



**Ireland Strategic Investment Fund**  
**Quarterly Performance and Portfolio Update**  
**At 30 June 2015**

## 1. Fund Overview

The Ireland Strategic Investment Fund (ISIF) was established on 22 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 €7.6 billion as at 30 June 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 30 June 2015.

The Total Fund size at 30 June 2015 was €21.2 billion.

<b>Fund at 30 June 2015</b>	<b>€bn</b>	<b>% Fund</b>
Discretionary Portfolio	7.6	36.0%
Directed Portfolio	13.6	64.0%
<b>Total Fund</b>	<b>21.2</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 -0.7 per cent in the second quarter of 2015 and has generated a return of +3.0% since inception on 22 December 2014.

Performance	31 March 2015 to 30 June 2015	22 December 2014 to 30 June 2015
Discretionary Portfolio	-0.7%	+3.0%
Directed Portfolio	+2.3%	+3.6%
<b>Total Fund</b>	<b>+1.3%</b>	<b>+3.3%</b>

## 3. Sub Portfolios

### (a) Discretionary Portfolio

The Discretionary Portfolio Asset Allocation as at 30 June 2015 is set out below:

Asset Class	Value (€m)	% of Discretionary Portfolio
Large Cap Equities	1,143	15.0%
Small Cap Equities	204	2.7%
Emerging Markets Equities	203	2.7%
<b>Total Quoted Equities</b>	<b>1,549</b>	<b>20.3%</b>
<b>Value of Equity Put Options</b>	<b>51</b>	<b>0.7%</b>
Inflation Linked Bonds	152	2.0%
Corporate Bonds	1,384	18.1%
Cash & Cash Equivalents	2,816	36.9%
<b>Total Financial Assets</b>	<b>4,351</b>	<b>57.0%</b>
Private Equity	357	4.7%
Property	250	3.3%
Commodities	395	5.2%
Infrastructure	382	5.0%
Absolute Return Funds	299	3.9%
<b>Total Alternative Assets</b>	<b>1,684</b>	<b>22.1%</b>
<b>TOTAL DISCRETIONARY PORTFOLIO</b>	<b>7,635</b>	<b>100.0%</b>

The ISIF and 3<sup>rd</sup> party commitments as at 30 June 2015 to investments aligned with the ISIF mandate are set out below:

30/06/2015 Investment Themes	Total ISIF Commitment (€m)	3rd Party Committed Capital in Ireland (€m)	Total Project Size in Ireland (€m)	Multiple of Total Project Size in Ireland to Total ISIF Commitment
Water	300	400	700	2.3x
Infrastructure	268	232	482	1.8x
Energy	44	456	500	11.4x
SMEs	325	417	742	2.3x
Food & Agriculture	30	187	217	7.2x
Real Estate Based Businesses	75	195	270	3.6x
Venture	382	460	574	1.5x
Direct Private Equity	50	252	302	6.0x
Innovation/Big Idea	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>1,474</b>	<b>2,599</b>	<b>3,788</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 30 June 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 €4.5 billion in cash from its 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.

At 30 June 2015 the Directed Portfolio was valued at €13.6 billion. This consisted of an investment value in Allied Irish Banks of €11.7 billion and in Bank of Ireland of €1.6 billion. There was also a cash and equivalent value of €0.2 billion.

<b>Category</b>	<b>Investment value at 30 June 2015 (€bn)</b>
Allied Irish Banks	11.7
Bank of Ireland	1.6
Cash and Equivalent	0.2
<b>Total</b>	<b>13.6</b>