



**Ireland Strategic Investment Fund**  
**Quarterly Performance and Portfolio Update**  
**At 30 September 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 Discretionary Portfolio was valued at €7.5 billion as at 30 September 2015.<sup>1</sup>

The Directed Portfolio (public policy investments in Allied Irish Banks, Bank of Ireland and the Strategic Banking Corporation of Ireland made at the direction of the Minister for Finance) was valued at €13.5 billion at 30 September 2015.

The Total Fund size at 30 September 2015 was €21.0 billion.

<b>Fund at 30 September 2015</b>	<b>€bn</b>	<b>% Fund</b>
Discretionary Portfolio	7.5	35.6%
Directed Portfolio	13.5	64.4%
<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 -2.1 per cent in the third quarter of 2015 and has generated a return of +0.8% since inception on 22 December 2014.

Performance	30 June 2015 to 30 September 2015	22 December 2014 to 30 September 2015
Discretionary Portfolio	-2.1%	+0.8%
Directed Portfolio	-0.5%	+3.0%
<b>Total Fund</b>	<b>-1.1%</b>	<b>+2.2%</b>

## 3. Sub Portfolios

### (a) Discretionary Portfolio

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

30/09/2015		
Asset Class	Value €m	% of Discretionary Portfolio
Large Cap	1,027	13.7%
Small Cap	159	2.1%
Emerging Markets	159	2.1%
<b>Total Quoted Equity</b>	<b>1,345</b>	<b>18.0%</b>
<b>Value of Equity put Options</b>	<b>88</b>	<b>1.2%</b>
Inflation linked bonds	156	2.1%
Corporate bonds	1,368	18.3%
Cash & Cash Equivalents	2,894	38.7%
<b>Total Financial Assets</b>	<b>4,506</b>	<b>60.3%</b>
Private Equity	403	5.4%
Property	248	3.3%
Commodities	323	4.3%
Infrastructure	357	4.8%
Absolute Return Funds	291	3.9%
<b>Total Alternative Assets</b>	<b>1,622</b>	<b>21.7%</b>
<b>TOTAL DISCRETIONARY PORTFOLIO</b>	<b>7,472</b>	<b>100.0%</b>

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

30/09/2015				
	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	600	900	3.0x
Infrastructure	250	155	405	1.6x
Energy	44	456	500	11.4x
SMEs	325	417	742	2.3x
Food & Agriculture	30	187	217	7.2x
Real Estate Based Businesses	400	370	770	1.9x
Venture	403	525	642	1.6x
Direct Private Equity	56	291	347	6.2x
Innovation/Big Idea				
Other				
<b>Committed to Date</b>	<b>1,808</b>	<b>3,002</b>	<b>4,523</b>	<b>2.5x</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. It also includes a commitment of €240m to the Strategic Banking Corporation of Ireland. At 30 September 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, preference shares in Allied Irish Banks (valued at €1.30 per share) and €240m in cash.

Since 2009 the Fund has invested €20.7 billion in preference shares and ordinary shares in 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 directed investments – comprising in respect of Bank of Ireland preference share dividends, redemption of preference shares and repurchase of warrants by the Bank and the sale of ordinary and preference shares to private investors, totalling €4.2 billion and in respect of Allied Irish Banks preference share dividend totalling €0.3 billion.

At 30 September 2015 the Directed Portfolio was valued at €13.5 billion. This consisted of an investment value in Allied Irish Banks of €11.7 billion and in Bank of Ireland of €1.6 billion, together with cash €0.2 billion.

<b>Category</b>	<b>Investment value at 30 September 2015 (€bn)</b>
Allied Irish Banks	11.7
Bank of Ireland	1.6
Cash and Equivalent	0.2
<b>Total</b>	<b>13.5</b>