244	53,647,532	365,189
	<u>256,484,640</u>	<u>33,406,461</u>	<u>4,070,836,857</u>	<u>287,785,685</u>

Foreign Exchange Contracts

The Fund follows a policy of hedging its foreign currency risk through the use of forward foreign exchange contracts. In respect of quoted equities the Fund uses forward currency contracts to maintain a currency exposure at 50% of the foreign currency exposure of the Fund's underlying Benchmark. In respect of its property and private equity investments, the Fund hedges 50% of its non-euro private equity investments and 100% of its non-euro property investments. 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 FX hedge was suspended in March 2009 and was restored in May 2010.

Notes to the Accounts *(continued)*

11. COMMITMENTS (continued)

Foreign Exchange Contracts (continued)

The Fund's investment managers can 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 year end.

Cross Currency Swaps

The Fund has entered into cross currency swaps during the year to hedge the cash flows of non-euro denominated corporate bonds. The gain/(loss) on these cross currency swaps offsets the change in value of the underlying bonds due to exchange rate movements.

Property and Private Equity Investments

The Fund has entered into commitments in respect of certain investments in property and private equity investments.

At 31 December 2009, the uncalled capital commitments in respect of these investments amounts to:

	2009	2008
	€	€
Property Investments	207,212,059	307,875,526
Private Equity Investments	711,880,506	823,400,858
	<u>919,092,565</u>	<u>1,131,276,384</u>

12. CONTINGENT LIABILITIES

In the opinion of the Commissioners the National Pensions Reserve Fund had no contingent liabilities at 31 December 2009.

13. 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 2009 the Fund earned €19,738,431 through securities lending (2008: €45,451,765).

Loans are made to approved counterparties who meet minimum credit criteria. The loans are secured by collateral in the form of cash, 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. When the value of collateral maintained falls below the required limits additional collateral is called by the global custodian from the counterparty, restoring collateral requirements the following day.

The market value of securities loaned at 31 December 2009 amounted to €631,796,437 (2008: €2,381,503,840). The National Pensions Reserve Fund held collateral of 102.94% (2008: 101.86%) of the market value of securities lent.

Notes to the Accounts *(continued)*

14. 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 2009 the Fund earned €89,878 (2008: €94,518) from Frank Russell Securities Inc in respect of commission recapture. The reduction in revenue reflects greater efficiency in brokerage commissions and the unbundling of charges for other brokerage firm services from these commissions.

15. RELATED PARTIES

(a) Minister for Finance

As set out in note 4, 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 commissioners of the National Pensions Reserve Fund 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 from 2 April 2001 for 10 years.

16. FINANCIAL RISK MANAGEMENT

The Fund is exposed to market price risk, interest rate risk, credit risk, liquidity risk and currency risk arising from the financial instruments it holds as investment assets. The risk management policies employed by the Fund to manage these risks are discussed below.

(a) Market Price Risk

The Fund's financial instruments including bonds, equity securities, investment funds and property and private equity investments are susceptible to market price risk arising from uncertainties about the future prices of these instruments. The maximum asset value exposed to market price risk at 31 December 2009 was €12.52 billion (2008 €14.3 billion) which is the value of the investment assets (excluding cash balances) i.e. the quoted equities, bonds and investment funds and the unquoted investments, property and private equity investments.

The Fund's market risk is managed through diversification of its investment portfolio. The Fund's overall market positions are monitored on a daily basis.

(b) Credit Risk

The Fund takes on exposure to credit risk which is the risk that a counterparty will be unable to pay amounts in full when due.

The Fund's credit risk concentration is spread between its debtors and assets held by counterparties. The Fund manages credit risks it undertakes by limiting the amount of risks it accepts in relation to its counterparties.

Notes to the Accounts *(continued)*

16. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Liquidity Risk

The Fund is exposed to liquidity risk in respect of its payment commitments including payment of committed property and private equity investments and normal operating expenses. The Fund's liquidity requirements are managed through maintaining sufficient cash balances.

(d) Currency Risk

The Fund's assets are denominated in currencies other than the Euro, the Fund's functional currency. The Fund is therefore exposed to currency risk as the value of the investments denominated in other currencies will fluctuate due to changes in exchange rates.

The following table details the total value exposed to currency risk as at 31 December 2009:

Currency	Local Currency	2009 'm	2009 €m	2008 'm	2008 €m
Investment Assets & Balances					
US Dollar	USD	5,556	3,857	5,626	4,043
Pounds Sterling	GBP	400	451	446	469
Japanese Yen	JPY	68,761	516	77,411	614
Swiss Franc	CHF	269	181	346	229
Australian Dollar	AUD	368	230	301	148
Scandinavian Currencies	N/A	-	106	-	99
Hong Kong Dollar	HKD	2,187	196	1,130	105
Canadian Dollar	CAD	138	91	122	72
Other Asia Pacific	N/A	-	195	-	34
Other	N/A	-	104	-	2
			<u>5,927</u>		<u>5,815</u>
Forward & Foreign Currency Contracts					
US Dollar	USD	-	-	(2,909)	(2,095)
Pounds Sterling	GBP	-	-	(233)	(245)
Japanese Yen	JPY	-	-	(30,947)	(246)
Swiss Franc	CHF	-	-	(151)	(102)
Australian Dollar	AUD	-	-	(114)	(56)
Scandinavian Currencies	N/A	-	-	-	(32)
Hong Kong Dollar	HKD	-	-	(452)	(42)
Other Asia Pacific	N/A	-	-	-	(12)
Other	N/A	-	-	-	35
			<u>-</u>		<u>(2,795)</u>
Total value exposed to currency risk			<u>5,927</u>		<u>3,020</u>

As explained in note 11, the Fund's currency hedge was suspended in March 2009.

(e) Interest Rate Risk

Interest rate risk is the risk that future cash flows of a financial instrument and the value of a financial instrument will fluctuate due to changes in the market interest rates. The Fund's fixed income investments, including the bond portfolio and repurchase agreements, valued at €1,189,573,786 at 31 December 2009 (2008: €3,411,342,444), are susceptible to value changes due to fluctuations in market interest rates.

Notes to the Accounts *(continued)*

16. FINANCIAL RISK MANAGEMENT *(continued)*

The following table details the values of fixed income investments exposed to interest rate risk as at 31 December 2009:

Interest bearing investments	Weighted average interest rate	2009 €	Weighted average interest rate	2008 €
Maturing within one year				
Fixed rate	0%	2,530,441	4.66%	6,022,588
Floating rate	-	-	6.58%	4,215,204
Maturing between two and five years				
Fixed rate	5.10%	371,833,248	4.62%	420,670,167
Floating rate	2.90%	207,402,751	0.22%	209,649,822
Maturing after five years				
Fixed rate	5.72%	292,421,508	4.96%	2,438,028,206
Floating rate	5.38%	315,385,838	6.13%	332,776,457
Total interest bearing investments		<u>1,189,573,786</u>		<u>3,411,362,444</u>

17. SUBSEQUENT EVENTS

Other than the events which have taken place subsequent to the year end as outlined in note 7, there were no other significant subsequent events.

18. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Commission on 18 May 2010.



**National Pensions
Reserve Fund**

Portfolio of Investments

31 December 2009



Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
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EUROPE

Austria

43,142	Conwert Immobilien	368,433	0.00%
352,693	Erste Group Bank	9,191,180	0.06%
60,812	EVN	799,678	0.01%
515,718	Immoeast Immobilie	1,985,514	0.01%
18,938	Mayr-Melnhof Karton	1,363,536	0.01%
56,087	Oesterreichische El Wirtsch	1,666,345	0.01%
186,042	OMV	5,711,489	0.04%
57,660	Raiffeisen International Bank	2,277,570	0.01%
79,271	Strabag	1,640,910	0.01%
428,382	Telekom Austria	4,262,401	0.03%
48,592	Vienna Insurance Group	1,749,312	0.01%
203,993	Voestalpine	5,242,620	0.03%
11,889	Zumtobel	162,879	0.00%
		36,421,867	0.24%

Belgium

361,279	Agfa Gevaert	1,636,594	0.01%
1,222,155	Anheuser-Busch Inbev	36,010,777	0.24%
40,010	Barco	1,139,885	0.01%
211,610	Belgacom	5,357,965	0.04%
5,965	CFE	211,758	0.00%
3,536	Cofinimmo	348,685	0.00%
16,568	Colruyt	2,790,051	0.02%
3,436	D Ieteren	958,988	0.01%
32,052	Deceuninck	46,475	0.00%
124,375	Delhaize Group	6,668,988	0.04%
656,549	Dexia	2,928,209	0.02%
562	Elia	15,343	0.00%
2,894,504	Fortis	7,592,284	0.05%
4,308,295	Fortis Rights	-	0.00%
100,234	Groupe Bruxelles	6,620,456	0.04%
6,570	IBA Ion Beam Applications	55,517	0.00%
220,404	KBC Group	6,694,772	0.04%
22,671	Mobistar	1,085,828	0.01%
42,608	Nationale a Portefeuille	1,585,018	0.01%
53,169	Nyrstar	443,430	0.00%
18,339	Omega Pharma	644,616	0.00%
5,425	Sofina 2	368,900	0.00%
52,353	Solvay	3,955,269	0.03%
121,812	Telenet Group	2,427,713	0.02%
52,927	Tessenderlo Chemie	1,219,967	0.01%
374,808	UCB	10,951,890	0.07%
174,282	Umicore	4,078,199	0.03%
		105,837,573	0.69%

Denmark

312	A P Moller - Maersk	1,506,168	0.01%
16,542	Carlsberg	853,574	0.01%
4,457	Coloplast	283,286	0.00%
56,965	Danisco	2,667,675	0.02%
178,048	Danske Bank	2,823,197	0.02%
2,175	DFDS	104,486	0.00%
33,258	East Asiatic Company	813,373	0.01%
7,861	Flsmidth & Co	387,673	0.00%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
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Denmark (continued)

50,656	Lundbeck	644,959	0.00%
189,453	Novo-Nordisk	8,452,041	0.06%
7,213	Novozymes	523,398	0.00%
699	Rockwool International	57,672	0.00%
16,157	Schouw & Co	205,170	0.00%
52,000	Sydbank	934,586	0.01%
28,437	TK Development	101,263	0.00%
3,808	Trygvesta	175,387	0.00%
28,619	Vestas Wind System	1,219,090	0.01%
3,270	William Demant	172,468	0.00%
		21,925,465	0.14%

Finland

314,958	Citycon	925,977	0.01%
553,465	Fortum	10,499,231	0.07%
23,000	Hkscan	180,550	0.00%
147,538	Huhtamaki	1,431,119	0.01%
42,117	Kemira	437,596	0.00%
83,224	Kesko	1,920,810	0.01%
203,004	Kone Corporation	6,082,000	0.04%
12,595	Lemminkainen	304,799	0.00%
175,897	Metso	4,332,343	0.03%
137,944	M-Real	211,054	0.00%
162,513	Neste Oil	2,018,411	0.01%
5,137,701	Nokia	45,828,293	0.30%
307,857	Nokian Renkaat	5,233,569	0.03%
172,584	Outokumpu	2,288,464	0.01%
68,215	Raisio	181,452	0.00%
129,248	Rautaruukki	2,086,063	0.01%
721,486	Sampo	12,279,692	0.08%
60,496	Sanoma	953,417	0.01%
760,038	Stora Enso	3,708,985	0.02%
228,920	Tieto	3,319,340	0.02%
645,769	Upm-Kymmene	5,372,798	0.04%
122,403	Wartsila	3,435,852	0.02%
		113,031,814	0.74%

France

277,959	Accor	10,631,932	0.07%
36,918	ADP Promesses	2,079,591	0.01%
186,387	Air France	2,050,257	0.01%
321,721	Air Liquide	26,712,495	0.17%
3,353,847	Alcatel Lucent	7,988,864	0.05%
351,306	Alstom	17,235,072	0.11%
72,209	Altran Technologies	268,834	0.00%
81,636	Arkema	2,122,536	0.01%
228,629	Atos Origin	7,335,561	0.05%
28,547	Autoroutes Paris	1,525,552	0.01%
3,218,556	AXA	53,234,916	0.35%
53,508	BIC	2,584,436	0.02%
24,441	Biomerieux	1,996,341	0.01%
1,484,153	BNP Paribas	82,964,153	0.54%
9,397	Bonduelle	746,686	0.00%
4,193	Bongrain	222,019	0.00%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
France (continued)			
318,784	Bouygues	11,611,707	0.08%
131,106	Bull New	401,184	0.00%
68,608	Bureau Veritas	2,497,674	0.02%
294,361	Cap Gemini	9,410,721	0.06%
1,023,945	Carrefour	34,363,594	0.22%
86,317	Casino Guich-Perrachon	5,397,402	0.04%
13,703	Cegid	213,767	0.00%
147,106	Christian Dior	10,556,327	0.07%
14,213	Ciments Francais	1,051,762	0.01%
50,893	Club Mediterranee	653,975	0.00%
55,108	Cnp Assurances	3,734,118	0.02%
673,651	Compagnie de Saint-Gobain	25,645,894	0.17%
187,159	Compagnie Generale de Geophysique	2,794,284	0.02%
1,106,805	Credit Agricole	13,680,110	0.09%
901,056	Danone	38,592,228	0.25%
73,528	Dassault Systemes	2,922,738	0.02%
15,777	Devoteam	285,090	0.00%
347,534	EDF	14,284,300	0.09%
85,355	Eiffage	3,367,255	0.02%
12,987	Eramet	2,866,880	0.02%
260,982	Essilor International	10,895,999	0.07%
16,624	Euler Hermes	869,269	0.01%
35,178	Eurazeonce	1,717,918	0.01%
108,776	Eutelsat Communications	2,443,109	0.02%
3,926	Faiveley Transport	217,893	0.00%
2,732,149	France Telecom	47,621,357	0.31%
2,359,026	GDF Suez	71,443,102	0.47%
23,619	Gecina	1,798,351	0.01%
188,525	GET	1,232,954	0.01%
50,276	GFI Informatique	140,773	0.00%
3,043	GL Events	52,157	0.00%
27,858	Groupe Steria	599,226	0.00%
661,953	Havas	1,847,511	0.01%
99,589	Hermes International	9,292,650	0.06%
24,450	Icade	1,632,038	0.01%
13,435	Iliad	1,122,091	0.01%
47,468	Imerys	1,994,368	0.01%
20,872	Ipsen Promesses	808,999	0.01%
83,686	JC Decaux	1,425,591	0.01%
108,270	Klepierre	3,073,785	0.02%
265,674	Lafarge	15,358,614	0.10%
163,084	Lagardere	4,633,216	0.03%
146,730	Legrand	2,857,567	0.02%
2,747	Lisi	94,222	0.00%
373,605	L'Oreal	29,141,190	0.19%
484,262	Lvmh Moet Hennessy	37,956,456	0.25%
134,896	Michelin	7,227,728	0.05%
1,105,798	Natixis	3,922,266	0.03%
49,338	Nexans	2,754,047	0.02%
18,990	Nexity	483,485	0.00%
173,897	Pagesjaunes Groupe	1,356,397	0.01%
325,397	Pernod-Ricard	19,494,534	0.13%
218,161	Peugeot	5,162,780	0.03%
5,085	Pierre & Vacances	273,319	0.00%
117,254	PPR	9,877,477	0.06%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
France (continued)			
181,083	Publicis Groupe	5,160,866	0.03%
142,695	Rallye	3,496,028	0.02%
17,613	Recylex	156,756	0.00%
348,276	Renault	12,607,591	0.08%
142,935	Rexel Promesses	1,457,937	0.01%
38,942	Rhodia	491,059	0.00%
259,136	Safran	3,547,572	0.02%
52,844	Saft Groupe	1,784,013	0.01%
1,505,466	Sanofi-Aventis	82,890,958	0.54%
367,789	Schneider Electric	30,077,784	0.20%
231,078	SCOR	4,043,865	0.03%
2,254	SEB	89,484	0.00%
11,998	Sequana	95,744	0.00%
881,357	Societe Generale	43,142,425	0.28%
146,740	Sodexo	5,849,790	0.04%
10,246	Sopra Group	507,177	0.00%
9,275	Sperian Protection	467,367	0.00%
541,808	Suez Environnement	8,736,654	0.06%
9,950	Sword Group	243,875	0.00%
135,584	Technip	6,697,850	0.04%
38,096	Teleperformance	864,017	0.01%
200,121	TF1-TV Francaise	2,579,560	0.02%
97,892	Thales	3,518,728	0.02%
3,420,703	Total SA	153,948,739	1.01%
150,525	Ubisoft Entertainment	1,493,208	0.01%
109,080	Unibail-Rodamco	16,765,596	0.11%
96,035	Valeo	2,355,739	0.02%
94,491	Vallourec	12,005,082	0.08%
722,998	Veolia Environment	16,719,329	0.11%
682,553	Vinci	26,940,367	0.18%
1,966,625	Vivendi	40,895,967	0.27%
31,179	Wendel	1,334,461	0.01%
		1,195,818,276	7.81%

Germany

18,179	Aareal Bank	241,054	0.00%
246,180	Adidas	9,298,219	0.06%
81,586	Air Berlin	306,763	0.00%
98,353	Aixtron	2,311,296	0.02%
650,557	Allianz	56,690,949	0.37%
661	Axel Springer	49,608	0.00%
3,493	Balda	12,191	0.00%
1,365,845	BASF	59,359,624	0.39%
1,193,700	Bayer	66,799,452	0.44%
373,683	Bayerische Motoren Werke (BMW)	11,883,119	0.08%
2,658	Baywa	66,875	0.00%
93,929	Bechtle	1,764,926	0.01%
112,969	Beiersdorf	5,188,666	0.03%
2,605	Bertrandt	57,050	0.00%
30,000	Bilfinger Berger	1,617,600	0.01%
41,196	Biotest	1,417,966	0.01%
101,773	Celesio	1,801,382	0.01%
8,671	Cewe Color	195,965	0.00%
11,143	Colonia Real Estates	48,472	0.00%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Germany (continued)			
1,101,224	Commerzbank	6,480,703	0.04%
1,267,730	Daimler	47,197,588	0.31%
74,378	Demag Cranes	1,734,495	0.01%
913,592	Deutsche Bank	45,149,717	0.29%
241,811	Deutsche Boerse	14,025,038	0.09%
284,347	Deutsche Lufthansa	3,341,077	0.02%
1,545,463	Deutsche Post	20,840,569	0.14%
264,300	Deutsche Postbank	6,047,184	0.04%
4,054,154	Deutsche Telekom	41,717,245	0.27%
37,483	DIC Asset	305,486	0.00%
4,028	Douglas Holdings	137,073	0.00%
23,104	Dragerwerk	690,579	0.00%
3,554	Duerr Beteiligungs	60,418	0.00%
2,482,098	E.On	72,551,725	0.47%
44,997	Fraport	1,632,491	0.01%
40,049	Fresenius	1,740,129	0.01%
156,741	Fresenius (Non Voting)	7,838,617	0.05%
412,038	Fresenius Medical Care	15,220,684	0.10%
227,856	GEA Group	3,545,439	0.02%
10,958	Generali Deutschland	806,947	0.01%
58,381	Gerresheimer Group	1,371,954	0.01%
241,426	Gildemeister	2,735,357	0.02%
36,090	Hamburger Hafen Und Logistik	974,069	0.01%
81,263	Hannover Rueckversicherung	2,658,113	0.02%
278,057	Heidelbergcement	13,410,689	0.09%
160,306	Henkel KGAA	4,993,532	0.03%
347,824	Henkel KGAA (Non Voting)	12,671,228	0.08%
64,998	Hochtief	3,480,643	0.02%
1,929,158	Infineon Technologies	7,485,133	0.05%
20,117	Jenoptik	76,243	0.00%
20,249	Jungheinrich	271,337	0.00%
268,054	K&S	10,719,479	0.07%
206	Klein Schanzlin & Becker	82,194	0.00%
103,532	Lanxess	2,727,033	0.02%
156,988	Linde	13,212,110	0.09%
175,003	MAN	9,527,163	0.06%
62,254	Medion	460,680	0.00%
114,441	Merck KGAA	7,456,976	0.05%
405,000	Metro	17,240,850	0.11%
228,166	MTU Aero Engines Investments	8,713,660	0.06%
320,274	Muenchener Rueckversicherungs	34,804,176	0.23%
19,483	Pfleiderer	119,626	0.00%
161,293	Porsche Automobil	7,054,956	0.05%
44,050	Praktiker Bau	341,388	0.00%
119,201	Prosiebensati Media	960,760	0.01%
18,559	Puma	4,302,719	0.03%
55,376	Q-Cell	631,286	0.00%
61,850	Rheinmetal	2,767,169	0.02%
533,150	RWE	36,232,874	0.24%
55,975	Salzgitter	3,830,929	0.03%
1,493,553	SAP	49,287,249	0.32%
1,262,650	Siemens	81,074,757	0.53%
5,105	Sixt	112,004	0.00%
3,650	Software	278,860	0.00%
103,948	Solarworld	1,593,523	0.01%
182,948	Suedzucker	2,660,064	0.02%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Germany (continued)			
479,045	Thyssenkrupp	12,646,788	0.08%
3,933	Tipp24	114,057	0.00%
603,288	TUI	3,523,202	0.02%
109,542	Volkswagen	8,434,734	0.06%
130,742	Volkswagen (Non Voting)	8,594,979	0.06%
19,432	Wacker Chemie	2,373,036	0.02%
72,276	Wincor Nixdorf	3,443,951	0.02%
1,098	Wustenrot & Wurtte	18,512	0.00%
		895,644,418	5.85%
Greece			
664,558	Alpha Bank	5,449,376	0.04%
417,581	Bank of Piraeus	3,378,230	0.02%
179,578	Coca-Cola Hellenic Bottling Co	2,871,452	0.02%
500,716	EFG Eurobank Ergas	3,945,642	0.03%
153,672	Hellenic Petroleum	1,200,178	0.01%
764,478	Hellenic Telecom Organization	7,866,479	0.05%
714,787	Marfin Investment Group	1,422,426	0.01%
11,403	Motor Oil	121,328	0.00%
984,610	National Bank of Greece	17,821,441	0.12%
296,739	OPAP	4,551,976	0.03%
156,110	Public Power	2,029,430	0.01%
72,905	Titan Cement	1,481,430	0.01%
		52,139,388	0.34%
Ireland			
81,892	Accenture	2,359,099	0.02%
1,086,947	Allied Irish Banks	1,304,336	0.01%
1,252,852	Bank of Ireland	1,660,029	0.01%
62,150	C&C Group	187,072	0.00%
55,446	Cooper Industries	1,641,134	0.01%
152,720	Covidien	5,076,885	0.03%
851,853	CRH	16,193,726	0.11%
48,766	DCC	950,937	0.01%
647,496	Elan	2,719,483	0.02%
142,473	Experian	986,611	0.01%
73,599	Ingersoll-Rand Public	1,825,925	0.01%
362,922	Irish Life & Permanent	1,136,309	0.01%
212,000	Kenmare Resources	57,240	0.00%
381,963	Kerry Group	8,097,807	0.05%
903,073	Ryanair	2,977,432	0.02%
100,649	Smurfit Kappa Group	624,024	0.00%
		47,798,048	0.31%
Israel			
1,107,551	Bank Hapoalim	3,382,894	0.02%
884,545	Bank Leumi Le Israel	2,840,089	0.02%
205,585	Bezeq-Israeili Telecommunicatns	362,312	0.00%
54,668	Checkpoint Software Technologies	1,285,681	0.01%
10,500	Elco	88,872	0.00%
36,742	First Internartional Bank of Israel	429,292	0.00%
3,751	IDB	77,784	0.00%
82,905	Israel Chemicals	762,724	0.00%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Israel (continued)			
2,132,789	Israel Discount Bank	3,531,889	0.02%
22,400	Koor Industries	457,496	0.00%
428,280	Leumi Insurance	550,047	0.00%
355,282	Teva Pharmaceutical	13,855,159	0.09%
306,160	Utd Mizrahi Bank	1,960,398	0.01%
		29,584,637	0.19%

Italy

1,946,317	A2A	2,853,301	0.02%
25,356	Amplifon	76,955	0.00%
2,088,330	Assicurazioni Generali	39,302,371	0.26%
12,956	Astaldi	77,542	0.00%
532,948	Atlantia	9,726,301	0.06%
283,996	Autogrill	2,504,845	0.02%
113,745	Autost Torino Mila	1,173,848	0.01%
3,410,652	Banca Monte dei Paschi Di	4,188,281	0.03%
519,688	Banca Popolare di Milano	2,588,046	0.02%
796,941	Banco Popolare Societa Cooperativa	4,199,879	0.03%
121,427	Basic Net	236,783	0.00%
1,004,353	BCA Carige	1,872,114	0.01%
127,918	Benetton Group	798,208	0.01%
211,860	Beni Stabili	121,820	0.00%
185,268	Bulgari	1,066,217	0.01%
230,255	Buongiorno	267,096	0.00%
84,548	Buzzi Unicem	953,701	0.01%
77,793	Cementir	262,940	0.00%
135,886	Cir-Compagnie Industriali	246,633	0.00%
107,902	Credito Valtellinese	604,251	0.00%
137,328	CSP International	103,751	0.00%
48,142	Danieli & C	837,189	0.01%
647,977	Edison	688,152	0.00%
9,574,710	Enel	38,753,639	0.25%
3,845,881	Eni	68,456,682	0.45%
104,762	Esprinet	951,763	0.01%
129,445	Exor	1,757,863	0.01%
999,220	Fiat	10,242,005	0.07%
537,206	Finmeccica	6,011,335	0.04%
167,350	Fondiaria	1,704,326	0.01%
310,633	Immobiliare Grande Distribuzio	484,277	0.00%
195,225	Immsi	163,989	0.00%
20,366	Impregilo	50,711	0.00%
400,255	Indesit Company	3,123,990	0.02%
11,421,395	Intesa Sanpaolo	35,977,394	0.24%
240,946	Italcementi	1,718,617	0.01%
1,662	Italmobiliare	51,439	0.00%
76,788	Lottomatica	1,077,336	0.01%
179,230	Luxottica Group	3,235,102	0.02%
21,779	Maire Tecnimont	53,794	0.00%
1,081,683	Mediaset	6,203,452	0.04%
550,566	Mediobanca	4,577,956	0.03%
273,826	Mediolanum	1,194,566	0.01%
167,949	Milano Assicurazio	344,295	0.00%
2,993,136	Parmalat	5,845,595	0.04%
24,777	Permasteelisa	321,853	0.00%
4,957,880	Pirelli	2,082,310	0.01%
263,236	Prysmian Cables & Systems	3,208,847	0.02%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Italy (continued)			
97,316	Recordati	506,043	0.00%
409,430	Saipem	9,867,263	0.06%
471,126	Saras Raffinerie	1,030,588	0.01%
2,903,856	Seat Pagine Gialle	471,877	0.00%
84,657	Sias	553,657	0.00%
3,196,470	Snam Rete Gas	11,091,751	0.07%
1,864,081	T. E. R. N. A.	5,592,243	0.04%
24,089,478	Telecom Italia	23,849,656	0.16%
791,629	UBI Banca	7,947,955	0.05%
21,881,971	Unicredit	51,258,517	0.33%
760,227	Unipol	729,438	0.00%
1,132,152	Unipol Gruppo Finanziario	698,538	0.00%
		385,940,885	2.52%

Luxembourg

1,622,864	Arcelormittal	52,223,764	0.34%
20,520	Evrax Group	388,151	0.00%
14,226	Millicom International Cellular	728,483	0.00%
17,322	RTL Group	805,473	0.01%
413,950	SES	6,407,226	0.04%
581,516	Tenaris	8,734,370	0.06%
40,861	Ternium	1,004,648	0.01%
		70,292,115	0.46%

Netherlands

21,369	Accell Group E	623,334	0.00%
2,422,188	Aegon	10,996,734	0.07%
1,962,863	Ahold	18,176,111	0.12%
338,889	Akzo Nobel	15,724,450	0.10%
702,593	ASML	16,862,232	0.11%
14,549	Ballast Nedam	221,145	0.00%
3,282	Bam Groep	23,795	0.00%
92,895	Corio	4,430,163	0.03%
137,933	CSM	2,534,519	0.02%
195,078	Draka	2,624,775	0.02%
224,616	DSM	7,740,267	0.05%
555,133	EADS	7,819,048	0.05%
94,686	Fugro	3,812,058	0.02%
563,211	Heineken	18,122,428	0.12%
21,600	Imtech	406,836	0.00%
5,098,900	ING Groep	35,182,410	0.23%
737,900	James Hardie Industries	3,918,135	0.03%
3,271,414	KPN	38,733,542	0.25%
1,525	Macintosh Retail Group	21,808	0.00%
136,008	Mediq	1,753,143	0.01%
173,191	Ordina	874,615	0.01%
1,367,653	Philips Electronic	28,283,064	0.18%
259,513	Qiagen	4,053,593	0.03%
157,399	Randstad	5,493,225	0.04%
829,690	Reed Elsevier	7,136,164	0.05%
868,810	Royal Dutch Shell 'A'	18,410,735	0.12%
585,285	Royal Dutch Shell 'B'	11,938,338	0.08%
193,696	SBM Offshore	2,668,162	0.02%
849,090	Stmicroelectronics	5,455,403	0.04%
622,113	TNT	13,375,430	0.09%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Netherlands (continued)			
2,278,893	Unilever	51,844,816	0.34%
26,613	Unit 4 Agresso	443,106	0.00%
40,469	USG People	513,754	0.00%
23,667	Vastned Offices	278,561	0.00%
5,590	Vastned Retail	256,218	0.00%
535,195	Wavin	936,591	0.01%
523,489	Wolters Kluwers	8,009,382	0.05%
69,397	X 5 Retail Group	1,536,696	0.01%
		351,234,783	2.29%

Norway

26,267	Aker Solutions	238,777	0.00%
81,200	Atea	489,157	0.00%
1,162,790	DNB	8,790,973	0.06%
45,967	EDB Business Partner	131,255	0.00%
129,267	Norsk Hydro	758,626	0.00%
165,000	Norske Skogsindustrier	189,849	0.00%
695,148	Orkla	4,761,345	0.03%
5,850	Petroleum Geo Services	46,870	0.00%
47,290	Renewable Energy	254,967	0.00%
43,932	Sparebank	285,823	0.00%
800,124	Statoil	13,958,790	0.09%
81,678	Storebrand	389,299	0.00%
116,200	Telenor	1,134,700	0.01%
156,938	Yara	4,986,090	0.03%
		36,416,521	0.24%

Portugal

447,479	Banco BPI	948,655	0.01%
4,341,322	Banco Comercial Portuguese	3,668,417	0.02%
362,043	Banco Espirito Santo	1,654,537	0.01%
330,000	Banif	412,500	0.00%
558,776	Brisa	4,012,012	0.03%
252,384	Cimpor Cimentos	1,622,577	0.01%
4,111,048	EDP	12,777,137	0.08%
309,138	Galp Energia	3,734,387	0.02%
6,896	Ibersol	63,512	0.00%
312,316	Jeronimo Martins	2,181,527	0.01%
1,386,805	Portugal Telecom	11,815,579	0.08%
22,795	Ren-Redes Energeticas	68,385	0.00%
18,369	Sonae.com	35,489	0.00%
4,394	Teixeira Duarte Engineering & Construction	4,596	0.00%
391,102	Zon Multimedia Servicos	1,696,600	0.01%
		44,695,910	0.29%

Spain

437,158	Abertis Infraestructuras	6,872,124	0.04%
31,574	Acciona	2,876,391	0.02%
315,879	Acerinox	4,589,722	0.03%
312,450	ACS Actividades	10,876,385	0.07%
5,078,754	Banco Bilbao Vizcaya	64,652,538	0.42%
1,491,031	Banco De Sabadell	5,777,745	0.04%
288,256	Banco De Valencia	1,530,639	0.01%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Spain (continued)			
103,576	Banco Espanol de Credito	886,611	0.01%
5,308	Banco Pastor	25,956	0.00%
10,968,372	Banco Santander	126,684,697	0.83%
436,830	Bankinter	3,123,335	0.02%
1,230,157	Banco Popular Espanol	6,310,705	0.04%
11,410	CAF	4,291,301	0.03%
54,860	Corporacion Financiera Alba	2,005,133	0.01%
1,252,655	Criteria Caixacorp	4,127,498	0.03%
6,260	Duro Felguera	45,072	0.00%
324,026	EDP Renovaveis	2,148,292	0.01%
222,167	Enagas	3,426,926	0.02%
302,293	Endesa	7,238,406	0.05%
660,018	Ferrovial	5,428,648	0.04%
63,276	FCC	1,863,478	0.01%
302,036	Gamesa	3,559,494	0.02%
722,864	Gas Natural	10,904,403	0.07%
446,488	Gestevis Telecinco	4,540,783	0.03%
264,783	Grifols	3,231,677	0.02%
27,643	Grupo Catalana Occidente	434,272	0.00%
6,374,527	Iberdrola	42,518,095	0.28%
1,049,665	Iberdrola Renovables	3,484,888	0.02%
203,073	Indra Sistemas	3,342,582	0.02%
308,398	Inditex	13,381,389	0.09%
30,181	Laboratorios Almirall	275,854	0.00%
1,082,619	Mapfre	3,162,778	0.02%
138,460	Obrascon Huarte	2,615,509	0.02%
68,655	Red Electrica Corporacion	2,665,187	0.02%
1,964,299	Repsol YPF	36,781,499	0.24%
151,827	Sacyr Vallermosto	1,214,616	0.01%
12,000	Sol Melia	70,800	0.00%
61,899	Tecnocom Tel Y Energia	182,602	0.00%
6,022,276	Telefonica	117,554,828	0.77%
45,067	Viscofan	800,390	0.01%
166,249	Zardoya Otis	2,262,649	0.01%
		517,765,896	3.38%

Sweden

16,223	Acando	21,758	0.00%
3,134	AF	59,764	0.00%
45,599	Alfa Laval	440,334	0.00%
48,830	Assa Abloy	656,338	0.00%
89,617	Atlas Copco "A"	920,471	0.01%
51,123	Atlas Copco "B"	466,001	0.00%
6,092	Bilia	41,447	0.00%
216,793	Billerud	1,126,046	0.01%
110,528	Boliden	992,941	0.01%
5,342	Bure Forvaltning	18,133	0.00%
3,351	Cardo	70,276	0.00%
160,441	Electrolux	2,621,329	0.02%
165,997	Eniro	579,662	0.00%
847,938	Ericsson	5,450,557	0.04%
225,295	Fabege	993,302	0.01%
56,000	Haldex	243,075	0.00%
41,059	Hennes & Mauritz	1,591,577	0.01%
8,863	Holmen	158,206	0.00%
60,292	Husqvarna	310,223	0.00%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
24,896	IFS	165,131	0.00%
37,655	Industrivarden "A"	324,137	0.00%
33,979	Industrivarden "C"	272,608	0.00%
64,411	Investor	834,981	0.01%
133,800	Klovern	298,870	0.00%
154,805	Meda	973,949	0.01%
242,915	NCC	2,801,863	0.02%
39,786	Nolato	228,967	0.00%
1,129,943	Nordea Bank	8,034,807	0.05%
141,489	Saab	1,628,531	0.01%
168,871	Sandvik	1,423,181	0.01%
53,025	Scania	477,391	0.00%
48,013	Securitas	328,064	0.00%
301,944	Skandinaviska Enskilda Banken	1,305,911	0.01%
52,828	Skanska	626,598	0.00%
54,497	SKF	657,026	0.00%
43,672	SSAB	510,255	0.00%
83,945	Svenska Cellulosa	781,560	0.01%
86,506	Svenska Handelsbanken	1,723,032	0.01%
90,200	Swedbank	624,678	0.00%
36,066	Swedish Match	551,966	0.00%
57,562	Tele2	618,741	0.00%
314,889	TeliaSonera	1,592,567	0.01%
89,709	Volvo "A"	533,774	0.00%
206,740	Volvo "B"	1,239,190	0.01%
		45,319,217	0.30%

Switzerland

555,153	ABB	7,443,543	0.05%
62,729	ACE	2,194,601	0.01%
12,539	Actelion	466,536	0.00%
20,209	Adecco	777,112	0.01%
43,735	AFG	725,183	0.00%
11,753	Alcon	1,340,834	0.01%
33,011	Ascom	216,943	0.00%
28,185	Baloise	1,634,753	0.01%
2,205	BKW FMB Energie	119,643	0.00%
169	BQE Cant Vaudoise	46,818	0.00%
6,200	Bucher Industries	469,304	0.00%
7,485	Charles Voegelé	186,671	0.00%
200,390	Clariant	1,650,557	0.01%
73,195	Compagnie Financiere	1,713,442	0.01%
4,700	Compagnie Financiere Trader	389,977	0.00%
20	CPH Chemie & Paper	23,591	0.00%
415,416	Credit Suisse Group	14,336,276	0.09%
7,420	EFG	71,519	0.00%
4,320	Flughafen Zurich	906,309	0.01%
1,824	Forbo	418,010	0.00%
16,660	Foster Wheeler	340,463	0.00%
5,629	Galenica	1,422,806	0.01%
29,486	Gam	250,222	0.00%
5,470	Geberit	676,560	0.00%
1,143	Givaudan	636,755	0.00%
9	Helvetia	1,946	0.00%
34,023	Holcim	1,846,085	0.01%
29,486	Julius Baer Gruppe	723,039	0.00%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
8,054	Kuehne & Nagel	545,583	0.00%
195	Kuoni Reisen	45,872	0.00%
157	Lindt & Spruengli	547,479	0.00%
7,182	Lonza Group	353,388	0.00%
1,197,196	Nestle	40,509,059	0.26%
17,477	Nobel Biocare	409,713	0.00%
101,431	Noble	2,865,640	0.02%
699,565	Novartis	26,641,563	0.17%
61	OC Oertikon	1,303	0.00%
5,380	Pargesa	328,544	0.00%
17,511	PSP Swiss Property	690,478	0.00%
304,964	Roche	36,136,877	0.24%
6,994	Schindler	371,801	0.00%
836	SGS	761,281	0.00%
6,578	Sonova	556,443	0.00%
1,114	Straumann	219,631	0.00%
23,957	Sulzer	1,309,593	0.01%
17,572	Swatch Group	1,214,036	0.01%
20,954	Swiss Life	1,864,335	0.01%
31,500	Swiss Prime Site	1,231,464	0.01%
76,820	Swiss Reinsurance	2,584,313	0.02%
3,044	Swisscom	811,679	0.01%
13,667	Syngenta	2,677,943	0.02%
80,262	Transocean	4,613,143	0.03%
263,915	Tyco	6,536,504	0.04%
84,003	Tyco Electronics	1,431,538	0.01%
493,633	UBS	5,340,260	0.03%
12,249	Valora	2,105,348	0.01%
54	Vetropack	62,968	0.00%
95,183	Weatherford	1,183,346	0.01%
626,531	Xstrata	7,908,358	0.05%
90,625	Zurich Financial Services	13,835,645	0.09%
		206,724,625	1.35%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
United Kingdom			
128,975	3I Group	410,989	0.00%
107,129	Aberdeen Asset Management	161,640	0.00%
27,772	Admiral Group	371,815	0.00%
882,467	Aegis Group	1,186,427	0.01%
26,855	Amdocs	531,843	0.00%
47,852	Amec	426,740	0.00%
337,235	Anglo American	10,266,731	0.07%
52,382	Antofagasta	585,987	0.00%
176,800	Arriva	989,610	0.01%
880,098	Ashtead Group	804,684	0.01%
53,096	Associated British Foods	491,441	0.00%
350,550	Astrazeneca	11,488,298	0.08%
119,977	Atkins	825,424	0.01%
183,060	Autonomy	3,114,555	0.02%
387,510	Aviva	1,736,181	0.01%
562,214	Babcock	3,772,993	0.02%
2,116,563	BAE Systems	8,567,778	0.06%
3,146,537	Barclays	9,778,676	0.06%
1,321,085	Barratt Developments	1,844,551	0.01%
1,363,754	Beazley	1,534,051	0.01%
169,018	Berkeley Group	1,560,576	0.01%
1,480,221	BG Group	18,700,686	0.12%
578,690	BHP Billiton	12,999,511	0.08%
115,398	Big Yellow Group	459,981	0.00%
319,386	Bodycote	572,169	0.00%
314,565	Booker Group	162,932	0.00%
4,658,451	BP	31,472,476	0.21%
242,464	Bradford & Bingley	54,603	0.00%
358,202	Brit Insurance	794,974	0.01%
65,100	British Airways	137,002	0.00%
280,975	British American Tobacco	6,379,756	0.04%
883,885	British Land	4,777,219	0.03%
187,142	British Sky Broadcasting	1,184,256	0.01%
910,283	Britvic	4,181,910	0.03%
4,093,699	BT Group	6,259,704	0.04%
45,993	Bunzl	349,570	0.00%
59,833	Burberry Group	403,558	0.00%
378,752	Cable & Wireless	603,035	0.00%
190,189	Cadbury	1,707,868	0.01%
979,520	Cairn Energy	3,668,375	0.02%
49,815	Cape	127,328	0.00%
85,945	Capita Group	726,773	0.00%
221,246	Capital & Regional	85,449	0.00%
364,000	Carillion	1,245,166	0.01%
102,325	Carnival	2,459,902	0.02%
142,568	Carphone Warehouse	301,478	0.00%
2,339,027	Centrica	7,403,451	0.05%
1,269,434	Chaucer	657,516	0.00%
30,000	Chime Communications	73,370	0.00%
45,878	Clarkson	382,274	0.00%
278,552	Close Brothers Group	2,164,181	0.01%
21,217	CLS	119,141	0.00%
160,651	Cobham	454,946	0.00%
546,268	Colt Telecom Group	815,004	0.01%
944,827	Compass Group	4,736,370	0.03%
353,083	Computacenter	995,121	0.01%
7,278	Cranswick	64,331	0.00%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
United Kingdom (continued)			
254,320	CSR	1,171,516	0.01%
4,321	Daejan	138,616	0.00%
41,736	Daily Mail & General Trust	196,532	0.00%
684,185	Dairy Crest Group	2,793,441	0.02%
145,478	Davis Service Group	654,577	0.00%
37,080	Debenhams	32,525	0.00%
92,618	Delta	146,003	0.00%
88,862	Derwent London	1,320,773	0.01%
72,681	Development Securities	279,643	0.00%
34,581	Devro	51,788	0.00%
353,657	Diageo	4,316,678	0.03%
952,395	Dimension Data	802,152	0.01%
176,068	Drax Group	822,351	0.01%
877,422	DS Smith	1,250,778	0.01%
28,500	E House China	358,476	0.00%
11,179	Easyjet	44,434	0.00%
29,564	Education Development	54,261	0.00%
456,686	Enterprise Inns	480,289	0.00%
51,388	Eurasian Natural Resources	529,445	0.00%
240,537	F&C Commercial Property Trust	243,760	0.00%
206,060	Firstgroup	988,420	0.01%
30,116	Fresnillo	268,572	0.00%
200,460	G4S	588,221	0.00%
99,052	Galliford Try	346,197	0.00%
559,603	Game Group	667,919	0.00%
176,343	Garmin	3,757,969	0.02%
921,284	Gartmore Group	2,225,148	0.01%
1,864,045	Glaxosmithkline	27,695,162	0.18%
274,991	Grainger	396,339	0.00%
276,274	Great Portland Estates	893,123	0.01%
47,692	Greggs	233,600	0.00%
244,000	Halfords Group	1,097,052	0.01%
715,862	Hammerson	3,417,695	0.02%
62,297	Hamworthy	186,239	0.00%
204,592	Hays	239,816	0.00%
320,558	Healthcare Locums	1,000,548	0.01%
94,621	Helical Bar	364,378	0.00%
8,164	Hill & Smith	31,356	0.00%
108,447	Hill(William)	226,761	0.00%
117,743	Hiscox	420,274	0.00%
772,620	HMV Group	807,332	0.01%
789,327	Home Retail Group	2,510,808	0.02%
3,394,230	HSBC	27,089,632	0.18%
126,454	Hunting	829,405	0.01%
204,766	Icap	991,435	0.01%
143,424	Imperial Tobacco Group	3,165,308	0.02%
292,911	ING UK Real Estate Income Trust	177,277	0.00%
491,548	Inmarsat	3,834,528	0.03%
112,575	Intec Telecom Systems	131,196	0.00%
39,556	Intercontinental Hotels Group	397,742	0.00%
1,196,320	International Power	4,163,749	0.03%
351,583	Interserve	759,698	0.00%
110,049	Invensys	370,878	0.00%
117,071	Investec	560,375	0.00%
285,926	Invista Foundation Property Trust	128,781	0.00%
74,650	IRP Property Investments	71,447	0.00%
51,106	Isis Property Trust	58,984	0.00%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
United Kingdom (continued)			
577,399	ITV	340,029	0.00%
50,862	Johnson Matthey	876,813	0.01%
1,090,922	Johnston Press	272,700	0.00%
142,943	Kazakhmys	2,137,465	0.01%
34,926	Kier Group	405,065	0.00%
1,141,304	Kingfisher	2,942,896	0.02%
109,937	Ladbrokes	170,210	0.00%
958,669	Land Securities Group	7,394,305	0.05%
50,015	Lavendon Group	39,422	0.00%
286,400	Lee & Man Paper Manufacturing	137,164	0.00%
834,400	Legal & General Group	757,264	0.00%
629,379	Liberty International	3,649,704	0.02%
14,135,734	Lloyds Banking Group	8,053,914	0.05%
2,922,216	Logica	3,741,200	0.02%
25,566	Lonmin	563,943	0.00%
73,529	Luminar Group	31,627	0.00%
236,267	Man Group	820,723	0.01%
221,447	Marks & Spencer Group	1,002,384	0.01%
277,337	McBride	660,787	0.00%
620,738	Meggitt	1,817,271	0.01%
142,413	Minerva	120,588	0.00%
434,572	Mitie Group	1,124,475	0.01%
207,979	Mondi	784,517	0.01%
76,832	Morgan Sindall	519,077	0.00%
2,816,412	Morrison (W) Supermarket	8,752,727	0.06%
21,203	Mucklow (A.+J.) Group	75,205	0.00%
86,326	National Express Group	186,533	0.00%
792,114	National Grid	6,056,136	0.04%
153,752	Next Group	3,606,186	0.02%
329,669	Northern Foods	247,974	0.00%
132,000	Novae Group	444,409	0.00%
757,087	Old Mutual	930,908	0.01%
174,650	Pace	411,011	0.00%
28,350	Partygaming	82,997	0.00%
112,381	Pearson	1,130,264	0.01%
254,415	Pennon Group	1,539,782	0.01%
36,234	Petrofac	425,538	0.00%
1,365,821	Premier Foods	549,035	0.00%
54,211	Primary Health Properties	176,410	0.00%
19,244	Provident Financial	201,086	0.00%
1,211,553	Prudential	8,730,930	0.06%
686,064	Qinetiq Group	1,254,552	0.01%
556,252	Quintain Estate & Development	375,804	0.00%
11,584	Randgold Resources	652,179	0.00%
301,952	Reckitt Benckiser Group	11,410,324	0.07%
169,696	Reed Elsevier	977,362	0.01%
1,534,842	Regus	1,558,864	0.01%
267,960	Rentokil Initial	348,792	0.00%
325,222	Resolution	327,383	0.00%
121,062	Rexam	396,134	0.00%
214,077	Rio Tinto	8,171,614	0.05%
108,408	Robert Wiseman Dairies	626,205	0.00%
809,005	Rolls Royce Group	4,404,390	0.03%
2,384,421	Royal Bank Of Scotland	783,978	0.01%
21,725	Royal Caribbean Cruises	381,236	0.00%
482,617	RSA Insurance Group	655,372	0.00%
165,283	Sabmiller	3,398,342	0.02%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
United Kingdom (continued)			
527,421	Sage Group	1,306,527	0.01%
989,861	Sainsbury	3,605,675	0.02%
25,112	Schroders	376,072	0.00%
11,289	Schroders (Non Voting)	136,012	0.00%
129,533	Scottish & Southn Energy	1,693,366	0.01%
169,685	Seagate Technology	2,142,559	0.01%
740,475	Segro	2,873,186	0.02%
1,195,893	Senior	1,009,931	0.01%
80,500	Severfield-Rowen	160,619	0.00%
31,430	Severn Trent	384,337	0.00%
199,111	Shaftesbury	882,447	0.01%
78,046	Shire	1,063,345	0.01%
126,365	Smith & Nephew	909,925	0.01%
262,242	Smiths Group	2,994,183	0.02%
67,598	Spice	45,669	0.00%
121,252	Sportingbet	92,840	0.00%
8,009	Sports Direct International	8,811	0.00%
43,947	St James Place	121,731	0.00%
132,778	St. Modwen Properties	292,587	0.00%
432,683	Standard Chartered	7,673,412	0.05%
316,256	Standard Life	770,965	0.01%
101,083	Standard Life Investment Properties	73,414	0.00%
72,000	Stolt-Nielson	696,145	0.00%
247,988	Tate & Lyle	1,208,247	0.01%
2,249,721	Tesco	10,842,029	0.07%
310,017	Thomas Cook Group	803,231	0.01%
108,867	Tomkins	236,833	0.00%
42,511	Travis Perkins	407,830	0.00%
638,088	Trinity Mirror	1,082,041	0.01%
78,246	TUI Travel	224,668	0.00%
502,767	Tullett Prebon	1,578,896	0.01%
111,953	Tullow Oil	1,645,070	0.01%
262,453	UK Commercial Property Trust	231,985	0.00%
830	Umeco	2,682	0.00%
180,679	Unilever	4,056,682	0.03%
140,648	Unite Group	474,317	0.00%
35,713	United Business Media	186,748	0.00%
96,092	United Utilities Group	536,345	0.00%
133,234	Vedanta Resources	3,917,059	0.03%
9,667,327	Vodafone Group	15,642,325	0.10%
797,755	WH Smith	4,437,462	0.04%
79,536	Whitbread	1,263,656	0.01%
21,521	Willis Group	394,089	0.00%
1,757	Wincanton	4,006	0.00%
40,189	Wolseley	564,302	0.00%
2,915,090	Woolworths Group	0	0.00%
1,013,146	Workspace Group	264,666	0.00%
629,043	WPP	4,317,101	0.03%
132,000	WSP	409,481	0.00%
238,429	XL Cap	3,033,738	0.02%
		479,626,227	3.13%
Total European Equities		4,636,217,665	30.27%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
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NORTH AMERICA

Canada

45,152	Agnico Eagle Mines	1,693,448	0.01%
20,732	Agrium	896,541	0.01%
8,700	Allied Properties Real Estate Investment Trust	111,223	0.00%
8,400	Artis Real Estate Investment Trust	63,189	0.00%
102,985	Bank Montreal	3,796,924	0.02%
185,229	Bank of Nova Scotia	6,019,051	0.04%
325,756	Barrick Gold	8,908,701	0.06%
71,371	BCE	1,364,541	0.01%
10,900	Boardwalk Real Estate Investment Trust	266,015	0.00%
196,233	Bombardier	621,284	0.00%
75,482	Brookfield Asset Management	1,164,562	0.01%
132,810	Brookfield Properties	1,121,967	0.01%
18,600	Calloway Real Estate Investment Trust	239,877	0.00%
51,482	Cameco	1,150,586	0.01%
15,200	Canadian Apartment Properties Real Estate Investment Trust	141,269	0.00%
74,755	Canadian Imperial Bank	3,356,251	0.02%
107,333	Canadian National Railway	4,052,792	0.03%
167,306	Canadian Natural Resources	8,361,368	0.05%
22,043	Canadian Pacific Railway	826,904	0.01%
14,900	Canadian Real Estate Investment Trust	266,916	0.00%
10,177	Canadian Tire	386,212	0.00%
10,141	Canadian Utilities	294,148	0.00%
128,488	Cenovus Energy	2,247,228	0.01%
35,301	CGI Group	331,589	0.00%
25,700	Chartwell Seniors Housing Real Estate Investment Trust	119,428	0.00%
12,200	Cominar Real Estate Investment Trust	156,290	0.00%
4,800	Dundee Real Estate Investment Trust	65,680	0.00%
48,980	Enbridge	1,571,906	0.01%
169,688	Encana	3,817,600	0.02%
15,600	Extendicare Real Estate Investment Trust	98,170	0.00%
2,497	Fairfax Financial	676,739	0.00%
21,810	Finning International	239,178	0.00%
8,600	First Capital Realty	123,133	0.00%
101,705	Goldcorp	2,779,791	0.02%
35,031	Great West Lifeco	620,823	0.00%
33,100	H&R Real Estate Investment Trust	338,045	0.00%
33,169	Husky Energy	658,206	0.00%
16,227	IGM Financial	453,193	0.00%
94,624	Imperial Oil	2,537,961	0.02%
20,100	Innvest Real Estate Investment Trust	70,685	0.00%
8,600	Killam Properties	50,026	0.00%
90,478	Kinross Gold	1,156,094	0.01%
14,085	Loblaw Companies	314,883	0.00%
14,722	Magna International	517,820	0.00%
225,333	Manulife Financial	2,874,753	0.02%
9,700	Morguard Real Estate Investment Trust	83,740	0.00%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
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Canada (continued)

21,011	National Bank of Canada	835,551	0.01%
68,277	Nexen	1,134,640	0.01%
5,200	Northern Property Real Estate Investment Trust	75,278	0.00%
48,034	Potash Corp of Saskatchewan	3,622,130	0.02%
53,225	Power Corp Canada	1,024,884	0.01%
37,086	Power Financial	760,694	0.00%
14,000	Primaris Retail Real Estate Investment Trust	149,365	0.00%
74,420	Research in Motion	3,490,774	0.02%
53,900	Riocan Real Estate Investment Trust	707,954	0.00%
64,297	Rogers Communications	1,383,865	0.01%
263,696	Royal Bank of Canada	9,819,024	0.06%
18,884	Saputo	383,847	0.00%
53,394	Shaw Communications	762,368	0.00%
28,208	Shoppers Drug Mart	846,352	0.01%
18,942	SnC-Lavalin Group	675,516	0.00%
73,504	Sun Life Financial	1,465,901	0.01%
571,440	Suncor Energy	13,992,806	0.09%
213,878	Talisman Energy	2,763,341	0.02%
142,316	Teck Resources	3,449,842	0.02%
14,231	Telus	308,646	0.00%
53,586	Thomson Reuters	1,200,797	0.01%
173,596	Toronto Dominion Bank	7,563,531	0.05%
37,900	Transalta	587,227	0.00%
88,847	Transcanada	2,123,096	0.01%
20,041	Ultra Pete	693,631	0.00%
6,575	Weston (George)	290,851	0.00%
92,803	Yamana Gold	733,688	0.00%
		127,852,328	0.84%

United States

167,417	3M	9,607,360	0.06%
478,403	Abbott Labs	17,929,320	0.12%
12,709	Abercrombie & Fitch	307,447	0.00%
8,954	Acadia Realty Trust	104,855	0.00%
83,760	Activision Blizzard	645,963	0.00%
76,412	Adobe Systems	1,950,877	0.01%
12,200	Advanced Auto Parts	342,813	0.00%
95,461	Advanced Micro Devices	641,443	0.00%
110,219	AES	1,018,336	0.01%
63,696	Aetna	1,401,613	0.01%
53,266	Affiliated Computer Services	2,207,030	0.01%
92,035	Aflac	2,954,754	0.02%
50,433	Agilent Technologies	1,087,709	0.01%
1,900	Agree Realty	30,717	0.00%
30,740	Air Products & Chemicals	1,729,685	0.01%
1,339	Airgas	44,243	0.00%
1,780	AK STL	26,380	0.00%
25,021	Akamai Technologies	439,943	0.00%
12,685	Alberto Culver	257,909	0.00%
142,054	Alcoa	1,589,553	0.01%
470	Alexanders	99,318	0.00%
9,900	Alexandria Real Estate	441,810	0.00%
24,362	Allegheny Energy	397,071	0.00%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
United States (continued)			
13,843	Allegheny Technologies	430,203	0.00%
96,648	Allergan	4,227,260	0.03%
6,899	Alliance Data Systems	309,320	0.00%
14,225	Alliant Energy	298,798	0.00%
78,225	Allstate	1,631,181	0.01%
43,068	Altera	676,544	0.00%
309,605	Altria Group	4,218,760	0.03%
83,290	Amazon.Com	7,777,434	0.05%
51,917	AMB Properties	920,783	0.01%
34,277	Ameren	665,030	0.00%
11,679	American Campus Communities	227,808	0.00%
25,075	American Eagle Outfitters	295,553	0.00%
69,555	American Electric Power	1,679,730	0.01%
422,293	American Express	11,877,907	0.08%
24,771	American International Group	515,504	0.00%
357,016	American Tower	10,708,497	0.07%
37,254	Ameriprise Financial	1,003,887	0.01%
43,293	Amerisourcebergen	783,457	0.01%
431,221	Amgen	16,933,342	0.11%
25,028	Amphenol	802,300	0.01%
71,541	Anadarko Pete	3,099,812	0.02%
42,416	Analog Devices	929,819	0.01%
220,498	Annaly Capital Management	2,655,588	0.02%
35,513	AOL	573,886	0.00%
40,350	AON	1,073,871	0.01%
56,445	Apache	4,042,365	0.03%
28,144	Apartment Investment & Management	311,018	0.00%
126,460	Apollo Group	5,317,886	0.03%
273,445	Apple	40,024,027	0.26%
193,930	Applied Materials	1,876,568	0.01%
107,600	Arch Coal	1,661,877	0.01%
402,556	Archer Daniels Midland	8,749,152	0.06%
16,010	Arrow Electrics	329,069	0.00%
15,200	Ashford Hospitality Trust	48,957	0.00%
9,542	Ashland	262,428	0.00%
3,900	Associated Estates Realty	30,510	0.00%
17,088	Assurant	349,684	0.00%
1,795,111	AT & T	34,927,781	0.23%
33,339	Autodesk	588,049	0.00%
11,032	Autoliv	332,047	0.00%
73,290	Automatic Data Processing	2,178,452	0.01%
154,679	Autonation	2,056,159	0.01%
5,342	Autozone	586,152	0.00%
29,935	Avalonbay Communities	1,706,208	0.01%
36,931	Avery Dennison	935,452	0.01%
19,746	Avnet	413,397	0.00%
271,641	Avon Products	5,939,672	0.04%
18,557	Axis Capital	365,962	0.00%
29,543	Ball	1,060,234	0.01%
755,929	Bank New York Mellon	14,676,756	0.10%
2,110,529	Bank of America	22,056,212	0.14%
61,278	Bard C R	3,313,589	0.02%
323,977	Baxter International	13,196,564	0.09%
100,289	BB&T	1,766,161	0.01%
8,965	Beckman Coulter	407,240	0.00%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
United States (continued)			
34,928	Becton Dickinson & Co	1,911,996	0.01%
38,279	Bed Bath & Beyond	1,026,460	0.01%
15,868	Bemis	326,590	0.00%
21,362	Berkley W R	365,375	0.00%
103	Berkshire Hathaway "A"	7,092,600	0.05%
2,863	Berkshire Hathaway "B"	6,530,486	0.04%
90,110	Best Buy	2,468,236	0.02%
1,355	Big Lots	27,258	0.00%
236,418	Biogen Idec	8,779,927	0.06%
21,800	Biomed Realty Trust	238,792	0.00%
294,479	BJ Services	3,802,103	0.02%
8,672	Black & Decker	390,258	0.00%
2,762	Blackrock	445,187	0.00%
48,779	Block H & R	765,918	0.01%
26,936	BMC Software	749,780	0.00%
111,106	Boeing	4,174,766	0.03%
51,388	Boston Properties	2,392,471	0.02%
773,821	Boston Scientific	4,834,367	0.03%
28,900	Brandywine Realty Trust	228,696	0.00%
12,200	BRE Properties	280,144	0.00%
249,741	Bristol Myers Squibb	4,377,315	0.03%
393,425	Broadcom	8,588,933	0.06%
130,713	Broadridge Financial Solutions	2,046,984	0.01%
17,880	Brown & Brown	223,035	0.00%
13,716	Brown Forman	510,042	0.00%
17,086	Bunge	757,045	0.00%
161,877	Burlington North Santa Fe	11,081,709	0.07%
24,711	C H Robinson Worldwide	1,007,412	0.01%
128,147	CA	1,997,905	0.01%
32,484	Cablevision	582,214	0.00%
1,698	Cabot Oil & Gas	51,378	0.00%
14,400	Camden Property Trust	423,524	0.00%
34,579	Cameron International	1,003,333	0.01%
37,659	Campbell Soup	883,572	0.01%
119,747	Capital One Financial	3,186,936	0.02%
52,649	Cardinal Health	1,178,262	0.01%
33,500	Career ED	542,055	0.00%
30,255	Carefusion	525,252	0.00%
163,895	Carnival	3,605,326	0.02%
179,187	Caterpillar	7,088,621	0.05%
4,409	CB Richard Ellis Group	41,531	0.00%
30,917	CBL & Associated Properties	207,530	0.00%
92,253	CBS	899,733	0.01%
11,900	Cedar Shopping Centres	56,171	0.00%
66,998	Celgene	2,589,510	0.02%
55,707	Centerpoint Energy	561,092	0.00%
43,223	Centurytel	1,086,426	0.01%
11,001	Cephalon	476,588	0.00%
10,378	Cerner	593,893	0.00%
800	CF Industries	50,412	0.00%
93,728	Chesapeake Energy	1,683,799	0.01%
658,996	Chevron Corporation	35,218,730	0.23%
49,891	Chubb	1,703,207	0.01%
39,761	Cigna	973,463	0.01%
23,676	Cincinnati Financial	431,250	0.00%
21,288	Cintas	384,945	0.00%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
United States (continued)			
1,582,482	Cisco Systems	26,297,806	0.17%
4,286,816	Citigroup	9,849,619	0.06%
26,570	Citrix Systems	767,443	0.01%
6,488	City National	205,368	0.00%
66,239	Cliffs Natural Resources	2,119,225	0.01%
20,253	Clorox	857,582	0.01%
39,756	CME Group	9,271,157	0.06%
3,756	CMS Energy	40,829	0.00%
2,828	CNA Financial	47,114	0.00%
46,333	Coach	1,174,889	0.01%
525,844	Coca Cola	20,805,989	0.14%
290,971	Coca Cola Enterprises	4,281,956	0.03%
42,310	Cognizant Tech Solutions	1,330,448	0.01%
158,284	Colgate Palmolive	9,026,121	0.06%
14,900	Colonial Properties Trust	121,322	0.00%
741,307	Comcast	8,594,958	0.06%
54,615	Comerica	1,121,037	0.01%
24,313	Commerce Bancshares	653,477	0.00%
12,157	Community Health Systems	300,423	0.00%
39,798	Computer Sciences	1,589,323	0.01%
33,344	Compuware	167,345	0.00%
64,481	Conagra Foods	1,031,714	0.01%
280,130	Conocophillips	9,930,750	0.06%
26,381	Consol Energy	911,963	0.01%
41,362	Consolidated Edison	1,304,370	0.01%
28,565	Constellation Brands	315,869	0.00%
82,580	Constellation Energy Group	2,016,062	0.01%
6,403	Continental Resources	190,632	0.00%
226,578	Corning	3,037,083	0.02%
13,000	Corporate Office Properties Trust	330,550	0.00%
25,900	Corrections	441,375	0.00%
246,959	Costco Wholesale	10,143,388	0.07%
22,257	Cousins Properties	117,882	0.00%
21,683	Coventry Health Care	365,598	0.00%
6,400	Credicorp	342,169	0.00%
55,900	Crown	992,588	0.01%
295,170	Crown Castle International	7,999,054	0.05%
57,089	CSX	1,921,592	0.01%
29,397	Cummins	935,823	0.01%
206,009	CVS Caremark	4,606,102	0.03%
437,744	D R Horton	3,302,983	0.02%
107,919	Danaher	5,633,423	0.04%
20,595	Darden Restaurants	501,365	0.00%
15,294	Davita	623,608	0.00%
46,500	DCT Industrial Trust	162,037	0.00%
26,636	Dean Foods	333,551	0.00%
133,388	Deere & Co	5,008,300	0.03%
752,603	Dell	7,501,999	0.05%
1,198,348	Delta Air Lines	9,466,334	0.06%
4,082	Denbury Resources	41,936	0.00%
21,749	Dentsply International	530,968	0.00%
44,117	Developers Diversified Realty	283,579	0.00%
159,301	Devon Energy	8,127,602	0.05%
1,012	Devry	39,852	0.00%
10,118	Diamond Offshore Drilling	691,249	0.00%
26,600	Diamond Rock Hospitality	156,395	0.00%
8,509	Diebold	168,042	0.00%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
United States (continued)			
17,100	Digital Realty Trust	596,826	0.00%
142,166	Directv	3,291,154	0.02%
78,533	Discover Financial Services	801,902	0.01%
35,955	Discovery Communications	712,424	0.00%
27,483	Dish Network	396,239	0.00%
427,135	Disney Walt	9,562,060	0.06%
909,000	DMX Technologies	184,555	0.00%
11,773	Dollar Tree	394,722	0.00%
106,257	Dominion Resources	2,870,694	0.02%
44,865	Donnelley R R & Sons	693,561	0.00%
20,400	Douglas Emmett	201,791	0.00%
45,683	Dover	1,319,499	0.01%
337,963	Dow Chemical	6,481,964	0.04%
64,133	Dr Pepper Snapple	1,259,867	0.01%
6,308	DST Systems	190,694	0.00%
52,543	DTE Energy	1,589,858	0.01%
131,027	Du Pont E I de Nemours & Co	3,062,390	0.02%
189,370	Duke Energy	2,262,292	0.01%
79,269	Duke Realty	669,654	0.00%
7,523	Dun & Bradstreet	440,591	0.00%
9,400	Dupont Fabros Technology	117,386	0.00%
25,279	E Trade Financial	30,708	0.00%
5,800	Eastgroup Properties	154,119	0.00%
10,676	Eastman Chemical	446,427	0.00%
4,376	Eastman Kodak	12,819	0.00%
205,097	Eaton	9,057,525	0.06%
285,547	Ebay	4,665,956	0.03%
34,492	Ecolab	1,067,370	0.01%
47,567	Edison International	1,148,397	0.01%
12,200	Education Realty Trust	40,988	0.00%
545,298	El Paso	3,720,866	0.02%
46,996	Electronic Arts	579,050	0.00%
688,821	EMC	8,353,258	0.05%
174,438	Emerson Electric	5,158,308	0.03%
9,026	Energizer	383,946	0.00%
27,593	Entergy	1,567,549	0.01%
9,400	Entertainment Properties Trust	230,139	0.00%
113,385	EOG Resources	7,658,171	0.05%
19,013	EQT	579,655	0.00%
18,213	Equifax	390,531	0.00%
6,800	Equity Lifestyle Properties	238,231	0.00%
9,700	Equity One	108,878	0.00%
102,131	Equity Residential	2,394,825	0.02%
4,200	Erie Indemnity	113,761	0.00%
6,500	Essex Property Trust	377,430	0.00%
87,047	Estee Lauder	2,922,111	0.02%
8,116	Everest Reinsurance Group	482,701	0.00%
159,917	Exelon	5,424,923	0.04%
128,847	Expedia	2,299,498	0.02%
31,143	Expeditors International Of Washington	750,796	0.00%
107,721	Express Scripts	6,464,307	0.04%
19,400	Extra Space Storage	155,539	0.00%
1,324,126	Exxon Mobil	62,676,768	0.41%
20,441	Family DLR Stores	394,886	0.00%
142,937	Fannie Mae	117,080	0.00%
21,532	Fastenal	622,374	0.00%
13,700	Federal Realty Investment Trust	644,012	0.00%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
United States (continued)			
21,137	Federated Investors	403,490	0.00%
58,573	Fedex	3,392,973	0.02%
15,100	Felcor Lodging Trust	37,734	0.00%
53,709	Fidelity National Information Services	873,899	0.01%
116,254	Fifth Third Bancorp	786,809	0.01%
25,000	Financial Federal	477,232	0.00%
12,071	First American	277,434	0.00%
32,613	First Horizon National	303,360	0.00%
13,500	First Industrial Realty Trust	49,011	0.00%
6,600	First Potomac Realty Trust	57,589	0.00%
8,941	First Solar	840,352	0.01%
44,464	Firstenergy	1,433,675	0.01%
22,822	Fiserv	768,021	0.01%
2,482	Flir Systems	56,373	0.00%
914	Flowserve	59,975	0.00%
26,484	Fluor	828,016	0.01%
1,176	FMC	45,518	0.00%
17,775	FMC Technologies	713,665	0.00%
19,589	Foot Locker	151,480	0.00%
2,076,115	Ford Motor Company	14,411,461	0.09%
47,569	Forest City Enterprises	388,979	0.00%
144,816	Forest Labs	3,227,851	0.02%
21,960	Fortune Brands	658,526	0.00%
104,889	FPL Group	3,845,784	0.03%
79,890	Franklin Resources	5,842,296	0.04%
17,900	Franklin Street Properties	181,535	0.00%
78,006	Freddie Mac	79,598	0.00%
169,252	Freeport McMoran Copper & Gold	9,433,044	0.06%
44,253	Frontier Communications	239,911	0.00%
12,937	Gallagher Arthur J & Co	202,146	0.00%
23,540	Gamestop	358,509	0.00%
495,246	Gannett	5,105,097	0.03%
294,976	Gap	4,289,704	0.03%
2,080,579	General Electric	21,851,423	0.14%
57,912	General Mills	2,846,556	0.02%
17,542	Gentex	217,357	0.00%
23,233	Genuine Parts	612,193	0.00%
73,462	Genworth Financial	578,782	0.00%
39,346	Genzyme	1,338,572	0.01%
4,200	Getty Realty	68,601	0.00%
373,003	Gilead Sciences	11,206,143	0.07%
242,535	Goldman Sachs Group	28,425,385	0.19%
23,414	Goodrich	1,044,252	0.01%
3,952	Goodyear Tire & Rubber Company	38,681	0.00%
60,857	Google	26,190,561	0.17%
3,663	Government Properties Income Trust	58,431	0.00%
10,470	Grainger W W	703,742	0.00%
604,966	Halliburton	12,636,004	0.08%
34,147	Harley Davidson	597,324	0.00%
9,560	Harman International Industries	234,122	0.00%
19,370	Harris	639,347	0.00%
27,200	Harris Stratex Networks	130,468	0.00%
56,173	Hartford Financial Services Group	906,972	0.01%
19,778	Hasbro	440,152	0.00%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
United States (continued)			
108,763	HCP	2,305,721	0.02%
29,708	Health Care Reit	913,965	0.01%
13,200	Healthcare Realty Trust	196,635	0.00%
46,014	Heinz H J	1,365,791	0.01%
13,000	Hersha Hospitality Trust	28,335	0.00%
66,517	Hershey Company	1,652,536	0.01%
769,531	Hertz Global	6,367,354	0.04%
93,175	Hess	3,913,014	0.03%
589,139	Hewlett Packard	21,065,216	0.14%
15,900	Highwoods Properties	368,086	0.00%
9,500	Hilltop	76,760	0.00%
492,537	Home Depot	9,891,084	0.06%
7,500	Home Properties	248,386	0.00%
231,337	Honeywell International	6,294,884	0.04%
1,814,000	Hongkong Land	6,233,028	0.04%
14,180	Hormel Foods	378,468	0.00%
34,160	Hospira	1,209,329	0.01%
42,868	Hospitality Properties Trust	705,540	0.00%
229,745	Host Hotels & Resorts	1,861,114	0.01%
50,200	Hrpt Properties Trust	225,457	0.00%
243,736	HSN	3,415,959	0.02%
75,696	Hudson City Bancorp	721,440	0.00%
24,362	Humana	742,224	0.00%
12,187	Hunt J B Transport Services	272,994	0.00%
107,134	Huntington Bancshares	271,442	0.00%
118,716	Hyatt Hotels	2,456,563	0.02%
18,826	IAC / Interactivecorp	267,636	0.00%
330,968	IBM	30,073,380	0.20%
182,354	Illinois Tool Works	6,074,669	0.04%
26,184	IMS Health	382,782	0.00%
18,900	Inland Real Estate	106,924	0.00%
1,241	Integrays Energy Group	36,172	0.00%
1,198,514	Intel	16,971,877	0.11%
10,428	Intercontinental Exchange	812,900	0.01%
11,349	International Flavors & Fragrances	324,100	0.00%
43,495	International Game Technology	566,709	0.00%
227,431	International Paper	4,227,823	0.03%
70,264	Interpublic Group	359,953	0.00%
46,792	Intuit	997,489	0.01%
10,376	Intuitive Surgical	2,184,679	0.01%
63,552	Invesco	1,036,260	0.01%
16,500	Investors Real Estate Trust	103,082	0.00%
29,005	Iron Mountain	458,249	0.00%
8,331,373	Ishares	360,066,141	2.35%
35,215	ITT	1,215,878	0.01%
68,006	J Crew Group	2,112,029	0.01%
29,507	Jabil Circuit	355,780	0.00%
18,016	Jacobs Engineering Group	470,347	0.00%
26,819	Janus Cap Group	250,393	0.00%
301,000	Jardine Strategic	3,677,357	0.02%
120,173	JC Penney	2,219,772	0.01%
3,641	JDS Uniphase	20,851	0.00%
16,991	JM Smucker	728,304	0.00%
996,717	Johnson & Johnson	44,563,753	0.29%
97,729	Johnson Controls	1,847,937	0.01%
202,700	Jones Apparel Group	2,259,727	0.01%
47,182	Joy Global	1,689,657	0.01%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
United States (continued)			
1,376,003	JP Morgan Chase & Co	39,801,503	0.26%
76,949	Juniper Networks	1,424,566	0.01%
21,400	KB Home	203,215	0.00%
41,024	Kellogg	1,514,978	0.01%
527,625	Keycorp	2,032,708	0.01%
9,700	Kilroy Realty	206,510	0.00%
89,422	Kimberly Clark	3,954,655	0.03%
150,241	Kimco Realty	1,411,051	0.01%
8,512	Kinetic Concepts	222,461	0.00%
35,341	King Pharmaceuticals	301,009	0.00%
14,100	Kite Realty Group	39,835	0.00%
24,837	KLA Tencor	623,425	0.00%
126,222	Kohls	4,725,220	0.03%
588,082	Kraft Foods	11,095,425	0.07%
584,880	Kroger	8,335,129	0.05%
15,762	Laboratory Corporation of America	818,845	0.01%
16,457	Lam Resh	447,924	0.00%
10,065	Lamar Advertising	217,216	0.00%
78,177	Lancashire	390,489	0.00%
43,471	Las Vegas Sands	450,824	0.00%
14,200	Lasalle Hotel Properties	209,264	0.00%
41,103	Legg Mason	860,521	0.01%
53,278	Leggett & Platt	754,457	0.00%
12,584	Lender Processing Services	355,175	0.00%
24,055	Lennar	213,232	0.00%
26,768	Leucadia National	442,045	0.00%
215,662	Level 3 Communications	229,045	0.00%
27,424	Lexington Realty Trust	115,742	0.00%
1,274	Lexmark International	22,976	0.00%
16,884	Liberty Global	256,085	0.00%
17,058	Liberty Global "A"	259,434	0.00%
74,817	Liberty Media	562,971	0.00%
6,464	Liberty Media-Starz	207,076	0.00%
39,781	Liberty Property Trust	883,930	0.01%
25,763	Life Technologies	934,056	0.01%
334,164	Lilly Eli & Co	8,283,352	0.05%
156,652	Limited Brands	2,092,173	0.01%
20,031	Lincare	516,140	0.00%
44,202	Lincoln National	763,394	0.00%
32,422	Linear Technology	687,330	0.00%
62,553	Loews	1,578,371	0.01%
24,014	Lorillard	1,337,389	0.01%
741,918	Lowe's	12,045,996	0.08%
93,719	LSI	390,984	0.00%
5,200	LTC Properties	96,557	0.00%
6,600	Lubrizol	334,215	0.00%
89,202	M & T Bank	4,141,831	0.03%
35,213	Macerich	878,736	0.01%
17,600	Mack Cali Realty	422,346	0.00%
805,000	Macquarie International Infrastructure	181,378	0.00%
232,340	Macys	2,703,053	0.02%
24,904	Manpower	943,538	0.01%
343,793	Marathon Oil	7,450,519	0.05%
1,267	Markel	299,028	0.00%
359,323	Marriott International	6,796,857	0.04%
76,343	Marsh & McLennan	1,170,105	0.01%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
United States (continued)			
76,512	Marshall & Ilsley	289,456	0.00%
227,906	Marvell Technology Group	3,282,694	0.02%
73,440	Masco	704,017	0.00%
1,404	Massey Energy	40,943	0.00%
16,745	Mastercard	2,975,417	0.02%
52,838	Mattel	732,822	0.00%
23,009	McAfee	647,977	0.00%
17,328	McCormick & Co	434,583	0.00%
29,640	McDermott	494,000	0.00%
278,422	McDonalds	12,067,659	0.08%
46,100	McGraw Hill	1,072,339	0.01%
38,843	McKesson	1,685,192	0.01%
24,017	MDU Resources Group	393,448	0.00%
3,347	Mead Johnson Nutrition	101,530	0.00%
24,659	Meadwestvaco	490,065	0.00%
131,837	Medco Health Solutions	5,848,745	0.04%
18,000	Medical Properties Trust	124,948	0.00%
316,845	Medtronic	9,672,944	0.06%
30,465	MEMC Electronics Materials	288,028	0.00%
930,882	Merck & Co	23,611,293	0.15%
3,270	Mercury General	89,116	0.00%
604	Meredith	12,934	0.00%
207,936	Metlife	5,102,414	0.03%
38,816	Metropcs Communications	205,585	0.00%
40,358	MGM Mirage	255,494	0.00%
161,556	Microchip Technology	3,258,932	0.02%
207,800	Micron Technology	1,523,232	0.01%
2,464,150	Microsoft	52,153,223	0.34%
6,500	Mid America Apartment Communities	217,840	0.00%
7,893	Millipore	396,403	0.00%
196,743	Mirant	2,085,427	0.01%
9,003	Mohawk Industries	297,475	0.00%
22,490	Molex	336,429	0.00%
11,358	Molex "A"	150,825	0.00%
22,753	Molson Coors Brewing	713,262	0.00%
80,066	Monsanto	4,543,520	0.03%
2,057	Monster Worldwide	24,845	0.00%
33,755	Moody's	627,956	0.00%
652,237	Morgan Stanley	13,401,510	0.09%
101,257	Mosaic	4,198,307	0.03%
334,653	Motorola	1,802,657	0.01%
152,000	MPS Group	1,449,729	0.01%
58,630	Murphy Oil	2,205,849	0.01%
44,306	Mylan	566,819	0.00%
41,680	Nabors Industries	633,330	0.00%
2,417	NASDAQ OMX Group	33,253	0.00%
6,200	National Health Investors	159,196	0.00%
2,300	National Healthcare	57,652	0.00%
108,763	National Oilwell Varco	3,328,725	0.02%
18,500	National Retail Properties	272,505	0.00%
65,294	National Semiconductor	696,179	0.00%
25,200	Nationwide Health Properties	615,394	0.00%
9,100	Navistar International	244,145	0.00%
21,616	NCR	167,004	0.00%
174,953	Netapp	4,176,478	0.03%
79,214	New York Community Bancorp	797,859	0.01%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
1,894	New York Times	16,250	0.00%
40,686	Newell Rubbermaid	423,918	0.00%
17,336	Newfield Exploration	580,394	0.00%
168,429	Newmont Mining	5,531,290	0.04%
271,362	News Corporation "A"	2,578,749	0.02%
78,904	News Corporation "B"	871,964	0.01%
735	Nicor	21,480	0.00%
21,751	NII	507,010	0.00%
162,991	Nike	7,475,229	0.05%
39,814	Nisource	425,059	0.00%
25,154	Noble Energy	1,243,557	0.01%
31,015	Nordstrom	809,068	0.01%
53,451	Norfolk Southern	1,944,954	0.01%
25,436	Northeast Utilities	455,362	0.00%
215,276	Northern Trust	7,830,392	0.05%
5,666	Novell	16,322	0.00%
13,457	Novellus Systems	218,025	0.00%
34,331	NRG Energy	562,651	0.00%
13,807	NSTAR	352,699	0.00%
45,797	Nucor	1,483,014	0.01%
79,779	Nvidia	1,034,480	0.01%
1,429	NVR	704,987	0.00%
38,044	NYSE Euronext	668,134	0.00%
371,583	Occidental Pete	20,983,116	0.14%
4,490	Office Depot	20,103	0.00%
31,091	Old Republic International	216,683	0.00%
19,200	Omega Healthcare Investors	259,225	0.00%
40,592	Omnicare	681,323	0.00%
94,484	Omnicom Group	2,567,714	0.02%
1,614,374	Oracle	27,500,165	0.18%
2,237	O'Reilly Automotive	59,194	0.00%
17,300	Orient Express Hotels	121,770	0.00%
29,900	Oshkosh	768,567	0.01%
18,943	Owens-Illinois	432,220	0.00%
53,233	Paccar	1,340,248	0.01%
19,363	Pactiv	324,464	0.00%
16,861	Pall	423,690	0.00%
23,525	Parker Hannifin	879,860	0.01%
4,900	Parkway Properties	70,816	0.00%
9,824	Partnerre	509,135	0.00%
17,019	Patterson	330,551	0.00%
19,890	Patterson UTI Energy	211,934	0.00%
52,653	Paychex	1,119,872	0.01%
38,850	Peabody Energy	1,219,220	0.01%
4,059	Pebblebrook Hotel Trust	62,015	0.00%
10,000	Penn Real Estate Investment	58,726	0.00%
13,201	Pentair	295,982	0.00%
313,879	Peoples Utd Financial	3,638,608	0.02%
31,551	Pepco	369,037	0.00%
53,204	Pepsi Bottling Group	1,384,944	0.01%
11,969	PepsiAmericas	243,102	0.00%
538,019	Pepsico	22,706,897	0.15%
1,910	PerkinElmer	27,299	0.00%
38,200	Petrohawk Energy	636,136	0.00%
16,908	Petsmart	313,255	0.00%
1,674,612	Pfizer	21,144,795	0.14%
152,167	PG&E	4,716,269	0.03%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
598,134	Philip Morris International	20,008,384	0.13%
14,523	Pinnacle West Cap	368,771	0.00%
16,493	Pioneer Natural Resources	551,484	0.00%
30,277	Pitney Bowes	478,346	0.00%
17,301	Plains Exploration & Production	332,185	0.00%
23,936	Plum Creek Timber	627,394	0.00%
231,199	PNC Financial Services Group	8,472,161	0.06%
931	Polo Ralph Lauren	52,334	0.00%
81,630	Popular	128,060	0.00%
10,900	Post Properties	148,299	0.00%
33,400	Powershares Exchange Traded Funds	395,764	0.00%
24,182	PPG Industries	982,656	0.01%
54,903	PPL	1,231,373	0.01%
158,308	Praxair	8,825,292	0.06%
21,139	Precision Castparts	1,619,248	0.01%
37,402	Price T Rowe Group	1,382,519	0.01%
6,369	Priceline	966,005	0.01%
22,771	Pride International	504,389	0.00%
84,625	Principal Financial Group	1,412,179	0.01%
953,386	Procter & Gamble	40,124,804	0.26%
40,783	Progress Energy	1,160,982	0.01%
98,892	Progressive Corp Ohio	1,234,949	0.01%
176,274	Prologis International	1,675,129	0.01%
11,418	Protective Life	131,173	0.00%
140,080	Prudential Financial	4,838,526	0.03%
4,100	PS Business Parks	142,444	0.00%
85,534	Public Service Enterprise Group	1,974,181	0.01%
60,102	Public Storage	3,398,104	0.02%
306,313	Pulte Group	2,126,288	0.01%
1,878	QLogic	24,599	0.00%
642,335	Qualcomm	20,626,418	0.13%
3,429	Quanta Services	49,605	0.00%
25,951	Quest Diagnostics	1,087,687	0.01%
24,996	Questar	721,285	0.00%
246,901	Qwest Communications International	721,542	0.00%
18,531	Radio Shack	250,836	0.00%
7,100	Ramco-Gershenson Properties Trust	47,018	0.00%
22,866	Range Resources	791,247	0.01%
23,400	Realty Income	420,862	0.00%
3,070	Red Hat	65,850	0.00%
31,928	Regency Centres	777,034	0.01%
401,310	Regions Financial	1,473,643	0.01%
5,900	Reinsurance Group	195,151	0.00%
20,600	Reliance Steel & Aluminum	618,029	0.00%
8,245	Renaissance Re	304,194	0.00%
54,376	Republic Services	1,068,572	0.01%
1,720,989	Resmed	6,375,228	0.04%
40,582	Reynolds American	1,492,176	0.01%
22,089	Robert Half International	409,856	0.00%
24,623	Rockwell Automation	802,991	0.01%
27,166	Rockwell Collins	1,043,947	0.01%
1,482	Roper Industries	53,875	0.00%
27,460	Ross Stores	814,117	0.01%
16,383	Rowan	257,470	0.00%
47,946	RRI Energy	190,373	0.00%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
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United States (continued)

9,091	Ryder Systems	259,806	0.00%
60,715	Safeway	897,281	0.01%
4,997	Saic	65,697	0.00%
13,562	Salesforce	694,481	0.00%
32,807	Sandisk	660,194	0.00%
179,234	Sara Lee	1,515,390	0.01%
3,000	Saul Centres	68,222	0.00%
17,718	Scana	463,428	0.00%
11,718	Schein Henry	427,854	0.00%
555,962	Schlumberger	25,119,788	0.16%
674,415	Schwab Charles	8,810,558	0.06%
13,821	Scripps Networks Interactive	398,148	0.00%
40,529	Seadrill	722,686	0.00%
34,205	Sealed Air	519,035	0.00%
24,096	Sears	1,395,815	0.01%
18,206	SEI Investment	221,414	0.00%
35,621	Sempra Energy	1,384,190	0.01%
28,500	Senior Housing Properties Trust	432,663	0.00%
43,441	Sherwin Williams	1,859,043	0.01%
17,848	Sigma Aldrich	626,030	0.00%
105,857	Simon Property Group	5,863,801	0.04%
519,462	Sirius Xm Radio	216,352	0.00%
17,250	St Green Realty	601,583	0.00%
67,208	SLM	525,777	0.00%
131,023	Smith International	2,471,120	0.02%
21,209	Smithfield Foods	223,632	0.00%
947	Snap On	27,780	0.00%
144,729	Southern	3,347,473	0.02%
33,527	Southern Copper	765,913	0.01%
106,928	Southwest Aircls	848,388	0.01%
50,122	Southwestern Energy	1,676,996	0.01%
6,200	Sovran Self Storage	153,773	0.00%
4,900	SPDR ETF	379,048	0.00%
94,043	Spectra Energy	1,338,902	0.01%
1,075,867	Sprint Nextel	2,733,356	0.02%
6,256	SPX	237,542	0.00%
11,916	St Joe Company	238,965	0.00%
323,787	St Jude Medical	8,266,615	0.05%
11,317	Stanley Works	404,650	0.00%
400,273	Staples	6,832,371	0.04%
371,051	Starbucks	5,939,495	0.04%
156,346	Starwood Hotels & Resorts	3,968,883	0.03%
138,688	State Street	4,191,639	0.03%
1,372	Stericycle	52,543	0.00%
43,154	Stryker	1,508,862	0.01%
4,200	Sun Communities	57,580	0.00%
720,551	Sun Microsystems	4,686,633	0.03%
16,664	Sunoco	301,909	0.00%
21,998	Sunstone Hotel Investors	135,598	0.00%
585,090	Suntrust Banks	8,240,647	0.05%
30,583	Supervalu	269,825	0.00%
320,341	Symantec	3,978,134	0.03%
18,648	Synopsys	288,406	0.00%
36,275	Synthes	3,308,174	0.02%
124,712	Sysco	2,418,751	0.02%
9,000	Tanger Factory Outlet Centers	243,586	0.00%
501,298	Target C	16,831,726	0.11%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
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United States (continued)

8,900	Taubman Centers	221,851	0.00%
38,728	TD Ameritrade	520,997	0.00%
30,624	Teco Energy	344,802	0.00%
6,411	Telephone & Data Systems	150,952	0.00%
6,304	Tellabs	24,855	0.00%
7,071	Tenet Healthcare	26,456	0.00%
25,101	Teradata	547,636	0.00%
2,857	Teradyne	21,280	0.00%
14,580	Terex	200,493	0.00%
2,286	Tesoro	21,502	0.00%
544,377	Texas Instruments	9,847,608	0.06%
261,914	Thermo Fisher Scientific	8,670,470	0.06%
18,127	Tiffany & Co	541,067	0.00%
453,458	Time Warner	9,172,405	0.06%
103,626	Time Warner Cable	2,977,287	0.02%
1,388	Titanium Metals	12,063	0.00%
61,817	TJX	1,568,382	0.01%
16,245	Toll Bros	212,112	0.00%
24,918	Torchmark	760,201	0.00%
28,374	Total System Services	340,149	0.00%
8,163	Transatlantic	295,276	0.00%
149,488	Travelers	5,173,866	0.03%
44,053	Tyson Foods	375,212	0.00%
20,800	U Store It Trust	105,689	0.00%
34,278	UDR Reit	391,178	0.00%
73,380	Union Pac	3,254,881	0.02%
175,571	United Parcel Service	6,991,884	0.05%
4,700	United States Cellular	138,364	0.00%
68,414	United States Steel	2,617,645	0.02%
376,969	United Technologies	18,162,862	0.12%
712,513	Unitedhealth Group	15,075,244	0.10%
2,700	Universal Health Realty	60,031	0.00%
11,782	Universal Health Services	249,445	0.00%
72,341	Unum Group	980,214	0.01%
16,403	Urban Outfitters	398,404	0.00%
4,200	Urstadt Biddle Properties	44,519	0.00%
504,628	Us Bancorp	7,885,031	0.05%
15,949	V F Corp	810,846	0.01%
82,284	Valero Energy	956,724	0.01%
18,232	Valley National Bancorp	178,827	0.00%
92,169	Varian	3,297,508	0.02%
18,206	Varian Medical Systems	592,080	0.00%
58,249	Ventas	1,768,576	0.01%
28,367	Verisign	477,312	0.00%
722,401	Verizon Communications	16,613,317	0.11%
24,250	Vertex Pharmaceuticals	721,305	0.00%
311,115	Viacom	6,420,553	0.04%
41,972	Virgin Media	490,343	0.00%
158,550	Visa	9,625,700	0.06%
66,500	Vornado Realty Trust	3,228,499	0.02%
18,186	Vulcan Materials	664,901	0.00%
605,262	Wal Mart Stores	22,456,792	0.15%
143,854	Walgreen	3,666,749	0.02%
409	Washington Post	124,807	0.00%
13,400	Washington Real Estate Investment Trust	256,261	0.00%
72,075	Waste Management	1,691,556	0.01%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
United States (continued)			
14,085	Waters	605,794	0.00%
15,021	Watson Pharmaceuticals	413,010	0.00%
7,827	Webmd Health	209,122	0.00%
5,160	Weight Watchers International	104,446	0.00%
42,366	Weingarten Realty Investors	581,996	0.00%
87,324	Wellpoint	3,533,331	0.02%
1,966,390	Wells Fargo & Co	36,840,807	0.24%
59,096	Wendys / Arbys Group	192,392	0.00%
184	Wesco Financial	43,810	0.00%
124,049	Western Digital	3,801,724	0.02%
716,989	Western Union	9,381,676	0.06%
30,614	Weyerhaeuser	916,762	0.01%
10,770	Whirlpool	603,018	0.00%
1,141	White Mountains Insurance Group	263,477	0.00%
20,340	Whole Foods Market	387,570	0.00%
84,128	Williams	1,231,028	0.01%
7,137	Windstream	54,447	0.00%
3,460	Winthrop Realty Trust	26,083	0.00%
17,087	Wisconsin Energy	591,035	0.00%
110,400	Wyndham Worldwide	1,545,723	0.01%
13,184	Wynn Resorts	532,906	0.00%
113,272	Xcel Energy	1,668,494	0.01%
40,103	Xilinx	697,613	0.00%
266,644	XTO Energy	8,612,346	0.06%
217,266	Yahoo	2,530,698	0.02%
67,569	Yum Brands	1,640,211	0.01%
31,340	Zimmer	1,285,928	0.01%
305,607	Zions Bancorporation	2,721,739	0.02%
		2,519,753,015	16.48%

United States - Net Short Positions

(48,894)	Baker Hughes	(1,373,892)	(0.01%)
(70,064)	Xerox	(411,455)	0.00%
		(1,785,347)	(0.01%)

Total North American Equities **2,645,819,996** **17.31%**

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
JAPAN			
Japan			
52,000	77Th Bank	192,520	0.00%
77,000	ABC-Mart	1,500,563	0.01%
8,582	Acom	91,066	0.00%
33,900	Aderans	278,766	0.00%
26,900	Advantest	485,840	0.00%
106,900	Aeon	603,701	0.00%
14,400	Aeon Credit Service	96,786	0.00%
5,800	Aeon Fantasy	43,078	0.00%
16,300	Aeon Mall	219,602	0.00%
22,100	Ahresty	90,783	0.00%
2,800	Aichi Bank	141,093	0.00%
20,000	Aichi Machine Industry	57,074	0.00%
16,000	Aichi Steel Works	49,024	0.00%
16,000	Aida Engineering	32,562	0.00%
357,250	Aiful	351,455	0.00%
451,000	Aioi Insurance	1,503,785	0.01%
25,000	Air.Water	205,392	0.00%
9,900	Airport Facilities	34,943	0.00%
38,700	Aisan Industry	274,643	0.00%
63,500	Aisin Seiki	1,263,705	0.01%
461,000	Ajinomoto	3,029,251	0.02%
14,000	Alfresa	387,954	0.00%
147,000	All Nippon Airways	278,192	0.00%
35,300	Alpen	366,626	0.00%
8,000	Alpha	40,012	0.00%
14,000	Alpine Electronics	103,139	0.00%
125,200	Alps Electric	511,481	0.00%
50,000	Amada	218,159	0.00%
18,000	Amano	107,735	0.00%
34,000	Anritsu	76,089	0.00%
28,000	Aoki	194,293	0.00%
71,100	Aoyama Trading	632,190	0.00%
142,628	Aozora Bank	104,968	0.00%
9,900	Arcs	90,926	0.00%
9,900	Argo Graphics	67,135	0.00%
14,700	Arnest One	103,770	0.00%
65,000	Asahi Breweries	835,686	0.01%
494,000	Asahi Glass	3,257,224	0.02%
703,000	Asahi Kasei	2,449,625	0.02%
6,000	Asatsu-Dk	82,412	0.00%
27,000	Asics	168,497	0.00%
1,000	Aska Pharmaceutical	4,799	0.00%
588	Asset Managers	32,102	0.00%
64,100	Astellas Pharma	1,665,560	0.01%
4,700	Autobacs Seven	97,593	0.00%
32,000	Awa Bank	118,955	0.00%
1,226	Axell	30,199	0.00%
51,000	Bank of Kyoto	287,248	0.00%
31,000	Bank of Nagoya	77,989	0.00%
4,000	Bank of Saga	8,111	0.00%
717,000	Bank of Yokohama	2,272,259	0.01%
38,850	Belluna	109,991	0.00%
14,400	Benesse	420,667	0.00%
52,000	Best Denki	126,915	0.00%
22,400	BML	427,275	0.00%
205,900	Bridgestone	2,514,219	0.02%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Japan (continued)			
49,900	Brother Industries	397,596	0.00%
381,200	Canon	11,193,241	0.07%
21,200	Canon Finetech	194,233	0.00%
83,300	Canon Marketing Japan	857,022	0.01%
9,200	Capcom	105,777	0.00%
37,900	Casio Computer	209,765	0.00%
28,300	Cawachi	353,006	0.00%
289	Central Japan	1,349,940	0.01%
446,000	Chiba Bank	1,855,542	0.01%
31,900	Chiba Kogyo Bank	168,412	0.00%
35,000	Chiyoda	187,932	0.00%
1,100,000	Chori	850,856	0.01%
105,000	Chubu Electric Power	1,750,526	0.01%
1,500	Chubu Nippon Broadcasting	5,216	0.00%
4,300	Chubu Steel Plate	15,985	0.00%
23,500	Chudenko	207,010	0.00%
142,000	Chuetsu Pulp & Paper	169,555	0.00%
40,000	Chugai Pharmaceutical	522,679	0.00%
31,000	Chugoku Bank	267,490	0.00%
50,000	Chugoku Electric Power	666,491	0.00%
18,000	Chukyo Bank	37,309	0.00%
111,400	Chuo Denki Kogyo	571,389	0.00%
561,000	Chuo Mitsui Trust	1,310,236	0.01%
7,900	Circle K Sunkus	68,048	0.00%
46,600	Citizen	187,226	0.00%
10,800	Cleanup	55,152	0.00%
40,000	Coca Cola Central	347,852	0.00%
10,100	Coca-Cola West Company	124,316	0.00%
14,500	Colowide	65,117	0.00%
28,200	Computer Engineering	102,287	0.00%
21,800	Comsys	159,456	0.00%
8,200	Corona	76,236	0.00%
115,000	Cosmo Oil	168,406	0.00%
3,800	Cosmos Pharmaceutical	66,777	0.00%
33,400	Credit Saison	261,862	0.00%
41	Crescendo Investment	36,209	0.00%
12,800	Culture Convenience	42,872	0.00%
94,000	Dai Nippon Printing	833,689	0.01%
50,000	Daicel Chemical Industries	204,266	0.00%
59,000	Daido Steel	152,418	0.00%
31,000	Daihatsu Motor	215,342	0.00%
11,000	Dai-Ichi Jitsugyo	19,908	0.00%
47,900	Daiichi Kosho	378,063	0.00%
124,100	Daiichi Sankyo Company	1,816,393	0.01%
39,500	Daikin Industries	1,085,686	0.01%
4,400	Daikoku Denki	52,274	0.00%
732,000	Daikyo	1,088,435	0.01%
27,400	Daimei Telecom Engineering	145,478	0.00%
31,000	Dainippon Screen	94,285	0.00%
28,800	Dainippon Sumitomo Pharma	211,090	0.00%
7,000	Daio Paper	39,637	0.00%
65,000	Daishi Bank	151,322	0.00%
11,000	Daishinku	28,582	0.00%
16,100	Daito Trust Construction	531,992	0.00%
81,000	Daiwa House Industry	604,641	0.00%
313,000	Daiwa Securities Group	1,093,008	0.01%
6,664	Data Communications Systems	43,940	0.00%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Japan (continued)			
229,400	DCM Japan	926,834	0.01%
62	Dena	256,083	0.00%
91,000	Denki Kagaku Kogyo	283,606	0.00%
79,100	Denso	1,651,382	0.01%
105,500	Dentsu	1,691,518	0.01%
15,400	Denyo	81,533	0.00%
467,000	DIC	554,115	0.00%
307	Digital Garage	372,568	0.00%
2,900	Disco	125,661	0.00%
9,700	Don Quijote	163,901	0.00%
4,600	Doshisha	71,681	0.00%
54,000	Dowa	208,441	0.00%
14,100	Duskin	175,032	0.00%
21,800	Dydo Drinco	471,493	0.00%
798	Eaccess	326,008	0.00%
168,500	East Japan Railway	7,427,869	0.05%
55,000	Ebara	164,389	0.00%
31,300	Edion	237,641	0.00%
23,000	Eighteenth Bank	47,499	0.00%
39,900	Eisai	1,024,767	0.01%
9,200	Eizo Nanao	153,034	0.00%
77,400	Electric Power Development	1,534,515	0.01%
26,500	Elpida Memory	299,707	0.00%
20,000	Ezaki Glico	159,903	0.00%
1,309	Faith	100,269	0.00%
13,100	Familymart	270,047	0.00%
32,200	Fanuc	2,086,858	0.01%
9,400	Fast Retailing	1,233,238	0.01%
135	Fields	116,893	0.00%
102,000	Fuji Electric	122,559	0.00%
56,000	Fuji Fire & Marine Insurance	37,849	0.00%
105,000	Fuji Heavy	354,836	0.00%
34,200	Fuji Machine Manufacturing	295,359	0.00%
82	Fuji Media	79,377	0.00%
109,200	Fuji Oil	1,115,290	0.01%
9,300	Fuji Seal	133,117	0.00%
50,659	Fuji Soft	567,612	0.00%
186,400	Fujifilm	3,905,497	0.03%
65,000	Fujikura	235,769	0.00%
85,000	Fuji-Tec	320,442	0.00%
754,000	Fujitsu	3,374,767	0.02%
3,700	Fujitsu Kiden	19,367	0.00%
4,000	Fukuda Denshi	68,189	0.00%
155,000	Fukuoka Financial Group	374,812	0.00%
114,000	Fukuyama Transporting	366,416	0.00%
1,600	Funai Electric	55,993	0.00%
95,000	Furukawa Electric	275,383	0.00%
62,800	Furuno Electric	206,095	0.00%
22,800	Furusato Industries	90,234	0.00%
18,400	Futaba	226,476	0.00%
123,300	Futaba Industrial	720,392	0.00%
9,900	Glory Kogyo	153,154	0.00%
71,000	Godo Steel	106,639	0.00%
55,000	GS Yuasa	281,278	0.00%
67,000	Gunma Bank	237,992	0.00%
28,000	Gunze	71,703	0.00%
57,500	H.I.S.	729,761	0.00%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Japan (continued)			
19,000	H2O Retailing	76,479	0.00%
72,000	Hachijuni Bank	291,980	0.00%
5,280	Hakuhodo Dy	178,828	0.00%
39,500	Hakuto	240,275	0.00%
87,600	Hamamatsu Photonics	1,480,174	0.01%
227,000	Hankyu Hanshin	705,752	0.00%
230,000	Haseko	113,998	0.00%
7,600	Heiwa	54,220	0.00%
30,600	Heiwado	246,344	0.00%
14,300	Hiday Hidaka	107,604	0.00%
100,000	Higashi-Nippon Bank	133,674	0.00%
33,000	Higo Bank	128,124	0.00%
3,200	Hikari Tsushin	40,372	0.00%
42,000	Hino Motors	101,247	0.00%
5,300	Hirose Electronics	386,475	0.00%
84,000	Hiroshima Bank	225,203	0.00%
8,600	Hisamitsu Pharmaceutical	193,752	0.00%
1,236,000	Hitachi	2,636,107	0.02%
47,000	Hitachi Cable	98,828	0.00%
229,800	Hitachi Capital	1,944,913	0.01%
18,700	Hitachi Chemical	264,154	0.00%
15,500	Hitachi Construction Machinery	281,109	0.00%
97,400	Hitachi High Technologies	1,345,138	0.01%
9,100	Hitachi Koki	72,576	0.00%
12,000	Hitachi Medical	70,111	0.00%
26,000	Hitachi Metals	173,776	0.00%
58,000	Hitachi Transport Systems	517,453	0.00%
29,000	Hokkaido Electric Power	367,836	0.00%
47,000	Hokkoku Bank	117,182	0.00%
82,000	Hokuetsu Bank	90,523	0.00%
188,000	Hokuhoku Financial Group	266,837	0.00%
29,600	Hokuriku Electric Power	450,135	0.00%
446,900	Honda Motor	10,437,511	0.07%
5,800	Hoshizaki Electric	57,800	0.00%
42,700	Hosiden	317,140	0.00%
10,100	House Food Industrial	100,272	0.00%
58,500	Hoya Pentax	1,080,730	0.01%
10,200	Hurxley	50,862	0.00%
50,000	Hyakugo Bank	153,950	0.00%
42,000	Hyakujushi Bank	102,193	0.00%
20,300	Ibiden	503,079	0.00%
12,367	IBJ Leasing	156,213	0.00%
3,600	Idemitsu Kosan	145,990	0.00%
197,000	IHI Corp	217,475	0.00%
6,700	Iida Home Max	74,266	0.00%
3,700	IMI	45,847	0.00%
12,000	Inaba Denkisangyo	191,499	0.00%
22,100	Inabata & Co	54,769	0.00%
23,200	Information Services	94,605	0.00%
125	Inpex Corporation	658,043	0.00%
53,780	Isetan Mitsukoshi	338,043	0.00%
229,000	Isuzu Motors	297,514	0.00%
11,000	IT Holdings	87,481	0.00%
12,000	Ito En	125,894	0.00%
213,000	Itochu	1,090,913	0.01%
100,800	Itochu Fuel	288,411	0.00%
12,900	Itochu Shokuhin	301,284	0.00%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Japan (continued)			
4,500	Itochu Techno Solutions	84,316	0.00%
5,100	Itoki Crebio	7,009	0.00%
80,000	Iwatani	159,207	0.00%
156,000	Iwatsu Electric	86,693	0.00%
44,000	Iyo Bank	249,144	0.00%
11,200	Izumi	94,791	0.00%
44,000	Izumiyama	132,172	0.00%
259,200	J Front Retailing	796,131	0.01%
6,600	Jafco	110,529	0.00%
163,000	Japan Airlines	82,014	0.00%
23,000	Japan Aviation Electronics	107,953	0.00%
23,500	Japan Business Computer	102,182	0.00%
44,700	Japan Digital Laboratory	348,778	0.00%
5,200	Japan Petroleum	159,718	0.00%
6,000	Japan Pulp & Paper	15,005	0.00%
151,000	Japan Securities Finance	809,658	0.01%
50,000	Japan Steel Works	442,701	0.00%
895	Japan Tobacco	2,103,747	0.01%
6,000	Japan Wool Textile	25,413	0.00%
444,000	JFE Shojj	1,106,999	0.01%
149,900	JFS	4,108,854	0.03%
35,000	JGC	448,408	0.00%
8,000	Joshin Denki	43,737	0.00%
111,000	Joyo Bank	310,093	0.00%
207,600	JS Group	2,492,884	0.02%
34,500	JSR	487,083	0.00%
57,800	Jtekt	514,366	0.00%
50,000	Juroku Bank	127,290	0.00%
69	Kabu Com Securities	46,532	0.00%
3,400	Kadokawa	55,407	0.00%
13,800	Kaga Electronics	95,033	0.00%
62,000	Kagawa Bank	148,528	0.00%
18,000	Kagome	223,175	0.00%
28,000	Kagoshima Bank	136,678	0.00%
142,000	Kajima	199,414	0.00%
164,000	Kaken Pharmaceutical	972,965	0.01%
8,000	Kamei	26,374	0.00%
37,000	Kamigumi	188,668	0.00%
7,000	Kanaden	25,864	0.00%
72,000	Kandenko	316,311	0.00%
31,000	Kaneka	137,586	0.00%
722,000	Kanematsu	374,121	0.00%
191,800	Kansai Electric Power	3,024,782	0.02%
37,000	Kansai Paint	215,898	0.00%
52,000	Kansai Urban Banking	50,766	0.00%
83,707	Kanto Auto Works	526,155	0.00%
49,000	Kanto Natural Gas	177,734	0.00%
97,000	Kao	1,584,372	0.01%
68,400	Kasumi	234,233	0.00%
100	Katakura Industries	602	0.00%
105,400	Kato Sangyo	1,340,059	0.01%
1,080,000	Kawasaki Heavy Industries	1,897,867	0.01%
86,000	Kawasaki Kisen Kaisha	170,502	0.00%
868	Kddi	3,213,608	0.02%
102,000	Keihan Electric Railway	278,056	0.00%
800	Keihanshin Real Estate	2,565	0.00%
72,000	Keihin Electric Express Railway	369,841	0.00%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Japan (continued)			
87,000	Keio	365,876	0.00%
47,000	Keisei Electric Railway	179,303	0.00%
28,000	Keiyo Bank	86,633	0.00%
3,000	Keiyo Gas	9,012	0.00%
109	Kennedix Realty Investment	207,915	0.00%
21,100	Kewpie	156,713	0.00%
7,450	Keyence	1,074,196	0.01%
28,000	Kikkoman Shoyu	238,450	0.00%
36,000	Kinden	211,685	0.00%
11,000	Kinki Sharyo	59,890	0.00%
229,000	Kintetsu	529,679	0.00%
132,000	Kirin	1,477,020	0.01%
11,000	Kissei Pharmaceutical	151,915	0.00%
3,800	Kita Nippon Bank	70,772	0.00%
400	Kitagawa Industries	3,289	0.00%
3,400	Kobayashi Pharmaceuticals	94,983	0.00%
1,325,000	Kobe Steel	1,671,673	0.01%
70,200	Kohnan Shoji	525,077	0.00%
14,000	Koito Manufacturing	155,497	0.00%
14,800	Kojima	60,685	0.00%
26,100	Kokuyo	145,436	0.00%
321,300	Komatsu	4,666,523	0.03%
7,400	Komeri	138,097	0.00%
27,300	Konaka	60,890	0.00%
19,400	Konami	241,262	0.00%
71,500	Konica Minolta	511,175	0.00%
3,900	Kose	54,974	0.00%
25,200	K's	527,996	0.00%
115,000	Kubota	734,079	0.00%
75,000	Kurabo Industries	79,979	0.00%
263,500	Kuraray	2,150,980	0.01%
17,900	Kurita Water Industries	389,832	0.00%
24,900	Kuroda Electric	252,441	0.00%
58,300	Kyocera	3,576,983	0.02%
203,000	Kyodo Shiryō	172,266	0.00%
44,900	Kyoei Steel	578,615	0.00%
65,271	Kyokuyo	90,191	0.00%
114,000	Kyorin	1,167,738	0.01%
27,600	Kyowa Execo	162,914	0.00%
41,193	Kyowa Hakko Kirin	304,709	0.00%
50,000	Kyudenko	208,396	0.00%
63,800	Kyushu Electric Power	917,041	0.01%
13,400	Lawson	412,586	0.00%
21,400	Leopalace 21	61,391	0.00%
6,900	Lintec	96,898	0.00%
41,000	Lion	139,479	0.00%
5,700	Mabuchi Motor	196,050	0.00%
117,000	Maeda	222,296	0.00%
93,000	Maeda Road Construction	477,711	0.00%
2,000	Makino Milling Machine	5,317	0.00%
78,300	Makita	1,864,006	0.01%
39,800	Mandom	787,571	0.01%
232,000	Marubeni	890,297	0.01%
7,200	Marubun	30,658	0.00%
171,000	Marudai Food	355,715	0.00%
43,300	Marui Group	185,674	0.00%
12,800	Maruichi Steel Tube	178,504	0.00%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Japan (continued)			
4,700	Matsuda Sangyo	56,473	0.00%
19,700	Matsui Securities	95,423	0.00%
7,200	Matsumotokiyoshi	110,844	0.00%
232,000	Mazda Motor	369,360	0.00%
32,700	Medipal	282,650	0.00%
10,150	Meiji	267,547	0.00%
4,000	Meiko Trans	20,817	0.00%
6,200	Melco	77,756	0.00%
90	Mid Reit	132,675	0.00%
77,000	Mie Bank	145,141	0.00%
65,100	Mikuni Coca Cola	354,442	0.00%
52,478	Mimasu Semiconductor Industry	439,024	0.00%
211,000	Minebea	795,449	0.01%
18,200	Ministop	154,446	0.00%
37,700	Miraca	720,535	0.00%
8,500	Misumi Group	100,984	0.00%
6,300	Mitani	25,548	0.00%
17,000	Mito Securities	26,299	0.00%
426,900	Mitsubishi	7,389,640	0.05%
453,000	Mitsubishi Chemical	1,340,357	0.01%
594,000	Mitsubishi Electric	3,055,647	0.02%
187,000	Mitsubishi Estate	2,075,593	0.01%
66,000	Mitsubishi Gas & Chemical	230,970	0.00%
1,662,000	Mitsubishi Heavy Industries	4,068,880	0.03%
24,000	Mitsubishi Logistics	197,717	0.00%
172,000	Mitsubishi Material	293,211	0.00%
739,000	Mitsubishi Motor	710,363	0.00%
82,000	Mitsubishi Rayon	229,694	0.00%
24,000	Mitsubishi Steel	28,297	0.00%
174,000	Mitsubishi Tanabe Pharm	1,517,077	0.01%
4,266,870	Mitsubishi UFJ Financial Group	14,483,518	0.09%
8,060	Mitsubishi UFJ Lease & Finance	169,178	0.00%
537,800	Mitsui & Co	5,294,802	0.03%
134,000	Mitsui Chemicals	241,514	0.00%
104,000	Mitsui Engineering & Shipping	173,385	0.00%
496,000	Mitsui Fudosan	5,803,304	0.04%
12,000	Mitsui Home	40,282	0.00%
104,000	Mitsui Mining & Smelt	187,444	0.00%
162,000	Mitsui O.S.K. Lines	594,908	0.00%
63,000	Mitsui Sugar	141,935	0.00%
15,900	Mitsumi Electric	194,989	0.00%
3,156,900	Mizuho Financial Group	3,935,457	0.03%
69,000	Mizuho Investors Securities	46,636	0.00%
88,000	Mizuho Securities	185,701	0.00%
273,000	Mizuho Trust & Banking	176,314	0.00%
70,000	Mizuno	239,712	0.00%
17,000	Mochida Pharmaceutical	106,218	0.00%
160	Monex Group	38,210	0.00%
13,300	Mori Seiki	83,400	0.00%
229,813	Morinaga Milk Industry	633,384	0.00%
195,000	MS&AD Insurance Group	3,463,315	0.02%
80,000	Murata Manufacturing	2,763,593	0.02%
50,900	Musashi Seimitsu Industries	821,831	0.01%
4,700	Musashino Bank	77,651	0.00%
132,000	N.G.K. Spark Plug	1,035,897	0.01%
9,000	Nabtesco	71,508	0.00%
124,000	Nagase & Company	991,739	0.01%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Japan (continued)			
119,000	Nagoya Railroad	241,289	0.00%
172,200	Namco Bandai	1,148,345	0.01%
21,500	Namura Shipbuilding	76,855	0.00%
51,000	Nanto Bank	192,265	0.00%
709,000	NEC	1,272,537	0.01%
45,459	NEC Fielding	427,074	0.00%
7,700	NEC Mobiling	131,552	0.00%
134,200	NEC System Integration & Construction	1,135,802	0.01%
1,148	Net One Systems	893,157	0.01%
45,000	NGK Insulators	682,637	0.00%
33,000	NHK Spring	213,375	0.00%
130,800	Nichii Gakkan	811,361	0.01%
43,000	Nichirei	103,980	0.00%
37,300	Nidec	2,392,175	0.02%
9,000	Nidec Sankyo	52,921	0.00%
11,000	Nihon Shokuhin Kak	55,347	0.00%
172,600	Nihon Unisys	859,371	0.01%
60,000	Nihon Yamamura Glass	137,429	0.00%
53,800	Nikon	738,558	0.00%
19,000	Nintendo	3,144,788	0.02%
175,000	Nippo	875,263	0.01%
44,000	Nippon Seiki	350,586	0.00%
266,000	Nippon Beet Sugar Manufacturing	481,421	0.00%
5,000	Nippon Densetsu Kogyo	28,274	0.00%
45,000	Nippon Electric Glass	429,521	0.00%
689,000	Nippon Express	1,971,380	0.01%
91,000	Nippon Flour Mills	315,725	0.00%
23,000	Nippon Kayaku	144,570	0.00%
36,000	Nippon Konpo	269,000	0.00%
31,000	Nippon Meat Packers	250,030	0.00%
125,000	Nippon Mining	372,672	0.00%
352,000	Nippon Oil	1,136,678	0.01%
34,000	Nippon Paint	143,241	0.00%
15,100	Nippon Paper Group	269,886	0.00%
59,889	Nippon Road	83,204	0.00%
121,000	Nippon Sheet Glass	240,801	0.00%
206,000	Nippon Shinyaku	1,605,798	0.01%
25,000	Nippon Shokubai	150,008	0.00%
177,000	Nippon Soda	443,962	0.00%
915,000	Nippon Steel	2,576,787	0.02%
48,000	Nippon Steel Trading	51,547	0.00%
14,000	Nippon Synthetic Chemical Industry	74,332	0.00%
53,500	Nippon System Development	384,898	0.00%
192,500	Nippon Tel & Tel	5,276,547	0.03%
790	Nippon Television Network	71,252	0.00%
410,000	Nippon Yusen	877,516	0.01%
110,000	Nipponkoa Insurance	435,341	0.00%
6,000	Nipro	86,467	0.00%
526,000	Nishimatsu Construction	398,964	0.00%
108,000	Nishi-Nippon City Bank	184,109	0.00%
54,000	Nishi-Nippon Railroad	141,529	0.00%
3,500	Nishio Rent All	16,270	0.00%
31,000	Nissan Chemical Industries	307,532	0.00%
613,100	Nissan Motor	3,729,431	0.02%
49,000	Nissan Shatai	304,686	0.00%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Japan (continued)			
27,000	Nissay Dowa General Insurance	90,027	0.00%
6,100	Nissha Printing	208,892	0.00%
34,000	Nisshin Seifun Group	320,697	0.00%
135,000	Nisshin Steel	166,266	0.00%
26,000	Nisshinbo	167,528	0.00%
73,400	Nissin Foods	1,670,186	0.01%
20,200	Nitori	1,051,262	0.01%
23,400	Nitto Denko	583,418	0.00%
8,200	Nitto Kogyo	56,654	0.00%
7,500	Nojima	48,776	0.00%
22,800	NOK	218,994	0.00%
1,137,600	Nomura	5,817,855	0.04%
13,400	Nomura Real Estate	137,965	0.00%
30,400	Nomura Research Institute	418,011	0.00%
69,000	Noritake	127,471	0.00%
49,200	Noritz	447,441	0.00%
28,200	NS Solutions	310,463	0.00%
75,000	NSK	382,998	0.00%
71,000	NTN	222,342	0.00%
201	NTT Data	436,386	0.00%
5,387	NTT Docomo	5,242,980	0.03%
239	NTT Urban Development	110,562	0.00%
8,400	Obara	47,564	0.00%
97,000	Obayashi	230,189	0.00%
910	Obic	103,943	0.00%
99,000	Odakyu Electric Railway	530,092	0.00%
46,000	Ogaki Kyoritsu Bank	101,217	0.00%
6,000	Ohmoto Gumi	12,616	0.00%
38,100	Ohsho Food Service	708,152	0.00%
448,000	Oji Paper	1,308,741	0.01%
67,000	Okasan	225,916	0.00%
48,600	Okinawa Electric Power	1,806,624	0.01%
21,000	Okuma	76,487	0.00%
28,000	Okumura	65,605	0.00%
44,000	Okuwa	294,743	0.00%
36,500	Olympus	816,837	0.01%
43,000	Omron	536,693	0.00%
16,300	Ono Pharmaceutical	487,188	0.00%
37,500	Onoken	180,234	0.00%
24,000	Onward	103,635	0.00%
4,600	Oracle	133,343	0.00%
6,400	Oriental Land	294,142	0.00%
48,000	Oriental Yeast	169,781	0.00%
38,160	Orix	1,796,810	0.01%
290,000	Osaka Gas	683,839	0.00%
31,900	Osaka Steel	374,195	0.00%
2,700	Osaka Titanium Technologies	51,603	0.00%
3,300	Otsuka Shokai	114,742	0.00%
27,000	Pacific Metals	142,137	0.00%
10,000	Panahome	44,908	0.00%
776,100	Panasonic	7,722,533	0.05%
40,000	Panasonic Electric Works	337,038	0.00%
75	Pilot Group	58,576	0.00%
13,300	Piolax	157,910	0.00%
10,900	Pioneer	23,411	0.00%
29,700	Plenus	282,592	0.00%
1,270	Point	49,594	0.00%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Japan (continued)			
109,000	Prima Meat Packers	77,764	0.00%
17,750	Promise	94,375	0.00%
4,600	Renesas Electronics	26,461	0.00%
35,000	Rengo	145,089	0.00%
86,900	Resona	612,137	0.00%
352,000	Ricoh	3,473,476	0.02%
59,000	Ricoh Leasing	815,260	0.01%
7,300	Rinnai	245,599	0.00%
3,900	Riso Kagaky	21,820	0.00%
20,800	Rohm	946,591	0.01%
191,000	Rohto Pharmaceutical	1,536,205	0.01%
11,700	Roland	72,400	0.00%
10,700	Royal	76,417	0.00%
27,000	Ryoden Trading	92,663	0.00%
5,100	Ryohin Keikaku	129,453	0.00%
13,600	Ryosan	223,671	0.00%
2,200	Ryoshoku	40,147	0.00%
30,800	Ryoyo Electric	170,700	0.00%
31,000	Sakai Chemical Industry	98,243	0.00%
88,000	Sakata Inx	239,892	0.00%
99,000	San-Ai Oil	267,648	0.00%
24,000	Sanei	153,920	0.00%
23,000	San-In Godo Bank	125,053	0.00%
21,000	Sanken Electric	41,161	0.00%
124,000	Sanki Engineering	607,149	0.00%
8,800	Sankyo	306,639	0.00%
23,175	Sanshin Electronics	110,863	0.00%
11,700	Santen Pharmaceutical	261,835	0.00%
341,000	Sanwa	606,916	0.00%
34,000	Sanyo Chemical Industries	123,836	0.00%
394,000	Sanyo Electric	505,963	0.00%
53,000	Sapporo	202,591	0.00%
127,600	Sapporo Hokuyo	322,929	0.00%
7,800	Satori Electric	32,158	0.00%
33,000	Saxa	37,173	0.00%
2,800	Sazaby	23,193	0.00%
3,011	SBI	374,453	0.00%
105	SBI Veritrans	38,638	0.00%
59,100	Secom	1,961,715	0.01%
25,200	Sega Sammy	210,820	0.00%
77,000	Seika	114,494	0.00%
21,400	Seikagaku	156,048	0.00%
26,900	Seiko Epson	302,211	0.00%
190,450	Seino	843,838	0.01%
73,000	Sekisui Chemical	315,771	0.00%
91,000	Sekisui House	573,363	0.00%
20,300	Senshukai	71,956	0.00%
153,500	Seven & I	2,186,764	0.01%
150,000	Sharp	1,314,584	0.01%
8,900	Shidax	23,393	0.00%
36,000	Shiga Bank	142,205	0.00%
31,700	Shikoku Electric Power	571,343	0.00%
5,200	Shima Seiki Manufacturing	65,918	0.00%
76,100	Shimachu	1,041,260	0.01%
238,000	Shimadzu	1,100,991	0.01%
13,300	Shimamura	884,935	0.01%
44,500	Shimano	1,243,166	0.01%
106,000	Shimizu	265,080	0.00%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Japan (continued)			
42,000	Shin Maywa Industries	89,261	0.00%
100,500	Shin-Etsu Chemicals	3,947,244	0.03%
11,600	Shinko Electric Industries	116,035	0.00%
73,800	Shinko Shoji	407,906	0.00%
279,000	Shinsei Bank	211,618	0.00%
46,600	Shionogi & Co	703,409	0.00%
281	Ship Healthcare	107,200	0.00%
55,000	Shiseido	735,619	0.00%
96,000	Shizuoka Bank	580,354	0.00%
11,100	Showa	46,597	0.00%
199,000	Showa Denko	276,472	0.00%
20,000	Showa Shell Sekiyu	113,548	0.00%
8,000	Siix Corporation	68,309	0.00%
60,000	Sinanen	173,926	0.00%
88,700	Sintokogio	438,304	0.00%
104	Sky Perfect Jsat	28,898	0.00%
9,600	SMC	759,147	0.00%
25,000	SMK	100,255	0.00%
96,400	Softbank	1,570,952	0.01%
2,400	Sogo Medical	37,669	0.00%
104,800	Sohgo Security Services	820,078	0.01%
221,600	Sojitz	291,229	0.00%
133,000	Sompo Japan Insurance	592,287	0.00%
26	So-Net Entertainment	41,179	0.00%
491,600	Sony	9,857,104	0.06%
156	Sony Financial	283,743	0.00%
58,000	Sotetsu	167,693	0.00%
8,300	Square Enix	121,795	0.00%
17	SRI Sports	11,209	0.00%
139,000	Stanley Electric	1,947,837	0.01%
22,200	Studio Alice	134,040	0.00%
18,600	Sumco	227,681	0.00%
24,100	Sumida	127,414	0.00%
277,000	Sumikin Bussan	370,276	0.00%
10,900	Sumisho Computer Systems	104,203	0.00%
552,500	Sumitomo	3,912,643	0.03%
34,000	Sumitomo Bakelite	116,687	0.00%
501,000	Sumitomo Chemical	1,523,768	0.01%
415,500	Sumitomo Electric Industries	3,588,352	0.02%
349,400	Sumitomo Forestry	1,836,738	0.01%
225,000	Sumitomo Heavy Industries	790,778	0.01%
644,000	Sumitomo Metal Industries	1,204,236	0.01%
212,000	Sumitomo Metal Mining	2,195,464	0.01%
247,000	Sumitomo Mitsui Group	4,906,241	0.03%
72,000	Sumitomo Osaka Cement	76,780	0.00%
1,600	Sumitomo Real Estate Sale	46,140	0.00%
104,000	Sumitomo Realty & Development	1,358,186	0.01%
23,800	Sumitomo Rubber Industries	143,343	0.00%
912,000	Sumitomo Trust & Banking	3,102,553	0.02%
16,000	Sumitomo Warehouse	50,466	0.00%
55,000	Suncall	154,063	0.00%
3,000	Sundrug	46,523	0.00%
33,000	Suruga Bank	199,745	0.00%
8,400	Suzuken	192,400	0.00%
126,700	Suzuki Motor	2,169,390	0.01%
2,600	Systemex	94,698	0.00%
35,950	T&D	512,684	0.00%
8,400	Tachi-S	57,846	0.00%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
3,000	Tadano	8,696	0.00%
61,000	Taihei Kogyo	178,199	0.00%
130,000	Taiheiy Cement	103,485	0.00%
61,100	Taikisha	570,805	0.00%
17,000	Taiko Bank	26,427	0.00%
144,700	Taisei	172,779	0.00%
41,000	Taisho Pharmaceutical	492,025	0.00%
55,000	Taiyo Nippon Sanso	406,428	0.00%
22,000	Taiyo Yuden	197,266	0.00%
27,000	Takara	108,276	0.00%
13,400	Takara Leben	59,171	0.00%
45,000	Takashimaya	200,060	0.00%
6,500	Takata	105,193	0.00%
137,500	Takeda Pharmaceutical	3,954,829	0.03%
10,960	Takefuji	32,017	0.00%
5,700	Takeuchi Manufacturing	36,342	0.00%
17,500	TDK	742,528	0.00%
33,300	Tecmo Koei	170,051	0.00%
133,000	Teijin	299,640	0.00%
44,900	Tenma	352,362	0.00%
28,300	Terumo	1,190,147	0.01%
2,000	The Nisshin Oilio Group	7,029	0.00%
23,900	THK	293,994	0.00%
23,693	TKC	313,511	0.00%
470,000	Toagosei	1,231,826	0.01%
115,000	Tobu Railway	418,857	0.00%
44,000	Toda Construction	97,807	0.00%
86,000	Toei	319,045	0.00%
25,600	Toho	290,874	0.00%
9,100	Toho	75,924	0.00%
105,000	Toho Gas	389,531	0.00%
4,800	Toho Titanium	50,466	0.00%
87,100	Tohoku Electric Power	1,203,545	0.01%
29,000	Tokai Carbon	100,180	0.00%
6,900	Tokai Rika Denki	108,039	0.00%
5,700	Tokai Rubber Industries	40,965	0.00%
18,980	Token	298,611	0.00%
214,500	Tokio Marine	4,075,436	0.03%
46,000	Tokuyama	178,597	0.00%
7,500	Tokyo Broadcasting Systems	73,220	0.00%
326,900	Tokyo Electric Power	5,732,288	0.04%
24,300	Tokyo Electron	1,080,324	0.01%
559,000	Tokyo Gas	1,557,442	0.01%
21,100	Tokyo Steel Manufacturing	165,587	0.00%
17,000	Tokyo Style	88,090	0.00%
347,000	Tokyo Tatemono	922,484	0.01%
122,000	Tokyo Tekko	247,372	0.00%
170,000	Tokyu	472,364	0.00%
72,000	Tokyu Land	184,920	0.00%
30,000	Toli	36,948	0.00%
51,000	Tonen Gen Sekiyu	296,823	0.00%
6,400	Toppa Forms	46,380	0.00%
94,000	Toppa Printing	530,144	0.00%
32,300	Topre	200,359	0.00%
505,177	Topy Industries	633,558	0.00%
189,000	Toray Industries	713,931	0.00%
9,600	Torii Pharm	126,957	0.00%
1,013,000	Toshiba	3,887,376	0.03%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
62,000	Toshiba Plant Systems & Services	545,689	0.00%
430,000	Toshiba Tec	1,133,448	0.01%
82,000	Tosoh	158,877	0.00%
51,000	Toto	224,820	0.00%
28,700	Touei Housing	165,743	0.00%
74,000	Toyo Engineering	151,157	0.00%
93,000	Toyo Ink Manufacturing	249,332	0.00%
221,000	Toyo Kohan	803,274	0.01%
29,300	Toyo Seikan Kaisha	311,571	0.00%
15,000	Toyo Suisan Kaisha	240,500	0.00%
102,000	Toyobo	111,835	0.00%
9,100	Toyoda Gosei	190,665	0.00%
26,900	Toyota Auto Body	353,522	0.00%
13,600	Toyota Boshoku	210,394	0.00%
92,400	Toyota Industries	1,911,700	0.01%
781,700	Toyota Motor	22,777,080	0.15%
25,300	Toyota Tsushu	259,726	0.00%
18,800	Trend Micro	498,378	0.00%
1,200	Trusco Nakayama	11,679	0.00%
119,700	TS Tech	1,694,462	0.01%
3,000	Tsukishima Kikai	12,504	0.00%
46,000	Tsumura & Co	1,036,347	0.01%
8,900	Tsuruha Holdings	221,898	0.00%
54,000	Tsurumi Manufacturing	282,652	0.00%
38	TV Asahi	37,783	0.00%
531,000	UBE Industries	1,012,872	0.01%
2,700	UKC	24,737	0.00%
5,900	Ulvac	99,471	0.00%
6,200	Uni-Charm	405,542	0.00%
8,100	Unimat Life	53,955	0.00%
15,740	Unipres	173,287	0.00%
25,800	UNY	126,132	0.00%
18,900	Ushio Electric	219,431	0.00%
4,420	USS	187,873	0.00%
32,300	Valor	174,404	0.00%
1,300	Vital KSK	5,369	0.00%
18,000	Wacoal	136,527	0.00%
5,000	Wakita	14,156	0.00%
5,200	Watabe Wedding	39,715	0.00%
269	West Japan Railway	630,279	0.00%
68,900	Xebio	842,882	0.01%
3,132	Yahoo Japan	654,813	0.00%
31,600	Yakult Honsha	666,837	0.00%
24,900	Yamabiko	175,587	0.00%
17,180	Yamada Denki	807,651	0.01%
36,000	Yamaguchi Fiancial Group	233,043	0.00%
26,800	Yamaha	224,608	0.00%
25,600	Yamaha Motor	224,163	0.00%
46,000	Yamanashi Chuo Bank	127,471	0.00%
66,700	Yamatake	1,031,856	0.01%
61,700	Yamato	596,798	0.00%
9,100	Yamato Kogyo	207,067	0.00%
20,000	Yamazaki Baking	165,365	0.00%
34,000	Yaskawa Electric Manufacturing	197,116	0.00%
75,000	Yodogawa Steel Works	212,339	0.00%
36,400	Yokogawa Electric	221,965	0.00%
23,000	Yokohama Reito	103,980	0.00%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Japan (continued)			
47,000	Yokohama Rubber	143,654	0.00%
53,000	Yonekyu	314,832	0.00%
284	Yoshinoya	213,277	0.00%
673,000	Yuasa Trading	379,055	0.00%
59,000	Yurtec	220,209	0.00%
31,000	Zeon	97,312	0.00%
24,000	Zojirushi	31,541	0.00%
24,300	Zuken	112,412	0.00%
Total Japanese Equities		498,056,642	3.25%

ASIA PACIFIC

Australia

214,758	Aditya Birla Minerals	165,683	0.00%
32,981	AJ Lucas	85,502	0.00%
5,805	Alesco	17,225	0.00%
54,471	Ausdrill	70,437	0.00%
103,600	Austereo	111,314	0.00%
1,025,402	Australia & New Zealand Bank	14,655,921	0.10%
337,036	Australian Pharmaceutical	145,274	0.00%
1,563,866	Beach Energy	898,774	0.01%
1,307,705	BHP Billiton	35,225,037	0.23%
294,397	Biota	443,214	0.00%
1,829,593	Brambles	7,749,026	0.05%
101,781	Caltex Australia	591,306	0.00%
159,575	Cape Lambert Resources	52,833	0.00%
735,525	Centennial Coal	1,837,894	0.01%
904,923	Coca-Cola Amatil	6,517,842	0.04%
83,102	Cochlear	3,585,617	0.02%
469,820	Commonwealth Bank of Australia	16,097,968	0.11%
541,620	Computershare	3,874,031	0.03%
246,125	Connecteast Group	66,882	0.00%
634,399	Crown	3,186,262	0.02%
293,525	CSL	5,957,413	0.04%
47,274	David Jones	159,470	0.00%
312,081	Downer EDI	1,822,812	0.01%
422,090	Emeco	208,303	0.00%
199,100	Fairfax Media	216,413	0.00%
62,341	Flight Centre	717,342	0.00%
1,382,034	Focus Minerals	54,390	0.00%
25,163	G.U.D.	141,471	0.00%
45,200	Goodman Fielder	46,024	0.00%
132,057	Graincorp	511,465	0.00%
116,098	Great Southern	8,703	0.00%
4,397,944	Gunns	2,582,501	0.02%
50,300	inet	58,445	0.00%
7,500	Iluka Resources	16,773	0.00%
2,056,311	Incitec Pivot	4,560,160	0.03%
83,300	Independence Gold	251,336	0.00%
378,600	ING Office	151,364	0.00%
1,940,673	Insurance Australia Group	4,885,627	0.03%
542,121	iSoft Group	260,765	0.00%
36,800	JB Hi-Fi	519,540	0.00%
83,100	Kagara	54,507	0.00%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
63,400	Kingsgate	364,764	0.00%
379,521	Lend Lease Group	2,434,833	0.02%
1,622,341	MacMahon	623,276	0.00%
501,999	Macquarie Communications	32,927	0.00%
159,929	Meo Australia	45,457	0.00%
57,081	Mermaid Marine Australia	108,400	0.00%
246,977	Mincor Resources	274,625	0.00%
1,000	Mineral Resources	4,373	0.00%
78,800	Mitchell Communications Group	40,119	0.00%
109,800	Mount Gibson Iron	113,175	0.00%
650,264	National Australia Bank	11,130,206	0.07%
123,520	Navitas	316,362	0.00%
121,599	NRW	151,923	0.00%
68,300	Onesteel	142,932	0.00%
478,428	Orica	7,785,513	0.05%
231,431	Panaust	81,683	0.00%
146,577	Panoramic Resources	213,346	0.00%
161,338	Perilya	67,023	0.00%
85,200	Primary Health Care	318,276	0.00%
26,989	Programmed Maintenance	64,573	0.00%
785,088	QBE Insurance Group	12,555,130	0.08%
220,600	Rams Home Loans Group	74,415	0.00%
30,619	Resolute Mining	20,179	0.00%
158,968	Rio Tinto	7,436,977	0.05%
51,838	Salmat	136,007	0.00%
110,069	Sandfire Resources	254,407	0.00%
22,962	Seven Network	99,118	0.00%
4,425,199	Sigma Pharmaceuticals	2,736,724	0.02%
68,600	Southern Cross Media Group	82,707	0.00%
51,800	Specialty Fashion Group	43,037	0.00%
338,466	Spotless Group	623,735	0.00%
1,006,926	Straits Resources	1,085,050	0.01%
1,115,350	Suncorp Metway	6,054,717	0.04%
59,800	Super Cheap Auto Group	201,724	0.00%
897,746	Tap Oil	656,149	0.00%
3,053,576	Telstra	6,542,832	0.04%
113,721	Ten Network	115,795	0.00%
237,284	TPG Telecom	246,800	0.00%
208,522	Wesfarmers	4,073,265	0.03%
411,860	Westfield Group	3,226,340	0.02%
805,561	Westpac Banking	12,731,568	0.08%
107,600	Whitehaven Coal	351,542	0.00%
190,311	Woodside Petroleum	5,611,369	0.04%
648,838	Woolworths	11,348,991	0.07%
		219,185,228	1.43%

Hong Kong

62,000	Aeon Stores	71,042	0.00%
1,144,000	Agile Property	1,167,462	0.01%
1,576,000	Air China	856,361	0.01%
217,000	Ajisen	128,985	0.00%
616,000	Allied Properties	79,406	0.00%
2,288,000	Amx	39,939	0.00%
282,000	Amvig	80,529	0.00%
36,000	Asia Financial	8,862	0.00%
552,000	Beijing Enterprise	2,779,543	0.02%
5,190,000	Belle	4,209,276	0.03%
2,752,000	Bosideng	428,657	0.00%
307,000	Champion Real Estate	90,691	0.00%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Hong Kong (continued)			
344,000	Chaoda Modern Agriculture	255,593	0.00%
3,012,000	China Mengniu Dair	7,482,208	0.05%
920,000	China Mobile	5,999,696	0.04%
564,000	China Oriental	140,862	0.00%
2,389,520	China Overseas Land & Investments	3,508,055	0.02%
2,948,000	China Pharmaceutical Group	1,137,409	0.01%
5,224,000	China Sci Tech	114,573	0.00%
1,930,400	China Taiping Insurance	4,337,434	0.03%
651,000	China Yurun Food Group	1,340,358	0.01%
236,000	Chinese Estates	279,712	0.00%
50,000	Chow Sang Sang	41,626	0.00%
359,000	Citic Pacific	671,665	0.00%
220,000	City Telecom	72,868	0.00%
2,500,000	Cnood	2,730,308	0.02%
776,000	Comba Telecom Systems	630,753	0.00%
876,000	Dah Sing Financial	3,371,975	0.02%
722,500	Dicksons Concept	275,524	0.00%
2,512,000	Digital China	2,334,150	0.02%
540,018	Esprit	2,501,672	0.02%
7,759,200	First Pacific	3,292,359	0.02%
4,995,000	Geely Automobile	1,909,305	0.01%
4,335,000	Geomaxima Energy	82,657	0.00%
5,341,000	Gome Electrical	1,348,291	0.01%
822,000	Great Eagle	1,486,398	0.01%
128,000	Guangdong Investment	51,906	0.00%
3,521,000	Haier Electronics Group	1,598,033	0.01%
1,955,000	Hang Lung Group	6,764,070	0.04%
679,000	Hang Seng Bank	6,971,802	0.05%
300,000	Hannstar Board	49,146	0.00%
11,000,000	Henderson Investment	600,668	0.00%
604,000	HKR	178,428	0.00%
44,000	Hon Kwok Land Investment	10,005	0.00%
336,500	Hong Kong And Shanghai Hotels	342,196	0.00%
330,000	Hopson Development	330,860	0.00%
642,000	Hutchison Telecommunications	81,365	0.00%
1,469,000	Hutchison Whampoa	7,022,227	0.05%
686,422	Jardine Matheson	14,380,269	0.09%
15,000	Jinhui	3,612	0.00%
54,000	Johnson Electric	14,985	0.00%
16,000	Keck Seng Investments	5,629	0.00%
1,448,500	Kerry Properties	5,121,857	0.03%
210,000	Kingboard Chemical	579,004	0.00%
408,000	Kingboard Laminates	196,131	0.00%
226,000	Kowloon Development	182,283	0.00%
24,405,000	Lai Sun Development	288,380	0.00%
2,632,000	Lenovo Group	1,145,075	0.01%
2,863,000	Link Real Estate Investment	5,079,686	0.03%
52,000	Mandarin Oriental	53,783	0.00%
658,000	Newocean Green Energy	53,602	0.00%
380,000	Next Media	35,378	0.00%
1,125,000	Nine Dragons Paper	1,258,851	0.01%
777,000	Pacific Andes Resources	109,659	0.00%
83,000	Pacific Century Premium	15,677	0.00%
3,440,000	Polytec Asset	532,741	0.00%
224,500	Ports Design	484,334	0.00%
617,400	Regal Hotels	179,070	0.00%
379,000	Road King Infrastructure	204,582	0.00%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Hong Kong (continued)			
416,000	Sa Sa International	191,412	0.00%
214,000	Shanghai Industrial	759,572	0.00%
2,582,000	Shangri-La Asia	3,374,589	0.02%
5,598,000	Sim Technology Group	506,135	0.00%
572,000	Sinocom Software	48,644	0.00%
12,256,042	Sinolink Worldwide	1,623,767	0.01%
4,596,000	Skyworth Digital	3,283,180	0.02%
4,000	Stella International	5,042	0.00%
306,000	Strong Petrochemical	51,498	0.00%
8,000	Sun Hung Kai	4,225	0.00%
646,000	Sun Hung Kai Properties	6,725,492	0.04%
1,332,000	Swire Pacific	11,208,408	0.07%
719,000	Tai Cheung	290,924	0.00%
846,459	Texwinca	549,358	0.00%
4,288,000	TPV Technology	1,834,824	0.01%
8,400	Transport	16,543	0.00%
260,000	Truly	165,716	0.00%
150,000	Varitronix	32,629	0.00%
296,000	Victory City	41,336	0.00%
350,000	VST	59,216	0.00%
103,597	Vtech	689,045	0.00%
32,000	Wai Kee	4,870	0.00%
123,000	Wheelock & Co	262,056	0.00%
326,500	Wing Hang Bank	2,119,010	0.01%
		143,058,990	0.93%
New Zealand			
448,900	Air New Zealand	274,286	0.00%
Singapore			
235,000	Ascendas Real Estate Investment Trust	258,344	0.00%
109,000	Boustead Singapore	42,102	0.00%
216,000	Cambridge Industrial Reit	48,133	0.00%
909,000	Capitaland	1,890,562	0.01%
136	Changjiang Fertilizer	18	0.00%
1,162,000	City Developments	6,651,837	0.04%
117,000	Comfortdelgro	95,018	0.00%
302,000	CSE Systems & Engineering	129,360	0.00%
1,187,000	DBS	9,052,095	0.06%
315,000	ECS	73,314	0.00%
864,096	Flextronics International	4,384,660	0.03%
140,000	Guocoleisure	48,529	0.00%
220,000	Guthrie	43,033	0.00%
39,000	Haw Par	112,207	0.00%
277,000	Hiap Seng Engineering	89,160	0.00%
208,000	Hi-P	74,676	0.00%
1,175,000	Ho Bee Investment	1,006,611	0.01%
183,000	Hong Leong Asia	262,801	0.00%
38,000	Hong Leong Singapore	59,463	0.00%
942,000	Hupsteel	130,613	0.00%
286,000	Jardine Cycle & Carriage	3,823,908	0.02%
187,000	Keppel	762,113	0.00%
247,000	LC Development	22,628	0.00%
29,000	Low Keng Huat (Singapore)	4,811	0.00%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
43,000	Metro	16,822	0.00%
159,043	OM	193,737	0.00%
1,832,000	Sembcorp Industries	3,356,641	0.02%
4,657,129	Singapore Telecommunications	7,172,265	0.05%
295,000	Soilbuild Group	134,396	0.00%
5,000	Stats Chippac	2,476	0.00%
221,000	Suntec Real Estate Investment	147,742	0.00%
882,000	United Overseas Bank	8,604,239	0.07%
302,000	Uob-Kay Hian	225,820	0.00%
83,000	UOL Group	167,282	0.00%
8,000	Venture	35,060	0.00%
1,397,000	Wilmar International	4,448,207	0.03%
1,520,000	Wing Tai	1,377,440	0.01%
		54,948,120	0.37%

Total Asia Pacific Equities

417,466,624 **2.73%**

EMERGING MARKETS

Brazil

168,800	Acucar Guarani	376,411	0.00%
232,400	Banco Bradesco	3,528,105	0.02%
151,610	Banco Bradesco (Preference)	2,196,301	0.01%
199,681	Banco do Brasil	2,361,536	0.02%
92,100	Banco Panamericano	386,913	0.00%
54,400	Bradespar	834,640	0.01%
14,679	Brasileira de Distribuicao	765,436	0.01%
88,900	Brookfield Incorporacoes	276,120	0.00%
59,500	Cesp-Cia Energetica	569,341	0.00%
53,083	Cia Brasileira de Distribuicao	1,374,371	0.01%
23,337	Companhia de Bebidas das Amers	1,637,607	0.01%
25,600	Companhia Paranaense	381,175	0.00%
48,771	Companhia Siderurgica	1,080,979	0.01%
344,600	Compania Vale do Rio Doce	5,790,674	0.04%
208,500	Confab Industrial	425,087	0.00%
212,293	Cyrela Brazil Real	2,071,110	0.01%
124,500	Duratex	803,130	0.01%
31,500	Eletropaulo Metropolitana	432,744	0.00%
61,811	Fibria Celulose	979,983	0.01%
152,500	Gerdau	1,802,773	0.01%
36,000	Gol Linhas Aereas Inteligentes	383,590	0.00%
21,100	Iguatemi Empresa Shopping	285,669	0.00%
352,100	Itau Unibanco	5,582,371	0.04%
165,295	Itau Unibanco (Preference)	2,546,595	0.02%
486,824	Itausa (Preference)	2,297,163	0.02%
59,200	Localiza Rent a Car	455,439	0.00%
113,100	Lojas Americanas (Preference)	699,416	0.00%
107,400	Lojas Renner	1,680,731	0.01%
35,100	Marfrig Frigorificos	267,237	0.00%
122,631	MRV Engenharia	688,527	0.00%
52,628	Natura Cosmeticos	760,930	0.00%
13,200	Net Servicos de Comunicacao	123,973	0.00%
52,200	Net Servicos de Comunicacao (Preference)	498,865	0.00%
100,000	OGX Petroleo e Gas	680,922	0.00%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
407,227	Petroleo Brasileiro	13,478,123	0.09%
334,500	Petroleo Brasileiro (Preference)	9,842,743	0.06%
7,200	Porto Seguro	57,886	0.00%
37,582	Redecard	433,990	0.00%
157,000	Rossi Residencial	956,517	0.01%
102,900	Suzano Papel el Cel	839,983	0.01%
26,800	Tele Norte Leste	477,028	0.00%
58,500	Tele Norte Leste Participacoes	869,825	0.01%
30,400	Tim Participacoes	626,950	0.00%
10,800	Totvs	507,466	0.00%
16,200	Usiminas	323,123	0.00%
3,500	Usinas Sid Minais Gerais	68,835	0.00%
19,700	Vale	396,981	0.00%
378,300	Vale (Preference)	6,517,705	0.04%
93,593	Vivo Participacoes	2,014,010	0.01%
		82,437,025	0.54%

Chile

21,000	Compania Cervecerias Unida	568,805	0.00%
8,000	Empresa Nacional Electric	279,161	0.00%
79,200	Enerasis	1,256,776	0.01%
		2,104,742	0.01%

China

452,000	Angang Steel	692,714	0.00%
470,000	Anta Sports Products	484,688	0.00%
11,649,000	Bank of China	4,379,755	0.03%
1,251,000	Bank of Communications	1,009,006	0.01%
2,263,000	Celestial Nutrifoods	190,507	0.00%
1,167,000	China Citic Bank	692,622	0.00%
1,460,000	China Communications Construction	971,077	0.01%
9,697,000	China Construction Bank	5,789,953	0.04%
2,290,000	China Life Insurance	7,861,632	0.05%
634,000	China Milk Products Group	106,745	0.00%
204,000	China National Building	293,283	0.00%
331,400	China Pacific Insurance	916,691	0.01%
4,772,000	China Petroleum And Chemical	2,951,823	0.02%
1,146,500	China Railway Construction	1,021,196	0.01%
563,500	China Shenhua Energy	1,916,855	0.01%
824,000	China Shipping Development	860,078	0.01%
1,988,000	China Southern Airlines	430,669	0.00%
2,568,000	China Telecom	744,821	0.00%
1,081,000	China Zaino International	123,121	0.00%
2,400,000	China Zenith Chemical Group	52,207	0.00%
656,000	Chongqing Iron & Steel	170,887	0.00%
3,456,000	Dongfeng Motor Group	3,458,815	0.02%
252,000	Eagle Nice International	73,992	0.00%
301,000	Golden Eagle Retail Group	426,809	0.00%
197,000	Great Wall Motor Company	170,708	0.00%
782,400	Guangzhou R&F Properties	959,536	0.01%
15,060,000	Industrial & Communications Bank of China	8,682,058	0.06%
162,000	Intime Department Store(Group)	104,124	0.00%
422,000	Jiangxi Copper	693,581	0.00%
862,000	Maanshan Iron & Steels	438,296	0.00%
1,196,000	Minth Group	1,224,811	0.01%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
China (continued)			
400,000	Peoples Food	123,799	0.00%
5,648,000	Petrochina	4,712,186	0.03%
155,476	RCG Holdings Group	140,490	0.00%
38,948,000	Semiconductor Manufacturing	1,743,279	0.01%
880,000	Shimao Property	1,159,584	0.01%
922,000	Sino-Ocean Land	592,608	0.00%
193,900	Tencent Holdings	2,924,755	0.02%
300,000	Weichai Power	1,683,839	0.01%
4,310,000	Yangzijiang Shipbuilding	2,582,500	0.02%
1,910,000	Yanzhou Coal Mining	2,934,016	0.02%
860,000	Zhejiang Expressway	553,527	0.00%
1,730,000	Zijin Mining Group	1,149,111	0.01%
411,400	ZTE	1,767,736	0.01%
		69,960,489	0.46%
Egypt			
354,738	Al Ezz Steel Rebar	768,602	0.01%
58,634	Commercial International Bank (Egypt)	406,456	0.00%
85,626	Maridive & Oil Services	234,779	0.00%
20,144	Orascom Constructions Industry	650,212	0.00%
368,500	Talaat Mostafa Group	325,456	0.00%
		2,385,506	0.01%
Hungary			
142,882	OTP Bank	2,882,790	0.02%
India			
74,381	Dr Reddys Labs	1,250,010	0.01%
21,054	HDFC Bank	1,901,086	0.01%
96,978	Icici Bank	2,538,554	0.02%
119,860	Infosys Technologies	4,598,544	0.03%
155,400	Jindal Steel & Power	1,630,263	0.01%
48,250	Larsen & Toubro	1,227,518	0.01%
114,541	Mahindra & Mahindra	1,837,326	0.01%
108,648	Reliance Industries	3,506,964	0.02%
31,299	Reliance Infrastructure	535,384	0.00%
12,525	State Bank of India	860,735	0.01%
233,300	Sterlite Industries India	2,950,664	0.02%
78,425	Tata Consultancy Services	877,660	0.01%
78,216	Tata Motors	923,507	0.01%
57,100	Thermax	518,746	0.00%
514,084	Unitech	631,103	0.00%
		25,788,062	0.17%
Indonesia			
1,142,500	Astra	2,909,465	0.02%
4,321,000	Bank BNI	627,880	0.00%
2,506,000	Bank Rakyat Indonesia	1,406,922	0.01%
5,939,500	Bank Mandiri	2,048,685	0.01%
3,255,000	Bumi Resources	579,282	0.00%
1,025,100	Delta Dunia Property	127,139	0.00%
1,466,500	Indocement Tunggul Prakarsa	1,474,450	0.01%
988,500	Semen Gresik Persero	547,711	0.00%
1,297,500	Telekomunikasi Indonesia	899,843	0.01%
1,499,500	United Tractors	1,705,712	0.01%
		12,327,090	0.08%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Malaysia			
518,400	Cimb Group	1,349,442	0.01%
456,900	Genting	679,894	0.00%
653,600	Malayan Banking	908,992	0.01%
292,200	RHB Capital	313,964	0.00%
		3,252,293	0.02%
Mexico			
268,200	America Movil	8,746,381	0.06%
177,262	Cemex	1,454,420	0.01%
9,800	Coca-Cola Femsa	447,075	0.00%
717,400	Corporacion Geo	1,317,475	0.01%
18,181	Desarrolladora Homex	424,299	0.00%
248,700	Fomento Economico Mexicano	1,344,122	0.01%
534,900	Grupo Financiero Banorte	1,352,352	0.01%
2,379,400	Grupo Mexico	3,773,632	0.02%
37,600	Grupo Televisa	541,841	0.00%
585,300	Mexichem	772,675	0.01%
39,900	Telefonos de Mexico	459,213	0.00%
21,200	Telmex Internacional	261,211	0.00%
258,200	Wal-Mart de Mexico	800,978	0.01%
		21,695,672	0.14%
Peru			
41,095	Compania De Minas Buenaven	954,776	0.01%
Philippines			
1,096,000	Alliance Global	68,390	0.00%
6,830	Philippine Long Distance	269,063	0.00%
3,274,000	Robinson's Land	639,963	0.00%
		977,416	0.01%
Poland			
21,741	Bank Pekao	856,504	0.01%
2,234	Bank Slaski	424,539	0.00%
17,115	Bank Zachodni	792,265	0.01%
139,255	KGHM Polska Miedz	3,596,304	0.02%
161,225	Powszechna Kasa Oszczed	1,492,642	0.01%
		7,162,254	0.05%
Russia			
39,000	AO Tatneft	788,880	0.01%
417,300	Gazprom	7,386,610	0.05%
361,271	JSC MMC Norilsk Nickel	3,598,666	0.02%
102,963	Lukoil	4,073,214	0.03%
70,829	Mechel	925,310	0.01%
125,135	Mobile Telesystems	4,246,738	0.03%
38,051	Novatek	1,743,278	0.01%
104,856	Novolipet Steel	2,234,541	0.01%
819,763	Rosneft	4,893,768	0.03%
145,815	Severstal	961,573	0.01%
113,818	Uralkali	1,659,155	0.01%
181,239	Vimpel Communications	2,338,771	0.02%
426,132	VTB Bank	1,396,184	0.01%
63,200	Wimm Bill Dann Foods	1,045,437	0.01%
		37,292,123	0.24%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
South Africa			
96,373	Absa Group	1,161,066	0.01%
147,925	African Bank Investments	413,291	0.00%
3,300	Anglo American Platinum	245,195	0.00%
26,649	Anglogold Ashanti	765,266	0.00%
112,388	Arcelormittal South Africa	1,085,314	0.01%
220,794	Aspen Pharmacare	1,523,574	0.01%
181,449	Aveng	678,775	0.00%
81,922	Bidvest Group	990,806	0.01%
34,800	Clicks Group	88,909	0.00%
49,400	Exxaro Res	483,996	0.00%
82,327	Gold Fields	756,272	0.00%
75,741	Impala Platinum	1,441,465	0.01%
171,992	Imperial	1,424,667	0.01%
142,334	J.D.Group	661,894	0.00%
45,419	Kumba Iron Ore	1,286,857	0.01%
148,186	Mr Price Group	486,266	0.00%
117,141	MTN Group	1,294,855	0.01%
92,231	Nedbank Group	1,072,685	0.01%
235,766	Pretoria Portland Cement	767,687	0.01%
533,361	Sanlam	1,140,630	0.01%
54,479	Shoprite	333,126	0.00%
15,100	Spar Group	100,643	0.00%
68,399	Standard Bank Group	653,914	0.00%
1,039,073	Steinhoff	2,023,396	0.01%
29,878	Tongaat-Hulett	277,014	0.00%
		21,157,565	0.14%

South Korea

865	Amorepacific	484,658	0.00%
296,120	Busan Bank	2,478,073	0.02%
12,526	CJ	471,142	0.00%
12,100	CJ Home Shopping	562,548	0.00%
263,890	Daegu Bank	2,722,849	0.02%
67,000	Daekyo	238,343	0.00%
47,291	Daelim Industrial	2,360,337	0.02%
15,780	Daesang	75,257	0.00%
17,990	Daewoo Capital	67,882	0.00%
3,310	Daewoo Shipbuilding & Marine	34,749	0.00%
20,810	Daishin Securities	195,995	0.00%
61,070	Daou Data System	118,332	0.00%
192,790	Daou Technology	867,397	0.01%
28,630	Dongbu Engineering & Construction	145,299	0.00%
9,520	Dongbu Insurance	185,035	0.00%
3,956	Doosan	226,400	0.00%
43,410	Doosan Construction & Engineering	195,049	0.00%
48,100	Global & Yuasa Battery	728,582	0.00%
1,044	Green Cross	55,113	0.00%
8,880	GS Engineering & Construction	577,983	0.00%
15,930	GS Home Shopping	819,927	0.01%
24,150	Halla Climate Control	194,855	0.00%
3,050	Halla Engineering & Construction	52,511	0.00%
158,850	Hana Financial	3,135,128	0.02%
17,630	Handsome	170,275	0.00%
4,480	Hankuk Paper Manufacturing	99,438	0.00%
124,920	Hanwha Chemical	1,011,668	0.01%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
South Korea (continued)			
12,020	Hanwha Securities	65,545	0.00%
4,990	Hanyang Securities	32,030	0.00%
15,700	Hite	272,188	0.00%
19,960	Huchems Fine Chemicals	364,004	0.00%
67,540	Hynix Semiconductor	937,960	0.01%
10,949	Hyosung T&C	559,611	0.00%
20,349	Hyundai Engineering & Construction	865,489	0.01%
16,560	Hyundai Fire & Marine	185,769	0.00%
3,360	Hyundai H&S	164,073	0.00%
2,742	Hyundai Mipo Dock	169,425	0.00%
22,724	Hyundai Mobis	2,331,058	0.02%
17,323	Hyundai Motor	1,257,421	0.01%
12,012	Hyundi Steel	623,309	0.00%
239,310	Industrial Bank of Korea	2,009,838	0.01%
13,780	Jeil Pharmaceutical	78,862	0.00%
22,940	Jinheung Mutual	60,275	0.00%
10,900	KB Financial Group	384,746	0.00%
5,450	KCC Engineering & Construction	130,122	0.00%
38,140	Kia Motors	458,741	0.00%
260	Kisco	6,878	0.00%
6,770	Kiswire	158,795	0.00%
143	Kiwoom Securities	1,089	0.00%
10,200	Kolon	263,112	0.00%
111,670	Korea Exchange Bank	971,352	0.01%
26,121	Korea Zinc	3,196,629	0.02%
1,100	KPC	40,055	0.00%
70,400	KT	821,969	0.01%
62,800	KTB Securities	152,576	0.00%
29,100	Kwang Dong Pharmaceutical	53,069	0.00%
58,620	L G	2,553,023	0.02%
10,446	LG Chemical	1,431,886	0.01%
19,530	LG Dacom	208,542	0.00%
99,700	LG Display	2,347,508	0.02%
23,769	LG Electronics	1,732,445	0.01%
5,820	LG Household & Healthcare	1,015,987	0.01%
21,590	LG International	391,787	0.00%
62,870	LIG Non-Life Insurance	816,533	0.01%
439	Lotte Sam Kang	65,311	0.00%
2,896	Lotte Shopping Center	601,100	0.00%
773,670	Meritz Securities	570,865	0.00%
380,780	On Media	868,020	0.01%
2,770	Pacific	262,548	0.00%
104,336	Paradise	238,469	0.00%
32,958	Posco	4,487,459	0.03%
7,980	S&T	77,791	0.00%
2,660	S&TC	55,850	0.00%
7,710	Sam Whan	49,258	0.00%
6,681	Sambu Construction	86,971	0.00%
25,440	Samsung Electronics	12,193,717	0.08%
8,319	Samsung Fire & Marine Insurance	995,603	0.01%
21,760	Samsung Heavy	315,898	0.00%
33,300	Sejong Industrial	130,645	0.00%
39,430	Shinhan Financial Group	1,021,840	0.01%
3,494	Shinsegae	1,125,562	0.01%
4,730	Sindo	162,588	0.00%

Portfolio of Investments 31 December 2009

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
South Korea (continued)			
3,730	SK	199,146	0.00%
9,660	SK Chemicals	387,102	0.00%
5,400	SK Gas	165,534	0.00%
23,760	STX Engine	272,953	0.00%
16,037	Sungwoo Hitech	120,256	0.00%
14,560	Tae Gu Department	103,939	0.00%
68,030	Tong Yang Securities	489,727	0.00%
36,920	Woong Jin Coway	850,482	0.01%
196,720	Woori Finance	1,634,446	0.01%
24,890	Woori Investment & Securities	248,606	0.00%
8,180	Youngone	171,258	0.00%
152,800	Youngwon	1,072,461	0.01%
		74,413,932	0.49%
Taiwan			
140,000	Acer	293,483	0.00%
1,063,000	AU Optronics	898,763	0.01%
237,000	Catcher Technology	461,190	0.00%
2,332,000	Cathay Financial	3,033,773	0.02%
635,000	Cheng Shin Industries	1,017,048	0.01%
461,000	Chicony Electronics	779,548	0.01%
1,750,322	China Life Insurance	947,817	0.01%
448,000	China Steel	322,160	0.00%
3,097,000	Chinatrust Financial	1,346,370	0.01%
2,948,000	Compal Electronic	2,849,058	0.02%
949,000	E Sun Financial	276,075	0.00%
267,000	Epistar	698,189	0.00%
220,000	Foxconn Technology	594,463	0.00%
133,000	Giga-Byte Technology	90,859	0.00%
192,075	Hon Hai Precision	1,268,590	0.01%
1,742,000	Hon Hai Precision Industry	5,750,969	0.04%
667,000	Huaku Development	1,183,125	0.01%
863,000	King Yuan Electronics	285,848	0.00%
1,295,000	Lite-On Technology	1,355,949	0.01%
232,000	Mediatek	2,820,996	0.02%
371,000	Novatek Microelectronics	865,043	0.01%
420,000	Polaris Securities	174,351	0.00%
114,000	President Chain Store	189,047	0.00%
655,000	Quanta Computer	993,415	0.01%
357,000	Radiant Opto-Electric	362,133	0.00%
168,000	Richtek Technology	1,197,119	0.01%
928,000	Siliconware Precision Industries	876,632	0.01%
172,000	Simplo Technology	712,135	0.00%
788,000	Sincere Navigation	729,786	0.00%
211,000	Sunrex Technology	171,733	0.00%
539,000	Taiwan Mobile	732,915	0.00%
4,168,640	Taiwan Semiconductor Manufacturing	8,438,358	0.06%
381,000	Tripod Technology	896,662	0.01%
382,000	Unimicron Technology	386,244	0.00%
1,046,000	Uni-President Enterprises	899,205	0.01%
3,708,000	United Micro Electronics	1,389,788	0.01%
1,111,000	Wistron	1,503,439	0.01%
966,000	WPG	1,172,499	0.01%
		47,964,778	0.31%

Quoted Securities – Equities

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Thailand			
160,900	Bangkok Bank	390,632	0.00%
24,100	Banpu	289,284	0.00%
114,900	Banpu Public	1,383,991	0.01%
4,199,600	Charoen Pokphand Foods	988,944	0.01%
180,000	Kasikornbank	326,345	0.00%
9,600	PTT Exploration & Production	25,007	0.00%
45,400	Siam Cement	223,928	0.00%
154,700	Siam Commercial Bank	267,580	0.00%
		3,895,712	0.02%
Turkey			
213,803	Arcelik	580,474	0.00%
397,665	Asya Katilim Bankasi	638,567	0.00%
338,653	Turkiye Is Bankasi	990,167	0.01%
198,800	Tekfen	452,091	0.00%
637,030	Turk Ekonomi Banka	827,811	0.01%
569,735	Turk Hava Yollari	1,507,166	0.01%
1,092,606	Turkiye Garanti Bankasi	3,219,960	0.02%
433,581	Turkiye Halk Bankasi	2,394,586	0.02%
546,201	Turkiye Vakiflar Bankasi	1,079,879	0.01%
		11,690,702	0.08%
	Total Emerging Markets Equities	428,342,927	2.80%
EMERGING MARKETS FUNDS			
6,598,871	Alliance Bernstein Emerging Markets Growth Portfolio Fund	184,966,276	1.21%
23,505,765	EMM Emerging Markets Global Fund	167,717,368	1.09%
	Total Emerging Markets Funds	352,683,644	2.30%
GLOBAL EQUITY FUNDS			
697,028,5140	Generation IM Global Equity	72,857,602	0.47%
	Total Global Equity Funds	72,857,602	0.47%
	Total Equities	9,051,445,100	59.13%

Portfolio of Investments 31 December 2009

Quoted Securities – Government Bonds

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
3,650,500	US Treasury Bill	2,530,441	0.02%
Total Government Bonds		2,530,441	0.02%

Quoted Securities – Corporate Bonds

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Australia			
1,800,000	BHP Billiton 4.125% 05/05/2011	1,850,994	0.01%
3,330,000	Commonwealth Bank Australia 4.25% 10/11/2016	3,362,431	0.02%
3,560,000	National Australia Bank 4.75% 18/07/2016	3,711,506	0.02%
		8,924,931	0.05%
Austria			
2,610,000	OMV 6.25% 07/04/2014	2,910,236	0.02%
Czech Republic			
1,130,000	CEZ 5% 19/10/2021	1,158,911	0.01%
Denmark			
1,400,000	Dansk Naturgas 3.5% 29/06/2012	1,423,419	0.01%
1,420,000	Dansk Olie & Naturgas Dong 6.5% 07/05/2019	1,618,786	0.01%
3,260,000	Danske Bank 4.75% 04/06/2014	3,434,465	0.02%
700,000	Dong Energy 4.875% 07/05/2014	737,476	0.00%
1,230,000	Dong Energy 4.875% 16/12/2021	1,219,942	0.01%
		8,434,089	0.05%
France			
1,450,000	Air Liquide 5% 22/03/2013	1,548,978	0.01%
2,800,000	AXA 4.5% 23/01/2015	2,918,880	0.02%
3,720,000	AXA Variable 29/10/2049	3,134,100	0.02%
2,600,000	BNP Paribas 29/04/2049	2,067,000	0.01%
1,810,000	BNP Paribas 5% 16/12/2013	1,956,185	0.01%
3,200,000	Bouygues 4.5% 24/05/2013	3,336,365	0.02%
1,800,000	Carrefour 5.125% 10/10/2014	1,946,576	0.01%
2,700,000	Casino Guichard Perrach 5.5% 30/01/2015	2,879,928	0.02%
3,400,000	Credit Mutuel Arkea 5.375% 22/04/2014	3,685,950	0.02%
5,800,000	Dexia Credit Local 5.375% 21/07/2014	6,112,098	0.04%
2,050,000	Electricite de France 4.625% 11/09/2024	2,040,796	0.01%
1,300,000	Electricite de France 5.375% 29/05/2020	1,410,474	0.01%
2,000,000	France Telecom 5% 22/01/2014	2,135,980	0.01%
1,000,000	France Telecom 7.25% 28/01/2013	1,128,519	0.01%
1,800,000	Sanofi-Aventis 4.5% 18/05/2016	1,900,588	0.01%
3,200,000	Societe Generale 3.75% 21/08/2014	3,271,811	0.02%
1,000,000	Societe Generale 4.2% 05/05/2012	1,034,909	0.01%
750,000	Societe Generale Variable 22/05/2049	697,500	0.00%

Portfolio of Investments 31 December 2009

Quoted Securities – Corporate Bonds

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
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France (continued)

5,200,000	Societe Generale Variable 29/01/2049	3,692,000	0.02%
3,600,000	Total Capital 3.5% 27/02/2014	3,699,263	0.02%
2,600,000	Veolia Environment 5.125% 24/05/2022	2,641,194	0.02%
1,470,000	Veolia Environment 6.75% 24/04/2019	1,716,654	0.01%
800,000	Vivendi 4.25% 01/12/2016	798,318	0.01%
1,600,000	Vivendi 4.5% 03/10/2013	1,658,944	0.01%
		57,413,009	0.35%

Germany

3,800,000	Commerzbank Variable 29/11/2017	3,688,014	0.02%
900,000	Daimler 4.625% 02/09/2014	937,398	0.01%
1,050,000	Deutsche Bank 5.125% 31/08/2017	1,121,614	0.01%
4,500,000	Deutsche Bank Variable 16/01/2014	4,386,555	0.03%
2,320,000	HSH Nordbank 4.375% 14/02/2017	1,433,883	0.01%
1,000,000	Landesbank Hessen- Thueringen Variable 08/12/2016	985,298	0.01%
4,100,000	Munchener Ruckversicherungs Variable 29/01/2049	3,669,500	0.02%
2,074,000	Volkswagen Financial Services 6.875% 15/01/2014	2,347,818	0.02%
		18,570,079	0.13%

Ireland

2,060,000	Allied Irish Banks 4.5% 01/10/2012	2,016,431	0.01%
2,430,000	Bank of Ireland 4.625% 08/04/2013	2,378,059	0.02%
2,230,000	GE Capital Euro Funding 4.75% 30/07/2014	2,326,320	0.02%
		6,720,810	0.05%

Italy

4,200,000	Assicurazioni Generali 5.125% 16/09/2024	4,286,360	0.03%
1,060,000	Atlantia 5.625% 06/05/2016	1,154,691	0.01%
2,500,000	Banca Monte dei Paschi Siena 6% 20/06/2011	2,626,595	0.02%
1,610,000	Hera 4.5% 03/12/2019	1,602,863	0.01%
5,000,000	Intesa Sanpaolo 3.75% 23/11/2016	4,919,730	0.03%
1,200,000	Intesa Sanpaolo 6.625% 08/05/2018	1,231,472	0.01%
2,300,000	Intesa Sanpaolo Variable 29/10/2049	2,425,437	0.02%
1,500,000	Lottomatica 5.375% 05/12/2016	1,520,700	0.01%
1,790,000	Telecom Italia 7.875% 22/01/2014	2,069,401	0.01%
2,550,000	Telecom Italia 8.25% 21/03/2016	3,095,644	0.02%
1,030,000	Unicredit 4.875% 12/02/2012	1,085,921	0.01%

Quoted Securities – Corporate Bonds

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
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Italy (continued)

3,000,000	Unicredit 6.7% 05/06/2018	3,048,816	0.02%
2,000,000	Unicredito Variable 20/09/2016	2,011,690	0.01%
		31,079,321	0.21%

Luxembourg

2,370,000	Arcelormittal 9.375% 03/06/2016	2,887,916	0.02%
3,080,000	Enel Finance 4% 14/09/2016	3,131,975	0.02%
2,000,000	Gaz Capital 6.605% 13/02/2018	2,030,000	0.01%
1,150,000	Glencore Finance Europe 7.125% 23/04/2015	1,236,250	0.01%
1,500,000	Holcim Finance 9% 26/03/2014	1,802,804	0.01%
2,840,000	Unicredit International Bank Variable 29/12/2049	2,803,645	0.02%
		13,892,590	0.09%

Mexico

2,150,000	Petroleos Mexicanos 5.5% 09/01/2017	2,129,016	0.01%
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Netherlands

2,700,000	Allianz Finance 4% 23/11/2016	2,725,596	0.02%
1,550,000	Allianz Finance 4.75% 22/07/2019	1,602,745	0.01%
1,200,000	Allianz Finance 5% 06/03/2013	1,278,646	0.01%
2,900,000	BAT 4.375% 15/06/2011	2,986,292	0.02%
2,380,000	Deutsche Telekom 6% 20/01/2017	2,642,338	0.02%
2,800,000	Deutsche Telekom Step 11/07/2011	3,016,196	0.02%
2,000,000	E. On International Finance 5.25% 08/09/2015	2,173,212	0.01%
943,000	E. On International Finance 5.5% 19/01/2016	1,040,595	0.01%
1,490,000	EDP Finance 4.75% 26/09/2016	1,559,841	0.01%
3,900,000	Electricidade de Portugal 4.25% 12/06/2012	4,057,794	0.03%
3,150,000	Elm Variable 29/05/2049	2,598,750	0.02%
1,490,000	EnBW International Finance 6.125% 07/07/2039	1,637,763	0.01%
2,800,000	Generali Finance Variable 28/02/2049	2,499,000	0.02%
2,900,000	ING Bank Variable 15/03/2019	2,812,475	0.02%
3,870,000	ING Bank Variable 29/05/2023	3,928,282	0.03%
1,850,000	ING Group 4.75% 31/05/2017	1,869,397	0.01%
2,500,000	KBC Internationale Financierin 4.5% 17/09/2014	2,534,903	0.02%
2,880,000	Koninklijke KPN 5% 13/11/2012	3,042,351	0.02%
1,140,000	Koninklijke KPN 5.625% 30/09/2024	1,195,735	0.01%

Portfolio of Investments 31 December 2009

Quoted Securities – Corporate Bonds

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
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Netherlands (continued)

1,530,000	Koninklijke KPN 7.5% 04/02/2019	1,856,419	0.01%
1,310,000	Portugal Telecom 5% 04/11/2019	1,318,685	0.01%
700,000	Portugal Telecom 6% 30/04/2013	758,184	0.00%
3,060,000	Shell International Finance 4.5% 09/02/2016	3,238,808	0.02%
3,410,000	Siemens Financieringsmaat 5.625% 11/06/2008	3,805,979	0.02%
1,540,000	Verbund International Finance 4.75% 16/07/2019	1,563,160	0.01%
1,300,000	Verbund International Finance 5% 25/06/2014	1,384,050	0.01%
1,730,000	Volkswagen International Finance 7% 09/02/2016	2,015,798	0.01%
		61,142,995	0.41%

Norway

5,270,000	DNB Nor Bank 4.5% 29/05/2014	5,531,824	0.04%
1,640,000	Statkraft 6.625% 02/04/2019	1,887,645	0.01%
		7,419,469	0.05%

Portugal

5,150,000	Banco Espirito Santo 5.625% 05/06/2014	5,498,670	0.04%
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Spain

1,650,000	Gas Natural Capital 4.375% 02/11/2016	1,665,203	0.01%
2,300,000	Gas Natural Capital 5.25% 09/07/2014	2,460,956	0.02%
2,550,000	Iberdrola Finanzas 4.875% 04/03/2014	2,725,573	0.02%
3,800,000	Santander International Debt 5.625% 14/02/2012	4,053,304	0.03%
3,900,000	Santander Issuances Variable 30/03/2018	3,921,875	0.03%
2,150,000	Telefonica Emisiones 4.693% 11/11/2019	2,162,309	0.01%
2,950,000	Telefonica Emisiones 5.431% 03/02/2014	3,180,262	0.02%
		20,169,482	0.14%

Sweden

1,030,000	Investor 4.875% 18/11/2021	1,040,260	0.01%
3,650,000	Nordea Bank 3% 06/08/2012	3,691,387	0.02%
3,180,000	Nordea Bank 4.5% 12/05/2014	3,331,304	0.02%
2,290,000	Nordea Bank Variable 10/09/2018	2,454,731	0.02%
4,180,000	Skandinaviska Enskilda Banken 5.5% 06/05/2014	4,470,130	0.03%
4,530,000	Svenska Handelsbanken 3% 20/08/2012	4,582,163	0.03%
1,360,000	Teliasonera 4.75% 16/11/2021	1,381,854	0.01%

Quoted Securities – Corporate Bonds

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
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Sweden (continued)

2,216,000	Teliasonera 5.125% 13/03/2014	2,378,940	0.02%
1,500,000	UBS 5.375% 11/04/2011	1,563,510	0.01%
1,050,000	Vattenfall Treasury 4.25% 19/05/2014	1,096,931	0.01%
950,000	Vattenfall Treasury 5.75% 05/12/2013	1,042,628	0.01%
		27,033,838	0.19%

Switzerland

2,000,000	Credit Suisse 4.75% 05/08/2019	2,026,394	0.01%
3,700,000	Credit Suisse 6.125% 16/05/2014	4,121,545	0.03%
2,100,000	UBS 6% 18/04/2018	2,283,872	0.01%
3,800,000	UBS Variable 29/04/2049	2,530,800	0.02%
		10,962,611	0.07%

United Kingdom

900,000	Anglo American Capital 4.25% 30/09/2013	927,733	0.01%
1,640,000	Anglo American Capital 5.875% 17/04/2015	1,778,165	0.01%
3,100,000	B.A.T. International Finance 5.875% 12/03/2015	3,394,593	0.02%
4,800,000	Bank of Scotland 5.625% 23/05/2013	5,073,619	0.03%
2,180,000	Bank of Scotland Group 5.375% 30/09/2019	2,127,573	0.01%
2,260,000	Barclays Bank 4.875% 13/08/2019	2,302,364	0.01%
2,800,000	Barclays Bank 5.25% 27/05/2014	2,988,272	0.02%
2,370,000	Barclays Bank 6% 23/01/2018	2,488,931	0.02%
5,000,000	Credit Suisse Group Finance Variable 23/01/2018	4,968,680	0.03%
1,930,000	Diageo Finance 6.625% 05/12/2014	2,198,600	0.01%
4,000,000	EFG Hellas 4.375% 11/02/2013	3,778,164	0.02%
2,900,000	Glaxosmithkline Capital 3.875% 06/07/2015	2,975,916	0.02%
3,110,000	HSBC Holdings 4.5% 30/04/2014	3,271,953	0.02%
2,270,000	HSBC Holdings 6% 10/06/2019	2,472,023	0.02%
2,460,000	Lloyds TSB Bank 6.375% 17/06/2016	2,667,924	0.02%
3,000,000	Lloyds TSB Bank Variable 05/03/2018	2,839,596	0.02%
1,370,000	National Grid 4.125% 21/03/2013	1,405,595	0.01%
4,450,000	OTC 4.625% 20/05/2016	4,401,273	0.03%
2,580,000	OTE 5.375% 14/02/2011	2,660,083	0.02%
3,770,000	Standard Chartered 5.75% 30/04/2014	4,086,997	0.03%
2,150,000	Tesco 5.125% 10/04/2047	1,888,173	0.01%
1,453,000	Vodafone Group 6.25% 15/01/2016	1,628,477	0.01%
		62,324,705	0.40%

Portfolio of Investments 31 December 2009

Quoted Securities – Corporate Bonds

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
United States			
1,450,000	AT&T 6.125% 02/04/2015	1,623,841	0.01%
4,650,000	Bank of America 7% 15/06/2016	5,234,338	0.03%
2,870,000	Citigroup 7.375% 04/09/2019	3,130,573	0.02%
3,100,000	Citigroup Variable 30/11/2017	2,666,865	0.02%
2,090,000	DB Capital Funding 9.5% 29/03/2049	2,243,720	0.01%
3,490,000	General Electric Capital Variable 15/09/2067	2,687,300	0.02%
1,100,000	Goldman Sachs Group 5.125% 23/10/2019	1,114,042	0.01%
2,360,000	Goldman Sachs Group 6.375% 02/05/2018	2,603,703	0.02%
3,700,000	Hutchison Whamp 4.75% 14/11/2016	3,719,758	0.02%
2,000,000	JP Moran Chase & Co Variable 31/03/2018	1,992,788	0.01%
3,000,000	Kraft Foods 5.75% 20/03/2012	3,162,024	0.02%
2,000,000	Metropolitan Life Global 4.625% 16/05/2017	1,892,124	0.01%
1,400,000	Morgan Stanley 4.5% 29/10/2014	1,409,240	0.01%
1,450,000	Morgan Stanley 6.5% 28/12/2018	1,567,601	0.01%
2,750,000	Philip Morris 5.875% 14/09/2015	3,058,050	0.02%
4,350,000	Swiss Re Treasury 7% 19/05/2014	4,888,556	0.03%
1,190,000	Toyota Motor Credit 5.25% 03/02/2012	1,259,077	0.01%
4,000,000	Zurich Finance 4.5% 17/09/2014	4,158,027	0.03%
1,530,000	Zurich Finance 6.5% 14/10/2015	1,734,820	0.01%
		50,146,444	0.32%
Total Quoted Corporate Bonds		395,931,206	2.59%

Unquoted Securities – Corporate Bonds

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Ireland			
150,000,000	Allied Irish Banks Variable 07/05/2023	137,392,298	0.90%
200,000,000	Bank of Ireland 4.971% 30/05/2013	205,332,784	1.34%
100,000,000	Bank of Ireland Index Linked Bond CPI 12/06/2027	80,114,688	0.52%
35,000,000	Bank of Ireland Variable 07/09/2020	36,801,785	0.24%
100,000,000	DAA Finance 6.587% 09/07/2018	98,852,000	0.64%
Total Unquoted Corporate Bonds		558,493,555	3.64%

Portfolio of Investments 31 December 2009

Unquoted Securities - Property

Commitment €m	Security Description	Market Value €	% of Discretionary Portfolio Investments
44	Airport Industrial Property Unit Trust	20,129,029	0.13%
35	Apollo Domestic Emerging Markets Fund	2,513,298	0.02%
19	Asian Retail Mall II	16,195,581	0.11%
30	Berkshire Multifamily Value Fund	14,199,563	0.09%
58	Broadway Partners Value-Added Fund II	7,603,468	0.05%
36	CB Richard Ellis Strategic Partners UK Fund II	-	0.00%
37	CB Richard Ellis Strategic Partners UK Fund III	10,708,305	0.07%
44	CB Richard Ellis Strategic Partners US IV	17,631,542	0.12%
18	Composition Capital Asia Fund	7,420,131	0.05%
29	CT Large Loan 2006	(9,851,107)	(0.06%)
35	Forum Asian Realty Income II	23,758,102	0.15%
50	Forum European Realty Income	28,907,300	0.19%
30	French Development Venture II	8,551,018	0.05%
35	Grosvenor French Retail Investment	8,734,000	0.06%
37	Lehman Brothers Offshore Real Estate Partners II	17,371,506	0.11%
53	Madison Marquette Retail Enhancement Fund	12,139,819	0.08%
42	MGP Japan Core Plus Fund	13,770,096	0.09%
82	Morgan Stanley Real Estate Fund V US	3,861,202	0.02%
43	Morgan Stanley Real Estate Fund V International	13,018,047	0.09%
80	Morgan Stanley Real Estate Fund VI International	10,956,827	0.07%
36	Pramerica Real Estate Companies Account III	13,627,478	0.09%
50	Morgan Stanley Eurozone Office Fund	35,122,454	0.23%
35	Rockspring German Retail Box Fund	27,670,000	0.18%
44	The Mall Unit Trust	3,951,706	0.03%
75	Tishman Speyer European Real Estate Venture VI	88,708	0.00%
46	Tishman Speyer Real Estate Venture VI	8,209,729	0.05%
1,123	Total Unquoted Property Investments	316,287,802	2.07%

Unquoted Securities - Private Equity

Commitment €m	Security Description	Market Value €	% of Discretionary Portfolio Investments
8	Abingworth Bioventures V	3,720,196	0.02%
11	Abingworth Bioventures V Co-Invest Growth Equity	917,921	0.01%
75	Charterhouse Capital Partners IX	4,084,982	0.03%
65	Charterhouse Capital Partners VIII	32,308,605	0.21%
67	Clayton Dubilier & Rice Fund VII	57,653,502	0.38%
22	Clayton Dubilier & Rice Fund VII (Co-Investment)	13,643,040	0.09%
69	Clayton Dubilier & Rice VIII	12,832,800	0.08%
75	CVC European Equity Partners IV	50,529,674	0.33%
25	CVC European Equity Partners Tandem Fund	12,912,659	0.08%
75	CVC European Equity Partners V	14,927,470	0.10%
20	Delta Equity Fund III	3,475,837	0.02%
15	Fortress Investment Fund IV	9,776,945	0.06%
15	Fortress Investment Fund IV Co-Investment	9,173,139	0.06%
45	Fortress Investment Fund V	15,381,417	0.10%
24	Fortress Investment Fund V Co-Investment	11,381,816	0.07%
30	Fortress IW Co-Investment Fund	-	0.00%
15	Fountain Healthcare Partners	2,844,517	0.02%
14	Frazier Healthcare VI	2,821,657	0.02%
52	Hellman & Friedman Capital Partners VI	34,614,343	0.23%
65	Madison Dearborn Capital Partners V	39,558,569	0.26%
21	Montagu Newhall Global Partners III	12,484,395	0.08%
28	Montagu Newhall Global Partners IV	4,998,509	0.03%
14	New Enterprise Associates 12	8,592,038	0.06%
70	New Mountain Partners III	14,943,082	0.10%
75	Nordic Capital VII	18,661,489	0.12%
14	Oak Investment Partners XII	8,984,456	0.06%
72	OCM Opportunities Fund VIIb	79,926,266	0.52%
34	Palamon European Equity II	23,796,266	0.16%
70	Providence Equity Partners VI	29,573,939	0.19%
15	Seroba Kernel Life Sciences Fund II	473,775	0.00%
14	Summit Partners Subordinated Debt Fund IV	902,402	0.01%
14	TA Atlantic and Pacific VI	4,107,174	0.03%
69	The Resolute Fund II	13,941,626	0.09%
18	The Ulster Bank Diageo Venture Fund	2,656,515	0.02%
57	TPG Partners V	27,402,613	0.18%
35	TPG Partners VI	3,594,542	0.02%
25	Vestar Capital Partners V	20,140,167	0.13%
21	Weathergag Venture Capital	5,024,700	0.03%
1,453	Total Private Equity Investments	612,763,043	4.00%

Portfolio of Investments 31 December 2009

Other Investments

Holding	Security Description	Market Value €	% of Discretionary Portfolio Investments
Commodity Investments			
600	Merrill Lynch - Commodity Note 03/10/2011	41,326,548	0.27%
50,000,000	Morgan Stanley - Commodity Note 22/11/2010	27,972,000	0.19%
930,000	Fundlogic Global Solutions	66,163,890	0.43%
		135,462,438	0.89%
Currency & Other Funds			
74,000	Bridgewater Pure Alpha Euro	73,152,456	0.48%
5,000,000	Goldman Sachs Blended Currency Fund	40,182,500	0.26%
800,000	JP Morgan Currency Plus Fund	66,536,000	0.44%
		179,870,956	1.18%
Forestry Funds			
20,000,000	AIBIM 1st Forestry Fund	18,456,400	0.12%
Repurchase Agreements			
Ireland			
200,000,000	Irish Life & Permanent Repo Variable 22/07/2011	200,000,000	1.31%
Universities and Non-Commercial State Assets		993,297,237	6.49%
Total Other Investments		1,527,087,031	9.99%

Cash Deposits and Other Investments

Security Description	Market Value €	% of Discretionary Portfolio Investments
DEPOSITS AND CASH		
Euro	2,753,140,844	17.98%
US Dollar	46,809,887	0.31%
Other Currencies	3,744,293	0.02%
Japanese Yen	2,680,438	0.02%
Sterling	1,706,069	0.01%
	2,808,081,531	18.34%
Unrealised Gain/(Loss) on Foreign Exchange Contracts	2,634	0.00%
Unrealised Gain/(Loss) on Cross Currency Swaps	32,618,583	0.21%
Unrealised Gain/(Loss) on Futures Contracts (Note 1)	785,244	0.01%
	33,406,461	0.22%
Total Cash Deposits and Other Investments	2,841,487,992	18.56%
Total Discretionary Portfolio Investments	15,306,026,170	100%

Note 1 Open Futures 31 December 2009

Contracts	Description	Commitment	Unrealised Gain/(Loss) €
265	Dow Jones Euro Stoxx 50 Contracts (Expiring March 2010)	7,657,616	218,184
(200)	Euro Bund Contracts (Expiring March 2010)	(24,614,000)	376,000
30	FTSE 100 Contracts (Expiring March 2010)	1,782,446	28,668
39	OMX Contracts (Expiring January 2010)	364,671	(2,327)
889	S&P 500 Mini Contracts (Expiring March 2010)	34,009,694	156,870
13	Swiss SMI Contracts (Expiring March 2010)	556,855	11,829
5	Topix Index Contracts (Expiring March 2010)	345,659	(3,980)
		20,102,941	785,244

Glossary

Active Management Investment management where the manager seeks to outperform a specified market index.

Alternative Assets Any assets in which a fund invests, other than quoted equity, bonds and cash.

Benchmark A measure against which a portfolio's investment performance is assessed. The NPRF's investment mandates are generally measured against the index return for the relevant market.

Buyout The purchase of an established business.

Commodities A generic term for traded raw materials such as oil, gas, industrial and precious metals and agricultural produce.

Corporate Bonds A bond issued by a company. Corporate bonds usually have a higher yield than government bonds due to the increased credit risk and lower liquidity.

Dynamic Asset Allocation An investment strategy that seeks to increase returns and reduce risk by shifting the allocation between asset classes as market conditions change.

Diversification The process of spreading investments across a number of different asset classes in order to reduce risk.

EAFE Refers to the geographical area that includes Europe, Australasia and the Far East. These regions represent the most developed investment markets outside of North America.

Emerging Markets Equities Equities quoted on the stock exchanges of developing countries.

Financial Assets Assets, such as bonds or bank deposits, where the rate of return is contractual in nature and whose values do not rise with inflation.

Global Custodian The entity, typically a major bank, responsible for transaction settlement (the delivery of cash/securities in respect of purchases/sales of a fund's assets) and for the holding of a fund's assets.

Investment Horizon The time period over which an investor expects to maintain an investment portfolio. The NPRF has a long-term investment horizon as no cash will be drawn down before 2025.

Liquidity The ease with which investments can be traded in the market. Investors usually require a premium or additional return for holding less liquid assets.

Listed Property Property companies and investment vehicles whose shares are traded on a stock exchange.

Market Index A proxy for the value and rate of return of a particular market based on the values of a specified number of companies or other entities within that market.

Passive Management Investment management where the manager seeks to replicate the return to a specified market index.

Pay As You Go A method of financing the costs of pension benefits out of current cash flow, where no advance funding of benefits is made. For example, the State finances public pensions from taxation and social insurance contributions.

Private Equity Investment in unquoted firms, including buyouts and venture capital.

Quoted Equities Company shares which are listed on a stock exchange.

Real Assets Assets, such as equities, property and commodities, where the rate of return is, over the long-term, linked to the rate of growth in the economy and where asset values can be expected to rise with inflation.

Standard Deviation A statistical measure which reflects variation of return. For example, an investment portfolio with an expected return of 10% and a standard deviation of 5% would be expected to deliver a return of between 5% and 15% approximately two thirds of the time.

Strategic Asset Allocation The long-term mix of assets chosen by an investor in order to meet his or her return objectives and/or liabilities while maintaining risk within acceptable levels.

Tier 1 Capital The principal measure of a bank's financial strength from a regulator's point of view. It is composed of core capital, which consists primarily of common stock and disclosed reserves (or retained earnings), but may also include non-redeemable non-cumulative preferred stock. Tier 1 capital is also seen as a metric of a bank's ability to sustain future losses.

Tracking Error The expected standard deviation of the performance difference between an investment portfolio and the relevant market index. The higher the tracking error, the greater the difference between the constituent securities of the investment portfolio and those in the market index.

Venture Capital The provision of finance to start-up and emerging companies.

Volatility The variability in the price of an asset through time. Real assets, such as equities, are likely to be more volatile than financial assets, such as bonds, over short time periods, but, over the long-term, the investor can expect to be rewarded for this increased volatility through additional return.

Yield The annualised rate of return (including both interest and capital) on a bond.

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