



National Pensions Reserve Fund
Commission

National Pensions Reserve Fund
Quarterly Performance and Portfolio Update
At 30 September 2010

	3 Months 1 July to 30 September 2010	Year to Date 1 January to 30 September 2010	Portfolio Size at 30 September 2010
	%	%	€ billion
Discretionary Portfolio¹	3.6	6.0	17.9
Directed Investments²	-2.5	1.9	6.6
Total Fund	1.9	4.9	24.5

The National Pensions Reserve Fund Discretionary Portfolio (the Fund excluding its Directed Investments) earned a return of 3.6% in the three months to end September 2010 and a return of 6.0% over the first nine months of the year. Since the Fund's inception in 2001, the annualised performance of the Discretionary Portfolio is 3.0% per annum.

The positive performance of the Discretionary Portfolio during the quarter is largely due to strong equity markets arising from the general belief among investors that Central Banks stand ready to provide whatever liquidity may be necessary to support economies and financial markets.

The Directed Investments' return over the quarter was -2.5% as a result of ordinary share price movements over the period. The Directed Investments earned a return of 1.9% over the first nine months of the year.

¹ The Discretionary Portfolio comprises investments made by the Commission under the Fund's investment policy as set out in the National Pensions Reserve Fund Act 2000.

² The Directed Investments comprise preference shares and ordinary shares in Bank of Ireland and Allied Irish Banks plc (including dividends on preference shares received in the form of ordinary shares). They also comprise warrants which give an option to purchase up to 21.4% of the enlarged ordinary share capital of Allied Irish Banks plc following exercise of the warrants. The investments were made by the Commission for the purposes of bank recapitalisation at the direction of the Minister for Finance under the Investment of the National Pensions Reserve Fund and Miscellaneous Provisions Act 2009. Preference shares are valued at par, warrants are valued at zero and ordinary shares are marked to market.

The total Fund earned a return of 1.9% over the quarter and 4.9% for the year to date. Since inception, the annualised performance of the total Fund is 2.0%.

At 30 September 2010 the Fund's value stood at €24.5 billion.

Asset Allocation at 30 September 2010			
	€m*	% of Discretionary Portfolio*	% of Total Fund
Large cap equity	7,104	39.7%	
Small cap equity	863	4.8%	
Emerging markets equity	1,796	10.0%	
Quoted Equity	9,764	54.6%	
Eurozone government bonds	150	0.8%	
Eurozone inflation linked government bonds	99	0.6%	
Eurozone corporate bonds	1,164	6.5%	
Cash	4,140	23.1%	
Financial Assets	5,553	31.0%	
Private equity	805	4.5%	
Property	828	4.6%	
Commodities	453	2.5%	
Infrastructure	292	1.6%	
Absolute Return Funds	201	1.1%	
Alternative Assets	2,581	14.4%	
Total Discretionary Portfolio	17,897	100%	73%
Directed Investments	6,615		27%
Total Assets	24,512		100%

**Totals may not add due to rounding.*

29 October 2010