



**Ireland Strategic Investment Fund**  
**Quarterly Performance and Portfolio Update**  
**At 31 March 2015**

## **1. Fund Overview**

The Ireland Strategic Investment Fund (ISIF) was established on 21 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 assets of the National Pensions Reserve Fund (NPRF) became assets of the ISIF on the ISIF's establishment.

The Discretionary Portfolio (the Fund excluding the public policy investments in Allied Irish Banks and Bank of Ireland) was valued at €7.4 billion as at 31 March 2015.<sup>1</sup>

The Directed Portfolio (public policy investments in Allied Irish Banks and Bank of Ireland made at the direction of the Minister for Finance) was valued at €13.6 billion at 31 March 2015.

The Total Fund size at 31 March 2015 was €21.0 billion.

<b>Fund at 31 March 2015</b>	<b>€bn</b>	<b>% Fund</b>
Discretionary Portfolio	7.4	35.3%
Directed Portfolio	13.6	64.7%
<b>Total Fund</b>	<b>21.0</b>	<b>100.0%</b>

<sup>1</sup> Figures in this statement are preliminary and unaudited.

## 2. Fund Performance

The Discretionary Portfolio earned a preliminary return of +3.4 per cent in the first quarter of 2015.

Performance	31 Dec 2014 to 31 March 2015
Discretionary Portfolio	+3.4%
Directed Portfolio	+1.2%
<b>Total Fund</b>	<b>+1.9%</b>

## 3. Sub Portfolios

### (a) Discretionary Portfolio

The Discretionary Portfolio Asset Allocation as at 31 March 2015 is set out below:

Asset Class	Value (€m)	% of Discretionary Portfolio
Large Cap Equities	1,254	16.9%
Small Cap Equities	259	3.5%
Emerging Markets Equities	260	3.5%
<b>Total Quoted Equities</b>	<b>1,774</b>	<b>23.9%</b>
<b>Value of Equity Put Options</b>	<b>58</b>	<b>0.8%</b>
Inflation Linked Bonds	168	2.3%
Corporate Bonds	1,412	19.1%
Cash & Cash Equivalents	2,316	31.3%
<b>Total Financial Assets</b>	<b>3,897</b>	<b>52.6%</b>
Private Equity	314	4.2%
Property	265	3.6%
Commodities	381	5.1%
Infrastructure	401	5.4%
Absolute Return Funds	317	4.3%
<b>Total Alternative Assets</b>	<b>1,679</b>	<b>22.7%</b>
<b>TOTAL DISCRETIONARY PORTFOLIO</b>	<b>7,407</b>	<b>100.0%</b>

The ISIF and 3<sup>rd</sup> party commitments as at 31 March 2015 to investments aligned with the ISIF mandate are set out below:

Investment Category	31/03/2015	ISIF Committed Capital (€m)	3rd Party Committed Capital in Ireland (€m)	Total Project Size in Ireland (€m)	Multiple of Total Project Size in Ireland to ISIF Commitment
Water	Irish Water	300	-	300	1.0x
PPP	PPP N11	18	165	165	9.1x
Infrastructure	Irish Infrastructure Fund	250	67	317	1.3x
Energy	Covanta Poolbeg Project	44	456	500	11.4x
SME Equity	SME Equity Fund - Carlyle Cardinal	125	167	292	2.3x
SME Credit	SME Credit Fund - BlueBay	200	250	450	2.3x
Food & Agri	Forestry	30	187	217	7.2x
Real Estate	WLR Cardinal CRE Mezzanine Fund	75	195	270	3.6x
Venture Capital	Yet To Be Announced	40	35	40	1.0x
Venture Capital	Innovation Fund Ireland	114	125	239	2.1x
Venture Capital	Local Venture Capital Funds	116	460	576	5.0x
Venture Capital	West Summit "China Ireland" Funds	73	36	73	1.0x
Direct Private Equity	Public Irish Assets (Malin)	50	252	302	6.0x
	<b>Committed to Date</b>	<b>1,474</b>	<b>2,474</b>	<b>3,819</b>	<b>2.6x</b>

## (b) Directed Portfolio

The Directed Portfolio consists of public policy investments in Allied Irish Banks and Bank of Ireland that were undertaken on foot of directions from the Minister for Finance. At 31 March 2015 the Directed Portfolio comprised ordinary shares in Allied Irish Banks valued at €0.0137 (1.37 cents) per share and in Bank of Ireland valued at market price and preference shares in Allied Irish Banks (valued at €1.30 per share).

Since 2009 the Fund has invested €20.7 billion in preference shares and ordinary shares in the two banks, comprising Bank of Ireland €4.7 billion (where the Fund's shareholding is 13.9 per cent) and Allied Irish Banks €16.0 billion (where the Fund's shareholding is 99.8 per cent).

The Fund to date has received a total of €4.2 billion in cash from its Bank of Ireland investment – comprising preference share dividends, the redemption of preference shares and repurchase of warrants by the Bank and the sale of ordinary and preference shares to private investors.

On 19 March 2015, the Minister of Finance directed the withdrawal of €1.6 billion from the Directed Portfolio, with a remaining cash balance of €240 million committed to the Strategic Banking Corporation of Ireland (SBCI).

At 31 March 2015 the Directed Portfolio was valued at €13.6 billion.