



Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta
National Treasury Management Agency

2015

National Treasury
Management Agency
Annual Report & Accounts





National Treasury Management Agency Annual Report & Accounts

Contents

INTRODUCTION

About the NTMA	2
Key Business Highlights	3
Chairperson's Statement	6
Chief Executive's Review	8
Corporate Strategy	10

BUSINESS REVIEW

Funding and Debt Management	13
Ireland Strategic Investment Fund	19
National Development Finance Agency	27
NewERA	31
State Claims Agency	36

GOVERNANCE AND CORPORATE INFORMATION

Agency Members	44
The Agency and its Committees	46
Risk Management	50
Management Team	52
Staffing and Remuneration	53

FINANCIAL STATEMENTS	55
-----------------------------	----

PORTFOLIO OF INVESTMENTS - ISIF	175
--	-----

About the NTMA

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

Funding and Debt Management

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

Ireland Strategic Investment Fund

The NTMA controls and manages the Ireland Strategic Investment Fund, which was established in December 2014 with a statutory mandate to invest on a commercial basis in a manner designed to support economic activity and employment in the State. The ISIF is the successor to the National Pensions Reserve Fund.

National Development Finance Agency

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

NewERA

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

State Claims Agency

Acting as the State Claims Agency, the NTMA manages personal injury, property damage and clinical negligence claims brought against 129 State authorities, including the State itself, Government Ministers, the Attorney General, the Health Service Executive, the voluntary healthcare sector, an Garda Síochána, the Irish Prison Service, the Defence Forces and community and comprehensive schools. It also has a risk management role, advising and assisting State authorities in minimising their claim exposures. In addition, it manages third-party costs arising from certain Tribunals of Inquiry and claims for legal costs by parties who have successfully sued the State in respect of personal injury and other non-personal injury related actions.

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



Key Business Highlights

Funding & Debt Management

Bond Issuance



1.5%

The NTMA issued €13bn of bonds during 2015 at a weighted average yield of 1.5% and a weighted average maturity of just under 18 years.



30 year

In February 2015 the NTMA issued Ireland's first 30 year benchmark bond raising €4bn at a yield of 2.1%.

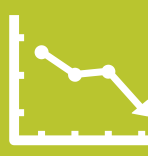
IMF Repayment



€1.5bn

Just over €18bn in IMF loans have been repaid early and replaced with cheaper market funding generating interest savings in excess of €1.5bn over the original lifetime of the loans.

Reducing Interest Costs



€7bn

Interest on the National Debt fell to just below €7bn in 2015, from almost €7.5bn in 2014 – the first year-on-year decline since 2008.

NewERA

Formal Financial Targets



NewERA is working with commercial State bodies on the development of formal financial targets and dividend policies.

Dividends

€475m

Combined dividends of €475m were paid by bodies within NewERA's remit for 2014/15.

Financial & Commercial Advice



NewERA provided commercial and financial advice to Government across a broad range of sectors including energy, transport, biomass and telecommunications during 2015.

Ireland Strategic Investment Fund

Investing in Ireland



€759m

The ISIF committed €759m to Irish investments during 2015 bringing the total ISIF commitment in Ireland to €2.2bn.



2.5x

Co-investment from private sector partners increases the total committed to Ireland to €5.4bn – a multiple of 2.5 times the ISIF commitment.

Significant Economic Impact



108 Irish Companies

During 2015 ISIF investments supported 108 Irish companies /projects generating:



€1,229m
combined revenues



€538m

ISIF investment contributed Gross Value Added of €538m to the Irish economy in 2015.



€505m

in wages and salaries



€358m

in exports



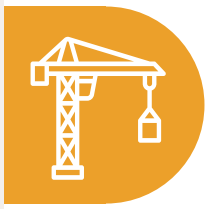
Almost

18,000

jobs are supported directly and indirectly by ISIF investments

National Development Finance Agency

Government PPP Programme



€1bn

The NDFA is delivering a range of education, health, justice and housing PPP projects with an estimated total capital value of €1bn.



3,000

Significant progress was made on the construction of Schools PPP Bundle 4 providing 3,000 pupil places in Tipperary, Clare, Louth and Cork, which is scheduled for completion in mid-2016.



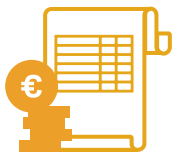
Courts

The Courts Bundle PPP has reached financial close and construction is progressing at all seven site locations.



The M11 road project, to which the NDFA was financial advisor, has reached financial close and is under construction.

Working with EIB



€750m

The NDFA continues to engage with the EIB to maximise the availability of cost effective funding for Irish infrastructure. The EIB has provided €750m in direct Exchequer loans since 2012 to support the delivery of education and environmental infrastructure.

State Claims Agency



€1.79bn

The State Claim Agency was managing 8,275 active claims with an estimated outstanding liability of €1.79bn at end-2015.

Settling Claims



97%

97% of clinical negligence cases handled by the SCA are settled without the necessity for a contested court hearing.

Reducing Legal Costs



42%

In 2015 the SCA settled bills of cost received from third parties for €18.1m - a saving of 42% on costs claimed.

NIMS

Enhancing Risk Management

Following the roll-out of the National Incident Management System (NIMS), Ireland is the first country worldwide to have implemented a single ICT system to support the management of risk across its public service, including the healthcare sector.

Chairperson's Statement



Willie Walsh | Chairperson

2015 was a year of major change for the NTMA as our new integrated governance structure bedded down and the Ireland Strategic Investment Fund commenced operations. It was also a year of strong achievement across our business mandates. We issued €13bn of bonds at low yields and a long average maturity, putting our debt burden on a more sustainable footing. In its first year the ISIF committed €759m to Irish investments and has developed an active pipeline of commercial investment opportunities that will support economic activity and employment. Through early 2016 we have worked on the development of a corporate strategy to ensure the NTMA continues to deliver long-term value for the State.

December 2014 saw significant changes in the NTMA's governance structure as a new over-arching board structure with responsibility for the NTMA's funding, investment, project finance and delivery, corporate finance and claims and risk management functions was put in place. One of the purposes of this simplified organisational structure was to facilitate a more integrated approach to the performance of the NTMA's functions. I and my fellow board members have worked closely with the Chief Executive and management team over our first year to achieve this. The benefits have been reflected not only in our business mandates but also in our corporate functions which act as the NTMA's operating engine and are essential to the successful execution of our mandates.

One of the first tasks for the new Board was the finalisation of the ISIF investment strategy, in consultation with the Minister for Finance and the Minister for Public Expenditure and Reform, to implement its double bottom-line investment mandate of generating a commercial return and supporting economic activity and employment. The strategy takes account of the ISIF's long-term perspective, flexibility and ability to leverage additional investment from global and Irish co-investment partners in order to target investments that achieve economic impact. We have also put in place rigorous assessment criteria for potential ISIF investments to ensure that they have a demonstrable economic impact and do not simply displace other investment that would have occurred in any event.

In the early months of 2016 we have been focusing on the development of the NTMA's corporate strategy to complement and support our business mandates and their strategic business objectives. The unifying purpose across our varied mandates is to manage public assets and liabilities commercially and prudently. Our work on the corporate strategy is based on identifying the common goals critical to the fulfilment of this purpose and ensuring that these common goals inform everything we do. The strategy has now been finalised and, consistent with the NTMA's new governance structure, will ensure that clear strategic direction and guidance is provided across the organisation.

The strategy commits the organisation to four strategic goals in support of its business mandates. The primary goal of the NTMA is to deliver long-term value to the State. Three supporting goals – maintaining and enhancing our reputation, developing our capabilities as an adaptive organisation, and enabling our people to reach their potential – will enable delivery of long-term value while building sustainable business performance. These goals will inform our objective setting as part of our annual planning process and will also provide focus and drive in positioning the NTMA for the future.

2015 marked the 25th anniversary of the NTMA's establishment. In 1990 the NTMA started out as a small, specialist agency managing the National Debt. In the years since it has grown significantly as it has been asked by Government to perform a range of additional commercial market-facing functions on behalf of the State. The NTMA's results-oriented, adaptable and flexible approach has been central to the successful delivery of its mandates in the past and forms one of our key strengths as we develop the organisation to meet the different challenges facing it over the coming years.

Establishing a new governance structure in a fully functioning organisation requires a major time commitment and I would like to thank my fellow Board and committee members for their work during 2015. I would also like to thank the management team and staff for their contribution to what was a very successful year. I look forward in 2016 to building on the strong progress we have made over the last 12 months and continuing to deliver on our business mandates to achieve long-term value for the State.

Willie Walsh
Chairperson

Introduction

Business Review

Governance & Corporate Information

Financial Statements

Portfolio of Investments – ISIF



Chief Executive's Review



Conor O'Kelly | Chief Executive

In 2015 the NTMA made a significant contribution to Ireland's economic growth and recovery. We took the opportunity presented by strong investor demand to issue €13bn of bonds at a weighted average yield of 1.51% and a weighted average maturity of just under 18 years. In its first year the ISIF committed €759m to commercial Irish investments that will also support economic activity and employment. The NDFA made substantial progress in delivering a range of infrastructure projects while the breadth of issues on which NewERA is asked to provide corporate finance advice continues to grow. The SCA rolled out its new end-to-end risk management system, which will significantly enhance the safety of service users, patients and employees, across the public healthcare sector and larger State authorities.

During 2015 Ireland's public debt dynamics continued to improve, reflecting a combination of strong economic growth and further improvements in the public finances. Ireland's General Government Debt dropped to below 94% of GDP at end-2015 and is projected to fall to below 90% of GDP by end-2016. One of the themes of the year was a tightening in Ireland's spreads to core European markets as Ireland's recovery and robust growth were reflected in Irish bond prices.

Against this backdrop the NTMA took the opportunity to lock in lower interest rates and longer maturities, issuing €13bn of bonds at a weighted average yield of 1.51% and a weighted average maturity of just under 18 years. This compares with a weighted average yield of 2.84% and a weighted average maturity of just under 12 years on the €11.75bn 2014 bond issuance. In February 2015 a significant milestone was reached as strong investor demand enabled us to issue Ireland's first ever 30 year benchmark bond in an amount of €4bn. In March we completed the early repayment of just over €18bn of Ireland's IMF loan facility using cheaper market funding and generating interest savings of over €1.5bn over the original lifetime of the IMF loans.

These lower rates have had a positive impact on the debt service burden with the interest on the National Debt falling to just below €7bn in 2015, from almost €7.5bn the previous year.

While our debt dynamics are currently favourable, we do face challenges. The supportive environment provided by the ECB's quantitative easing programme should not be underestimated. Our debt, at €201bn, remains very high in absolute terms. In addition, we have over €47bn of maturing debt to refinance in the markets between 2018 and 2020. For as long as our debt remains at elevated levels, we are extremely vulnerable to adverse economic developments whether domestically, at European level or globally.

The ISIF's first full year of operations has been a productive one as it has made commitments of €759m to investment opportunities that meet its dual mandate of investing in Ireland on a commercial basis in a manner designed to support economic activity and employment. Including previous NPRF investments, the ISIF's commitments in Ireland totalled €2.2bn at end-2015.

The major differentiators of the ISIF compared with other forms of available funding are its ability to provide long-term "patient capital" and being able to invest as required across the capital structure. It is also an attractive local partner for third-party investors. Indeed, the ISIF's investment model of seeking co-investment from private sector capital has resulted in a total of €5.4bn being committed to Ireland at end-2015 – a multiple of 2.5 times the ISIF commitment.

The ISIF undertook an intensive market awareness and engagement programme in 2015 that has laid the necessary groundwork for an investment programme that will span several years. Arising from this it now has a strong and active pipeline of potential investments designed to deliver both a commercial return and economic impact.

The delivery of PPP projects, including those within the Infrastructure Stimulus Programme 2012, was the main focus of NDFA activity in 2015. The NDFA is responsible for delivering education, health, justice and housing PPP projects with an estimated total capital value of €1bn. Schools Bundle 4 providing 3,000 pupil places is close to completion while construction on the Courts PPP has commenced with all seven projects involved scheduled to be fully operational by December next year. The NDFA also continues to work closely with the EIB to maximise the availability of cost effective funding for Irish infrastructure – both through provision of funding and credit enhancement for PPPs and direct Exchequer loans, most recently through the provision of €200m for flood protection projects in December 2015.

NewERA continues to develop its capabilities as a dedicated centre of corporate finance expertise to Government and the range of issues referred to it, including in relation to bodies outside its core remit, continues to grow. During 2015 NewERA provided commercial and financial advice to Government across a broad range of sectors including energy, transport, biomass and telecommunications. These issues included the reorganisation of Ervia with the operational establishment of Gas Networks Ireland, the Bord na Móna and Coillte joint venture, the IAG offer for Aer Lingus and ownership and financing options for the National Broadband Plan.

NewERA also continues to work with the commercial State bodies within its remit on the enhancement of the

Shareholder Expectations Framework setting out the Government's strategic priorities, policy objectives, financial performance, and reporting requirements for each body. Work in 2015 has focused on the development of formal financial targets and dividend policies.

The work of the State Claims Agency continues to expand. From April 2014 to June 2015 the number of State authorities within its remit more than doubled from 56 to 129. The SCA was managing 8,275 active claims with an estimated outstanding liability of €1.79bn at end-2015. Maternity services comprised €0.9bn of this estimated liability and are a risk management priority. In 2015 the SCA published a five year review of clinical incidents and claims in maternity and gynaecology services and also carried out a series of detailed site visits in order to identify national and site specific risks.

In 2015 the SCA commenced the rollout of the National Incident Management System (NIMS) across the healthcare sector and larger State authorities. Ireland is the first country worldwide to have implemented a single ICT system to support the management of risk across its public service, including the healthcare sector. NIMS was selected by Marsh ClearSight, a US based global leader in risk management solutions, as the winner of its 2015 Excellence in Innovation award. NIMS will enable risk management and mitigation responses that will both ensure the safety of service users, patients and State employees and ultimately reduce the cost of claims against the State in the future.

In my comments in last year's Annual Report I said the NTMA's focus was switching from crisis management to economic growth and recovery. I believe we have made a very strong start in this regard and I look forward to continuing our progress through 2016. The Chairperson referred in his remarks to the work we have done in developing the NTMA corporate strategy. At the centre of this strategy is recognition of the critical importance of our people and the need to offer a working environment that allows NTMA employees to reach their full potential. As Chief Executive, I am committed to developing an open and transparent corporate culture based on self-leadership, collaboration and learning. I want to take this opportunity to thank my colleagues in the NTMA for the support they have offered me during what has been a very interesting first year as Chief Executive. On behalf of the employees of the NTMA, I would also like to thank the Chairperson and the Board for their support and commitment in helping us achieve our objectives.

Conor O'Kelly
Chief Executive



Corporate Strategy

One of the purposes of the new, simplified NTMA governance structure is to facilitate a more integrated approach to the execution of the NTMA's business mandates. In support of this objective, the NTMA has developed an over-arching *Corporate Strategy 2016-2018* to support its business units in the fulfilment of their mandates.

The corporate strategy is based on identifying the common goals critical to the achievement of the NTMA's business objectives. It commits the organisation to four strategic goals. These goals are about achieving long-term value for the State by being adaptive and leveraging the power of the NTMA's people and reputation.

Our Purpose

To manage public assets and liabilities commercially and prudently

We deliver value for the State today by focusing our skills, resources and efforts on fulfilling our mandates as currently assigned by Government.

We will also deliver value for the State by ensuring we have the right capabilities to respond to future challenges as they arise. Recognising that change is inevitable and being adaptive allows us to respond quickly and decisively.

Our Goals



We will deliver long-term value to the State

The nature of our mandates demands a long-term focus in all our activities. It is this distinct characteristic which informs our business planning and decision making.



We will maintain and enhance our reputation in delivering value to the State

The NTMA represents the State in financial markets and a strong reputation among our stakeholders is vital to enable us to achieve better outcomes for the State.



We will develop our capabilities as an adaptive organisation

Being adaptive allows the NTMA to respond to new challenges and opportunities while providing continuous professional services and expertise to our key stakeholders.



We will enable our people to reach their potential - individually and collectively

The key to the NTMA's success has been - and will continue to be - its people and culture. We believe in an organisation where delivery against objectives is supported by a culture of self-leadership, collaboration and learning.

The primary goal of the NTMA is to deliver long-term value to the State. The three supporting goals - maintaining and enhancing our reputation, developing our capabilities as an adaptive organisation, and enabling our people to reach their potential - will enable delivery of long-term value while building sustainable business performance. The NTMA has adopted a rolling three-year plan and performance measures, integrated into its annual planning process, to facilitate this long-term focus.

Further information on the *Corporate Strategy 2016-2018* is available at ntma.ie/publications.

Business Review



Funding and Debt Management

LOCKING IN LOW INTEREST RATES AND LONG MATURITIES

- The NTMA issued €13bn of bonds during 2015 at a weighted average yield of 1.51% and a weighted average maturity of just under 18 years.
- In February 2015 the NTMA issued Ireland's first 30-year benchmark bond. A total of €4bn was raised at a yield of 2.09%.
- In March 2015 the NTMA completed the early repayments of Ireland's IMF loans. In total just over €18bn was repaid early generating interest savings in excess of €1.5bn over the original lifetime of the loans.

IMPROVING DEBT DYNAMICS

- General Government Debt dropped to below 94% of GDP at end-2015 having peaked at just over 120% at end-2012.
- Taking account of cash and other assets, General Government Net Debt dropped below 80% of GDP at end-2015.
- The estimated weighted average maturity of Ireland's long-term marketable and official debt was 12.3 years at end-2015.

REDUCING INTEREST COSTS

- Interest on the National Debt fell to just below €7bn in 2015, from almost €7.5bn in 2014 – the first year-on-year decline since 2008.

Business Review (continued)

Market Review

European ten year bond yields declined in early 2015 in anticipation of the introduction of the ECB quantitative easing measures in March. Yields during the summer months were volatile and saw a pricing correction. Irish ten year yields reached a high of 1.78% in June, before the downward trend resumed into year-end, closing at 1.15% at end-December.

10-Year Government Bond Yields 2015



Source: Bloomberg

One of the themes of the year was a tightening in Ireland's spread to core European markets. Market participants, observing Ireland's recovery and robust growth, began to price Ireland closer to countries such as France and Belgium.

Irish 10-Year Yield Spreads

	End-2014 %	End-2015 %
Germany	0.71	0.52
France	0.43	0.16
Belgium	0.43	0.18
Spain	-0.36	-0.62

Funding Activity

Long-Term Funding

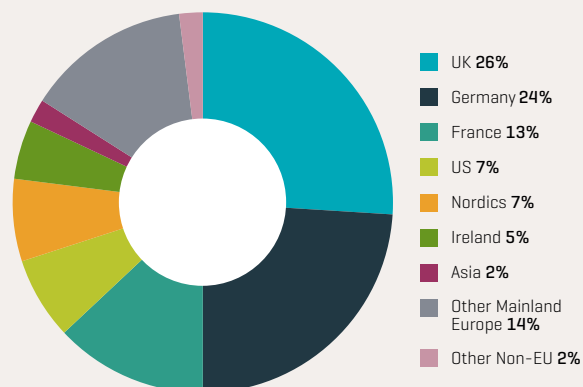
During 2015 the NTMA issued €13bn of bonds with a weighted average yield of 1.51% and a weighted average maturity of just under 18 years. This compares with a weighted average yield of 2.84% and a weighted average maturity of just under 12 years in 2014. Favourable market conditions and solid investor

demand for long-dated paper allowed the NTMA to lock in longer maturities at low interest rates.

The NTMA undertook two bond syndications in 2015. The first saw a new seven-year bond issued in January. A total of €4bn was raised at a yield of 0.87%. This was followed in February by the issuance of a new 30-year bond, where €4bn was raised at a yield of 2.09%.

This was the first 30-year benchmark bond for Ireland, and saw significant interest from a range of investors. Of the €4bn issued, 95% was taken up by overseas investors. The main investor categories were asset managers, fund managers, pension funds and insurance companies.

30-Year Bond Syndication by Geographic Area



The NTMA also held six bond auctions during the year, raising a total of €5bn.

NTMA Bond Auctions 2015

Auction Date	Bond Name	Auction Size €m*	Yield %	Bid/ Cover Ratio
12 February	2.4% Treasury Bond 2030	500	1.56	3.15
12 March	2% Treasury Bond 2045	1,000	1.31	2.07
14 May	0.8% Treasury Bond 2022	750	0.81	2.70
11 June	2.4% Treasury Bond 2030	750	2.22	2.85
10 September	2.4% Treasury Bond 2030	1,000	1.82	2.75
8 October	2.4% Treasury Bond 2030	1,000	1.65	2.28

*excludes proceeds of non-competitive auctions

IMF Loan Repayments

Ireland received approval in November 2014 to complete the early repayment of the portion of IMF loans subject to the higher rate of interest.

Between December 2014 and March 2015, Ireland made early repayments totalling just over €18bn or 81% of the original €22.5bn IMF loan facility granted under the EU/IMF programme. €1.6bn of proceeds from the sale and redemption of the ISIF's Bank of Ireland preference shares was used to part-finance the repayment.

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

Short-Term Funding

The NTMA's Treasury Bill programme continued throughout 2015 with three auctions held during the year. As a result of the ECB's expansionary monetary policies, Ireland was able to issue short-term debt at negative interest rates. There were no Treasury Bills outstanding at end-2015.

The NTMA also maintained Ireland's Multi-Currency Euro Commercial Paper programme in 2015. There was €1bn outstanding at end-2015. Short-term debt was also issued in the form of Exchequer Notes and Central Treasury Notes, mainly to domestic institutional investors.

State Savings

State Savings is the brand name applied by the NTMA to the range of Irish Government savings products offered to personal savers. During 2015 there were net inflows of €0.4bn into the State Savings products and at end-2015 the total amount outstanding was €19.5bn.

State Savings Products

	Total Outstanding at End-2015 €m	Net Inflow/ [Outflow] in 2015 €m
Savings Bonds	4,366	[744]
National Solidarity Bonds	3,445	869
Savings Certificates	5,915	[126]
Instalment Savings	485	4
Prize Bonds	2,481	305
Deposit Accounts	2,764	94
Total	19,456	402

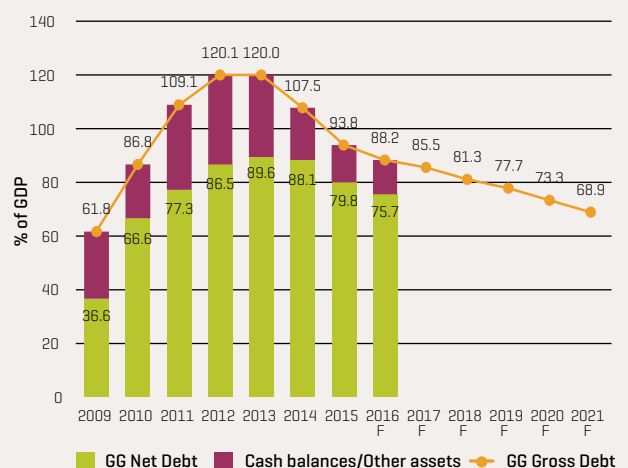
Figures may not total due to rounding.

Debt Profile

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

Ireland's GGD at end-2015 was €201.3bn or 93.8% of GDP. The GGD/GDP ratio has fallen significantly since its year-end 2012 peak of just over 120% and is projected to fall further in the medium term.

GGD/GDP Ratio 2009 to 2021



Source: CSO (2009-2015) and Department of Finance Stability Programme Update April 2016 (2016-2021 forecasts)

Business Review (continued)

GGD is a gross measure which does not allow for the netting off of cash balances and other financial assets. However, the CSO produces an estimate of General Government Net Debt which, at end-2015, stood at €171.4bn or 79.8% of GDP.

National Debt is the **net** debt incurred by the Exchequer after taking account of cash balances and other financial assets. The primary component of GGD is Gross National Debt. The NTMA's responsibilities relate to management of the National Debt only.

Composition of Debt at End-2015

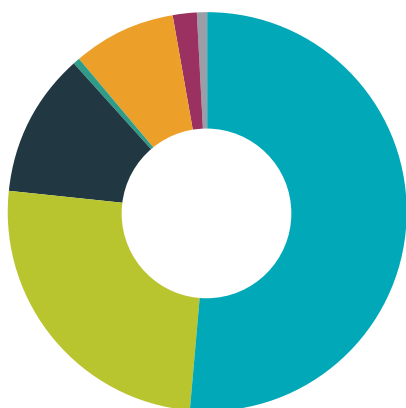
	€bn
Government Bonds	125.1
EU/IMF Programme Funding	49.7
Other Medium and Long-term (MLT) Debt	1.2
State Savings Schemes*	16.7
Short-Term Debt	3.9
Gross National Debt	196.6
Less Cash and other Financial Assets	13.6
National Debt	183.1
Gross National Debt	196.6
General Government Debt Adjustments	4.6
General Government Debt	201.3

Figures may not total due to rounding.

*State Savings Schemes also include moneys placed by depositors in the Post Office Savings Bank (POSB) which does not form part of the National Debt. These funds are mainly lent to the Exchequer as short-term advances and through the purchase of Irish Government Bonds. Taking into account the POSB Deposits, total State Savings outstanding were €19.5bn at end-2015.

Source: NTMA and Central Statistics Office

Gross National Debt at End-2015



Fixed Rate Treasury Bonds	51.6%
EU/IMF Programme	25.3%
Floating Rate Bonds	11.5%
Amortising Bonds	0.5%
State Savings Products	8.5%
Short-Term Debt	2.0%
Other	0.6%

	Amount	Average Maturity
Fixed Rate Treasury Bonds Issued to Irish and international investors, primarily through syndications and regular auctions.	€101.5bn	6.8 Years
EU/IMF Programme Loans provided under the three year EU/IMF programme entered into in 2010.	€50.3bn*	13.9 Years
Floating Rate Bonds Issued to the Central Bank in exchange for the Promissory Notes provided to IBRC, following IBRC's liquidation in 2013.	€22.5bn	33 Years
Amortising Bonds Bonds that pay an equal amount each year comprising both principal and interest. Issued to meet needs of Irish pensions industry.	€1.1bn	15.4 Years
Total Long-Term Marketable and Official Debt	€175.4bn	12.3 Years
State Savings Retail savings products provided to the general public through the Post Office.	€16.7bn	
Short-Term Paper Issued to Irish and international investors under a variety of programmes with a maturity of 12 months or less.	€2.3bn**	

* Includes €0.5bn pre-paid margin in respect of the European Financial Stability Facility.

** Excludes borrowings from funds under the control of the Minister for Finance.

Debt Service Out-turn

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

The net cash interest cost of the National Debt in 2015 was €6,979m, just over 6.5% below the corresponding figure for 2014. This was the first year-on-year decline since 2008. The early repayment of the bulk of the IMF loan facility and its replacement with cheaper, market-based funding was a significant factor in the year-on-year fall in the interest bill.

National Debt interest comprised 15.3% of Exchequer tax revenue in 2015 compared with 18.1% in 2014.

Irish Government Bond Market

Ireland's benchmark bonds curve has a range of maturities, extending to 2045. Along with syndications and regular auctions, the NTMA undertook some small switching activity during the year, as part of normal market operations. It also bought back and cancelled €1.5bn of the 2038 floating rate bond and €0.5bn of the 2041 floating rate bond held by the Central Bank.

Irish Government Fixed Rate Treasury Bonds

Bond	Maturity Date	Outstanding End-2015 €m*
4.6% Treasury Bond 2016	18 April 2016	8,132
5.5% Treasury Bond 2017	18 October 2017	6,389
4.5% Treasury Bond 2018	18 October 2018	9,256
4.4% Treasury Bond 2019	18 June 2019	7,700
5.9% Treasury Bond 2019	18 October 2019	6,767
4.5% Treasury Bond 2020	18 April 2020	11,609
5.0% Treasury Bond 2020	18 October 2020	8,252
0.8% Treasury Bond 2022	15 March 2022	4,863
3.9% Treasury Bond 2023	20 March 2023	5,480
3.4% Treasury Bond 2024	18 March 2024	8,137
5.4% Treasury Bond 2025	13 March 2025	11,745
2.4% Treasury Bond 2030	15 May 2030	7,928
2.0% Treasury Bond 2045	18 February 2045	5,101

*excluding repos

Total turnover by value in Irish Government bonds, as reported by the Irish Stock Exchange, was €245bn in 2015, compared to €257bn in 2014. Turnover at the start of the year was strong, particularly in January and February as a result of new issuance. This decreased during the summer months, when markets were perceived to be more volatile and less liquid. However strong volumes returned into year-end and the daily average turnover for 2015 was reported as €965m.

Positive developments in the Irish economy and improving debt dynamics led to a credit rating upgrade to A+ from Standard and Poor's in June 2015

Ireland's Sovereign Credit Ratings at End-2015

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

Business Review [continued]

Other Functions

In addition to borrowing for the Exchequer and debt management, the NTMA also performs a number of related functions.

Central Treasury Service

The NTMA's Central Treasury Service takes deposits from, and makes advances to, non-commercial State bodies, as well as local government authorities, the Health Service Executive and education and training boards. The objective is to provide these bodies with a competitive alternative to the banking sector for their treasury business and thus to make savings for the Exchequer.

Dormant Accounts Fund

Balances on dormant accounts with banks, building societies and An Post and the net encashment value of certain life assurance policies are remitted to the State annually to be disbursed for charitable purposes or for purposes of community benefit. The period for determining dormancy is 15 years since the last customer-initiated transaction. In the case of life assurance policies with a specified term, it is five years after the end of that term. Account and policy holders may reclaim their moneys at any time from the relevant financial institution.

Pending disbursement, moneys in the Dormant Accounts Fund are managed by the NTMA. The NTMA had €242m under management at end-2015. €53.9m was transferred to the Fund in 2015, while €17.4m of previously dormant funds was reclaimed. Disbursements from the Fund amounted to €8.9m in 2015.

Other Activities

The NTMA also carries out the following functions:

- Scheme operator for the Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009 which provided for the guarantee of certain bank liabilities. The ELG Scheme was discontinued for new liabilities effective from midnight on 28 March 2013.
- Funding the Housing Finance Agency under its €5bn short-term and medium-term Guaranteed Note Programme.
- Engaging in daily short-term cash management operations to regulate the level of Government cash balances at the Central Bank of Ireland. This is undertaken as part of the overall management of liquidity in the eurozone by the European Central Bank.
- Management of Ireland's Carbon Fund.



Ireland Strategic Investment Fund

INVESTING IN IRELAND

- During 2015 the ISIF committed €759m to investments that will support economic activity and employment in Ireland.
- The ISIF's committed investments in Ireland totalled €2.2bn at end-2015, of which €1bn was drawn down at end-2015.
- Co-investment from private sector partners increases the total committed to Ireland to €5.4bn – a multiple of 2.5 times the ISIF commitment.

GENERATING SIGNIFICANT ECONOMIC IMPACT

- During 2015 ISIF investments supported 108 Irish companies/projects generating:
 - combined revenues of €1,229m.
 - €358m in exports.
 - €505m in wages and salaries.
- Almost 18,000 jobs are supported directly and indirectly by ISIF investments.
- ISIF investment contributed Gross Value Added of €538m to the Irish economy in 2015.

TRANSITION TO A NEW INVESTMENT MANDATE

- The ISIF continued its programme of gradually liquidating its global assets to focus on investing in Ireland, while seeking, in line with its statutory mandate, to generate a return over the long term in excess of the cost of Irish Government debt.
- The ISIF has implemented a low-risk investment strategy with its global assets during the transition period, which resulted in an investment return of 1.1% to the ISIF Discretionary Portfolio in 2015.

Business Review [continued]

Investment Strategy

Unique Mandate

In December 2014 the assets of the National Pension Reserve Fund (NPRF) transferred to the Ireland Strategic Investment Fund (ISIF). The ISIF has a 'double bottom line' mandate to invest in Ireland on a commercial basis in a manner designed to support economic activity and employment in the State. The NPRF Discretionary Portfolio was made available to the ISIF to enable it to make investments that meet this double bottom line mandate. The NPRF Directed Portfolio – primarily public policy investments in the banks – will continue to be managed at the direction of the Minister for Finance.

The ISIF's double bottom line mandate makes it one of the few sovereign wealth funds globally with a mandate to contribute to economic activity and employment, in addition to delivering commercial returns. The ISIF is required to generate a return over the long-term in excess of the cost of Irish Government debt and has set a medium-term performance objective of +4% per annum.

ISIF Investment Mandate

Double Bottom Line

In seeking to support economic activity and employment as well as generating commercial return, the ISIF has a "double bottom line" requirement for the Fund, necessitating that all of the Fund's investments generate both investment returns and have a positive economic impact in Ireland.

Investment Returns

Within the context of the ISIF's double bottom line, all investments must be commercial. Whilst investments will differ in terms of expected returns, risk profiles and time frames, each must deliver an appropriate risk adjusted expected return for each investment.



Economic Impact

In targeting economic additionality, the ISIF's investment focus is on investments which build the productive capacity of the Irish economy and promote its enterprise sector. The ISIF's unique characteristics – scale, long-term perspective, flexibility – mean that it can target such investments in a way that many other investors and financiers cannot.

Investment Priorities

In July 2015 the NTMA published the ISIF Investment Strategy, following consultation with the Minister for Finance and the Minister for Public Expenditure and Reform.

ISIF Investment Strategy – Key Features

A Broad Based Portfolio

- across sectors including but not limited to energy, water, real estate, housing, food & agriculture, technology, healthcare and finance.
- by types of investment including SME, venture and infrastructure.
- by regional location of its investments.
- by asset class including debt, mezzanine, equity and project investments.
- that seeks to achieve some transformative impact by investment in one or more “big ideas”.

Filling Investment Gaps

Utilisation of the ISIF’s key differentiating features of flexibility, long-term timeframe and credibility as a sovereign investment partner to fill investment gaps and enable transactions which would not otherwise easily be completed.

Co-investment

Attracting co-investment partners where possible so that the impact of investments will be multiplied in the Irish economy.

Return

Risk adjusted rates of return tailored to the specific characteristics of each individual investment.

Overall long-term portfolio return in excess of the average cost of Government debt.

Investments in Ireland

Investments to End-2015

Including investments made by its predecessor (the NPRF), the ISIF had committed €2.2bn to investments consistent with its investment mandate by end-2015. Including third party commitments of €3.2bn, a total of €5.4bn had been committed to Ireland through the ISIF.

ISIF Capital Committed to Ireland at End-2015



Business Review (continued)

In 2015 the ISIF committed a total of €759m to ten new investments across a diverse range of transaction types and sectors.

ISIF Irish Investments 2015

Name	ISIF Investment €m	Description
 MALIN	50	A cornerstone investment in the €325m IPO of Malin Corporation, an Irish public limited company that applies capital and operational expertise to private, pre-IPO, pre-trade sale operating businesses in dynamic and fast growing segments of the life sciences industry.
 FRONTLINE VENTURES	11	A commitment to Frontline Ventures I, a €50m early stage venture capital fund that invests in highly innovative early stage information technology companies, primarily in Ireland.
 AMCS	6	An investment in a €45m funding round to support the international expansion of Limerick-based AMCS. AMCS is a global leader in integrated software solutions for the waste and recycling industry.
 Activate Capital <small>Innovative funding with capital strength</small>	325	A €500m joint venture with KKR Credit to focus exclusively on lending to Irish residential development projects.
 HIGHLAND CAPITAL PARTNERS	10	A commitment to Highland Europe Fund II, a €330m growth equity fund that invests in rapidly growing internet, mobile and software companies in Ireland, UK and across Europe.
 QUADRANT REAL ESTATE ADVISORS	50	A €50m commitment, alongside €50m from institutional clients of US-based Quadrant Real Estate, to finance office development projects in Ireland.
 UISCE EIREANN : IRISH WATER	150	Loan facilities of €450m in total, representing a refinancing of the existing €300m National Pensions Reserve Fund facility and a new €150m loan facility.
 SWRVE	11	An investment to support an international expansion strategy for software firm Swrve, a global leader in the high-growth sector of in-app mobile marketing automation founded in Dublin in 2007.
 DCU	54	Long-term funding of €54m which assists in the delivery of student accommodation, facilitates the provision of parallel EIB funding and enables DCU's €230m Campus Development Programme.
LEEDS Equity Partners	92*	Cornerstone \$100m investment in Leeds Equity Partners Fund VI, a leading global investor in the education/knowledge industries. This is expected to deliver long-term benefits, including enhanced global connectivity, for the broader education sector in Ireland.

*Approved commitment, legal documents agreed subject to approval of execution versions and conditional on Leeds raising a minimum of \$400m in total commitments.

Investment Case Study

DCU Campus Development Programme

DCU is currently experiencing a period of rapid growth and expansion with student numbers set to increase by over 30% in 2016/2017 as it merges with St Patrick's College, Mater Dei Institute of Education and Church of Ireland College of Education in Drumcondra.

To facilitate this expansion, DCU has commenced a €230m development plan aimed at physically transforming the student experience at the university on a phased basis over the next 2-3 years. The plan includes projects such as an R&D focused nano-bioanalytical building, an innovation campus focused on commercialisation, a sports campus, acquisition of nearby colleges and new student accommodation.

The ISIF has committed long-term funding of €54m to assist the university ultimately deliver over 3,200 student accommodation units across the university campuses.

ISIF funding provides long-term debt with a maturity profile not currently available within the Irish banking market. The funding is underpinned by a robust commercial case involving several on-campus student accommodation blocks with long-term stable cash flows. Such funding will unlock parallel long-term funding of €76m from the EIB that supports DCU's wider investment programme and ensures one of Ireland's leading universities has the capital funding it requires to deliver upon its ambitions in research, teaching and learning into the future.



Economic Impact

The ISIF seeks to allocate the majority of its capital to priority sectors and investments where the highest economic impacts are likely, while also ensuring that all investments satisfy its commercial return objectives.

Over the longer term, 80% of the ISIF's capital is targeted at investments where the highest and most sustainable economic impacts are likely. The remaining 20% is targeted at investments which will provide short-term economic gains, act as an accelerator of market activity or address instances of market dysfunction. At end-2015 62% of committed capital was in high economic impact transactions, with 38% in lower economic impact transactions.

ISIF Economic Impact 2015



18,000 jobs

Almost 18,000 jobs are supported directly and indirectly by the ISIF's investments.



108 companies

108 companies generated turnover of €1,229m for the financial year 2015 with 29% of their turnover generated from exports.



€505m in wages/salaries

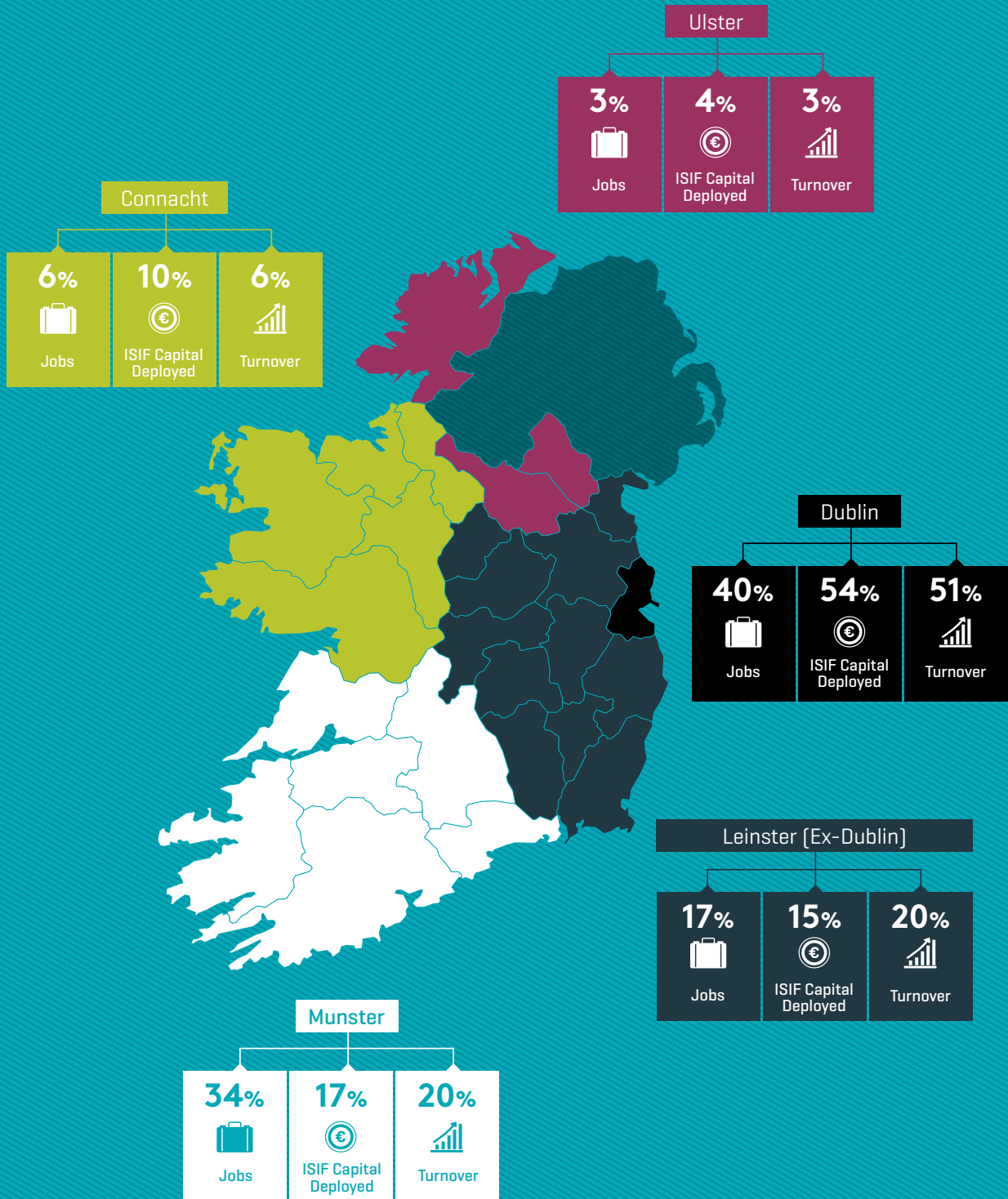
€505m was earned in wages/salaries in 2015 by employees of these companies.



€538m GVA

Gross Value Added from ISIF investments of €538m.

ISIF Regional Economic Impact 2015



Performance and Portfolio

Performance is reported on two levels, (i) the Discretionary Portfolio - the investment of which is the responsibility of the NTMA and (ii) the Directed Portfolio - the public policy investments made at the direction of the Minister for Finance.

Discretionary Portfolio

The Discretionary Portfolio earned a return of +1.1% in 2015 and has generated a return of +1.4% per annum since inception on 22 December 2014.

The Discretionary Portfolio's value increased by €688m to €7.859bn in 2015. This increase includes:

- €280m from the Directed Portfolio following payment of a preference share dividend from AIB.
- €335m contributed by the Exchequer to a new Connectivity Fund within the Discretionary Portfolio, following the sale of the State's shareholding in Aer Lingus. The Connectivity Fund has been earmarked for investment in projects that enhance Ireland's physical, virtual or energy connectivity.

During 2015 the ISIF implemented a capital preservation strategy which involved limiting its downside equity exposure - via the purchase of options and a reduced exposure to equities. The aim of the capital preservation strategy is to ensure that capital is available for investment in Ireland as required, while both significantly dampening risk and continuing to hold assets that will generate positive performance in growing equity and real asset markets.

In late 2015 the NTMA commenced moving towards a medium-term Global Portfolio Transition Strategy which will form the basis for transitioning the ISIF over a period of years from a largely global portfolio into an Irish portfolio, as investment opportunities in Ireland are executed and drawn down. The overall objective is to ensure that cash is available as required for Irish investments over an indicative period of four to five years, while making a significant contribution towards the ISIF's investment return objective.

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

Discretionary Portfolio Asset Allocation at 31 December 2015

Asset Allocation	Irish Portfolio €m	Global Transition Portfolio €m	Total €m	Fund Weight %
Quoted Equity	53	1,015	1,068	13.6
Bonds & Debt	422	1,181	1,602	20.4
Cash & Cash Investments		3,594	3,594	45.7
Equity Options		11	11	0.1
Total Financial Assets	422	4,785	5,207	66.3
Private Equity	381	4	385	4.9
Real Estate	18	218	236	3.0
Commodities	30	265	295	3.8
Infrastructure	125	241	366	4.7
Absolute Return Funds		302	302	3.8
Total Alternative Assets	554	1,030	1,584	20.2
Total Discretionary Portfolio	1,028	6,831	7,859	100.0

Figures may not total due to rounding.

Business Review (continued)

Directed Portfolio

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

During the financial crisis, a total of €20.7bn was invested in AIB and Bank of Ireland at the direction of the Minister for Finance for public policy reasons. These assets transferred to the ISIF on the establishment of the Fund.

At end-2015 the Directed Portfolio comprised:

- (i) Ordinary shares in Allied Irish Banks valued at €4.51 per share.
- (ii) Ordinary shares in Bank of Ireland valued at the market price of €0.34 per share.
- (iii) €240m in cash, committed to lending to the Strategic Banking Corporation of Ireland.

At end-2015 the ISIF's shareholdings in AIB and Bank of Ireland were 99.9% and 13.9% respectively. As the AIB shareholding leaves a free float of only 0.1%, the NTMA engaged an external corporate finance firm to provide an independent fair market valuation as of 31 December 2015 for the purposes of valuing this investment in line with generally accepted accounting principles.

The Directed Portfolio had a valuation of €14.0bn at end-2015. €1.6bn of proceeds from the sale and redemption of the Bank of Ireland preference share holding in December 2013 was remitted to the Exchequer under Direction from the Minister for Finance in March 2015 and used to part-finance the repayment of the more expensive portion of Ireland's IMF loan. In December 2015 AIB redeemed and converted the preference shares, resulting in the receipt of €1.9bn in cash and 155bn ordinary shares. Under Direction from the Minister for Finance, €0.2bn of this cash was used to redeem the Minister's outstanding EBS Promissory Notes and the remainder was remitted to the Exchequer.

The Directed Portfolio's return in 2015 was 18.6%.

Directed Portfolio

	Original Investment €bn	Cash received to date €bn	End 2015 value €bn	Total (income & value) €bn
Preference Shares	1.8	3.2	0	3.2
Ordinary Shares	2.9	1.0	1.5	2.5
Bank of Ireland	4.7	4.2	1.5	5.7
Preference Shares	3.5	2.2	0	2.2
Ordinary Shares	8.7	0	12.2	12.2
Capital Contribution	3.8	0	0	0
AIB	16.0	2.2	12.2	14.4
Total Bank Investments	20.7	6.4	13.8	20.2
Cash			0.2	
Total Directed Portfolio			14.0	

Figures may not total due to rounding.

National Development Finance Agency

DELIVERING PUBLIC INFRASTRUCTURE

- The NDFA is delivering a range of education, health, justice and housing PPP projects with an estimated total capital value of €1bn. The over-riding objective is to ensure Value for Money for the taxpayer, consistent with on time and on budget project delivery.
- Significant progress was made on the construction of Schools PPP Bundle 4 providing 3,000 pupil places in Tipperary, Clare, Louth and Cork, which is scheduled for completion in mid-2016.
- Construction has commenced on the Courts Bundle PPP project involving the development of new courthouses and refurbishment and extension of existing courthouses in seven locations around the country. All courthouses are scheduled to be fully operational by December 2017.
- The NDFA delivered 15 “design and build” school projects (non-PPP) with a combined value of €80m providing 8,600 pupil places during 2015.

RESURGENCE OF INFRASTRUCTURE LENDING MARKET

- 2015 has witnessed a significant resurgence of the Irish infrastructure lending market with a substantial improvement in the funding costs available to PPP projects. All-in senior debt rates have fallen from 6.5% in early 2014 to under 3% at end-2015. A notable feature of the market is the emergence of international institutional investors.

WORKING WITH EIB TO PROVIDE COST EFFECTIVE FUNDING

- The NDFA continues to engage with the EIB to maximise the availability of cost effective funding for Irish infrastructure.
 - In December 2015 the EIB provided a direct loan to the Exchequer of €200m for flood protection projects throughout Ireland. Since July 2012 the EIB has provided €750m in direct Exchequer loans.
 - The EIB has provided significant support to PPP project financing through provision of funding and credit enhancement.

Progress on NDFA PPP Projects at End-2015

Projects being Procured by the NDFA

1. Schools Bundle 4

Description

Four schools providing 3,000 places in Tipperary, Clare, Cork and Louth.

Status

Scheduled for completion in mid-2016.



2. Schools Bundle 5

Description

Five schools and one Institute of Further Education providing 4,870 places in Carlow, Meath, Wicklow and Wexford.

Status

Preferred tenderer appointed December 2015 with financial close expected mid-2016.

3. Courts Bundle

Description

The development of new courthouse buildings in Drogheda, Letterkenny, Limerick and Wexford and also the refurbishment and extension works to existing courthouses in Cork, Mullingar and Waterford.

Status

Construction commenced immediately upon financial close in December 2015 and all courthouses are scheduled to be fully operational by December 2017.



4. Primary Care Centres

Description

The development of 14 new primary care centres throughout the country, designed to provide health and social care services in local communities.

Status

Preferred tenderer appointed May 2015 with financial close expected mid-2016.



5. DIT Campus at Grangegorman

Description

The development of two quad buildings at the new DIT Campus in Grangegorman, providing 10,000 student places in applied arts, sciences and engineering.

Status

Preferred tenderer appointed in February 2015. In March 2015 legal proceedings were initiated against the NTMA and the Minister for Education and Skills in respect of the public procurement competition for this project. Judgment in the proceedings is awaited.

6. Social Housing

Description

Development of 1,500 social housing units.

Status

Project in pre-procurement/planning stage.

Projects where the NDFA is Financial Advisor

7. N7/M11

Description

Design and construction of a new Arklow to Rathnew motorway, a 35km upgrade of the existing M11, and construction of Gorey Service Station.

Status

Construction completed in July 2015.



8. N17/N18

Description

Design and construction of a new 57km stretch of motorway in Galway.

Status

Under construction and scheduled for completion in Q4 2017.

9. M11 Gorey to Enniscorthy

Description

Design and construction of a new 38km stretch of motorway in Wexford.

Status

Financial close achieved in October 2015. Construction is scheduled for completion in 2019.

10. N25

Description

Design and construction of New Ross bypass.

Status

Financial close/construction commencement scheduled for early 2016.

11. Charlemont Street Housing Regeneration

Description

Land swap PPP involving the delivery of 79 social housing units and state of the art community facilities in Dublin

Status

Financial close achieved in December 2015.

12. Motorway Service Areas

Description

Design, construction and operation of two service areas located on the M6 motorway east of Athlone and on the M9 motorway south of Kilcullen together with the fit-out, operation and maintenance of a third service area on the M11 motorway north of Gorey.

Status

Preferred tenderer appointed in May 2015. The project is on hold following application for judicial review of contract award by the National Roads Authority.

The NTMA is designated as the National Development Finance Agency (NDFA) when providing financial advice to State authorities undertaking major public investment projects with a capital value of more than €20m and when procuring and delivering Public Private Partnership (PPP) projects in sectors other than transport and the local authorities.

Delivery of PPP Projects

The delivery of PPP projects, including those within the Infrastructure Stimulus Programme 2012, was the main focus of NDFA activity in 2015. The NDFA is responsible for delivering education, health, justice and housing PPP projects with an estimated total capital value of €1bn. Transport Infrastructure Ireland is responsible for procuring the various road PPP projects within the Stimulus Programme, with the NDFA as financial advisor across the entire PPP programme. The estimated capital value of the roads programme is €750m.

Significant progress was made on the various PPP projects in 2015 including Schools Bundle 4, which is scheduled for completion in mid-2016, construction commencing on the Courts Bundle, completion of the N7/M11 project and construction commencing on the M11 project.

Delivery of Devolved Schools Programme

At the request of the Department of Education & Skills the NDFA successfully delivered 15 'design and build' school projects (non-PPP) providing over 8,600 pupil places in Carlow, Cork, Dublin, Kerry, Kildare, Limerick, Louth and Meath. These schools have a combined value of €80m and were all completed and occupied on schedule and on budget during 2015.

Contract Management Services

At the request of the Department of Education and Skills, the NDFA took over the PPP contract management of all operational PPP schools. At end-2015 the NDFA was managing the contracts for four operational schools projects covering 23 schools on behalf of the Department. Working under a Service Level Agreement, the support provided involves monitoring the relevant PPP companies in the performance of their obligations under the PPP contract. This activity is central to the realisation of the long-term Value for Money objective which underlies the PPP business case.

Other Advisory Work

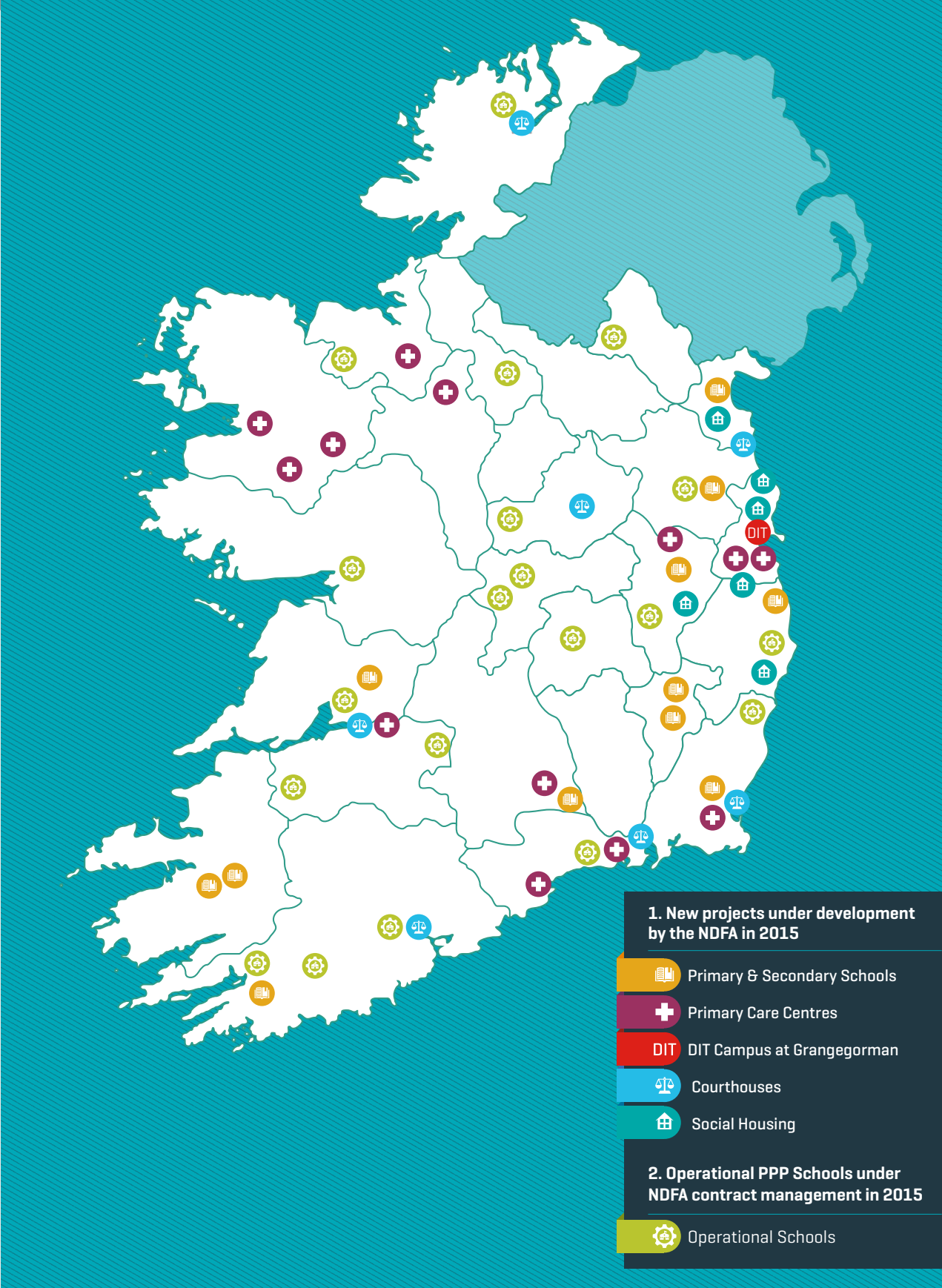
In addition to its work on PPP projects, the NDFA is providing financial advice on a range of other infrastructure projects being procured by State authorities including the National Broadband Plan and a number of health projects including the National Maternity Hospital and Radiation Oncology Centres. It acted as financial advisor to the OPW on the sale of shares in the Convention Centre Dublin by the liquidator, Grant Thornton.

Infrastructure Lending Market

During the latter half of 2014 and through 2015 there was a significant resurgence of the Irish infrastructure lending market with both international and domestic funders expressing an interest in lending to Irish projects. The NDFA has seen a number of new participants including international institutional investors in the market and also a welcome recovery of the long-term debt market. Consequently, there has been a substantial improvement in the funding costs available to Irish PPP projects with all-in senior debt rates falling from 6.5% in early 2014 to under 3% at end-2015.

The NDFA continues to engage with multilateral funders such as the European Investment Bank (EIB) and Council of Europe Development Bank (CEB) in order to maximise the availability of cost effective funding for Irish infrastructure. In December 2015 the EIB provided a direct loan to the Exchequer of €200m for flood protection projects throughout Ireland. Overall, since July 2012, the EIB has provided €750m in direct Exchequer loans. The EIB has provided funding for the M11 road project and is also a potential funder for the DIT Campus at Grangegorman and Primary Care PPP projects.

NDFA Project Locations



NewERA

A DEDICATED CENTRE OF CORPORATE FINANCE EXPERTISE

- A Shareholder Expectations Framework is now in place for all commercial State bodies within NewERA's remit on the Government's strategic priorities, policy objectives, financial performance and reporting requirements:
 - In 2015 NewERA further enhanced the Framework with a focus on development of formal financial targets for commercial State bodies.
 - Work to agree formal dividend policies for each body is at an advanced stage.
 - Combined dividends of €475m were paid during 2014/15.

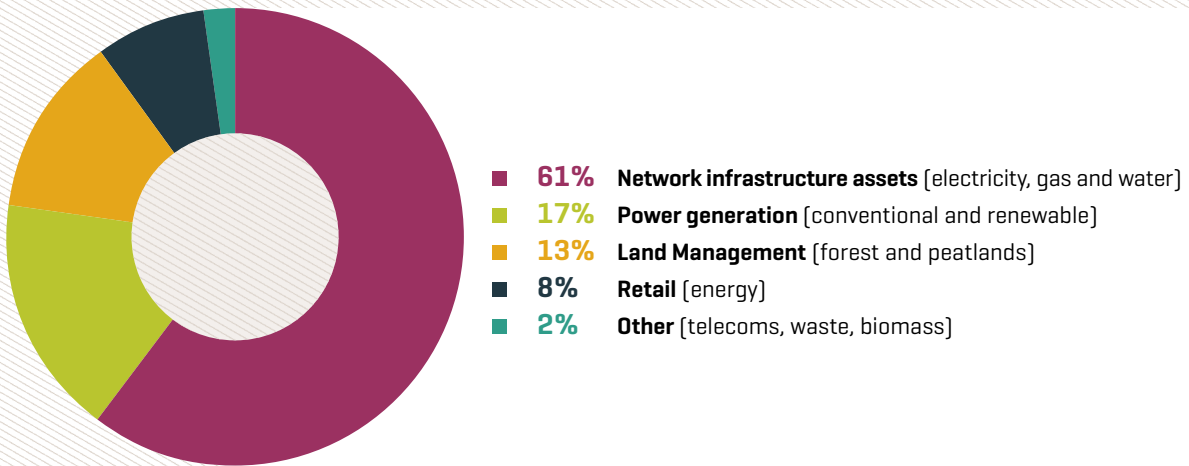
- NewERA provided commercial and financial advice to Government on a range of issues in 2015 including:
 - €2.6bn of capital expenditure requests from the commercial State bodies within its remit.
 - Re-organisation of Ervia with operational establishment of Gas Networks Ireland, following on from the sale of Bord Gáis Energy.
 - Sale of the State's shareholding in Aer Lingus plc to IAG.
 - The first joint venture between Bord na Móna and Coillte to finance, construct and operate a 64 MW wind farm.
 - Coillte Telecoms disposal to Infravia Capital Partners.

Business Review [continued]

State Bodies within NewERA's Remit Playing a Crucial Role in the Economy

12,000 employees

Core Areas of Activity - Energy & Land Management



For 2014/15, on a combined basis, they:

€5.8bn

Generated €5.8bn in revenues

€14.7bn

Had invested capital of €14.7bn.

€1.7bn

Undertook capital expenditure of €1.7bn

NewERA provides financial and commercial advisory services to Government in respect of a number of major commercial State bodies: ESB, Ervia, Irish Water, Bord na Móna, Coillte and EirGrid. It takes a commercial approach to the oversight of these bodies providing advice in relation to financial performance, corporate strategy, capital and investment plans, proposed acquisitions or disposals, restructuring and board appointments. NewERA's role also involves the provision of financial and commercial advisory services in respect of other State bodies or assets at the request of the relevant Minister.

Shareholder Expectations Framework

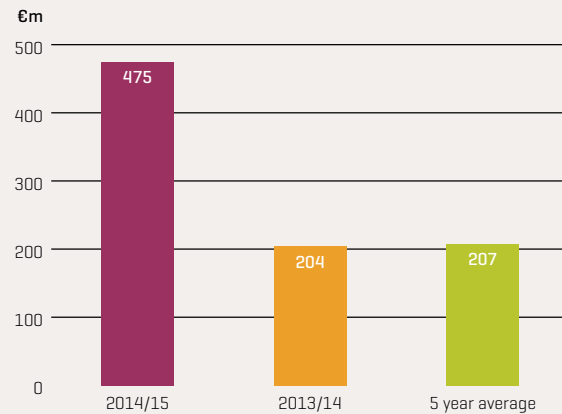
NewERA has developed a Shareholder Expectations Framework intended to provide clarity and guidance for each of the commercial State bodies within its core remit in relation to the Government's strategic priorities, policy objectives, financial performance and reporting requirements for each body. Shareholder expectations letters based on the Framework and tailored to the body concerned have now been issued by the relevant Minister to each of these bodies. Work on the further enhancement of the Framework in 2015 has focused on development of formal financial targets for the relevant bodies. These targets typically include:

- Capital structure target, reflecting the underlying business mix.
- Profitability target, reflecting the risk profile of the expected business mix.
- Dividend target.

One of the key financial performance measures outlined in the Framework is Total Shareholder Return [TSR], which will assist in measuring financial value creation for the State by each body. It is expected that the bodies will undertake commercial equity valuations on an annual basis so that TSR can be measured and monitored. TSR will be analysed on an ongoing basis with the expectation that the analysis will be increasingly meaningful when reviewed over the medium term [e.g. five years] rather than on an annual basis.

Dividends are also a component of TSR. Combined dividends of €475m were received for 2014/15. These dividends comprise of €361m arising either from proceeds from the sale of assets or a special dividend request from Government and €114m in respect of ordinary dividends.

Dividends Paid by Bodies within NewERA's Remit.



A key focus in agreeing dividend policies is to ensure that an appropriate balance is struck between the payment of dividends and re-investment in the business. The work to date in this area has seen ESB announce an increase in its dividend pay-out from 30% to 40% of normalised profits after tax by 2017, subject to ESB sustaining a minimum credit rating of BBB+. During 2015 EirGrid paid an ordinary dividend of €3m for the first time and an increased ordinary dividend of €3.5m will be paid during 2016. Coillte paid an interim dividend of €4m and a further €1m will be paid in 2016 relating to 2015. The boards of Bord na Móna and Ervia have engaged with NewERA and the relevant Government Departments with a view to implementing formal dividend policies during 2016.

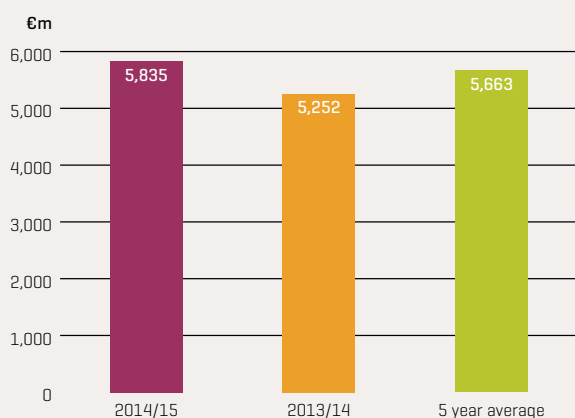
Business Review (continued)

NewERA Portfolio Financial Overview

Key Features

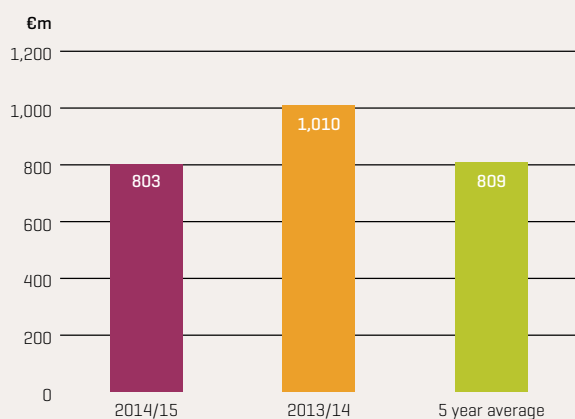
Each year NewERA prepares a *Portfolio Financial Overview* of the commercial State bodies within its core remit. The most recent Overview covered the 2014/15 financial year ends¹.

Turnover



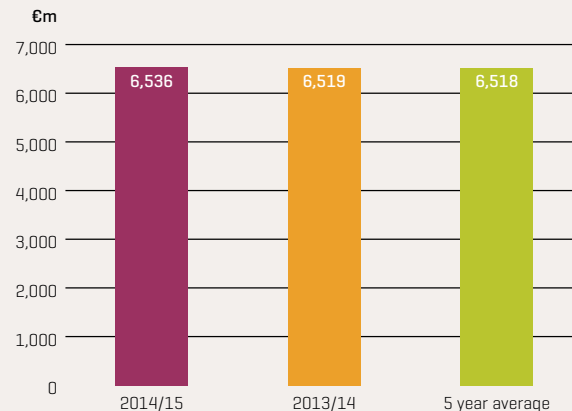
Increase in turnover of the portfolio to €5.8bn.

Operating Profit ("EBIT")



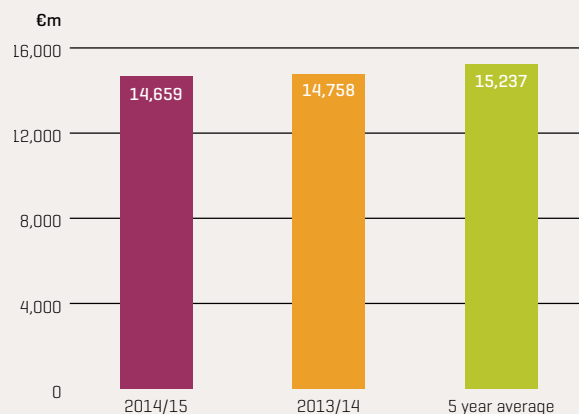
EBIT decreased to €0.8bn from the previous period.

Net Debt



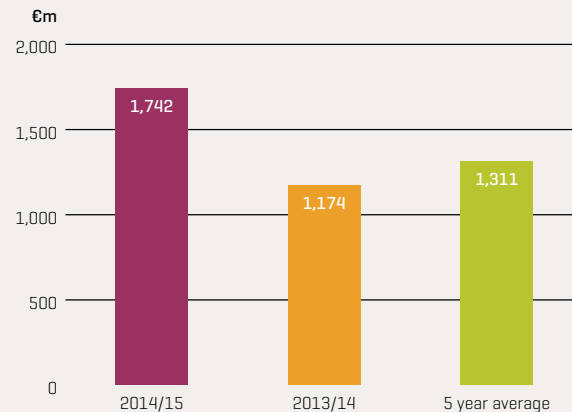
Net debt of €6.5bn broadly at same level as prior period.

Invested Capital



Portfolio has invested capital of €14.7bn.

Capital Spend



Portfolio undertook capital spend of €1.7bn during 2014/2015.







¹ This was carried out by reference to the published annual financial statements for each entity available at the time. The 2014/15 figures are adjusted to exclude Bord Gáis Energy which was disposed of in 2014.

Advisory Services

During 2015 NewERA provided detailed financial analysis and recommendations (where appropriate) to relevant Ministers on a total of 72 submissions for Ministerial consideration and consent, made by the commercial State bodies within its remit. This included €4.6bn in financing-related requests (including bond issuance, revolving credit facilities, EIB and commercial debt facilities), €2.6bn in relation to capital expenditure budget requests and €0.5bn in specific capital expenditure project requests.

NewERA also provided financial and commercial advice to the relevant Minister on a range of issues related to other State bodies and projects during 2015.

Selected NewERA Advisory Projects 2015

Project	Description
Projects relating to State Bodies within NewERA's Remit	
Re-organisation of Ervia with operational establishment of Gas Networks Ireland  	<p>The operational establishment of Gas Networks Ireland commenced from August 2015. The purpose of the re-organisation was to consolidate the gas networks business of Ervia in a single wholly owned subsidiary and ensure consistency with the EU's Third Gas Directive. The re-organisation was a complex process (transfer of assets and liabilities including €1.1bn in external debt). NewERA provided recommendations, from a financial and commercial perspective, to the relevant Ministers in relation to consent requests and approvals that were required to give effect to the re-organisation.</p>
Beneficial Merger  	<p>Following advice from NewERA, the Government announced in 2014 that the commercial operations of Bord na Móna and Coillte should be streamlined and refocused, via the establishment of joint ventures between the companies focusing on biomass, wind, support services and tourism and recreation activities. The first joint venture was put in place in 2015 to finance, construct and operate the Sliabh Bawn wind farm project: a 64MW wind farm that is expected to provide power to 40,000 houses and has an expected project cost of €90m. Work is ongoing on establishing appropriate structures around their other common business activities in biomass (via BioEnergy Ireland), shared services, and recreation and tourism.</p>
Disposal of Coillte Telecoms 	<p>In August 2015 Coillte agreed to dispose of its portfolio of telecommunications assets to InfraVia Capital Partners, a French investment fund. This transaction strengthened the company's balance sheet and facilitated Coillte focusing on its core forestry business. NewERA worked closely with Coillte and provided financial and commercial advice to the Government Steering Group established to oversee the disposal.</p>
Other Projects	
	<p>NewERA provided financial and commercial advisory services to Government in relation to the offer by International Consolidated Airlines Group (IAG) for Aer Lingus in 2015. The sale of the shareholding generated proceeds for the State of €335m.</p>
Telecommunications	<p>The National Broadband Plan (NBP) is a Government policy initiative which aims to deliver high speed broadband to every citizen and business in Ireland. This includes a proposed State intervention to provide high speed broadband to those parts of the country where there is no certainty that the commercial sector will invest. A key principle of the NBP is to support and stimulate commercial investment. NewERA provided input from a financial and commercial perspective on specific aspects of NBP programme delivery including funding and ownership options.</p>

State Claims Agency

MANAGING A COMPLEX AND DIVERSE CLAIMS PORTFOLIO

- The SCA was managing 8,275 active claims with an estimated outstanding liability of €1.79bn across 129 State authorities at end 2015.
- The net cost of resolving and managing ongoing active claims in 2015 was €221.7m – a saving of 18% against the independent actuarial assessment of €271.7m.
- The SCA resolves the majority of claims by negotiating a settlement, either directly with the plaintiff's legal advisors or through a process of mediation. 97% of clinical negligence cases handled by the SCA are settled without the necessity for a contested court hearing.

MATERNITY SERVICES ARE A RISK MANAGEMENT PRIORITY

- Maternity services claims comprised €0.9bn of the estimated outstanding liability. In October 2015 the SCA published a five year review of clinical incidents and claims in maternity and gynaecology services.

REDUCING LEGAL COSTS

- In 2015 the SCA settled 112 bills of cost received from third parties for €18.1m – a saving of 42% on the €31.3m claimed.

NEW ICT SYSTEM TO ENHANCE RISK MANAGEMENT AND MANAGE CLAIMS

- In 2015 the SCA commenced the rollout of the National Incident Management System (NIMS) across the public healthcare sector and other larger State authorities.
- Ireland is the first country worldwide to have implemented a single ICT system to support the management of risk across its public service, including the healthcare sector.

The NTMA is designated as the State Claims Agency (SCA) when managing claims against the State and State authorities and carrying out related risk management functions in order to reduce the costs of future litigation against the State.

The SCA's remit covers personal injury and third-party property damage risks and claims relating to 129 State authorities including the State itself, Government Ministers, the Attorney General, the Health Service Executive, the voluntary healthcare sector, An Garda Síochána, the Irish Prison Service, the Defence Forces and community and comprehensive schools. It also manages third-party costs arising from certain Tribunals of Inquiry and claims for legal costs by parties who have successfully sued the State in respect of personal injury and other non-personal injury related actions.

Claims and Litigation Management

The SCA's claims management objective is, while acting in the best interest of taxpayers in matters of personal injury and property damage litigation, to act fairly and ethically in its dealings with people who have suffered injuries and/or damage and who take legal actions against the State or State bodies, and the families of these people. In cases where the SCA investigation concludes that the relevant State authority bears some or all liability, it seeks to settle claims expeditiously and on fair and reasonable terms. If it considers that the State is not liable, the SCA's policy is to apply all necessary resources to defend the claims.

Active Claims End-2015

The SCA managed 8,275 active claims with an estimated outstanding liability of €1.79bn at end 2015.

Active Claims at End-2015

	Claims	Estimated Outstanding Liability €m
Clinical	3,000	1,353
General	5,275	436
Total	8,275	1,789

Maternity services claims comprised €0.9bn of the estimated outstanding liability at end-2015. The high estimated liability associated with maternity services claims relates to the high costs of settling catastrophic brain-damaged infant cases.

The estimated outstanding liability of €1.79bn does not take account of the Court of Appeal Decision in *Gill Russell v HSE*, which is currently on appeal to the Supreme Court. The Court of Appeal held that the Real Rate of Return (RRR) in respect of the calculation of future care special damages should be 1%. It also held that the RRR in respect of all pecuniary losses should be 1.5%. The effect of the decision, if applied to the estimated outstanding liability, would be to increase it by c.€300m.

The SCA received 2,943 claims and resolved 1,863 claims in 2015. The volume of new claims received has been driven by mass action claims and, principally, the high number of in-cell-sanitation claims taken by current and former prisoners against the Irish Prison Service.

An independent actuarial assessment projected that €271.7m would be required in 2015 to cover the cost of resolving and managing ongoing active claims. The net cost was €221.7m – a saving of €50m or 18%.

Resolving Clinical Claims

The SCA resolves the majority of claims by negotiating a settlement, either directly with the plaintiff's legal advisors or through a process of mediation: 97% of clinical negligence cases handled by the SCA are settled without the necessity for a court hearing.

Business Review [continued]

How Clinical Claims are Resolved

97%

of claims are resolved without a contested court hearing.

75%

of cases where liability is contested result in the courts finding in the SCA's favour.

100%

of claims are resolved within 3 years of the start of legal proceedings.

The *Legal Services Regulation Act 2015* includes three significant provisions which should further assist in the management of clinical negligence cases and reduce the number of cases that go to trial. These are:

- Provision for Ministerial power to make regulations for Pre-Action Protocols to facilitate timely communication between plaintiff and defendant and early identification of issues in dispute and to encourage early settlement.
- An apology by a medical practitioner shall not constitute an admission of liability.
- The Statute of Limitations period for the making of a clinical claim is increased from two to three years from the date of incident giving rise to the claim or the date of knowledge (if later).

Cost of Claims Resolved

The SCA has taken a number of measures to reduce legal costs associated with claims. These include:

- The putting in place of SCA barrister and solicitor panels to provide for competitive tendering of legal services to the SCA.
- Close examination of costs of plaintiffs' legal representatives and seeking the maximum possible reduction through negotiation or if necessary by determination of a Taxing Master.
- Seeking of third party/co-defendant contributions.

These measures have resulted in a significant reduction in the average costs associated with clinical claims in 2014 and 2015 compared with the previous three years. The settlement of a certain number of infant catastrophic injury cases by means of Periodic Payment Orders has also been a significant factor in the fall in average costs of clinical claims in cash terms over this period – of course, in these cases, there will be ongoing payments to the plaintiffs in future years.

The average cost of general claims has increased over the five year period since 2011, notwithstanding the measures taken by the SCA to reduce legal costs. This is due to the increase in the greater number of more serious claims being settled, having regard to the aging effect of the portfolio, particularly HSE-related claims.

Cost of Claims Resolved 2011 to 2015

Clinical Claims					
	2011	2012	2013	2014	2015
	€000	€000	€000	€000	€000
Cost for all claims resolved					
Awards/Settlements	33,512	35,357	36,104	45,033	44,578
Legal Fees - SCA	7,086	8,607	9,571	8,989	8,438
Legal Fees - Plaintiff	12,527	12,964	15,551	14,126	14,718
Other	849	959	1,251	1,244	1,445
Total	53,974	57,887	62,477	69,392	69,178
Average cost per claim resolved					
Awards/Settlements	103	100	102	92	91
Legal Fees - SCA	22	24	27	18	17
Legal Fees - Plaintiff	39	37	44	29	30
Other	3	3	4	3	3
Overall Average	166	164	176	142	141
General Claims					
	2011	2012	2013	2014	2015
	€000	€000	€000	€000	€000
Cost for all claims resolved					
Awards/Settlements	8,045	8,262	11,197	16,247	16,904
Legal Fees - SCA	2,825	2,505	2,893	3,165	3,618
Legal Fees - Plaintiff	3,919	3,468	4,245	5,721	6,293
Other	643	563	831	874	1,013
Total	15,433	14,797	19,165	26,007	27,827
Average cost per claim resolved					
Awards/Settlements	6	5	8	11	12
Legal Fees - SCA	2	2	2	2	3
Legal Fees - Plaintiff	3	2	3	4	5
Other	1	0	1	1	1
Overall Average	12	9	13	18	20

Figures may not total due to rounding.

Business Review (continued)

Mass Actions

The SCA is managing a number of different mass actions against the State. Each mass action is managed by reference to a specific legal strategy to ensure that the State's liabilities are contained at the lowest achievable level.

Active Mass Action Claims

Mass Action	No. of Claims End-2015
In-Cell Sanitation These are cases taken by prisoners (current and former) against the Irish Prison Service alleging inter alia, breach of their constitutional rights due to lack of in-cell sanitation.	1,011
Day School Abuse These are cases taken by persons who allege they were physically and/or sexually abused by persons whilst at school. Most of the cases were initiated following the ECHR Judgment in <i>Louise O'Keeffe v Ireland</i> .	233
Metal-on-Metal Orthopaedic Implants These are cases taken by persons alleging personal injury having been surgically fitted with orthopaedic hip implants.	226
Symphysiotomy These are cases taken by certain women who had a surgical, obstetrical procedure to widen their pelvis.	130
Prison Based TB These are cases taken by current and former prisoners and prison officers alleging testing positive for and/or contracting TB.	77
Pandemrix/Narcolepsy These are cases taken by mostly infant plaintiffs alleging the development of narcolepsy and cataplexy following vaccination against the H1N1 flu virus.	40
Lariam These are cases taken by current and former members of the Defence Forces, alleging severe psychosis type symptoms, following their ingestion of Lariam, an anti-malarial prophylactic drug prescribed for their use whilst on duty in sub-Saharan Africa.	40
Thalidomide These are cases taken by persons born with physical disabilities whose mothers had ingested the Thalidomide preparation during pregnancy.	25

Legal Costs Unit

In 2012 the Government decided to establish a Legal Costs Unit (LCU) within the SCA to deal with third-party costs arising from certain Tribunals of Inquiry (the Mahon, Moriarty, Morris and Smithwick Tribunals). In 2015 the Government extended the LCU responsibilities to management of all legal costs claims against the State.

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

In 2015 the SCA settled 112 bills of cost received from third parties for €18.1m – a saving of 42% on the €31.3m claimed. All of these claims were agreed without the necessity for taxation, thus avoiding delays in settlements and stamp duty charges at 8% of the taxed award.

Risk Management

The SCA's risk management objective is to implement targeted personal injury and property damage risk work programmes to mitigate litigation risk in State authorities and healthcare enterprises, in order to reduce the costs of future litigation against the State. The "risk universe" indemnified by the State and managed by the SCA is extensive. For example, it includes over 200,000 State employees and all public healthcare service users (public healthcare has approximately 7 million contacts with members of the public per annum). It also includes public services that, by their nature, constitute higher risk activities such as the provision of clinical care in hospitals, Defence Forces personnel on operations overseas, members of An Garda Síochána on operational duty, customs inspections, emergency response services and custody of prisoners.

The SCA's clinical risk management programme focuses on collaboration with risk managers and other personnel in healthcare enterprises to support patient safety. The enterprise risk management programme focuses on providing advice and support to State authorities and healthcare enterprises within its remit in relation to risk management structures, maintenance of buildings, fire safety, health and safety and environmental management.

Legal Costs Claims Settled 2015

	Number of Cost Claims Negotiated	Value €m	Cost Claims Agreed €m	Legal Cost Saving %
Mahon Tribunal	32	7.3	4.0	45
Moriarty Tribunal	8	2.8	1.6	43
Morris Tribunal	3	0.8	0.4	53
Smithwick Tribunal	6	9.0	5.0	45
Other Claims	63	11.5	7.2	37
Total	112	31.3	18.1	42

Figures may not total due to rounding

Clinical Risk

Maternity services are a priority area within the clinical risk management programme. During 2015 the SCA published a five year review of clinical incidents and claims in maternity and gynaecology services. It also carried out a series of detailed hospital site visits in order to identify national and site specific risks. It will publish a report in 2016 detailing its analysis of these site visits. The report will include recommendations to ensure optimal care.

Other significant clinical risk management activities in 2015 included:

- Establishment of a clinical risk forum with the national directorate of the HSE, and regular meetings with other key stakeholders including HIQA, post graduate training bodies, senior executive management and front line hospital staff.
- Formulation and delivery of clinical risk courses at undergraduate level for the Royal College of Physicians of Ireland and Trinity College Medical School.
- Analysis of closed medico-legal claims was performed across multiple topics: Paediatrics, Mental Health, Emergency Medicine, Slips/Trips/Falls, Maternity and Gynaecology services. The results of this analysis were made available, on a "lessons learnt" basis, to relevant stakeholders to enable appropriate learnings to be applied to prevent, in so far as is possible, recurrence of similar events giving rise to future claims.

Enterprise Risk

Each year the SCA devises a risk management work programme to assist State authorities with the development and implementation of risk management policies and procedures. Significant enterprise risk management activities in 2015 included:

- Design of an eight day certificate course for the Irish Prison Service to provide managers and health and safety risk management personnel with best practice risk management tools to enable them to carry out their duties optimally.
- Carrying out a review on behalf of the Office of Public Works of the completion of recommendations arising out of a number of reports in respect of visitor safety on Skellig Michael.
- Publication of new guidelines, entitled *Managing Visitor Safety in the Historic Built Environment – Principles & Practice*, on behalf of the Visitor Safety in the Countryside Group [of which the SCA is a member]. The guidelines set out the guiding health and safety management principles for managers of historic sites.
- Working with the Defence Forces to update procedures and processes to ensure that the work of the Defence Forces is carried out in accordance with the *Safety, Health and Welfare at Work Act 2005* and associated regulations.
- Launch of a number of guidance documents for State authorities in respect of their activities carried out under a State indemnity.

Business Review [continued]



Clinical Incidents and Claims Report in Maternity and Gynaecology Services: a Five Year Review - 2010 to 2014.

In October 2015 the SCA published a national report: *Clinical Incidents and Claims Report in Maternity and Gynaecology Services: a Five Year Review - 2010 to 2014* [available at stateclaims.ie]. The data set out in the report will enable services to benchmark themselves against both the median and other services of similar activity in relation to incident reporting and claims. The report's key findings are:

- The national incident rates in Irish maternity services are not dissimilar to international figures where comparisons are available.
- While 75 clinical incidents [out of a total of 9,787 incidents] rated as extreme in severity were reported by maternity services to NIMS in 2014, not all of these were avoidable clinical incidents causing harm. Some related to unavoidable natural events, significant congenital anomalies or mis-categorisation regarding severity factor.
- The five most common maternity claims were categorised as: cerebral irritability/neonatal seizure; perineal tear; shoulder dystocia; stillbirth and unexpected neonatal death. The claim count has remained either static or has reduced since 2012 for these categories.
- A high rate of incident reporting in a service is nationally and internationally regarded as being reflective of a culture of strong patient safety. Comparison of the 19 Irish maternity services shows variation exists nationally across maternity services regarding clinical incident reporting.



National Incident Management System

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

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

In 2015 the SCA commenced the roll-out of NIMS across the public healthcare sector and other larger State authorities. The phased rollout was completed in June 2015, with full implementation across the HSE, 17 voluntary hospitals, the Irish Prison Service, the Defence Forces and nine Government Departments. The system will continue to be rolled-out to the remainder of the State authorities throughout 2016.

Following the rollout of the NIMS project, Ireland is the first country worldwide to have implemented a single ICT system to support the management of risk across its Government and public services, to include the healthcare sector. NIMS provides State authorities' risk managers and the SCA's own risk experts with complex adverse incident data analysis to identify trends, hot spots and lessons learned, thus enabling risk management and mitigation responses that will both ensure the safety of service users, patients and State employees and ultimately reduce the cost of claims against the State in the future.

NIMS was selected by Marsh ClearSight LLC, the US based global leader in technology, analytics and data service solutions across risk, safety and claims management, from amongst its client base of 1,000 international clients, as the winner of its 2015 Excellence in Innovation award. NIMS won the award in recognition of the scale, flexibility and breadth of functionality of the IT solution delivered to a broad and diverse national client base, and through the delivery of IT tools to solve risk management, safety and claims operations challenges.

Governance and Corporate Information

Introduction

Business Review

Governance & Corporate Information

Financial Statements

Portfolio of Investments - ISIF



Agency Members



Willie Walsh | Chairperson

[appointed for a five year term from 22 December 2014]

Member of the Remuneration Committee

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



Maeve Carton | Agency member

[appointed for a three year term from 22 December 2014]

Member of the Audit Committee

Maeve Carton is Group Transformation Director of CRH. Since joining CRH in 1988 she has held a number of senior roles namely Finance Director and before that Group Controller. Prior to joining CRH, she worked for a number of years as a chartered accountant in an international accountancy practice.



Brendan McDonagh | Agency member

[appointed for a three year term from 22 December 2014]

Chairperson of the Investment Committee

Chairperson of the Remuneration Committee

Brendan McDonagh is a former Chairman and Chief Executive Officer of the Bank of Butterfield & Son Limited, Hamilton, Bermuda. He was previously CEO of HSBC Holdings North America Inc, a Group Managing Director of HSBC Holdings Inc and a member of the HSBC Group Management Board. He serves as an independent non-executive director of UK Asset Resolution and as a board member of the Trinity College Business School.



Derek Moran | Agency member

[ex officio]

Derek Moran is Secretary General of the Department of Finance and is responsible for economic, budgetary and fiscal, banking and financial services policy matters and oversight of Ireland's investments in and support for covered banks. He is a member of the Central Bank Commission and the Civil Service Management Board and is a council member of the Foundation for Fiscal Studies.



Martin Murphy | Agency member

[appointed for a four year term from 22 December 2014]

Chairperson of the Audit Committee

Member of the Risk Committee

Member of the Remuneration Committee

Martin Murphy is managing director of Hewlett Packard Enterprise Ireland. Previously he was managing director of HP Ireland. He is chair of the Labour Market Council, an expert group that oversees the Government's Pathways to Work strategy and provides input on wider employment policy issues. He serves as a board member of the UCD Smurfit Business School. He is a former President of the Dublin Chamber of Commerce.



Conor O'Kelly | Agency member
[ex officio]

Conor O'Kelly was appointed Chief Executive of the NTMA in January 2015. He is the former Deputy Chairman of Investec Holdings (Ireland) Ltd. Prior to that he was Chief Executive of NCB Group which was subsequently acquired by Investec plc. Before joining NCB as Head of Fixed Income he spent 11 years with Barclays Capital where he held a number of senior management positions.



Mary Walsh | Agency member
[appointed for a five year term from 22 December 2014]

Chairperson of the Risk Committee
Mary Walsh is a Chartered Accountant and a former international tax partner in PricewaterhouseCoopers in Dublin. She is an independent member of the National Economic and Social Council and external reviewer for the Revenue Commissioners. She has held a number of public sector positions in Ireland and in the EU.



Robert Watt | Agency member
[ex officio]

Member of the Risk Committee
Member of the Remuneration Committee

Robert Watt is Secretary General of the Department of Public Expenditure and Reform with responsibility for public expenditure policy, capital spending and Public Private Partnerships and overall management and reform of the Irish public service. He is an economist and has experience in both the public and private sectors.



Susan Webb | Agency member
[appointed for a four year term from 22 December 2014]

Member of the Audit Committee
Member of the Investment Committee

Susan Webb is a former Managing Director of Pfizer's international treasury centre based in Dublin. She is an independent non-executive director of Wells Fargo Bank International and of Depfa Bank plc.



The Agency and its Committees

On 22 December 2014 the NTMA was reconstituted as an Agency with a Chairperson and eight other members reporting to the Minister for Finance with over-arching responsibility for all of the NTMA's functions (excluding NAMA and the SBCI which have their own separate boards). Previously, the NTMA did not have a board structure and the Chief Executive reported directly to the Minister for Finance with regard to some functions while the NTMA acted as the executive to separate statutory boards with regard to other functions.

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

The term of office of an appointed member is five years, other than the initial appointed members of whom two members are appointed for three years and two members are appointed for four years. The Minister determines the level of remuneration of appointed members. The *ex-officio* members do not receive any remuneration in respect of their membership of the Agency.

Six members of the Agency were appointed by the Minister on 22 December 2014: Willie Walsh (Chairperson) (five years), Maeve Carton (three years), Brendan McDonagh (three years), Martin Murphy (four years), Mary Walsh (five years) and Susan Webb (four years). The three *ex-officio* members of the Agency are Conor O'Kelly, Chief Executive (with effect from 5 January 2015 following John Corrigan's retirement from the position), Derek Moran (Secretary General of the Department of Finance) and Robert Watt (Secretary General of the Department of Public Expenditure and Reform).

The Agency met on 10 occasions in 2015.

The Agency has established four committees:

- Audit Committee.
- Investment Committee.
- Risk Committee.
- Remuneration Committee.

The Agency has adopted the *Code of Practice for the Governance of State Bodies* (the Code), adapted in a limited number of cases to reflect the Agency's circumstances. Where necessary, it is putting in place arrangements to ensure compliance with the Code and will review its policies

and procedures periodically to ensure continued compliance with the Code.

Codes of business conduct are in place for Agency and committee members and employees. Agency and committee members and employees are expected to ensure that all their activities are governed by the ethical standards reflected in the relevant code.

The NTMA has in place a Reporting of "Relevant Wrongdoing" and Protected Disclosures Policy whereby employees may, in confidence, raise concerns about possible irregularities in financial reporting or other matters.

The NTMA is a prescribed public body for the purposes of the *Ethics in Public Office Acts 1995 and 2001*. In addition there are specific disclosures of interest requirements under the *National Treasury Management Agency Act 1990* (as amended) and the *Code of Practice for the Governance of State Bodies*. The NTMA has put in place procedures to assist Agency and committee members in meeting their disclosure of interest obligations.

The Agency is supported in its functions by the Agency Secretary who also co-ordinates the operation of the various Agency committees. Each of the committees is supported by the Agency Secretary or the Assistant Agency Secretary.

Audit Committee

The Audit Committee assists the Agency in the oversight of the quality and integrity of the financial statements and in reviewing and monitoring the effectiveness of the systems of internal control, the internal audit process and the compliance function. It reviews and considers the outputs from the statutory auditor, the Comptroller and Auditor General. It also oversees the implementation of the Reporting of "Relevant Wrongdoing" and Protected Disclosures Policy.

The Committee comprises three members appointed by the Agency:

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

The Committee met on five occasions in 2015.

Attendance at Agency and Committee Meetings in 2015

	Agency	Investment Committee	Audit Committee	Risk Committee	Remuneration Committee
Agency Members:					
Willie Walsh	9				2
Maeve Carton	9		5		
Brendan McDonagh	10	11			2
Derek Moran	8				
Martin Murphy	10		5	4	2
Conor O'Kelly	10				
Mary Walsh	10			4	
Robert Watt	10			3	1
Susan Webb	9	10	4		
External Members:					
John Herlihy		9			
Richard Leonard		10			
Julie Sinnamon		8			

The principal activities of the Committee in 2015 were as follows:

Financial reporting

The Committee reviewed the financial statements before their submission to the Agency. The review focused on changes in accounting policy and practices and consistency across the NTMA, major judgement areas, the methods used to account for significant transactions where different approaches are possible, and the clarity and completeness of disclosures.

Internal Controls

The Committee reviewed the adequacy and effectiveness of the internal control systems and the statements to be included in the Financial Statements concerning internal controls. The Committee's findings were reported to the Agency.

Compliance

The Committee received regular reports from the Head of Compliance. It reviewed and recommended to the Agency the Anti-Fraud Policy and the Reporting of "Relevant Wrongdoing" and Protected Disclosures Policy.

Internal Audit

The Committee reviewed and approved the internal audit charter. It received regular reports from the Head of Internal Audit. It reviewed the key findings from the outcome of individual internal audit reviews under the 2015 internal audit plan and monitored the implementation of the internal audit recommendations. It approved the 2016 internal audit plan [the 2015 internal audit plan had been put in place under the NTMA's previous governance structure].

Statutory Audit

The Committee reviewed the external audit plan in advance of the audit and met with the external auditor to review the findings from his audit of the financial statements. The Committee also reviewed management's responses to the auditor's findings and recommendations and monitored, on an ongoing basis, the implementation by management of the auditor's recommendations.

During the year the Committee met individually with the statutory auditor, the Head of Internal Audit and KPMG [the external firm appointed to carry out internal audit work] without management present.

Investment Committee

The Investment Committee is a statutory committee provided for by the *National Treasury Management Agency Act 1990* [as amended].

The Committee assists the Agency in the control and management of the Ireland Strategic Investment Fund by making decisions about the acquisition and disposal of assets within such parameters as may be set by the Agency, advising the Agency on the investment strategy for the Fund and overseeing the implementation of the investment strategy. The Agency has delegated investment decisions up to €150m to the Committee. Proposed investments in excess of €150m are referred to the Agency with a recommendation from the Committee.

The Committee is required to comprise of two appointed members of the Agency and not more than five persons who are not members of the Agency but who have acquired substantial relevant expertise and experience and who are appointed by the Agency with the consent of the Minister for Finance [external members]. The Agency has decided that the Committee should have three external members. The members of the Committee are:

- Brendan McDonagh, Chairperson [Agency member].
- Susan Webb [Agency member].
- Richard Leonard [external member].
Managing Director Grant Thornton Financial Counselling Ltd and a member of the National Grant Thornton Management Team.
- Julie Sinnamon [external member].
CEO of Enterprise Ireland.

There is one vacancy on the Committee. John Herlihy [external member] resigned from the Committee with effect from 1 May 2016.

The Committee met on 11 occasions in 2015.

The principal activities of the Committee in 2015 were as follows:

Investment Strategy

The Committee's initial focus was on the consideration of the draft Investment Strategy and Business Plan in the context of the ISIF's double-bottom line investment mandate of supporting economic activity and employment as well as generating investment return. It reviewed the draft Strategy and Business Plan and recommended the adoption of the Strategy and Business Plan to the Agency.

The Committee also reviewed and made recommendations to the Agency on the strategy for transitioning the Fund from a largely global portfolio into an Irish portfolio, as investment opportunities in Ireland are executed and drawn down.

Review of Investment Proposals

The Committee reviewed detailed investment proposals from management and approved or made recommendations to the Agency as appropriate. It also actively monitored the investment pipeline in order to provide timely feedback to management on potential investment opportunities.

Portfolio Monitoring and Review

The Committee received regular reports from management on the performance, asset allocation and economic impact of the Fund.

Risk Committee

The Risk Committee assists the Agency in the oversight of the risk management framework including setting risk appetite, monitoring adherence to risk governance and ensuring risks are properly identified, assessed, managed and reported. In addition, it oversees the risk management function. It sets standards for the accurate and timely reporting of critical risks and reviews reports on any breaches of risk limits and the adequacy of any proposed action.

The Committee comprises three members appointed by the Agency:

- Mary Walsh, Chairperson.
- Martin Murphy [also Chairperson of the Audit Committee].
- Robert Watt.

The Committee met on four occasions in 2015.

The principal activities of the Committee in 2015 were as follows:

Risk Management Policy and Framework

The Committee reviewed and recommended to the Agency the Risk Management Policy and Framework which sets the standard for risk management across the enterprise.

The Committee reviewed a number of specific risk policies as provided for in the Risk Management Policy and Framework: the Market Risk Management Policy, the Liquidity Risk Management Policy, the Counterparty Credit Risk Management Policy, the Business Continuity Management Policy and the IT Security Governance and Framework.

Risk Appetite

The Committee reviewed and recommended to the Agency the Risk Appetite Framework. This defines the risk appetite for each of the NTMA's key risk categories.

Risk Register Review

The Committee reviewed risk registers from NTMA business units considering the principal risks identified and the key controls in place to mitigate these risks. It also reviewed the principal risks faced by the NTMA.

Risk Reporting

The Committee oversaw the development of the risk dashboard as a reporting tool and received regular reports from the Chief Risk Officer.

The Committee worked closely with the Audit Committee and received regular updates from the Audit Committee Chairperson (who is also a member of the Risk Committee) on risk-related matters discussed at the Audit Committee.

During the year the Committee met with the Chief Risk Officer without management present.

Remuneration Committee

The Remuneration Committee assists the Agency through review and approval of the NTMA's overall remuneration policy, review and approval of any performance-related pay schemes operated by the NTMA and approval of the total annual payments to be made under any such schemes. It also makes recommendations to the Agency on the remuneration of the Chief Executive.

The Committee comprises four members appointed by the Agency:

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

The Committee met on two occasions in 2015.

During 2015 the Committee reviewed and endorsed the NTMA's key remuneration principles and in 2016 approved a formal Remuneration Policy to define the parameters within which the Chief Executive and management may operate to recruit and retain high calibre employees and encourage a high level of performance by staff, while complying with the FEMPI Acts, reflecting good corporate governance and being consistent with, and promoting, sound and effective risk management.

During 2015 the Committee also reviewed and approved performance related payments in respect of 2014 and reviewed the remuneration assumptions in respect of the 2016 NTMA operating budget.

Risk Management

Overview and Governance

The NTMA's approach to risk management is designed to support the delivery of its mandates by proactively managing the risks that arise in the course of the NTMA pursuing its strategic objectives. In 2015 the NTMA completed the roll-out of the new risk governance structure established in 2014 which is based on the 'three lines of defence' model, and appointed a Chief Risk Officer (CRO). An assessment of the organisation's strategic risks was conducted and a number of key policies, including the revised Risk Management Policy and Framework and the Risk Appetite Framework, were put in place.

The Agency has established a Risk Committee to assist it in the oversight of the risk management framework. The Risk Committee sets standards for the accurate and timely monitoring of critical risks and reviews reports on any material breaches of risk limits and the adequacy of any proposed action.

An executive Enterprise Risk Management Committee (ERMC), comprising members of the NTMA senior management team oversees the implementation of the NTMA's overall risk appetite and senior management's

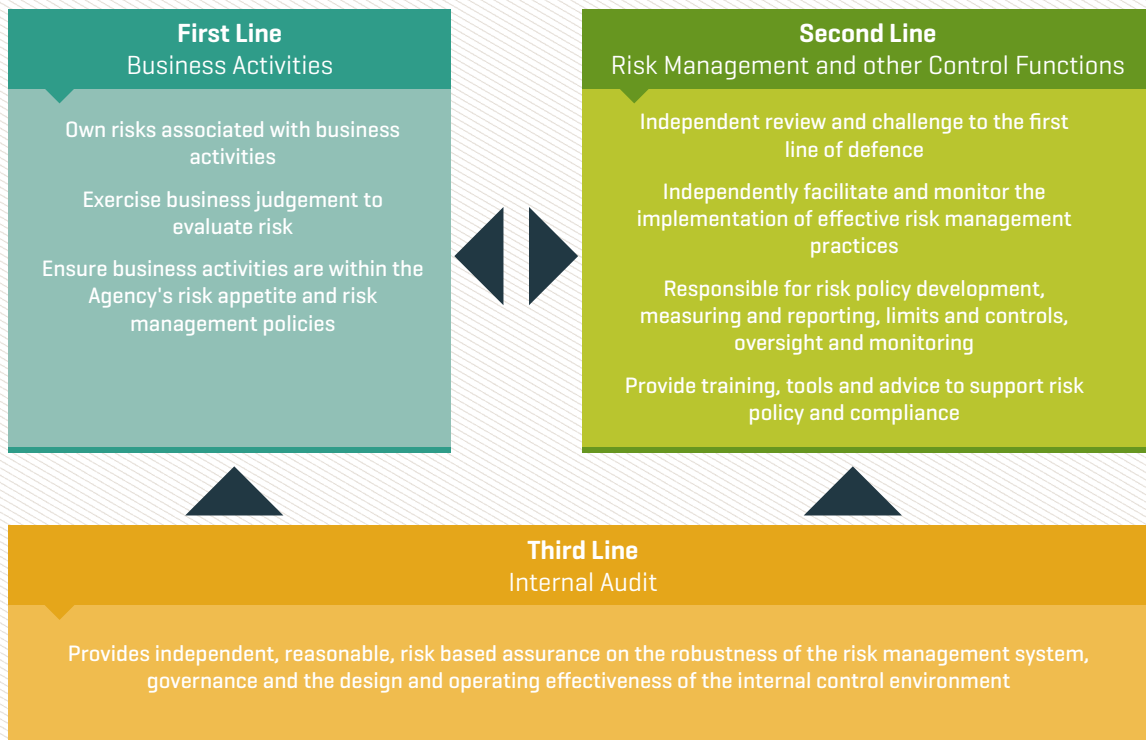
establishment of appropriate systems to ensure enterprise risks are effectively identified, measured, monitored, controlled and reported. It is responsible for ensuring that material risks across the NTMA are reported in a consistent and integrated manner to the Risk Committee.

A number of specialist risk committees report to the ERMC, including the Operational Risk and Control Committee, the Market and Liquidity Risk Committee and the Counterparty Credit Risk Committee.

Policy and Framework

The NTMA Risk Management Policy and Framework defines the standards for risk management across the enterprise and sets out the arrangements by which this is achieved. These include the objectives, policy, framework, responsibilities and processes that support the effective and integrated management of risk, consistent with the Agency's agreed risk appetite. The NTMA has defined its risk appetite for each of its key risk categories and measures risk exposures through the use of key risk indicators. The Risk Management Policy and Framework is reviewed on an annual basis to ensure that it remains relevant and up to date.

Three Lines of Defence Model



Risk Assessment

The risk assessment processes are designed to ensure that the NTMA manages its risk within its agreed risk appetite, that material risks are identified and that management of risk is monitored within clearly defined and delineated roles and responsibilities.

Each individual business unit is required to self-assess and review their risks and record them in risk registers. The review:

- Identifies or re-confirms the risks to the business.
- Assesses the inherent risk impact and likelihood.
- Identifies proposed treatments and controls; allocates owners for any agreed actions plans.
- Reports on the implementation of measures and controls to address the residual risks.

All business units present their risk registers to the ERM and Risk Committee at least annually. The ERM performs a “top-down”, strategic risk assessment twice annually, the purpose of which is to identify and agree the main risks from an NTMA-wide perspective.

Business Continuity

Business continuity is an integral part of the risk management framework, building organisational resilience and allowing the NTMA to continue operating following a disruptive event. The business continuity management programme’s main elements include business continuity plans based on impact analyses and on-going tests of continuity arrangements.

Risk Profile

The principal risks faced by the NTMA were identified in the bi-annual strategic risk assessments conducted in 2015. There may be other risks and uncertainties that are not yet considered material or not yet known to the NTMA and the principal risks may change to accommodate such developments.

Principal Risks

Risk	Risk Description
Economic and Market Risk	Extreme economic conditions and market volatility could adversely impact the NTMA. For example, uncertainties over the UK’s relationship with the EU, or risks to the stability of the EU itself, could have extreme consequences for the Irish economy. Possible consequences include problems with access to funding or investment opportunities, deterioration of debt sustainability, increased debt service costs and poor returns.
People Risk	The NTMA conducts a range of specialised activities on behalf of the State. Failure to recruit and retain a sufficiently skilled and experienced workforce may negatively impact its ability to execute its mandates.
Operational and Business Continuity Risk	Operational risk is inherent in all the NTMA’s activities. The NTMA considers transaction processing, cyber risk, fraud risk, business continuity risk and business unit start-up risk to be its key operational risks.
Stakeholder Risk	The NTMA’s business objectives are principally mandated by legislation and ministerial guidelines. Policy changes may result in new or revised mandates that could impact the NTMA’s ability to achieve its objectives.
Investment Risk	The NTMA is responsible for making external investments as part of its mandate. These include both direct investments and commitments to third party investment managers. Poor investment management could lead to significant financial and/or reputational damage.
Third Party Risk	The NTMA relies on a number of third party suppliers in order to deliver its mandates. Failure of the NTMA to oversee and manage third parties, or failure by the third party to deliver or act in a manner consistent with the NTMA’s requirements, could lead to financial and/or reputational damage.

Management Team



Conor O'Kelly | Chief Executive



Ian Black
Chief Financial and Operating Officer



Ciarán Breen
Director, State Claims Agency



Sinéad Brennan |
Head of Human Resources



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



Eileen Fitzpatrick | Director, NewERA



Deirdre Hannigan | Chief Risk Officer



Brian Murphy | Director, National
Development Finance Agency



Eugene O'Callaghan | Director, Ireland
Strategic Investment Fund



Frank O'Connor | Director, Funding and
Debt Management



Andrew O'Flanagan | Chief Legal Officer

Staffing and Remuneration

The NTMA executes its mandates through five business units: the Funding and Debt Management Unit, the Ireland Strategic Investment Fund Unit, the National Development Finance Agency, NewERA and the State Claims Agency. The NTMA's business units are supported by its corporate functions which provide services across Finance, Operations, Information Technology, Risk, HR, Legal, Compliance, Communications and Internal Audit.

A number of NTMA staff are on secondment to the Department of Finance following the revocation of the delegation of banking system functions of the Minister for Finance to the NTMA from August 2011.

The NTMA assigns staff to the National Asset Management Agency (NAMA) and the Strategic Banking Corporation of Ireland (SBCI) and also provides them with business and support services and systems. NAMA and the SBCI reimburse the NTMA the costs of these services (including staff costs). Both NAMA and the SBCI are independent entities and have their own separate boards.

Other than staff assigned to NAMA and the SBCI, the NTMA had 431 employees at end-2015. 341 employees were assigned to NAMA and 9 employees were assigned to the SBCI.

The NTMA's remuneration model is based on confidential, individually negotiated employment contracts, with competitive, market-aligned remuneration, subject to the FEMPI Acts. The typical remuneration package comprises a fixed base salary and provision for discretionary performance related pay. In a limited number of cases other allowances or benefits are paid.

The NTMA's objective is to ensure that its remuneration arrangements facilitate it in attracting, developing and retaining high performing and motivated employees, with appropriate skills and experience, so as to ensure that the NTMA can discharge fully its statutory functions in an effective and efficient manner, while complying with applicable law, including in particular, the FEMPI legislation. It aims to operate a remuneration system which:

- allows the NTMA to compete effectively in the labour market and to recruit and retain high calibre employees.
- reflects the NTMA's objectives for good corporate governance.
- manages remuneration in an appropriate manner and encourages a high level of performance.
- is consistent with and promotes sound and effective risk management.

Performance related payments are intended to reward exceptional performance having regard to the employee's own performance, the performance of the employee's area of responsibility, and the overall performance of the NTMA. Performance related payments are made in accordance with parameters approved by the Agency's non-executive Remuneration Committee. The overall amount of performance related payments made in respect of any year is also subject to the approval of the Remuneration Committee.

The NTMA made performance-related payments to 60 staff in 2016 in respect of 2015. These payments, in aggregate, totalled €492,500. No performance related payments were made to any member of the senior management team.

Energy Usage

The NTMA operates from Treasury Building on Grand Canal Street Dublin 2 where it leases space on five floors. In 2015 the NTMA consumed 1,701,446 kWh of electricity representing an average consumption of 2,173 kWh per employee. This compares with an average consumption of 2,581 kWh per employee in 2014 – a reduction of 15.8% per employee.

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

In 2015 the landlord carried out feasibility studies on upgrading the air handling units for all the floors in Treasury Building with a view to improving energy performance. Modifications included fitting energy efficient variable speed drives to the motors of some of the air handling units.

In 2016 the landlord is fitting energy efficient variable speed drives to the remainder of the air handling units in Treasury Building.

During 2015 the NTMA made performance related payments to 16 staff totalling, in aggregate, €79,200 in respect of 2014. Again, no performance related payments were made to any member of the senior management team. Performance related payments made during 2015 are reflected in the Total Remuneration column in the table below.

NTMA Remuneration at End-2015

	Base Salary	Total Remuneration
up to €50,000	121	120
€50,001 to €75,000	137	127
€75,001 to €100,000	84	80
€100,001 to €125,000	31	39
€125,001 to €150,000	22	27
€150,001 to €175,000	12	13
€175,001 to €200,000	14	9
€200,001 to €225,000	1	3
€225,001 to €250,000	1	3
€250,001 to €275,000	3	1
€275,001 to €300,000	2	2
€300,001 to €325,000	1	5
€325,001 to €350,000	1	0
€350,001 to €375,000	0	1
€375,001 to €400,000	0	0
€400,001 to €425,000	0	0
€425,001 to €450,000	0	0
€450,001 to €475,000	0	0
€475,001 to €500,000	1	1
Total	431	431

Note: Base salary is set out on a pro-rata basis. Total remuneration includes base salary and any other taxable benefits paid to employees (including performance related payments paid in 2015 in respect of 2014). It does not include employer pension contributions. The public service pension related deduction is applied to NTMA employees.

Remuneration of staff assigned to NAMA is set out in the table below.

NAMA Remuneration at End-2015

	Base Salary	Total Remuneration
up to €50,000	42	42
€50,001 to €75,000	95	95
€75,001 to €100,000	97	96
€100,001 to €125,000	51	52
€125,001 to €150,000	35	33
€150,001 to €175,000	12	11
€175,001 to €200,000	4	5
€200,001 to €225,000	2	3
€225,001 to €250,000	1	1
€250,001 to €275,000	1	2
€275,001 to €300,000	0	0
€300,001 to €325,000	0	0
€325,001 to €350,000	0	0
€350,001 to €375,000	0	0
€375,001 to €400,000	1	0
€400,001 to €425,000	0	1
Total	341	341

Note: Base salary is set out on a pro-rata basis. Total remuneration includes base salary and any other taxable benefits paid to employees. It does not include employer pension contributions. The public service pension related deduction is applied to NTMA employees.

Financial Statements

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

Statement of NTMA's Responsibilities	56
Statement on Internal Financial Control	57
National Debt of Ireland	59
National Treasury Management Agency - Administration Account	79
Post Office Savings Bank Fund	103
State Claims Agency	111
Dormant Accounts Fund	123
Ireland Strategic Investment Fund	137

Statement of Responsibilities

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

In preparing those statements, the Agency:


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

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

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



Conor O'Kelly, Chief Executive
National Treasury Management Agency



Willie Walsh, Chairperson
National Treasury Management Agency

24 May 2016

Statement on Internal Financial Control

Responsibility for the System of Internal Financial Control

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

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

Key Control Procedures

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

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

The National Treasury Management Agency [‘the Agency’] has established processes to identify and evaluate business risks by:

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

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

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

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

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

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

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

Statement on Internal Financial Control [continued]

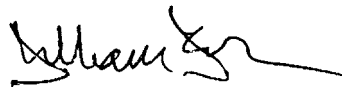
Annual Review of Controls

We confirm that, in respect of the year ended 31 December 2015, the Agency members, having taken advice from the Agency's Audit Committee, conducted a review of the effectiveness of the system of internal financial control.

On behalf of the Agency members



Martin Murphy, Chairperson, Audit Committee
National Treasury Management Agency



Willie Walsh, Chairperson
National Treasury Management Agency

24 May 2016

Financial Statements of the

National Debt of Ireland

For the year ended 31 December 2015

Report of the Comptroller and Auditor General	60
Service of National Debt	62
National Debt Statement	63
National Debt Cash Flow Statement	64
Statement of Movement in National Debt	65
Notes to the Financial Statements	66

Introduction

Business Review

Governance & Corporate Information

Financial Statements

Portfolio of Investments - ISIF

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

National Debt of Ireland

I have audited the financial statements of the National Debt of Ireland for the year ended 31 December 2015 under the National Treasury Management Agency Act, 1990 [as amended]. The financial statements comprise the service of national debt, the national debt statement, the national debt cash flow statement, the statement of movement in national debt and the related notes. The financial statements have been prepared in the form prescribed under section 12 of the National Treasury Management Agency Act, 1990 [as amended].

Responsibilities of the National Treasury Management Agency

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

Responsibilities of the Comptroller and Auditor General

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

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

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

Scope of audit of the financial statements

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

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

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

I read the information about the national debt in the annual report of the Agency to identify if there are any material inconsistencies with the audited financial statements and to identify if there is any information that is apparently materially incorrect or inconsistent based on the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in the form prescribed under section 12 of the National Treasury Management Agency Act, 1990 [as amended] properly present the balance outstanding on the national debt at 31 December 2015 and the debt service cost for 2015.

In my opinion, the accounting records of the Agency were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

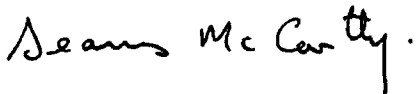
Comptroller and Auditor General Report for presentation to the Houses of the Oireachtas [continued]

Matters on which I report by exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find

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

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



Seamus McCarthy
Comptroller and Auditor General

26 May 2016

Service of National Debt

Year Ended 31 December

	Note	2015 €'000	2014 €'000
Interest Paid	3	7,015,873	7,594,253
Interest Received and Other Income	4	(36,645)	(123,836)
Sinking Fund Payments	5	-	633,177
Fees and Operating Expenses	6	128,097	108,139
Total Debt Service Cost		7,107,325	8,211,733

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

24 May 2016



Willie Walsh, Chairperson
National Treasury Management Agency

National Debt Statement

31 December

	Note	2015 €m	2014 €m
Medium/Long-Term Debt			
Irish Government Bonds	7	125,086	116,339
EU/IMF Programme Funding	8	49,747	58,793
Other Medium /Long-Term Loans	9	1,168	927
		176,001	176,059
Short-Term Debt			
Short-Term Paper	10	2,347	4,102
Borrowings from Ministerial Funds	11	1,579	523
		3,926	4,625
State Savings Schemes			
State Savings Products	12	16,692	16,384
Gross National Debt		196,619	197,068
Cash and Other Financial Assets	13	[13,554]	[14,759]
National Debt	14	183,065	182,309

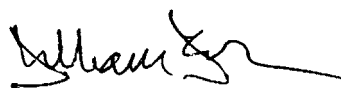
The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

24 May 2016



Willie Walsh, Chairperson
National Treasury Management Agency

National Debt Cash Flow Statement

Year Ended 31 December

	Note	2015 €m	2014 €m
Movement in Exchequer Balances:			
Opening Balance in Exchequer Account	13	4,089	4,432
Decrease in Other Financial Assets	13	5,080	8,499
Net Repayment of Debt [see below]		(1,141)	(653)
		8,028	12,278
Exchequer Deficit		[64]	(8,189)
Closing Balance in Exchequer Account	13	7,964	4,089
Net Borrowing / (Repayment) of Debt:			
Medium/Long-Term Debt			
Irish Government Bonds		8,058	5,162
EU/IMF Programme Funding		(9,068)	(8,153)
Other Medium/Long-Term Loans	9	241	151
Short-Term Debt			
Short-Term Paper		(1,736)	1,460
Borrowings from Ministerial Funds	11	1,056	(152)
State Savings Schemes			
State Savings Products	12	308	879
Net Repayment of Debt		(1,141)	(653)

¹ The amounts represent the net borrowing or repayment of debt in the period, including rollover of debt and related hedging transactions.

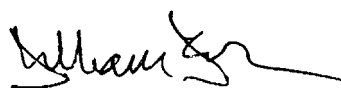
The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

24 May 2016



Willie Walsh, Chairperson
National Treasury Management Agency

Statement of Movement in National Debt

Year Ended 31 December

	Note	2015 €m	2014 €m
Opening National Debt	14	182,309	173,946
Increase in National Debt [nominal]		756	8,363
Closing National Debt	14	183,065	182,309
Increase in National Debt (nominal) represented by:			
Exchequer Deficit		64	8,189
Effect of Foreign Exchange Rate Movements		[7]	[3]
Net Premium on Medium/Long-Term Loans		10	7
Net Premium on Bond Issuances and Cancellations		689	170
		756	8,363


The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

24 May 2016



Willie Walsh, Chairperson
National Treasury Management Agency

Notes to the Financial Statements

1. Background

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

The form of the statements has been approved by the Minister for Finance under section 12 of the National Treasury Management Agency Act, 1990.

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

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

2. Basis of Preparation

The financial statements have been prepared for the year ended 31 December 2015, on a cash basis under the historical cost convention except where otherwise stated.

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

2.1 Measurement convention

The presentation currency is Euro denoted by the symbol €, which is also the Agency’s functional currency. All amounts in the financial statements have been rounded to the nearest million or thousand unless otherwise indicated.

2.2 Receipts and Payments

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

2.3 Liability Valuation

Debt balances are recorded in the National Debt Statement at their redeemable par value. Where medium or long-term debt is issued or cancelled at a premium or discount to its redeemable par value, any such premium or discount is accounted for through the Statement of Movement in National Debt.

2.4 Derivatives

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

2.5 Foreign Currencies

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

3. Interest Paid

	2015 €'000	2014 €'000
Interest Paid on Medium/Long-Term Debt		
Irish Government Bonds	4,807,531	4,974,316
EU/IMF Programme Funding	1,316,356	1,842,213
Derivatives hedging Medium/Long-Term Debt	354,188	324,108
Private Placements	34,693	34,693
European Investment Bank	8,059	3,665
Council of Europe Development Bank	674	277
Other Medium/Long-Term Debt	[12]	815
	6,521,489	7,180,087
Interest Paid on Short-Term Debt		
European Commercial Paper	10,668	4,759
Exchequer Notes	288	8,959
Irish Treasury Bills	10	664
Central Treasury Notes	617	152
	11,583	14,534
Interest Paid on State Savings Schemes		
Savings Certificates	211,802	197,953
Savings Bonds	197,329	136,605
National Solidarity Bonds	30,259	16,657
Prizes in respect of Prize Bonds	28,893	32,873
Instalment Savings	14,518	15,544
	482,801	399,632
Total Interest Paid	7,015,873	7,594,253

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

	2015 €'000	2014 €'000
Savings Certificates	3,897	787
Savings Bonds	832	1,029
Instalment Savings	765	255
	5,494	2,071

Notes to the Financial Statements (continued)

4. Interest Received and Other Income

	2015 €'000	2014 €'000
Interest on Cash and Deposits	30,378	89,432
Interest on Financial Assets and Other Income	6,267	34,404
	36,645	123,836

5. Capital Services Redemption Account

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

Following the amendment of section 22 of the Finance Act, 1950, by section 99 of the Finance Act, 2014, the annual annuity charge on the Central Fund and payment to the CSRA ceased from 2015.

The balance in the CSRA is maintained by the Agency at a level which is subject to guidelines issued by the Minister for Finance under section 4(4) of the National Treasury Management Agency Act, 1990. Under ministerial guidelines dated 24 September 2014, the balance in the CSRA at year end 2015 was to be less than €1 million. To adhere to these guidelines, the Agency transfers excess funds from the CSRA to the Exchequer Account before year end.

5.1 Movement in the Account for the Period

	2015 €'000	2014 €'000
Balance at 1 January	451	499
Receipts		
Interest Annuity	-	1,996,275
Sinking Fund Annuity	-	633,177
Derivative Transactions	15,205,071	62,538,569
Interest on Cash and Other Financial Assets	46,405	115,356
Commitment and Other Fees	-	62
	15,251,476	65,283,439
Payments		
Sinking Fund Payments, Redemption of:		
- Irish Government Bonds	-	[600,000]
- Other Debt Instruments	-	[33,177]
Derivative Transactions	[15,205,071]	[62,566,218]
Interest on National Debt	[10,912]	[1,997,608]
Expenses on National Debt	[1,455]	[1,134]
Transfer to Exchequer Account	[34,000]	[85,350]
	[15,251,438]	[65,283,487]
Balance at 31 December	489	451
Movement in the Year	38	[48]

5. Capital Services Redemption Account [continued]

5.2 Derivative Transactions

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

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

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

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

	Receipts €'000	Payments €'000	Net 2015 €'000	Net 2014 €'000
NAMA Related Derivatives	5,097,530	(5,097,530)	-	-
IBRC Related Derivatives	10,107,542	(10,107,542)	-	-
National Debt Related Derivatives	-	-	-	(27,649)
	15,205,072	(15,205,072)	-	(27,649)

6. Fees Paid and Operating Expenses

	2015 €'000	2014 €'000
EU/IMF Programme Funding	30,761	20,346
Government Bonds and Other Expenses	16,974	15,730
Savings Certificates	8,772	9,186
National Solidarity Bonds	4,919	3,909
Prize Bonds	10,726	11,546
Savings Bonds	8,782	8,845
Instalment Savings	706	747
Fee Receipts	[2]	[75]
	81,638	70,234
Agency Operating Expenses*	46,459	37,905
Total Fees & Expenses	128,097	108,139

*Agency Operating Expenses

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

Notes to the Financial Statements (continued)

7. Irish Government Bonds

	2015 €m	2014 €m
Fixed Rate Bonds	101,500	90,600
Floating Rate Bonds (see below)	22,534	24,534
Amortising Bonds	1,052	1,205
	125,086	116,339

Floating Rate Bonds – Settlement of IBRC Promissory Notes:

Following the liquidation of the Irish Bank Resolution Corporation (“IBRC”) on 7 February 2013, and the agreement between the Irish Government and the Central Bank of Ireland (“CBI”) to replace the promissory notes provided to State-owned IBRC with long-term Government Bonds, the promissory notes were cancelled and replaced with eight new Floating Rate Treasury Bonds. A total amount of €25.03 billion was issued on 8 February 2013 to the CBI, with maturities ranging from 25 to 40 years.

During 2015, the Agency bought and cancelled €2 billion [2014 €0.5 billion] of the Floating Rate Bonds. The bonds were purchased from the CBI, reducing the total nominal outstanding of the Floating Rate Bonds to €22.53 billion [2014 €24.53 billion]. The CBI intends to sell a minimum of these securities in accordance with the following schedule: 2016-2018 [€0.5 billion per annum], 2019-2023 [€1 billion per annum], and 2024 on [€2 billion per annum] until all bonds are sold.

8. EU/IMF Programme Funding

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

Following the agreement of EU member states and bilateral lenders in December 2014, the Agency completed early repayments between December 2014 and March 2015, totalling just over €18 billion (including payments of over €9 billion in 2015). These repayments were made with the agreement of the IMF and no penalties or charges were incurred. As a result all scheduled IMF principal repayment obligations that were originally planned to fall due from July 2015 to January 2021 were discharged.

The liabilities outstanding under the EU/IMF Programme at the end 2015, taking into account the effect of currency hedging transactions, are as follows:

Lender	2015 €m	Weighted Average Residual Maturity Years	2014 €m	Weighted Average Residual Maturity Years
International Monetary Fund	4,348	6.0 Years	13,550	5.6 Years
European Financial Stability Facility	17,881	17.1 Years	17,881	18.1 Years
European Financial Stabilisation Mechanism	22,500	11.1 Years	22,500	9.1 Years
United Kingdom Treasury	4,018	4.2 Years	3,862	5.2 Years
Kingdom of Denmark	400	4.6 Years	400	5.6 Years
Kingdom of Sweden	600	4.6 Years	600	5.6 Years
Total	49,747		58,793	

The maturity extensions to loans from the EFSF agreed in June 2013 are reflected above. While maturity extensions to loans from the EFSM were also agreed in 2013, the revised maturity dates will be determined as they approach their original maturity dates. During 2015 one EFSM loan reached its original maturity date and that maturity date was extended. Accordingly the maturity of the EFSM loans disclosed reflects only the maturity extensions agreed to date. It is not expected that Ireland will have to refinance any of its EFSM loans before 2027.

The net loan provided by the EFSF of €17,881 million is net of certain prepaid margins deducted from the initial drawdown in 2011. The total nominal debt due to the EFSF is €18,411 million. €485 million of the prepaid margin of €530 million will be rebated to Ireland in July 2016 along with the related EFSF accumulated investment return; the remaining prepaid margin of €45 million is due to the Member State Guarantors, and will be reflected as a debt service cost in future periods.

9. Other Medium/Long-Term Loans

	2015 €m	2014 €m
Private Placements	602	602
European Investment Bank	520	300
Council of Europe Development Bank	41	20
Other Medium/Long-Term Loans	5	5
	1,168	927

10. Short-Term Paper

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

	2015 €m	2014 €m
Exchequer Notes	1,197	1,241
Central Treasury Notes	131	154
European Commercial Paper Programmes	1,019	2,207
Irish Treasury Bills	-	500
	2,347	4,102

11. Borrowings from Ministerial Funds

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

	2015 €m	2014 €m
Post Office Savings Bank Fund	1,114	456
Deposit Monies Investment Account [note 19]	465	67
	1,579	523

Notes to the Financial Statements [continued]

12. State Savings Schemes

	2015 €m	2014 €m
Savings Certificates	5,915	6,041
Savings Bonds	4,366	5,110
National Solidarity Bonds	3,445	2,576
Prize Bonds	2,481	2,176
Instalment Savings	483	479
Savings Stamps	2	2
	16,692	16,384

Amounts shown in respect of Savings Certificates, Savings Bonds, Solidarity Bonds, Prize Bonds and Instalment Savings are net of €0.3 million (2014: €1.5 million) cash balances held by An Post, Permanent TSB and the Prize Bond Company. An Post and the Prize Bond Company act as registrars for the respective schemes.

As these financial statements are prepared on a cash basis, the liabilities do not include the sum of €504 million (2014: €599 million), being the estimate of the amount of accrued interest at 31 December 2015 in respect of Savings Certificates, Savings Bonds, and Instalment Savings.

13. Cash and Other Financial Assets

	2015 €'000	2014 €'000
Cash Balances		
Exchequer Account	7,963,751	4,089,063
Capital Services Redemption Account (note 5.1)	489	451
Cash Deposits		
Deposits with Commercial Banks	853,184	2,984,165
Collateralised Deposits	925,000	2,556,000
Collateral Funding (note 15.1)	202,930	511,410
Other Financial Assets		
Treasury Bills	1,184,323	1,473,507
Housing Finance Agency Guaranteed Notes	2,424,316	3,144,515
	13,553,993	14,759,111

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

Cash is placed as collateral with these counterparties arising from the requirements under the Credit Support Annexes, in respect of certain derivative transactions. These balances, and access to the related cash collateral, change on a daily basis and are dependent on the market value of these derivatives (See Note 15).

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

13. Cash and Other Financial Assets (continued)

Foreign Currency Clearing Accounts

The Agency maintains a number of foreign currency clearing accounts for the purpose of managing transactions in these currencies. The balance held in these accounts at 31 December 2015 was nil (2014: Nil). The Agency held no other foreign currency cash balances at year end, with the exception of one deposit of US \$0.2 million (2014: US\$0.2 million) held at the Central Bank of Ireland as a requirement of the EU/IMF Funding Programme.

The movement in the Foreign Currency accounts are further outlined below:

	Receipts €'000	Payments €'000	Net 2015 €'000	Net 2014 €'000
Balance at 1 January 2015			NIL	NIL
Debt Service				
MLT Loans Interest	241,984	[352,117]	[110,133]	[349,006]
Short-Term Debt Interest	-	[10,614]	[10,614]	[1,185]
Other Movements	23,442,098	[21,468,888]	1,973,210	[916,667]
Fees and Expenses	-	[8,283]	[8,283]	[7,601]
Expenses of the Agency	4	[1,500]	[1,496]	[1,367]
Borrowing Activity				
EU/IMF Programme	9,641,721	[10,325,475]	[683,754]	[653,118]
Other MLT Loans	-	-	-	[69,049]
Short-Term Debt	4,042,778	[5,201,708]	[1,158,930]	1,997,993
Balance at 31 December 2015	37,368,585	[37,368,585]	NIL	NIL

14. Risk Management

14.1 Risk Management Framework

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

The Agency has approved the NTMA Risk Management Framework to ensure that the Agency manages its risk profile within its agreed risk appetite; that material risks are adequately identified and monitored; and that suitable and effective risk management arrangements are in place, alongside clearly defined and delineated roles and responsibilities. A related suite of risk management policies establishes and maintains limits consistent with the Agency's risk appetite and commensurate with its strategic goals.

The Agency's Risk Management Framework is predicated on the three-lines-of-defence model, and its organisational structure and risk committee structure are aligned in order to establish clear ownership and accountabilities for risk management. As the first line of defence, the Agency's Business Units and Corporate Functions are primarily responsible for managing risks on a day-to-day basis, taking into account the NTMA's risk tolerance and appetite, and in line with its policies, procedures, controls and limits. The second line, which includes the Agency's Risk Management, Compliance and other control functions, is independent of operations and first line management, and its role is to challenge decisions that affect the organisation's exposure to risk and to provide comprehensive and understandable information on risks. The Agency's Internal Audit Function, which is part of the third line of defence, provides independent, reasonable, risk based assurance to key stakeholders on the robustness of the NTMA's risk management system, governance and the design and operating effectiveness of the internal control environment.

Notes to the Financial Statements [continued]

14. Risk Management [continued]

14.1 Risk Management Framework [continued]

A number of NTMA Committees and Risk sub-committees support the Agency in discharging its responsibilities in relation to risk management.

Agency Risk Committee (ARC)

The ARC reviews the NTMA's overall risk identification and assessment processes. It sets a standard for the accurate and timely monitoring of critical risks and reviews reports on any material breaches of risk limits and the adequacy of any proposed action.

Agency Audit Committee

The Audit Committee assists the Agency in the oversight of the quality and integrity of the Agency's financial statements and reviews and monitors the effectiveness of the systems of internal control, the internal audit process and the compliance function, and reviews and considers the outputs from the statutory auditor.

Enterprise Risk Management Committee (ERMC)

The ERMC is a management committee which oversees the implementation of the NTMA's overall risk appetite and senior management's establishment of appropriate systems (including policies, procedures and risk limits) to ensure enterprise risks are effectively identified, measured, monitored, controlled and reported, and ensuring that any portfolio concentrations are identified and managed appropriately.

Counterparty Credit Risk Committee (CCRC)

The CCRC oversees and advises the EMRC on counterparty credit risk exposures. It provides dashboard reporting of relevant counterparty credit risk exposures and details to the ERMC. It formulates, implements and monitors compliance with the NTMA Counterparty Credit Risk Management Policy and ensures that all appropriate actions are taken in respect of relevant Policy, or any breaches.

Market and Liquidity Risk Committee (MLRC)

The MLRC oversees and advises the ERMC on market and liquidity risk exposures. It provides dashboard reporting of relevant market risk and liquidity risk exposures and details to the ERMC. It formulates, implements and monitors compliance with the NTMA Market and Liquidity Risk Management Policies and ensures that all appropriate actions are taken in respect of relevant policy, or any breaches.

Operational Risk and Control Committee (ORCC)

The ORCC reviews and recommends to the ERMC for approval the operational risk management framework and associated operational risk policies. The ORCC monitors, reviews and challenges the NTMA's operational risks and reports on operational risk management to the ERMC.

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

Market risk is the risk of loss or increased costs resulting from changes in the value of assets and liabilities (including off-balance sheet assets and liabilities) due to fluctuations in risk factors such as interest rates, foreign exchange rates or other market prices. The Agency must have regard both to the short-term and long-term implications of its transactions given its task of managing not only the immediate fiscal debt service costs but also the present value of all future payments of principal and interest. The exposure to interest rate and currency risk is controlled by managing the interest rate and currency composition of the portfolio in accordance with the Agency's risk appetite. Specific limits are in place to control market risk; exposures against these limits are reported regularly to senior management. As conditions in financial markets change, the appropriate interest rate and currency profile of the portfolio is reassessed in line with periodic limit reviews. The Agency seeks to achieve the best trade-off between cost and risk over time and has in place a hedging programme to manage interest rate and exchange rate risks and to protect the Exchequer from potential volatility in future years. More information on the use of derivatives is set out in Derivatives [Note 15].

14. Risk Management [continued]

14.1 Risk Management Framework [continued]

Operational Risk and Control Committee (ORCC) [continued]

Counterparty credit risk is the risk of financial loss arising from a financial market transaction as a result of a counterparty failing to fulfil its financial obligations under that transaction and with regard to the National Debt mainly arises from derivatives, deposits and foreign exchange transactions. The level of counterparty credit risk is managed in accordance with the Agency's risk appetite by dealing only with counterparties of high credit standing. Procedures provide for the approval of risk limits for all counterparties, and exposures are reported daily to management. A review of all limits is undertaken periodically to take account of changes in the credit standing of counterparties or economic and political events. In order to mitigate the Exchequer's exposure to market counterparties while at the same time ensuring that Ireland has efficient market access for its hedging activities, the Agency may enter into credit support arrangements with the market participants with which it wishes to trade – this involves the receipt and posting of collateral to offset the market value of exposures. More information on the use of credit support arrangements is set out in Derivatives (Note 15).

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

14.2 National Debt – Currency Composition

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

Currency	2015 €m	2014 €m
As at 31 December		
Debt Instruments		
Euro	175,446	167,871
US Dollar	2,579	8,312
Pound Sterling	5,420	6,023
Australian Dollar	132	-
Japanese Yen	348	978
	183,925	183,184
Foreign Currency and Swap Contracts		
Euro	7,627	14,460
US Dollar	[2,581]	[8,324]
Pound Sterling	[5,424]	[6,024]
Australian Dollar	[134]	-
Japanese Yen	[348]	[987]
	[860]	[875]
National Debt	183,065	182,309

Notes to the Financial Statements [continued]

14. Risk Management [continued]

14.3 National Debt – Maturity Profile

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

2015 €m	Due within 1 year	Due between 1-5 Years	Due between 5-10 Years	Due over 10 Years	Total
Irish Government Bonds	8,155	50,159	30,450	36,322	125,086
EU/IMF & Funding Programme	(652)	7,950	11,238	31,211	49,747
Other Medium & Long-Term Debt	5	1	331	831	1,168
Short-Term Debt	3,926	-	-	-	3,926
State Savings ¹	1,669	6,677	8,346	-	16,692
Cash & Other Financial Assets	(11,286)	(2,016)	(252)	-	(13,554)
National Debt	1,817	62,771	50,113	68,364	183,065

2014 €m	Due within 1 year	Due between 1-5 Years	Due between 5-10 Years	Due over 10 Years	Total
Irish Government Bonds	2,261	38,398	34,653	41,027	116,339
EU/IMF & Funding Programme	4,882	10,122	15,578	28,211	58,793
Other Medium & Long-Term Debt	5	-	224	698	927
Short-Term Debt	4,625	-	-	-	4,625
State Savings ¹	1,638	6,554	8,192	-	16,384
Cash & Other Financial Assets	(11,987)	(2,016)	(756)	-	(14,759)
National Debt	1,424	53,058	57,891	69,936	182,309

¹ It is assumed for State Savings that 10% of the total outstanding at the beginning of the period matures in each year, for five years, with the final 50% maturing in the sixth year.

15. Derivatives

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

	31 December 2015		31 December 2014	
	Nominal €m	Present Value €m	Nominal €m	Present Value €m
Interest Rate Swaps	18,620	(1,067)	19,079	(1,321)
Currency Swaps and Foreign Exchange Contracts	8,631	812	15,402	878
	27,251	(255)	34,481	(443)

The Agency provides treasury services to the National Asset Management Agency (“NAMA”) under section 52 and 235 of the National Asset Management Agency Act, 2009. Accordingly it may enter into derivative transactions with NAMA. Any such transactions are offset by matching transactions with market counterparties. As a result there is no net effect on the National Debt accounts. The nominal value of interest rate swaps transacted with NAMA outstanding at end 2015 was €4.7 billion (2014: €12.8 billion); the nominal value of currency swaps and foreign exchange rate contracts transacted with NAMA outstanding at end 2015 was €2.0 billion (2014: €3.0 billion).

The Agency also provides treasury services to IBRC [in Special Liquidation] and accordingly may enter into derivative transactions with IBRC. Any such transactions are offset by matching transactions with market counterparties. As a result there is no net effect on the National Debt accounts. The nominal value of foreign exchange rate contracts transacted with IBRC outstanding at end 2015 was €0.3 billion (2014: €0.5 billion).

15. Derivatives [continued]

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

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

15.1 Credit Support Account

	2015 €m	2014 €m
Balance at 1 January	-	-
Cash Collateral received from counterparties	4,794	4,194
Cash Collateral paid to counterparties	[4,485]	[3,350]
	309	844
Net Exchequer Funding during the Year	[309]	[844]
Balance at 31 December	NIL	NIL
Note:	2015 €m	2014 €m
Exchequer Funding at 31 December	203	511
Net Collateral Posted to Counterparties at 31 December (Note 13)	[203]	[511]

The Agency has entered into a Collateral Posting Agreement with NAMA. At end 2015, NAMA had posted collateral of €0.26 billion (2014: €0.69 billion) to the Agency as part of this agreement.

The Agency has also entered into a Collateral Posting Agreement with IBRC. At end 2015, IBRC had posted collateral of €0.036 billion (2014: €0.025 billion) to the Agency as part of this agreement.

16. National Loans Advance Interest Account

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

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

Account of Receipts and Payments	2015 €'000	2014 €'000
Balance at 1 January	48,810	5,344
Accrued Interest Received on National Loans – Tranches and Auctions	30,369	46,913
Accrued Interest Paid on National Loans	[55,055]	[3,447]
Balance at 31 December – Cash with Central Bank of Ireland	24,124	48,810

Notes to the Financial Statements [continued]

17. National Loans (Winding Up) Account

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

Account of Receipts and Payments	2015 €'000	2014 €'000
Balance at 1 January	3,075	3,089
Receipts from Exchequer	707	75
Receipts from Central Bank Account	63	69
Payments to Central Bank Account	[69]	[102]
Payments for Redemption of National Loans	[655]	[56]
Balance at 31 December - Cash with Central Bank of Ireland	3,121	3,075

18. National Treasury Management Agency (Unclaimed Dividends) Account

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

Account of Receipts and Payments	2015 €'000	2014 €'000
Balance at 1 January	2,549	2,528
Receipts/(Payments) of unclaimed interest	[30]	21
Balance at 31 December - Cash with Central Bank of Ireland	2,519	2,549

19. Deposit Monies Investment Account

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

Account of Receipts and Payments	2015 €'000	2014 €'000
Balance at 1 January	67,225	204,975
Ways and Means Advances Paid to the Exchequer	6,226,322	4,978,316
Ways and Means Advances Repaid by the Exchequer	[5,828,428]	[5,116,066]
Balance at 31 December - Ways and Means Advances to the Exchequer [Note 11]	465,119	67,225

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

No stock was accepted in payment of inheritance tax and death duties during 2015 (2014: nil).

21. Events after the end of the reporting period

No events requiring adjusting or disclosure in the financial statements occurred after the end of the reporting period.

22. Approval of Financial Statements

The financial statements were approved by the Agency on 24 May 2016.

Financial Statements of the

National Treasury Management Agency Administration Account

For the year ended 31 December 2015

Report of the Comptroller and Auditor General	80
Statement of Income and Expenditure and Other Comprehensive Income	82
Statement of Financial Position	83
Statement of Changes in Equity	84
Statement of Cash Flows	85
Notes to the Financial Statements	86

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

National Treasury Management Agency - Administration Account

I have audited the administration account of the National Treasury Management Agency for the year ended 31 December 2015 under the National Treasury Management Agency Act, 1990 [as amended]. The administration account comprises the statement of income and expenditure and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes. The financial statements have been prepared in the form prescribed under section 12 of the National Treasury Management Agency Act, 1990 [as amended] and in accordance with generally accepted accounting practice in Ireland.

Responsibilities of the Agency

The Agency is responsible for the preparation of the administration account, for ensuring that it gives a true and fair view and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

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

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

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

Scope of audit of the administration account

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

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

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

In addition, I read the Agency's annual report to identify if there are any material inconsistencies with the audited administration account and to identify if there is any information that is apparently materially incorrect or inconsistent based on the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the administration account

In my opinion, the administration account

- gives a true and fair view of the assets, liabilities and financial position of the Agency as at 31 December 2015 and of its income and expenditure for 2015, and
- has been properly prepared in accordance with generally accepted accounting practice.

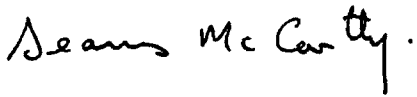
In my opinion, the accounting records of the Agency were sufficient to permit the administration account to be readily and properly audited. The administration account is in agreement with the accounting records.

Matters on which I report by exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find

- any material instance where public money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information given in the Agency's annual report is not consistent with the related administration account or with the knowledge acquired by me in the course of performing the audit, or
- the statement on internal financial control does not reflect the Agency's compliance with the Code of Practice for the Governance of State Bodies, or
- there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters.



Seamus McCarthy
Comptroller and Auditor General

26 May 2016

Statement of Income and Expenditure and Other Comprehensive Income

For the year ended 31 December

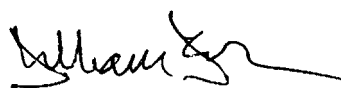
	Note	2015 €'000	2014 €'000
Income			
Operating income	6	66,357	55,501
Central fund income	7	42,281	44,439
Net deferred retirement benefit funding	9	7,761	1,117
Transfer from capital account	16	791	245
		117,190	101,302
Expenditure			
Staff costs	8	(98,693)	(81,919)
Other operating expenses	8	(18,022)	(19,015)
Net interest expense	10.5	(475)	(368)
		(117,190)	(101,302)
Net Income/Expenditure		-	-
Other Comprehensive Income			
For the year ended 31 December			
	Note	2015 €'000	2014 €'000
Actuarial gain / (loss) recognised on retirement benefit obligations	10.6	14,375	(20,871)
Movement in deferred retirement benefit funding	9.2	(14,375)	20,871
Total recognised gain / (loss)		-	-

The accompanying notes form an integral part of the financial statements..

On behalf of the Agency.



Conor O'Kelly, Chief Executive
National Treasury Management Agency



Willie Walsh, Chairperson
National Treasury Management Agency

24 May 2016

Statement of Financial Position

as at 31 December

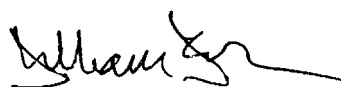
	Note	2015 €'000	2014 €'000
Non Current assets			
Property, equipment and vehicles	11	2,370	3,161
Receivables	12	87	-
		2,457	3,161
Current assets			
Receivables	13	10,517	6,727
Cash at bank		3,789	1,009
		14,306	7,736
Creditors: amounts falling due within 1 year	14	[14,235]	[7,109]
Net current assets		71	627
Creditors: amounts falling due after 1 year	15	[830]	[1,299]
Net assets before retirement benefits		1,698	2,489
Retirement Benefits			
Retirement benefit obligations	10.4	[18,923]	[25,537]
Deferred retirement benefit funding	10.4	18,923	25,537
		-	-
Net assets after retirement benefits		1,698	2,489
Representing:			
Capital account	16	1,698	2,489

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency.



Conor O'Kelly, Chief Executive
National Treasury Management Agency



Willie Walsh, Chairperson
National Treasury Management Agency

24 May 2016

Statement of Changes in Equity

as at 31 December

	Note	Capital Account €'000
Balance at 1 January 2014		3,202
Payment to acquire fixed assets		1,194
Amortisation of capital in line with additional accumulated depreciation	22	(468)
Amortisation of capital in the period in line with depreciation charge		(1,405)
Amount released on disposal of fixed assets		(34)
Balance at 31 December 2014		2,489
Payment to acquire fixed assets		920
Amortisation of capital in the period in line with depreciation charge		(1,707)
Amount released on disposal of fixed assets		(4)
Balance at 31 December 2015		1,698

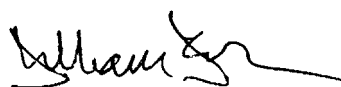
The accompanying notes form an integral part of the financial statements.

On behalf of the Agency.



Conor O'Kelly, Chief Executive
National Treasury Management Agency

24 May 2016



Willie Walsh, Chairperson
National Treasury Management Agency

Statement of Cash Flows

For the year ended 31 December

	Note	2015 €'000	2014 €'000
Cash flows from operating activities			
Net Income/Expenditure		-	-
Depreciation of fixed assets	11	1,707	1,405
Profit on disposal of fixed assets		[49]	[32]
(Increase) / Decrease in receivables	12, 13	[3,877]	3,285
Increase / (Decrease) in payables	14	7,126	(4,987)
Decrease in deferred income	15	[469]	[469]
Capital funding	16	920	1,194
Amortisation of capital funding	16	[1,711]	[1,439]
Net cash inflow from operating activities		3,647	(1,043)
Cashflows from investing activities			
Payments to acquire fixed assets	11	[920]	[1,194]
Proceeds from sale of fixed assets		53	66
Net cash outflows from investing activities		(867)	(1,128)
Increase / (decrease) in cash at bank		2,780	(2,171)
Cash at bank at 1 January		1,009	3,180
Cash at bank at 31 December		3,789	1,009

Notes to the Financial Statements

1. Background

The National Treasury Management Agency (the "Agency") is a statutory body established under the National Treasury Management Agency Act, 1990. The Agency provides a range of asset and liability management services to Government. These services include borrowing on behalf of the Government and management of the National Debt, the State Claims Agency ("SCA"), NewERA, the Ireland Strategic Investment Fund ("ISIF") and the National Development Finance Agency ("NDFA"). It also assigns staff and provides business and support services and systems to the National Asset Management Agency ("NAMA") and the Strategic Banking Corporation of Ireland ("SBCI").

2. Basis of preparation

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

The presentation currency is Euro. All amounts in the financial statements have been rounded to the nearest thousand unless otherwise indicated. Where used, '000' or 'k' denotes thousand, and 'm' denotes million.

3. Statement of Compliance

The financial statements of the Agency have been prepared in compliance with applicable legislation and FRS 102 *The Financial Reporting Standard applicable in the United Kingdom and Ireland issued by Financial Reporting Council in the UK for use in Ireland*. These are the Agency's first set of financial statements prepared under FRS 102.

4. Transition to Financial Reporting Standards 102 ("FRS 102")

The date of transition to FRS 102 is 1 January 2014 (i.e. the earliest period for which the Agency presents full comparative information) and accordingly the comparative amounts presented in the period ended 31 December 2014 have been restated for the transition to FRS 102.

The material effects of the transition to FRS 102 on the amounts reported in the prior year financial statements are explained in note 22.

5. Significant Accounting Policies

5.1 Going concern

The financial position of the Agency and its cash flows are detailed in the financial statements. The Agency members have a reasonable expectation that the entity has adequate resources to continue in operational existence and discharge its mandate for the foreseeable future. Therefore the Agency continues to adopt the going concern basis of accounting in preparing the financial statements.

5.2 Operating income

The Agency is required to provide business and support services and systems, in addition to assigning staff to a number of businesses under prescribed legislation. The Agency adopts a cost recovery basis from these businesses for the provision of staff and services and account for this on an accruals basis. Other income is recorded on an accruals basis in the Statement of Income and Expenditure and Other Comprehensive Income.

5.3 Central fund income

Central fund income included in the Statement of Income and Expenditure and Other Comprehensive Income represents the amount necessary to meet the operating and administration costs incurred by the Agency. The amount is recognised based on an accrual basis in line with FRS 102 Section 25 Government Grants.

5.4 Expenditure

The costs and expenses incurred by the Agency in the performance of its functions are recognised on an accruals basis in the Statement of Income and Expenditure and Other Comprehensive Income.

5. Significant Accounting Policies (continued)

5.5 Non current assets and depreciation

Non current assets are stated in the Statement of Financial Position at cost less accumulated depreciation. Depreciation is charged to the Statement of Income and Expenditure and Other Comprehensive Income on a straight line basis, with the charge being calculated over the asset's expected useful life.

5.6 Leasing

Rentals under operating leases are charged to the Statement of Income and Expenditure and Other Comprehensive Income on an accruals basis.

5.7 Pensions

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

The defined benefit pension scheme costs are accounted for under section 28 of FRS 102. Pension scheme assets are measured at fair value. Pension scheme liabilities are measured on an actuarial basis using the projected unit method. An excess of scheme liabilities over scheme assets is presented in the Statement of Financial Position as a liability. Deferred pension funding represents the corresponding asset to be recovered in future periods from the Central Fund.

The defined benefit pension change in the Statement of Income and Expenditure and Other Comprehensive Income comprises the current service cost and past service cost plus the net interest (note 10.5) cost on the scheme assets and liabilities.

Actuarial gains and losses arising from changes in actuarial assumptions and from experience are recognised in Other Comprehensive Income for the year in which they occur and a corresponding adjustment is recognised in the amount recoverable from the Central Fund.

The cost of contributions by the Agency to PRSAs is recognised as a charge to the Statement of Income and Expenditure and Other Comprehensive Income in the financial year to which the employee service relates.

5.8 Software

Computer software costs are charged to the Statement of Income and Expenditure and Other Comprehensive Income in the year in which they are incurred.

5.9 Capital account

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

5.10 Provisions

Provisions are recognised when the Agency has a present obligation (legal or constructive) as a result of a past event, it is probable that the Agency will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amounts recognised as provisions are the best estimates of the consideration required to settle the present obligation at the end of the reporting period.

5.11 Taxation

The Agency is a State body for tax purposes. Under specific provisions in the Taxes Consolidation Act 1997, the Agency is exempt from corporation tax. In addition, the Agency is not subject to Irish capital gains tax or corporation tax on any chargeable gains accruing to it.

5.12 Key judgements and estimates

The presentation of the financial statements requires management to make judgements, estimates and assumptions that effect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Notes to the Financial Statements [continued]

5. Significant Accounting Policies [continued]

5.12 Key judgements and estimates [continued]

Defined benefit pension scheme [note 10]

The Agency has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and discount rates. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

Provisions [note 15]

The Agency makes provisions for legal and constructive obligations, which are known to be outstanding at the reporting date. Provisions require management's best estimates of the expected expenditure required to settle the obligation.

Property, equipment and vehicles useful life [note 11]

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Changing an asset's expected life or its residual value would result in a change in the depreciation charge in the Statement of Income and Expenditure and Other Comprehensive Income.

The useful lives of the Agency's assets are determined by management and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

6. Operating income

	2015 €'000	2014 €'000
Recovery of expenses from NAMA	53,495	53,838
Recovery of expenses from ISIF	8,686	182
Recovery of expenses from SBCI	3,634	676
Asset covered securities income	289	390
Other income	253	415
	66,357	55,501

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

- To NAMA under sections 41 and 42 of the National Asset Management Agency Act 2009. The cost of these services for the year ended 31 December 2015 was €53.5m (2014: €53.8m).
- To the SBCI under section 10 of the Strategic Banking Corporation of Ireland Act 2014. The cost of these services for the year ended 31 December 2015 was €3.6m (2014: €0.7m).

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

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

Other income primarily comprises the recovery of certain secondment, administrative and professional fees. A service fee was charged to the Housing Finance Agency in 2014 for borrowing on its behalf under a Commercial Paper Programme.

7. Central fund

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

	Note	2015 €'000	2014 €'000
Opening balance at 1 January	13	[1,092]	5,442
Net amounts received from Central Fund		46,459	37,905
Closing balance at 31 December	14, 13	[3,086]	1,092
Central Fund receivable for year		42,281	44,439

The total amount recognised as [payable to] / receivable from the Central Fund is:

	Note	2015 €'000	2014 €'000
[Payable to] / Receivable from the Central Fund	14, 13	[3,086]	1,092
Deferred retirement benefit funding	10.4	18,923	25,537
		15,837	26,629

8. Agency costs

8.1 Agency costs

	Note	2015 €'000	2014 €'000
Staff Costs			
Employment costs		82,920	72,564
Defined benefit pension scheme current service change	10.5	15,737	9,309
PRSA pension cost	8.4	36	46
		98,693	81,919
Other operating expenses			
Other operating expenses		12,349	13,781
Professional fees		3,966	3,829
Depreciation	11	1,707	1,405
		18,022	19,015
Net interest expense	10.5	475	368
Total Agency costs		117,190	101,302

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

Under the direction issued to the Agency under Statutory Instrument [S.I.] No. 115 of 2010, the Minister for Finance delegated a number of banking system functions to the Agency. This delegation was revoked with effect from 5 August 2011 under S.I. No. 395 of 2011 and since then Agency staff involved in the provision of banking system functions have been seconded to the Department of Finance. At the direction of the Minister, the related staff and professional advisor costs incurred continue to be met by the Agency. Professional advisor costs of €78k were incurred in this regard during 2015 (2014: nil).

Notes to the Financial Statements [continued]

8. Agency costs [continued]

8.2 Expenses of the Agency for specified functions

	Note	2015 €'000
State Claims Agency		15,674
Funding and Debt Management		10,132
National Development Finance Agency		9,149
Ireland Strategic Investment Fund	6	8,686
NewERA		6,233
		49,874
National Asset Management Agency	6	53,495
Strategic Banking Corporation of Ireland	6	3,634
Banking Unit		2,426
Pension adjustment*		7,761
		67,316
Total Expenses		117,190

* The pension adjustment is the difference between the provision for pension costs in the Income and Expenditure Account and the actual pension contributions made.

8.3 Remuneration and expenses

Agency member fees and expenses

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

Agency member fees	2015 €	2014 €
Maeve Carton	30,000	815
Brendan McDonagh	30,000	815
Martin Murphy	30,000	815
Mary Walsh	30,000	815
Susan Webb	30,000	815
Agency fees	150,000	4,075

Each appointed member also received an additional €54 remuneration in 2015 in respect of amounts under paid in 2014. Remuneration attached to the position of Chairperson is €45,000 per annum and €30,000 for other Appointed Members. The Chairperson of the Agency (Willie Walsh) waived his remuneration for 2015 and 2014.

Derek Moran and Robert Watt serve on the Agency in an ex officio capacity as Secretary General of the Department of Finance and the Department of Public Expenditure and Reform respectively. Conor O'Kelly (appointed from 5 January 2015) serves and John Corrigan (retired 4 January 2015) served in an ex officio capacity as Chief Executive of the Agency. They received no remuneration in respect of their membership.

8. Agency costs [continued]

8.3 Remuneration and expenses [continued]

Agency member expenses

Expenses incurred in respect of Agency members are set out below:

Agency member	Travel €	Accommodation and related expenses €	Total 2015 €	Total 2014 €
Maeve Carton	-	-	-	-
Brendan McDonagh ¹	20,822	2,287	23,109	-
Martin Murphy	-	-	-	-
Mary Walsh	-	-	-	-
Susan Webb	-	-	-	-
Agency Expenses	20,822	2,287	23,109	-

¹ Brendan McDonagh lives in Bermuda.

Agency members are reimbursed approved expenses on a vouched basis. Expenses relate to travel and accommodation costs to attend Agency meetings in the Agency's offices in Dublin. The 2015 tax payable by the Agency to the Revenue Commissioners in relation to the reimbursed expenses for Agency members is €20,791 [2014: nil].

Investment Committee member fees and expenses

The Investment Committee members were appointed on 27 February 2015. Remuneration of Investment Committee members is determined by the Minister for Finance and is set out below:

Investment Committee member fees	2015 €
Richard Leonard	16,750
John Herlihy	16,750
Julie Sinnamon ²	-
Investment committee fees	33,500

Remuneration of external members is €20,000 per annum.

² Julie Sinnamon, appointed in her capacity as a public servant, did not receive any remuneration in respect of her membership.

Notes to the Financial Statements [continued]

8. Agency costs [continued]

8.3 Remuneration and expenses [continued]

Investment Committee member expenses

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

Investment Committee member	Travel €	Accommodation and related expenses €	Total 2015 €
Richard Leonard	1,447	1,017	2,464
John Herlihy	-	-	-
Julie Sinnamon	-	-	-
Investment Committee Expenses	1,447	1,017	2,464

Investment Committee members are reimbursed approved expenses on a vouched basis. Expenses relate to travel and accommodation costs to attend Investment Committee meetings in the Agency's offices in Dublin. The 2015 tax payable by the Agency to the Revenue Commissioners in relation to the reimbursed expenses for Investment Committee members is €1,821 (2014: nil).

Chief Executive Remuneration

Conor O'Kelly [Appointed 5 January 2015]	2015 €	2014 €
Salary	476,364	-
Taxable benefits	2,183	-
John Corrigan [Retired 4 January 2015]	2015 €	2014 €
Salary	18,705	416,500
Taxable benefits	248	29,075

The remuneration of Conor O'Kelly consisted of basic remuneration and taxable benefits (health insurance). The Agency makes a contribution of 18% of salary to a pension arrangement in respect of Conor O'Kelly. Conor O' Kelly did not receive a discretionary performance related payment in respect of 2015.

John Corrigan's pension entitlements are within the standard entitlements in the model public sector defined benefit superannuation scheme.

The remuneration of John Corrigan consisted of basic remuneration, taxable benefits (car and health insurance) and a performance related payment of up to 80 per cent of annual salary. John Corrigan waived any consideration for performance related pay in respect of 2014 and 2015.

Voluntary redundancy scheme

At the reporting date 79 employees (inclusive of 50 staff assigned to NAMA) participated in a Voluntary Redundancy Scheme ('VRS'). Costs of €5.0m relating to the VRS have been recognised in 2015, of which €3.6m relate to NAMA. In relation to the NAMA VRS, €1.3m was attributable to statutory and other redundancy payments, €1.0m related to the "retention scheme"³, and €1.3m for garden leave. The €1.4m for the remainder of NTMA staff was attributable to statutory and other redundancy payments. There was no VRS in 2014.

Garden leave

50 Agency staff (relating to staff assigned to NAMA) were placed on garden leave during 2015 as part of the VRS. This does not represent an incremental cost for the Agency but instead forms part of the overall Agency salary cost that would have been incurred regardless of the decision to place the relevant staff on garden leave. The average period of garden leave for the 50 staff, under the VRS, was 3 months.

8. Agency costs [continued]

8.3 Remuneration and expenses [continued]

Garden leave [continued]

In addition to those accepted for the VRS, 18 staff [2014: 18] were placed on garden leave during 2015 with an attributable 2015 cost of approximately €0.4m [2014: €0.4m]. Of the 18 staff placed on garden leave, 15 related to staff assigned to NAMA [2014: 17]. The average period of garden leave for the 18 staff was 2 months [2014: 2 months]. The decision on whether to place these 18 staff members on garden leave was made on a case-by-case basis and included consideration, inter alia, of the person's role within the Agency and the person's new employer.

Other Staff Costs

In 2015 the NTMA made retention payments totalling €120,000 to four members of staff [2014: €60,000 to 1 member of staff]. These payments were made on a limited and exceptional basis in order to retain the expertise and experience of key staff in critical business areas. The practice of entering into employment contracts providing for retention payments has been discontinued. No retention arrangement has been entered into since mid 2014 and such arrangements do not extend beyond 2017.³

³ The retention scheme only applies in circumstances where staff members are made redundant, have met all required performances standards, and have remained with NAMA for the period required to fulfil the NAMA's statutory mandate.

8.4 Superannuation

Superannuation entitlements of staff are conferred under a defined benefit superannuation scheme established under section 8 of the National Treasury Management Agency Act, 1990. Contributions are transferred to an externally managed fund. The Agency contribution is determined on the advice of an independent actuary. Following an actuarial review at the end of 2013, the Agency contribution was set at a level of 14.2% per cent of salary in respect of members of the Scheme. Contributions to the defined benefit scheme by the Agency for the year ended 31 December 2015 amounted to €8.5m [2014: €8.6m].

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

The Agency also contributed €36k [2014: €46k] to PRSAs for a number of employees who are not members of the defined benefit scheme in 2015.

9. Net deferred retirement benefit funding

9.1 Net deferred retirement benefit reserve funding in respect of the year

	Note	2015 €'000	2014 €'000
Change arising from employee service in reporting period	10.5	15,737	9,309
Net interest expense	10.5	475	368
Income applied to pay contributions to pension fund	8.4	[8,451]	[8,560]
Net deferred retirement benefit funding		7,761	1,117

9.2 Movement in the Deferred Retirement Benefit Funding

	Note	2015 €'000	2014 €'000
Movement in amounts recoverable in respect of current year actuarial gain / [loss]	10.6	[14,375]	20,871

Notes to the Financial Statements [continued]

10. Retirement benefits

10.1 Defined benefit pension scheme

The valuation of the defined benefit scheme used for the purposes of FRS 102 disclosures is based on data provided by the scheme administrator, Mercer (Ireland) Limited. The valuation is determined by an independent actuary to take account of the requirements of FRS 102 in order to assess the liabilities at the balance sheet date. Scheme assets are stated at their fair value at the balance sheet date.

10.2 Change in defined benefit obligation

	2015 €'000	2014 €'000
Defined benefit obligation at beginning of year	123,342	79,490
Change arising from employee service in reporting period	15,737	9,309
Interest expense	2,837	3,610
Benefit payments	49	458
Participant contributions	1,484	1,342
Insurance premiums	[241]	[130]
Effect of changes in assumptions	[16,723]	31,054
Effect of experience adjustments	4,893	[1,791]
Defined benefit obligation at end of year	131,378	123,342

10.3 Change in fair value of plan assets

	2015 €'000	2014 €'000
Fair value of plan assets at end of prior year	97,805	75,941
Interest income	2,362	3,242
Employer contributions	8,451	8,560
Participant contributions	1,484	1,342
Benefit payments from plan assets	49	458
Insurance premiums for risk benefits	[241]	[130]
Return on plan assets (excluding interest income)	2,545	8,392
Fair value of plan assets at end of year	112,455	97,805

Plan Assets

The asset allocations at the year end were as follows:

	%	%
Equities	53.80	51.01
Debt securities	31.78	34.33
Property	4.39	4.30
Alternatives	9.95	9.87
Cash	0.08	0.49
	100.00	100.00
Actual return on scheme assets	4,907	11,634

10. Retirement benefits [continued]

10.4 Scheme deficit

	Note	2015 €'000	2014 €'000
Defined benefit obligation		(131,378)	(123,342)
Fair value of plan assets		112,455	97,805
Net defined benefit liability		(18,923)	(25,537)
Amounts in the Statement of Financial Position			
Retirement benefit obligation		(18,923)	(25,537)
Deferred retirement benefit funding	7	18,923	25,537

10.5 Cost relating to defined benefit plans

Amount recognised in the Statement of Income and Expenditure is as follows:

	Note	2015 €'000	2014 €'000
Change arising from employee service in reporting period	8.1	15,737	9,309
Interest expense on defined benefit obligation		2,837	3,610
Interest (income) on plan assets		(2,362)	(3,242)
Statement of Income and Expenditure interest expense		475	368

10.6 Actuarial gain / (loss)

Remeasurements recognised in Other Comprehensive Income are as follows:

	2015 €'000	2014 €'000
Effect of changes in assumptions	16,723	(31,054)
Effect of experience adjustments	(4,893)	1,791
Return on plan assets (excluding interest income)	2,545	8,392
Remeasurements included in Other Comprehensive Income	14,375	(20,871)

Notes to the Financial Statements [continued]

10. Retirement benefits [continued]

10.7 Principal actuarial assumptions

The principal actuarial assumptions used were as follows:

	2015 %	2014 %
Weighted average assumptions used to determine benefit obligations:		
Discount rate	2.8	2.3
Rate of salary increase	2.5	2.5
Rate of price inflation	1.5	1.5
Rate of pension increase	1.5/2.5	1.5/2.5
Weighted average assumptions used to determine pension cost:		
	%	%
Discount rate	2.3	4.0
Expected long-term return on scheme assets	2.3	4.0
Rate of salary increase	2.5	3.0
Rate of price inflation	1.5	2.0
Rate of pension increase	1.5/2.5	2.0/3.0
Weighted average life expectancy at age 60 for mortality tables used to determine benefit obligations:		
	Years	Years
Future Pensioners		
Male [current age 45]	30.4	30.5
Female [current age 45]	32.6	31.6
Current Pensioners		
Male [current age 60]	28.6	28.6
Female [current age 60]	30.7	30.0
Weighted average life expectancy at age 65 for mortality tables used to determine benefit obligations:		
	Years	Years
Future Pensioners		
Male [current age 45]	26.0	26.0
Female [current age 45]	28.1	27.0
Current Pensioners		
Male [current age 65]	23.7	23.5
Female [current age 65]	25.8	24.9

11. Property, equipment and vehicles

	Leasehold improvements €'000	Furniture, equipment and motor vehicles €'000	Total €'000
Cost:			
Balance at 1 January 2015	3,951	7,282	11,233
Additions at cost	127	793	920
Disposals	-	[1,202]	[1,202]
Balance at 31 December 2015	4,078	6,873	10,951
Accumulated Depreciation:			
Balance at 1 January 2015	2,402	5,670	8,072
Depreciation for the year	685	1,022	1,707
Disposals	-	[1,198]	[1,198]
Balance at 31 December 2015	3,087	5,494	8,581
Net Book Value at 31 December 2015	991	1,379	2,370
Net Book Value at 31 December 2014	1,549	1,612	3,161

The estimated useful life of property, equipment and vehicles, by reference to which depreciation is calculated is as follows:

Leasehold improvements	10 years
Equipment and motor vehicles	3 to 5 years
Furniture	7 years

The capitalised leasehold costs relate to the fit-out costs of the office space occupied by the Agency. The property is leased under long-term leases, as set out in note 17.

12. Receivables (Non-current)

	2015 €'000	2014 €'000
Prepayments	87	-
	87	-

13. Receivables (Current)

	2015 €'000	2014 €'000
Amounts receivable from NAMA	5,723	1,344
Amounts receivable from ISIF	1,910	182
Amounts receivable from SBCI	350	676
Central Fund	-	1,092
Other debtors	522	2,106
Prepayments	2,012	1,327
	10,517	6,727

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

Notes to the Financial Statements [continued]

14. Creditors: amounts falling due within 1 year

	Note	2015 €'000	2014 €'000
Creditors		2,813	2,840
Central Fund		3,086	-
Accruals		7,869	3,802
Deferred Income	15	467	467
		14,235	7,109

Accruals include annual leave entitlements of €1.2m (2014: €1.2m) earned but not taken at the reporting date.

15. Creditors: amounts falling due after 1 year

	2015 €'000	2014 €'000
Deferred Income	158	627
Other Provisions	672	672
	830	1,299

Deferred income relates to a reverse premium on rental payments of leasehold premises [note 17]. The value of the reverse premium has been spread across the life of the lease. This treatment has resulted in income of €2.0m that will be credited to the Statement of Income and Expenditure on an annual basis in the period January 2013 to April 2017.

Other provisions include premises costs [note 22]. Provision movement in the period is detailed as follows:

	2015 €'000	2014 €'000
At 1 Jan	672	672
Additions	-	-
Charges	-	-
Reversals	-	-
At 31 Dec	672	672

16. Capital account

		2015 €'000	2014 €'000
Opening balance [note 22]		2,489	2,734
Transfer to Statement of Income and Expenditure			
Asset Funding			
-Fixed Assets	920		
Amortisation of capital funding			
-Amortisation in line with depreciation	(1,707)		
-Net amount released on asset disposal	(4)	(1,711)	(791)
Closing balance		1,698	2,489

17. Commitments

In 1991, 2007 and 2012, the Agency entered into lease agreements of varying duration until 2017, 2026 and 2027, in respect of office accommodation at Treasury Building, Grand Canal Street, Dublin 2, D02XN96.

The gross annual rental cost under these operating leases is €2.8m, excluding a reverse premium of €0.5m per annum relating to deferred income included in note 14 and note 15.

The nominal future minimum rentals payable under non-cancellable operating leases are as follows:

	2015 €'000	2014 €'000
Within one year	2,793	2,828
In two to five years	7,245	8,457
Over five years	9,143	12,104
	19,181	23,389

18. Contingent liabilities

In March 2015 legal proceedings were initiated against the Agency and the Minister for Education and Skills in respect of a public procurement competition for the Dublin Institute of Technology Grangegorman PPP project. The Agency and the Minister for Education and Skills are defending the proceedings. The case was heard in the Commercial Court in February 2016 and judgement on the case is pending. As of the reporting date, the Agency does not have any obligation in respect of this case that can be reliably estimated and therefore no provision has been recognised. In addition, the possibility of an outflow of resources cannot be reliably estimated, nor is it practicable to estimate the financial effect, if any, on the Agency of the outcome of the case and therefore no disclosure is being made in respect of this matter.

19. Related parties

Minister for Finance

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

Key Management Personnel

The Agency is governed by the Agency members, and the administration and business of the Agency is managed and controlled by the Chief Executive. The Chief Executive and the Agency members have the authority and responsibility for planning, directing and controlling the activities of the Agency and therefore are key management personnel of the Agency. Fees paid to Agency members and the Chief Executive's remuneration are disclosed in note 8.

National Asset Management Agency

In accordance with sections 41 and 42 of the National Asset Management Agency Act 2009, the Agency provides business and support services and systems in addition to assigning staff to NAMA. The recovery of expenses from NAMA is detailed in note 6.

Strategic Banking Corporation of Ireland

In accordance with section 10 of the Strategic Banking Corporation of Ireland Act 2014, the Agency provides business and support services and systems in addition to assigning staff to the SBCI. The recovery of expenses from the SBCI is detailed in note 6.

National Pensions Reserve Fund Commission

In accordance with section 21 of the National Pensions Reserve Fund Act, 2000, the Agency is manager of the National Pensions Reserve Fund. The Agency did not incur any costs or recover any expenses in the period in relation to the National Pensions Reserve Fund.

Notes to the Financial Statements [continued]

20. National Development Finance Agency

With effect from 27 January 2015, the NTMA, acting as the National Development Finance Agency in accordance with Part 4 of the National Treasury Management Agency (Amendment) Act 2014, performed financing and advisory functions in relation to specific public investment projects. The costs of these services were discharged by the NTMA and reimbursed by the State Authority to which the projects relate.

Prior to its dissolution on 27 January 2015 the National Development Finance Agency was a separate legislative body and reported such expenditure separately in the NDFA Annual Report. The disclosures presented are in line with the statutory reporting dates.

In the period the NTMA acting as the NDFA incurred the following costs:

	27 Jan 15 to 31 Dec 15 €'000	01 Jan 14 to 26 Jan 15 €'000
Consultancy fees	1,909	4,160
Legal fees	950	787
Other project expenses	9	6
	2,868	4,953

The amount receivable from State Authorities at the reporting date is as follows:

	31 Dec 15 €'000	26 Jan 15 €'000
Department of Justice	183	80
Health Service Executive	84	113
Department of Education	59	477
Grangegorman Development Agency	33	200
National Roads Authority	-	98
	359	968

Reimbursed funds are remitted to the Post Office Savings Bank Fund in accordance with section 30 of the NTMA Act 2014. At 31 December 2015, €470k is owing to the Post Office Savings Bank Fund.

The NDFA held Cash at Bank at 31 December 2015 amounting to €114k (26 January 2015: €761k). This is not included in the cash at bank balance as reflected on the statement of financial position.

The expenditure and reimbursement above is not included in the Statement of Income and Expenditure or Statement of Financial Position on pages 82 and 83.

In September 2015, the Capital Plan 2016 – 2021 announced that the newly established Transport Infrastructure Ireland (TII) will be strengthened by the transfer into it of the NDFA's PPP procurement and project management functions. The NTMA is currently engaged with the relevant Government Departments and TII in progressing the transfer.

21. Events after the end of the reporting period

No events requiring adjusting or disclosure in the financial statements occurred after the end of the reporting period.

22. Transition to FRS 102

The Agency has transitioned to FRS 102 and restated comparative amounts for the year ended 31 December 2015.

The impact is as follows:

Balance sheet as at 1 January and 31 December 2014

	Adjustment	1 Jan 2014 €'000	Effect of Transition €'000	Reported under FRS 102 €'000	31 Dec 2014 €'000	Effect of Transition €'000	Reported under FRS 102 €'000
Non current assets							
Property, equipment and vehicles	2	3,202	204	3,406	2,978	183	3,161
Receivables		9,130	882	10,012	5,636	1,091	6,727
Cash at bank		3,180	-	3,180	1,009	-	1,009
Current assets		12,310	882	13,192	6,645	1,091	7,736
Creditors	1,2	[12,310]	[1,554]	[13,864]	[6,645]	[1,763]	[8,408]
Net current assets		-	[672]	[672]	-	[672]	[672]
Net assets before retirement benefits							
		3,202	[468]	2,734	2,978	[489]	2,489
Deferred retirement benefit funding		3,549	-	3,549	25,537	-	25,537
Retirement benefit obligation		[3,549]	-	[3,549]	[25,537]	-	[25,537]
Net assets		3,202	[468]	2,734	2,978	[489]	2,489
Representing:							
Capital account		3,202	[468]	2,734	2,978	[489]	2,489

Statement of Income and Expenditure Account for 2014

	Adjustment	2014 €'000	Effect of Transition €'000	Reported under FRS 102 €'000
Income				
Operating income		55,501	-	55,501
Central fund income	1	43,262	1,177	44,439
Net deferred retirement benefit funding	3	720	397	1,117
Transfer from capital account	2	224	21	245
		99,707	1,595	101,302
Expenditure				
Agency costs	1,2,3	[99,707]	[1,595]	[101,302]
Net Income / [Expenditure]		-	-	-

Notes to the Financial Statements [continued]

22. Transition to FRS 102 [continued]

Statement of Total Recognised Gains and Losses for 2014

	Adjustment	2014 €'000	Effect of Transition €'000	Reported under FRS 102 €'000
Actuarial Loss recognised on Retirement benefit obligations	3	(21,268)	397	(20,871)
Movement in Deferred Retirement benefit Funding [note 9.2]	3	21,268	(397)	20,871
Total Recognised (Loss) / Gain		-	-	-

Adjustment

1. Annual leave accrual

The Agency did not previously accrue for annual leave pay earned by employees but not availed of at the reporting date. Under FRS 102, the Agency is required to accrue for annual leave entitlements earned but not taken at the reporting date. The impact of this change is to include annual leave pay accrued of €0.9m and €1.2m for the Agency at 1 January 2014 and 31 December 2014 respectively in Creditors and Agency costs.

Employee remuneration is recoverable from the Central Fund. The annual leave accrual of €0.9m and €1.2m for the Agency at 1 January 2014 and 31 December 2014 respectively is included in creditors and Central fund income as amounts receivable.

2. Provisions

The Agency had previously not provided for costs associated with premises. Under FRS 102, the Agency is required to provide for all probable costs that can be estimated reliably. The impact of this change is to include premises costs of €0.7m at 1 January 2014 and 31 December 2014 respectively within Property, equipment and vehicles. The annual depreciable amount recognised is €21k and is included within the transfer from Capital Account at 1 January 2014 and 31 December 2014. The accumulated depreciation amount included within Property, equipment and vehicles is €0.5m and €0.5m at 1 January 2014 and 31 December 2014 respectively.

The provision is included within Creditors of €0.7m at 1 January 2014 and 31 December 2014 respectively.

Capital expenditure is recoverable from the Central Fund and amortised over the useful life of the asset. The additional depreciation of €21k for the Agency at 1 January 2014 and 31 December 2014 respectively is included within Agency costs. The additional depreciation of €21k at 1 January 2014 and 31 December 2014 respectively is amortised and included in the Transfer from capital account.

3. Actuarial valuation

The Agency previously accounted for the defined benefit scheme under FRS 17. As a result of the transition to FRS 102 the change on the expected return on assets to net interest cost has resulted in a decrease of €0.4m (from €3.6m to €3.2m) at 31 December 2014. The movement of €0.4m of actuarial loss is included within Agency costs at 31 December 2014. The movement in deferred funding of €0.4m is included within Net deferred retirement benefit funding at 31 December 2014. The total remeasurements included in Other comprehensive income has decreased by €0.4m (from €21.3m to €20.9m) at 31 December 2014.

23. Approval of Financial Statements

The financial statements were approved by the Agency on 24 May 2016.

Financial Statements of the

Post Office Savings Bank Fund

For the year ended 31 December 2015

Report of the Comptroller and Auditor General	104
Statement of Income and Expenditure and Retained Earnings	106
Statement of Financial Position	107
Notes to the Financial Statements	108

Introduction

Business Review

Governance & Corporate Information

Financial Statements

Portfolio of Investments - ISIF

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

Post Office Savings Bank Fund

I have audited the financial statements of the Post Office Savings Bank Fund (the Fund) for the year ended 31 December 2015 under the National Treasury Management Agency Act, 1990 [as amended]. The financial statements comprise the statement of income and expenditure and retained earnings, the statement of financial position and the related notes. The financial statements have been prepared in the form prescribed under section 12 of the National Treasury Management Agency Act 1990 [as amended].

Responsibilities of the National Treasury Management Agency

The National Treasury Management Agency (the Agency) is responsible for the preparation of the financial statements in the specified format and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

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

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

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

Scope of audit of the financial statements

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

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

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

In addition, I read the information about the Fund in the Agency's annual report to identify if there are any material inconsistencies with the audited financial statements and to identify if there is any information that is apparently materially incorrect or inconsistent based on the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in accordance with the National Treasury Management Agency Act 1990 [as amended] properly present the state of the Fund's affairs at 31 December 2015 and of its income and expenditure for 2015.

In my opinion, the accounting records of the Agency in relation to the Fund were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

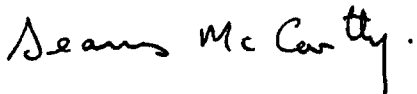
Comptroller and Auditor General Report for presentation to the Houses of the Oireachtas [continued]

Matters on which I report by exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find

- any material instance where public money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information about the Fund in the Agency's annual report is not consistent with the related financial statements or with the knowledge acquired by me in the course of performing the audit, or
- the statement on internal financial control does not reflect the Agency's compliance with the Code of Practice for the Governance of State Bodies, or
- there are other material matters relating to the manner in which public business has been conducted.

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



Seamus McCarthy
Comptroller and Auditor General

26 May 2016

Statement of Income and Expenditure and Retained Earnings

Year Ended 31 December

	Note	2015 €'000	2014 €'000
Investment Income	3	9,241	129,625
Interest Paid and Payable	4	[8,118]	[8,121]
Operating Expenses	5	[26,821]	[27,312]
[(Deficit)]/Surplus for the Year		[25,698]	94,192
Balance at Beginning of Year		190,410	96,218
Balance at End of Year		164,712	190,410

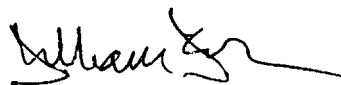
The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

24 May 2016



Willie Walsh, Chairperson
National Treasury Management Agency

Statement of Financial Position

31 December

	Note	2015 €'000	2014 €'000
Assets			
Cash with Central Bank of Ireland		872,256	521,965
Central Treasury Loans		26,288	31,918
Loans and Receivables	6	1,117,640	459,727
Other Assets	7	29,130	57,812
Investments	8	885,746	1,791,925
		2,931,060	2,863,347
Liabilities			
Post Office Savings Bank Deposits	9	2,763,939	2,670,290
Other Liabilities	10	2,409	2,647
Retained Reserves		164,712	190,410
		2,931,060	2,863,347

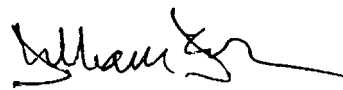
The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

24 May 2016



Willie Walsh, Chairperson
National Treasury Management Agency

Notes to the Financial Statements

1. Background

The Minister for Finance guarantees the repayment and servicing of moneys invested by depositors in the Post Office Savings Bank. An Post remits the net proceeds to the National Treasury Management Agency [“the Agency”]. The Post Office Savings Bank Fund [“Fund”] does not form part of the Exchequer.

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

During 2015 the Fund had the following main purposes:

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

From 1 January 2016 the Fund is no longer used as an intermediary for the purpose of primary issuance including the tranching, cancellation and sale of securities issued by the Agency. Section 87 of the Finance Act, 2015 amended the Finance Act, 1970 to facilitate this change in regard to the cancellation of securities and permits the Minister to purchase securities created or issued by him or under any other provision of an Act of the Oireachtas whenever and so often as he thinks fit and in any manner, whether in the open market or otherwise, and any such securities so purchased shall be cancelled.

2. Basis of Preparation

The financial statements have been prepared for the year ended 31 December 2015, and have been prepared on an accrual basis under the historical cost convention except where otherwise stated.

2.1 Measurement convention

The presentation currency is Euro denoted by the symbol €, which is also the Agency’s functional currency. All amounts in the financial statements have been rounded to the nearest thousand [denoted by €’000] unless otherwise indicated.

2.2 Investments

Investments are stated at cost.

3. Investment Income

	2015 €’000	2014 €’000
Net Interest Received and Receivable	39,295	66,255
[Loss]/Profit on Investments	(30,054)	63,370
	9,241	129,625

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

The decline in investment income in 2015 reflects the reduction in bond holdings during the year together with the decline in bond yields to historic low yields during 2015. The Fund accounts for its bond holdings on a historic cost basis and does not recognise unrealised gains. The comparative €63.4m profit on investments in 2014 included significant once off gains of €52.2m arising from the sale by the Fund of its holding of longer dated amortising bonds which had been acquired during the financial crisis at significantly higher yields.

4. Interest Paid and Payable

	2015 €'000	2014 €'000
Interest Payable to Depositors of Post Office Savings Bank	8,118	8,121

5. Operating Expenses

	2015 €'000	2014 €'000
Services Fees	26,821	27,312

6. Loans and Receivable

	2015 €'000	2014 €'000
Advances to the Exchequer	1,114,370	455,927
Advances to the State Claims Agency	2,800	3,800
Advances to the National Development Finance Agency	470	-
	1,117,640	459,727

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

7. Other Assets

	2015 €'000	2014 €'000
Interest Receivable	17,071	44,181
Cash Balances held by An Post	1,651	1,499
Outstanding Bond Trade Settlements	10,408	12,132
	29,130	57,812

Notes to the Financial Statements (continued)

8. Investments

	2015 €'000	2014 €'000
Bonds		
At Cost	885,746	1,791,925
Valuation as at 31 December	893,196	1,825,383

Schedule of Investment Holdings:

Nominal €'000	Stock	2015 Cost €'000
212,682	4.6% Treasury Bond 2016	221,894
26,107	5.5% Treasury Bond 2017	29,548
27,124	4.5% Treasury Bond 2018	31,183
45,652	5.9% Treasury Bond 2019	53,102
109,225	4.4% Treasury Bond 2019	134,185
62,194	5.0% Treasury Bond 2020	73,903
77,904	4.5% Treasury Bond 2020	96,105
43,950	0.8% Treasury Bond 2022	44,924
22,714	3.9% Treasury Bond 2023	27,801
30,172	3.4% Treasury Bond 2024	35,873
45,972	5.4% Treasury Bond 2025	63,415
36,525	2.4% Treasury Bond 2030	40,163
35,210	2.0% Treasury Bond 2045	33,650
775,431		885,746

9. Post Office Savings Bank Deposits

	2015 €'000	2014 €'000
Post Office Savings Bank Deposits	2,763,939	2,670,290

In 2015 €3,570,517 [2014: €2,226,367] was transferred from the Fund to the Dormant Accounts Fund under the Dormant Accounts Act, 2001. At 31 December 2015, a liability of €42,612,249 [2014: €38,933,835] remained following account reactivations of €468,202 [2014: €730,147] and the capitalisation of interest (net of DIRT) of €42,859 [2014: €59,350]. If reclaimed by POSB depositors this is payable from the Dormant Accounts Fund. The POSB deposits of €2,763,939,004 [2014: €2,670,289,962] do not include this liability.

10. Other Liabilities

	2015 €'000	2014 €'000
Net Funds payable due under Sale and Repurchase Agreements	1,572	1,824
DIRT due to An Post	837	823
	2,409	2,647

11. Events after the end of the reporting period

No events requiring adjusting or disclosure in the financial statements occurred after the end of the reporting period.

12. Approval of Financial Statements

The financial statements were approved by the Agency on 24 May 2016.

Financial Statements of the

State Claims Agency

For the year ended 31 December 2015

Report of the Comptroller and Auditor General	112
Income Statement	114
Statement of Financial Position	115
Notes to the Financial Statements	116

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

State Claims Agency

I have audited the financial statements of the State Claims Agency [the Agency] for the year ended 31 December 2015 under the National Treasury Management Agency Act 1990 [as amended]. The financial statements comprise the income statement, the statement of financial position and the related notes. The financial statements have been prepared in the form prescribed under section 12 of the National Treasury Management Agency Act 1990 [as amended].

Responsibilities of the National Treasury Management Agency

The National Treasury Management Agency is responsible for the preparation of the financial statements, in the specified format and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

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

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

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

Scope of audit of the financial statements

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

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

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

In addition, I read the information about the Agency in the annual report of the National Treasury Management Agency to identify if there are material inconsistencies with the audited financial statements and to identify if there is any information that is apparently materially incorrect or inconsistent based on the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in accordance with the National Treasury Management Agency Act 1990 [as amended] properly present the state of the Agency's affairs at 31 December 2015 and its transactions for 2015.

In my opinion, the accounting records of the National Treasury Management Agency were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the books of account.

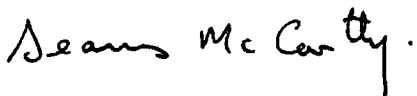
Comptroller and Auditor General Report for presentation to the Houses of the Oireachtas [continued]

Matters on which I report by exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find

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

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



Seamus McCarthy
Comptroller and Auditor General

26 May 2016

Income Statement

Year ended 31 December

	Note	2015 €'000	2014 €'000
Income receivable	3	219,324	141,400
Costs recovered on behalf of Delegated State Authorities	4	7,024	2,789
		226,348	144,189
Awards and claim settlements payable	5	164,614	86,852
Other expenses	6	54,710	54,548
Reimbursement of costs recovered on behalf of Delegated State Authorities	4	7,024	2,789
		226,348	144,189

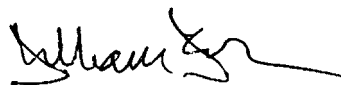
The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

24 May 2016



Willie Walsh, Chairperson
National Treasury Management Agency

Statement of Financial Position

As at 31 December

	Note	2015 €'000	2014 €'000
Assets			
Cash at Bank		3,023	1,444
Receivables	9	9,428	11,834
Investments	8	5,469	5,522
		17,920	18,800
Liabilities			
Scheme liabilities	8	5,469	5,522
Borrowings from Post Office Savings Bank Fund	10	2,800	3,800
Other liabilities	11	9,651	9,478
		17,920	18,800

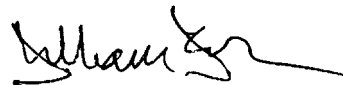
The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

24 May 2016



Willie Walsh, Chairperson
National Treasury Management Agency

Notes to the Financial Statements

1. Background

Under the National Treasury Management Agency (Amendment) Act, 2000, the management of personal injury and property damage claims against certain State Authorities ["Delegated State Authorities"], and of the underlying risks, was delegated to the National Treasury Management Agency ["NTMA"]. In addition, the National Treasury Management Agency (Amendment) Act 2014, provided for the delegation to the NTMA of the management of claims for costs. When performing these functions, the NTMA is known as the State Claims Agency ["SCA"]. The SCA incurs expenditure on awards, claim settlements and associated costs. The SCA recovers this expenditure from the Delegated State Authorities who are liable in respect of claims.

The SCA has three objectives as follows:

- A duty to act in the best interest of taxpayers in matters of personal injury and property damage litigation, to act fairly and ethically in its dealings with people who have suffered injuries and/or damage and who take legal actions against the State or State bodies, and the families of these people;
- To provide risk advisory services to Delegated State Authorities with the aim of reducing over time the frequency and severity of claims;
- To deal with certain legal costs claims.

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

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

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

Claims alleging personal injury in respect of the medicinal products Thalidomide and Nimesulide were delegated to the SCA in April 2012. In October 2013 the Government delegated to the SCA the management of personal injury claims concerning the ingestion of the medicinal products Celvepan and Pandemrix.

Following a Government decision in 2012, a State Legal Cost Unit was set up within the SCA in February 2013 to deal with third-party costs arising from certain Tribunals of Enquiry. The functions of the Legal Cost Unit were considerably extended under Part 5 of the National Treasury Management Agency (Amendment) Act 2014 and the delegation that was put in place under the National Treasury Management Agency (Delegation of Claims for Costs Management Functions) Order 2015.

In April 2014 the claims management of a further 61 public bodies (including the Voluntary Hospitals' Group Delegations) was delegated to the SCA, bringing the total number within the SCA's remit from 56 to 117. Another delegation by Government in June 2015 has further increased the number of public bodies to 129.

Under section 53 of the National Treasury Management Agency (Amendment) Act 2014, as commenced by Statutory Instrument (S.I.) No. 586 of 2014, the State Claims Policy Committee was dissolved on 22 December 2014.

2. Significant accounting policies

2.1 Basis of accounting

The financial statements of the SCA relate to the management of claims on behalf of Delegated State Authorities who are liable in respect of claims and from whom the SCA recovers the amounts of any awards and associated costs. The financial statements present the claim activities and report on the transactions processed via the SCA in the year and therefore no amount is included within the liabilities for the value of outstanding claims.

Transactions are recognised using the cash basis of accounting as adjusted for accruals for contracted third party service provider costs and the related cost recovery from the relevant Delegated State Authority.

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

2.2 Expenditure

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

2.3 Income Receivable

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

3. Income receivable

	2015 €'000	2014 €'000
Amounts receivable at 1 January from Delegated State Authorities (Note 9)	[11,812]	[15,082]
Received from Delegated State Authorities	223,927	144,559
Received from Scheme funds (Note 8)	53	111
Amounts receivable at 31 December (Note 9)	7,156	11,812
	219,324	141,400

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

4. Costs recovered on behalf of Delegated State Authorities

	2015 €'000	2014 €'000
Costs recovered on behalf of Delegated State Authorities	7,024	2,789

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

Notes to the Financial Statements [continued]

5. Awards and claim settlements payable

	2015 €'000	2014 €'000
Awards and claim settlements payable	164,614	86,852

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

The increase is primarily driven by a higher average cost of general claims resulting from a greater number of more serious claims being settled; and the settlement of a number of previously deferred Periodic Payment Order (PPO) catastrophic injury-related cases on a lump sum basis, in the continued absence of PPO Legislation.

6. Other expenses

	2015 €'000	2014 €'000
<i>State Claims Agency expenses</i>		
Legal fees	18,516	20,520
Medical fees	3,798	3,360
Engineers' fees	345	350
Other fees (including investigation and actuary fees)	1,328	1,312
	23,987	25,542
<i>Plaintiff expenses</i>		
Legal fees	30,094	28,913
Other expert fees	604	76
Travel expenses	18	10
	30,716	28,999
<i>Witness expenses</i>	7	7
	54,710	54,548

7. Remuneration and expenses (included in the administration expenses of the NTMA)

The administrative costs incurred by the NTMA in the performance of the SCA's functions amounted to €15.7m (2014: €13.5m). These costs are included in the administration expenses of the NTMA and are charged on the Central Fund. The NTMA does not seek reimbursement of these costs from Delegated State Authorities.

State Claims Policy Committee

Under section 53 of the National Treasury Management Agency (Amendment) Act 2014, as commenced by S.I. No. 586 of 2014, the State Claims Policy Committee was dissolved on 22 December 2014. On this date, the NTMA was reconstituted as a body with a Chairperson and eight other members reporting to the Minister for Finance with over-arching responsibility for all of the NTMA's functions (including the functions of the SCA).

Prior to its dissolution, remuneration of State Claims Policy Committee members was set by the NTMA with the consent of the Minister for Finance.

7. Remuneration and expenses (included in the administration expenses of the NTMA) [continued]

Remuneration to former members of the State Claims Policy Committee in respect of 2014 is set out below:

	2014
	€
Noel Whelan [Chair of Committee]	13,317
Anthony Delaney	8,877
Christopher Moore	8,877
Niamh Moran	8,877
Fachtna Murphy	8,877
Wendy Thompson	-
Mary Jackson	-
	48,825

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

No Committee member related expenses were paid for in 2014.

8. Investments / scheme liabilities

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

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

SOIS funds

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

The movement on the Scheme funds is set out below:

	2015	2014
	€'000	€'000
Balance at 1 January	5,522	5,623
Claim settlements and expenses	[53]	[111]
Income earned	-	10
Balance at 31 December available for settlement of claims	5,469	5,522

¹ Mount Carmel went into liquidation in January 2014 and was subsequently purchased by the HSE in September 2014, to be utilised as a step down facility.

Notes to the Financial Statements [continued]

9. Receivables

	2015 €'000	2014 €'000
Receivable from Delegated State Authorities	7,156	11,812
Receivable from Third Parties in respect of recovered costs	2,250	-
Other	22	22
	9,428	11,834

10. Borrowings from the Post Office Savings Bank Fund

	2015 €'000	2014 €'000
Borrowings from the Post Office Savings Bank Fund	2,800	3,800

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

11. Other liabilities

	2015 €'000	2014 €'000
Payable in respect of expenses	4,831	5,943
Payable in respect of awards	2,004	2,561
Professional Services Withholding Tax due	454	225
Amounts due to Delegated State Authorities	2,362	749
	9,651	9,478

12. Estimated liabilities of Delegated State Authorities

During 2015, 2,943 (2014: 3,003) new claims were received and 1,863 (2014: 1,939) were resolved. At 31 December 2015, the SCA had a total of 8,275 (2014: 7,221) claims under management.

At 31 December 2015 the estimated liability of Delegated State Authorities in respect of claims under management by the SCA was €1.79bn (2014: €1.47bn), of which €1.35bn (2014: €1.16bn) was attributable to Clinical Claims and €436m (2014: €309m) to General Claims. The estimated liability is calculated by reference to the ultimate cost of resolving each claim including all foreseeable costs such as settlement amounts, plaintiff legal costs and defence costs.

The estimated liability calculation is based on actuarial assumptions including a real rate of return of 3%. However, a High Court ruling, on 18 December 2014, ruled that a real rate of return of 1% should apply to certain Court Awards. This decision was appealed by the SCA to the Court of Appeal. On 5 November 2015 the Court of Appeal delivered its judgment effectively upholding the High Court judgment, ruling that in cases involving catastrophic injuries, claims for the cost of future care are to be calculated at a real rate of return of 1% and claims for future pecuniary loss are to be calculated at a real rate of return of 1.5%. The SCA has appealed this judgment to the Supreme Court and therefore has not adjusted its method of calculation of estimated liability, pending the outcome of the appeal. If the Supreme Court upholds the decision of the Court of Appeal, the increase in the estimated liability of Delegated State Authorities in respect of claims under management at 31 December 2015 by the SCA would be circa €300m.

13. Events after the reporting period

No events requiring adjusting or disclosure in the financial statements occurred after the end of the reporting period.

14. Related Parties

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

15. Approval of the financial statements

The financial statements were approved by the Agency on 24 May 2016.



Financial Statements of the

Dormant Accounts Fund

For the year ended 31 December 2015

Statement of Agency's Responsibilities	124
Report of the Comptroller and Auditor General	125
Investment and Disbursements Account	127
Reserve Account	128
Statement of Financial Position	129
Notes to the Financial Statements	130

Introduction

Business Review

Governance & Corporate Information

Financial Statements

Portfolio of Investments - ISIF

Statement of Agency's Responsibilities

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

In preparing those statements, the Agency:

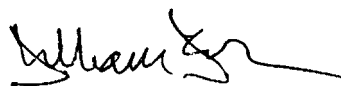
- selects suitable accounting policies and then applies them consistently;
- makes judgements and estimates that are reasonable and prudent;
- prepares the financial statements on a going concern basis unless it is inappropriate to do so;
- discloses and explains any material departure from applicable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

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

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



Conor O'Kelly, Chief Executive
National Treasury Management Agency



Willie Walsh, Chairperson
National Treasury Management Agency

24 May 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Dormant Accounts Fund

I have audited the financial statements of the Dormant Accounts Fund for the year ended 31 December 2015 under the Dormant Accounts Act 2001. The financial statements comprise the investment and disbursements account, the reserve account, the statement of financial position and the related notes. The financial statements have been prepared in the form prescribed under section 46 of the Dormant Accounts Act 2001.

Responsibilities of the National Treasury Management Agency

The National Treasury Management Agency [the Agency] is responsible for the preparation of the financial statements in the specified format and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

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

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

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

Scope of audit of the financial statements

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

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

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

In addition, I read the information about the Fund in the annual report of the Agency to identify if there are any material inconsistencies with the audited financial statements and to identify if there is any information that is apparently materially incorrect or inconsistent based on the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in accordance with the Dormant Accounts Act, 2001 properly present the state of the Fund's affairs at 31 December 2015 and its transactions for 2015.

In my opinion, the accounting records of the Agency in relation to the Fund were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

Comptroller and Auditor General

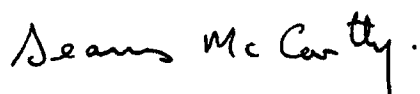
Report for presentation to the Houses of the Oireachtas [continued]

Matters on which I report by exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find

- any material instance where public money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information about the Fund in the Agency's annual report is not consistent with the related financial statements or with the knowledge acquired by me in the course of performing the audit, or
- the statement on internal financial control does not reflect the Agency's compliance with the Code of Practice for the Governance of State Bodies, or
- there are other material matters relating to the manner in which public business has been conducted.

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



Seamus McCarthy
Comptroller and Auditor General

26 May 2016

Investment and Disbursements Account

	Note	2015 €'000	2014 €'000
Moneys transferred to the Fund in respect of dormant accounts and unclaimed assurance policies	3	53,900	49,344
Amounts transferred to Reserve Account	4	[21,199]	[23,553]
Disbursements	5	[8,939]	[1,989]
Interest Income	6	334	835
Movement for the year		24,096	24,637
Balance at 1 January		147,737	123,100
Balance at 31 December		171,833	147,737


The accompanying notes form an integral part of the financial statements.

On behalf of the Agency.



Conor O'Kelly, Chief Executive
National Treasury Management Agency

24 May 2016



Willie Walsh, Chairperson
National Treasury Management Agency

Reserve Account

	Note	2015 €'000	2014 €'000
Repayment of moneys transferred to the Fund	3	[17,375]	[18,791]
Interest on repayment of moneys transferred to the Fund	3	[183]	[166]
Transfer from Investment and Disbursements Account	4	21,199	23,553
Interest Income	6	134	451
Operating Expenses	7	[750]	[400]
Movement for the year		3,025	4,647
Balance at 1 January		67,055	62,408
Balance at 31 December		70,080	67,055

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency.



Conor O'Kelly, Chief Executive
National Treasury Management Agency

24 May 2016



Willie Walsh, Chairperson
National Treasury Management Agency

Statement of Financial Position

	Note	2015 €'000	2014 €'000
Assets			
Cash and balances with banks	8	242,357	152,386
Investments	9	-	60,151
Receivables	10	117	2,484
Liabilities			
Other Liabilities		[561]	[229]
Net Assets		241,913	214,792
Represented by:			
Investment and Disbursements Account		171,833	147,737
Reserve Account		70,080	67,055
		241,913	214,792

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency.



Conor O'Kelly, Chief Executive
National Treasury Management Agency

24 May 2016



Willie Walsh, Chairperson
National Treasury Management Agency

Notes to the Financial Statements

1. Background

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

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

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

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

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

2. Basis of Preparation

The financial statements have been prepared for the year ended 31 December 2015. The financial statements are prepared on an accruals basis under the historical cost convention.

The NTMA is required under section 46(1) of the Dormant Accounts Act, 2001, to keep all adequate accounting records of moneys received or expended by the Agency in relation to the Fund. In accordance with section 46(1) of the Dormant Accounts Act 2001, the financial statements have been prepared in a form specified by the Minister for Finance.

Measurement convention

The presentation currency is Euro denoted by the symbol €, which is also the Agency's functional currency. All amounts in the financial statements have been rounded to the nearest thousand (denoted by €'000) unless otherwise indicated.

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

Financial Institutions – Dormant Accounts

Institution	Opening Balance €	Transferred	Reclaimed	Closing Balance €	Interest paid
	01/01/2015			31/12/2015	
ACC Loan Management (formerly ACC Bank)	6,404,666	-	(175,904)	6,228,762	424
Allied Irish Banks plc	72,486,245	6,444,624	(1,405,961)	77,524,908	10,609
Barclays Bank Ireland plc	344,025	-	-	344,025	-
BNP Paribas SA	83,575	-	-	83,575	-
Bank of America National Association	154,778	-	-	154,778	-
Bank of Ireland	73,648,770	7,892,000	(2,581,029)	78,959,741	11,906
Bank of Scotland plc	567,088	-	-	567,088	-
Citibank Europe plc	28,700	-	-	28,700	-
EBS Ltd	18,111,235	4,140,866	(1,222,114)	21,029,987	95,905
EAA Covered Bond Bank	122,119	-	-	122,119	-
KBC Bank Ireland plc	786,096	-	-	786,096	-
Irish Bank Resolution Corporation Ltd (in special liquidation)	629,363	-	-	629,363	-
Investec Bank plc	1,618,938	71,290	(682)	1,689,546	10
JP Morgan Bank (Ireland) plc	48,897	-	-	48,897	-
Danske Bank Plc	6,021,995	594,801	(94,631)	6,522,165	213
Permanent TSB plc	40,917,350	4,585,197	(1,242,520)	44,260,027	9,216
Pfizer International Bank	32,619	-	(2,105)	30,514	-
An Post - State Savings Products	83,508,223	10,273,365	(5,704,775)	88,076,813	15,624
An Post - Post Office Savings Bank	37,569,979	3,570,517	(429,880)	40,710,616	32,721
RBS NV (formerly ABN AMRO)	35,455	-	-	35,455	-
The Royal Bank of Scotland plc	386,735	220	-	386,955	-
Scotiabank (Ireland) Ltd	92,953	-	-	92,953	-
Ulster Bank Ireland Ltd	26,139,485	3,985,457	(454,413)	29,670,529	243
TOTAL UNCLAIMED ACCOUNTS	369,739,289	41,558,337	(13,314,014)	397,983,612	176,871

Notes to the Financial Statements (continued)

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

Assurance Companies – Unclaimed Assurance Policies

Institution	Opening Balance € 01/01/2015	Transferred	Reclaimed	Closing Balance € 31/12/2015	Interest paid
Specified Term Accounts:					
Ark Life Assurance Co. Ltd ¹	602,660	307,299	[75,198]	834,761	-
Aviva Life International Ltd	3,442,708	420,759	[263,637]	3,599,830	-
Equitable Life	7,388	-	-	7,388	-
Friends First Life Assurance Co. Ltd	2,300,441	167,547	[63,685]	2,404,303	-
Irish Life Assurance plc (including former Canada Life Ireland)	7,046,826	1,871,021	[283,163]	8,634,684	-
New Ireland Assurance Co. plc	880,852	-	-	880,852	-
Phoenix Life Ltd	4,634,780	898,280	[178,103]	5,354,957	-
The Royal London Mutual Insurance Society Ltd (including former Caledonian Life) ¹	7,679,203	1,079,302	[63,118]	8,695,387	-
St. James Place International plc	10,649	-	-	10,649	-
Scottish Legal Life	602,366	-	-	602,366	-
Standard Life International Ltd	1,300,808	217,698	-	1,518,506	-
Sun Life	186,926	150,025	-	336,951	-
Zurich Life Assurance plc	1,257,415	537,121	[80,522]	1,714,014	-
No Specified Term Accounts:					
Acorn Life Ltd	32,804	69,391	[17,958]	84,237	-
Ark Life Assurance Co. Ltd ¹	608,991	579,029	[87,420]	1,100,600	-
Aviva Life International Ltd	2,010,317	1,361,314	[143,436]	3,228,195	-
Equitable Life	-	21,485	-	21,485	-
Friends First Life Assurance Co. Ltd	1,225,562	63,624	[3,917]	1,285,269	-
Irish Life Assurance plc (including former Canada Life Ireland)	8,821,577	1,015,304	[1,212,447]	8,624,434	-
New Ireland Assurance Co. plc	11,416,740	1,172,627	-	12,589,367	-
Phoenix Life Ltd	490,241	68,664	-	558,905	-
The Royal London Mutual Insurance Society Ltd (including former Caledonian Life) ¹	10,431,337	1,236,352	[540,183]	11,127,506	-
Scottish Legal Life	538,684	-	-	538,684	-
Standard Life International Ltd	1,480,717	299,477	[256,109]	1,524,085	-
Sun Life	47,473	12,124	-	59,597	-
Zurich Life Assurance plc	2,409,992	565,111	[237,604]	2,737,499	-
TOTAL UNCLAIMED POLICIES	69,467,457	12,113,554	[3,506,500]	78,074,511	-
The Escheated Estate Fund	4,400,000	-	-	4,400,000	-
Accrued Reclaims	[228,581]	228,581	[554,333]	[554,333]	6,173
GRAND TOTAL	443,378,165	53,900,472	[17,374,847]	479,903,790	183,044

¹ Opening balance adjusted to reflect a merger / re-organisation of entities or an instruction received to allocate the balance between specified and no specified term accounts.

3. Cumulative amounts transferred and reclaimed in respect of dormant accounts and unclaimed assurance policies [Continued]

The amounts transferred to the Fund included accounts denominated in currencies other than euro. The effect of revaluing these accounts at the year end exchange rates would be to increase the total amount transferred to the Fund and not yet reclaimed by €1,305,252 from €479,903,790 to €481,209,042.

4. Amounts transferred to the Reserve Account

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

5. Disbursements

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

	2015 €'000	2014 €'000
On Direction of the Minister for Public Expenditure and Reform:		
Department of Environment, Community and Local Government	2,596	1,942
Department of Tourism and Transport	1,942	-
Health Service Executive	1,915	-
Department of Social Protection	906	-
Department of Children and Youth Affairs	759	-
Department of Justice and Equality	733	50
Irish Prison Service [administered by Pobal ²]	189	-
Department of Education and Skills [refund]	[12]	[3]
Pobal [refund]	[89]	-
	8,939	1,989

² For further detail on service provider Pobal see Note 7.

6. Interest Income

	Investment and Disbursements Account €'000	Reserve Account €'000	Total 2015 €'000	Total 2014 €'000
Bond Holding	29	-	29	312
Commercial Deposits	380	170	550	948
Central Bank Deposits ³	[75]	[36]	[111]	26
	334	134	468	1,286

³ The negative return on Central Bank deposits for 2015 reflects the prevailing negative interest rates charged in respect of cash balances held on deposit.

Notes to the Financial Statements (continued)

7. Operating Expenses

	2015 €'000	2014 €'000
Fees of service provider (Pobal)	750	400

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

Expenses of the National Treasury Management Agency

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

	2015 €'000	2014 €'000
General Administration ⁴	150	150

⁴ This is an estimate, included in the Notes to the accounts only, as the Agency has not charged these expenses to the Dormant Accounts Fund.

8. Cash and balances with banks

	2015 €'000	2014 €'000
Cash at Central Bank	52,357	22,386
Commercial Term Deposits	190,000	130,000
	242,357	152,386

9. Investments

	2015 €'000	2014 €'000
4.0% Bank of Ireland Bond 2015	-	60,151

10. Receivables

	2015 €'000	2014 €'000
Bond Interest Receivable	-	2,219
Interest Receivable on Cash on Deposit	117	265
	117	2,484

11. Contingent Exchequer Liability

11.1 As a result of cumulative disbursements to date the net assets of the Fund are less than the dormant funds transferred and not yet reclaimed. This difference represents a contingent exchequer liability that would have to be met by the Central Fund in the event that all moneys transferred to the Dormant Accounts Fund were reclaimed.

At 31 December 2015 the contingent exchequer liability to the Exchequer is estimated at €238m (2014: €229m). The contingent exchequer liability is estimated based on the net cash transferred into the fund and not yet reclaimed. No provision or estimate is made for interest which may be payable on future reclaims for the period from the date of transfer to the date of reclaim. Further analysis of the contingent exchequer liability is provided in Note 11.2 below.

Under section 17(7) of the Dormant Accounts Act, 2001 [as amended], whenever the moneys in the Investment and Disbursements Account are insufficient to meet the deficiency in the Reserve Account, a payment can be made out of the Central Fund into the Reserve Account of an amount not exceeding the deficiency. If this occurred the moneys would be repaid to the Central Fund, as soon as practicable, from surplus moneys remaining in the Fund after providing for any liabilities or contingent liabilities of the Fund.

11.2 Analysis of Contingent Exchequer Liability:

	1 January 2015 €'000	Movement during the year €'000	31 December 2015 €'000
Net Assets of Fund	214,792	27,121	241,913
Dormant Funds Transferred not reclaimed	[443,378]	[36,525]	[479,903]
Contingent liability	[228,586]	[9,404]	[237,990]

11.3 The movement in the Contingent Exchequer Liability for the year is represented by:

	€'000
Interest Income (Note 6)	468
Interest on repayments of moneys transferred to the Fund (Note 3)	[183]
Disbursements (Note 5)	[8,939]
Operating expenses (Note 7)	[750]
Movement for the year (above Note 11.2)	[9,404]

12. Investment Return

Under section 45 (1)(b) of the Dormant Accounts Act, 2001 [as amended], the Agency is required to report to the Minister for Environment, Community and Local Government the investment return achieved by the Fund. The annualised return on the Fund for the year was 0.19% per cent (2014: 0.61%).

13. Events after the end of the reporting period

No events requiring adjusting or disclosure in the financial statements occurred after the end of the reporting period.

14. Approval of Financial Statements

The financial statements were approved by the Agency 24 May 2016.



Financial Statements of the

Ireland Strategic Investment Fund

For the year ended 31 December 2015

Fund and other Information	138
Report of the Comptroller and Auditor General	139
Statement of Financial Position	141
Statement of Comprehensive Income	142
Statement of Changes in Net Assets	143
Statement of Cash Flows	144
Notes to the Financial Statements	145

Fund and other Information

Controller and Manager

National Treasury Management Agency
Treasury Building
Grand Canal Street
Dublin 2
D02 XN96

Global Custodian

The Bank of New York Mellon ["BNYM"]
One Canada Square
London
E14 5AL
United Kingdom

Bankers

Central Bank of Ireland
Dame Street
Dublin 2
D02 P656

Allied Irish Banks p.l.c.
1-4 Lower Baggot Street
Dublin 2
D02 X342

Auditor

Comptroller and Auditor General
3A Mayor Street Upper
Dublin 1
D01 WP44

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Ireland Strategic Investment Fund

I have audited the financial statements of the Ireland Strategic Investment Fund for the year ended 31 December 2015 under the National Treasury Management Agency Act 1990 (as amended). The financial statements comprise the statement of financial position, the statement of comprehensive income, the statement of changes in net assets, the statement of cash flows and the related notes. The financial statements have been prepared in the form prescribed under section 12 of the National Treasury Management Agency Act 1990 (as amended), and in accordance with generally accepted accounting practice in Ireland.

Responsibilities of the National Treasury Management Agency

The National Treasury Management Agency (the Agency) is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

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

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

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

Scope of audit of the financial statements

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

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

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

In addition, I read the information about the Fund in the Agency's annual report to identify if there are any material inconsistencies with the audited financial statements and to identify if there is any information that is apparently materially incorrect or inconsistent based on the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the financial statements

In my opinion, the financial statements

- give a true and fair view of the results of the Fund's operations for the year ended 31 December 2015 and of its balances at that date
- have been properly prepared in accordance with generally accepted accounting practice.

In my opinion, the accounting records of the Agency in relation to the Fund were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

Comptroller and Auditor General

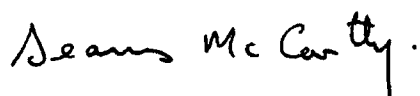
Report for presentation to the Houses of the Oireachtas [continued]

Matters on which I report by exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find

- any material instance where public money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information about the Fund in the Agency's annual report is not consistent with the related financial statements or with the knowledge acquired by me in the course of performing the audit, or
- the statement on internal financial control does not reflect the Agency's compliance with the Code of Practice for the Governance of State Bodies, or
- there are other material matters relating to the manner in which public business has been conducted.

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



Seamus McCarthy
Comptroller and Auditor General

26 May 2016

Statement of Financial Position as at 31 December

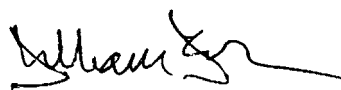
	Note	Discretionary portfolio		Directed portfolio		Total	
		2015 €m	2014 €m	2015 €m	2014 €m	2015 €m	2014 €m
Assets							
Investments	7,8	5,356	5,106	13,761	13,123	19,117	18,229
Loans and receivables	7	395	384	-	-	395	384
Trade and other receivables	9	396	18	-	-	396	18
Balance due from brokers		-	35	-	-	-	35
Repurchase agreements receivable	8	-	-	-	765	-	765
Cash and cash equivalents	12	1,731	1,689	240	1,109	1,971	2,798
Total assets		7,878	7,232	14,001	14,997	21,879	22,229
Liabilities							
Financial liabilities	7	[1]	[53]	-	-	[1]	[53]
Balance due to brokers		[15]	-	-	-	[15]	-
Other liabilities	10	[5]	[7]	[0]	[0]	[5]	[7]
Total liabilities		[21]	[60]	[0]	[0]	[21]	[60]
Net assets of the Fund at year end		7,857	7,172	14,001	14,997	21,858	22,169

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency



Willie Walsh, Chairperson
National Treasury Management Agency

24 May 2016

Statement of Comprehensive Income


	Note	Discretionary portfolio		Directed portfolio		Total	
		1 Jan 2015 to 31 Dec 2015 €m	22 Dec 2014 to 31 Dec 2014 €m	1 Jan 2015 to 31 Dec 2015 €m	22 Dec 2014 to 31 Dec 2014 €m	1 Jan 2015 to 31 Dec 2015 €m	22 Dec 2014 to 31 Dec 2014 €m
Income							
Interest income	4	49	1	0	0	49	1
Dividend income	4	38	2	446	-	484	2
Private equity, property and other income	4	34	0	-	-	34	0
Net gain / [losses] on financial assets and liabilities at fair value through profit or loss	8	[31]	10	2,338	4	2,307	14
Net investment income		90	13	2,784	4	2,874	17
Expenses							
Operating expenses	5	[15]	[1]	[0]	[0]	[15]	[1]
Profit for the financial period before tax		75	12	2,784	4	2,859	16
Taxation	6	[6]	0	-	-	[6]	0
Profit for the financial period		69	12	2,784	4	2,853	16

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency



Willie Walsh, Chairperson
National Treasury Management Agency

24 May 2016

Statement of Changes in Net Assets


	Note	Discretionary portfolio		Directed portfolio		Total	
		1 Jan 2015 to 31 Dec 2015 €m	22 Dec 2014 to 31 Dec 2014 €m	1 Jan 2015 to 31 Dec 2015 €m	22 Dec 2014 to 31 Dec 2014 €m	1 Jan 2015 to 31 Dec 2015 €m	22 Dec 2014 to 31 Dec 2014 €m
Profit for the financial period		69	12	2,784	4	2,853	16
Transfers (to) / from the Exchequer	11	335	-	(3,500)	-	(3,165)	-
Assets transferred from the NPRF	11	1	7,160	0	14,993	1	22,153
Assets transferred between portfolios	8	280	-	(280)	-	-	-
Increase / (decrease) in net assets		685	7,172	(996)	14,997	(311)	22,169
Net assets at beginning of period		7,172	-	14,997	-	22,169	-
Net assets at end of period		7,857	7,172	14,001	14,997	21,858	22,169

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

24 May 2016



Willie Walsh, Chairperson
National Treasury Management Agency

Statement of Cash Flows

	Discretionary portfolio		Directed portfolio		Total	
	1 Jan 2015 to 31 Dec 2015 €m	22 Dec 2014 to 31 Dec 2014 €m	1 Jan 2015 to 31 Dec 2015 €m	22 Dec 2014 to 31 Dec 2014 €m	1 Jan 2015 to 31 Dec 2015 €m	22 Dec 2014 to 31 Dec 2014 €m
Cash flow from operating activities						
Interest received	46	-	-	-	46	-
Tax reclaims received	1	-	-	-	1	-
Dividends received	34	-	446	-	480	-
Other income received	26	-	-	-	26	-
Proceeds from sale of investments	7,207	275	2,465	1,109	9,672	1,384
Purchase of investments	(7,845)	(93)	-	-	(7,845)	(93)
Net cash collateral received	15	-	-	-	15	-
Net receipts from derivative activities	0	-	-	-	0	-
Operating expenses paid	(15)	-	-	-	(15)	-
Net cash from operating activities	(531)	182	2,911	1,109	2,380	1,291
Cash flows from financing activities						
Transfer between portfolios	280	-	(280)	-	-	-
Transfer [to] / from the Exchequer	335	-	(3,500)	-	(3,165)	-
Transfer from the NPRF	0	1,505	-	-	0	1,505
Net cash from financing activities	615	1,505	(3,780)	-	(3,165)	1,505
Net [decrease]/increase in cash and cash equivalents	84	1,687	(869)	1,109	(785)	2,796
Opening Cash and cash equivalents	1,689	-	1,109	-	2,798	-
Effect of exchange rate fluctuations on cash and cash equivalents	(42)	2	-	-	(42)	2
Closing Cash and cash equivalents	1,731	1,689	240	1,109	1,971	2,798

Notes to the Financial Statements

1. Background

The Ireland Strategic Investment Fund (“the Fund”) was established on 22 December 2014 on the commencement of Part 6 of the National Treasury Management Agency [Amendment] Act 2014 (“NTMA Act 2014”). The National Treasury Management Agency (the “Agency” or the “Manager”) is the controller and manager of the Fund. Section 39(1) of the NTMA Act 2014 requires the Agency to hold or to invest the assets of the Fund (other than the directed investments) on a commercial basis in a manner designed to support economic activity and employment in the State. Sections 42, 43 and 47(4) of the NTMA Act 2014 enable the Minister to give directions to the Agency in relation to certain investments. Investments held as a result of Ministerial directions are referred to in these financial statements as “Directed Investments”.

The address of the Fund is National Treasury Management Agency, Treasury Building, Grand Canal Street, Dublin 2, D02 XN96.

The Fund’s shares are not traded in a public market and it does not file its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market.

2. Basis of preparation

The financial statements have been prepared for the year ended 31 December 2015. The comparative period is from 22 December 2014 to 31 December 2014. All amounts in the financial statements have been rounded to the nearest €m unless otherwise indicated. Where used, ‘€’000’ or ‘k’ denotes thousand, ‘m’ denotes million and ‘bn’ denotes billion.

The financial statements have been prepared pursuant to Section 12 of the National Treasury Management Agency Act 1990 (as amended) in a format approved by the Minister for Finance.

On the commencement of Part 6 of the NTMA Act 2014, the assets and liabilities of the National Pensions Reserve Fund (“NPRF”) became the assets and liabilities of the Fund (subject to the provisions of Schedule 4 of the NTMA Act 2014 in the case of certain foreign assets and foreign liabilities). The legal transfer of foreign assets must be done in conjunction with the relevant counterparty. The process is largely complete, and a small number of foreign assets had not legally transferred from the NPRF to the Ireland Strategic Investment Fund as at 31 December 2015. These assets (held by the NPRF Commission acting through the Agency) were previously derecognised by the NPRF Commission following the transition date, and are recognised and presented within the Fund’s financial statements for the year ending 31 December 2015, in line with Financial Reporting Standards (“FRS”).

Notwithstanding the Fund’s significant holdings in the equity of Allied Irish Banks p.l.c. (“AIB”) as part of its Directed investments the Agency (as manager and controller of the Fund) does not have the ability to exercise control, dominant influence or significant influence, over AIB as the Minister has reserved the voting control in the shares to his direction alone. Therefore, the Agency does not consolidate the results and the financial position of AIB into the financial statements of the Fund.

The Fund is early adopting the March 2016 amendments made to paragraphs 34.22 and 34.42 of FRS 102 revising the disclosure requirements to the fair value hierarchy which is disclosed in note 15 of the financial statements.

Statement of compliance

The financial statements have been prepared in accordance with the Financial Reporting Standard 102 (“FRS 102”); the Financial Reporting Standard applicable in the UK and Republic of Ireland as issued in September 2015.

Transition to Financial Reporting Standards 102 (“FRS 102”)

The transition to FRS 102 had no material effect on the amounts reported for the current or prior financial year. In the transition, the Fund has made no material measurement adjustments.

The date of transition to FRS 102 is 22 December 2014 (i.e. the earliest period for which the Fund presents full comparative information) and accordingly the comparative amounts presented for the period ended 31 December 2014 are based on the Fund’s financial statements for that period.

No changes to the Fund’s accounting policies have been made arising from the transition to FRS 102. In effect, the accounting policies applied in preparing these financial statements under FRS 102 are consistent with the accounting policies applied in preparing the prior year financial statements under the previous accounting framework.

Notes to the Financial Statements (continued)

2. Basis of preparation (continued)

Transition to Financial Reporting Standards 102 (“FRS 102”) (continued)

As a result of the transition to FRS 102 the Fund has made a number of presentational changes in the Statement of Financial Position (“SFP”) and the Statement of Comprehensive Income (“OCI”) from the prior year. The following changes were made to the SFP; non current assets are presented in investments, unrealised losses on futures and foreign exchange contracts are now presented within financial liabilities and loans and receivables and cash and cash equivalents have been shown separately. The following presentational changes were made to the OCI; the investment income has been split between dividend income, interest income and property, private equity and other income.

On initial application of FRS 102, in accounting for its financial instruments a reporting entity is required to apply either;

- the full requirements of Section 11 and 12 of FRS 102, relating to Basic Financial Instruments and Other Financial Instruments or;
- the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement and only the disclosure requirements of FRS 102 relating to Basic Financial Instruments and Other Financial Instruments or;
- the recognition and measurement provisions of IFRS 9 Financial Instruments and only the disclosure requirements of FRS 102 relating to Basic Financial Instruments and Other Financial Instruments.

The Fund has chosen to implement the recognition and measurement provisions of Sections 11 and 12 of FRS 102.

3. Significant accounting policies

3.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value; financial assets and financial liabilities designated at fair value through profit or loss and derivative financial instruments.

The financial statements are presented in euro (EUR), which is also the Fund’s functional currency.

3.2 Going concern

The financial position of the Fund, its cash flows and liquidity position are detailed in the financial statements. In addition, the notes to the financial statements set out the Fund’s financial risk management objectives, details of its financial assets and financial liabilities and its exposures to market, credit and liquidity risk.

The Agency members have a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. Therefore the Fund continues to adopt the going concern basis of accounting in preparing the financial statements.

3.3 Critical Accounting estimates and judgements

The preparation of financial statements in conformity with FRS 102 requires the use of certain accounting estimates and judgements that management have made in applying the Fund’s accounting policies and that have significant effect on the amounts recognised in the financial statements.

The estimates and associated judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities predominantly relate to the fair value measurement of financial assets with significant unobservable inputs.

3. Significant accounting policies (continued)

3.4 Foreign currency translation

(a) Functional and presentation currency

The Fund is owned by the Minister for Finance, and domiciled in Ireland. The Directed investments held are investments in Irish companies. The primary activity of the Discretionary portfolio is to invest on a commercial basis in a manner designed to support economic activity and employment in the State. The primary users of the financial statements are based in Ireland, and thus the performance of the Fund is measured in and reported in euro.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the reporting date.

Foreign exchange gains and losses arising from translation and / or relating to cash and cash equivalents are included in profit or loss in the statement of comprehensive income.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within 'net gains / (losses) in the statement of comprehensive income'.

3.5 Cash and cash equivalents

For the purposes of the Fund's cash flow statement, cash and cash equivalents comprise short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Cash and cash equivalents are measured at cost while Treasury bills are measured at fair value.

Cash and cash equivalents also include collateral provided in respect of exchange traded derivatives.

3.6 Interest

Interest income and expense are recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts, without consideration of future credit losses, over the expected life of the financial instrument or through to the next market based repricing date to the net carrying amount of the financial instrument on initial recognition.

3.7 Dividend income

Dividend income is recognised on the date on which the right to receive payment is established. For quoted equity securities, this is usually the ex-dividend date. For unquoted investments, income is recognised once confirmed.

3.8 Net gain / (losses) on financial assets and liabilities at fair value through profit or loss (FVTPL)

Net gain/(loss) from financial instruments at FVTPL includes realised and unrealised fair value changes and foreign exchange differences.

3.9 Fees and charges, and other expenses

Fees and charges and other expenses are generally recognised on an accruals basis.

3.10 Measurement of financial assets and liabilities

Fair value measurement

'Fair value' is the amount for which an asset could be exchanged, a liability settled or an equity instrument granted could be exchanged between knowledgeable willing parties in an arm's length transaction.

Financial assets and financial liabilities are initially recognised when the Fund becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities upon initial recognition are measured at fair value, which is normally the transaction price, excluding transaction costs if measured subsequently at fair value through profit or loss.

Notes to the Financial Statements [continued]

3. Significant accounting policies [continued]

3.10 Measurement of financial assets and liabilities [continued]

Fair value measurement [continued]

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads, and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity indices, earnings before interest, taxes, depreciation and amortisation (“EBITDA”) multiples and revenue multiples and expected price volatilities and correlations.

Amortised cost measurement

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction in impairment or uncollectability.

Impairment

A financial asset not classified at FVTPL is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset or a group of financial assets is ‘impaired’ if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that the loss event had an impact on the estimated future cash flows of the asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes significant financial difficulty of the issuer or obligor, a breach of contract, default or delinquency in interest or principal payments, restructuring of the amount due on terms that the Fund would not otherwise consider, indications that a borrower will enter bankruptcy or other financial reorganisation, or adverse changes in the payment status of the borrowers due to adverse national or local economic conditions or adverse change in industry conditions.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated cash flows discounted at the asset’s original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. If an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through profit or loss.

3.11 Financial assets and liabilities

The Fund holds two types of investments:

(a) Discretionary investments

Investments made in accordance with Section 39 of the NTMA Act 2014, whereby the Agency is required to hold or invest the assets of the Fund on a commercial basis in a manner designed to support economic activity and employment in the State.

(b) Directed investments

Agency holds the Directed Investments subject to directions given by the Minister for Finance pursuant to section 43 of the NTMA Act 2014. The holding and management of the Directed Investments, the exercise by the Agency of voting and other rights attaching to the Directed Investments and the disposal by the Agency of the Directed Investments must be conducted in accordance with directions given by the Minister for Finance.

Any interest or other income received in respect of deposits and / or securities held in the Directed portfolio are held or invested by the Agency in line with Ministerial Direction.

i) Valuation of discretionary investments

The Agency has established procedures to periodically review the valuation of investments. Based on its judgement, and relevant information available to it, the Agency may in certain circumstances determine that an adjustment to the external manager’s valuation is appropriate in recording an investment’s fair value.

3. Significant accounting policies [continued]

3.11 Financial assets and liabilities [continued]

i) Valuation of discretionary investments [continued]

A Valuation Committee has been set up [Note 15.7(ii)], comprising of the Chief Financial and Operating Officer, Chief Risk Officer, ISIF Director and other senior management personnel, to assist the Agency in the determination of the valuation of investments of the Fund by:

- reviewing the periodic investment valuations and valuation basis for the assets of the fund in accordance with the accounting framework as adopted by the Fund;
- approving the asset valuations for inclusion in the annual financial statements of the Fund;
- supporting the NTMA Audit Committee with their review and approval of the Fund financial statements and other activities that may arise.

Classification, recognition and measurement

Basic financial assets and liabilities

Quoted equities, debt instruments and investment funds

Fair value is the bid market value on the primary exchange or market where the investment is quoted.

Direct private equity and unquoted equities

Investments in preference and ordinary shares are measured initially at transaction price less attributable transaction costs. Subsequent to initial recognition, investments that can be measured reliably are measured at fair value with changes in their fair value recognised in profit or loss. Where it is deemed that fair value cannot be measured reliably, such investments shall be measured at cost less impairment.

Debt instruments

The Fund has designated debt instruments that meet the definition of basic financial instruments as financial assets at fair value through profit or loss at initial recognition as they form part of a group of financial assets that are managed with its performance evaluated on a fair value basis. Other debt instruments not managed or evaluated on a fair value basis are measured at amortised cost.

Unquoted debt instruments

Unquoted bonds are valued at their fair value as estimated by the Manager using bond valuation models based on observable market data.

Investments in property, private equity, forestry and infrastructure funds

The estimated fair value for unquoted investments in property, private equity, forestry and infrastructure funds for which there is not an active market is based on the latest valuation placed on the fund or partnership by the external manager of that fund or partnership in the audited financial statements. Where audited financial statements are not available e.g. in circumstances where the fund or partnership's year end does not coincide with that of the Fund, the latest available valuation from unaudited financial statements are used.

The valuations of these investments are determined by external managers using accepted industry valuation methods and guidelines published by relevant industry bodies. Such valuation methodologies used by external managers may include considerations such as earnings multiples of comparable publicly traded companies, discounted cash flows, third party transactions, or events which suggest material impairment or improvement in the fair value of the investment. In the first year of ownership, cost is usually considered to be an appropriate estimate of the fair value for these investments unless there is an indication of a impairment in value.

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

The Agency uses external managers' valuations to determine the fair value of an investment in line with its valuation process as overseen by the Management Valuation Committee.

Unquoted investment funds

Unquoted investment funds are valued at the most recent Net Asset Value as published by the funds' administrators.

Notes to the Financial Statements (continued)

3. Significant accounting policies (continued)

3.11 Financial assets and liabilities (continued)

(i) Valuation of discretionary investments (continued)

Financial instruments not considered to be basic financial instruments (other financial instruments)

Other financial instruments that do not meet the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss, except investments in equity instruments that are not publicly traded and where fair value cannot otherwise be measured reliably shall be measured at cost less impairment.

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

Long-term receivables

Long-term receivables are shown at their fair value. The fair value of these receivables is estimated by discounting the contractual future cash flows at the market rate that is currently available to the Fund for similar financial instruments.

Loans and receivables

Loans and receivables subsequent to initial recognition are measured at amortised cost using the effective interest rate method. Basic debt instruments (that are non-interest bearing) that are payable or receivable within one year shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received (i.e. net of impairment) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the Fund shall measure the debt instrument at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other receivables and payables, cash, amounts due to/(from) broker

Other receivables are recognised initially at transaction prices less attributable transaction costs. Other payables are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method, less impairment in the case of trade receivables.

Receivables and payables under sale and repurchase agreements and securities borrowed

When the Fund purchases a financial asset and simultaneously enters into an agreement to resell the same or a substantially similar asset at a fixed price on a future date (reverse sale and repurchase agreement), the arrangement is accounted for as a basic debt instrument at amortised cost, if it qualifies as basic and recognised in the statement of financial position as a receivable from a reverse sale and repurchase agreement, and the underlying asset is not recognised in the Fund's financial statements.

Receivables from reverse sale and repurchase agreements and payables under sale and repurchase agreements are subsequently measured at amortised cost.

ii) Valuation of directed investments

Ordinary shares

The ordinary shares held as part of the Directed portfolio are valued at fair value. Fair value is the closing market value on the primary exchange or market where the investment is quoted.

Where closing market prices are deemed not to be a reliable estimation of fair value, ordinary shares are valued using appropriate valuation methodologies. Valuation methodologies used include discounted cash flow analysis, total equity analysis, comparable company analysis or precedent transaction analysis.

3.12 Derecognition

The Fund derecognises a financial asset when:

- the contractual rights to the cash flows from the asset are settled or expired;
- it expires, or it transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the Fund has retained some significant risk and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the Fund derecognises the asset and recognises separately any rights and obligations retained or created in the transfer.

3. Significant accounting policies (continued)

3.12 Derecognition (continued)

On derecognition of a financial asset, the carrying amount of the transferred asset shall be allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations shall be measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised shall be recognised in profit or loss in the year of the transfer.

If a transfer does not result in derecognition because the Fund has retained significant risks and rewards of ownership of the transferred asset, the Fund shall continue to recognise the transferred asset in its entirety and shall recognise a financial liability for the consideration received. The asset and liability shall not be offset. In subsequent periods, the Fund shall recognise any income on the transferred asset and any expense incurred on the financial liability.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Fund shall recognise in profit or loss any difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed.

3.13 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund has a legally enforceable right to offset the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

4. Income

4.1 Discretionary portfolio

	2015 €m	2014 €m
Interest income	49	1
Dividend income	38	2
Property income	24	0
Other income	9	0
Private equity income	1	0
	121	3

Other Income includes rebates of €7m, securities lending of €1m and miscellaneous income of €1m.

4.2 Directed portfolio

	2015 €m	2014 €m
Dividend income	446	-
Interest income	0	0
	446	0

The interest income of €18k represents the interest received from Irish Exchequer notes that were held in 2015 (2014: €16k).

During the year the Fund held preference shares in AIB. The holding of these preference shares entitled the Fund to an annual dividend. On 13 May 2015 the Fund received a dividend of €280m in cash. On 18 December 2015, following the redemption and conversion of the preference shares, the Fund received a further €166m dividend income [Note 8.3].

Notes to the Financial Statements [continued]

5. Operating expenses

The amounts required to cover the investment management and operating costs of the Fund are as follows:

5.1 Discretionary portfolio - fees and expenses

	2015 €'000	2014 €'000
Investment Managers' Fees	3,224	-
Global Custodian Fees	634	-
Systems and Services	888	-
Legal Fees	650	33
Tax Fees	251	-
Professional Fees	475	-
Printing and Other	94	-
NTMA Recharge	8,686	182
	14,902	215

Under section 48 of the NTMA Act 2014, the expenses of the Agency in the performance of its functions relating to the Fund are required to be defrayed from the Fund. These amount to €8.7m in 2015 [2014 €182k].

5.2 Directed portfolio - fees and expenses

Advisory Fees	93	78
---------------	----	----

6. Discretionary portfolio Taxation

The income and profits of the Fund are exempt from Irish Corporation Tax in accordance with section 230[1] and 230 [1A] of the Taxes Consolidation Act, 1997 as amended. The Fund may, however, be liable for taxes in overseas jurisdictions where full tax exemptions are not available.

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

The foreign taxes provided for are detailed below:

	2015 €m	2014 €m
Withholding tax reclaim	2	-
Foreign taxes on income	[8]	0
Net Tax Cost	[6]	0

In 2015, the Fund received €1m [2014 €Nil] Withholding Tax Reclaims in relation to tax reclaims submitted for the period from 22 December 2014 to 31 December 2015 including tax reclaims received from the NPRF.

In 2014 €266k of foreign taxes on income was provided for.

7. Discretionary financial assets and liabilities

	2015 €m	2014 €m
Investments at FVTPL		
Quoted Equities	1,091	1,272
Direct Private Equity	17	0
Unquoted Equities	0	0
Quoted Debt Instruments	581	534
Unquoted Debt Instruments	160	247
Property Investments	236	246
Private Equity Investments	367	240
Forestry Investments	30	27
Infrastructure	125	76
Quoted Investment Funds	2,306	1,722
Unquoted Investment Funds	387	338
Other Bonds	25	17
Long-Term Receivables	18	356
Equity Options	11	31
Unrealised Gain on Foreign Exchange Contracts	2	-
Total Investments at FVTPL	5,356	5,106
Loans and receivables		
Other Debt	300	321
Other Bonds	95	63
Total loans and receivables	395	384
Financial liabilities		
Unrealised Loss on Futures Contracts	[1]	[6]
Unrealised Loss on Foreign Exchange Contracts	-	[47]
Total financial liabilities	[1]	[53]
Cash and other investments		
Treasury Bills	450	1,450
Cash	1,281	239
Total cash and cash equivalents	1,731	1,689
Total discretionary financial assets and liabilities	7,481	7,126
Trade and other receivables	396	18
Balance due from brokers	-	35
Balance due to brokers	[15]	0
Other liabilities	[5]	[7]
Total discretionary net assets	7,857	7,172

Notes to the Financial Statements (continued)

8. Directed investments

The Agency holds Directed Investments subject to directions given by the Minister for Finance pursuant to section 43 of the NTMA Act 2014. The holding and management of the Directed Investments, the exercise by the Agency of voting and other rights attaching to the Directed Investments and the disposal by the Agency of the Directed Investments must be conducted in accordance with any directions given by the Minister for Finance. Pursuant to the NTMA Act 2014, all assets of the NPRF governed by Irish law, including the Directed Investments, automatically transferred from the NPRF Commission to the NTMA on 22 December 2014 (becoming assets of the Ireland Strategic Investment Fund).

8.1 Directed Investments valuation

	2015 Units Millions	2014 Units Millions	Valuation [€] 2015 Per Unit	Valuation [€] 2014 Per Unit	2015 €m	2014 €m
Bank of Ireland (BoI)						
Ordinary Shares ¹	4,512	4,512	0.338	0.313	1,525	1,412
Allied Irish Banks (AIB)						
Ordinary Shares ²	2,711	522,556	4.5138	0.013699	12,236	7,159
Preference Shares ³	-	3,500	-	1.300667	-	4,552
					12,236	11,711
Total directed investments assets					13,761	13,123
Directed Investments Cash (Note 12)					240	1,109
Repurchase Agreements ⁴					-	765
Total directed investments					14,001	14,997

¹ The valuation of BoI ordinary shares is based on quoted bid prices.

² Given the Fund's ordinary share holding in AIB (99.9%), the Agency engaged EY to provide an independent fair value of the investments.

³ On 18 December 2015, pursuant to a Ministerial direction, 1.36bn of the AIB preference shares were redeemed and the remaining 2.14bn shares were converted into AIB ordinary shares. Subsequent to this, AIB performed a consolidation on a 1-for-250 basis in order to reduce the number of ordinary shares in issue. As a result of the conversion of 2.14bn preference shares to ordinary shares and the subsequent consolidation, the directed investment holding in AIB ordinary shares reduced from 522.6bn in 2014 to 2.7bn in 2015 (Refer to Note 8.3 for more detail).

⁴ The reverse repurchase agreement was an agreement to purchase Irish bonds and to sell them back to the original seller at a higher price at a fixed date in the future.

8.2 Directed investment valuation movement

	2015 €m	2014 €m
Bank of Ireland		
Opening valuation	1,412	-
Transferred from NPRF	-	1,421
Investment gain/[loss] during the period	113	[9]
Closing Valuation	1,525	1,412

8. Directed investments [continued]

8.2 Directed investment valuation movement [continued]

	2015 €m	2014 €m
Allied Irish Banks		
Opening valuation	11,711	-
Transferred from NPRF	-	11,698
Preference share redemption	(1,700)	-
Investment gain during the period	2,225	13
Closing Valuation	12,236	11,711

In determining the Fund's valuation of AIB, EY considered a number of valuation methodologies including a valuation based on comparable company yields, comparable company analysis and precedent transaction analysis.

For the purposes of valuing the AIB ordinary shares, a comparable company analysis was deemed the most appropriate methodology. This analysis used comparable, publicly available, market multiples such as tangible book value relative to return on equity to allocate value to the ordinary shares. EY also had consideration to other multiples such as price to earnings and price to book.

The increase in value of the investment in ordinary shares between 31 December 2014 and 31 December 2015 is based primarily on three factors:

- i) Increase in net book value of AIB over the period;
- ii) Increase in selected market multiple, based on improving trading performance of the company and a better outlook across the sector;
- iii) The redemption and conversion of the preference shares in December 2015.

It should be noted that there are a number of sensitivities which may impact the AIB valuation including:

- Changes in sentiment and perceptions of investors regarding banks and the outlook for the banking industry and the broader domestic and European economy;
- AIB is heavily exposed to the domestic Irish economy. A change in economic conditions may impact on the implied valuations.

All other things remaining constant, e.g. a 1% movement in the valuation of the comparable peer group would have impacted the AIB ordinary share valuation by approximately €122.4m as at 31 December 2015 (2014: €72m).

8.3 Directed investment summary

At 31 December 2015, the Fund's percentage ownership of AIB and Bol was 99.9% and 13.95% respectively (2014 AIB: 99.8%, Bol:13.98%).

Prior to the AIB capital reorganisation that occurred on 18 December 2015, the AIB preference shares historically paid an annual non-cumulative fixed dividend of 8%. If the dividend was not paid in cash, the Fund would receive the dividend in the form of ordinary shares. The preference shares could be repurchased by AIB at €1 per share within the first five years after issue and thereafter at €1.25 per share. The step-up to €1.25 per share became effective from May 2014. This had no impact on the dividend income.

On 13 May 2015 AIB paid the Fund a preference share dividend of €280m in cash and this was transferred to the Discretionary portfolio.

Pursuant to a direction dated 12 March 2015, the Minister for Finance directed the Agency to transfer €1.6bn from the Fund's Directed portfolio to the Exchequer. This was effected on 19 March 2015.

Pursuant to a direction dated 20 November 2015, the Minister for Finance directed the NTMA (as controller and manager of the Ireland Strategic Investment Fund) to enter into certain agreements, and to take certain actions, to facilitate the conversion and redemption of its shares in AIB. Pursuant to this direction, the Minister for Finance also directed the NTMA to take certain actions regarding the proceeds of such conversion and redemption (including the cancellation of the EBS Promissory Note). The Ireland Strategic Investment Fund received proceeds of €1.7bn, dividends of €166m and 155bn of ordinary shares as part of this redemption and conversion [Note 11.3].

Notes to the Financial Statements [continued]

8. Directed investments [continued]

8.4 Developments since the year end

No events requiring adjusting or disclosure in the financial statements occurred after the end of the reporting period.

9. Trade and other receivables

	2015 €m	2014 €m
Private equity receivable	382	3
Accrued interest on Fixed Income securities	10	11
Dividends receivable	2	2
Tax reclaims recoverable	2	2
Other receivables	0	0
	396	18

10. Other liabilities

	2015 €m	2014 €m
VAT payable and other accrued expenses	5	4
Amounts payable for securities purchased	-	3
	5	7

11. Transfers

11.1 Assets transferred to the Fund from NPRF

Pursuant to the NTMA Act 2014, all assets of the NPRF governed by Irish law transferred automatically from the NPRF Commission to the Agency on 22 December 2014 (becoming assets of the Fund). The value of the assets transferred to the Fund was €22,153m.

11.2 Assets derecognised by the NPRF

From 22 December 2014, the NPRF Commission consists of a single commissioner [the Chief Executive of the Agency] who is required by the NTMA Act 2014 to do everything that is reasonably practicable to give effect to the legal transfer of any remaining assets governed by foreign law. The transfer of foreign assets must be done in conjunction with the relevant counterparty. This process is largely complete, and a small number of foreign assets had not legally transferred from NPRF to the Fund as at 31 December 2015. The assets of the NPRF were previously derecognised by the NPRF Commission, and are recognised and presented within the Fund's financial statements, in line with financial reporting standards.

11. Transfers [continued]

11.2 Assets derecognised by the NPRF [continued]

A breakdown of the assets remaining in legal ownership of the NPRF as at 31 December reflected in the financial statements of the Fund is listed below:

	2015 €m	2014 €m
Discretionary portfolio		
Equities	-	1,084
Currency and other investment funds	-	273
Property investments	-	242
Private equity investments	-	169
Deposits, Cash and other Investments	-	2
	-	1,770
Current Assets	1	37
Current Liabilities	-	[7]
Total Assets legally held in NPRF	1	1,800

The assets above are included in the €22,153m assets transferred from the NPRF to the Fund in 2014.

As at 30 April 2016 the market value of assets remaining to be transferred to the Fund was €1m.

11.3 Transfers to the Exchequer

On 19 March 2015, €1.6bn was transferred to the Exchequer from the Directed portfolio as directed by the Minister for Finance.

On 18 December 2015, €1.9bn was transferred to the Exchequer from the Directed portfolio as directed by the Minister for Finance. This amount relates to the proceeds from the AIB preference shares redemption and associated dividends. Under the Direction from the Minister for Finance, €0.2bn of this cash was used to redeem the Minister's outstanding EBS Promissory Notes and the remainder was remitted to the Exchequer.

	2015 €m
Transfer to the Exchequer 19 March 2015	1,634
Transfer to the Exchequer 18 December 2015	1,866
Transfers to the Exchequer	3,500

11.4 Transfers from the Exchequer

On 6 November 2015, €335m was transferred from the Exchequer to the Fund [Note 14.1].

The €335m was contributed by the Exchequer for the purpose of a new Connectivity Fund within the Discretionary Portfolio. The Connectivity Fund has been earmarked for investment in projects that enhance Ireland's physical, virtual or energy connectivity.

	2015 €m
Transfers from the Exchequer	335

Notes to the Financial Statements (continued)

12. Cash and cash equivalents

	2015 €m	2014 €m
Discretionary portfolio		
Cash at Central Bank of Ireland	1,169	176
Cash with Custodian	112	63
Treasury Bills	450	1,450
	1,731	1,689
Directed portfolio		
Cash at Central Bank of Ireland	240	1,109

13. Commitments

13.1 Foreign currency and futures commitments

The notional principal and unrealised gain / [loss] of currency derivative contracts entered into by the Manager and investment managers on behalf of the Fund was:

	2015 Notional Principal €m	2015 Unrealised gain/[loss] €m	2014 Notional Principal €m	2014 Unrealised [loss] €m
NTMA				
Foreign exchange contracts	1,614	2	1,546	[47]
Investment Managers				
Foreign Exchange contracts	18	[0]	-	-
Financial futures	471	[1]	525	[6]
		1		[53]

Foreign exchange contracts

The Fund follows a policy of hedging its foreign currency risk, using forward foreign exchange contracts and cross currency swaps.

The Fund's investment managers are not required to hedge currency exposure. They are permitted to carry out spot and foreign exchange contracts in order to satisfy the settlement of securities transactions, and to manage their portfolios solely in line with the Statement of Investment Objectives and Restrictions agreed with the Fund.

The notional value represents the total contracted foreign exchange contracts outstanding at the period end.

Financial futures

The Fund's investment managers are permitted to execute futures contracts solely in line with the Statement of Investment Objectives and Restrictions agreed with the Fund.

As part of the Fund's Capital Preservation Strategy, short equity futures were entered into to reduce the overall equity exposure.

13.2 Uncalled investment commitments

The Fund has entered into commitments related to the funding of investments. These commitments are generally payable on demand based on the funding needs of the investment subject to the terms and conditions of each agreement. As at December 31, 2015, the outstanding commitments totalled €1.2bn [2014: €820m].

13. Commitments (continued)

13.2 Uncalled investment commitments (continued)

The Fund has entered into commitments in respect of certain types of investments as outlined below.

	Time-frame of commitment Years	2015 nominal €m	2014 nominal €m
Total unquoted investments	0-9	965	750
Total loans and receivables	0-2	248	70
Total uncalled commitments		1,213	820

Funding of Commitment

The Agency seeks to manage the Fund to ensure that it will always have sufficient liquidity, without omitting attractive investment opportunities, to fund its commitments as they are called.

The NTMA Liquidity Risk Management Policy is applicable to the Fund. This Policy sets out the minimum acceptable standards to be adhered to by those responsible for treasury transactions which give rise to liquidity risk within the NTMA.

The Fund is not subject to externally imposed capital requirements and was at 31 December 2015 predominantly invested in readily realisable assets.

14. Related Parties

14.1 Minister for Finance

Ownership of the Fund vests in the Minister for Finance pursuant to section 38(3) of the NTMA Act 2014.

Under section 46(1) and 46(2) of the NTMA Act 2014, the Minister for Finance may make payments into the Fund from the Central Fund. Where the Minister proposes to make a payment into the Fund, the Houses of the Oireachtas must pass a resolution approving the payment before the Minister can process the payment [Note 11.4].

14.2 National Treasury Management Agency

The Fund is controlled and managed by the Agency pursuant to section 41(1) of the NTMA Act, 2014.

The NTMA Investment Committee is a statutory committee provided for by the National Treasury Management Agency Act, 1990 [as amended]. The Committee assists the Agency in the control and management of the Fund by making decisions about the acquisition and disposal of assets within such parameters as may be set by the Agency, advising the Agency on the investment strategy for the Fund and overseeing the implementation of the investment strategy. The Agency has delegated investment decisions up to €150m to the Committee. Proposed investments in excess of €150m are referred to the Agency with a recommendation from the Committee.

The Investment Committee is required to comprise of two appointed members of the Agency and not more than five persons who are not member of the Agency but who have acquired substantial relevant expertise and experience and who are appointed by the Agency with the consent of the Minister for Finance.

Under section 48 of the NTMA Act 2014, the expenses of the Agency are defrayed from the Fund. For the year ended 31 December 2015 these expenses were €8.7m [22 - 31 December 2014: €182k].

Key management personnel

The Agency is governed by the Agency members and the administration and business of the Agency is managed and controlled by the Chief Executive. The Chief Executive and the Agency members have the authority and responsibility for planning, directing and controlling the activities of the Agency and therefore are key management personnel of the Agency. Please refer to the NTMA Administration Account financial statements for key management personnel compensation.

14.3 Strategic Banking Corporation of Ireland

The Fund and the Strategic Banking Corporation of Ireland are both under the control of the Minister for Finance.

Notes to the Financial Statements (continued)

15. Financial risk management

The Agency is responsible for risk management of the Discretionary portfolio. In relation to the Directed portfolio the Agency's responsibility is to implement directions from the Minister for Finance and to value relevant securities for the purpose of the Fund's financial statements.

The base currency of the Fund is euro. The measured returns and monitored portfolio risks are aggregated in euro.

In the ordinary course of its activities, the Agency actively manages a variety of financial risks including investment risk, market risk, credit risk and liquidity risk.

The Agency Risk Management Policy and Framework defines mandatory, high-level minimum standards and definitions for risk management that apply to all parts of the Agency and across all risk categories. These standards are then implemented through the detailed policies and procedures that govern the management of individual risk categories and/or risk management processes.

The Agency Risk Management Framework is predicated on the three-lines-of-defence model and its organisational structure and risk committee structure are aligned in order to establish clear ownership and accountabilities for risk management.

As the first line of defence, the Agency's Business Units and Corporate Functions are primarily responsible for managing risks on a day-to-day basis, taking into account the Agency's risk tolerance and appetite, and in line with its policies, procedures, controls and limits.

The second line, which includes the Agency's Risk Management, Compliance and other control functions, is independent of operations and first line management, and its role is to challenge decisions that affect the organisation's exposure to risk and to provide comprehensive and understandable information on risks.

The third line includes the Internal Audit function which provides independent, reasonable, risk based assurance to key stakeholders on the robustness of the NTMA's risk management system, governance and the design and operating effectiveness of the internal control environment.

All three Lines of Defence integrate at the Agency level. A number of NTMA Committees including the Audit and Risk Committees and the Risk sub-committees support the Agency in discharging its responsibilities in relation to risk management.

Portfolio Management Committee (PMC)

The first line of defence includes the PMC which comprises senior members of the Fund investment team. The core functions of the PMC are to consider and make investment recommendations to the Agency Investment Committee and provide management oversight of the Fund's investments. The Fund's internal investment process seeks to ensure all investment opportunities are thoroughly evaluated in terms of commerciality, capacity to generate a suitable economic impact and appropriateness in the context of the overall Fund.

NTMA Investment Committee

The Investment Committee comprises non-executive members and is responsible for overseeing the Fund's investment strategy. The role of the Committee is described in Note 14.2.

Agency Risk Committee (ARC)

The ARC comprises members of the Agency and reviews the Agency's overall risk identification and assessment processes. It sets a standard for the accurate and timely monitoring of critical risks and reviews reports on any material breaches of risk limits and the adequacy of any proposed action.

Agency Audit Committee

The Agency Audit Committee assists the Agency in the oversight of the quality and integrity of the Agency's financial statements and reviews and monitors the effectiveness of the systems of internal control, the internal audit process and the compliance function, and reviews and considers the outputs from the statutory auditor.

Enterprise Risk Management Committee (ERMC)

The ERMC is a management committee which oversees the implementation of the Agency's overall risk appetite and senior management's establishment of appropriate systems (including policies, procedures and risk limits) to ensure enterprise risks are effectively identified, measured, monitored, controlled and reported.

15. Financial risk management (continued)

Counterparty Credit Risk Committee (CCRC)

The CCRC oversees and advises the EMRC on counterparty credit risk exposures. It provides dashboard reporting of relevant counterparty credit risk exposures and details to the EMRC. It formulates policy and it implements and monitors compliance with the Agency Counterparty Credit Risk Management Policy and ensures that all appropriate actions are taken in respect of any breaches.

Market and Liquidity Risk Committee (MLRC)

The MLRC oversees and advises the EMRC on market and liquidity risk exposures. It provides dashboard reporting of relevant market risk and liquidity risk exposures and details to the EMRC. It formulates, implements and monitors compliance with the Agency Market and Liquidity Risk Management framework and Policies and ensures that appropriate actions are taken in respect of relevant policy, or any breaches.

Operational Risk and Control Committee (ORCC)

The ORCC is a management committee that reviews and recommends to the EMRC for approval the operational risk management framework and associated operational risk policies. The ORCC monitors, reviews and challenges the NTMA's operational risks and reports on operational risk management to the EMRC.

15.1 Investment risk

Investment risk is the risk that actual investment performance deviates from relevant strategies. The Agency has an open appetite for investment risk where it is willing to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of risk-adjusted reward.

Any deviations from relevant investment mandates could result in sub-optimal investment returns or actual capital losses on original outlays. It is therefore vital the ongoing management of investment risk is fully integrated into the activities and objectives of the Fund. While investment risk may arise from insufficiently robust internal assessment or monitoring processes, it can also arise from a variety of external sources such as adverse macro-economic or market developments, regulatory shocks, underperformance of individual investments or fraud.

Investment Risk includes the following sub-categories:

- Investment process risk: Risk of incurring sub-optimal returns or capital losses due to insufficiently robust assessment or approval processes of investment proposals or subsequent monitoring of transactions;
- Economic impact risk: Risk that the economic impact objective of the investment strategy does not materialise;
- Permanent capital loss risk: Risk of loss of control of an investment;
- Portfolio concentration risk: Risk associated with an over-concentration as a result of the pursuit of an investment strategy – including economic / industry sector, geography, counterparty etc.

15.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Sub-categories of market risk include interest rate risk, foreign exchange risk, market price risk and credit spread risk.

The Fund has a Capital Preservation Strategy in place which provides a degree of downside protection against equity market declines through the purchase of equity index put options while also providing some upside value participation if equity markets perform well.

The Fund uses derivatives to manage its exposure to foreign currency, interest rate and other price risks. The instruments used include interest rate swaps, forward contracts, futures and options. The Fund does not apply hedge accounting.

i) Interest rate risk

Interest rate risk is the risk that movements in interest rates may adversely impact the value of an underlying financial instrument or may impact the cashflows of the Fund.

Notes to the Financial Statements (continued)

15. Financial risk management (continued)

15.2 Market risk (continued)

Interest rate exposure

The following table details the value of fixed-interest bearing securities in the discretionary portfolio exposed to the risk fair value may change consequent to a change in interest rates as at 31 December 2015:

	2015 €m	2014 €m
Fixed interest bearing securities		
Maturing within one year	1	194
Maturing between one and five years	292	309
Maturing after five years	265	294
Total fixed interest bearing securities	558	797

This table reflects the portion of financial securities exposed to the risk fair value may change as a result of changes in interest rates. For disclosure purposes fixed-interest bearing assets are included in exposures to both price and interest rate risk. The table does not reflect any potential exposure to changes in interest rates relating to investments held in investment funds.

In addition to the interest-bearing securities detailed in the table above, the Fund holds investment cash including cash and cash equivalents of €1.7bn [2014: €1.7bn] [Note 12] and liquid funds of €1.5bn [2014: €600m]. These assets are interest-bearing and the future cash flows from these assets will fluctuate with changes in market interest rates.

Sensitivity analysis

The sensitivity analysis below reflects how net assets would have been affected by changes in the relevant risk variable that were reasonably possible at the reporting date. Management has determined that a fluctuation in interest rates of 50 basis points is reasonably possible, considering the economic environment in which the Fund operates.

The table below sets out the effect on the Fund's fixed interest bearing securities of an increase of 50 basis points in interest rates at 31 December. A reduction in interest rates of the same amount would have resulted in an equal but opposite effect to the amounts shown. The impact results primarily from the decrease in the fair value of fixed rate securities. This analysis assumes a linear interest rate curve and that all other variables, remain constant.

Effect on Discretionary portfolio net assets	2015	2014
€m reduction	(28)	(40)
% reduction	-0.36%	-0.56%

ii) Foreign exchange risk

Foreign exchange risk is the risk that movements in exchange rates affect the underlying value of assets, liabilities and derivative instruments that are denominated in a currency other than euro. The present value of future cash flows will fluctuate with changes in exchange rates which can also impact future cashflows.

The Fund has outstanding commitments in respect of property and private equity investments of USD 181m and JPY 16m as at 31 December 2015 [USD 234m and JPY 16m as at 31 December 2014].

Foreign exchange risk management

The Fund seeks to manage its foreign currency risk using forward foreign exchange contracts and cross currency swaps. The profit / loss on these forward foreign exchange contracts and cross currency swaps offsets the change in the value of the Fund's non-euro investments due to exchange rate movements.

Foreign exchange risk exposure

The following table details the asset value in the discretionary portfolio exposed to currency risk both before and after the impact of the currency hedge. In relation to holdings in investment funds, it details the base currency of the relevant fund. When appropriate, the Agency manages the exposure generated by the underlying investments of a fund in addition to its base currency.

15. Financial risk management (continued)

15.2 Market risk (continued)

ii) Foreign exchange risk (continued)

Currency of Investments Assets: 31 December 2015

	Local Currency m	Base Currency €m	Net Exposure €m	% of Net Assets
US Dollar	2,087	1,917	538	6.84%
Other*	Various	35	28	0.35%
British Pound	47	63	14	0.18%
Hong Kong Dollar	447	53	39	0.49%
Canadian Dollar	53	35	6	0.08%
Australian Dollar	28	19	9	0.12%
Japanese Yen	1,067	8	[15]	-0.19%
Swiss Franc	7	6	[6]	-0.07%
Swedish Krona	59	6	[0]	-0.00%
Norwegian Krona	19	2	[2]	-0.03%
South Korean Won	29,446	23	23	0.29%
New Taiwan Dollar	630	18	18	0.22%
South African Rand	169	10	10	0.13%
Brazil Real	36	8	8	0.11%
Total		2,203	670	

Currency of Investments Assets: 31 December 2014

	Local Currency m	Base Currency €m	Net Exposure €m	% of Net Assets
US Dollar	2,603	2,144	824	11.49%
Other*	Various	146	140	1.95%
British Pound	59	76	20	0.28%
Hong Kong Dollar	610	65	55	0.77%
Canadian Dollar	70	50	16	0.22%
Australian Dollar	29	19	9	0.13%
Japanese Yen	1,349	9	[27]	-0.38%
Swiss Franc	8	7	[3]	-0.04%
Swedish Krona	53	6	2	0.03%
Norwegian Krona	23	3	[2]	-0.03%
Danish Krone	19	3	[2]	-0.03%
Singapore Dollar	5	3	[2]	-0.03%
Total		2,531	1,030	

*Other is made up of several currencies including Malaysian Ringgit, Indonesian Rupian and Thailand Baht.

Notes to the Financial Statements [continued]

15. Financial risk management [continued]

15.2 Market risk [continued]

ii) Foreign exchange risk [continued]

Sensitivity analysis

The table below sets out the effect on the net assets (2015: €7,857m, 2014: €7,172m) of a reasonably possible weakening of the euro against the US dollar by 5% [2014: 5%] at 31 December 2015. The analysis assumes that all other variables, in particular interest rates, remain constant.

Effect on Discretionary portfolio net assets	2015	2014
€m reduction	[27]	[41]
% reduction	-0.34%	-0.57%

A strengthening of the euro against the US dollar would have resulted in an equal but opposite effect to the amounts shown above.

iii) Market Price Risk

Market price risk is the risk resulting from a change in the value of assets due to changes in the prices of securities unrelated to interest rate or exchange rate changes, such as equities and commodities.

Market price risk exposure

The asset value in the discretionary portfolio exposed to market price risk at 31 December 2015 is the value of investments as detailed in the following table:

	2015 €m	2014 €m
Exposure to market price risk		
Quoted investments	3,989	3,559
Direct private equity	17	0
Unquoted investments	572	602
Property	236	246
Private Equity	367	240
Infrastructure	125	76
Forestry	30	27
Long-term receivables	18	356
Derivative instrument assets	2	-
Total financial assets FVTPL	5,356	5,106
Derivative instrument liabilities	[1]	[53]
Treasury Bills	450	1,450
Total exposed to market price risk	5,805	6,503
Not exposed to market price risk		
Deposits and Cash	1,281	239
Loans and receivables	395	384
Total not exposed to market price risk	1,676	623
Total Discretionary portfolio financial assets and liabilities	7,481	7,126

Market price risk management

A geographical analysis of the Fund's discretionary investment portfolio exposed to market price risk is shown below. Fund investments are shown based on their relevant country of incorporation. The Agency monitors the market price risk inherent in the investment portfolio by ensuring full and timely access to relevant information from the Fund's Investment Managers. The Agency meets Investment Managers regularly and at each meeting reviews relevant investment performances.

Analysis by geographical classification	2015 €m	2014 €m
Europe	3,981	4,457
North America	1,635	1,740
Emerging markets	123	209
Asia Pacific	66	97
Total	5,805	6,503

15. Financial risk management (continued)

15.2 Market risk (continued)

iii) Market price risk (continued)

Exposure

The following table sets out the concentration of the discretionary investment assets and liabilities of the Fund exposed to market price risk by instrument type as at the reporting date.

	2015 €m	2014 €m
Equity and managed fund investments		
Exchange-traded equity investments	1,091	1,272
Unlisted equity investments	758	589
Direct Private Equity	17	0
Unquoted Investment Funds	387	338
Quoted open-ended investment funds	806	1,122
Total equity and managed fund investments	3,059	3,321
Debt securities:		
Exchange-traded debt securities	581	534
Other debt securities	185	264
Quoted open-ended investment funds	1,500	600
Long-Term Receivable	18	356
Total debt securities	2,284	1,754
Treasury Bills	450	1,450
Derivative assets		
Listed equity index options	11	31
Foreign currency forward contracts	2	-
Total derivative assets	13	31
Total investment assets	5,806	6,556
Derivative liabilities		
Foreign currency forward contracts	-	(47)
Foreign currency futures contracts	(1)	(6)
Total derivative liabilities	(1)	(53)
Total	5,805	6,503
Sensitivity analysis		
The table below sets out the effect on the net assets of the discretionary portfolio (2015: €7,857m, 2014: €7,172m) of a reasonably possible weakening in market prices of 5% at 31 December 2015. The estimates are made on an individual investment basis. The analysis assumes that all other variables, in particular interest and foreign currency rates, remain constant.		
Effect on Discretionary portfolio net assets	2015	2014
€m reduction	(290)	(325)
% reduction	-3.7%	-4.5%

Notes to the Financial Statements (continued)

15. Financial Risk Management (continued)

15.3 Credit risk

Credit risk arises from the risk that a borrower or counterparty will fail to perform on an obligation leading to a loss of principal or financial reward.

The main direct credit risk to which the Fund is exposed arises from the Fund's investments in debt securities. The Fund is also subject to counterparty credit risk on; cash and cash equivalents, balances due from brokers, trading derivative products, trade and other receivables and loans and receivables.

Credit risk management

In managing credit risk the Agency seeks to minimise the impact of credit default on the Fund's financial assets. The Fund aims to mitigate its credit risk exposure by monitoring the size of its credit exposure to, and the creditworthiness of, counterparties. Counterparties are selected based on their overall suitability, financial strength, regulatory environment and specific circumstances.

To control the exposure to the Fund in the event of default investments are made across a variety of industry sectors and issuers to reduce credit risk concentrations.

The Fund's Global Custodian, Bank of New York Mellon, holds the Fund's securities in segregated accounts, where required, minimising the risk of value loss of the securities held by the Global Custodian. In the event of the Global Custodian's failure, the ability of the Fund to transfer the securities might be temporarily impaired. The Fund's Global Custodian is a member of a major securities exchange and at 31 December 2015 held a long-term Moody's credit rating of A1. The Agency monitors the credit ratings and capital adequacy of its custodian on a regular basis.

At 31 December 2015, cash held at the Central Bank of Ireland was €1,169m [2014 €176m] and with the Global Custodian was €112m [2014 €63m] [Note 12].

The direct exposure to credit risk in the discretionary portfolio at 31 December 2015 is the carrying value of the financial securities as set out below.

	Reference	2015 €m	2014 €m
Cash and cash equivalents	(i)	1,731	1,689
Balance due from brokers	(ii)	-	35
Debt securities	(iii)	766	798
Loans and receivables	(iv)	395	384
Trade and other receivables	(v)	396	18
Derivatives assets	(vi)	2	-
Total		3,290	2,924

i) Cash and cash equivalents

The Fund's cash and cash equivalents are held mainly with the Central Bank of Ireland and the Global Custodian, which are rated AAA [2014 AAA] and A1 [2014 A1] respectively based on Moody's ratings.

ii) Balances due from brokers

Balances due from brokers represent margin accounts, cash collateral for borrowed securities and sales transactions awaiting settlement. Counterparty credit risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit quality of the brokers used. As at 31 December 2015, no balances were due from brokers.

15. Financial Risk Management (continued)

15.3 Credit risk (continued)

Credit risk management (continued)

iii) Investments in debt securities

At 31 December, the Fund had invested in debt securities issued by entities with the following external credit rating*:

External Rating	2015 €m	2014 €m	2015 %	2014 %
Aa1 to Aa3 / AAA to AA	116	125	15%	16%
A1 to A3 / A+ to A-	229	211	30%	26%
Baa1 to Baa3 / BBB+ to BBB-	385	438	50%	55%
Ba1 to Ba3	-	2	0%	0%
No external rating	36	22	5%	3%
	766	798	100%	100%

*Where Moody's credit rating is not available Standard and Poor's rating is used.

iv) Loans and receivables

Rating	2015 €m	2014 €m	2015 %	2014 %
No external rating	395	384	100%	100%

The credit risk of loans and receivables is reviewed as part of the impairment review process.

v) Trade and other receivables

Primarily comprises amounts due within one year from the sale of Private equity investments.

vi) Derivatives

The table below outlines an analysis of derivative assets and derivative liabilities outstanding at 31 December:

	Fair value €m	Gross Notional amount €m	Fair value %	Notional amount %
2015				
Exchange-traded	10	1,283	83%	44%
OTC -other bilateral	2	1,632	17%	56%
Total	12	2,915	100%	100%
	Fair value €m	Gross Notional amount €m	Fair value %	Notional amount %
2014				
Exchange-traded	25	2,045	-109%	57%
OTC - other bilateral	[47]	1,546	209%	43%
Total	[22]	3,591	100%	100%

Notes to the Financial Statements [continued]

15. Financial Risk Management [continued]

15.3 Credit risk [continued]

Collateral and other credit enhancements, and their financial effect

The Fund mitigates the credit risk of derivatives and reverse sale and repurchase agreements by entering into master netting agreements and holding collateral in the form of cash and marketable securities.

Derivatives

Derivative transactions are either transacted on an exchange (through a broker), or entered into under International Derivatives Swaps and Dealers Association (ISDA) master netting agreements. Under ISDA master netting agreements in certain circumstances, e.g. when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

Derivative financial instruments generating counterparty credit risk arise from the Fund's forward foreign exchange contracts and cross currency swap contracts. The Fund's forward foreign exchange contracts and cross currency swaps were entered into only with approved counterparties within defined limits. In order to mitigate the credit risks arising from derivative transactions, the Fund enters into Credit Support Annexes (CSA) with its market counterparties. CSAs require the posting of collateral by counterparties in specified circumstances.

Forward foreign exchange contracts and cross currency swaps are settled through Continuous Linked Settlement (CLS) where trades are pre-matched ahead of settlement date limiting the risk of settlement failure.

The Fund's activities may give rise to settlement risk which is the risk that on a settlement date a counterparty fails to pay the Fund the agreed terms of a transaction.

For the majority of transactions, the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

15.4 Liquidity risk

Liquidity risk is the possibility that over a specific time horizon, the Fund will have insufficient cash to meet its obligations as they fall due. Sub-categories of liquidity risk include funding liquidity risk, refinancing risk and exit risk.

The Agency has a low appetite for liquidity risk. The Fund's policy in managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Fund's reputation.

The Agency Liquidity Risk Management Policy is applicable to the Fund. This Policy sets out the minimum acceptable standards to be adhered to by those responsible for treasury transactions which give rise to liquidity risk within the Agency.

The Fund's investments in listed securities are considered to be readily realisable because they are traded on major stock exchanges.

The Fund's financial assets include unlisted equity investments, which are generally illiquid. In addition, the Fund holds investments in unlisted investment funds, which may be subject to redemption restrictions. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its liquidity requirements.

At 31 December 2015 the Fund was predominantly invested in readily realisable assets.

15. Financial Risk Management (continued)

15.5 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events which would affect the Fund's ability to execute its business strategy. Sub-categories of operational risk include people risk, governance risk, third party risk, business continuity management and legal and compliance risk.

An Operational Risk Management and Risk and Control Self-Assessment Framework is applicable to the Agency as a whole. The objective of this Framework is to ensure that operational risk is managed in an appropriate and integrated manner across the organisation. This Framework outlines the strategy, processes, risk criteria, controls and governance structures in place for managing operational risks within the Agency.

The Framework also sets out the methodology for the Risk and Control Self Assessment process which describes the process for adequate and timely identification, assessment, treatment, monitoring and reporting of the risks posed by the activities of the Agency.

The NTMA Business Continuity Management Committee is a sub-committee of the Operational Risk and Control Committee. The role of this committee is to ensure an appropriate and consistent approach to business continuity management across the Agency and providing a supporting role in establishment, implementation, monitoring and improvement of business continuity management activities.

The assessment of the adequacy of the controls and processes in place at the Fund's service providers with respect to operational risk is carried out via regular discussions with the relevant service providers and a review of the service providers' Service Organisation Controls [SOC 1] reports on internal controls, if any are available. The Agency reviews the findings documented in the SOC 1 report on the custodian's internal controls annually.

15.6 Capital management

The Fund is not subject to externally imposed capital requirements.

15.7 Fair Values of Financial Instruments

i) Valuation models

The fair values of financial assets and financial liabilities that are traded in active markets that the Fund can access at the measurement date are obtained directly from an exchange on which the instruments are traded. For all other financial instruments, the Fund determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices [unadjusted] in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly [i.e. as prices] or indirectly [i.e. derived from prices]. This category includes instruments valued using; quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques may include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques may include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity indices, earnings multiples and revenue multiples and expected price volatilities and correlations.

Notes to the Financial Statements [continued]

15. Financial Risk Management [continued]

15.7 Fair Values of Financial Instruments [continued]

i) Valuation models [continued]

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Fund uses widely recognised valuation models for determining the fair value of common and simple financial instruments that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the financial markets for listed debt and equity securities, exchange traded derivatives and simple OTC derivatives. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and reduces the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

ii) Valuation framework

The Fund has an established management control framework for the measurement of fair values. The valuation process is overseen by the Valuation Committee [“the Committee”], a management committee responsible for developing the Fund’s valuation processes and procedures, conducting periodic reviews of those procedures and evaluating their consistent application. The Committee comprises the Chief Financial and Operating Officer, Chief Risk Officer, ISIF Director and other senior management personnel.

The valuation process and procedures are defined depending on the instrument type. Where third party information is used to measure fair value, reviews are undertaken and documented to support the resulting valuations. This includes:

- verifying that the broker or pricing service is approved by the Fund for use in pricing the relevant type of financial instrument;
- understanding how the fair value has been arrived at and the extent to which it represents actual market transactions;
- when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- if a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

15. Financial Risk Management (continued)

15.7 Fair Values of Financial Instruments (continued)

ii) Valuation framework (continued)

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. All fair value measurements below are recurring.

2015	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Financial assets and liabilities at fair value through profit and loss				
i) Equities and Managed Funds				
Quoted Equities	1,091	-	-	1,091
Direct Private Equity	-	-	17	17
Unquoted Equities	-	-	0	0
Quoted Investment Funds	2,306	-	-	2,306
Unquoted Investment Funds	-	387	-	387
Long-Term Receivables	-	18	-	18
ii) Debt Securities				
Unlisted Debt Securities	-	160	-	160
Listed Debt Securities	581	-	-	581
Other Bonds	-	-	25	25
iii) Limited Partnerships/Trusts				
Forestry Investments	-	-	30	30
Property	-	-	236	236
Private Equity	-	-	367	367
Infrastructure	-	-	125	125
iv) Derivatives Financial Assets				
Equity Options	11	-	-	11
Foreign Exchange Contracts	-	2	-	2
	3,989	567	800	5,356
v) Derivatives Financial Liabilities				
Futures Contracts	[1]	-	-	[1]
Total	3,988	567	800	5,355
Treasury Bills	450	-	-	450
	4,438	567	800	5,805
vi) Directed investments				
Allied Irish Banks	-	12,236	-	12,236
Bank of Ireland	1,525	-	-	1,525
	1,525	12,236	-	13,761

Notes to the Financial Statements [continued]

15. Financial Risk Management [continued]

15.7 Fair Values of Financial Instruments [continued]

ii) Valuation framework [continued]

2014	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Financial assets and liabilities at fair value through profit and loss				
i) Equities and Managed Funds				
Quoted Equities	1,272	-	-	1,272
Direct Private Equity	-	-	0	0
Unquoted Equities	-	-	0	0
Quoted Investment Funds	1,722	-	-	1,722
Unquoted Investment Funds	-	338	-	338
Long-Term Receivables	-	356	-	356
ii) Debt Securities				
Unlisted Debt Securities	-	247	-	247
Listed Debt Securities	534	-	-	534
Other Bonds	-	-	17	17
iii) Limited Partnerships/Trusts				
Forestry Investments	-	-	27	27
Property	-	-	246	246
Private Equity	-	-	240	240
Infrastructure	-	-	76	76
iv) Derivatives Financial Assets				
Equity Options	31	-	-	31
	3,559	941	606	5,106
v) Derivatives Financial Liabilities				
Futures Contracts	[6]	-	-	[6]
Foreign Exchange Contracts	-	[47]	-	[47]
	[6]	[47]	-	[53]
Total	3,553	894	606	5,053
Treasury Bills	1,450	-	-	1,450
	5,003	894	606	6,503
vi) Directed investments				
Allied Irish Banks	-	11,711	-	11,711
Bank of Ireland	1,412	-	-	1,412
	1,412	11,711	-	13,123

15. Financial Risk Management (continued)

15.7 Fair Values of Financial Instruments (continued)

ii) Valuation framework (continued)

The following table shows a reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy:

	Total €m
Balance at 1 January 2015	606
Total gains or losses recognised in profit or loss	91
Purchases	229
Sales	[126]
Balance at 31 December 2015	800
	Total €m
Balance at 22 December 2014	-
Total gains or losses recognised in profit or loss	21
Purchases	-
Sales	[3]
Transfer from NPRF	588
Balance at 31 December 2014	606

Financial risk management - Directed Portfolio

All investments and disposals relating to the Directed Portfolio are made at the direction of the Minister for Finance. The Agency's responsibilities regarding the Directed Portfolio include the implementation of directions from the Minister and the valuation of relevant securities for the purpose of the Fund's financial statements.

As the Fund's ordinary shareholding of 99.9% in Allied Irish Banks leaves a free float of only 0.1%, the Agency engaged an external firm to provide an independent fair market value of the Fund's holding as at 31 December 2015 for the purpose of valuing this investment in line with generally accepted accounting principles.

The Fund's ordinary shareholding in Bank of Ireland was valued at its relevant quoted market price at 31 December 2015.

The Fund's Global Custodian, Bank of New York Mellon, holds the Fund's investments in Bank of Ireland and Allied Irish Banks in segregated accounts. In the event of the Global Custodian's failure, the ability of the Fund to transfer these securities might be temporarily impaired. Bank of New York Mellon is a member of a major securities exchange and at 31 December 2015 held a long-term Moody's credit rating of A1. The Agency monitors the credit ratings and capital adequacy of its Global Custodian on a regular basis and reviews the findings documented in the SOC 1 report on the Global Custodian's internal controls annually.

Notes to the Financial Statements [continued]

15. Financial Risk Management [continued]

15.7 Fair Values of Financial Instruments [continued]

ii) Valuation framework [continued]

Market price risk exposure

The cumulative Directed Portfolio asset value exposed to market price risk at 31 December 2015 comprises the value of investments as detailed in the following table:

	2015 €m	2014 €m
Exposure to market price risk		
Allied Irish Banks	12,236	11,711
Bank of Ireland	1,525	1,412
Total financial assets FVTPL	13,761	13,123
Not exposed to market price risk		
Cash	240	1,109
Repurchase Agreements	-	765
Total not exposed to market price risk	240	1,874
Total Directed Investments	14,001	14,997

16. Events after the reporting date

The Fund had a Capital Preservation Strategy ["CPS"] in place to curb market risk while a decision was made on how the global assets would be invested while awaiting investment of capital in Ireland. The strategy for managing the global assets, the Global Portfolio Transition Strategy ["GPTS"], was approved by the Agency in Q3 2015.

In August 2015, the Fund provided a loan facility to Irish Water for €450m. At 31 December 2015, €300m was drawn down. In accordance with the Fund's accounting policies, the Irish Water loan was measured at amortised cost at 31 December 2015. It is noted that potential changes to the Irish Water business model may result from future legislative changes. The Fund continues to hold its investment at amortised cost and will review the valuation for future reporting periods in accordance with financial reporting standards and available information.

No other events requiring adjusting or disclosure in the financial statements occurred after the end of the reporting period.

17. Approval of Financial Statements

The financial statements were approved by the Agency on 24 May 2016.

Portfolio of Investments

Ireland Strategic Investment Fund

31 December 2015

Introduction

Business Review

Governance & Corporate Information

Financial Statements

Portfolio of Investments - ISIF

Quoted Equities

EUROPE		
Austria		
Holding	Security Description	Market Value €
4,972	AMS	153,955
7,579	Andritz	341,434
1,856	Austria Technologie & Systemte	27,023
3,749	Buwog	74,999
5,661	CA Immobilien Anlagen	95,275
4,365	Conwert Immobilien Invest	61,285
391	DO & Co	39,100
29,866	Erste Group Bank	863,426
2,454	EVN	25,767
1,548	Facc	11,099
358	Flughafen Wien	31,361
564,273	Immoeast	-
66,502	Immofinanz	139,721
491,815	Immofinanz NPV	-
355	Kapsch Trafficcom	13,275
544	Lenzing	37,835
2,601	Oesterreichische Post	87,472
14,979	OMV	391,401
1,037	Palfinger	27,429
696	Porr	19,453
12,205	Raiffeisen Bank International	166,049
1,782	RHI	32,103
3,647	S Immo	29,905
764	Schoeller-Bleckmann Oilfield	38,513
702	Semperit Holding	21,832
8,678	Telekom Austria	43,763
8,444	Uniq Insurance Group	63,541
3,998	Vienna Insurance Group	101,109
11,831	Voestalpine	335,350
7,619	Wienerberger	130,209
1,929	Zumtobel Group	44,907
		3,448,591
	% of Total Investments	0.02%

Belgium		
Holding	Security Description	Market Value €
3,343	Ablynx	53,170
1,677	Ackermans & Van Haaren	226,898
824	Aedifica	49,901
21,067	Ageas	901,668
11,724	Agfa-Gevaert	61,434
81,965	Anheuser-Busch	9,376,796
232,744	Anheuser-Busch VVPR	-
755	Barco	46,508
1,397	Befimmo	76,835
2,449	Bekaert	69,515
2,693	BHF Kleinwort Benson Group	15,391
17,670	Bpost	399,165
520	CIE D'Entreprises CFE	56,732
1,489	Cofinimmo	146,532
6,893	Colruyt	327,038
10,674	Delhaize Group	958,418
1,705	D'leteren	58,678
4,221	Econocom Group	36,073

Belgium (continued)		
Holding	Security Description	Market Value €
13,941	Elia System Operator	597,093
8,086	Euronav	102,530
886	EVS Broadcast Equipment	25,694
2,173	Exmar	21,645
2,034	Fagron	14,360
2,228	Galapagos	126,461
1,304	Gimv	60,447
8,075	Groupe Bruxelles Lambert	636,552
1,123	Intervest Offices & Warehouses	27,368
1,378	ION Beam Applications	46,714
2,134	KBC Ancora	83,045
28,208	KBC Groep	1,626,755
937	Kinopolis Group	38,792
1,378	Melexis	69,148
2,048	Mobistar	45,732
18,489	Nyrstar	29,527
5,010	Ontex Group	164,128
14,570	Proximus	437,100
5,996	Rezidor Hotel Group	20,358
7,337	Solvay	722,181
5,074	Telenet Group	252,533
2,033	Tessenderlo Chemie	55,908
12,330	UCB	1,026,226
10,343	Umicore	399,912
1,035	Warehouses De Pauw	84,083
		19,575,044
	% of Total Investments	0.09%

Denmark		
Holding	Security Description	Market Value €
409	ALK-Abello	48,011
4,700	ALM Brand	30,483
1,829	AMBU	51,346
2,823	Bang & Olufsen	31,209
2,138	Bavarian Nordic	102,422
1,573	D/S Norden	25,737
1,930	DFDS	69,052
3,327	Flsmidth & Co	106,998
3,562	Genmab	437,935
10,815	GN Store Nord	181,588
523	IC Group	17,661
5,084	Jyske Bank	212,622
2,644	Matas	47,122
1,838	NKT Holding	87,903
693	NNIT	17,505
132	Per Aarsleff	37,340
476	Rockwool International	61,807
3,081	Royal Unibrew	115,642
875	Schouw & Co	45,376
2,832	Simcorp	147,243
383	Solar	22,274
6,432	Spar Nord Bank	52,576
5,080	Sydbank	150,985
5,093	Topdanmark	133,764

Denmark (continued)		
Holding	Security Description	Market Value €
1,120	TORM	14,633
785	Zealand Pharma	15,936
		2,265,170
	% of Total Investments	0.01%

Finland		
Holding	Security Description	Market Value €
8,500	Amer Sports	229,245
914	ATRIA	8,272
2,435	Cargotec	84,008
6,429	Caverion	58,054
29,701	Citycon	71,282
2,257	Cramo	43,131
16,428	Elisa	571,530
519	Ferratum	15,565
46,358	Fortum	645,303
5,959	F-Secure	15,374
1,835	HKScan	6,991
6,607	Huhtamaki	221,335
7,009	Kemira	76,258
11,771	Kesko	381,027
39,513	Kone	1,547,724
3,466	Konecranes	79,371
13,147	Metsa Board	90,188
13,925	Metso	288,248
13,340	Neste Oil	368,584
542,261	Nokia	3,577,008
13,874	Nokian Renkaat	459,229
7,627	Oriola-KD	32,949
10,430	Orion	333,447
19,843	Outokumpu	54,211
10,630	Outotec	36,142
1,473	PKC Group	23,966
820	Ponsse	15,055
4,449	Ramirent	28,696
48,649	Sampo	2,286,503
4,964	Sanoma	19,409
14,495	Sponda	56,878
2,112	Stockmann	13,200
59,825	Stora Enso	501,932
5,791	Technopolis	21,600
3,513	Tieto	86,841
55,367	UPM-Kymmene	953,973
3,745	Uponor	50,932
7,654	Valmet	68,121
16,215	Wartsila ABP	683,462
7,433	Yit	38,912
		14,143,958
	% of Total Investments	0.07%

France		
Holding	Security Description	Market Value €
1,021	AB Science	12,487
1,965	ABC Arbitrage	10,080
20,993	Accor	839,825
187	Adocia	13,692
14,754	Aeroports De Paris	1,581,629
9,225	Air France - KLM	64,760
35,156	Air Liquide	3,643,919
57,054	Airbus Group	3,537,348
633	AKKA Technologies	18,832
1,220	Albioma	18,239
22,442	Alstom	632,079
1,839	Alten	98,221
8,964	Altran Technologies	110,616
520	ANF Immobilier	10,816
6,954	Arkema	449,159
703	Assystem	16,893
9,129	Atos	707,041
197,904	AXA	4,993,118
416	Axway Software	10,150
1,477	Biomerieux	162,322
100,341	BNP Paribas	5,240,810
535	Boiron	39,858
99,328	Bolloré	426,781
875	Bonduelle	20,160
1,781	Bourbon	26,626
19,561	Bouygues	714,857
26,830	Bureau Veritas	493,404
16,400	Cap Gemini	1,403,840
112	Carmat	4,592
56,236	Carrefour	1,498,689
5,980	Casino Guichard Perrachon	253,642
333	Cegedim	10,656
345	Cegid Group	17,975
1,581	Cellectis	44,142
10,888	CGG	29,180
5,396	Christian Dior	845,823
46,673	Cie De Saint-Gobain	1,859,919
572	Cie Des Alpes	8,855
19,181	Cie Generale des Etablissements	1,686,010
17,147	CNP Assurances	213,309
6,442	Coface	60,143
108,374	Credit Agricole	1,179,109
58,604	Danone	3,649,857
12,638	Dassault Systemes	932,305
1,440	DBV Technologies	95,659
5,734	Derichebourg	19,014
21,026	Edenred	366,904
9,573	Eiffage	569,881
27,110	Electricite de France	368,018
6,043	Elior	116,630
4,278	Elis	65,240
145,832	Engie	2,380,707
362	Eramet	10,679
20,444	Essilor International	2,352,082

France (continued)		
Holding	Security Description	Market Value €
174	Esso SA Francaise	8,557
8,739	Etablissements Maurel ET Prom	25,955
2,293	Euler Hermes Group	203,137
4,286	Eurazeo	272,161
4,705	Europcar Groupe	57,236
77,452	Eutelsat Communications	2,137,675
502	Faiveley Transport	47,931
10,538	Faurecia	390,011
430	FFP	29,240
3,724	Fonciere des Regions	307,230
5,292	Gameloft	32,070
1,519	Gaztransport ET Technigaz	59,188
3,564	Gecina	399,524
1,311	Genfit	42,673
537	GL Events	8,941
195	Groupe Crit	11,103
250,270	Groupe Eurotunnel	2,868,094
739	Groupe Fnac	40,128
377	Guerbet	24,430
865	Haulotte Group	11,989
11,393	Havas	88,376
2,486	Hermes International	775,011
3,673	Icade	227,359
153	ID Logistics Group	19,661
2,417	Iliad	531,740
3,562	Imerys	229,464
5,619	Ingenico Group	654,614
2,736	Innate Pharma	37,045
675	Interparfums	15,323
6,134	Ipsen	374,174
2,320	Ipsos	49,230
821	Jacquet Metal Service	11,740
7,126	JC Decaux	251,548
7,751	Kering	1,224,270
20,525	Klepierre	841,320
2,474	Korian	83,324
11,762	Lagardere	323,573
27,125	Legrand	1,415,925
1,106	Lisi	27,595
24,399	L'Oreal	3,789,165
25,800	LVMH Moët Hennessy	3,738,420
675	Manitou BF	9,518
1,626	Marie Brizard Wine & Spirits	32,845
3,452	Mercialys	64,328
844	Mersen	14,348
3,867	Metropole Television	61,253
690	MGI Coutier	13,041
481	Montupet	34,343
97,238	Natixis	507,291
442	Naturex	31,559
2,354	Neopost	52,894
1,880	Nexans	63,356
2,046	Nexity	83,487
550	Nextradiotv	20,284

France (continued)		
Holding	Security Description	Market Value €
9,232	Numericable	309,272
2,128	Oeneo	15,960
196,601	Orange	3,044,366
2,615	Orpea	192,935
521	Parrot	14,062
20,153	Pernod Ricard	2,120,096
39,426	Peugeot	638,898
332	Pierre & Vacances	9,777
4,195	Plastic Omnium	123,039
19,681	Publicis Groupe	1,208,020
1,495	Rallye	21,453
2,462	Remy Cointreau	162,517
17,572	Renault	1,627,694
30,582	Rexel	375,547
2,678	Rubis	187,273
28,676	Safran	1,817,198
1,796	Saft Groupe	50,450
116,061	Sanofi	9,122,395
209	Sartorius Stedim Biotech	73,861
56,833	Schneider Electric	2,987,142
16,149	SCOR	557,302
4,337	SEB	410,280
234	Sechie Environnement	6,786
2,804	Societe BIC	425,227
74,912	Societe Generale	3,189,004
18,928	Societe Television Francaise	194,012
9,505	Sodexo	856,781
2,533	Solocal Group	17,478
1,043	Sopra Steria Group	112,957
3,123	Spie	52,997
3,530	STE Industrielle D'Aviation	14,544
33,635	Suez Environnement	580,540
490	Synergie	13,029
1,307	Tarkett	37,622
22,242	Technicolor	166,370
11,199	Technip	512,186
4,064	Teleperformance	314,960
10,464	Thales	723,062
214,955	Total	8,870,118
592	Trigano	33,330
7,239	Ubisoft Entertainment	193,064
10,116	Unibail-Rodamco	2,371,190
8,082	Valeo	1,152,089
19,895	Vallourec	171,097
3,047	Valneva	11,579
48,468	Veolia Environnement	1,059,753
1,227	Vicat	67,902
426	Vilmorin & CIE	28,201
47,785	Vinci	2,826,005
289	Virbac	63,522
120,642	Vivendi	2,395,950
3,166	Wendel	346,994
19,987	Zodiac Aerospace	439,214
	118,928,379	
	% of Total Investments	0.55%

Quoted Equities (continued)

Germany		
Holding	Security Description	Market Value €
4,384	Aareal Bank	127,750
20,675	Adidas	1,858,889
2,071	Adler Real Estate	29,450
1,085	ADD Properties	28,753
2,069	ADVA Optical Networking	23,007
7,313	Aixtron	30,188
46,813	Allianz	7,656,266
8,293	Alstria Office Reit	102,128
356	Amadeus Fire	26,696
1,411	Aurelius SE & Co	67,897
2,300	Aurubis	108,043
4,321	Axel Springer	221,840
94,979	BASF	6,716,915
643	Bauer	11,188
84,975	Bayer	9,840,105
39,011	Bayerische Motoren Werke (BMW)	3,695,291
913	BayWa	25,929
1,003	Bechtle	88,324
10,040	Beiersdorf	844,966
347	Bertrandt	38,604
277	Bijou Brigitte	15,792
2,350	Bilfinger	102,155
1,824	Biotest	29,654
5,366	Borussia Dortmund	21,534
15,566	Brenntag	751,526
1,017	Cancom	44,473
1,864	Capital Stage	14,707
2,219	Carl Zeiss Meditec	63,352
540	Centrotec Sustainable	7,133
399	Cewe Stiftung & Co	21,789
2,072	Comdirect Bank	22,585
105,702	Commerzbank	1,011,780
1,636	Compugroup Medical	55,297
11,187	Continental	2,512,041
2,947	CTS Eventim & Co KGAA	108,273
98,154	Daimler	7,614,787
486	Delticom	10,114
142,008	Deutsche Bank	3,198,730
655	Deutsche Beteiligungs	19,493
19,205	Deutsche Boerse	1,563,095
3,129	Deutsche Euroshop	126,599
21,936	Deutsche Lufthansa	319,498
6,690	Deutsche Pfandbriefbank	74,928
97,584	Deutsche Post	2,532,793
324,781	Deutsche Telekom	5,420,595
35,030	Deutsche Wohnen	897,293
6,207	Deutz	22,910
3,050	Dic Asset	28,429
2,678	DMG Mori	101,978
819	Draegerwerk AG & Co	54,457
3,261	Drillisch	127,472
1,772	Duerr	130,419
192,483	E.ON	1,719,066

Germany (continued)		
Holding	Security Description	Market Value €
2,161	Elringklinger	50,784
13,476	Evonik Industries	412,568
7,244	Evotec	30,207
2,623	Fielmann	178,889
17,105	Fraport Frankfurt Airport	1,008,169
9,091	Freenet	284,685
21,620	Fresenius Medical Care	1,680,523
40,576	Fresenius & Co	2,676,799
10,788	Fuchs Petrolub	448,670
18,434	GEA Group	689,432
2,142	Gerresheimer	154,631
1,722	Gerry Weber International	22,007
193	Gesco	13,686
1,078	GFT Technologies	34,049
790	Grammer	21,579
566	Grenke Leasing	104,484
4,107	Hamborner Reit	39,485
1,673	Hamburger Hafen Und Logistik	23,522
6,273	Hannover Rueck	662,742
14,636	Heidelbergcement	1,106,774
16,764	Heidelberger Druckmaschinen	38,054
2,862	Hella KGAA Hueck	110,273
29,633	Henkel AG & Co	2,885,396
2,106	Hochtief	180,842
543	Hornbach Baumarkt	15,391
6,430	Hugo Boss	492,538
1,582	Indus Holding	70,415
114,146	Infineon Technologies	1,541,542
377	Init Innovaton in Traffic Systems	6,221
2,928	Jenoptik	42,134
1,091	Jungheinrich	83,178
19,200	K+S	453,504
2,210	Kabel Deutschland	252,272
4,644	Kion Group	213,717
6,806	Kloeckner & Co	54,754
970	Krones	106,991
1,585	Kuka	131,634
158	KWS SAAT	43,766
9,525	Lanxess	406,527
4,253	Leg Immobilien	321,102
2,229	Leoni	81,236
19,126	Linde	2,560,971
3,668	MAN	340,024
242	MANZ	8,301
13,141	Merck KGAA	1,177,039
17,203	Metro	508,521
4,413	MLP	16,196
1,625	Morphosys	93,681
8,956	MTU Aero Engines	806,936
15,049	Muenchener Rueckversicherungs	2,777,293
1,316	Nemetschek	60,569

Germany (continued)		
Holding	Security Description	Market Value €
4,542	Nordex	148,751
2,173	Norma Group	111,149
427	OHB	8,952
8,827	Osram Licht	342,399
2,602	Patrizia Immobilien	70,254
676	Pfeiffer Vacuum Technology	63,240
15,526	Porsche Automobil Holding	776,455
21,600	ProsiebenSAT 1 Media	1,010,124
6,351	QSC	9,590
173	R Stahl	5,744
233	Rational	97,837
2,721	Rheinmetall	167,287
2,996	Rhoen-Klinikum	82,929
1,934	Rib Software	21,854
49,741	RWE	582,467
2,940	SAF-Holland	36,721
2,665	Salzgitter	60,562
91,886	SAP	6,742,595
607	Sartorius	145,953
3,119	SGL Carbon	40,344
81,350	Siemens	7,311,738
610	Siltronic	13,780
808	Sixt Leasing	15,190
2,003	Sixt	83,926
737	SLM Solutions Group	14,003
710	SMA Solar Technology	36,721
3,856	Software	101,876
4,474	Stada Arzneimittel	167,059
174	STO Se and Co Kгаа	19,975
317	Stratec Biomedical	19,337
1,501	Stroeer Media	86,908
13,698	Suedzucker	251,221
12,169	Symrise	746,325
6,740	Tag Immobilien	77,510
2,241	Takkt	41,335
3,903	Talanx	111,411
68,197	Telefonica Deutschland Holding	333,552
44,168	Thyssenkrupp	810,041
4,467	TLG Immobilien	77,413
12,297	United Internet	626,040
864	Villeroy and Boch	10,584
21,679	Volkswagen	2,925,755
48,042	Vonovia	1,371,599
637	Vossloh	37,914
686	VTG	19,510
2,616	Wacker Chemie	202,792
1,929	Wacker Neuson	27,440
2,032	Wincor Nixdorf	94,234
20,238	Wirecard	941,067
191	Xing	32,604
10,909	Zalando	397,088
337	Zooplus	49,202
		113,392,035
		% of Total Investments 0.53%

Gibraltar		
Holding	Security Description	Market Value €
9,677	888 Holdings Plc	24,062
50,419	Bwin Party Digital Entertainment	89,029
		113,091
% of Total Investments		0.00%

Greece		
Holding	Security Description	Market Value €
204,280	Alpha Bank	508,657
85,430	Eurobank Ergasias	88,847
1,862	FF Group	32,213
37,187	Hellenic Telecommunications Organization	343,608
6,298	Jumbo	61,091
12,374	National Bank of Greece	4,244
25,785	OPAP	208,859
666,156	Piraeus Bank	185,191
3,095	Titan Cement Co	54,503
		1,487,213
% of Total Investments		0.01%

Ireland		
Holding	Security Description	Market Value €
6,046	Accenture	580,332
1,440	Alkermes	104,994
899	Allegion	54,434
3,812	Allergan	1,094,195
2,804	Applegreen	15,983
2,789,297	Bank of Ireland	942,782
23,134	C&C Group	85,897
6,145	DCC	473,884
4,351	Eaton	207,978
2,088	Endo International	117,413
1,663	FBD Holdings	10,992
30,662	Glanbia	519,721
16,123	Grafton Group	162,559
27,805	Greencore Group	134,223
45,733	Hibernia REIT	64,392
2,661	Ingersoll - Rand	135,140
1,372,985	Irish Bank Resolution Corporation	-
10,778	Irish Continental Group	58,352
541	Jazz Pharmaceuticals	69,847
14,753	Kerry Group	1,125,801
10,461	Kingspan Group	254,307
5,000,000	Malin Corporation	53,000,000
1,097	Mallinckrodt	75,199
13,642	Medtronic	963,849
92,941	National Toll Road	209,117
8,006	Origin Enterprises	60,445
2,752	Paddy Power - Betfair	338,771
1,840	Pentair	83,710
7,523	Permanent TSB Group	34,613
1,315	Perrigo	174,778
46,053	Ryanair	691,256

Ireland (continued)		
Holding	Security Description	Market Value €
2,886	Seagate Technology	97,181
39,856	Smurfit Kappa Group	938,210
4,263	Tyco International	124,871
16,338	UDG Healthcare	132,672
793,776	Waterford Wedgewood UTS	-
7,103	Weatherford International	54,739
1,658	Willis Group Holdings	73,968
3,094	XL Group	111,346
		63,377,951
% of Total Investments		0.30%

Israel		
Holding	Security Description	Market Value €
1	Africa Israel Investments	-
875	Africa Israel Properties	8,482
4,425	Airport City	33,889
6,121	Alony Hetz Properties & Investments	40,633
7,476	Amot Investments	22,016
662	B Communications	15,381
49	Bayside Land Corp	13,542
660	Caesarstone Sdot - Yam	26,274
4,140	Cellcom Israel	23,613
1,392	Check Point Software Technology	104,052
1,323	Clal Insurance Enterprises	14,793
426	Cyberark Software	17,663
2,565	Delek Automotive Systems	20,952
604	Delta-Galil Industries	15,284
1,603	Elbit Systems	129,354
143	Electra	16,158
-	Energix-Renewable Energies	-
2,030	Ezchip Semiconductor	46,104
3,081	First International Bank of Israel	33,319
2,646	Frutarom Industries	130,179
6,082	Gazit-Globe	49,651
7,285	Harel Insurance Investments	25,603
332	IDI Insurance	13,833
227	Israel Corporation	37,731
77,954	Israel Discount Bank	129,553
1,073	Ituran Location and Control	18,413
592	Jerusalem Oil Exploration	21,252
2,265	Matrix IT	12,082
1,008	Melisron	29,542
1,728	Menorah Mivtachim Holdings	13,586
25,228	Migdal Insurance & Financial	16,818
2,332	Naphtha Israel Petroleum Corp	10,501
762	Norstar Holdings	11,390
76,344	Oil Refineries	27,676
866	Orbotech	17,603
2,269	Osem Investments	35,642
5,856	Partner Communications Co	23,696
349	Paz Oil Co	50,270

Israel (continued)		
Holding	Security Description	Market Value €
5,055	Phoenix Industries	10,329
285	Plasson Industries	6,610
5,095	PLUS500	29,625
1,020	Radware	14,372
415	Rami Levy Chain Stores Hashikma	17,487
10,993	Reit 1	26,887
1,481	Sapiens International Corporation	13,858
8,939	Shapir Engineering and Industry	13,299
13,754	Shikun & Binui	19,879
5,074	Shufersal	14,417
2,945	Strauss Group	40,174
4,374	Tower Semiconductor	57,323
673	Wix.com	14,063
		1,534,853
% of Total Investments		0.01%

Italy		
Holding	Security Description	Market Value €
97,858	A2A	122,714
3,630	Acea	51,546
6,139	Amplifon	49,081
12,223	Anima Holding	98,028
9,239	Ansaldo STS	91,189
4,701	Ascopiave	10,267
129,507	Assicurazioni Generali	2,191,258
3,004	Astaldi	16,867
2,403	ASTM	27,755
197,305	Atlantia	4,833,973
8,671	Autogrill	76,478
8,908	Azimut Holding	205,418
40,251	Banca Carige	50,797
3,950	Banca Generali	115,261
1,470	Banca IFIS	42,380
41,754	Banca Mediolanum	305,222
245,696	Banca Monte dei Paschi di Siena	302,697
34,143	Banca Popolare Dell'Emilia Roma	240,367
299,646	Banca Popolare Di Milano Scarl	275,974
30,924	Banca Popolare Di Sondrio Scar	128,396
38,646	Banco Popolare	495,055
69,418	Beni Stabili Siiq	48,488
748	Biesse	11,908
2,051	Brembo	91,639
1,868	Brunello Cucinelli	30,486
7,355	Buzzi Unicem	104,376
2,133	Cairo Communication	9,748
3,257	Cementir Holding	19,233
10,941	Cerved Information Solutions	84,246
24,230	Cir-Compagnie Industriali Run	23,503
29,169	COFIDE	12,134

Quoted Equities (continued)

Italy (continued)			Italy (continued)			Netherlands		
Holding	Security Description	Market Value €	Holding	Security Description	Market Value €	Holding	Security Description	Market Value €
5,669	Credito Emiliano	38,861	8,359	Salvatore Ferragamo	181,808	7,153	Aalberts Industries	227,394
75,743	Credito Valtellinese	82,636	16,261	Saras	29,010	20,772	ABN Amro Group	429,357
3,463	Danieli & C Officine Meccaniche	49,236	1,000,663	Snam	4,833,202	1,447	Accell Group	30,481
1,383	Datalogic	22,681	10,172	Societa Cattolica Di Assicuraz	74,662	194,572	Aegon	1,017,612
50,627	Davide Campari-Milano	405,016	28,815	Societa Iniziative Autostradal	282,387	1,825	Aercap Holdings	72,350
3,575	De' Longhi	98,920	3,712	Sogefi	8,040	25,251	Akzo Nobel	1,557,482
6,224	Dea Capital	8,801	5,463	Tamburi Investment Partners	18,509	52,125	Altice	692,516
1,527	Diasorin	73,983	1,631,469	Telecom Italia	1,776,536	1,151	Amsterdam Commodities	26,703
6,966	Ei Towers	414,825	664,709	Terna Rete Elettrica Nazionale	3,161,356	4,531	Arcadis	84,118
160,983	Enel Green Power	303,131	835	Tod's	60,997	3,749	ASM International	135,564
705,929	Enel	2,747,476	7,385	Trevi Finanziaria Industriale	13,515	33,380	ASML Holding	2,755,519
299	Engineering	17,940	502,244	Unicredit	2,579,023	2,051	BE Semiconductor Industries	38,067
255,497	Eni	3,525,859	177,900	Unione Di Banche Italiane	551,490	3,894	Bincbank	30,953
3,591	ERG	44,780	29,790	Unipol Gruppo Finanziario	141,920	8,069	Boskalis Westminster	303,636
1,967	Esprinet	16,739	108,968	Unipolsai	257,164	1,348	Brunel International	22,646
10,183	Exor	428,602	1,611	Vittoria Assicurazioni	16,174	990	Chicago Bridge & Iron Co.	35,455
9,137	Falck Renewables	10,106	3,450	Yoox Net-A-Porter Group	119,198	4,038	Corbion	90,108
34,662	Fincantieri	13,875	1,790	Zignago Vetro	10,856	415	Core Laboratories	41,450
14,495	Fincobank Banca Fineco	110,524			41,342,937	14,901	Delta Lloyd	81,136
41,172	Finmeccanica	531,119			% of Total Investments	3,253	Eurocommercial Properties	129,453
5,305	Geox	21,655				4,064	Euronext	192,166
8,554	Gruppo Editoriale L'Espresso	8,657				9,407	First Britannia Mezzanine	-
45,734	Hera	112,048				1,730	Flow Traders	78,447
23,403	Immobiliare Grande Distribuzione	20,747				4,615	Fugro	69,502
1,024	Industria Macchine Automatiche	49,142				8,341	Gemalto	461,007
14,922	Infrastrutture Wireless Italia	75,207				4,805	Grandvision	132,906
4,846	Interpump Group	69,395				9,773	Heineken Holding	693,883
1,324,081	Intesa Sanpaolo	4,088,762				22,412	Heineken	1,765,393
36,503	Iren	54,389				2,692	IMCD Group	91,703
13,147	Italcementi	134,757				398,507	ING Groep	4,961,412
1,570	Italmobiliare	52,494				1,544	Interxion Holding	42,759
26,751	Juventus Football Club	6,955				763	Kendrion	18,491
741	La Doria	9,670				85,815	Koninklijke Ahold	1,671,247
18,270	Luxottica Group	1,103,508				15,660	Koninklijke BAM Groep	80,336
7,295	Maire Tecnimont	18,310				17,831	Koninklijke DSM	825,219
2,270	Marr	43,312				315,491	Koninklijke KPN	1,101,695
132,477	Mediaset	507,652				94,500	Koninklijke Philips	2,226,420
57,090	Mediobanca	507,245				1,851	Koninklijke Ten Cate	44,331
7,201	Moleskine	12,256				30,860	Koninklijke Vopak	1,224,216
9,395	Moncler	121,383				3,800	Lyondellbasell Industries	303,316
591	Newron Pharmaceuticals	13,964				1,670	Mobilye	64,855
5,881	OVS	37,756				3,859	Mylan	191,656
32,327	Parmalat	77,262				26,322	NN Group	856,781
11,100	Piaggio & C	25,819				8,769	NSI	34,857
21,385	Prysmian	433,260				2,817	NXP Semiconductors	217,996
6,496	Rai Way	30,648				8,534	Oci	194,575
6,419	Recordati	154,634				30,072	Postnl	105,252
288	Reply	36,259				22,867	Qiagen	574,305
16,014	Rizzoli Corriere Della Sera	9,937				11,413	Randstad Holding	656,590
2,122	Safilo Group	22,727				2,726	Refresco Gerber	43,234
25,988	Saipem	194,650				12,170	SBM Offshore	141,902
15,221	Salini Impregilo	61,036				1,556	Sensata Technologies Holding	65,830
						71,429	SNS Reaal Groep	60,072

Jordan

Holding	Security Description	Market Value €
10,467	Hikma Pharmaceuticals plc	328,150
		328,150
	% of Total Investments	0.00%

Luxembourg

Holding	Security Description	Market Value €
3,196	Aperam	105,116
103,976	Arcelormittal	405,194
1,330	Braas Monier Building Group	35,318
347	Cosmo Pharmaceuticals	51,946
652	Eurofins Scientific	209,846
6,329	Grand City Properties	135,377
44,352	Regus Plc	201,350
4,027	RTL Group	310,280
156,626	Ses	4,005,710
49,130	Tenaris	537,482
		5,997,619
	% of Total Investments	0.03%

Malta

Holding	Security Description	Market Value €
20,170	Brait	198,619
1,981	Unibet Group plc	186,254
		384,873
	% of Total Investments	0.00%

Netherlands (continued)		
Holding	Security Description	Market Value €
101,506	Steinhoff International Holding	470,078
2,430	TKH Group	90,979
48,540	TNT Express	378,127
7,136	Tomtom	82,813
4,412	USG People	75,798
1,302	Vastned Retail	55,140
2,797	Wereldhave	144,605
5,191	Wessanen	48,536
30,738	Wolters Kluwer	951,802
2,123	Yandex	30,655
		29,322,887
% of Total Investments		0.14%

Norway		
Holding	Security Description	Market Value €
10,284	Akastor	12,851
1,724	Aker	29,442
10,216	Aker Solutions	32,234
5,367	Atea	41,078
6,221	Austevoll Seafood	34,982
2,308	Avance Gas Holding	27,399
2,674	Bakkafrost	72,899
6,844	Borregaard	35,207
20,977	BW Offshore	5,614
6,910	DET Norske Oljeselskap	39,756
44,543	DNO	27,947
5,642	Entra	41,861
5,249	Europris	23,504
2,275	Fred Olsen Energy	8,150
5,364	Golden Ocean Group	5,346
5,947	Hexagon Composites	14,182
3,910	Hoegh LNG Holdings	38,375
15,266	Iindex	16,771
27,869	Kongsberg Automotive	18,080
1,486	Leroy Seafood Group	51,065
23,291	Marine Harvest	290,076
8,921	Nordic Semiconductor	40,178
1,803	Norwegian Air Shuttle	60,776
16,566	Norwegian Property	15,681
2,748	Ocean Yield	19,602
8,308	Opera Software	43,733
14,067	Petroleum Geo-Services	53,247
16,093	Prosafe	35,192
4,116	Protector Forsikring	31,610
3,483	Salmar	56,218
2,881	Scatec Solar	11,700
2,151	Selvaag Bolig	6,160
6,536	Sparebank 1 Nord Norge	24,979
7,497	Sparebank 1 SMN	39,425
31,229	Storebrand	113,658
7,089	TGS Nopec Geophysical	104,382
27,257	Thin Film Electronics	10,786
36,200	Vard Holdings	5,635

Norway (continued)		
Holding	Security Description	Market Value €
4,500	Wilh Wilhelmsen	16,542
5,991	XXL	63,634
		1,619,957
% of Total Investments		0.01%

Portugal		
Holding	Security Description	Market Value €
5,515	Altri	26,307
24,830	Banco BPI	27,090
3,883,994	Banco Comercial Portugues	189,927
10,242	CTT Correios de Portugal	90,683
209,704	EDP Energias de Portugal	696,427
49,369	GALP Energia	529,236
25,566	Jeronimo Martins	306,664
12,836	Mota-Engil	12,355
13,681	NOS	99,133
39,777	Pharol	10,780
16,161	Portucel	58,115
8,739	REN - Redes Energeticas Nacion	24,312
1,471	Semapa-Sociedade de Investimento	18,674
54,415	Sonae	57,027
		2,146,730
% of Total Investments		0.01%

Spain		
Holding	Security Description	Market Value €
42,410	Abengoa	8,270
224,029	Abertis Infraestructuras	3,228,258
4,470	Acciona	353,488
24,422	Acerinox	229,982
18,187	ACS Actividades de Construccio	491,322
33,461	Aena	3,526,789
4,128	Almirall	76,905
42,680	Amadeus IT Holding	1,736,436
7,097	Applus Services	59,260
4,597	Atresmedia Corp De Medios	45,234
4,916	Axiare Patrimonio SOCIMI	64,891
653,245	Banco Bilbao Vizcaya Argentaria	4,402,218
465,230	Banco de Sabadell	760,651
156,535	Banco Popular Espanol	476,336
1,482,787	Banco Santander	6,758,543
479,009	Bankia	514,456
71,689	Bankinter	469,133
5,149	Bolsas y Mercados Espanoles	159,928
259,142	Caixabank	832,882
10,686	Cellnex Telecom	184,227
2,720	Cia De Distribucion Integral	52,877
3,538	Cie Automotive	54,662
129	Construcciones y Auxiliar de Ferrocarriles	32,960
2,817	Corporacion Financiera Alba	112,257
25,687	Deoleo	5,908

Spain (continued)		
Holding	Security Description	Market Value €
61,681	Distribuidora Internacional	335,791
4,913	Duro Felguera	6,485
4,719	Ebro Foods	85,673
20,855	EDP Renovaveis	151,199
101,699	Enagas	2,644,174
9,445	ENCE Energia y Celulosa	33,010
32,668	Endesa	605,175
4,601	Euskaltel	53,280
33,800	Faes Farma	48,074
195,410	Ferrovial	4,075,276
8,901	Fomento De Construcciones	62,307
16,956	Gamesa Corp Tecnologica	268,244
31,999	Gas Natural	602,061
30,316	Grifols	1,124,075
2,865	Grupo Catalana Occidente	91,737
5,631	Hispania Activos Inmobiliarios	73,766
579,522	Iberdrola	3,795,869
8,873	Indra Sistemas	76,920
108,868	Industria De Diseno Textil	3,450,027
130,145	Inmobiliaria Colonial	83,553
1,024	Laboratorios Farmaceuticos	14,787
4,099	Lar Espana Real Estate Socimi	38,777
2,662	Let's Gowex	18,687
81,715	Liberbank	47,558
105,631	Mapfre	244,219
29,942	Mediaset Espana Comunicacion	300,318
6,112	Melia Hotels International	74,444
20,950	Merlin Properties Socimi	241,868
511	Miquel y Costas & Miquel	17,880
13,189	NH Hotel Group	66,473
59,651	Obrascon Huarte Lain	314,361
2,555	Papeles y Cartones De Europa	13,286
11,366	Pharma Mar	28,529
3,189	Promotora De Informaciones	16,647
18,972	Prosegur Cia De Seguridad	80,631
50,624	Red Electrica	3,903,617
218,823	Repsol	1,157,517
22,905	Sacyr	41,550
3,062	Saeta Yield	26,333
3,837	Talgo	21,852
2,289	Tecnicas Reunidas	79,772
435,138	Telefonica	4,453,637
7,775	Tubacex	13,606
3,020	Viscofan	168,033
18,827	Zardoya Otis	202,955
		53,891,906
% of Total Investments		0.25%

Quoted Equities (continued)

Sweden		
Holding	Security Description	Market Value €
2,171	AAK	148,246
4,095	AF	64,057
1,539	Alimak Group	14,319
1,266	Arcam	25,418
1,475	Avanza Bank Holding	58,987
5,009	Axfood	80,018
1,681	B&B Tools	22,637
7,904	Betsson	133,747
2,396	Bilia	50,061
12,751	Billerudkorsnas	218,125
902	Biogaia	27,631
3,900	Bure Equity	29,177
3,706	Byggmax Group	35,086
2,521	Capio	15,774
11,361	Castellum	149,222
2,249	Clas Ohlson	37,445
15,236	Cloetta	46,423
1,103	Collector	15,244
9,204	Com Hem Holding	76,921
3,079	Dios Fastigheter	20,522
2,407	Duni	37,063
2,859	Dustin Group	20,223
25,236	Elektro	197,999
2,564	Eltel	23,577
2,506	Evolution Gaming Group	83,583
9,020	Fabege	137,516
5,698	Fastighets Balder	129,406
3,934	Fingerprint Cards	253,006
3,566	Granges	27,164
2,309	Gunnebo	11,307
2,893	Haldex	25,028
8,526	Hemfosa Fastigheter	87,445
17,904	Hexpol	177,491
4,103	Hoist Finance	39,514
3,398	Holmen	96,732
7,609	Hufvudstaden	99,278
1,228	Industrial & Financial Systems	48,708
2,186	Indutrade	114,301
5,286	Intrum Justitia	166,009
1,015	Investment Oresund	24,520
3,560	Inwido	43,001
523	ITAB Shop Concept	17,188
5,268	JM	144,864
3,658	KappAhl	12,221
31,443	Klovern	32,505
11,234	Kungsleden	73,960
2,592	L E Lundbergforetagen	131,835
2,892	Lifco	66,718
4,596	Lindab International	31,459
4,177	Loomis	120,226
18,231	Meda	212,475
1,603	Medivir	11,426
1,722	Mekonomen	32,418

Sweden (continued)		
Holding	Security Description	Market Value €
3,859	Modern Times Group MTG	91,000
4,342	Mycronic	38,863
6,039	NCC	172,834
1,873	Netent	100,789
3,038	New Wave Group	11,406
6,025	Nibe Industrier	186,529
7,909	Nobia	91,230
1,370	Nolato	38,389
2,957	Nordax Group	16,411
5,373	Nordnet	23,972
13,457	Opus Group	9,152
1,352	Orexo	9,232
4,441	Pandox	75,342
11,630	Peab	82,073
14,708	Ratos	78,154
1,198	Raysearch Laboratories	15,970
2,029	Recipharm	27,931
4,389	Saab	124,561
6,299	SAS	16,725
2,871	Scandi Standard	16,949
1,396	Skistar	18,837
27,040	Ssab	61,608
4,575	Sweco	61,858
10,162	Swedish Orphan Biovitrum	148,844
2,191	Tethys Oil	13,709
3,690	Thule Group	46,479
2,102	Tobii	15,383
17,134	Trelleborg	307,273
597	Vitrolife	18,743
5,071	Vostok New Ventures	30,074
12,556	Wallenstam	92,911
4,732	Wihlborgs Fastigheter	88,054
		6,130,511
	% of Total Investments	0.03%

Switzerland		
Holding	Security Description	Market Value €
2,377	AFG Arbonia-Forster Holding	22,158
925	Allreal Holding	114,056
2,456	Ascom Holding	36,041
191	Autoneum Holding	35,679
223	Banque Cantonale Vaudoise	131,001
652	Basilea Pharmaceutica	57,949
901	BKW	31,599
564	Bobst Group	21,836
386	Bossard Holding	38,903
455	Bucher Industries	95,031
198	Burckhardt Compression Holding	56,284
246	Burkhalter Holding	24,634
1,435	Cembra Money Bank	85,292
3,123	Chubb	335,191
20,912	Clariant	366,901
51	Comet	34,243

Switzerland (continued)		
Holding	Security Description	Market Value €
64	Conzzeta	37,744
518	Daetwyler Holding	68,557
226	Dorma+Kaba Holding	142,567
4,628	EFG International	45,063
146	Emmi	60,671
20,074	Evolva Holding	21,306
92	Feintool International Holding	7,481
13,357	Ferrexpo	3,913
1,657	Flughafen Zurich	1,152,330
82	Forbo Holdings	89,455
11,342	Gam Holding	174,814
1,012	Garmin	34,551
1,736	Gategroup Holding	70,658
281	Georg Fischer	176,095
463	Helvetia Holding	241,862
897	Huber & Suhner	38,372
1,010	Implenia	47,634
112	Inficon Holding	33,104
76	Intershop Holding	28,233
422	Kardex	30,379
224	Komax Holding	40,293
2,512	Kudelski	33,501
245	Kuoni Reisen Holding	63,200
544	Leonteq	73,052
11,361	Logitech International	161,476
6,133	Meyer Burger Technology	33,792
1,468	Mobilezone Holding	19,442
424	Mobimo Holding	87,148
403	Molecular Partners	13,018
5,569	Myriad Group	13,209
14,945	OC Oerlikon Corporation	123,450
779	Orascom Development Holding	7,369
2,725	Oriflame Holding	40,329
811	Panalpina Welttransport Holding	84,206
64	Plazza	11,695
2,949	PSP Swiss Property	239,513
223	Rieter Holding	38,693
237	Santhera Pharmaceuticals Holding	19,621
35,213	Schmolz + Bickenbach	16,250
70	Schweiter Technologies	54,753
1,151	SFS Group	74,361
241	Siegfried Holding	43,529
172	ST Galler Kantonalbank	57,307
62,909	Stmicroelectronics	388,841
733	Straumann Holding	206,336
2,452	Sunrise Communications Group	133,745
571	Swissquote Group Holding	13,307
3,822	TE Connectivity	226,820
703	Tecan Group	105,693
3,930	Temenos Group	188,430
407	U-Blox	80,574

Switzerland (continued)		
Holding	Security Description	Market Value €
1,078	Valiant Holding	117,401
188	Valora Holding	36,264
14	Vetropack Holding	20,157
1,773	Vontobel Holding	77,727
165	Walter Meier	5,589
173	Ypsomed Holding	23,136
666	Zehnder Group	23,634
		6,988,448
	% of Total Investments	0.03%

United Kingdom		
Holding	Security Description	Market Value €
187,120	3I Infrastructure	438,003
43,330	AA	185,375
11,650	Abcam	105,556
11,218	Acacia Mining	27,512
14,187	Advanced Medical Solutions	35,035
22,783	African Minerals	3,104
9,486	Aldermore Group	29,920
12,358	Allied Minds	67,351
54,136	Amerisur Resources	18,071
35,653	Amlin	322,308
11,506	AO World	24,472
2,776	Aon	235,120
10,725	Arrow Global Group	38,541
24,119	Ashmore Group	84,258
3,704	Asos	174,160
8,208	Avanti Communications Group	19,123
4,360	Aveva Group	96,117
49,801	Balfour Beatty	183,340
70,217	BBA Aviation	180,912
33,774	Beazley	179,787
8,705	Bellway	336,363
11,770	Berendsen	173,034
8,901	Berkeley Group Holdings	447,263
5,331	Betfair Group	283,274
3,017	Bgeo Group	78,266
9,704	Big Yellow Group	106,566
13,055	Bodycote	101,121
46,012	BooHoo.com	23,196
117,852	Booker Group	291,439
9,155	Bovis Homes Group	126,607
8,984	Brammer	22,309
19,060	Brewin Dolphin Holdings	80,530
17,143	Britvic	169,923
27,222	BTG	255,363
193,199	Cable & Wireless Communication	195,581
39,323	Cairn Energy	84,491
53,171	Capital & Counties Properties	319,193
20,960	Card Factory	104,293
29,338	Carillion	121,077
74,535	Centamin	65,400
13,186	Chemring Group	34,045

United Kingdom (continued)		
Holding	Security Description	Market Value €
8,669	Chesnara	39,568
13,843	Cineworld Group	106,093
5,610	Clinigen Group	54,346
10,636	Close Brothers Group	193,751
95,471	CNH Industrial N.V.	605,286
3,044	Concentric	35,444
5,181	Costain Group	26,366
16,123	Countrywide	87,738
17,167	Crest Nicholson Holdings	130,282
3,005	CVS Group	33,778
18,824	Daily Mail & General Trust	179,533
9,343	Dairy Crest Group	86,562
6,519	Dart Group	52,271
6,902	De La Rue	41,683
2,840	Delphi Automotive	223,637
79,659	Debenhams	79,502
7,376	Derwent London	369,026
11,389	Devro	45,000
2,225	Dialight	13,642
5,089	Dialog Semiconductor	158,344
3,474	Dignity	120,936
7,740	Diploma	80,253
11,183	Domino's Pizza Group	160,290
30,223	Drax Group	100,640
66,092	DS Smith	357,227
6,124	Dunelm Group	78,683
13,700	DX Group	3,687
29,996	Electrocomponents	97,391
31,499	Elementis	98,323
49,286	Enquest	12,759
2,158	Ensco	30,506
34,610	Enterprise Inns	52,437
18,503	Essentra	208,740
19,985	Esure Group	68,945
14,363	Faroe Petroleum	10,616
13,231	Fenner	25,779
5,112	Fevertree Drinks	41,721
89,092	Fiat Chrysler Automobiles	1,151,069
82,112	Firstgroup	120,044
16,441	Foxtons Group	42,113
5,614	Galliford Try	116,648
6,418	Game Digital	10,581
8,615	Gem Diamonds	15,435
4,159	Genus	88,059
21,866	Globo	8,416
2,795	Go-Ahead Group	101,640
28,389	Grainger	90,046
24,311	Great Portland Estates	274,263
21,460	Greene King	271,923
6,900	Greggs	123,532
67,256	Gulf Keystone Petroleum	14,433
2,671	GVC Holdings	16,904
15,939	GW Pharmaceuticals	86,107
14,991	Halfords Group	68,506

United Kingdom (continued)		
Holding	Security Description	Market Value €
26,765	Halma	315,440
46,878	Hansteen Holdings	73,515
101,398	Hays	201,566
6,851	Helical Bar	44,315
79,231	Henderson Group	334,218
491,204	HICL Infrastructure	1,008,576
57,772	Home Retail Group	78,360
20,604	Homeserve	116,137
45,443	Howden Joinery Group	325,986
8,611	Hunting	35,843
25,899	IG Group Holdings	283,179
17,610	Imagination Technologies Group	32,031
27,312	Inchcape	292,117
44,192	Indivior	113,077
45,534	Informa	380,303
21,360	Intermediate Capital Group	182,475
1,441	International Game Technology	21,416
15,951	International Personal Finance	62,809
11,125	Interserve	78,896
5,930	Iomart Group	21,976
17,082	ITE Group	36,715
5,869	J D Wetherspoon	59,853
7,978	Jimmy Choo	15,359
10,015	John Laing Group	28,655
3,909	John Menzies	22,103
25,709	John Wood Group	214,548
26,545	Jupiter Fund Management	163,368
30,466	Just Eat	204,933
13,494	Just Retirement Group	30,520
18,283	Kaz Minerals	25,471
35,237	Kcom Group	55,452
4,857	Keller Group	55,158
6,155	Kier Group	116,651
70,515	Ladbroke's	115,003
18,272	Laird	88,354
14,067	Lancashire Holdings	120,363
8,333	Liberty Global	315,438
1	Livanova	59
40,807	Londonmetric Property	91,183
21,304	Lookers	53,699
4,481	Majestic Wine	18,316
113,296	Man Group	270,910
39,103	Marston's	88,707
1,880	Michael Kors Holdings	69,177
21,251	Michael Page International	140,226
8,894	Micro Focus International	193,282
14,062	Mitchells & Butlers	66,119
24,911	Mitie Group	105,557
29,797	Moneysupermarket.com Group	148,995
19,466	Morgan Advanced Materials	65,616
9,789	Mothercare	29,342
10,632	N Brown Group	44,805
13,496	Nanoco Group	10,573

Quoted Equities (continued)

United Kingdom (continued)		
Holding	Security Description	Market Value €
29,575	National Express Group	134,104
1,433,942	National Grid	18,316,243
11,341	Newriver Retail	53,232
3,428	Nielsen Holdings	146,730
2,332	Noble Corporation	22,598
9,086	Northgate	48,714
34,173	Ocado Group	141,590
5,810	Onesavings Bank	27,999
44,376	Ophir Energy	59,525
3,713	Oxford Instruments	38,802
2,105	P2P Global Investments	28,049
20,864	Paragon Group of Companies	100,489
10,911	Partnership Assurance Group	20,404
176,369	Pennon Group	2,068,993
22,186	Pets at Home Group	83,369
13,822	Phoenix Group Holdings	172,693
32,649	Paysafe Group	165,369
15,626	Playtech	177,242
13,675	Poundland Group	38,699
25,324	Premier Farnell	33,814
51,038	Premier Foods	27,294
34,893	Premier Oil	23,058
28,880	Primary Health Properties	42,792
15,798	PZ Cussons	61,302
41,809	Qinetiq Group	154,316
4,000	Redcentric	10,260
19,353	Redde	54,319
69,213	Redefine International	47,151
15,132	Redrow	96,921
97,830	Relx	1,520,278
2,484	Renishaw	63,627
129,001	Rentokil Initial	279,990
14,766	Restaurant Group	137,913
6,674	Rightmove	375,097
59,301	Rotork	147,616
18,235	RPC Group	206,959
15,109	RPS Group	48,789
3,290	Safecharge International Group	11,117
14,270	Safestore Holdings	69,488
9,535	Savills	115,103
8,461	Scapa Group	24,785
35,591	Schroder Real Estate Investment Trust	28,853
22,877	Seadrill	72,779
31,051	Senior	97,178
81,288	Serco Group	104,663
86,066	Severn Trent	2,552,840
18,841	Shaftesbury	234,758
25,701	Shanks Group	33,792
5,216	Shawbrook Group	24,881
38,303	SIG	74,941
106,555	Sirius Minerals	21,414
5,364	Skyepharma	28,886
13,589	SOCO International	27,263

United Kingdom (continued)		
Holding	Security Description	Market Value €
11,985	Sophos Group	42,783
8,532	Spectris	209,478
35,607	Speedy Hire	20,255
5,180	Spirax-Sarco Engineering	231,704
17,789	Spire Healthcare Group	75,839
41,595	Spirent Communications	40,521
32,539	SSP Group	144,086
12,834	St Modwen Properties	72,550
31,215	Stagecoach Group	126,017
237	Stallergenes Greer	7,584
18,944	Stobart Group	27,618
13,663	Stock Spirits Group	25,969
1,306	Stolt-Nielsen	14,348
17,113	Subsea 7	112,358
2,761	Supergroup	61,920
12,924	SVG Capital	86,759
18,544	Synthomer	80,371
38,304	Talktalk Telecom Group	113,459
1,951	Ted Baker	79,428
14,521	Telecity Group	248,298
4,374	Telecom Plus	63,827
3,789	Telford Homes	20,185
5,857	Telit Communications	17,038
106,452	Thomas Cook Group	175,643
8,323	Topps Tiles	17,917
42,148	Tritax Big Box Reit	74,482
10,885	TT Electronics	23,210
16,615	Tullett Prebon	84,235
62,229	Tullow Oil	140,491
31,683	UBM	227,278
4,775	Ultra Electronics Holdings	128,556
159,929	Unilever	6,413,953
15,172	UNITE Group	135,606
249,960	United Utilities Group	3,186,015
27,524	Vectura Group	66,002
14,835	Vesuvius	67,328
5,833	Victrex	143,371
15,100	Virgin Money Holdings UK	78,324
8,023	WH Smith	193,374
8,251	Workspace Group	107,754
7,323	WS Atkins	162,234
5,231	XAAR	29,934
16,673	Xchanging	43,843
431	Zeal Network	16,779
14,275	Zoopla Property Group	46,582
		61,829,035
% of Total Investments		0.29%
Total European Equities		548,249,339
% of Total Investments		2.55%

NORTH AMERICA		
Canada		
Holding	Security Description	Market Value €
2,150	Agnico Eagle Mines	51,730
1,350	Agrium	110,449
3,636	Alimentation Couche-Tard	146,513
2,886	ARC Resources	31,884
6,344	Bank of Montreal	327,692
11,688	Bank of Nova Scotia	432,771
10,809	Barrick Gold Corporation	73,223
2,674	BCE	94,570
4,632	BlackBerry	39,346
22,504	Bombardier	19,949
9,056	Brookfield Asset Management	261,507
3,650	Cameco	41,218
4,007	Canadian Imperial Bank of Commerce	241,730
7,025	Canadian National Railway	359,476
11,116	Canadian Natural Resources	222,232
4,492	Canadian Oil Sands	24,576
1,475	Canadian Pacific Railway	172,451
723	Canadian Tire Corporation	56,516
1,724	Canadian Utilities	36,428
7,971	Cenovus Energy	92,281
2,437	CGI Group	89,316
2,474	CI Financial	50,082
5,742	Crescent Point Energy	61,234
323,433	Enbridge	9,842,497
8,431	Encana Corporation	39,210
20,444	Entertainment One	46,517
200	Fairfax Financial Holdings	86,916
1,591	Finning International	19,661
6,795	First Quantum Minerals	23,285
105,109	Fortis	2,601,302
1,774	Franco-Nevada Corporation	74,288
7,501	Goldcorp	79,347
2,792	Great West Lifeco	63,779
2,741	Husky Energy	25,948
921	IGM Financial	21,532
2,450	Imperial Oil	73,066
1,244	Intact Financial Corporation	72,981
128,830	Inter Pipeline	1,892,904
62,941	Keyera	1,676,372
2,157	Loblaw Companies	93,238
3,770	Magna International	139,966
19,673	Manulife Financial Corporation	269,925
1,374	MEG Energy Corporation	7,290
2,562	Metro	65,660
3,686	National Bank of Canada	98,295
139,861	Pembina Pipeline	2,789,633
8,028	Potash Corporation of Saskatchewan	125,869
3,234	Power Corporation of Canada	61,916
2,166	Power Financial Corporation	45,581
972	Restaurant Brands International	33,355

Canada (continued)		
Holding	Security Description	Market Value €
1,123	Restaurant Brands International Inc	38,446
3,017	Riocan Reit	47,283
3,914	Rogers Communications	123,562
14,669	Royal Bank of Canada	719,589
2,370	Saputo	51,897
3,611	Shaw Communications	56,855
4,281	Silver Wheaton Corporation	48,712
1,404	SNC-Lavalin Group	38,193
6,222	Sun Life Financial	177,613
13,988	Suncor Energy	330,545
4,374	Teck Resources	15,452
1,931	Telus Corporation	48,875
18,286	Toronto Dominion Bank	656,148
2,028	Tourmaline Oil Coporation	29,985
266,020	TransCanada Corporation	7,952,794
7,407	Turquoise Hill Resources	17,199
3,207	Valeant Pharmaceuticals International	298,211
104,110	Veresen	610,224
479	Weston (George)	33,887
21,756	Westshore Terminals Investment Corporation	167,675
	34,870,652	
	% of Total Investments	0.16%

United States		
Holding	Security Description	Market Value €
6,098	3M	843,761
14,721	Abbott Laboratories	607,256
16,575	AbbVie	901,904
6,528	Activision Blizzard	232,111
4,839	Adobe Systems	417,540
1,860	ADT	56,345
678	Advance Auto Parts	93,732
6,147	AES	54,034
3,391	Aetna	336,764
495	Affiliated Managers Group	72,638
4,159	Aflac	228,827
3,045	Agilent Technologies	116,939
44,117	AGL Resources	2,585,750
2,003	Air Products & Chemicals	239,378
511	Airgas	64,923
1,575	Akamai Technologies	76,139
12,341	Alcoa	111,882
2,139	Alexion Pharmaceuticals	374,772
163	Allegheny	71,556
992	Allegheny Technologies	10,251
632	Alliance Data Systems	160,551
1,030	Alliant Energy	59,083
3,909	Allstate	222,935
4,814	Ally Financial	82,422
839	Alnylam Pharmaceuticals	72,548
5,676	Alphabet	4,006,438
18,928	Altria Group	1,012,032

United States (continued)		
Holding	Security Description	Market Value €
3,681	Amazon.com	2,285,249
1,516	Amdocs	75,988
2,233	Ameren	88,668
1,725	American Airlines Group	67,102
3,569	American Capital Agency	56,844
4,819	American Electric Power	257,925
8,640	American Express	551,954
12,065	American International Group	686,753
13,512	American States Water	520,647
158,740	American Tower	14,135,981
67,526	American Water Works	3,705,960
1,797	Ameriprise Financial	175,656
2,127	Amerisourcebergen	202,619
2,258	Ametek	111,147
7,378	Amgen	1,100,093
2,970	Amphenol	142,485
4,824	Anadarko Petroleum	215,257
2,824	Analog Devices	143,496
8,794	Annaly Capital Management	75,767
815	ANSYS	69,245
515	Antero Resources	10,312
2,561	Anthem	328,011
3,680	Apache	150,317
54,395	Apple	5,259,133
11,746	Applied Materials	201,431
63,841	Aqua America	1,747,462
6,054	Archer-Daniels-Midland	203,969
935	Arrow Electronics	46,531
1,629	Arthur J Gallagher & Co	61,258
725	Ashland	68,391
675	Assurant	49,935
60,312	AT&T	1,906,251
36,447	Atmos Energy Corporation	2,110,424
2,068	Autodesk	115,737
889	Autoliv	101,883
4,436	Automatic Data Processing	345,199
551	Antonaton	30,194
318	Autozone	216,706
1,309	Avalonbay Communities	221,389
894	Avery Dennison	51,454
1,280	Avnet	50,368
961	B/E Aerospace	37,400
4,077	Baker Hughes	172,824
1,343	Ball	89,718
101,386	Bank of America	1,567,306
10,579	Bank of New York Mellon	400,539
5,232	Baxalta	187,568
5,232	Baxter International	183,339
7,391	BB&T	256,686
2,071	Becton Dickinson and Co	293,121
1,637	Bed Bath & Beyond	72,550
958	Bemis	39,325
10,665	Berkshire Hathaway	2,201,292
2,512	Best Buy	70,258

United States (continued)		
Holding	Security Description	Market Value €
2,266	Biogen Idec	637,631
1,550	Biomarin Pharmaceutical	149,149
1,176	Blackrock	367,825
6,078	Boeing	807,218
2,115	Borgwarner	83,982
1,543	Boston Properties	180,761
13,409	Boston Scientific	227,117
16,275	Bristol-Myers Squibb	1,028,343
5,420	Broadcom	287,852
1,112	Broadridge Financial Solutions	54,880
1,129	Brown & Brown	33,288
1,188	Brown-Forman	108,335
3,140	CA	82,372
1,732	Cablevision Systems	50,749
3,855	Cabot Oil & Gas	62,639
17,062	California Water Service Group	364,685
3,432	Calpine	45,615
1,907	Cameron International	110,703
1,680	Campbell Soup	81,091
4,803	Capital One Financial	318,435
3,148	Cardinal Health	258,126
679	Care Capital Properties	19,066
2,073	Carmax	102,765
5,862	Caterpillar	365,924
2,587	CBRE Group	82,170
4,445	CBS	192,425
1,478	CDK Global	64,444
1,485	Celanese	91,839
7,752	Celgene	852,741
1,125	Centene	68,004
159,276	Centerpoint Energy	2,686,054
5,447	Centurylink	125,881
2,719	Cerner	150,273
2,355	CF Industries Holdings	88,277
1,400	CH Robinson Worldwide	79,754
10,570	Charles Schwab	319,712
764	Charter Communications	128,491
88,744	Cheniere Energy	3,036,387
6,145	Chesapeake Energy	25,400
18,452	Chevron	1,524,701
292	Chipotle Mexican Grill	128,700
2,325	Chubb	283,263
1,296	Church & Dwight	101,042
2,550	Cigna	342,740
961	Cimarex Energy	78,896
1,313	Cincinnati Financial	71,361
942	Cintas	78,781
49,647	Cisco Systems	1,238,325
1,863	CIT Group	67,935
28,938	Citigroup	1,375,532
5,230	Citizens Financial Group	125,814
1,717	Citrix Systems	119,308
1,202	Clorox	140,029

Quoted Equities (continued)

United States (continued)			United States (continued)			United States (continued)		
Holding	Security Description	Market Value €	Holding	Security Description	Market Value €	Holding	Security Description	Market Value €
3,079	CME Group	256,230	3,956	Duke Realty	76,380	12,481	Freeport-Mcmoran	77,612
2,991	CMS Energy	99,123	357	Dun & Bradstreet	34,080	13,264	Frontier Communications	56,896
2,596	Coach	78,045	1,419	Eastman Chemical	87,992	1,089	Gamestop	28,048
3,074	Cobalt International Energy	15,247	10,326	Ebay	260,640	-	Gannett	-
40,127	Coca-Cola	1,583,408	2,665	Ecolab	279,988	2,452	GAP	55,630
2,396	Coca-Cola Enterprises	108,367	582	Edgewell Personal Care	41,895	1,950,000	GE Capital Trust II	2,035,917
5,825	Cognizant Technology Solutions	321,132	3,008	Edison International	163,593	900,000	GE Capital Trust IV	906,979
854	Colfax	18,316	2,024	Edwards Lifesciences	146,832	91,359	General Electric	2,613,973
8,817	Colgate-Palmolive	539,532	8,679	Ei Du Pont De Nemours & Co	530,928	4,767	General Growth Properties	119,142
145,603	Columbia Pipeline Group	2,674,805	3,009	Electronic Arts	189,932	5,843	General Mills	309,458
24,015	Comcast	1,244,757	9,598	Eli Lilly & Co	742,838	13,865	General Motors	433,130
1,692	Comerica	65,010	18,564	EMC	437,883	2,690	Gentex	39,558
932	Commerce Bancshares	36,417	6,483	Emerson Electric	284,818	1,441	Genuine Parts	113,684
1,367	Computer Sciences	41,034	23,130	Enbridge Energy Management	474,413	4,553	Genworth Financial	15,599
4,376	Conagra Foods	169,461	16,417	Enlink Midstream	227,549	14,124	Gilead Sciences	1,312,765
1,299	Concho Resources	110,797	1,647	Entergy	103,416	3,920	Goldman Sachs Group	648,941
12,062	Conocophillips	517,291	5,207	EOG Resources	338,572	2,505	H&R Block	76,643
2,113	Consol Energy	15,333	1,380	EQT	66,078	8,180	Halliburton	255,761
109,595	Consolidated Edison	6,469,799	1,123	Equifax	114,879	3,873	Hanesbrands	104,696
1,568	Constellation Brands	205,149	559	Equinix	155,269	2,043	Harley-Davidson	85,177
836	Continental Resources	17,646	3,492	Equity Residential	261,700	785	Harman International Industries	67,930
12,057	Corning	202,445	614	Essex Property Trust	135,021	1,223	Harris	97,620
4,292	Costco Wholesale	636,684	2,118	Estee Launders Companies	171,315	4,122	Hartford Financial Services	164,547
200	Cousins Properties	1,732	118,369	Eversource Energy	5,552,590	1,076	Hasbro	66,574
724	CR Bard	125,980	9,123	Exelon	232,705	3,190	HCA Holdings	198,163
124,887	Crown Castle International	9,916,856	1,170	Expedia	133,582	4,663	HCP	163,785
1,367	CSRA	37,669	1,908	Expeditors International of Washington	79,040	941	Helmerich & Payne	46,285
9,381	CSX	223,603	6,499	Express Scripts Holding	521,794	802	Henry Schein	116,532
1,733	Cummins	140,095	40,693	Exxon Mobil	2,913,584	1,505	Hershey	123,405
10,844	CVS Health	973,838	728	F5 Networks	64,836	4,175	Hertz Global Holdings	54,570
5,586	Danaher	476,557	21,036	Facebook	2,022,254	2,558	Hess	113,908
1,203	Darden Restaurants	70,321	2,506	Fastenal	93,961	17,733	Hewlett Packard Enterprise	247,581
2,227	Davita Healthcare Partners	142,596	750	Federal Realty Investment Trust	100,648	5,491	Hilton Worldwide Holdings	107,934
3,052	Deere & Co	213,811	2,593	Fedex	354,855	1,861	Hollyfrontier	68,187
1,910	Delta Air Lines	88,930	2,710	Fidelity National Information	150,846	2,660	Hologic	94,531
1,327	Dentsply International	74,169	8,156	Fifth Third Bancorp	150,579	12,433	Home Depot	1,510,301
4,023	Devon Energy	118,247	1,531	First Republic Bank	92,898	7,566	Honeywell International	719,767
644	Diamond Offshore Drilling	12,481	648	First Solar	39,278	1,269	Hormel Foods	92,176
1,470	Digital Realty Trust	102,105	4,480	Firststenergy	130,569	1,399	Hospitality Properties Trust	33,603
4,753	Diligent	18,268	2,405	Fiserv	202,040	7,621	Host Hotels & Resorts	107,381
4,397	Discover Financial Services	216,558	722	Fleetcor Technologies	94,788	17,733	HP	192,853
4,204	Discovery Communications	99,190	1,303	Flowserve	50,363	1,449	Humana	237,587
2,246	Dish Network	117,963	1,504	Fluor	65,233	7,646	Huntington Bancshares	77,675
2,777	Dollar General	183,322	1,234	FMC	44,352	666	IAC	36,735
2,184	Dollar Tree	154,908	2,194	FMC Technologies	58,462	627	IHS	68,206
5,753	Dominion Resources	357,429	2,540	FNF Group	80,887	3,163	Illinois Tool Works	269,263
1,585	Dover	89,259	1,384	Foot Locker	82,745	1,409	illumina	248,416
11,129	Dow Chemical	526,243	37,737	Ford Motor	488,394	1,176	IMS Health Holdings	27,512
3,211	Dr Horton	94,469	1,539	Fortune Brands Home & Security	78,456	1,527	Incyte	152,111
1,852	Dr Pepper Snapple Group	158,544	458	Fossil Group	15,380	46,220	Intel	1,462,551
299	DST Systems	31,325	401	Four Corners Property Trust	8,899	1,061	Intercontinental Exchange	249,740
1,872	DTE Energy	137,885	3,826	Franklin Resources	129,396	9,490	International Business Machine	1,199,609

United States (continued)		
Holding	Security Description	Market Value €
757	International Flavors & Fragrances	83,189
4,090	International Paper	141,630
4,005	Interpublic	85,640
2,593	Intuit	229,838
355	Intuitive Surgical	178,090
1,666	Iron Mountain	41,332
496,038	iShares Russell 2000 Index Fund	51,262,272
55,984	ITC Holdings	2,018,345
1,721	Jabil Circuit	36,816
1,212	Jacobs Engineering Group	46,701
2,021	Jarden	106,034
865	JB Hunt Transport Services	58,286
1,133	JM Smucker	128,359
26,800	Johnson & Johnson	2,528,608
6,231	Johnson Controls	226,015
980	Joy Global	11,351
35,773	JPMorgan Chase & Co	2,169,644
3,775	Juniper Networks	95,701
1,015	Kansas City Southern Railway	69,615
2,278	Kellogg	151,218
1,238	Keurig Green Mountain	102,320
8,251	Keycorp	99,964
1,522	Keysight Technologies	39,605
3,544	Kimberly-Clark	414,394
3,745	Kimco Realty	91,019
687,326	Kinder Morgan	9,419,403
1,536	KLA-Tencor	97,843
1,864	Kohl's	81,549
5,685	Kraft Heinz	379,940
9,082	Kroger	348,948
1,990	L Brands	175,146
944	Laboratory Corporation of America	107,207
15,563	Laclede Group	849,268
1,502	LAM Research	109,570
3,825	Las Vegas Sands	154,026
820	Lear	92,515
1,005	Legg Mason	36,214
1,322	Leggett & Platt	51,025
1,886	Lennar	84,729
2,902	Leucadia National	46,354
2,878	Level 3 Communications	143,702
779	Liberty Broadband	37,066
4,452	Liberty Interactive	111,719
2,592	Liberty Media	91,590
1,363	Liberty Property Trust	38,873
1,298	Liberty Ventures	53,782
2,445	Lincoln National	112,874
2,156	Linear Technology	84,105
1,094	LinkedIn	226,176
2,530	LKQ	68,856
2,837	Loews	100,065
8,915	Lowe's Companies	622,666

United States (continued)		
Holding	Security Description	Market Value €
976	Lululemon Athletica	47,038
1,517	M&T Bank	168,853
1,686	Marcerich	124,959
3,490	Macy's	112,134
733	ManpowerGroup	56,751
6,419	Marathon Oil	74,231
5,546	Marathon Petroleum	264,081
125	Markel	101,423
2,158	Marriott International	132,885
5,070	Marsh & McLennan	258,227
604	Martin Marietta Materials	75,773
3,323	Masco	86,379
9,605	Mastercard	858,954
3,123	Mattel	77,939
2,651	Maxim Integrated Products	92,531
1,108	McCormick & Co	87,077
9,242	McDonald's	1,002,893
2,690	McGraw Hills Financial	243,575
2,191	McKesson	396,924
1,748	MDU Resources Group	29,414
1,889	Mead Johnson Nutrition	136,986
1,410	Medivation	62,606
27,558	Merck & Co	1,337,020
8,672	Metlife	384,015
262	Mettler-Toledo International	81,613
4,368	MGM Resorts International	91,155
1,821	Microchip Technology	77,845
10,241	Micron Technology	133,198
70,131	Microsoft	3,573,866
567	Mohawk Industries	98,635
1,469	Molson Coors Brewing	126,728
15,548	Mondelez International	640,371
4,567	Monsanto	413,283
1,443	Monster Beverage	197,437
1,988	Moody's	183,224
13,268	Morgan Stanley	387,669
3,513	Mosaic	89,027
1,952	Motorola Solutions	122,728
1,626	Murphy Oil	33,530
4,054	National Oilwell Varco	124,707
4,025	Navient	42,331
1,534	NCR	34,465
3,140	Netapp	76,517
3,850	Netflix	404,485
30,754	New Jersey Resources	931,066
5,090	New York Community Bancorp	76,301
2,665	Newell Rubbermaid	107,902
1,781	Newfield Exploration	53,265
5,552	Newmont Mining	91,743
4,912	News	61,047
4,314	Nextera Energy	411,667
10,784	Nike	619,087
117,341	Nisource	2,102,804

United States (continued)		
Holding	Security Description	Market Value €
4,218	Noble Energy	127,582
1,387	Nordstrom	63,458
2,849	Norfolk Southern	221,362
2,227	Northern Trust	147,464
9,749	Northwest Natural Gas	453,198
16,906	Northwestern	842,427
2,989	NRG Energy	32,314
2,341	Nuance Communications	42,769
2,924	Nucor	108,237
5,029	Nvidia	152,251
44	NVR	66,402
7,386	Occidental Petroleum	458,682
942	Oceaneering International	32,464
2,238	Old Republic International	38,297
2,379	Omnicom Group	165,330
18,896	One Gas	870,775
77,267	Oneok	1,750,165
32,252	Oracle	1,082,177
993	O'Reilly Automotive	231,144
1,526	Owens-Illinois	24,417
3,252	Paccar	141,586
809	Palo Alto Networks	130,888
1,383	Parker-Hannifin	123,196
791	Patterson	32,848
3,022	Paychex	146,811
10,326	PayPal Holdings	343,346
2,932	People's United Financial	43,494
93,542	Pepco Holdings	2,234,801
14,181	Pepsico	1,301,521
59,810	Pfizer	1,773,369
183,644	PG&E	8,972,191
15,248	Philip Morris International	1,231,241
5,392	Phillips 66	405,131
28,422	Piedmont Natural Gas	1,488,585
1,013	Pinnacle West Capital	59,997
1,406	Pioneer Natural Resources	161,922
1,627	Plum Creek Timber	71,315
5,043	PNC Financial Services Group	441,488
559	Polaris Industries	44,132
2,640	PPG Industries	239,630
6,211	PPL	194,711
2,726	Praxair	256,400
1,342	Precision Castparts	285,990
492	Priceline Group	576,169
2,727	Principal Financial Group	112,667
26,530	Procter & Gamble	1,935,104
5,132	Progressive	149,901
4,988	Prologis	196,643
4,272	Prudential Financial	319,448
4,691	Public Service Enterprise	166,708
1,387	Public Storage	315,569
2,896	PulteGroup	47,402
7,416	Puretech Health	16,470
714	PVH	48,302

Quoted Equities (continued)

United States (continued)			United States (continued)			United States (continued)		
Holding	Security Description	Market Value €	Holding	Security Description	Market Value €	Holding	Security Description	Market Value €
1,658	QEP Resources	20,407	2,685	St Jude Medical	152,340	5,028	Valero Energy	326,564
1,197	Qorvo	55,963	1,435	Stanley Black & Decker	140,679	997	Varian Medical Systems	73,994
15,110	Qualcomm	693,739	6,020	Staples	52,365	3,046	Ventas	157,882
1,345	Quest Diagnostics	87,888	13,970	Starbucks	770,294	9,443	Vereit	68,695
1,637	Questar	29,291	1,768	Starwood Hotels & Resorts	112,508	1,268	Verisign	101,747
743	Quintiles Transnational Holdings	46,858	4,048	State Street	246,739	1,550	Verisk Analytics	109,455
1,012	Rackspace Hosting	23,536	761	Stericycle	84,299	39,822	Verizon communications	1,690,615
563	Ralph Lauren	57,650	2,824	Stryker	241,079	2,384	Vertex Pharmaceuticals	275,538
1,509	Range Resources	34,111	4,951	Suntrust Banks	194,820	3,190	VF	182,399
1,177	Rayonier	24,001	6,396	Symantec	123,373	3,368	Viacom	127,332
2,536	Realty Income	120,266	7,977	Synchrony Financial	222,817	19,045	Visa	1,356,609
126,221	REC Silicon ASA	23,567	1,434	Synopsys	60,076	688	VMware	35,749
1,754	Red Hat	133,415	5,356	Sysco	201,705	1,747	Vornado Realty Trust	160,402
857	Regency Centers	53,623	2,288	T Rowe Price Group	150,243	2,271	Voya Financial	76,993
772	Regeneron Pharmaceuticals	384,951	17,411	Targa Resources	432,756	821	VTTI Energy Partners	15,633
12,680	Regions Financial	111,810	6,014	Target	401,099	1,195	Vulcan Materials	104,243
2,768	Republic Services	111,844	1,995	TD Ameritrade Holding	63,605	656	Wabtec	42,854
7,872	Reynolds American	333,694	2,008	Teco Energy	49,153	8,738	Walgreens Boots Alliance	683,461
1,222	Robert Half International	52,912	2,115	Tegna	49,577	15,565	Wal-Mart Stores	876,398
1,284	Rockwell Automation	121,017	1,512	Teradata	36,692	16,572	Walt Disney	1,599,509
1,250	Rockwell Collins	105,975	884	Tesla Motors	194,883	4,296	Waste Management	210,598
1,010	Roper Technologies	176,070	1,091	Tesoro	105,593	756	Waters	93,453
4,002	Ross Stores	197,803	10,201	Texas Instruments	513,564	3,036	WEC Energy Group	143,085
484	Ryder System	25,265	3,788	Thermo Fisher Scientific	493,550	1,016	Weingarten Realty Investors	32,271
5,819	Salesforce.com	419,041	3,452	Thomson Reuters	119,687	49,918	Wells Fargo & Co	2,492,461
2,081	Sandisk	145,251	1,083	Tiffany & Co	75,891	3,302	Welltower	206,333
1,262	Santander Consumer USA Holding	18,373	2,707	Time Warner Cable	461,461	2,077	Western Digital	114,562
47,210	SBA Communications	4,556,218	7,883	Time Warner	468,259	5,140	Western Union	84,557
1,162	Scana	64,563	6,633	TJX	432,025	370	Westlake Chemical	18,461
12,450	Schlumberger	797,637	2,387	T-Mobile	85,772	2,446	Westrock	102,495
780	Scripps Networks Interactive	39,555	1,493	Toll Brothers	45,666	4,993	Weyerhaeuser	137,494
2,158	Sealed Air	88,405	1,194	Torchmark	62,689	17,884	WGL Holdings	1,034,732
1,202	SEI Investments	57,853	1,489	Total System Services	68,111	736	Whirlpool	99,289
15,801	Semgroup	418,864	652	Towers Watson	76,932	1,951	Whiting Petroleum	16,917
88,644	Sempra Energy	7,654,471	982	Tractor Supply	77,120	3,123	Whole Foods Market	96,097
1,498	ServiceNow	119,102	445	TransDigm Group	93,378	256,448	Williams	6,053,746
771	Sherwin-Williams	183,845	3,127	Travelers	324,160	1,160	Workday	84,898
3,045	Simon Property Group	543,832	2,378	Trimble Navigation	46,852	1,023	WR Berkley	51,446
11,799	Sims Metal Management	57,344	934	Tripadvisor	73,136	560	WW Grainger	104,207
28,440	Sirius Xm Holdings	106,320	16,037	Twenty-First Century Fox	400,336	1,206	Wyndham Worldwide	80,478
1,983	Skyworks Solutions	139,941	4,488	Twitter	95,391	752	Wynn Resorts	47,792
1,061	SL Green Realty	110,105	2,857	Tyson Foods	139,950	5,152	Xcel Energy	169,935
4,025	SLM	24,105	639	Ulta Salon Cosmetics & Fragrances	108,584	11,278	Xerox	110,118
606	Snap-on	95,423	1,669	Under Armour	123,577	2,460	Xilinx	106,132
4,332	Solarcity	203,012	8,423	Union Pacific	605,014	1,718	Xylem	57,598
8,964	Southern	385,254	846	United Continental Holdings	44,526	8,347	Yahoo!	255,003
7,495	Southern Copper	179,819	6,757	United Parcel Service	597,250	4,141	Yum! Brands	277,854
1,574	Southwest Airlines	62,254	716	United Rentals	47,707	1,736	Zimmer Biomet Holdings	163,586
16,843	Southwest Gas	853,366	8,014	United Technologies	707,178	1,702	Zions Bancorporation	42,679
3,978	Southwestern Energy	25,979	9,369	Unitedhealth Group	1,012,372	4,609	Zoetis	202,869
251,423	Spectra Energy	5,528,673	849	Universal Health Services	93,182			
1,249	Splunk	67,469	2,437	UNUM Group	74,518			
7,661	Sprint	25,473	1,012	Urban Outfitters	21,147			
			17,014	US Bancorp	666,839			
								325,717,105
							% of Total Investments	1.52%
						Total North American Equities		360,587,757
						% of Total Investments		1.68%

JAPAN		
Japan		
Holding	Security Description	Market Value €
26,166	Japan Airport Terminal	1,082,015
185,000	Toho Gas	1,107,996
823,213	Tokyo Gas	3,585,031
Total Japanese Equities		5,775,042
% of Total Investments		0.03%

ASIA PACIFIC		
Australia		
Holding	Security Description	Market Value €
6,222	1-Page	14,702
18,962	Abacus Property Group	40,732
30,840	Adelaide Brighton	98,335
8,825	Ainsworth Game Technology	13,566
34,255	ALS	86,690
7,057	Altium	22,123
11,186	Ansell	160,916
410,955	Apa Group	2,394,502
61,936	APN News & Media	21,827
4,581	ARB	49,632
30,189	Ardent Leisure Group	45,799
200,430	Arrium	7,804
24,360	Asaleo Care	26,082
591,816	Ausnet Services	589,949
16,567	Austal	17,460
25,336	Australian Agricultural	22,875
23,313	Australian Pharmaceutical Industries	30,203
14,581	Automotive Holdings Group	44,241
25,438	Aveo Group	53,789
35,848	Awe	12,032
78,911	Beach Energy	25,956
7,773	Bega Cheese	38,612
4,300	Bellamy's Australia	39,285
8,119	Billabong International	13,353
39,190	Bluescope Steel	116,541
6,210	Breville Group	31,140
4,072	Brickworks	42,997
31,301	Broadspectrum	29,416
12,842	BT Investment Management	110,860
15,170	Burson Group	42,770
34,857	BWP Trust	73,940
7,340	Cabcharge Australia	14,683
7,325	Cardno	5,704
16,258	Carsales.com	127,471
4,028	Cedar Woods Properties	10,978
22,890	Charter Hall Group	69,759
21,719	Charter Hall Retail Reit	60,796
3,626	Corporate Travel Management	31,959
14,085	Costa Group Holdings	25,717
21,736	Cover-More Group	32,246
2,854	Credit Corp Group	19,925
82,252	Cromwell Property Group	57,974
34,351	CSR	66,641

Australia (continued)		
Holding	Security Description	Market Value €
18,293	Cudeco	9,046
11,196	Dick Smith Holdings	2,668
4,412	Domino's Pizza Enterprises	171,036
28,316	Donaco International	14,636
29,569	Downer Edi	71,456
745,717	Duet Group	1,141,327
26,430	Duluxgroup	117,983
6,477	Eclix Group	14,565
47,317	Energy World	7,305
9,199	ERM Power	9,664
8,599	Estia Health	42,022
74,121	Evolution Mining	69,160
164,347	Fairfax Media	101,496
18,906	Flexigroup	38,327
20,722	G8 Education	49,659
16,788	Gateway Lifestyle	34,146
34,897	GDI Property Group	20,029
21,488	Genworth Mortgage Insurance	39,811
12,432	Graincorp	72,020
5,253	Greencross	23,626
13,244	Growthpoint Properties	27,382
5,586	GUD Holdings	31,835
14,246	GWA Group	18,935
27,890	Independence Group	47,554
39,537	Investa Office Fund	106,161
7,496	Invocare	60,433
17,366	ioof Holdings	110,978
5,913	IPH	35,207
8,611	Iress	57,804
10,965	Isentia Group	35,551
2,423	Jacana Minerals	-
17,040	Japara Healthcare	36,603
6,718	JB Hi-Fi	88,028
14,228	Karoon Gas Australia	16,905
32,535	Liquefied Natural Gas	17,472
10,472	M2 Group	80,419
164,794	Macquarie Atlas Roads	450,233
7,595	Magellan Financial Group	138,879
17,574	Mantra Group	59,575
41,271	Mayne Pharma Group	39,063
4,724	McMillan Shakespeare	42,176
13,358	Mesoblast	16,589
15,384	Metals X	10,533
63,287	Metcash	68,610
10,183	Mineral Resources	27,411
6,025	Monadelphous Group	26,572
55,680	Myer Holdings	44,665
17,089	MYOB Group	37,397
16,681	Navitas	52,293
14,026	Nextdc	22,597
41,498	Nine Entertainment Holdings	53,067
36,241	Northern Star Resources	67,631
11,700	Nufarm Australia	65,659

Australia (continued)		
Holding	Security Description	Market Value €
81,928	Orora	123,742
20,604	OZ Minerals	56,015
15,509	Ozforex Group	34,147
62,293	Pacific Brands	33,034
12,005	Pact Group Holdings	40,535
96,715	Paladin Energy	15,581
3,007	Perpetual	94,164
5,824	Premier Investments	55,515
38,586	Primary Health Care	60,610
268,837	Prime Infrastructure AET&D	-
15,800	Programmed Maintenance Service	26,197
50,151	Qube Holdings	80,796
14,627	RCG	16,888
21,306	Recall Holdings	99,400
9,182	Regis Healthcare	35,996
22,046	Regis Resources	34,334
8,121	Retail Food Group	25,240
14,389	Sai Global	40,471
9,025	Sandfire Resources	34,108
4,818	Select Harvests	27,491
4,191	Seven Group Holdings	15,558
83,819	Seven West Media	43,606
7,082	SG Fleet Group	18,683
52,239	Shopping Centres Australasia	74,692
74,103	Sigma Pharmaceuticals	43,028
3,849	Sirtex Medical	103,479
20,130	Slater & Gordon	11,148
37,373	Southern Cross Media Group	28,600
658,743	Spark Infrastructure Group	849,021
74,247	Spotless Group Holdings	53,827
33,570	St Barbara	32,112
53,348	Star Entertainment Group	181,921
50,249	Steadfast Group	52,620
9,365	Super Retail Group	71,729
391,502	Sydney Airport	1,668,818
13,882	Syrah Resources	36,343
9,414	Tassal Group	29,701
15,838	Technology One	52,733
131,150	Ten Network Holdings	14,966
17,866	TFS	18,949
9,159	Tox Free Solutions	17,215
107,253	Transpacific Industries Group	56,877
738,170	Transurban Group	5,182,574
57,227	Veda Group	107,562
5,425	Village Roadshow	27,021
47,920	Virgin Australia Holdings	14,636
5,432	Virtus Health	23,701
11,605	Vocus Communications	58,582
14,281	Western Areas	21,474
45,100	Whitehaven Coal	21,192
15,061	WorleyParsons	46,810
		18,799,623
% of Total Investments		0.09%

Quoted Equities (continued)

Hong Kong		
Holding	Security Description	Market Value €
150,000	Alibaba Health Information	95,288
360,000	Alibaba Pictures Group	81,919
210,000	Beijing Enterprises Holdings	1,168,519
1,960,000	Beijing Enterprises Water Group	1,261,354
46,000	Bright Smart Securities & Commodities Group	13,084
208,000	Brightoil Petroleum Holdings	64,094
146,000	Brilliance China Automotive Holdings	168,709
24,000	Cafe De Coral Holdings	64,710
126,000	Cash Financial Services Group	4,928
90,000	CGN Mining	6,400
157,000	Champion Reit	72,196
119,963	China Everbright International	141,608
48,000	China Everbright	101,375
290,000	China Financial International	34,370
894,000	China Gas Holdings	1,184,569
250,000	China Jinmao Holdings Group	78,518
1,150,000	China LNG Group	41,570
708,332	China Merchants Holdings (International)	2,069,354
298,769	China Mobile	3,098,308
192,000	China Overseas Land & Investment	618,944
59,792	China Resources Beer Holdings	117,634
339,953	China Resources Gas Group	932,719
133,555	China Resources Land	357,725
114,124	China Resources Power Holdings	203,967
262,000	China Smarter Energy Group Holdings	29,809
238,000	China Soft Power Technology Holdings	16,642
87,100	China State Construction International	138,945
1,260,000	China Strategic Holdings	32,554
65,672	China Taiping Insurance Holdings	186,798
289,332	China Unicom (Hong Kong)	324,048
21,000	Chow Sang Sang Holdings International	31,758
148,000	Citic	240,656
92,000	Citic Telecom International Holdings	32,275
196,000	CK Life Sciences International Holdings	16,261
108,980	Cosco Pacific	110,303
430,000	CSI Properties	13,505
28,528	DAH Sing Banking Group	46,388
10,360	DAH Sing Financial Holdings	47,579
90,000	Daohe Global Group	14,080
400,000	Digital Domain Holdings	24,177
168,000	Emperor Capital Group	12,743
45,000	Emperor Entertainment Hotel	7,573
76,000	Emperor International Holdings	12,880
240,000	Emperor Watch & Jewellery	5,490

Hong Kong (continued)		
Holding	Security Description	Market Value €
384,000	Enerchina Holdings	20,480
121,500	Esprit Holdings	123,263
65,785	Far East Consortium International	23,000
37,000	Far East Horizon	31,617
500,000	Freeman Financial Corporation	28,444
401,500	GCL New Energy Holdings	15,811
485,970	GCL-Poly Energy Holdings	56,060
80,000	Giordano International	34,417
400,000	Global Brands Group Holdings	69,688
60,000	Good Resources Holdings	10,311
18,399	Great Eagle Holdings	55,169
1,569,129	G-Resources Group	34,218
104,000	Guangdong Investment	135,337
162,000	Guotai Junan International Holdings	52,223
41,000	Haier Electronics Group	76,387
212,000	Haier Healthwise Holdings	9,296
118,000	Haitong International Securities	66,709
863,100	Hanergy Thin Film Power Group	399,962
340,000	Hang Fat Ginseng Holdings	28,207
66,500	HKBN	78,814
2,448,620	Hong Kong & China Gas	4,411,091
42,000	Hopewell Holdings	138,629
142,000	Hsin Chong Construction Group	12,959
98,000	Hutchison Telecommunications	31,243
918,000	Hybrid Kinetic Group	42,432
220,000	iOne Holdings	6,466
34,000	IT	8,301
24,250	Johnson Electric Holdings	76,306
40,500	Kerry Logistics Network	54,239
24,000	Kowloon Development	21,788
99,000	Kuangchi Science	37,898
118,298	Kunlun Energy	96,740
694,000	Lai Sun Development	9,788
1,080,000	Landing International Development	28,416
62,000	Langham Hospitality Investment	20,868
12,000	Liu Chong Hing Investment	13,227
22,000	Luk Fook Holdings International	42,865
47,200	Man Wah Holdings	51,017
680,000	Mason Financial Holdings	31,028
180,000	Mei Ah Entertainment Group	16,853
57,000	Melco International Development	78,634
32,000	Midland Holdings	12,174
149,311	New World China Land	109,892
66,000	Newocean Energy Holdings	23,779
91,000	Nine Dragons Paper Holdings	49,503
15,000	Orient Overseas International	66,221
119,000	Pacific Basin Shipping	23,976

Hong Kong (continued)		
Holding	Security Description	Market Value €
49,000	Pacific Textiles Holdings	69,456
44,000	Playmates Toys	10,221
90,000	Polytec Asset Holdings	7,573
78,000	Prosperity Reit	25,792
28,000	Realord Group Holdings	10,785
67,000	Regal Real Estate Investment	15,405
68,000	SA SA International Holdings	21,115
61,000	Samson Holding	6,940
24,000	Shanghai Industrial Holdings	57,884
25,000	Shenwan Hongyuan HK	11,467
41,000	Shimao Property Holdings	66,960
92,000	Shun Tak Holdings	31,838
120,000	Sincere Watch Hong Kong	11,662
100,000	Singamas Container Holdings	9,363
276,000	Sino Biopharmaceutical	230,938
79,000	Sitc International Holdings	38,481
28,000	Sitoy Group Holdings	10,752
25,096	Smartone Telecommunications	35,097
18,000	Socam Development	9,728
64,000	Summit Ascent Holdings	25,410
56,000	Sun Art Retail Group	38,826
38,000	Sun Hung Kai & Co	22,969
490,000	Suncorp Technologies	7,201
48,000	Sunevision Holdings	14,108
73,000	Sunlight Real Estate Investment	33,136
22,400	Television Broadcasts	84,820
48,000	Texwinca Holdings	46,136
80,000	Tom Group	18,773
284,000	Town Health International Medical Group	53,854
390,000	Towngas China	207,998
66,000	Trinity	8,995
100,000	Truly International Holdings	22,044
38,000	Tsui Wah Holdings	8,152
34,000	United Laboratories International	17,287
57,000	Value Partners Group	61,205
52,000	VST Holdings	12,942
11,900	Vtech Holdings	113,322
134,000	Xinyi Glass Holdings	72,419
180,000	Yuan Heng Gas Holdings	12,587
369,740	Yuexiu Property	58,719
28,000	Yunbo Digital Synergy Group	7,633
		21,822,065
	% of Total Investments	0.10%

Macau		
Holding	Security Description	Market Value €
133,000	Macau Legend Development	15,920
		15,920
	% of Total Investments	0.00%

New Zealand		
Holding	Security Description	Market Value €
38,479	Air New Zealand	71,410
54,989	Argosy Property	39,542
344,486	Auckland International Airport	1,243,983
27,062	Chorus	66,453
40,328	Fisher & Paykel Healthcare	225,409
10,016	Freightways	39,063
34,140	Genesis Energy	41,381
71,280	Goodman Property Trust	55,509
36,548	Infratil	75,171
86,764	Kiwi Property Group	73,561
8,718	Metlifecare	25,350
8,014	New Zealand Refining	18,874
12,801	Nuplex Industries	38,187
3,333	Orion Health Group	6,698
70,239	Precinct Properties	55,140
26,565	Sky Network Television	76,577
40,778	Skycity Entertainment Group	113,450
12,550	Summerset Group Holdings	32,157
27,069	Trade Me Group	71,060
8,136	Warehouse Group	13,643
4,628	Xero	57,548
23,312	Z Energy	98,969
		2,539,135
	% of Total Investments	0.01%

Singapore		
Holding	Security Description	Market Value €
48,400	Accordia Golf Trust	16,796
31,765	Aims Amp Capital Industrial	28,330
37,406	ARA Asset Management	28,509
49,200	Ascendas Hospitality Trust	23,615
50,500	Ascendas India Trust	28,498
58,000	Ascott Residence Trust	44,581
92,800	Asian Pay Television Trust	38,524
2,690	Avago Technologies	358,642
78,100	Biosensors International Group	41,033
21,000	Boustead Singapore	11,374
5,121	BW LPG	38,929
48,000	Cache Logistics Trust	28,332
60,710	Cambridge Industrial Trust	22,249
8,261	Cape Plc	26,451
36,769	Capitaland Retail China Trust	35,536
43,600	CDL Hospitality Trusts	37,472
19,100	China Merchants Holdings (Pacific)	10,840
24,800	Chip Eng Seng	11,421
68,800	Cosco Corporation Singapore	20,528
14,400	CWT	17,933
86,300	Ezion Holdings	34,146
140,708	Ezra Holdings	9,036
54,300	Far East Hospitality Trust	23,422
33,186	First Real Estate Investment	25,831
37,800	First Resources	47,075
5,686	Flextronics International	58,547

Singapore (continued)		
Holding	Security Description	Market Value €
37,400	Frasers Centrepoint Trust	44,758
46,078	Frasers Commercial Trust	37,957
33,000	Frasers Hospitality Trust	16,054
32,700	GL	18,559
47,220	GSH Corporation	7,657
11,900	Ho Bee Land	15,592
15,800	Hong Fok	7,379
2,040,300	Hutchison Port Holdings Trust	993,257
35,400	Hyflux	12,973
37,000	IGG	15,260
29,700	Indofood Agri Resources	9,440
23,000	Japfa	7,012
12,800	K1 Ventures	7,680
1,293	Kenon Holdings	12,023
36,100	Keppel DC REIT	23,767
130,500	Keppel REIT	78,722
29,820	Krisenergy	3,211
120,400	Lippo Malls Indonesia Retail	24,991
25,500	M1 Singapore	44,989
86,160	Mapletree Commercial Trust	72,652
130,100	Mapletree Greater China Commercial Trust	77,214
93,855	Mapletree Industrial Trust	92,534
101,302	Mapletree Logistics Trust	65,051
66,500	Midas Holdings	12,509
62,100	Neptune Orient Lines	49,545
20,000	Osim International	14,011
49,600	OUE Hospitality Trust	24,773
20,300	OUE	23,569
24,000	Pacc Offshore Services Holdings	4,670
24,800	Parkway Life Real Estate Investment Trust	37,481
22,535	Perennial China Retail Estate	13,886
15,579	QAF	10,661
17,344	Raffles Medical Group	46,800
38,000	Religare Health Trust	24,648
78,000	Rowsley	9,208
39,634	Sabana Shari'ah Compliant Industrial	18,381
46,000	Sats	114,575
36,000	Sheng Siong Group	19,615
52,340	SIIC Environment Holdings	25,971
64,920	Silverlake Axis	27,792
109,700	Singapore Post	116,695
51,900	Smart Corporation	50,665
44,600	Soilbuild Business Space Reit	22,275
51,600	SPH Reit	31,963
95,700	Starhill Global Reit	46,866
30,500	Super Group Singapore	16,618
24,000	Tat Hong Holdings	7,628
76,900	Tiger Airways Holdings	20,451
31,426	Tuan Sing Holdings	6,625
30,600	United Engineers	39,498
19,700	Venture Corporation	104,780

Singapore (continued)		
Holding	Security Description	Market Value €
27,100	Wing Tai Holdings	30,849
39,900	Yanlord Land Group	26,010
61,900	Ying Li International Real Estate	6,665
77,333	Yoma Strategic Holdings	23,325
		3,785,390
	% of Total Investments	0.02%
	Total Asia Pacific Equities	46,962,133
	% of Total Investments	0.22%

Quoted Equities (continued)

EMERGING MARKETS		
Bermuda		
Holding	Security Description	Market Value €
1,145	Arch Capital Group	73,357
1,003	Axis Capital Holdings	51,794
1,374	Bunge	86,173
2,861	Credicorp	255,748
450	Everest Re Group	75,678
24,404	Frontline	65,108
19,944	Hiscox	286,409
4,097	Invesco	125,992
3,789	Marvell Technology Group	30,696
2,505	Nabors Industries	19,581
1,544	Norwegian Cruise Line Holdings	83,107
501	Partnerre	64,306
398	Renaissancere Holdings	41,379
756	Signet Jewelers	85,891
1,472	Tanker Investments	16,631
		1,361,850
	% of Total Investments	0.01%

Brazil		
Holding	Security Description	Market Value €
222,672	Ambev	921,839
164,133	Banco Bradesco	723,307
41,623	Banco do Brasil	142,293
28,900	Banco Santander Brasil	107,511
33,919	BB Seguridade Participacoes	191,398
83,519	BM&F Bovespa SA Bolsa De Valores	210,943
27,040	BR Malls Participacoes	69,612
8,700	Braskem	55,731
28,987	BRF	372,447
42,800	CCR	124,577
13,200	Centrais Eletricas Brasileiras	31,961
10,836	Cetip SA Mercados	94,244
7,585	Cia Brasileira de Distribuicao	73,639
143,227	Cia de Saneamento Basico	608,580
22,873	Cia Energetica de Minas Gerais	32,519
9,583	Cia Energetica de Sao Paulo	29,782
8,700	Cia Paranaense de Energia	49,032
44,900	Cia Siderurgica Nacional	41,654
38,206	Cielo	297,641
6,842	Cosan Industria e Comercio	39,989
11,970	CPFL Energia	42,142
20,824	Duralex	28,495
24,300	EDP - Energias Do Brasil	67,855
32,301	Embraer	226,168
16,500	Estacio Participacoes	53,384
12,301	Fibria Celulose	148,039
20,400	Gerdau	22,001
16,822	Hypermarcas	84,701
147,137	Itau Unibanco	898,513
171,484	Itausa - Investimentos Itau	273,630
35,619	JBS	102,023
27,000	Klabin	146,845

Brazil (continued)		
Holding	Security Description	Market Value €
66,908	Kroton Educacional	147,884
1,691	Localiza Rent A Car	9,734
46,742	Lojas Americanas	180,992
31,000	Lojas Renner	122,945
1,664	M Dias Branco	25,664
4,578	Multiplan Empreendimentos Imobiliários	40,347
10,400	Natura Cosmeticos	56,659
17,667	Odontoprev	38,721
324,880	Petroleo Brasileiro	567,389
6,343	Porto Seguro	42,353
1,889	Qualicorp	6,191
10,714	Raia Drogasil	88,163
9,265	Sul America	39,989
10,174	Suzano Papel e Celulose	44,101
16,568	Telefonica Brasil	137,372
41,011	Tim Participacoes	65,249
6,120	Totvs	44,044
7,939	Tractebel Energia	61,664
10,574	Transmissora Alianca De Energia	41,078
17,500	Ultrapar Participacoes	245,350
145,350	Vale	385,702
27,344	Weg	94,810
		8,798,896
	% of Total Investments	0.04%

Cayman Islands		
Holding	Security Description	Market Value €
22,528	Alibaba Group Holding	1,681,685
6,076	Baidu	1,055,026
2,569	Ctrip.com International	109,325
944	Herbalife	46,493
2,080,000	Hutchison Whampoa Europe 05/29/2049	2,081,747
8,044	JD.com	238,394
1,596	Netease	265,692
1,235	Nord Anglia Education	23,005
1,550	Qihoo 360 Technology	103,661
1,252	Qunar Cayman Islands	60,651
5,841	Soufun Holdings	39,648
9,336	VIPShop Holdings	130,946
2,802	Youku Tudou	69,825
		5,906,098
	% of Total Investments	0.03%

Chile		
Holding	Security Description	Market Value €
23,370	Banco Santander Chile	378,660
10,410	CIA Cervecerias Unidas	207,110
11,550	Empresa Nacional De Electricidad	393,169
31,554	Enersis Americas	352,146
36,699	Latam Airlines Group	181,692
12,966	Sociedad Quimica y Minera De Chile	226,402
		1,739,179
	% of Total Investments	0.01%

China		
Holding	Security Description	Market Value €
32,500	AAC Technologies	194,709
1,116,694	Agricultural Bank of China	419,541
88,000	Air China	63,724
228,000	Aluminum Corporation of China	69,446
60,000	Anhui Conch Cement	148,265
59,700	Anta Sports Products	150,708
108,000	AviChina Industry & Technology	78,079
3,848,342	Bank of China	1,578,087
424,174	Bank of Communications	274,484
616,000	Beijing Capital International	611,065
225,000	Belle International Holdings	155,198
31,000	BYD	156,697
228,000	CGN Power	78,364
328,000	China Cinda Asset Management	111,567
396,429	China Citic Bank Corporation	235,858
75,000	China Coal Energy	26,400
185,000	China Communications Construction	173,651
146,400	China Communications Services	50,491
30,500	China Conch Venture Holdings	58,053
4,076,629	China Construction Bank	2,565,528
147,000	China Cosco Holdings	61,326
190,000	China Everbright Bank	84,894
160,770	China Galaxy Securities	135,283
286,000	China Hongxing Sports	21,334
397,000	China Huishan Dairy Holdings	139,742
6,214	China International Marine Containers	10,443
360,446	China Life Insurance	1,070,111
154,002	China Longyuan Power Group	106,773
74,259	China Medical System Holdings	100,507
131,952	China Mengniu Dairy	197,672
222,610	China Merchants Bank	482,811
262,000	China Milk Products Group	-
285,400	China Minsheng Banking	259,774
80,000	China National Building Materials	35,271
54,527	China Oilfield Services	43,104
127,643	China Pacific Insurance Group	482,579
1,236,071	China Petroleum & Chemical Corporation	685,599
103,000	China Railway Construction	117,312
226,000	China Railway Group	157,763
164,500	China Shenhua Energy	237,462
231,000	China Shipping Container Lines	59,135
279,000	China Sky Chemical Fibre	5,972
1,076	China Southern Airlines	763
672,000	China Telecom	289,902
63,700	China Vanke	172,884
37,900	Chongqing Changan Automobile	76,810
134,400	Chongqing Rural Commercial Bank	74,706
93,257	Citic Securities	200,272

China (continued)		
Holding	Security Description	Market Value €
841,754	Cnooc	805,081
172,875	Country Garden Holdings	65,154
182,250	CRRC	206,926
228,000	CSPC Pharmaceutical Group	214,013
25,600	Dalian Wanda Commercial Properties	137,290
214,000	Datang International Power	59,856
130,527	Dongfeng Motor Group	160,266
310,000	ENN Energy Holdings	1,519,212
265,467	Evergrande Real Estate Group	214,573
198,000	Fih Mobile	69,461
100,969	Fosun International	144,795
255,339	Geely Automobile Holdings	124,982
46,600	GF Securities	107,476
607,000	GOME Electrical Appliances	92,802
150,750	Great Wall Motor	161,334
126,000	Guangzhou Automobile Group	103,188
66,000	Guangzhou R&F Properties	74,701
35,953	Haitian International Holdings	48,235
153,600	Haitong Securities	249,398
35,500	Hengan International Group	307,979
85,720	Huadian Power International	51,304
208,000	Huaneng Power International	164,919
150,000	Huaneng Renewables	41,244
23,200	Huatai Securities	49,713
3,574,709	Industrial & Commercial Bank	1,982,748
522,000	Jiangsu Expressway	647,118
43,000	Jiangxi Copper	46,834
32,000	Kingsoft	71,983
323,102	Lenovo Group	301,367
71,400	Longfor Properties	97,822
90,000	Luye Pharma Group	86,186
37,600	New China Life Insurance	145,051
402,316	People's Insurance Company (Group) of China	181,189
1,021,305	Petrochina	614,894
166,898	PiCC Property & Casualty	305,012
252,896	Ping An Insurance Group	1,288,818
1,419,503	Semiconductor Manufacturing	132,906
96,000	Shandong Weigao Group Medical Polymer	60,643
102,000	Shanghai Electric Group	49,685
28,000	Shanghai Fosun Pharmaceutical (Group)	74,666
33,400	Shanghai Pharmaceuticals Holding	66,423
268,000	Shenzhen Expressway	217,574
33,000	Shenzhou International Group	174,238
251,333	Shui On Land	63,447
349,468	Sihuan Pharmaceutical Holdings	182,653
163,511	Sino-Ocean Land Holdings	96,313
90,517	Sinopec Engineering Group	71,018
134,000	Sinopec Shanghai Petrochemical	49,073

China (continued)		
Holding	Security Description	Market Value €
57,641	Sinopharm Group	212,458
124,580	Sinotrans	61,569
114,500	Soho China	51,024
81,000	Sunac China Holdings	57,599
249,725	Tencent Holdings	4,513,495
96,000	Tingyi Cayman Islands Holding	125,837
16,460	Tsingtao Brewery	68,473
287,900	Want Want China Holdings	196,879
62,400	Weichai Power	63,453
118,000	Yanzhou Coal Mining	50,626
612,000	Zhejiang Expressway	676,003
30,200	Zhuzhou CSR Times Electric	161,244
345,000	Zijin Mining Group	83,003
40,320	ZTE	84,486
		31,097,831
	% of Total Investments	0.14%

Colombia		
Holding	Security Description	Market Value €
20,810	Bancolombia	130,588
19,529	Cementos Argos	52,667
4,999	Corporacion Financiera Colombiana	55,482
239,056	Ecopetrol	77,641
17,614	Grupo Argos	82,746
96,454	Grupo Aval Acciones y Valores	30,907
15,965	Grupo de Inversiones Suramericana	163,943
22,059	Interconexion Electrica	46,888
		640,862
	% of Total Investments	0.00%

Czech Republic		
Holding	Security Description	Market Value €
5,526	CEZ	90,856
737	Komerční Banka	135,002
		225,858
	% of Total Investments	0.00%

Hungary		
Holding	Security Description	Market Value €
2,534	Mol Hungarian Oil & Gas	114,318
8,746	OTP Bank	166,074
8,644	Richter Gedeon	150,404
		430,796
	% of Total Investments	0.00%

India		
Holding	Security Description	Market Value €
508,022	iShares MSCI India	12,851,039
5,517	Vedanta Resources	20,686
		12,871,725
	% of Total Investments	0.06%

Indonesia		
Holding	Security Description	Market Value €
855,500	Adaro Energy	29,294
26,500	Astra Agro Lestari	27,927
870,293	Astra International	347,189
597,216	Bank Central Asia	528,120
187,770	Bank Danamon Indonesia	39,951
452,178	Bank Mandiri Persero	278,100
361,461	Bank Negara Indonesia Persero	119,926
537,871	Bank Rakyat Indonesia Persero	408,587
434,000	Bumi Serpong Damai	51,941
24,100	Bumitama Agri	11,021
491,500	Charoen Pokphand Indonesia	84,966
433,000	Global Mediacom	31,669
35,000	Gudang Garam	127,991
89,000	Indocement Tunggul Prakarsa	132,109
56,518	Indofoods CBP Sukses Makmur	50,637
94,300	Indofoods Sukses Makmur	32,447
213,603	Jasa Marga Persero	74,207
1,022,000	Kalbe Farma	89,696
267,800	Lippo Karawaci	18,429
67,100	Matahari Department Store	78,521
260,500	Media Nusantara Citra	32,129
342,400	Perusahaan Gas Negara Persero	62,492
179,500	Semen Indonesia Persero	136,056
454,699	Surya Citra Media	93,721
2,167,700	Telekomunikasi Indonesia Persero	447,518
132,400	Tower Bersama Infrastructure	51,718
73,900	Unilever Indonesia	181,801
80,745	United Tractors	90,999
206,100	XI Axiata	50,017
		3,709,179
	% of Total Investments	0.02%

Liberia		
Holding	Security Description	Market Value €
1,432	Royal Caribbean Cruises	133,125
		133,125
	% of Total Investments	0.00%

Malaysia		
Holding	Security Description	Market Value €
84,900	AirAsia	23,323
63,500	Alliance Financial Group	48,140
94,900	AMMB Holdings	91,547
121,300	Astro Malaysia Holdings	71,294
96,973	Axiata Group	132,370
48,669	Berjaya Sports Toto	31,611
7,200	British American Tobacco Malaysia	85,985
102,600	Bumi Armada	22,286
244,900	CIMB Group Holdings	236,770

Quoted Equities (continued)

Malaysia (continued)		
Holding	Security Description	Market Value €
106,770	Dialog Group	36,379
169,564	Digi.com	194,988
68,700	Felda Global Ventures Holdings	25,017
79,100	Gamuda	78,495
95,200	Genting	148,804
143,899	Genting Malaysia	134,219
15,500	Genting Plantations	34,988
42,400	Hong Leong Bank	121,352
15,696	Hong Leong Financial Group	46,661
118,849	IHH Healthcare	166,534
83,600	IJM	60,173
140,800	IOI	133,727
101,400	IOI Properties Group	48,585
5,713	iProperty Group	15,148
28,100	Kuala Lumpur Kepong	136,913
12,500	Lafarge Malaysia	23,638
231,763	Malayan Banking	414,576
42,120	Malaysia Airports Holdings	50,319
90,963	Maxis	131,721
67,600	MISC	134,886
105,377	Petronas Chemicals Group	163,140
17,000	Petronas Dagangan	89,998
23,400	Petronas Gas	113,116
10,900	PPB Group	36,907
122,299	Public Bank	482,331
36,146	RHB Capital	43,644
169,900	Sapura Kencana Petroleum	73,085
132,433	Sime Darby	218,564
74,629	Telekom Malaysia	107,750
147,421	Tenaga Nasional	418,162
38,800	UMW Holdings	65,026
208,281	YTL Corporation	69,635
154,875	YTL Power International	48,812
		4,810,619
	% of Total Investments	0.02%

Mexico		
Holding	Security Description	Market Value €
107,593	ALFA	194,145
1,554,370	America Movil	994,363
1,700,000	America Movil Sab	1,771,298
19,474	Arca Continental	107,787
557,622	Cemex	277,123
25,600	Coca Cola Femsa	166,881
11,600	Controladora Comercial Mexicana	29,082
11,500	El Puerto de Liverpool	128,130
111,600	Fibra Uno Administracion	224,150
82,431	Fomento Economico Mexicano	700,693
68,300	Genera	119,704
12,000	Gruma	153,838
27,305	Grupo Aeroportuario del Pacifico	1,118,515
20,278	Grupo Aeroportuario del Sureste	1,108,196

Mexico (continued)		
Holding	Security Description	Market Value €
79,800	Grupo Bimbo	193,103
37,307	Grupo Carso	142,013
33,732	Grupo Comercial Chedraui	81,376
120,973	Grupo Financiero Banorte	606,320
113,085	Grupo Financiero Inbursa	186,597
88,522	Grupo Financiero Santander Mexico	141,246
42,800	Grupo Lala	90,241
165,813	Grupo Mexico	322,518
110,900	Grupo Televisa	553,313
8,265	Industrias Penoles	77,465
90,600	Kimberly-Clark de Mexico	192,605
31,359	Mexichem	64,145
37,100	Ohl Mexico	35,581
16,500	Promotora y Operadora de Infraestructura	177,017
77,718	Telesites	46,061
231,501	Wal-Mart de Mexico	532,411
		10,535,917
	% of Total Investments	0.05%

Panama		
Holding	Security Description	Market Value €
4,214	Carnival	210,874
		210,874
	% of Total Investments	0.00%

Peru		
Holding	Security Description	Market Value €
11,551	Cia de Minas Buenaventura	45,410
17,216	Hochschild Mining	11,318
		56,728
	% of Total Investments	0.00%

Philippines		
Holding	Security Description	Market Value €
126,061	Aboitiz Equity Ventures	143,243
122,332	Aboitiz Power	100,026
141,983	Alliance Global Group	44,823
8,198	Ayala	121,526
310,300	Ayala Land	209,609
54,309	Bank of The Philippine Islands	89,292
99,938	BDO Unibank	205,759
275,000	DMCI Holdings	74,413
513,000	Energy Development	62,366
2,260	Globe Telecom	82,071
1,775	GT Capital Holdings	45,942
45,270	International Container Terminal Services	62,403
95,520	JG Summit Holdings	137,289
28,300	Jollibee Foods	121,526
778,000	Megaworld	64,835
276,800	Metro Pacific Investments	28,223
28,563	Metropolitan Bank & Trust	45,086

Philippines (continued)		
Holding	Security Description	Market Value €
4,082	Philippine Long Distance Telephone	164,884
4,767	SM Investments	80,760
311,050	SM Prime Holdings	132,351
32,740	Universal Robina	119,407
		2,135,834
	% of Total Investments	0.01%

Poland		
Holding	Security Description	Market Value €
2,374	Alior Bank	37,025
2,234	Bank Handlowy w Warszawie	37,671
29,039	Bank Millennium	37,866
6,358	Bank Pekao	213,976
1,165	Bank Zachodni WBK	77,596
1,038	CCC	33,728
9,296	Cyfrowy Polsat	45,522
15,232	Enea	40,367
14,307	Energia	42,412
5,153	Eurocash	58,613
862	Grupa Azoty	20,115
6,321	Grupa Lotos	40,026
4,871	KGHM Polska Miedz	72,530
63	LPP	82,077
1,019	MBank	75,041
42,968	Orange Polska	66,106
29,421	PGE Polska Grupa Energetyczna	88,251
15,541	Polski Koncern Naftowy Orlen	247,299
85,757	Polskie Gornictwo Naftowe i Gazowe	103,377
42,392	Powszechna Kasa Oszczednosci Bank Polski	271,717
22,220	Powszechny Zaklad Ubezpieczen	177,285
48,520	Synthos	43,355
94,260	Tauron Polska Energia	63,667
		1,975,622
	% of Total Investments	0.01%

Russia		
Holding	Security Description	Market Value €
23,921	Evraz	23,874
301,509	Gazprom	1,022,616
25,110	Lukoil	749,241
12,599	Magnit	465,447
7,702	Megafon	82,418
28,905	MMC Norilsk Nickel	337,052
25,028	Mobile Telesystems	142,071
4,413	Novatek	332,992
65,526	Rosneft	209,211
6,471	Rostelecom	43,907
134,422	Sberbank of Russia	714,892
10,330	Severstal	79,370
10,360	Sistema	56,144
57,461	Surgutneftegas	283,982

Russia [continued]		
Holding	Security Description	Market Value €
12,801	Tatneft	309,825
136,177	VTB Bank	263,798
		5,116,840
% of Total Investments		0.02%

South Africa		
Holding	Security Description	Market Value €
77,602	African Bank Investments	5
557	Anglo American Platinum	6,089
19,577	Anglogold Ashanti	122,707
14,550	Aspen Pharmacare Holdings	265,613
16,428	Barclays Africa Group	139,046
12,282	Barloworld	44,896
15,426	Bidvest Group	298,647
15,713	Coronation Fund Managers	49,031
17,253	Discovery	135,303
7,598	Exxaro Resources	19,738
149,116	Firststrand	372,680
11,656	Foschini Group	83,730
46,785	Gold Fields	116,459
110,682	Growthpoint Properties	151,663
5,365	Hyprop Investments	32,706
15,893	Impala Platinum Holdings	23,474
12,584	Imperial Holdings	88,599
16,785	Investec	108,415
6,847	Liberty Holdings	46,519
45,446	Life Healthcare Group Holdings	94,012
18,724	Lonmin	21,302
7,789	Massmart Holdings	45,945
30,447	Mediclinic International	213,720
64,302	MMI Holdings	83,445
4,310	Mondi	78,118
9,602	Mr Price Group	113,278
78,626	MTN Group	616,328
19,307	Naspers	2,414,372
9,517	Nedbank Group	105,881
60,845	Netcare	121,668
29,880	Petra Diamonds	35,622
14,785	Pick'N Pay Stores	56,688
46,827	Rand Merchant Insurance Holdings	106,923
172,030	Redefine Properties	98,430
23,309	Remgro	337,144
19,422	Resilient Reit	132,321
34,199	RMB Holdings	112,181
73,153	Sanlam	261,233
32,577	Sappi	125,404
26,804	Sasol	663,104
19,155	Shoprite Holdings	161,868
9,699	SPAR Group	105,326
58,804	Standard Bank Group	393,692
11,746	Telcom	44,571
6,132	Tiger Brands	114,458
26,269	Truworths International	141,239

South Africa [continued]		
Holding	Security Description	Market Value €
24,355	Tsogo Sun Holdings	34,766
12,616	Vodacom Group	113,420
46,761	Woolworths Holdings	276,241
		9,328,020
% of Total Investments		0.04%

South Korea		
Holding	Security Description	Market Value €
1,558	Amorepacific Corporation	504,217
1,353	Amorepacific Group	156,345
11,452	BNK Financial Group	63,905
3,101	Celltrion	204,590
3,354	Cheil Worldwide	54,207
382	CJ Cheiljedang	112,592
846	CJ	165,794
350	CJ Korea Express	52,195
2,615	Coway	171,709
1,923	Daelim Industrial	100,746
9,390	Daewoo Engineering & Construction	41,056
3,860	Daewoo International	49,275
10,993	Daewoo Securities	81,281
11,199	DGB Financial Group	87,876
2,360	Dongbu Insurance	129,537
3,016	Doosan Heavy Industries & Construction	48,509
1,013	E-Mart	149,485
3,227	Forhuman	28
2,791	GS Engineering & Construction	43,038
3,000	GS Holding	118,756
14,045	Hana Financial Group	258,797
3,477	Hankook Tire	127,729
1,810	Hanon Systems	73,345
457	Hanssem	82,602
5,100	Hanwha Chemical	108,309
11,880	Hanwha Life Insurance	68,547
1,617	Hotel Shilla	97,592
834	Hyosung	76,512
1,050	Hyundai Department Store	103,706
2,739	Hyundai Development Co-Engineering & Construction	82,975
2,681	Hyundai Engineering & Construction	59,762
908	Hyundai Glovis	136,826
2,025	Hyundai Heavy Industries	138,818
4,390	Hyundai Marine & Fire Insurance	123,565
2,995	Hyundai Mobis	576,420
10,353	Hyundai Motor	1,086,517
3,388	Hyundai Steel	132,131
663	Hyundai Wia	57,977
17,158	Industrial Bank of Korea	165,447
1,519	Kakao	137,338
5,701	Kangwon Land	170,926

South Korea [continued]		
Holding	Security Description	Market Value €
18,718	KB Financial Group	484,472
281	KCC	91,598
1,109	Kepeco Plant Service & Engineering	77,063
11,494	Kia Motors	472,044
2,560	Korea Aerospace Industries	156,105
10,940	Korea Electric Power	427,083
1,854	Korea Gas	53,342
1,890	Korea Investment Holdings	73,119
514	Korea Zinc	188,218
2,412	Korean Air Lines	52,165
7,715	KT	84,955
5,322	KT&G	434,227
2,509	LG Chemical	611,066
4,598	LG	254,172
9,028	LG Display	173,049
5,153	LG Electronics	216,455
454	LG Household & Health Care	372,195
680	LG Innotek	52,296
15,850	LG Uplus	128,703
748	Lotte Chemical	142,209
49	Lotte Confectionery	87,190
534	Lotte Shopping	96,937
4,041	Mirae Asset Securities	68,150
1,358	Naver	697,672
668	NCSOFT	111,092
9,724	NH Investment & Securities	76,682
546	Oci	31,973
174	Orion Corp.	158,407
3,142	Paradise	43,299
3,379	Posco	439,266
1,170	S-1	91,077
3,239	Samsung C&T	354,050
2,416	Samsung Card	58,194
1,891	Samsung Electro-Mechanics	92,868
6,366	Samsung Electronics	6,131,290
1,721	Samsung Fire & Marine Insurance	413,191
3,538	Samsung Heavy Industries	29,972
3,263	Samsung Life Insurance	280,243
2,665	Samsung SDI	237,207
1,499	Samsung SDS	297,277
1,802	Samsung Securities	58,740
20,677	Shinhan Financial Group	638,498
476	Shinsegae	85,479
1,723	SK Holdings	323,538
28,310	SK Hynix	679,689
3,136	SK Innovation	318,306
5,940	SK Networks	25,462
6,402	SK Telecom	119,988
2,660	S-Oil	164,903
21,016	Woori Finance	144,725
332	Yuhan	70,637
		23,171,520
% of Total Investments		0.11%

Quoted Equities (continued)

Thailand		
Holding	Security Description	Market Value €
46,400	Advanced Info Services	179,698
14,400	Airports of Thailand	126,947
12,700	Bangkok Bank	49,994
191,000	Bangkok Dusit Medical Services	108,523
106,000	Banpu	43,212
61,500	Bec World	47,792
91,300	BTS Group Holdings	21,169
81,800	Central Pattana	97,957
205,800	Charoen Pokphand Foods	95,958
220,900	CP All	220,911
23,800	Delta Electronics Thailand	46,390
47,600	Energy Absolute	27,288
30,000	Glow Energy	56,563
243,702	Home Product Center	42,223
95,178	Indorama Ventures	51,653
670,400	IRPC	73,449
78,300	Kasikornbank	299,010
239,125	Krung Thai Bank	101,748
105,930	Minor International	97,838
51,864	PTT Exploration & Production	75,653
80,856	PTT Global Chemical	103,007
51,700	PTT	321,413
16,500	Siam Cement	192,234
66,179	Siam Commercial Bank	201,498
55,800	Thai Oil	93,834
125,600	Thai Union Group	55,043
418,523	True Corporation	71,446
		2,902,451
	% of Total Investments	0.01%

Turkey		
Holding	Security Description	Market Value €
105,826	Akbank	223,212
12,283	Anadolu Efes Biracilik ve Malt	73,045
11,554	Arcelik	50,814
10,296	Bim Birlesik Magazalar	166,441
4,349	Coca-Cola Icecek	50,849
92,056	Emlak Konut Gayrimenkul Yatirim	75,349
35,561	Enka Insaat ve Sanayi	50,602
67,831	Eregli Demir Ve Celik Fabrikal	64,916
5,864	Ford Otomotiv Sanayi	55,899
29,037	Haci Omer Sabanci Holding	75,689
22,258	KOC Holding	76,587
27,332	Petkim Petrokimya Holding	39,494
13,438	Tav Havalimanlari Holding	76,952
6,011	Tofas Turk Otomobil Fabrikasi	35,860
4,471	Tupras Turkiye Petrol Rafinerileri	97,964
8,350	Turk Hava Yollari	19,426
29,975	Turk Telekomunikasyon	51,523
42,637	Turkcell Iletisim Hizmetleri A	132,884
93,003	Turkiye Garanti Bankasi	208,463
20,416	Turkiye Halk Bankasi	66,779
95,487	Turkiye Bankasi	138,278

Turkey (continued)		
Holding	Security Description	Market Value €
53,041	Turkiye Sise Ve Cam Fabrikalar	53,266
6,329	Turkiye Vakiflar Bankasi	7,631
14,597	Ulker Biskuvi Sanayi	80,877
49,543	Yapi Ve Kredi Bankasi	51,313
		2,024,113
	% of Total Investments	0.01%

United Arab Emirates		
Holding	Security Description	Market Value €
5,582	Al Noor Hospitals Group	84,268
11,399	DP World	212,547
		296,815
	% of Total Investments	0.00%
	Total Emerging Markets Equities	129,480,752
	% of Total Investments	0.60%
	Total Quoted Securities - Equities	1,091,055,023
	% of Total Investments	5.08%

Quoted Debt Instruments

Australia		
Holding	Security Description	Market Value €
1,180,000	Amcor 4.625% 4/16/2019	1,323,433
1,580,000	Aurizon Network 2% 9/18/2024	1,518,227
454,000	Ausnet Services Holdings 2.375% 7/24/2020	478,073
2,670,000	Origin Energy Finance 2.875% 10/11/2019	2,620,899
1,070,000	Scentre Group Trust 1.5% 7/16/2020	1,085,235
1,640,000	Scentre Group Trust 3.25% 9/11/2023	1,823,765
2,440,000	SGSP Australia Assets 2% 6/30/2022	2,431,521
		11,281,153
% of Total Investments		0.05%

Austria		
Holding	Security Description	Market Value €
1,952,000	OMV 0.600% 11/19/2018	1,960,058
		1,960,058
% of Total Investments		0.01%

Belgium		
Holding	Security Description	Market Value €
1,848,000	Anheuser-Busch inbev 2.25% 9/24/2020	1,969,772
400,000	Delhaize Group 3.125% 2/27/2020	434,992
800,000	KBC Groep Variable 11/25/2024	821,430
1,500,000	KBC Groep Variable 3/11/2027	1,460,229
700,000	Proximus 1.875% 10/01/2025	716,089
900,000	Solvay 1.625% 12/02/2022	898,839
1,000,000	Solvay 2.75% 12/02/2027	1,006,518
		7,307,869
% of Total Investments		0.03%

Brazil		
Holding	Security Description	Market Value €
117	Hypermarcas Series 2 11.3% 10/15/2018	-
		-
% of Total Investments		0.00%

British Virgin Islands		
Holding	Security Description	Market Value €
1,750,000	Global Switch Holdings Ltd 5.5% 4/18/2018	1,943,725
2,130,000	Sinopec Group Overseas 0.5% 4/27/2018	2,118,807
		4,062,532
% of Total Investments		0.02%

Canada		
Holding	Security Description	Market Value €
1,400,000	Magna International 1.9% 11/24/2023	1,411,158
1,400,000	Total Capital Canada 2.125% 9/18/2029	1,368,388
		2,779,546
% of Total Investments		0.01%

Cayman Islands		
Holding	Security Description	Market Value €
1,775,000	Hutchison Whampoa (Europe) 2.5% 6/6/2017	1,827,678
1,660,000	Hutchison Whampoa Finance 1.375% 10/31/2021	1,660,432
1,730,000	IPIC GMTN 2.375% 5/30/2018	1,784,149
		5,272,259
% of Total Investments		0.02%

Denmark		
Holding	Security Description	Market Value €
2,000,000	Danske Bank 0.75% 5/4/2020	2,010,460
1,820,000	Danske Bank Variable 5/19/2026	1,876,238
1,270,000	Dong Energy 6.5% 5/7/2019	1,510,637
1,960,000	ISS Global 1.125% 1/9/2020	1,964,571
1,280,000	ISS Global 1.125% 1/7/2021	1,261,171
1,138,000	TDC 1.75% 2/27/2027	985,745
		9,608,822
% of Total Investments		0.04%

Finland		
Holding	Security Description	Market Value €
950,000	CRH Finland Services 2.75% 10/15/2020	1,017,634
1,480,000	Phjola Bank 0.75% 3/3/2022	1,445,874
		2,463,508
% of Total Investments		0.01%

France		
Holding	Security Description	Market Value €
1,400,000	Arkema 1.5% 1/20/2025	1,345,028
1,850,000	Autoroutes du Sud de La France 4.125% 4/13/2020	2,106,258
1,950,000	Axa Variable 4/16/2040	2,171,618
915,000	Axa Variable 5/20/2049	899,930
400,000	Axa Variable 7/4/2043	457,944
2,400,000	Banque Federative du Credit 2.625% 3/18/2024	2,614,752
1,980,000	Banque Federative du Credit 3% 5/21/2024	2,062,158
1,000,000	Banque Federative du Credit 3% 9/11/2025	1,026,314
2,800,000	Banque Federative du Credit Mutuel 1.625% 1/11/2018	2,878,137
1,460,000	BNP Paribas 2.375% 5/20/2024	1,559,262
1,560,000	BNP Paribas 2.5% 8/23/2019	1,672,033
2,069,000	BNP Paribas 3% 2/24/2017	2,136,822

France (continued)		
Holding	Security Description	Market Value €
2,000,000	BNP Paribas Variable 3/20/2026	2,046,580
2,800,000	BPCE 2% 4/24/2018	2,909,984
2,400,000	BPCE 2.125% 3/17/2021	2,539,651
1,400,000	BPCE Variable 7/8/2026	1,417,900
1,200,000	BPCE Variable 11/30/2027	1,202,470
520,000	Carrefour 1.75% 7/15/2022	537,769
2,594,000	Carrefour 1.875% 12/19/2017	2,673,179
1,000,000	Casino Guichard Perrachon 2.798% 8/5/2026	876,055
1,200,000	Casino Guichard Perrachon 3.248% 8/5/2026	1,142,129
1,180,000	Cie de St-Gobain 4.75% 4/11/2017	1,246,845
1,400,000	CNP Assurances Variable 6/10/2047	1,363,251
935,000	Credit Agricole 2.625% 3/17/2027	890,904
1,100,000	Credit Agricole 3.9% 4/19/2021	1,226,843
1,250,000	Credit Agricole 5.875% 6/11/2019	1,456,773
1,100,000	Credit Agricole Assurance Variable 1/29/2049	1,043,625
1,900,000	Credit Agricole London 0.875% 1/19/2022	1,868,004
1,000,000	Credit Agricole London 2.375% 11/27/2020	1,074,772
1,500,000	Credit Agricole London 2.375% 5/20/2024	1,595,790
1,900,000	Credit Agricole London 3.875% 2/13/2019	2,104,056
1,600,000	Danone 1.125% 1/14/2025	1,548,064
1,150,000	Electricite de France 4.625% 4/26/2030	1,443,055
600,000	Electricite de France 2.75% 3/10/2023	659,518
2,800,000	Electricite de France 3.875% 1/18/2022	3,263,624
1,500,000	Electricite de France Variable 1/29/2049	1,462,875
700,000	Electricite de France Variable 12/29/2049	700,175
2,600,000	Engie 1% 3/13/2026	2,449,101
3,200,000	Engie Variable 6/29/2049	3,190,400
1,400,000	Eutelsat 2.625% 1/13/2020	1,482,457
1,300,000	Gecina 2% 6/17/2024	1,295,364
1,500,000	Holding D'Infrastructures 2.25% 3/24/2025	1,497,426
1,700,000	HSBC France 0.625% 12/3/2020	1,683,860
2,300,000	HSBC France 1.625% 12/3/2018	2,384,681
700,000	Kering 2.5% 7/15/2020	747,950
1,100,000	La Banque Postale Variable 11/19/2027	1,112,520
2,380,000	Orange SA 4.75% 2/21/2017	2,502,322
2,600,000	Orange SA 1.875% 9/3/2018	2,703,267
1,600,000	Orange SA 3.125% 1/9/2024	1,790,994
380,000	Orange Variable 12/29/2049	389,500
1,800,000	Pernod Ricard 2% 6/22/2020	1,881,187

Quoted Debt Instruments (continued)

France (continued)		
Holding	Security Description	Market Value €
1,100,000	RTE Resau De Transport 1.625% 11/27/2025	1,090,340
1,200,000	Sanef 1.875% 3/16/2026	1,197,185
2,100,000	Sanofi 1.75% 9/10/2026	2,147,170
600,000	Societe Des Autoroutes 1.5% 1/15/2024	600,358
800,000	Societe Generale 0.75% 11/25/2020	798,182
1,400,000	Societe Generale 2.25% 1/23/2020	1,491,132
1,400,000	Societe Generale 2.625% 2/27/2025	1,342,488
1,760,000	Sodexo 1.75% 1/24/2022	1,819,558
900,000	Suez Environnement Variable 12/29/2049	858,870
1,140,000	Total Variable 12/29/2049	1,051,650
1,300,000	Veolia Environnement 4.625% 3/30/2027	1,651,416
		98,383,525
	% of Total Investments	0.46%

Germany		
Holding	Security Description	Market Value €
1,000,000	Allianz Variable 7/7/2045	918,979
1,200,000	Allianz Variable 09/29/2049	1,168,200
1,301,000	Bayer Variable 7/1/2074	1,312,069
840,000	Bayer Variable 7/1/2075	840,737
1,000,000	Bertelsmann & Co Variable 4/23/2075	928,100
1,632,000	Commerzbank 4% 9/16/2020	1,859,285
1,810,000	Daimler 0.625% 3/5/2020	1,801,098
3,530,000	Daimler 2% 5/5/2017	3,613,442
1,330,000	Daimler 2% 6/25/2021	1,408,962
2,200,000	Deutsche Bank 1.25% 3/17/2025	2,045,076
3,600,000	Deutsche Bank 1.25% 9/8/2021	3,603,780
900,000	Deutsche Boerse Variable 2/5/2041	920,756
1,100,000	Eurogrid GmbH 1.625% 11/3/2023	1,103,717
1,737,000	Merck Financial Services 0.75% 9/2/2019	1,753,814
1,152,000	Merck Financial Services 1.375% 9/1/2022	1,174,188
2,140,000	Merck KGaA Variable 12/12/2074	2,105,402
1,760,000	Volkswagen Financial Services 0.75% 10/14/2021	1,660,965
1,400,000	Volkswagen Leasing 2.375% 9/6/2022	1,423,290
		29,641,860
	% of Total Investments	0.14%

Guernsey Channel Islands		
Holding	Security Description	Market Value €
1,990,000	Credit Suisse Group 1.25% 4/14/2022	1,926,837
		1,926,837
	% of Total Investments	0.01%

Ireland		
Holding	Security Description	Market Value €
47,000,000	DAA Finance 6.587% 7/9/2018	54,144,000
1,230,000	Cloverie for Zurich 1.75% 9/16/2024	1,241,707
680,000	ESB Finance 2.125% 6/8/2027	688,161
1,120,000	ESB Finance 4.375% 11/21/2019	1,279,900
260,000	ESB Finance 6.25% 9/11/2017	285,739
600,000	Gas Networks Ireland 3.625% 12/4/2017	637,447
2,170,000	GE Capital European Funding 0.8% 1/21/2022	2,141,582
1,800,000	GE Capital European Funding 4.25% 3/1/2017	1,886,684
1,450,000	GE Capital European Funding 4.625% 2/22/2027	1,878,527
1,165,000	Kerry Group Financial Services 2.375% 9/10/2025	1,209,360
		65,393,107
	% of Total Investments	0.30%

Italy		
Holding	Security Description	Market Value €
1,520,000	2i Rete Gas 1.125% 1/2/2020	1,521,639
1,150,000	2i Rete Gas 1.75% 7/16/2019	1,184,752
1,260,000	Assicurazioni Generali 2.875% 1/14/2020	1,357,814
1,100,000	Assicurazioni Generali 5.125% 9/16/2024	1,394,250
1,000,000	Assicurazioni Generali Variable 12/12/2042	1,219,800
1,160,000	Assicurazioni Generali Variable 10/27/2047	1,225,250
1,150,000	Atlantia 4.375% 3/16/2020	1,325,290
2,000,000	Autostrade Per L'Italia 1.75% 6/26/2026	1,988,944
985,000	Autostrade Per L'Italia 1.875% 11/4/2025	994,996
564,000	ENI 3.625% 1/29/2029	644,801
1,450,000	ENI 4% 6/29/2020	1,644,329
1,700,000	Exor 2.125% 12/2/2022	1,685,820
1,100,000	Hera 3.25% 10/4/2021	1,227,651
914,000	Intesa Sanpaolo 3% 1/28/2019	974,449
1,500,000	Intesa Sanpaolo 3.5% 1/17/2022	1,662,045
900,000	Intesa Sanpaolo 4.375% 10/15/2019	1,014,676
1,100,000	Intesa Sanpaolo 5% 2/28/2017	1,159,228
840,000	SNAM 1.375% 11/19/2023	835,419
640,000	SNAM 1.5% 4/21/2023	647,174
1,202,000	SNAM 2.375% 6/30/2017	1,239,801
480,000	SNAM 3.875% 3/19/2018	517,335
1,430,000	Terna Rete Elettrica Nazionale 2.875% 2/16/2018	1,506,997
82,000	Terna Rete Elettrica Nazionale 4.125% 2/17/2017	85,580
1,200,000	Unicredit 3.25% 1/14/2021	1,299,780
1,500,000	Unicredit 4.875% 3/7/2017	1,579,332
		29,937,152
	% of Total Investments	0.14%

Jersey Channel Islands		
Holding	Security Description	Market Value €
1,400,000	UBS Group Funding 1.75% 11/16/2022	1,401,590
		1,401,590
	% of Total Investments	0.01%

Luxembourg		
Holding	Security Description	Market Value €
1,325,000	DH Europe Finance 1% 7/8/2019	1,343,244
2,340,000	Glencore Finance Europe 1.25% 3/17/2021	1,701,582
2,770,000	Glencore Finance Europe 3.375% 9/30/2020	2,280,319
1,940,000	Tyco Electronics Group	1,878,805
		7,203,950
	% of Total Investments	0.03%

Mexico		
Holding	Security Description	Market Value €
1,600,000	America Movil 3.75% 6/28/2017	1,679,456
2,320,000	Petroleos Mexicanos 1.875% 4/21/2022	1,941,116
2,200,000	Petroleos Mexicanos 5.5% 1/9/2017	2,264,478
		5,885,050
	% of Total Investments	0.03%

Netherlands		
Holding	Security Description	Market Value €
3,340,000	ABN Amro Bank 1% 4/16/2025	3,183,701
1,130,000	ABN Amro Bank 6.375% 4/27/2021	1,362,484
1,389,000	ABN Amro Bank Variable 6/30/2025	1,424,275
2,190,000	Achmea 2.5% 11/19/2020	2,322,758
1,026,000	Achmea Variable 12/29/2049	954,128
1,510,000	Adecco International 1.5% 11/22/2022	1,507,992
2,290,000	Alliander Variable 11/29/2049	2,382,745
2,000,000	Allianz Finance II 3.5% 2/14/2022	2,300,928
2,900,000	Allianz Finance II Variable 7/8/2041	3,354,308
1,540,000	ASML Holding 3.375% 9/19/2023	1,728,065
1,101,000	ASR Nederland Variable 9/30/2049	1,082,283
1,480,000	BAT Netherlands Finance 4% 7/7/2020	1,689,826
2,990,000	Bharti Airtel International 4% 12/10/2018	3,191,598
3,925,000	BMW Finance 0.875% 11/17/2020	3,926,256
4,550,000	Cooperatieve Rabobank 4% 1/11/2022	5,335,539
2,810,000	Cooperatieve Rabobank 1.375% 2/3/2027	2,702,096
1,860,000	Cooperatieve Rabobank Variable 5/26/2026	1,874,973
645,000	CRH Funding 1.875% 1/9/2024	647,928

Netherlands (continued)		
Holding	Security Description	Market Value €
1,880,000	Delta Lloyd 4.25% 11/17/2017	1,983,836
1,500,000	ELM for Swiss Life Insurance Variable 4/29/2049	1,570,673
1,860,000	Eneco Holding Variable 12/29/2049	1,781,322
3,788,000	Enel Finance 1.966% 1/27/2025	3,874,533
1,000,000	Gas Natural Fenosa 3.875% 1/17/2023	1,151,530
1,480,000	Geberit International 0.688% 3/30/2021	1,472,979
900,000	Iberdrola International 2.5% 10/24/2022	967,795
2,060,000	ING Bank 0.7% 4/16/2020	2,059,094
2,821,000	ING Bank 3.25% 4/3/2019	3,075,364
2,335,000	ING Bank 4.25% 1/13/2017	2,433,023
1,620,000	ING Bank Variable 2/25/2026	1,734,550
1,550,000	ING Bank Variable 11/21/2023	1,637,088
1,700,000	JAB Holdings 2.125% 9/16/2022	1,694,752
1,640,000	Koninklijke KPN 1% 4/9/2025	1,547,816
1,600,000	Koninklijke KPN 3.25% 2/1/2021	1,759,584
750,000	Madrilena Red de Gas 3.779% 9/11/2018	809,825
1,660,000	Metro Finance 4.25% 2/22/2017	1,732,662
1,001,000	NN Group Variable 7/15/2049	983,983
2,110,000	Nomura Europe Finance 1.125% 6/3/2020	2,096,161
1,200,000	Robert Bosch Investment 2.625% 5/24/2028	1,301,479
610,000	RWE Finance 3% 1/17/2024	645,112
1,150,000	SABIC Capital I 2.75% 11/20/2020	1,203,199
2,320,000	Shell International 1.25% 3/15/2022	2,322,550
2,460,000	Shell International 1.625% 1/20/2027	2,353,310
890,000	Swiss Reinsurance Variable 12/29/2049	818,653
870,000	Tennet Holding 2.125% 11/1/2020	927,403
1,322,000	Teva Pharmaceutical Finance 1.25% 3/31/2023	1,250,678
1,930,000	Ureco Finance 2.25% 8/5/2022	1,930,239
1,650,000	Volkswagen International 1.625% 1/16/2030	1,418,027
553,000	Volkswagen International Variable 3/29/2049	535,404
2,500,000	Volkswagen International Variable 9/29/2049	2,485,608
3,600,000	Venovia Finance 1.625% 12/15/2020	3,592,508
2,600,000	Venovia Finance 2.25% 12/15/2023	2,583,272
2,330,000	Wolters Kluwer 2.875% 3/21/2023	2,538,197
1,740,000	Wuerth Finance International 1% 5/19/2022	1,745,347
		102,989,439
	% of Total Investments	0.48%

Norway		
Holding	Security Description	Market Value €
1,080,000	DNB Bank ASA Variable 9/26/2023	1,123,870
		1,123,870
	% of Total Investments	0.01%
Panama		
Holding	Security Description	Market Value €
2,100,000	Carnival Corporation 1.125% 11/6/2019	2,100,676
1,370,000	Carnival Corporation 1.875% 11/7/2022	1,361,418
		3,462,094
	% of Total Investments	0.02%
Slovakia		
Holding	Security Description	Market Value €
1,340,000	SPP - Distribucia 2.625% 6/23/2021	1,392,879
		1,392,879
	% of Total Investments	0.01%
Spain		
Holding	Security Description	Market Value €
1,000,000	BBVA Senior Finance 2.375% 1/22/2019	1,055,500
700,000	Enagas Financiaciones 1.25% 2/6/2025	675,652
950,000	Gas Natural Capital 4.375% 11/2/2016	982,498
1,000,000	Gas Natural Capital 5.375% 5/24/2019	1,157,650
100,000	Iberdrola Finanzas 4.625% 4/7/2017	105,569
2,200,000	IE2 Holdco 2.735% 11/27/2023	2,158,776
1,800,000	Santander Consumer Finance 0.9% 2/18/2020	1,775,563
800,000	Santander Consumer Finance 1.1% 7/30/2018	809,542
1,400,000	Santander International Debt 4% 3/27/2017	1,463,108
1,100,000	Telefonica Emisiones 2.242% 5/27/2022	1,132,111
1,900,000	Telefonica Emisiones 4.71% 1/20/2020	2,175,109
800,000	Telefonica Emisiones 5.811% 9/5/2017	871,981
		14,363,059
	% of Total Investments	0.07%
Sweden		
Holding	Security Description	Market Value €
1,200,000	Alfa Laval Treasury International 1.375% 9/12/2022	1,191,461
2,520,000	Energa Finance AB 3.25% 3/19/2020	2,659,643
1,150,000	Nordea Bank 1.125% 2/12/2025	1,115,617
500,000	Nordea Bank 4% 3/29/2021	560,087
1,990,000	Nordea Bank 4% 7/11/2019	2,242,288
789,000	Nordea Bank Variable 11/10/2025	783,018

Sweden (continued)		
Holding	Security Description	Market Value €
2,380,000	PGE Sweden 1.625% 6/9/2019	2,387,842
1,920,000	Skandinaviska Enskilda Banken Variable 5/8/2026	1,957,037
650,000	Svenska Cellulosa 2.5% 6/9/2023	697,124
380,000	Svenska Handelsbanken Variable 1/15/2024	394,939
2,760,000	Swedbank 0.625% 1/4/2021	2,735,546
2,260,000	Teliasonera 4% 3/22/2022	2,628,244
		19,352,846
	% of Total Investments	0.09%
Switzerland		
Holding	Security Description	Market Value €
2,790,000	Credit Suisse AG (London) 1.375% 1/31/2022	2,834,473
1,680,000	Credit Suisse AG (London) 1.375% 11/29/2019	1,728,730
2,280,000	Demeter Investments Variable 12/29/2049	2,242,996
1,850,000	UBS London 1.125% 6/30/2020	1,884,839
2,560,000	UBS London 1.25% 9/3/2021	2,612,045
		11,303,083
	% of Total Investments	0.05%
United Arab Emirates		
Holding	Security Description	Market Value €
1,600,000	Glencore Finance Dubai Step 11/19/2018	1,380,691
		1,380,691
	% of Total Investments	0.01%
United Kingdom		
Holding	Security Description	Market Value €
970,000	Abbey National Treasury 1.125% 1/14/2022	957,986
1,230,000	Abbey National Treasury 1.125% 3/10/2025	1,158,419
1,350,000	Aviva Variable 12/4/2045	1,286,203
2,470,000	Barclays Bank 2.125% 2/24/2021	2,620,774
2,130,000	BG Energy Capital Variable 11/30/2072	2,299,335
1,480,000	BP Capital Markets 1.573% 2/16/2027	1,387,115
1,470,000	BP Capital Markets 2.972% 2/27/2026	1,602,182
2,150,000	Brambles Finance 4.625% 4/20/2018	2,348,621
1,260,000	Centrica Variable 4/10/2076	1,156,428
1,320,000	Compass Group 3.125% 2/13/2019	1,424,140
1,240,000	DS Smith 2.25% 9/16/2022	1,245,731
2,220,000	FCE Bank 1.875% 6/24/2021	2,256,102
1,370,000	Glaxosmithkline Capital 0.625% 12/02/2019	1,381,398
1,790,000	HSBC Bank 3.125% 11/15/2017	1,886,553
1,100,000	HSBC Holdings 3% 6/30/2025	1,115,301
1,400,000	HSBC Holdings 6% 6/10/2019	1,627,041

Quoted Debt Instruments (continued)

United Kingdom (continued)		
Holding	Security Description	Market Value €
1,130,000	Imperial Tobacco Finance 4.5% 7/5/2018	1,245,079
1,840,000	Imperial Tobacco Finance 5% 12/2/2019	2,136,523
1,290,000	Lloyds Bank 1% 11/19/2021	1,283,413
1,650,000	Lloyds Bank 1.25% 1/13/2025	1,611,387
2,210,000	Lloyds Bank 1.375% 9/8/2022	2,227,344
1,600,000	Lloyds Bank 1.875% 10/10/2018	1,666,358
2,900,000	Lloyds Bank 6.5% 3/24/2020	3,508,664
1,600,000	Nationwide Building Society 1.25% 3/3/2025	1,544,186
1,500,000	NGG Finance Variable 6/18/2076	1,567,680
1,253,000	Pearson Funding Five 1.875% 5/19/2021	1,290,129
1,010,000	Royal Bank of Scotland 5.5% 3/23/2020	1,208,109
1,060,000	Sky 1.5% 9/15/2021	1,063,712
1,485,000	Sky 1.875% 11/24/2023	1,487,432
1,540,000	Smiths Group 1.25% 4/28/2023	1,461,648
1,780,000	SSE Variable 9/29/2049	1,884,949
1,760,000	Standard Chartered 1.625% 6/13/2021	1,755,146
1,060,000	WPP Finance 0.75% 11/18/2019	1,061,143
		53,756,231
	% of Total Investments	0.25%

United States		
Holding	Security Description	Market Value €
1,440,000	American Honda Finance 1.375% 11/10/2022	1,511,078
1,790,000	American Honda Finance 1.875% 9/4/2019	1,806,844
810,000	Apple 1% 11/10/2022	812,914
1,200,000	Apple 1.625% 11/10/2026	1,195,270
1,540,000	Apple 2% 9/17/2027	1,556,724
2,020,000	AT&T 1.45% 6/1/2022	2,018,057
2,155,000	AT&T 2.4% 3/15/2024	2,234,011
2,750,000	AT&T 2.45% 3/15/2035	2,423,817
1,396,000	Bank of America 1.375% 3/26/2025	1,327,057
1,720,000	Bank of America 1.375% 9/10/2021	1,728,937
1,270,000	Bank of America 1.625% 9/14/2022	1,273,419
2,400,000	Bank of America 4.625% 8/7/2017	2,563,109
2,170,000	Blackrock 1.25% 5/6/2025	2,074,815
2,510,000	Bristol-Myers Squibb 1.75% 5/15/2035	2,231,731

United States (continued)		
Holding	Security Description	Market Value €
1,800,000	Citigroup 1.75% 1/29/2018	1,854,166
1,995,000	Citigroup 2.375% 5/22/2024	2,074,329
1,270,000	Coca-Cola 0.75% 3/9/2023	1,236,398
2,070,000	Coca-Cola 1.625% 3/9/2035	1,854,906
1,610,000	Eli Lilly & Co 1% 6/2/2022	1,607,263
1,410,000	General Mills 1% 4/27/2023	1,364,553
1,230,000	Goldman Sachs 1.375% 7/26/2022	1,223,752
1,310,000	Goldman Sachs 2% 7/27/2023	1,328,479
1,170,000	Goldman Sachs 2.625% 8/19/2020	1,251,247
450,000	Goldman Sachs 3.25% 2/1/2023	496,198
2,550,000	Goldman Sachs 6.375% 5/2/2018	2,903,277
1,940,000	Illinois Tool Works 1.75% 5/20/2022	2,008,579
1,440,000	Illinois Tool Works 2.125% 5/22/2030	1,393,056
1,500,000	JPMorgan Chase 1.5% 10/26/2022	1,511,661
1,700,000	JPMorgan Chase 1.875% 11/21/2019	1,784,446
1,650,000	JPMorgan Chase 3% 2/19/2026	1,831,012
1,840,000	Kinder Morgan 1.5% 3/16/2022	1,490,245
1,600,000	Lehman Brothers Holdings 4.25% 9/26/2016	160
1,200,000	Lehman Brothers Holdings 4.625% 3/14/2019	120
1,130,000	ManpowerGroup 1.875% 9/11/2022	1,150,069
1,030,000	Mastercard 1.1% 12/1/2022	1,024,580
1,080,000	Mastercard 2.1% 12/1/2027	1,098,118
1,950,000	Merck & Co 1.125% 10/15/2021	1,976,075
420,000	Mondelez International 1% 3/7/2022	410,962
2,140,000	Morgan Stanley 1.875% 3/30/2023	2,173,491
2,500,000	Morgan Stanley 2.375% 3/31/2021	2,646,630
2,400,000	National Grid North America 0.75% 2/11/2022	2,330,736
1,430,000	Philip Morris International 2.125% 5/30/2019	1,509,891
1,910,000	PPG Industries 0.875% 3/13/2022	1,858,071
1,730,000	Prologis 1.375% 10/7/2020	1,718,063
1,250,000	Prologis 3.375% 2/20/2024	1,326,750
470,000	SES Global Americas Holdings 1.875% 10/24/2018	486,096
1,220,000	Simon Property Group 2.375% 10/2/2020	1,298,290

United States (continued)		
Holding	Security Description	Market Value €
954,000	Thermo Fisher Scientific 2.15% 7/21/2022	985,398
1,075,000	Time Warner 1.95% 9/15/2023	1,090,321
2,005,000	Toyota Motor Credit 1% 3/9/2021	2,023,999
2,480,000	Verizon Communications 1.625% 3/1/2024	2,474,551
2,472,000	Verizon Communications 2.625% 12/1/2031	2,466,868
1,500,000	Verizon Communications 3.25% 2/17/2026	1,675,446
1,484,000	Wells Fargo & Co 1.5% 9/12/2022	1,499,796
2,210,000	Wells Fargo 2.25% 9/3/2020	2,355,436
		87,551,267
% of Total Investments		0.41%
Total Quoted Debt Instruments		581,184,277
% of Total Investments		2.71%

Direct Private Equity

Holding	Security Description	Market Value €
3,206,300	Advanced Manufacturing Control Systems	6,000,000
12,000,000	SWRVE Mobile Inc	11,022,320
20,683	Allianz Irish Life	360,091
Total Direct Private Equity		17,382,411
% of Total Investments		0.08%

Unquoted Equities

Holding	Security Description	Market Value €
12,091	Allied Irish Banks	52,367
Total Unquoted Equities		52,367
% of Total Investments		0.00%

Unquoted Debt Instruments

Holding	Security Description	Market Value €
100,000,000	Bank of Ireland Variable 6/12/2027	112,554,191
19,450,000	European Investment Bank 01/08/2027	21,424,175
12,500,000	European Investment Bank 01/08/2032	12,910,000
13,650,000	European Investment Bank 01/08/2037	13,256,880
Total Unquoted Debt Instruments		160,145,246
% of Total Investments		0.75%

Property Investments

Commitment €m	Security Description	Market Value €
46	Apollo Domestic Emerging Markets Fund	29,956,991
16	Asian Retail Mall II	37,408
37	Berkshire Multifamily Value Fund	4,945,916
33	Blackrock Japan Core Plus Fund	2,380,906
41	CB Richard Ellis Strategic Partners UK Fund III	1,930,569
34	CB Richard Ellis Strategic Partners UK Fund II	-
56	CBRE Strategic Partners US IV Liquidating Trusts	3,135,902
23	Composition Capital Asia Fund	4,523,340
0	Crystal UK Development Fund	83,125
37	CT Large Loan 2006	345,454
15	FDV II Venture	59,962
45	Forum Asian Realty Income II	5,662,581
44	Forum European Realty Income II	17,229,670
30	Grosvenor French Retail Investments	28,707,692
63	Madison Marquette Retail Enhancement Fund	39,786,317
101	Morgan Stanley Real Estate Fund V US	2,465,443
101	Morgan Stanley Real Estate Fund VI International	13,605,155
51	Morgan Stanley Real Estate Fund V International	3,788,111
46	PRECO III [UK] LP	8,133,834
0	Rockspring Peripheral Europe LP	355,740
46	Silverpeak Legacy Offshore Partners II	17,146,170
75	Tishman Speyer European Real Estate Venture VI	17,169,431
54	Tishman Speyer Real Estate VI Fund	16,467,558
75	WLR Cardinal Mezzanine Fund	17,706,332
1,067	Total Property Investments	235,623,607
	% of Total Investments	1.10%

Private Equity Investments

Commitment €m	Security Description	Market Value €
0	Act 2001 - BIAM Venture	236,639
25	Arch Venture Fund VIII	13,618,245
10	Atlantic Bridge II	13,227,269
20	Atlantic Bridge III	3,451,560
0	WindWise EUT Unlisted Stock Fund	24,265
125	Carlyle Cardinal Ireland Fund	37,487,249
46	China Ireland Growth Technology Fund	9,882,360
1	Delta Equity Fund II	323,600
23	Delta Equity Fund III	14,493,405
0	Delta Equity Fund No.2	90,515
0	Delta I	99,164
20	DFJ Espirit Capital III	23,565,756
11	Draper Fisher Jurveston Fund X	13,480,277
35	Fortress IW Coinvestment Fund	-
15	Fountain Healthcare Partners Fund I	8,384,171
15	Fountain Healthcare Partners Fund II	2,690,962
11	Frontline Venture Fund I	5,749,172
10	Highland Europe Technology Growth II	858,806
10	Highland Europe Technology Growth	12,805,321
0	ICC Private Equity Fund	44,769
12	Lightstone Ventures	4,009,019
46	OCM Opportunities Fund VII B	4,014,971
46	Polaris Partners VII	16,059,412
46	Polaris Venture Partners VI	53,209,748
15	Seroba Life Sciences Fund II	17,384,035
11	Sofinnova Venture Partners VIII	7,739,010
23	Strategic Investors Fund V	23,762,356
23	Strategic Investors Fund VI	16,816,119
18	Ulster Bank Diageo Venture Fund	10,122,713
46	WestSummit Global Technology Fund	54,471,482
	Provision	-1,178,892
664	Total Private Equity Investments	366,923,477
	% of Total Investments	1.71%

Forestry Investments

Holding	Security Description	Market Value €
20,000,000	AIBIM 1st Forestry Fund	30,156,879
16,210	ILIM IFUT - Irish Forestry Unit Trust	136,107
Total Forestry Investments		30,292,986
% of Total Investments		0.14%

Infrastructure

Commitment €m	Security Description	Market Value €
250	Irish Infrastructure Trust	124,875,397
Total Infrastructure		124,875,397
% of Total Investments		0.58%

Quoted Investment Funds

Holding	Security Description	Market Value €
16,510,431	Acadian Global Managed Volatility Fund	228,540,644
166,978	Unigestion Global Managed Volatility Fund	226,557,105
5,332,922	Fundlogic Global Solutions	264,025,417
800,000	GIM Portfolio Strategies Fund II - Euro Managed Currency Plus Fund	87,432,000
39,483	JP Morgan - Managed Reserves	299,446,250
4,779,941	DWS Floating Rate Note	399,842,090
3,489	Amundi Tresor 6 Mois	800,070,660
Total Quoted Investment Funds		2,305,914,166
% of Total Investments		10.73%

Unquoted Investment Funds

Holding	Security Description	Market Value €
61,612	Bridgewater Pure Alpha Euro	120,147,561
66,442	Bridgewater Pure Alpha Major Markets II	94,401,883
668,206	Generation IM Global Equity	172,213,439
Total Unquoted Investment Funds		386,762,883
% of Total Investments		1.80%

Other Bonds

Ireland		
Commitment €m	Security Description	Market Value €
42	Bluebay Ireland Corporate Credit 1 Limited Subordinated Notes	25,350,000
Total Other Bonds		25,350,000
% of Total Investments		0.12%

Long-Term Receivables

Security Description	Market Value €
Private Equity Receivables EUR	7,434,458
Private Equity Receivables GBP	3,687,768
Private Equity Receivables USD	7,238,995
Total Long-Term Receivables	18,361,221
% of Total Investments	0.09%

Equity Index Options

Holding	Security Description	Market Value €
2,432	S&P 500 Index	4,423,037
13,275	DJ Euro Stoxx 50	6,133,050
Total Equity Index Options		10,556,087
% of Total Investments		0.05%

Unrealised gain on foreign exchange contracts

Security Description	Market Value €
Unrealised Loss on Foreign Exchange Contracts	1,851,023
Total Unrealised gain on foreign exchange contracts	1,851,023
% of Total Investments	0.01%
Total Investments at fair value through profit and loss	5,356,330,171

Loans and Receivables

Other Debt

Ireland		
Commitment €m	Security Description	Market Value €
300	Irish Water Loan	300,000,000
Total Other Debt		300,000,000
% of Total Investments		1.40%

Loans and Receivables (continued)

Ireland		
Commitment €m	Security Description	Market Value €
8	Bluebay Ireland Corporate Credit 1 Limited Senior Notes	4,500,000
150	Bluebay Ireland Corporate Credit 1 Limited Super Senior Notes	90,000,000
Total Other Bonds		94,500,000
% of Total Investments		0.44%
Total Loans and receivables		394,500,000

Financial Liabilities

Unrealised Loss on Futures Contracts

Security Description	Market Value €
Unrealised Loss on Futures Contracts (Note 1)	-955,177
Total Unrealised Loss on Futures Contracts	-955,177
% of Total Investments	0.00%
Total Financial liabilities	-955,177

Cash Deposits and Other Cash Investments

Holding	Security Description	Market Value €
Deposits and Cash	Euro	1,219,672,426
	US Dollar	59,978,405
	Other Currencies	884,108
	Sterling	115,027
	Japanese Yen	9,443
Total Deposits and Cash		1,280,659,409
% of Total Investments		5.96%
Treasury Bills		
150	Italian Treasury Bills	150,029,000
300	Spanish Treasury Bills	300,083,000
Total Treasury Bills		450,112,000
% of Total Investments		2.10%
Total Cash Deposits and Other Cash Investments		1,730,771,409
% of Total Investments		8.06%
Total Discretionary Investments		7,480,646,403
% of Total Investments		34.82%

Directed Investments

Holding	Security Description	Market Value €
2,710,809,056	Allied Irish Banks	12,236,049,917
4,512,323,039	Bank of Ireland	1,525,165,187
Total Directed Investments		13,761,215,104
% of Total Investments		64.06%
Cash		
	Euro	240,370,137
Total Cash		240,370,137
% of Total Investments		1.12%
Total Directed Investments		14,001,585,241
% of Total Investments		65.18%
Total Investments		21,482,231,644
% of Total Investments		100.00%

Note 1: Open Futures 31 December 2015

Contracts	Security Description	Unrealised Profit & Loss
(40)	Euro-Bobl Contracts (Expiring March 2016)	(1,200)
(90)	Euro-Bund Contracts (Expiring March 2016)	146,600
2	SPI 200 Index Futures Contracts (Expiring March 2016)	12,016
(6,474)	DJ Euro Stoxx Index Contracts (Expiring March 2016)	(1,524,110)
2	FTSE 100 Index Futures Contract (Expiring March 2016)	6,853
8	Mini MSCI Emerging Markets Futures Contracts (Expiring March 2016)	(5,415)
623	MSCI Taiwan Index Futures Contracts (Expiring March 2016)	(148,783)
(2,243)	S&P 500 Mini Contracts (Expiring March 2016)	558,861
Total Futures		(955,177)

Investment Managers

Private Equity			
Investment Style	Mandate	Manager	Value (€m)
Venture Capital	Ireland	Atlantic Bridge	17
Venture Capital	Ireland	Delta Partners	14
Venture Capital	Ireland	Fountain Healthcare Partners	11
Venture Capital	Ireland	Seroba Kernel Lifesciences	17
Venture Capital	Ireland	Investec Ventures	10
Venture Capital	Ireland	Frontline Ventures	6
Venture Capital	Innovation Fund Ireland	Draper, Fisher, Jurvetson	13
Venture Capital	Innovation Fund Ireland	Draper Esprit	24
Venture Capital	Innovation Fund Ireland	Highland Europe	14
Venture Capital	Innovation Fund Ireland	Polaris Partners	69
Venture Capital	Innovation Fund Ireland	Sofinnova Ventures	8
Venture Capital	Innovation Fund Ireland	Lightstone Ventures	4
Venture Capital	Innovation Fund Ireland	Arch Ventures	14
Venture Capital	Ireland/China	Summit Bridge Capital	10
Venture Capital	Global	WestSummit Capital	55
Venture Capital	Global	SVB Capital	41
Other	US and Europe	Oaktree Capital Management	4
SME	Ireland	Carlyle Cardinal Ireland	37
Cleantech	Ireland	AMCS	6
Mobile Marketing Automation Software	Ireland	Swrve	11
Total Private Equity			385
Real Estate			
Investment Style	Mandate	Manager	Value (€m)
Core	Europe	Grosvenor	29
Opportunistic	Asia	Composition Capital	4
Opportunistic	Europe and Asia	Forum Partners	23
Opportunistic	Global	Morgan Stanley	20
Opportunistic	Global	Silverpeak	17
Opportunistic	US and Europe	Tishman Speyer	34
Value Add	Europe and US	CBRE Investors	5
Value Add	US	Berkshire	5
Value Add	US	Madison Marquette	40
Value Add	US	Apollo Domestic Emerging	30
Opportunistic	US and Europe	PRECO	8
Mezzanine Debt	Ireland	WLR Cardinal	18
Other	Global	Various	3
Total Real Estate			236
Equity Futures			
Investment Style	Mandate	Manager	Value (€m)
Equity Index Futures	Global	Citigroup Global Markets Limited	(426)
Total Equity Futures			(426)
Equity Options			
Investment Style	Mandate	Manager	Value (€m)
Equity Index Options	Global	National Treasury Management Agency	11
Total Equity Options			11

Investment Managers (continued)

Cash			
Investment Style	Mandate	Manager	Value (€m)
Cash	Ireland	National Treasury Management Agency	1,165
Exposure From Equity Futures	Global	Citigroup Global Markets Limited	426
Short Duration Fund	Global	Amundi Asset Management	800
Short Duration Fund	Global	JP Morgan Asset Management	299
Short Duration Fund	Global	Deutsche Asset Management	400
Sovereign Bills	Eurozone	National Treasury Management Agency	450
Currency Forwards/Swaps	Global	National Treasury Management Agency	1
Transition	Global	Legacy Managers	52
Total Cash			3,593
Total Cash Assets			3,178
Infrastructure			
Investment Style	Mandate	Manager	Value (€m)
Passive	Global	Blackrock Advisors (UK)	241
Strategic Irish	Ireland	AMP / Irish Life	125
Total Infrastructure			366
Commodity			
Investment Style	Mandate	Manager	Value (€m)
Forestry	Ireland	Davy Group	30
Active	Global	Fund Logic / Morgan Stanley	265
Total Commodity			295
Bonds & Debt			
Investment Style	Mandate	Manager	Value (€m)
Active	Corporate Bonds	Deutsche Asset Management International GmbH	560
Active	Eurozone Inflation linked Bonds	National Treasury Management Agency	48
Active	Ireland	National Treasury Management Agency	468
Long-term receivables	Global	National Treasury Management Agency	405
SME	Ireland	Bluebay Asset Management	121
Total Bonds & Debt			1,602
Equities			
Investment Style	Mandate	Manager	Value (€m)
Passive	Global	Blackrock Advisors (UK)	814
Active	Global	Generation Investment Management	172
Active	Global	Unigestion	227
Active	Global	Acadian Asset Management	229
Life Science	Ireland	Malin Corporation	53
Total Equity			1,495
Absolute Return			
Investment Style	Mandate	Manager	Value (€m)
Active	Currency	JP Morgan Asset Management	87
Active	Global Macro	Bridgewater Associates	215
Total Absolute Return			302
Total Discretionary Portfolio			7,858

Introduction

Business Review

Governance & Corporate Information

Financial Statements

Portfolio of Investments - ISIF







National Treasury Management Agency

Treasury Building, Grand Canal Street,
Dublin 2, DO2XN96, Ireland

T +353 1 238 4000

E info@ntma.ie

W www.ntma.ie



Follow us on Twitter @NTMA_IE