



**Coimisiún an Chúlchiste Náisiunta Pinsean
National Pensions Reserve Fund Commission**

**National Pensions Reserve Fund
Quarterly Performance and Portfolio Update
At 31 March 2012**

1. Fund Overview

The Discretionary Portfolio (the Fund excluding the public policy investments in Allied Irish Banks and Bank of Ireland) was valued at €5.8 billion at 31 March 2012.

The Directed Portfolio (public policy investments in Allied Irish Banks and Bank of Ireland made at the direction of the Minister for Finance) was valued at €9.4 billion at 31 March 2012 and, pending completion of independent valuation review, comprised ordinary shares (valued at €0.01 per share and market price respectively) and preference shares (valued at end 2010 valuations of 58.5% of par and 86% of par respectively).

The Total Fund size at 31 March 2012 € was € 15.1 billion.

Fund at 31 March 2012	€bn	% Fund
Discretionary Portfolio	5.8	38.1%
Directed Portfolio	9.4	61.9%
Total Fund	15.1	100.0%

Numbers are rounded

2. Fund Performance

The NPRF's Discretionary Portfolio earned a preliminary return of +3.0 per cent in the first quarter of 2012. Since the Fund's inception in April 2001, the Discretionary Portfolio has delivered an annualised return of +3.5 per cent per annum compared with +1.7 per cent per annum for the average Irish managed pension fund.

Performance	1 January to 31 March 2012
Discretionary Portfolio	3.0%
Directed Portfolio	4.1%
Total Fund	3.7%

3. Sub Portfolios

(a) Discretionary Portfolio

The Discretionary Portfolio Asset Allocation as at 31 March 2012 is set out below:

Asset Allocation 31 March 2012		
Asset Class	€ m	% of Discretionary Portfolio
Large cap equity	1,627	28.3%
Small cap equity	190	3.3%
Emerging markets equity	472	8.2%
Quoted Equity	2,288	39.8%
Eurozone government bonds	0	0.0%
Eurozone inflation linked bonds	98	1.7%
Eurozone corporate bonds	321	5.6%
Cash	918	16.0%
Financial Assets	1,337	23.3%
Private Equity	723	12.6%
Property	485	8.4%
Commodities	284	4.9%
Infrastructure	272	4.7%
Absolute return funds	174	3.0%
Alternative Assets	1,938	33.7%
Value of equity put options	189	3.3%
Total Discretionary Portfolio	5,752	100%

(b) Directed Portfolio

The Directed Portfolio consists of public policy investments in Allied Irish Banks and Bank of Ireland that were undertaken on foot of directions from the Minister for Finance. Since 2009 the Fund has invested €20.7 billion in preference shares and ordinary shares in the two banks, comprising Bank of Ireland €4.7 billion (where the Fund's shareholding is 15.1 per cent) and Allied Irish Banks €16.0 billion (where the Fund's shareholding is 99.8 per cent).

At 31 March 2012 the Directed Portfolio was held at €9.4 billion pending completion of an independent valuation review of the Fund's investments in Allied Irish Banks and Bank of Ireland. The Fund has received a total of €2.0 billion in cash from its Bank of Ireland investment – comprising preference share dividends, the repurchase of warrants by the Bank and the sale of ordinary shares to a consortium of private investors.

The outcome of the independent valuation review will be reflected in the Fund's audited financial statements for 2011, which will be published in July 2012.