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TRUSTEES AND OTHER INFORMATION

TRUSTEES

Patrick Gallagher (Chairman)
Sean Bregazzi (retired 25 January 2013)
Anthony Harmon
Patrick Knight
Brian McCormick
Alan McGeehan
Charles O'Neill
Niall Phelan (appointed 29 May 2014)

ACTUARY

Michael Madden F.S.A.I.
Mercer Consulting
Charlemont Street, Dublin 2

REGISTERED ADMINISTRATOR

Pensions Administration, An Post, General Post Office, Dublin 1

PRINCIPAL INVESTMENT MANAGERS

State Street Global Advisors Ireland Limited (SSgA)
PIMCO Europe Ltd
AXA Rosenberg
JP Morgan
Heptagon Capital
Fidelity International
Irish Property Unit Trust (IPUT)
Irish Forestry Unit Trust (IForUT)
Rockspring Property Investment Managers LLP
Irish Life Investment Managers / AMP Capital
Czech Asset Management LLP
Alder Capital Limited
Goldman Sachs Limited

CUSTODIAN

The Bank of New York Mellon Asset Servicing BV
160 Queen Victoria Street, London EC4V 4LA,
United Kingdom

INDEPENDENT AUDITOR

KPMG, Chartered Accountants & Registered Auditor 1 Harbourmaster
Place, IFSC, Dublin 1

SOLICITOR

Chief Legal Officer
An Post, General Post Office, Dublin 1

BANKERS

Bank of Ireland
6 Lower O'Connell Street, Dublin 1

SECRETARY

Paul Dolan
An Post, General Post Office, Dublin 1

REGISTRATION NUMBER

PB 43750

TRUSTEES OF THE AN POST SUPERANNUATION SCHEMES



1. PATRICK GALLAGHER
Chairman

2. ANTHONY HARMON
Trustee

3. PATRICK KNIGHT
Trustee

4. BRIAN MCCORMICK
Trustee

5. ALAN MCGEEHAN
Trustee

6. CHARLES O'NEILL
Trustee

7. NIALL PHELAN
Trustee (appointed
29 May 2014)



TRUSTEES' REPORT

This Annual Report contains all the details and information required under the Pensions Acts, 1990 to 2006, the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 to 2013 and the Statement of Recommended Practice 'Financial Reports of Pension Schemes' (Revised May 2007) (the SORP), together with some additional information which we feel will be of interest to members and other interested parties.

1. INTRODUCTION

The An Post Superannuation Schemes ("the Schemes") are registered with the Pensions Authority (formerly the Pensions Board) in accordance with Section 60 of the Pensions Act, 1990 as Public Service Defined Benefit Occupational Pension Schemes and the appropriate annual registration fee has been paid.

A summary of the investment strategy and valuation of the Fund is set out on pages 6 and 7 of the Trustees' Report under "Developments during the Year." A copy of the latest actuarial valuation is available to members on request from the Secretary of the An Post Superannuation Schemes, General Post Office, O'Connell Street, Dublin 1.

2. THE SCHEMES

The Superannuation arrangements effective from 1 January 1984 (Vesting Day) for pensionable staff of An Post (the principal employer) are set out in an Interim Trust Deed dated 6 February 1986 and a definitive Trust Deed dated 12 November 1990. Benefits are provided through two schemes, An Post Main Superannuation Scheme, 1990 and An Post Spouses' and Children's Contributory Pension Scheme, 1990. These Schemes were approved by the then Minister for Communications on 11 June, 1990, by the then Minister for Finance on 25 June 1990 and by the Revenue Commissioners on 14 February 1991. A booklet summarising the principal details of the Schemes has been distributed to all members.

An Post Main Superannuation Scheme, 1990 was amended by deed dated 28 July 1992 which provided formal schemes for (a) the purchase of notional service, (b) the granting of professional notional service and (c) the refund of marriage gratuities on re-employment. Ministerial and Revenue Commissioners' approval was received for these amendments. On 10 June 1997, the Trustees adopted the An Post Superannuation (Amendment) Scheme, 1997 which formalised the calculation and repayment mechanism in respect of the amount due from the Minister for Finance.

On 7 December 1999, the Trustees adopted the An Post Superannuation (Amendment) Scheme, 1999 whereby the Minister for Finance commuted his liability as calculated with

effect from 30 November 1999 by the payment of €571 million into the Schemes. Consequently, the Schemes assumed responsibility for the payment of all pension entitlements of staff, as calculated at that time, for service given before and after Vesting Day. The pensionable entitlement of any member remains unaffected by these funding arrangements.

An Post Main Superannuation Scheme, 1990 was amended by deed dated 1 January 2002 whereby the Trustees agreed with An Post that all expenses formerly discharged by the Company under Clause 29(b) of the principal deed would henceforth be paid by the Trustees.

An Post Main Superannuation Scheme, 1990 was further amended by deed dated 13 February 2012 which took account of all legislative amendments to the Pensions Act 1990 not previously reflected in the Main Scheme and subsequent changes which occurred as a result of payroll agreements implemented by An Post ("the Company"). This deed, entitled the An Post Main Superannuation Scheme (2011), 2012, reflected the relevant changes advised to members in a letter from the Trustees dated 11 July 2011. The changes were subsequently incorporated into the amended An Post Main Superannuation Scheme 2012 with an effective date of 1 January 2012. Both amendments were approved by the Minister for Communications, Energy and Natural Resources and the Minister for Public Expenditure and Reform on 13 February 2012. There have been no adverse changes to members' benefits, as a consequence of these amended Schemes.

If members wish to inspect any of the Schemes' documents or have any queries about the provisions of the Schemes or the entitlements thereunder, they should contact the Secretary of the An Post Superannuation Schemes, General Post Office, O'Connell Street, Dublin 1 (Telephone 01-7057594).

3. THE TRUSTEES

Stewardship of the Schemes' assets is in the hands of the Trustees. The current Trustees of the Schemes, at the date of signing of this report, are as set out on page 2 of this report. Mr Sean Bregazzi retired as a Trustee on 25 January 2013.

TRUSTEES' REPORT CONTINUED

Trustee meetings are held at least quarterly and 13 Trustee meetings were held during 2013. A minimum of two Trustees must be present for valid decisions to be taken. Decisions require the majority support of those Trustees present.

The power to appoint and remove all Trustees is vested in the Company and this power must be exercised by deed. Three of the Trustees are selected by An Post and three of the Trustees are recommended for appointment by the members. The seventh Trustee, who also holds the position of independent Chairman, is selected by the Company.

In accordance with the terms of the Occupational Pension Schemes (Member Participation in the Selection of Persons for Appointment as Trustees) (No.3) Regulations, 1996 (SI 1996/376), the members have the right to select or approve the selection of Trustees.

The Pensions Act, 1990 to 2006 outlines the general duties of Trustees which are:

- (a) to ensure, in so far as is reasonable, that contributions payable by the members and the employer are received;
- (b) to provide for the proper investment of funds;
- (c) to make arrangements for the payment of benefits;
- (d) to ensure that proper membership and financial records are kept; and

The Trustees and the administrator have access to appropriate training on their duties and responsibilities and, during the year, €3,998 (2012:€450) was expensed in relation to Trustees' training. The Trustees and the administrator of the Schemes have access to (i) the Trustee Handbook produced by The Pensions Authority and (ii) the Guidance Notes issued by The Pensions Authority from time to time in accordance with Section 10 of the Pensions Act, 1990. The Trustees have received training and are compliant with Trustee training requirements.

4. SPONSORING EMPLOYER

The Schemes are provided for eligible employees of An Post. An Post's registered address is General Post Office, O'Connell Street, Dublin 1. The Main Scheme is primarily financed by An Post and details of contributions and other financial developments during the year are set out in the Trustees' report in paragraph 8.

5. CONTRIBUTIONS

Contributions were paid in accordance with the rules of the Schemes and the recommendation of the Actuary and were received in full within 30 days of the Schemes' year end. The Trustees are satisfied that appropriate

procedures are in place to ensure that contributions payable are received in accordance with the legislative requirements set out under Section 58A of the Pensions Act, where applicable or within 30 days of the Schemes' year end and in accordance with the rules of the Schemes and the recommendation of the actuary.

6. CONDITION OF THE SCHEMES

The financial condition of the Schemes is dealt with below in "Developments during the Year" and in the Financial Statements, the Actuary's Statement and the Investment Report section of this report.

7. STATEMENT OF RISKS

Under the Occupational Pension Schemes (Disclosure of Information) Regulation, 2006 to 2013, the Trustees are required to describe the risks associated with the Schemes and to update these to members. A Statement of Risks, adopted by the Trustees, is included at Appendix 2 to this report. The Schemes are funded by contributions paid by the employer and members. Actuarial advice will have been obtained when setting those contributions. However, there is no guarantee that the Schemes will have sufficient funds to pay the benefits promised. It is therefore possible that the benefits payable under the Schemes may have to be reduced. If the Schemes are wound up and there is a deficit, the employer may not be under an obligation to fund the deficit or, even if the employer is under such an obligation, they may not be in a position to fund the deficit.

8. DEVELOPMENTS DURING THE YEAR

The value of the Fund's investments increased during 2013 by 8.9%, with strong returns from equity markets and modest positive returns from bond markets. These two asset classes account for the majority of the Schemes' investments. Other risk assets also performed well. Returns have been driven by moderate improvement in economic conditions as the year progressed, particularly in the US. This improvement was supported by significant actions from central banks and political authorities around the world.

The Trustees continued to add new investments to the portfolio of alternative assets during the year.

The Trustees were obliged to pay the third instalment of the Pension Levy, which was introduced in 2011. An amount of €12.1m was paid to Revenue from the assets of the Schemes in September 2013.

The Investment Report on pages 11 to 18 provides more detail on the performance of the Fund for the year.

An actuarial review (an assessment of the actuarial position of the Schemes on a continuance basis) was carried out as at 2 January 2013. The result of which was a deficit in the Fund. As a funding proposal was due to be submitted to the Pensions Authority in 2013 it was agreed that the Company contribution rate would continue at 14.4% of pensionable pay. The funding proposal was submitted to the Pensions Authority on 8 April 2014 and was subsequently approved on 19 May 2014.

The Trustees are required to submit an Actuarial Funding Certificate to the Pensions Authority every three years. The certificate states whether or not the Schemes' assets are sufficient to meet the Schemes' liabilities in the event of a winding up of the Schemes. A copy of this certificate is included at Appendix 4, and states that the Schemes did not meet this test on the effective date, 2 January 2013. Furthermore, if the Actuary were to have prepared an Actuarial Funding Certificate at 31 December 2013, he would similarly have confirmed that the Schemes would not have satisfied the funding standard at that date. In addition, the Actuary also prepared a Funding Standard Reserve Certificate with an effective date of 2 January 2013, in which he states that the Schemes do not hold sufficient additional resources to satisfy the funding standard reserve as provided in section 44(2) of the Act. A copy of the certificate is included at Appendix 5. Compliance with this legislation will be effective from 1 January 2016.

An amended Scheme has been submitted to the Department of Public Expenditure and Reform via the Department of Communications, Energy and Natural Resources and, while the Company has received tacit approval, the Trustees are currently awaiting Ministerial signature to the amendments.

The financial position of the Schemes at the time of writing this report is broadly in line with the valuation at 31 December 2013. The Minimum Funding Standard deficit at year end was €114.0m.

During 2013, contributions and transfers totalled €64.1m (employer – €59.5m, employees – €4.6m). Transfer values in amounted to €0.4m. Investment income net of investment management expenses of €2.9m amounted to €20.5m. Benefits and other payments (including the Pension levy) for which the Schemes were liable totalled €96.2m. Net movement in the market value of investments resulted in an increase of €191.4m. The Schemes achieved a return of 8.9% on their investments in 2013. At 31 December 2013, the net assets of the Schemes were valued at €2,197.4m.

Details of the composition of the Schemes' net assets at 31 December 2013 are as follows:

	€'000
Quoted Fixed Interest Securities	545,939
Unquoted Equities	24,763
Unit Trusts	1,492,284
Property Pooled Investments	113,454
Alternative Investments	96,408
Derivative assets	
Forward Foreign Exchange (FX)	2,183
Swaps	131
Cash Instruments	24,973
Cash on deposit	4,144
Other Investment Balances	(117,513)
Accrued Investment Income	9,424
Derivative Liabilities	
Options	(132)
Futures	(913)
TOTAL INVESTMENTS	2,195,145
Current Assets	3,039
Current Liabilities	(833)
TOTAL FUND	2,197,351

The Trustees regularly monitor the strategic asset allocation of the Schemes' funds (as set out in the Statement of Investment Policy Principles at Appendix 1). The Trustees are satisfied with the year end allocations.

The Bank of New York Mellon Asset Servicing B.V. acts as global custodian for the Schemes.

Summary investment commentaries for the year, for each of the investment managers, are set out on pages 12 to 14 of this report. Commentaries on the performance of the property and forestry investment managers, together with updates on the alternative investments, and other investment programmes are set out on pages 14 to 18.

TRUSTEES' REPORT CONTINUED

9. MEMBERSHIP DETAILS AT 31 DECEMBER 2013

	2013	2012
EMPLOYED		
At 1 January	9,736	9,936
Additions	198	213
Leavers	(454)	(413)
AT 31 DECEMBER	9,480	9,736
DEFERRED PENSIONERS <i>(i.e. former staff of An Post who have preserved pension entitlements)</i>		
At 1 January	2,377	2,254
Additions	165	208
Leavers	(78)	(85)
AT 31 DECEMBER	2,464	2,377
PENSIONERS <i>(i.e. retired staff of An Post)</i>		
At 1 January	3,973	3,829
Additions	283	242
Leavers	(117)	(98)
AT 31 DECEMBER	4,139	3,973
DEPENDENTS <i>(i.e. widows, widowers and children of former staff of An Post)</i>		
At 1 January	1,281	1,277
Additions	65	77
Leavers	(67)	(73)
AT 31 DECEMBER	1,279	1,281

There are no members of the An Post Main Superannuation Scheme insured for death in service benefit only.

10. SUBSEQUENT EVENTS

The Schemes remain underfunded and as already stated in paragraph 8 "Developments during the Year", the Pensions Authority ratified the funding proposal on 19 May 2014. In addition, the Trustees have completed due diligence on the properties being offered by the Company as a contingent asset. While the funding agreement between the Company and the Trustees is ready to be signed, both parties are awaiting sign-off from the Ministers on the amended Scheme, before the funding agreement and fixed charge on the Company's assets can be signed.

Markets continued to perform well during the first half of 2014, with the May 2014 valuation showing an increase above the year end valuation quoted in this report. The Trustees continue to monitor the investment strategy with a view to de-risking and, as a consequence, reducing the Schemes' performance volatility.

11. TAXATION STATUS

The Schemes have been approved as an "exempt approved scheme" for the purposes of Section 774 of the Taxes Consolidation Act 1997 and so the Schemes' income and gains are generally exempt from taxation. An annual pension levy was introduced by Section 4 of The Finance (No. 2) Act, 2011 under section 125B of the Stamp Duties Consolidations Act 1999 which was signed into law on 22 June 2011. This legislation introduced a four-year levy of 0.6% on the aggregate market value of private pension funds. In addition, in 2013, a further levy of 0.15% was introduced increasing the levy to 0.75% for 2014 which will fall to 0.15% in 2015.

12. CHANGES TO THE RULES OF THE SCHEMES

There have been no changes since the previous year in the information specified in Schedule C of the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 to 2013. However, as mentioned in paragraph 10 above and as set out in the Company's communications in May and June of last year, the Trustees are awaiting Ministerial approval of the amendments to the Scheme. The most significant change is to the Schemes' retirement age which will be aligned with the State pension age. In addition, the Company is providing a contingent asset, in the form of specific properties, which will be utilised to manage the impact of the Minimum Reserve requirements with which compliance is required from 1 January 2016.

13. PENSION INCREASES

During the year under review, no increases were granted to pensioners.

As a consequence, no increases were applied to deferred benefits, which remain a liability of the Schemes. There are no pensions or pension increases being paid by or at the request of the Trustees for which the Schemes would not have a liability should they wind up.

14. SCHEME GOVERNANCE

TRUSTEE GOVERNANCE/TRUSTEE KNOWLEDGE

All Trustees have received formal training by a recognised third party educational training course provider.

Each Trustee, on appointment, receives formal Trustee training as part of an induction programme. Serving Trustees are encouraged to continue to update their knowledge by attending further training seminars.

Training is provided in a number of ways and by a variety of service providers. The Actuary and other professional advisors provide training to some or all of the Trustees in routine Trustee meetings or in specially arranged training events. Trustees also avail of the Trustee Forum training sessions provided by the Irish Association of Pension Funds (IAPF) and update their knowledge via the on-line learning facility available on the Pensions Authority's website www.pensionsauthority.ie.

15. INTERNAL DISPUTES RESOLUTION

In compliance with Article 5 of the Pensions Ombudsman Regulations 2003, a procedure has been put in place to facilitate internal dispute resolution. Details of the procedure are set out in Appendix 3 to this report.

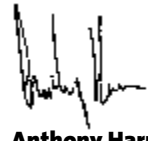
16. CONCLUSION

In order to produce the material for this report a considerable amount of research work was carried out on behalf of the Trustees by staff seconded from An Post and by our professional advisers. We are grateful to all concerned for their efforts.

On behalf of the Trustees



Patrick Gallagher
Trustee



Anthony Harmon
Trustee

19 June 2014



INVESTMENT REPORT

The assets of the Schemes are vested in the Trustees and, accordingly, are totally separated from the assets of An Post.

INVESTMENT POLICY

Under the Trust Deed, the Trustees have full power to decide investment policy and to administer the funds at their disposal. The monies for investment are allocated to a number of investment managers and they each invest according to guidelines set out in an Investment Policy Document approved by the Trustees. The investment managers provide detailed reports to the Trustees and investment performance is monitored on a regular basis by the Trustees.

A Statement of Investment Policy Principles (SIPP), in accordance with Section 35 of the Pensions Act, 1995, agreed by the Trustees is detailed at Appendix 1. The majority of the assets of the Schemes are invested in equities and bonds. The remainder of the assets are invested in alternative asset classes, including property. Five investment managers manage the following key mandates, which together account for the majority of the Schemes' assets:

- (1) passive global developed equity mandate – SSgA
- (2) active fixed interest mandate – PIMCO
- (3) passive fixed interest mandate – SSgA
- (4) active global small cap equity mandate – Axa Rosenberg
- (5) active emerging markets equity mandate – JP Morgan and
- (6) active emerging markets equity mandate – Heptagon

In addition, the Trustees have property investments with SSgA, Irish Property Unit Trust, Fidelity Investments, Rockspring PIM (LLP), LaSalle Euro Growth II and forestry investments with Irish Forestry Unit Trust (IForUT) and North American Forestry Investment Trust (NAFIT). The Trustees have committed to invest in a number of venture capital funds. The Trustees continue to invest in a number of alternative investments – in some cases the investment amount is called down by the manager over a period of time rather than an upfront investment. These investments include currency, infrastructure, direct lending, private equity and forestry. Details of these investments are on pages 12 to 18 of this report.

Details of the investment holdings at 31 December 2013 are set out in the following table.

INVESTMENT MANAGER	ASSETS (€'000)	% OF PORTFOLIO
State Street Global Advisors – Equities and Bonds	1,207,163	55.0%
PIMCO – Bonds	426,900	19.4%
AXA Rosenberg – Small Cap Equities	136,618	6.2%
JP Morgan – Emerging Markets Equities	63,393	2.9%
Heptagon – Emerging Markets Equities	51,875	2.4%
PIMCO – Tactical Opps Fund	33,238	1.5%
State Street Global Advisors – Property	38,282	1.7%
Fidelity Investments – Property	29,002	1.3%
Irish Property Unit Trust	19,579	0.9%
Rockspring PIM (LLP) – Property	15,199	0.7%
La Salle Euro Growth II SARL – Property	1,378	0.1%
Irish Forestry Unit Trust	2,788	0.1%
NAFIT – US Forestry	7,226	0.3%
Miscellaneous Bonds	38,501	1.8%
Alder Capital Limited – Currency	27,826	1.3%
Venture Capital	24,763	1.1%
ILIM/AMP – Infrastructure	21,512	1.0%
Goldman Sachs – Currency	15,975	0.7%
Czech Asset Management	10,087	0.5%
Collier Capital – Private Equity	6,974	0.3%
Blackstone Capital – Private Equity	4,429	0.2%
Partners Group – Private Equity	4,344	0.2%
Macquarie – Infrastructure	3,258	0.2%
BlueBay – Corporate Credit	2,000	0.1%
BDO Development Fund	2	0.0%
Trustee Managed Cash	2,833	0.1%
TOTAL	2,195,145	100.00%

INVESTMENT REPORT CONTINUED

The overall asset allocation of the Schemes' funds at the end of 2013 is as follows: Equities 52.3%, Bonds 35.4%, Alternatives 7.5%, Property 4.7% and Cash 0.1%.

The overall currency exposure of the Schemes' funds at 31 December 2013 is: Euro 50.4%, USD 29.4%, GBP 5.3% and Yen 4.1%. Other currencies account for the remaining balance of 10.8%.

Bank of New York Mellon Asset Servicing B.V. acts as global custodian for the Schemes.

Summary investment commentaries for the year, from each of the investment managers, are set out on pages 12 to 14 of this report. Commentaries on the performance of the property and forestry investment managers, together with updates on the investments in venture capital, miscellaneous bonds, alternative assets and other investment programmes are set out on pages 14 to 18.

Details of how investment management fees are computed are set out under the "Expenses" heading in the Statement of Accounting Policies section of this report.

STATEMENT FROM STATE STREET GLOBAL ADVISORS (SSgA) – PASSIVE MANDATE

SSgA manages a portfolio of passive investments in State Street Exempt Unit Trusts. The objective of passive management is to match the return generated by the relevant market index. The fees associated with passive management are considerably less than those for active management.

SSgA manages two separate portfolios: Global Equities and Eurozone Long Bonds. The individual fund returns for the year and the portfolio allocation as at 31 December 2013, are as follows:

	PORTFOLIO VALUE	PORTFOLIO %	FUND (AND INDEX) PERFORMANCE %
Global Equities	€895.7m	74.2%	21.5% (21.2%)
Eurozone Bonds	€311.5m	25.8%	1.6% (1.5%)
TOTAL	€1,207.2m	100.0%	

The opening value of the total assets of the portfolio, on 1 January 2013 was €1,086.0m. A total of €45m was divested from the portfolio during the year: €25m from Equities and €20m from Bonds. The closing value at 31 December 2013 was €1,207.2m. The overall return for the year is 15.6%.

2013 was a strong year for developed market equities, with healthy gains achieved in most markets. Central Banks committed to keeping official rates anchored at historically low levels and there was a greater sense of stability around markets and the global economy. Positive economic data was greeted with enthusiasm and investors' risk appetite was ramped up – an environment supportive of equities while safe haven assets such as bonds and gold dropped out of favour.

The US market finished the year at a new record high, with the S&P index up 30.0%. Japanese equities gained approximately 60% in yen terms, but the weakness of the yen meant that gains were less than half that return for euro-based investors.

Against a background of an improving US economy the Federal Reserve announced in May that it intended to reduce its quantitative easing programme, a process known as tapering. The initial reaction was negative, particularly in Emerging Markets but investors eventually grew accustomed to the idea.

Government bonds posted only modest returns for the year as economic prospects brightened and as the US Federal Reserve moved inexorably towards reducing the extent of its quantitative easing effort. Even with the commitment from the Federal Reserve not to raise interest rates until at least 2015, 10 year treasury yields rose by almost 0.40% in the final quarter to end the year more than one percentage higher than at the end of 2012. UK gilts followed a similar trajectory. German bonds also lost ground, although the increase in yields was more modest. Amid diminishing euro crisis fears, European peripheral bonds continued to narrow the yield gap against core European bonds with Italian, Spanish and Irish bonds making gains in the year.

STATEMENT FROM PIMCO

The mandate of PIMCO is to actively manage a portfolio of fixed interest investments against a Eurozone long dated government bond benchmark.

The opening market value of the portfolio on 1 January 2013 was €417.7m. There was no cash flow during the year. The closing value of the portfolio at 31 December 2013 was €426.9m. The portfolio returned 2.9% for the year, ahead of the benchmark return of 1.6%.

In 2013, much of the movement in financial markets was driven by the speculation that followed the US Federal Reserve's announcement, in May, of its intention to reduce the quantitative easing programme by reducing or tapering the pace of its monthly bond purchases. The announcement was in response to improving US economic conditions. The effects of the announcement were felt around the world as investors became increasingly nervous that the monetary

stimulus would be taken away. The “taper” was not the only influence on markets over the year, just the one that dominated the second half. Other central banks in developed countries mirrored the Federal Reserve in maintaining liquidity provisions by actively supporting financial markets while maintaining low interest rates. Over the year core European bonds returned -1.3%, European peripherals returned 8.6%, US Treasuries returned -2.8% and Global credit markets returned -0.4%.

The main drivers of portfolio out-performance were an off-benchmark allocation to high quality securitised assets, corporate bonds and some government like securities (such as local authority bonds). These sectors outperformed core government bonds which underperformed following the “taper tantrum” earlier in the year.

PIMCO managed a separate portfolio of bank capital assets, known as the Bank Capital portfolio, from June 2008 until August 2013. The investment was opportunistic; funded at a time when the credit crisis in the banking industry presented an opportunity to purchase bank securities at attractive historic discounts. The investment was intended to be a medium-term hold for the Schemes and the Trustees decided to liquidate the portfolio having benefitted from most of the excess returns in the asset class. The original investment was €30.0m; €5.0m was withdrawn in December 2010 and the realised proceeds in August 2013 were approximately €41.0m. The gross return from inception was 9.2% per annum. Total management and performance fees paid to the Manager were €1.6m.

The Trustees invested €34.0m into the PIMCO Tactical Opportunities fund at the end of August 2013. This is an opportunistic credit strategy which seeks to capitalise on dislocations across global credit markets, particularly in structured credit, due to global deleveraging and increased regulation of banks. At 31 December 2013 the fund was valued at €33.2m, a return of -2.8% for the 4 month period due to currency loss.

STATEMENT FROM AXA ROSENBERG – GLOBAL SMALL CAP MANDATE

AXA Rosenberg Investment Management manages a Global Small Cap equity portfolio. The benchmark against which performance is measured is the S&P SmallCap Index Global.

	PORTFOLIO	BENCHMARK	VALUE
Global Small Cap	32.7%	27.4%	€136.6m

The Global Small Cap portfolio had an opening market value of €102.7m, at 1 January 2013. There were no cash flows during the year. The closing value of the portfolio at 31 December 2013 was €136.6m. The portfolio performed very

strongly during 2013 with a return of almost 33.0%, which out-performed the benchmark by 5.3%.

The manager invests in stocks which are defined as small capitalisation. The benchmark includes the smallest 15.0% of companies in each developed country, and the average company size is €2 to €2.5 billion.

Confidence in a sustainable global recovery saw investors buy back into equity markets. Flows into equity funds were the highest in 10 years. The market environment favoured smaller companies and this, combined with investors seeking to buy undervalued assets, proved a rich environment in which AXA Rosenberg’s investment process was rewarded.

Stock selection dominated relative return as investors displayed a greater willingness to differentiate along fundamental dimensions. Stock selection was well rewarded within the consumer discretionary sector, the largest sector overweight for the portfolio through 2013.

The exceptional gains made by equity investors in the US, Europe and Japan in 2013 were outsized and AXA Rosenberg believes that these are unlikely to be repeated in the coming year. In the first quarter of 2014 investors softened their views on future earnings, although the economic backdrop remains supportive of further moderate growth in equity markets.

The Small Cap portfolio holds 741 stocks out of an index of almost 5,500 names. The US dominates the country share of the portfolio, with 54.3% at year end, followed by the Eurozone at 10.9%; the UK accounts for 10.2% and 9.2% of the portfolio is in Japan. Other significant country holdings are Australia, Canada and Switzerland. There is a very small holding in Ireland, 0.22%, which is invested in Smurfit Kappa and Fyffes.

EMERGING MARKETS EQUITIES

There were changes to the manager line-up in Emerging Markets during the year. As advised in last year’s Annual Report the Trustees were concerned about the performance of the incumbent manager, Esemplia. In April 2013, following a manager selection process, JP Morgan was appointed to manage half of the existing portfolio. Esemplia’s mandate was terminated in August with the appointment of Heptagon to manage the other half of the portfolio. The reports from the two new managers are set out below. It should be noted that the performance figures are not comparable as they relate to different time periods.

STATEMENT FROM JP MORGAN ASSET MANAGEMENT

JP Morgan Global Institutional Asset Management, a global leader in investment management, was appointed by the Trustees to manage part of the Emerging Markets portfolio

INVESTMENT REPORT CONTINUED

with effect from April 2013. The fund in which the Schemes are invested is the JPM Emerging Markets Opportunities Fund. The total size of this fund is approximately €1.7 billion.

The benchmark against which performance is measured is the MSCI Emerging Markets Index. The table below shows the manager's performance from April 2013.

	PORTFOLIO	BENCHMARK	VALUE
JP Morgan Emerging Markets	-2.2%	-4.0%	€63.4m

The Schemes invested a total of €65.6m in 3 tranches during April 2013. The closing value of the portfolio at 31 December 2013 was €63.4m. The investment return for the period from inception in April to the year end was -2.2%, and the equivalent benchmark return was -4.0%.

2013 proved to be a very difficult year for Emerging Markets with equities declining by 6.8% (in stark contrast to the strong performance of developed equity markets). The biggest driver of the underperformance was concern amongst investors that the so-called tapering of quantitative easing in the US would have a negative impact on emerging markets.

At the end of 2013 the portfolio was invested in 63 companies across 16 countries. 62.3% of the portfolio's holdings are in Asia, 20.1% in the Europe/Middle East/Africa region (EMEA) and 16.1% in Latin America, with cash accounting for the remaining 1.5%. The largest individual country holdings are China (25.1%), Korea (15.9%) and Brazil (13.2%). The largest stock holding is Samsung which accounted for 6.0% of the portfolio.

STATEMENT FROM HEPTAGON CAPITAL

Heptagon Capital, based in London, is an independent firm which specialises in identifying and providing access to top rated investment managers in various asset classes. Heptagon is the promoter of the Oppenheimer Developing Markets Equity Fund, in which the Trustees invested €50m in September 2013. The total size of this fund is approximately €500m. The underlying investment manager is US based OFI Institutional Asset Management who manage €30bn in Emerging Markets equity strategies.

The benchmark against which performance is measured is the MSCI Emerging Markets Index.

	PORTFOLIO	BENCHMARK	VALUE
Oppenheimer Developing Markets	3.7%	0.6%	€51.9m

The inception date of the portfolio was 6 September 2013 with an opening value of €50.0m and the closing value at 31 December 2013 was €51.9m. The investment return for the period from inception to the year end was 3.7% versus an equivalent benchmark return of 0.6%.

The manager mainly invests in shares of companies located in developing and emerging markets with economies, industries and stock markets that are growing and gaining more stability. It can also invest in companies in developed markets which derive substantial earnings from emerging regions. The portfolio is built from the bottom up by selecting companies characterised by durable (i.e. non-cyclical) and above average earnings growth, with unique and defendable competitive advantages. The fund in general ignores benchmarks, while adopting an active management approach to investment.

Emerging market equities underperformed in the year, posting a return of -6.8%. However, this fund strongly outperformed its benchmark during the last quarter, due to good stock selection. The manager believes that economic weakness has bottomed out in Emerging Markets. Though not homogenous, most of the individual markets have been sluggish as a consequence of slow global growth. There are more positive signs with the US now on a firmer economic footing and more encouraging signs in Europe.

The portfolio holds approximately 110 stocks, with the largest country holdings being China (17.9%), India (12.5%) and Brazil (9.6%).

PROPERTY

The property investments of the Schemes are held in funds managed by the managers listed in the table below along with the value of those investments at 31 December 2013:

MANAGER	VALUE
State Street Global Advisors	€38.3m
Irish Property Unit Trust	€19.6m
Fidelity Investments	€29.0m
Rockspring PIM (LLP)	€15.2m
La Salle Euro Growth II Sarl	€1.4m
Irish Forestry Unit Trust	€2.8m
North American Forestry Investment Trust	€7.2m
TOTAL	€113.5m

Overall the return on property investments for the year ended 31 December 2013 was 3.1%.

The following are the reports from each of the investment managers.

STATE STREET GLOBAL ADVISORS

The Schemes are invested in the SSgA Exempt Property Unit Trust and this holding was valued at €35.4m on 1 January 2013. There was no cash flow in or out of the fund during the year. The closing value of the assets at 31 December 2013 was €38.3m. The return on the portfolio for the year was 8.0%.

SECTORAL ALLOCATION		GEOGRAPHIC ALLOCATION	
Offices	51.0%	Ireland	73.0%
Retail	35.0%	UK	25.0%
Industrial	14.0%	Europe	2.0%

The fund invests in high quality commercial property with strong cash flows.

2013 was a notably better year for the Irish commercial property market with strong international interest bolstered by a number of domestic institutions and two new specialist property funds (REITs). Large volumes of money led to a significant increase in transactions and yields compressed over the year across all 3 sectors. There was considerable competition for high-quality buildings in prime Dublin locations, particularly within the offices sector, where demand for space from multi-nationals has been a key driver. The retail sector is beginning to recover, helped by an improving economy.

The UK economy has surprised in its robustness through 2013, and this has helped widen the London-based property boom to more provincial areas. The market saw a strong increase in the value of investment transactions. Overseas investors remain focused on London and this is driving others to seek value beyond the city's environs. Yields have continued to fall in London, across all sectors, with more modest improvements seen in other locations.

There are 38 directly held properties in the portfolio and the manager continues to focus on actively managing the assets in order to maintain and improve value. Market conditions are improving, if still demanding, and protecting the income of the portfolio remains a priority.

IRISH PROPERTY UNIT TRUST (IPUT)

The value of the Schemes' holding in IPUT at 1 January 2013 was €18.2m. Income earned for the year totalled €1.5m. The closing value of the assets at 31 December 2013 was €19.6m. The return for the year was 15.9%.

Stronger than expected economic activity and an increase in both the volume and value of commercial property transactions led to a record high volume of transactions in 2013. Overall the conditions driving Ireland's property market

have proved more than favourable in 2013, particularly in the latter half of the year. The return of investors to the market gained momentum through the year allowing for a significant increase in demand from a wider pool of investors, including Irish investors who made up 47% of total spend in 2013. Increased prime supply has been quickly absorbed allowing for upward movement in values and a considerable tightening of yields. As expected, Dublin's office sector is driving the recovery in values and rents. IPUT completed purchases of €280 million of office investments in 2013, including prime Dublin city centre office blocks at Grand Canal Square, Sir John Rogerson's Quay and Georges Dock in the IFSC. These purchases bring the office weighting in the portfolio to over 74%. Investing in prime Dublin offices at this opportune point in the cycle should lead to enhanced investor returns over the medium term.

The 2013 return was driven by the positive contribution from the recent acquisitions. Offices continue to be the leading contributor to capital growth in the portfolio with consistent rental growth recovery from all three sectors of the portfolio underpinning positive returns.

The portfolio comprises 60 mainly freehold properties, located in Dublin and Cork. The sector mix is Office (74.0%), Retail (20.0%) and Industrial (6.0%). At year end the net portfolio vacancy rate across the portfolio stood at 3%. The income yield for the year was 7.4%.

On 2 January 2014 the amalgamation of the Irish Property Unit Trust into the IPUT Property Fund, a sub-fund of IPUT plc was completed. IPUT plc is now authorised by the Central Bank of Ireland as a qualified investor alternative investment fund.

FIDELITY EUROZONE SELECT REAL ESTATE FUND

The Trustees invested €20.0m in this fund in 2012, and invested a further €10m in September 2013. The fund is managed by Fidelity Investments. Fidelity's investment strategy remains focused on high quality properties in the core Eurozone markets of Germany, France and the Benelux countries. The manager continued to acquire properties during the year and by the year end the fund had a portfolio of 9 office, retail and warehouse properties, located in France, Germany and the Netherlands. The investment process is particularly focused on strong analysis of tenant quality and the goal is to target stable income with some capital appreciation. The portfolio remained 100.0% occupied and let throughout 2013, providing an average net distribution yield of approximately 5.0%. Fidelity introduced a modest amount of leverage (19.0%) during the year, obtained on very favourable terms from a leading German bank, which will enhance the distribution yield further. The fund receives quarterly distributions of income from the investment and for the calendar year 2013 earned a total of €1.2m.

INVESTMENT REPORT CONTINUED

The investment was valued at €29.0m at 31 December 2013, giving a return for the year of 6.6%.

ROCKSPRING PROPERTY INVESTMENT MANAGERS LLP

Rockspring manages investments on behalf of the PanEuropean Property Limited Partnership and the UK Retail Plus Property Trust.

The Trustees have invested a total of €23.1m in the PanEuropean fund. The opening value of the portfolio at 1 January 2013 was €12.8m. The closing value of the portfolio at 31 December 2013 was €11.6m. Income earned during the year was €0.5m. In total, €10.1m has been returned to the Trustees in the form of distributions since the initial investment in 2002. The return for the year was -9.0%, due in part to the sale of the fund's interest in properties in Portugal and Greece, as part of the strategy to reduce exposure to Southern Europe.

Following consultation with investors, a proposal for the restructuring and modernisation of the fund received approval from a majority of investors. The process was completed in May 2014 with the less liquid properties in peripheral countries being moved into a separate fund.

At year end, over half of the total units in issue were under redemption notice. The largest country holdings are Belgium 29.0%, Germany 23.0%, Switzerland 22.0% and Netherlands 14.0%. The sectoral split of the portfolio is: Retail Warehousing 85.0%, Shopping Centres 5.0%, Offices 5.0% and Industrial 5.0%.

The investment in the UK Retail Plus Property Trust was valued at €3.9m at 1 January 2013. The fund invests in High Street property in secondary UK locations and rental income is distributed quarterly. Income received in the year totalled €0.2m. The fund was valued at €3.6m at 31 December 2013.

Unit holders in the Trust voted unanimously in January 2013 to wind-up the fund in an orderly three year disposal programme. The return for 2013 is -6.7%.

LASALLE EURO GROWTH II SARL

The Trustees invested €10m in this fund in 2002. In total, 120.0% of the capital invested has been returned to investors to date.

The fund has been in a wind up process for the past few years and this is now almost complete. There are no more properties in the fund and the remaining assets are cash balances and tax reclaims.

The value of the holding in the LaSalle Euro Growth II Fund at 1 January 2013 was €2.8m. The fund returned €1.9m to Trustees in 2013 and income received was €0.3m in the

year. The closing value of the investment at 31 December 2013 was €1.4m, due to the Trustees' conservative approach when providing for the possibility of capital gains tax due on the sale of the properties. The return for the year, with all properties sold, is 22.0%.

NORTH AMERICAN FORESTRY INVESTMENT TRUST (NAFIT)

NAFIT invests in North American forestry funds and commenced operations in 2009. It operates as a sub-fund of Irish Forestry Unit Trust. The Trustees have committed to invest US\$15.0m in NAFIT. \$1.5m was drawn down during 2013 bringing the total capital invested to \$9.8m. The investment was valued at \$10.0m/€7.2m at year end. The fund made its first distribution during the year, of \$0.2m. In overall terms, NAFIT reported a positive return of 0.6% to unit holders for the year.

During 2013 NAFIT made further investments in US timberland property and continued due diligence on the fund's final investment. Total commitments by the Fund in the US at the end of 2013 were \$38.3 million (with a further \$7 million expected to be committed in the first half of 2014). The Portfolio of properties now extends to 14 states in the US – Washington, Oregon and California in the North West; Maine, Massachusetts and Wisconsin in the North East; and, Alabama, Arkansas, Florida, Georgia, Virginia, Louisiana as well as North and South Carolina in the US South. The fund has also acquired interests in forestry in South Western Quebec province in Canada during 2013.

IRISH FORESTRY UNIT TRUST (IFORUT)

The Irish Forestry Unit Trust was established in 1994 and owns almost 15,000 hectares (37,500 acres) of commercial forests. This is mostly located in Ireland, with a small holding in Scotland. The forests cover a wide geographic range as well as diversity in age structure.

The value of the investment at 1 January 2013 was €2.7m. At 31 December 2013, the investment was valued at €2.8m. The Trust paid out its first distribution to investors during the year – the Trustees received €0.1m. The reported return to unit-holders for 2013 is 4.7%.

During the year the Trust made additional investment in new forest properties. Timber sales continued, generating €12.1m. Market conditions are encouraging for 2014 as timber prices increased significantly towards the end of 2013 and into 2014.

The Trust received new investment into the fund – mainly from existing investors and there is a queue of new investment subscription requests, pending a number of acquisition opportunities. The investment strategy for the Trust is to move from a long term capital growth only fund to a combination of income and capital returns.

VENTURE CAPITAL

The holdings in three mature Venture Capital funds, UBIM Venture Capital Fund, UBIM/ACT Venture Capital 94 Fund and Delta Equity Fund I continue to wind down. The opening value of these investments at 1 January 2013 was €1.7m and their closing value at 31 December 2013 was €1.6m. A distribution of €0.5m was paid to the Schemes.

The Trustees have committed to invest €40.0m in four Venture Capital funds, Delta Equity Fund III, Fountain Healthcare Partners Fund, Seroba Kernel Life Sciences Fund and Atlantic Bridge II Venture Capital Fund. Investment into the four funds during the year amounted to €5.7m bringing the total capital drawn down to €26.6m. The Seroba fund returned €0.5m to the Trustees as it realised profits from one of its companies. The closing value of the four investments at 31 December 2013 was €23.2m.

MISCELLANEOUS BONDS

The Trustees invested €20.0m in a 20-year Irish inflation linked bond, maturing in 2027. The bond pays an annual coupon linked to the rate of inflation and in 2013 this income amounted to €0.4m. The investment is a suitable match for the Schemes' liabilities and will be held to maturity. The bond is issued by Bank of Ireland Global Capital Markets. The Trustees have valued the bond at €20.0m at year end, reflecting reduced Irish inflation expectations.

The Trustees hold a 10 year amortising corporate bond which will mature in 2019. The bond was valued at €7.3m at year end. The bond pays an annual coupon and this, together with some capital repayment, amounted to €1.2m.

The Trustees hold €10.0m of an Irish Government 5.0% 2020 bond, at a yield to maturity of 5.4%. The bond generates income of €0.5m per annum. Irish bond yields continued to fall during 2013 pushing up the price of the bond, which was valued at €11.2m at 31 December 2013.

CURRENCY

The Trustees have invested in two currency funds, which have complementary investment styles. The asset class is volatile but displays low correlation to equity markets meaning that its performance is not linked to that of equities, and the longer term risk adjusted performance profile of currencies is attractive. The fund managed by Alder Capital Limited is a quantitative, model driven fund and the fund managed by Goldman Sachs is a fundamental, decision-driven fund. The Trustees invested €25.0m in the Alder fund in December 2010 and invested €15.0m in the Goldman Sachs fund in April 2011. At year end, these investments were valued at €27.8m and €16.0m respectively, resulting in respective returns of 17.7% and 1.4%.

PRIVATE EQUITY

The Trustees have made a commitment to invest in Blackstone Capital Partners' VI LP Private Equity fund. This is one of the world's largest private equity funds, with US\$15 billion of capital to invest. The Schemes' commitment is US\$20m of which US\$5.1m had been drawn down by year end. \$0.6m was returned to the Trustees in distributions in the year. At year end the fund held investments in 22 companies in the US, Europe and Asia. The largest industry sectors are energy, healthcare and financial services. The investment was valued at €4.4m at 31 December 2013.

The Trustees have also invested in the Private Equity secondary market. A secondaries fund purchases positions in existing private equity funds. The Trustees have committed to two funds in this area which are complementary to each other in terms of size and strategy:

- I. Coller International Partners VI is the 6th fund from Coller, a London firm which invests only in secondaries. The fund closed in July 2012 at US\$5.5bn. The Schemes' commitment is US \$20.0m, of which US\$7.1m was drawn down by year end. The Schemes received distributions of \$0.3m in 2013. The holding was valued at €7.0m at 31 December 2013.
- II. Partners Group Secondary 2011 is the fourth fund from Partners Group, a Swiss headquartered firm specialising in private market investments. The fund closed in December 2012 at €0.8bn. The Schemes' commitment is €15.0m, of which €3.1m was drawn down by year end. A distribution of €0.2m was made during the year. The holding was valued at €4.3m at 31 December 2013.

Both funds report an increase in the value of their underlying assets and are performing in line with expectations.

INVESTMENT REPORT CONTINUED

INFRASTRUCTURE

Infrastructure as an asset class refers to investment in the basic physical systems of an economy, such as transportation (airports, rail, toll roads), utilities (water, gas and electric networks) and energy (power generators, wind farms). Often, the assets are State regulated with pricing linked to inflation. The resulting businesses are stable with strong cashflows. These characteristics, together with the long life of the assets, make infrastructure a suitable investment for pension funds.

The Trustees have committed to the following Infrastructure funds:

- I. Irish Infrastructure Fund: managed by Irish Life and AMP Capital, an Australian infrastructure specialist. The €300.0m fund will invest in a portfolio of infrastructure assets which are primarily located in Ireland. The Schemes' commitment is €20.0m, which was fully drawn down by year end. The fund paid a distribution of €0.2m during the year. The holding was valued at €21.5m at 31 December 2013. The fund is invested in a portfolio of wind farms and a portfolio of telecom towers, in Ireland.
- II. Macquarie Infrastructure Fund 4: the parent is Macquarie Group, a large Australian financial services company. The Schemes' commitment is €20.0m, of which €3.7m was drawn down by year end. The fund paid a distribution of €0.5m during the year. The holding was valued at €3.3m at 31 December 2013. The first two assets in the fund are gas transmission networks in Germany and the Czech Republic.

DIRECT LENDING

The Trustees are invested in two direct lending funds managed by Czech Asset Management, L.P., based in the US. The funds make privately negotiated senior secured loans to U.S. mid size companies.

The Trustees committed to invest US\$15.0m in the SJC Offshore Capital Finance Fund I, in 2010. At year end the manager had drawn down US\$12.6m of the commitment and returned US\$5.5m in distributions. The investment was valued at €6.7m at 31 December 2013. The return on Fund I is running at approximately 9.0% per annum in US\$ terms.

In February 2013 the Trustees decided to commit US\$25.0m to a follow-on fund, SJC Offshore Capital Finance Fund II. By year end US\$4.6m had been drawn down. The investment was valued at €3.4m at 31 December 2013. The total value of the investment in both funds at the year end is €10.1m.

The Trustees have also committed to invest €10.0m in an Irish direct lending fund, the BlueBay Ireland Corporate Credit fund, which raised €450.0m to lend to Irish small to medium size companies (SMEs). By year end €2.0m of our commitment had been drawn down and the fund had made three investments, all of which are performing to plan. The investment was valued at €2.0m at year end.

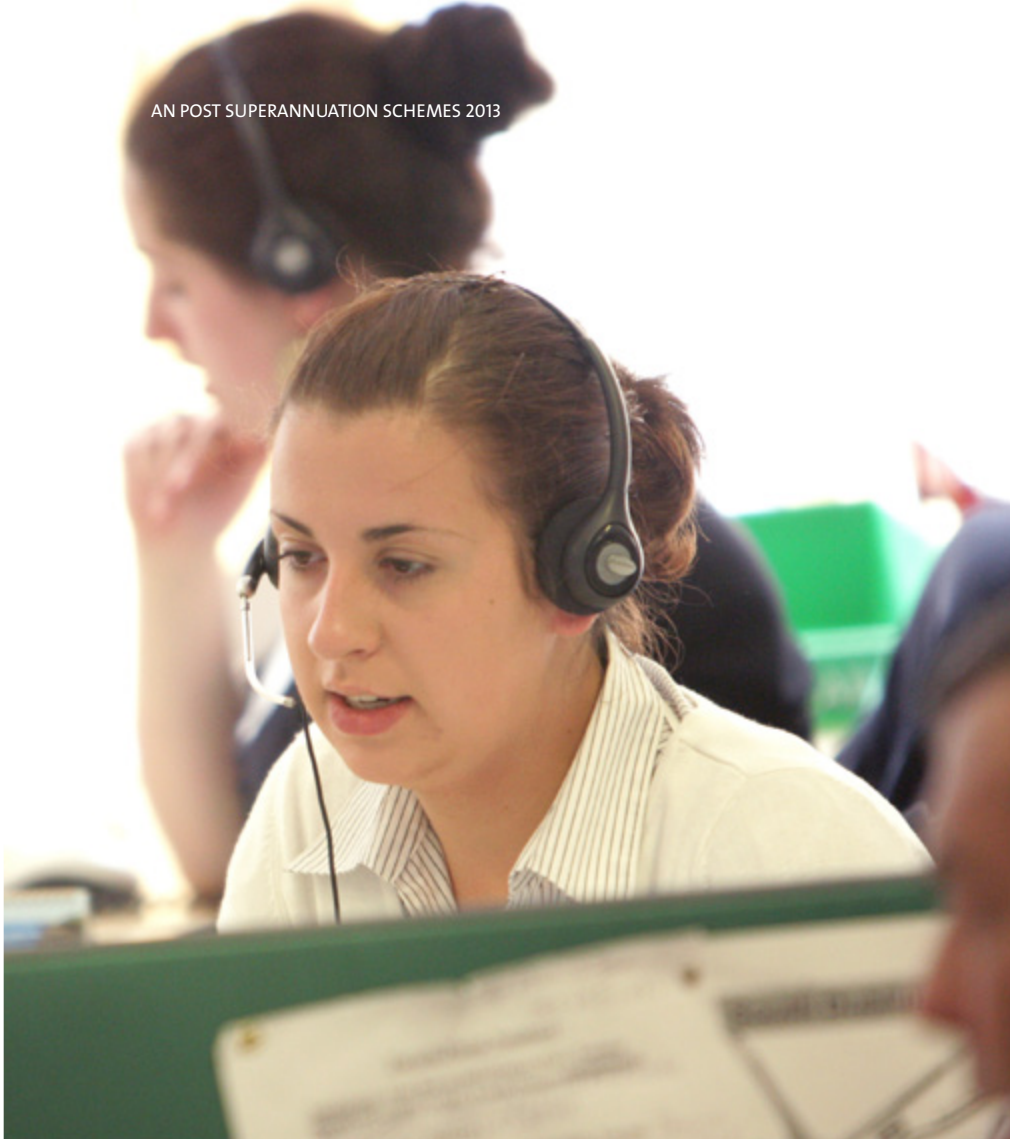
ADDITIONAL INVESTMENT PROGRAMMES

SECURITIES LENDING PROGRAMME

The Schemes continued their securities lending programme managed by the Bank of New York Mellon, Asset Servicing BV. Income is earned by temporarily lending a security to an investor or a financial intermediary who, in turn, provides collateral to the Schemes to support the loan. However, as SSgA manages the bulk of the equity portfolio on a passive basis, income from the Securities lending programme has diminished this year. Further details of the lending programme are set out in note 12 to the financial statements.

COMMISSION RECAPTURE

As a result of changing market practices and investment strategy, the income earned from this programme has been in steady decline and is now insignificant.



ACTUARY'S STATEMENT



The most recent Actuarial Funding Certificate submitted to the Pensions Authority in respect of the An Post Superannuation Schemes (the An Post Superannuation Schemes 1990 to 2012 and the An Post Spouses' and Children's Schemes, 1990) had an effective date of 2 January 2013. It confirmed that, at that date, the combined scheme did not satisfy the funding standard specified in Section 44 of the Pensions Act, 1990.

If I were to have prepared an Actuarial Funding Certificate at 31 December 2013, the end date of the most recent scheme year, I would similarly have confirmed that the Scheme would not have satisfied the funding standard at that date.

As a result, a funding proposal to enable the scheme to meet the funding standard over the period to end 2023 has been submitted to, and approved by, the Pensions Authority.

A handwritten signature in black ink that reads "Michael Madden".

Michael Madden,
FSAI

4 June, 2014

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The financial statements are the responsibility of the Trustees. Irish pension scheme regulations require the Trustees to make available to the Schemes' members, beneficiaries and certain other parties, audited financial statements for the Schemes' year which:

- show a true and fair view of the financial transactions of the Schemes during the year and of the disposition of their assets and liabilities at the Schemes' year end. For this purpose, assets do not include insurance policies which are specifically allocated for the provision of benefits for, and which provide all the benefits payable under the Schemes to, particular members; liabilities do not include liabilities to pay pensions and benefits after the end of the year.
- contain the information specified in the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 to 2013 including a statement as to whether the financial statements have been prepared in accordance with the Statement of Recommended Practice: Financial Reports of Pension Schemes (Revised May 2007), (the SORP).

The Trustees have supervised the preparation of the financial statements and have agreed suitable accounting policies to be applied consistently, making any estimates and judgements on a prudent and reasonable basis. The SORP has been complied with in preparing these financial statements and particulars of any material departures have been disclosed and explained.

The Trustees are responsible for ensuring that, insofar as is reasonable, the contributions payable by the employer and members of the Schemes are received in accordance with the Schemes' rules and requirements of legislation.

The Trustees have general responsibility for ensuring that proper membership and financial records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Schemes and to prevent and detect fraud and other irregularities, including the maintenance of appropriate internal controls. The Trustees also have responsibility for ensuring that the Schemes are registered with The Pensions Authority, the registration details are updated at least once a year, and that the annual fee is paid.

On behalf of the Trustees



Patrick Gallagher
Trustee



Anthony Harmon
Trustee

19 June 2014

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE AN POST SUPERANNUATION SCHEMES

We have audited the financial statements of the An Post Superannuation Schemes for the year ended 31 December 2013, which comprises the fund account, the net assets statement and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated in Ireland by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the Scheme Trustees as a body, in accordance with the Pensions Act, 1990 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Scheme Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme Trustees as a body, for our audit work, our work on contributions, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND INDEPENDENT AUDITOR

As explained more fully in the Statement of Trustees' responsibilities set out on page 21, the Scheme Trustees are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Ethical Standards for Auditors issued by the Auditing Practices Board.

SCOPE OF THE 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 Scheme's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we

read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion, the financial statements

- show a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the financial transactions of the Scheme during the year ended 31 December 2013 and of the amount and disposition at that date of its assets and liabilities other than liabilities to pay pensions and benefits after the end of the Scheme year, and
- contain the information specified in the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 to 2013.

ADDITIONAL MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY THE OCCUPATIONAL PENSION SCHEMES (DISCLOSURE OF INFORMATION) REGULATIONS, 2006 TO 2013

In our opinion, the contributions payable to the Scheme during the year ended 31 December 2013 have been received by the Trustees within 30 days of the end of the Scheme year, and have been paid in accordance with the Scheme rules and the recommendations of the Actuary.

Jon D'Arcy

KPMG
Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
IFSC
Dublin 1

19 June 2014

STATEMENT OF ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Schemes' financial statements.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 to 2013 and the guidelines set out in the Statement of Recommended Practice: Financial Reports of Pension Schemes (Revised May 2007) issued by the Pensions Research Accountants Group. The accounts have been prepared in accordance with applicable accounting standards generally accepted in Ireland. Accounting standards generally accepted in Ireland in preparing accounts showing a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Financial Reporting Council.

The financial statements summarise the transactions of the Schemes and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and other benefits which fall due after the end of the Schemes' year. The actuarial position of the Schemes, which does take account of such obligations, is dealt with in the latest actuarial valuation at 2 January 2013. The Actuary's statement and the Actuarial Funding Certificate on pages 20 and 46 respectively and the financial statements should be read in conjunction with this valuation.

The figures in the financial statements are presented in euro thousands (€'000).

ACCRUALS CONCEPT

The financial statements have been prepared on an accruals basis, except where stated otherwise below.

INVESTMENTS

VALUATION OF INVESTMENTS

Investments are included at market value.

TRANSACTION COSTS

Transaction costs are included in the cost of purchases and sale proceeds, and acquisition costs are included in the purchase cost of investments.

QUOTED SECURITIES

The majority of listed investments are stated at the bid price or the last traded price, depending on the convention of the stock exchange on which they are quoted, at the date of the net assets statement.

FIXED INTEREST SECURITIES

Fixed interest securities are included at fair value at the date of the net assets statement, estimated by the Trustees based on advice from the investment manager.

UNQUOTED SECURITIES

Unquoted securities are stated at their fair value at the date of the net assets statement, estimated by the Trustees based on advice from the investment manager.

UNIT TRUSTS AND MANAGED FUNDS

Pooled investment vehicles are stated at their market price which is the bid price for funds with bid/offer spreads, or single price where there are no bid/offer spreads, as provided by the investment manager at the date of the net assets statement.

PROPERTY

Property funds, managed by SSgA and Irish Property Unit Trust are stated at their fair value at the date of the net assets statement, estimated by the Trustees based on advice from the investment managers. Property within these funds is included at open market value as at 31 December 2013 determined in accordance with the RICS Valuation Standards (7th edition). Property valuations are carried out by an external valuer every three years. In the intervening years, the Trustees, on advice from the investment managers, update the valuations.

Property held by Fidelity International and Rockspring PIM (LLP) was valued at 31 December 2013 at open market value by independent valuers, in accordance with the RICS Valuation Standards (7th edition). Property held by the LaSalle Euro Growth II Sarl fund is valued by LaSalle Euro Growth II twice yearly. Property held by Irish Forestry Unit Trust is independently evaluated every one to five years, depending on its position in the growth cycle. Property held by NAFIT reflects the underlying manager accounts data at 31 December 2013.

DERIVATIVES

The Trustees have authorised the use of derivatives by their investment managers as part of their overall investment strategy for the Schemes. Derivatives are required to be reported at their fair value at the date of the net assets statement. This is the bid price for asset positions and the offer price for liability positions. Where there is no bid/offer spread available, the mid, single price is used. The valuation policies applied to derivatives held at the year end are summarised as follows:

OPTIONS

Options are valued at their mark to market value. If a quoted price is not available on a recognised exchange, the fair value is calculated using pricing models, where the inputs are based on market data at the year end date.

STATEMENT OF ACCOUNTING POLICIES CONTINUED

FUTURES

Open futures contracts are included in the net assets statement at their fair market value, which is unrealised profits or losses at the current bid or offer market quoted price of the contract. Amounts due from the broker represent the amounts outstanding in respect of the initial margin (representing collateral on the contracts) and any variation margins which are due to or from the broker. The amounts included in the change in market value are the realised gains or losses on closed futures contracts and the unrealised gains or losses on open futures contracts.

SWAPS

The fair values are calculated using pricing models where inputs are based on market data at the date of the net assets statement. Interest is accrued monthly on a basis consistent with the terms of each contract. The change in market value includes the realised gains or losses on closed contracts and the unrealised gains or losses on open contracts. Net receipts or payments on swap contracts are reported within changes in market value.

FOREIGN FORWARD EXCHANGE CONTRACTS

Foreign forward exchange contracts consist of any contracts outstanding at the year end and are stated at fair value which is determined as the gain or loss that would arise if the outstanding contract was matched at the year end with an equal and opposite contract.

Exchange traded derivatives are stated at market values determined using market quoted prices.

For exchange traded derivative contracts which are assets, market value is based on quoted bid prices. For exchange traded derivative contracts which are liabilities, market value is based on quoted offer prices.

Over the Counter (OTC) derivatives are stated at market value using pricing models and relevant market data as at 31 December 2013.

All gains and losses arising on derivative contracts are reported within 'Change in Market Value'.

INVESTMENT INCOME

Dividends from quoted securities are accounted for when the security is declared on an ex-dividend basis.

Interest is accrued on a daily basis.

Investment income is reported net of attributable tax credits but gross of withholding taxes, which are accrued in line with the associated investment income. Irrecoverable withholding taxes are reported separately as a tax charge in the financial statements.

Investment income arising from the underlying investments of the pooled investment vehicles is reinvested within the pooled investment vehicles and reflected in the unit price. It is reported within 'Change in Market Value' in the financial statements.

CONTRIBUTIONS

Employee normal contributions are accounted for when deducted from pay.

Employer normal contributions are accounted for as they fall due in accordance with the rate agreed between the Trustees and the Company for the year and as recommended by the Actuary.

Employer augmentation contributions are accounted for in accordance with the agreement under which they are being paid.

PAYMENTS TO MEMBERS

Benefits are accounted for in the period in which the member notifies the Trustees of the date of retirement or leaving.

TRANSFERS

Individual transfers in or out of the Schemes are accounted for when received or paid which is normally when member liability is accepted/discharged. All the values are based on methods and assumptions determined by the Actuary to the Schemes.

EXPENSES

Investment management fees for equity and fixed interest managers are calculated each quarter in arrears, based on the market value of the assets under management and are computed using a sliding scale rate. The remaining investment managers' fees are calculated in arrears, based on fixed percentage rates of the assets under management on a monthly or quarterly basis. In addition most of the alternative investment management fees are calculated on a base fee plus performance basis. The Schemes bear the costs of the investment managers' fees. The full cost of the investment management fees together with the associated VAT costs, are reflected in the investment management expenses within the Fund Account and all expenses are accounted for on an accrual basis.

PENSION LEVY

The pension levy is calculated on the basis of the aggregate market value of assets (excluding contingent assets) held as at the effective date and is accounted for as it falls due.

FUND ACCOUNT FOR YEAR ENDING 31 DECEMBER 2013

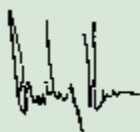
	NOTE	2013 (€'000)	2012 (€'000)
CONTRIBUTIONS AND BENEFITS			
Contributions receivable	1	64,123	63,261
Individual transfers in	2	353	106
		64,476	63,367
Benefits payable	3	(83,160)	(77,817)
Administration expenses	5	(922)	(935)
Individual transfers out	4	(25)	-
		(84,107)	(78,752)
NET WITHDRAWALS FROM DEALINGS WITH MEMBERS		(19,631)	(15,385)
RETURNS ON INVESTMENTS			
Investment income	6	23,374	25,402
Change in market value of investments	7	191,416	259,725
Investment management expenses	8	(2,926)	(1,969)
NET RETURNS ON INVESTMENTS		211,864	283,158
PENSION LEVY	9	(12,103)	(10,560)
NET INCREASE IN THE FUND DURING THE YEAR		180,130	257,213
Net assets of the Schemes at beginning of year		2,017,221	1,760,008
NET ASSETS OF THE SCHEMES AT END OF YEAR		2,197,351	2,017,221

The notes on pages 27 to 37 form part of the Financial Statements.

On behalf of the Trustees



Patrick Gallagher
Trustee



Anthony Harmon
Trustee

19 June 2014

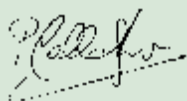
NET ASSETS STATEMENT AT 31 DECEMBER 2013

	NOTE	2013 (€'000)	2012 (€'000)
NET ASSETS			
Investments	7	2,195,145	2,016,258
Current assets	10	3,039	1,565
Current liabilities	11	(833)	(602)
Net current assets		2,206	963
NET ASSETS OF THE SCHEMES AT END OF YEAR		2,197,351	2,017,221

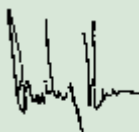
The notes on pages 27 to 37 form part of the Financial Statements.

The accounts summarise the transactions of the Schemes and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Schemes' year. The actuarial position of the Schemes, which does take account of such obligations, is dealt with in the Actuary's statement and the actuarial funding certificate included in the Annual Report and these accounts should be read in conjunction with them.

On behalf of the Trustees



Patrick Gallagher
Trustee



Anthony Harmon
Trustee

19 June 2014

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. CONTRIBUTIONS RECEIVABLE	2013 €'000	2012 €'000
AN POST		
Normal	49,026	50,362
Augmentation*	10,532	8,482
MEMBERS		
Spouses' and Children's Pension Scheme	2,529	2,536
Purchase of added years	341	278
Employee 5% contribution	1,695	1,603
	64,123	63,261
*On the recommendation of the Actuary, the contribution augmentation from An Post was paid to meet the additional costs to the Schemes, resulting from the Company's voluntary exit schemes.		
2. INDIVIDUAL TRANSFERS IN		
Individual transfers from other Revenue approved Schemes	353	106
3. BENEFITS PAYABLE		
SUPERANNUATION SCHEME		
Pensions	59,303	57,905
Lump sums	14,235	10,404
Mortality benefits	502	380
	74,040	68,689
SPOUSES AND CHILDREN'S PENSION SCHEME		
Pensions	9,120	9,128
	83,160	77,817
4. TRANSFERS OUT		
Individual transfers to other Revenue Approved Schemes	25	—

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

5. ADMINISTRATION EXPENSES

	2013 €'000	2012 €'000
Management expenses	888	894
Auditors remuneration	34	41
	922	935

6. INVESTMENT INCOME

Income from fixed interest securities	15,829	21,633
Dividends from equities	499	6
Income from property unitised funds	6,017	2,833
Interest on cash deposits and other income	1,029	1,422
Income from liquidity funds	–	(492)
	23,374	25,402
Less irrecoverable withholding tax on dividends	– *	– *
	23,374	25,402

*As the majority of equities are managed by SSgA within a pooled fund, the manager immediately re-invests income earned. Consequently the income earned figure forms part of the closing market value figure and the irrecoverable withholding tax is not separately identifiable. Income earned within the SSgA investment funds for the year ended 31 December 2013 amounted to €39.0m (2012: €39.6m) and was reinvested and reflected in the closing market value figure. Interest on cash deposits and other income includes income earned from Securities Lending of €27,357 (2012: €97,145). Income from the Securities Lending programme has decreased as SSgA manages the portfolio on a passive basis.

7. INVESTMENTS

INVESTMENT RECONCILIATION TABLE

	MARKET VALUE 01/01/2013 €'000	PURCHASES AT COST AND DERIVATIVE PAYMENTS €'000	SALES PROCEEDS AND DERIVATIVE RECEIPTS €'000	CHANGE IN MARKET VALUE €'000	MARKET VALUE 31/12/2013 €'000
Fixed Interest Securities	496,552	3,785,258	(3,732,260)	(3,611)	545,939
Equities	17,256	5,977	(428)	1,958	24,763
Unit Trusts	1,325,589	150,202	(168,136)	184,629	1,492,284
Property	101,098	11,102	(1,862)	3,116	113,454
Alternatives	72,960	29,077	(12,499)	6,870	96,408
Derivatives					
Futures	1,025	8,155	(4,196)	(5,897)	(913)
Options	(1,262)	1,855	(2,577)	1,852	(132)
Swaps	7,795	301,216	(314,215)	5,335	131
Forward FX	2,420	8,032	(13,728)	5,459	2,183
Cash Instruments	10,300	2,583,497	(2,568,914)	90	24,973
	2,033,733	6,884,371	(6,818,815)	199,801	2,299,090
Cash Deposits	111,413			(8,325)	4,144
Margin				2	
Initial	–				–
Variation	–				–
Other Investment balances	(139,768)				(117,513)
Outstanding dividends & interest receivable	10,880			(62)	9,424
TOTAL INVESTMENTS	2,016,258			191,416	2,195,145

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at the year end, profits and losses realised on the sale of investments held during the year and foreign exchange differences arising on the translation of investments denominated in foreign currencies.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

7. INVESTMENTS (CONTINUED)

Where the investments are held in unitised funds, the change in market value also includes expenses both implicit and explicit for the year and any reinvested income, where the income is not distributed.

There are no material restrictions or financial penalties on the realisation of investments.

The cash flows relating to derivatives are recognised in the investment reconciliation table as follows:

Futures – on close out or expiry of the futures contract the variation margin balances held in respect of unrealised gains or losses are recognised as cash receipts or payments in the investment reconciliation table, depending on whether there is a gain or loss.

Options – premiums paid and received are reported as payments or receipts in the table together with any close out costs or proceeds arising from early termination.

Swaps – the payments or receipts under the swap contract are reported in the reconciliation table, together with any close out costs or proceeds arising on early termination.

Forward Foreign Exchange – the forward FX trades settled during the period are reported within the table. To recognise Forwards from the Spot FX trades the following rule is used:

FX trades are classified as a Spot trade if there is less than (or equal to) 5 days between trade and settle dates. FX trades are classified as Forwards if there are more than 5 days between trade and settle dates.

Transaction Costs – are included in the cost of purchases and sale proceeds and include costs charged directly to the Schemes such as fees, commissions, stamp duty and other fees.

Transaction costs incurred during the year are not separately identifiable, as indirect costs incurred through the bid-offer spread on investments within pooled investments vehicles have not been separately provided to the Schemes.

7. INVESTMENTS (CONTINUED)

Other investment balances consist of the following:

DESCRIPTION	2013 (€'000)	2012 (€'000)
Payables for investment purchases	(280,206)	(1,002,595)
Receivables for investments sold	162,693	862,827
TOTAL	(117,513)	(139,768)

DERIVATIVE CONTRACTS

OBJECTIVES AND POLICIES

The Trustees have authorised the use of derivatives by their investment managers as part of their investment strategy for the Schemes. Investments in derivative instruments may only be made if they contribute to a reduction of risk or facilitate efficient portfolio management (including reduction of the cost of generation of additional capital or income with an acceptable level of risk) and such investments must be made and managed so as to avoid excessive risk exposure to a single counterparty.

Details of the classes of derivatives held at the year end are summarised as follows:

FUTURES CONTRACTS

The Schemes have open future contracts relating to the Euro Bond portfolio at the year end as follows:

TYPE OF FUTURE	EXPIRATION	ECONOMIC EXPOSURE VALUE (€'000) AT 31 DEC 13	MARKET VALUE (€'000) AT 31 DEC 13
International Bond Futures Sold	Less than 1 Year	(13,013)	170
International Govt Bond Futures Sold	Less than 1 Year	(5,636)	115
Euro Bond Futures Purchased	Less than 1 Year	83,545	(1,363)
Euro Bond Futures Sold	Less than 1 Year	(76,773)	790
3 Month cash Futures Purchased	Less than 1 Year	117,629	179
3 Month cash Futures Purchased	Greater than 1 Year	64,675	73
Eurodollar Futures Purchased	Less than 1 Year	305,459	(877)
TOTAL		475,886	(913)

There was no collateral held at the year end in respect of future contracts amounts (2012: \$US3.9m).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

7. INVESTMENTS (CONTINUED)

OPTIONS

The Schemes have outstanding option contracts at the year end as follows:

TYPE OF OPTIONS	EXPIRATION	UNDERLYING INVESTMENT	ECONOMIC EXPOSURE OF OUTSTANDING CONTRACTS €'000	ASSET VALUE AT 31 DEC 13 €'000	LIABILITY VALUE AT 31 DEC 13 €'000
Bond Put Option	Greater than 1 Year	Euro Bond	16,200	480	–
Bond Put Option	Greater than 1 Year	Euro Bond	(44,300)	–	(690)
Stock Call Option	Less than 1 Year	JPY/USD Spot	38,960	78	–
Sub Totals			10,860	558	(690)
NET TOTAL					(132)

SWAPS

The Schemes had derivative contracts outstanding at the year end relating to their fixed income investment portfolio. These are traded over the counter and details are as follows:

NATURE	NOTIONAL PRINCIPAL	DURATION	ASSET VALUE AT 31 DEC 13 €'000	LIABILITY VALUE AT 31 DEC 13 €'000
Credit Default Swaps Euro	–	More than 1 Year	200	–
Interest Rate Swaps Euro	–	More than 1 Year	383	–
Interest Rate Swaps \$US	–	More than 1 Year	567	–
Credit Default Swaps \$US	–	More than 1 Year	–	(1,016)
Credit Default Swaps JPY	–	Less than 1 Year	–	(3)
Sub Totals			1,150	(1,019)
NET TOTAL			131	

Collateral held at the year end in respect of Swaps totalled \$US 4.1m (2012: \$US 1.8m).

7. INVESTMENTS (CONTINUED)

FORWARD FOREIGN EXCHANGE (FX)

The Schemes had open FX contracts at the year-end as follows:

CONTRACT	SETTLEMENT	CURRENCY	CURRENCY SOLD '000	CURRENCY	CURRENCY PURCHASED '000	ASSET VALUE AT 31 DEC 13 €'000	LIABILITY VALUE AT 31 DEC 13 €'000
FORWARD OTC	Jan 14	USD	41	BRL	97	–	–
		BRL	97	USD	41	–	–
		AUD	2,300	EUR	1,518	25	–
		ZAR	3,983	USD	388	6	–
FORWARD OTC	Feb 14	USD	945	EUR	685	–	(1)
		CHF	473	EUR	384	–	(2)
FORWARD OTC	Mar 14	MXN	5,638	USD	427	–	(1)
FORWARD OTC	Apr 14	USD	137,204	EUR	103,731	4,164	–
		GBP	81,268	EUR	95,862	–	(1,712)
		EUR	35,570	USD	47,172	–	(1,338)
		EUR	20,661	JPY	2,657,600	–	(2,297)
		EUR	45,507	GBP	38,951	1,260	–
		AUD	827	EUR	580	48	–
		CHF	473	EUR	377	–	(9)
		JPY	326,000	USD	3,263	115	–
		JPY	2,751,510	EUR	20,973	1,960	–
		EUR	566	AUD	827	–	(34)
		EUR	387	CHF	473	–	(1)
Sub Totals						7,578	(5,395)
NET TOTAL						2,183	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

7. INVESTMENTS (CONTINUED)

INVESTMENTS AT MARKET VALUE	2013 €'000	2012 €'000
FIXED INTEREST SECURITIES		
Eurozone public sector quoted	284,341	274,306
Eurozone other quoted	147,138	116,193
Rest of world public sector quoted	4,315	40,968
Rest of world other quoted	110,145	65,085
	545,939	496,552
EQUITIES		
Eurozone unquoted	24,763	17,256
PROPERTY FUNDS		
Eurozone Property	106,228	91,056
Non Eurozone Property	7,226	10,042
	113,454	101,098
UNIT TRUSTS		
Eurozone other than property	1,207,161	1,085,938
Rest of world other than property	169,856	102,677
Emerging markets other than property	115,267	136,974
	1,492,284	1,325,589
ALTERNATIVE INVESTMENTS		
Eurozone	74,918	56,955
Non Eurozone	21,490	16,005
	96,408	72,960
DERIVATIVES		
Forward FX	2,183	2,420
Futures	–	1,025
Options	–	–
Swaps	131	7,795
	2,314	11,240
CASH INSTRUMENTS		
Euro	20,804	7,712
Foreign currency	4,169	2,588
	24,973	10,300
SUB TOTAL	2,300,135	2,034,995

7. INVESTMENTS (CONTINUED)

INVESTMENTS AT MARKET VALUE	2013 €'000	2012 €'000
Cash	4,144	111,413
Other Investment Balances	(117,513)	(139,768)
Outstanding dividends, interest receivable	9,424	10,880
DERIVATIVE LIABILITIES		
Futures	(913)	—
Options	(132)	(1,262)
TOTAL INVESTMENTS	2,195,145	2,016,258

8. INVESTMENT MANAGEMENT EXPENSES

Administration, management and custody fees are charged in accordance with the relevant investment mandates and custody contracts. The increase year on year relates to performance fees paid to one manager and a new manager's fee being charged separately, rather than deducted from pooled funds.

2,926	1,969
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9. PENSION LEVY

The Trustees were required to make a payment to Revenue in respect of a mandatory pension levy calculated at 0.6% of the Schemes' asset value. The amount was paid over to Revenue under the terms of the Finance (No 2) Act 2011. The Act imposes an annual levy at 0.6% of the asset value of the Schemes for the years 2011 to 2013 inclusive, 0.75% payable in 2014 and a new levy of 0.15% for 2015.

12,103	10,560
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10. CURRENT ASSETS

Income tax recoverable	267	444
Cash at bank	1,040	741
Sundry Debtors	50	48
Balance due from An Post	1,682	332
	3,039	1,565

11. CURRENT LIABILITIES

Accrued expenses	833	602
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The accrued expenses are primarily comprised of outstanding Investment manager fees at the year end.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

12. SECURITIES LENDING

The Schemes participate in a securities lending programme which involves the temporary transfer of a security from its owner to another investor or financial intermediary. It is a low risk means of earning additional income and enhancing portfolio performance. Borrowers are typically investment banks or brokers/dealers who require securities to satisfy short positions, in which the borrower sells a security it does not currently own and borrows a security to settle the sale and then buys it back at a later date and returns it to the lender.

When securities are lent, the lender retains all beneficial ownership entitlements including dividends, interest payments, rights issues and other corporate actions. The Schemes' securities lending programme is managed by the Bank of New York Mellon, Asset Servicing B.V. Under the programme, loans are made to approved counterparties who meet minimum credit criteria. They are secured by collateral in the form of government bonds, bonds of specified supranational issuers and specified equity index baskets.

The value of the collateral maintained by the custodian must be at least 102.0% of the market value of securities lent, where the collateral is in the same currency as the loaned security and 105.0% otherwise. All loans are structured in a manner which allows the Schemes to terminate the loans at any time.

The total amount of equity on loan at 31 December 2013 was €3,279,740 (2012: €9,825,082) and the collateral held in respect of these loans totalled €3,377,815 (2012: €10,068,458). The equity on loan is included in the net assets at the year end.

13. CONCENTRATION OF INVESTMENTS

The following investments accounted for more than 5.0% of the net assets of the Schemes at 31 December 2013:

	€'000	% OF NET ASSETS
SSgA Global Developed Index Equity Fund	895,732	40.8%
SSgA EUT Euro Long Bond Index Fund	311,431	14.2%
Axa Rosenberg Small Cap Equity Fund	136,618	6.2%

The following investments accounted for more than 5.0% of the net assets of the Schemes at 31 December 2012:

	€'000	% OF NET ASSETS
SSgA Global Developed Index Equity Fund	759,346	37.6%
SSgA EUT Euro Long Bond Index Fund	326,592	16.2%
Esemplia Emerging Markets	136,974	6.8%
Axa Rosenberg Small Cap Equity	102,678	5.1%

No single investment in any of the pooled investment vehicles listed above comprised more than 5.0% of the net assets of the Schemes.

14. SELF INVESTMENT

There was no self investment at any time during the Schemes' year.

15. RELATED PARTY TRANSACTIONS

Five Trustees who are employees of An Post are also members of the Schemes and contributions to the Schemes include contributions in respect of those Trustees. The Chairman receives an annual fee for his services to the Schemes. All other Trustees did not receive and are not due any remuneration from the Schemes. Staff in the Pensions Administration Section of An Post have been seconded to the Schemes since 1 January 2002.

The custodian and investment managers are appointed by the Trustees to manage the Schemes' assets. All are remunerated on a fee basis calculated as a percentage of the assets under management. These fees which are borne by the Schemes amounted to €2.9m (2012 €2.0m) of which €0.7m (2012: €0.5m) was outstanding at the year end. At 31 December 2013 a total of 68.0% (2012: 65.7%) of the net assets of the Schemes are invested in products of the investment managers.

An Post is the principal employer and employer contributions have been made in accordance with the trust deed and rules and the recommendations of the Actuary. The Schemes bear all of the administration and investment management expenses.

Mercer Consulting provides actuarial services to the Trustees and the fees for such services are borne by the Schemes.

There were no other related party transactions requiring disclosure in these financial statements.

16. CONTINGENT LIABILITIES AND CONTRACTUAL COMMITMENTS

These financial statements do not take account of liabilities to pay pensions and other benefits in the future. On this basis, in the opinion of the Trustees, the Schemes had no contingent liabilities or contractual commitments at the year end apart from the following;

FUND	TOTAL COMMITMENT MILLION	UNDRAWN COMMITMENT AT	
		31 DEC 2013 MILLION	31 DEC 2012 MILLION
Venture Capital funds	€40.0	€13.4	€19.1
Macquarie Infrastructure Fund 4	€20.0	€16.3	€15.1
Partners Group Secondary 2011	€15.0	€11.9	€13.4
BDO Development Capital Fund	€10.0	€10.0	0
BlueBay Ireland Corporate Credit Fund	€10.0	€8.0	0
SJC Offshore Capital Finance Fund II	\$25.0	\$20.4	0
Blackstone Capital Partners' VI Fund	\$20.0	\$14.9	\$16.0
Collier International Partners VI	\$20.0	\$12.9	\$15.4
North American Forestry Investment Trust	\$15.0	\$5.2	\$6.7
SJC Offshore Capital Finance Fund I	\$15.0	\$2.4	\$2.4

Details of these investments are noted on pages 11 to 18 of this report.

17. SUBSEQUENT EVENTS

On 27th February 2014, the Trustees made an initial investment of €13.0m in Premier Lotteries Ireland, who signed a 20 year licence to operate the National Lottery.

18. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Trustees on 19 June 2014 .

APPENDIX 1

STATEMENT OF

INVESTMENT POLICY

PRINCIPLES

INTRODUCTION

The purpose of this Statement of Investment Policy Principles (the “Statement”) is to document the policies and guidelines that govern the management of the Schemes’ assets. It has been reviewed and adopted by the Trustees; it outlines the responsibilities, objectives, policies and risk management processes in order that:

- i. There is a clear understanding on the part of the Trustees, consultants, investment managers and others as to the objectives and policies of the Trustees;
- ii. There are clear principles governing the guidelines and restrictions to be presented to the investment managers regarding their investment of the Schemes’ assets;
- iii. The Trustees have a meaningful basis for the evaluation of the investment performance of the individual investment managers, investment performance of the Schemes as a whole and the success of overall investment strategy through achievement of defined investment objectives; and
- iv. The Trustees fulfil the requirements of the Occupational Pension Schemes (Investment) Regulations 2008, which stipulate that such a Statement is put in place.

It is intended that this Statement be sufficiently specific to be meaningful but adequately flexible as to be practical. The intention is not to outline detailed guidelines for the Schemes’ investment managers – this is done within the specific legal agreements with those parties – but rather to state the general philosophy, risk appetite and policies of the Trustees that will shape the governance of the Schemes as a whole.

This Statement will be reviewed at least every three years, and also following any change in investment policy which impacts on the content of the Statement.

IDENTIFICATION OF INVESTMENT RESPONSIBILITIES

Because of the number of parties involved in the management of the Schemes, it is appropriate to clearly identify each entity’s role with regard to investment in order to ensure operational efficiency, accountability and clear lines of communication.

COMPANY

The Company is the Schemes’ sponsor and contributes substantially to the Schemes, but is generally not responsible for the Schemes’ investments. However, the Trustees recognise that the Company’s continued financial support for the Schemes is of the utmost importance in serving the best interests of members; therefore the principles outlined in this Statement are not shaped by the objectives of the Trustees in isolation.

TRUSTEES

The Trustees have fiduciary responsibility for selecting and monitoring the Schemes’ investments. Their specific responsibilities include:

- i. Identifying the Schemes’ risk tolerance level and formulating an appropriate and efficient investment policy which best serves the interests of the members;
- ii. Delegating the management of the Schemes’ investments to investment managers. The Trustees recognise that their role is supervisory, not investment advisory;
- iii. Monitoring and evaluating performance results to ensure that all guidelines are being adhered to in line with objectives;
- iv. Making any necessary changes in the investment strategy and structure and the investment managers, custodians, consultants and others that provide services to the Schemes relating to the investment of assets; and
- v. Regularly reviewing this Statement, which they may amend or restate at any time at their sole discretion.

INVESTMENT MANAGERS

One or more investment managers have been appointed to act on behalf of the Trustees. The investment managers must observe the specific guidelines, restrictions and philosophies within this Statement and as expressed in any written agreement with the Trustees. Subject to such guidelines and restrictions, the investment managers will be responsible for making all investment decisions on a discretionary basis and will be evaluated on their ability to achieve the performance objectives set for them by the Trustees.

Other parties with specific duties with regard to investment include the Schemes' custodian, commission recapture agent, consultants and Schemes' administrator. These duties are separately documented within contractual agreements with those parties, where appropriate.

INVESTMENT OBJECTIVES

The overall investment objective of the Trustees is to maximise the level of investment return at an acceptable level of risk, through adopting a prudent, carefully planned and well-executed investment policy. This will in turn assist in the Trustees' ultimate objective of maximising the security of benefits provided to members.

RISK MEASUREMENT METHODS

In determining the level of risk appropriate to the Schemes at any point in time, the Trustees recognise the importance of the nature and duration of the liabilities, and measure the risk of the chosen investment policy by reference to these liabilities. In particular, the Trustees consider the following risks:

- The risk of achieving an insufficient level of investment return relative to the rate required to match the growth in liabilities over time.
 - The required rate will depend on the funding policy adopted for the Schemes. Therefore, the Trustees acknowledge the critical need for interaction and co-operation between the Trustees and the Company when formulating investment policy.
- The risk of excessive volatility in the investment returns of the Schemes relative to the movement in liabilities over shorter-term periods (e.g. one year).
 - The Trustees will consider this volatility in relation to the liabilities measured under the Schemes' Actuary's ongoing basis and any other relevant measures. The Trustees recognise that the pattern and volatility of the Schemes' investment returns can impact directly on the volatility of the contribution rates to the Schemes. Therefore, risk will also be considered in these terms where appropriate.

Managing the two risks above in isolation may lead to conflicting investment policies. Therefore, in formulating an appropriate investment policy, the Trustees seek to arrive at an acceptable balance between these risks in order to best meet their investment objectives. Furthermore, the Trustees will manage a range of other investment risks using the risk management processes outlined in the next section in order to create a prudent, diversified and efficient portfolio.

APPENDIX 1

STATEMENT OF

INVESTMENT POLICY

PRINCIPLES CONTINUED

RISK MANAGEMENT PROCESSES

The Trustees will ensure, either through direct guidance or through ascertaining the suitability of any commingled (unitised) vehicles that are used, that policies and guidelines are in place for the appointed investment managers and other providers such that:

- investments are, for the most part, limited to marketable securities traded on recognised/regulated markets;
- investment in derivative instruments may be made only in so far as they either contribute to a reduction of investment risks or facilitate efficient portfolio management. Any such derivative investment must avoid excessive risk exposure to a single counterparty and to other derivative operations;
- the portfolio is properly diversified in such a way as to avoid excessive reliance on any particular asset, issuer or group of undertakings and so as to avoid accumulations of risk in the portfolio as a whole. Investments in assets issued by the same issuer or by issuers belonging to the same group must not expose the Schemes to excessive risk concentration; and
- the security, quality and liquidity of the portfolio as a whole is ensured, with due regard paid to the level of non-Euro currency exposure

All investment managers are employed by the Trustees and subject to termination at any time.

CURRENT INVESTMENT POLICY

The current investment strategy of the Trustees is set out on the following pages along with a description of the investment manager arrangements adopted.

STRATEGIC ASSET ALLOCATION

Having had regard to the nature and duration of the expected future retirement benefits, the Trustees have established their strategic asset allocation mix as set out in the table below and believe it prudently positions the portfolio so as to achieve the Trustees' objectives at the current time.

SECTOR	CENTRAL WEIGHTING	BENCHMARK INDEX
Global Developed World Equities	40%	MSCI World index
Emerging Markets Equities	8%	MSCI Emerging Markets Index
Global Small Cap Equities	5%	S&P/Citigroup Extended Market Index Global
Total Equity	53%	–
Eurozone Bonds	35%	Merrill Lynch EMU Direct Govt Bond Index >10 years
European Property/Forestry	6%	Various
Alternative Assets	6%	Various
TOTAL	100%	COMPOSITE

The currency of the Schemes, and that of the benchmark, is the euro. The composite performance benchmark above is to be calculated on a quarterly basis (i.e. to assume quarterly rebalancing).

The Trustees recognise that even though the Schemes' investments are subject to short-term volatility, it is critical that a long-term investment focus be maintained. The Trustees intend to avoid ad-hoc revisions to their philosophy and policies in reaction to either speculation or short-term market fluctuations.

REBALANCING

Market movements will result in a portfolio that differs from the strategic mix outlined in the table above. The desire to maintain this constant strategic mix must be balanced with the cost of portfolio rebalancing. As a specialist manager structure is in place, no single manager has control over this overall asset allocation and the Trustees shall instead formally review the portfolio investment strategy and allocations on a quarterly basis, rebalancing to targeted central weightings where the mix has gone outside defined ranges (outlined below) and where viewed appropriate. Cash-flow shall be used to aid rebalancing where the opportunity arises.

SECTOR	CENTRAL WEIGHTING	RANGE
Global Developed World Equities	40%	36%–44%
Emerging Markets Equities	8%	6%–10%
Global Small Cap Equities	5%	4%–6%
Total Equity	53%	46%–60%
Eurozone Bonds	35%	32%–38%
European Property/Forestry	6%	4%–8%
Alternative Assets	6%	4%–10%
TOTAL	100%	

MANAGER STRUCTURE

The Trustees have appointed a number of active equity and bond managers – Axa Rosenberg, JP Morgan, Heptagon and PIMCO. State Street Global Advisors (SSgA) manages passive equities and bonds. Together these managers manage almost 90% of the Schemes' total assets. There are six property managers – SSgA, Irish Property Unit Trust, Fidelity International, Rockspring PIM LLC, LaSalle and Irish Forestry Unit Trust. In addition, there a number of alternative asset managers who together manage less than 5.0% of the Schemes' assets.

PERFORMANCE OBJECTIVES

The performance objectives of the appointed managers are as follows:

INVESTMENT MANAGER	BENCHMARK	PERFORMANCE OBJECTIVE
SSgA Passive	Composite	Tracking error <0.3%
PIMCO	Merrill Lynch EMU Direct Govt Bond Index >10 years	Benchmark + 1% p.a. net of fees
Axa Rosenberg	S&P/Citigroup Extended Market Index Global	Benchmark + 2% p.a. net of fees
JP Morgan & Heptagon	MSCI Emerging Markets Index	Benchmark + 2% p.a. net of fees
Rockspring	n/a	11% net of fees
Rockspring Retail	IPD All Retails <GBP£10m	Outperform benchmark by 0.75%
IPUT	Mercer Average Property Fund (Mercer Survey)	Outperform average
Alternative Managers	Various	Individual Benchmarks

Performance is evaluated against these objectives on at least an annual basis, with a critical review every three years.

APPENDIX 2

STATEMENT OF RISKS

The Trustees' primary responsibility is to ensure that members receive the benefits to which they are entitled under the rules of the Schemes. In order to provide for these future benefit payments, the Trustees invest the assets of the Schemes in a range of investments and agree with the employer, on the advice of the Actuary, the rate of contribution to be made to the Schemes to meet the balance of the cost of benefits. Under the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006-2013, the Trustees are required to provide a statement of the risks associated with the Schemes to members.

In a defined benefit scheme the main risk is that there will be a shortfall in the assets (for whatever reason) and the employer is unwilling or unable to pay the necessary contributions to make up the shortfall. In this event there may be insufficient assets available to discharge members' expectation of benefits.

The main types of risks which may lead to a shortfall and the steps being taken by the Trustees to minimise these risks are set out on the following pages.

RISKS	STEPS BEING TAKEN TO MINIMISE RISKS
The assets may not achieve the expected return	A Statement of Investment Policy Principles has been put in place. The Trustees monitor the performance of the investment managers on a regular basis and meet with their respective representatives, as required.
Some of the assets may be misappropriated	The Trustees have put in place a global custodial agreement with the Bank of New York Mellon Asset Servicing BV.
The value placed on the future liabilities may prove to be an underestimate	The Trustees have appointed an independent professionally qualified Actuary and discuss with the Actuary the assumptions used for triennial valuations.
The employer may not pay contributions as they fall due	The Trustees monitor the receipt of contributions and pursue any shortfall.
The employer may decide to terminate its liability to contribute to the Schemes, having given the written notice required by the Trust Deed	In that event, the Trustees would consider all of the options available to them under the terms of the Trust Deed and relevant legislation, which could include an orderly wind up of the Schemes.

In addition to the shortfall risks previously outlined, there is also the risk that the records relating to the Schemes' members may not be correct.

RISKS	STEPS BEING TAKEN TO MINIMISE RISKS
The Schemes' administration records may not be correct and may fail to comply with the Pensions Act.	<p>The Schemes' Secretary receives ongoing training on all matters relating to pensions legislation.</p> <p>The Trustees receive regular administration reports from the Pension Administration Section of An Post.</p> <p>The Pensions Authority has powers to pursue breaches of the Act and the Pensions Ombudsman may investigate any complaints of financial loss caused by maladministration.</p>

APPENDIX 3

INTERNAL DISPUTES

RESOLUTION (IDR)

INTRODUCTION

The Pensions Act, 1990 as amended provides for the establishment of the Pensions Ombudsman's Office. The Act further provides for the provision of regulations requiring pension scheme Trustees to put in place procedures for dealing with complaints and disputes that come under the jurisdiction of the Pensions Ombudsman. The regulations entitled Pensions Ombudsman Regulations, 2003 (S.I. No. 397 of 2003) took effect in September 2003.

An individual can make a complaint to the Pensions Ombudsman if he/she believes, that he/she has suffered financial loss because of poor administration of a pension scheme (or PRSA) and they are an actual or potential beneficiary of an occupational pension scheme (or a PRSA). The Complainant may be any of the following:

- A member or a former member of a pension scheme.
- A surviving dependant of a member who has died.
- A person claiming to be a member or a surviving dependant of a member who has died.
- A contributor to a PRSA.
- A personal representative of a member or contributor who has died.
- A widow or widower of a member or contributor who has died.

If an individual eligible to complain dies, or is under eighteen years of age, or unable to act for themselves, then the complaint may be made by that individual's personal representative.

Without claiming to be at a financial loss, anyone eligible to complain can refer a dispute of fact or law to the Pensions Ombudsman.

The Pensions Ombudsman cannot investigate:

- A complaint or dispute already subject to Court proceedings – unless those proceedings are “stayed” (i.e. suspended) by the Court.
- A complaint or dispute about a State social security benefit (for example, Social Welfare Retirement or Old Age Pensions).
- A complaint that Trustees are not complying with the Pensions Act.
- A complaint that pre-dates 13 April 1996.

If an individual has a complaint or dispute, they should first pursue it with those responsible for the management of the Schemes.

Where the superannuation scheme has an Internal Disputes Resolution (IDR) Procedure, the Pensions Ombudsman cannot as a rule investigate the complaint

or dispute unless and until the matter has gone through that procedure and the Trustees/Company or managers have issued their notice of decision.

Under the Pensions Act, all pension schemes must operate an IDR procedure. Parties are not bound by the recommendations arising out of an IDR procedure, unless both parties agree in writing to be bound by it, in which case the Pensions Ombudsman no longer has any jurisdiction.

Any ruling made by the Pensions Ombudsman in relation to a complaint or dispute will be notified in writing to all parties. The Pensions Ombudsman also has power to publish a report on any investigation. The ruling of the Pensions Ombudsman is binding on all parties subject to the right of appeal.

If a party to a complaint or dispute fails or refuses to comply with the ruling of the Pensions Ombudsman, the Circuit Court may make an order to that party to carry out the ruling. Such an order may be applied for by the other party to the complaint or dispute, or by the Minister for Social Protection, if the Minister considers it proper to do so.

A party to an investigation may appeal to the High Court from a ruling of the Pensions Ombudsman within twenty one days of the date of that ruling. The High Court may cancel the ruling, or confirm it or change it. Some IDR procedures may be expensive. The legislation does not deal with who should pay these costs.

INTERNAL DISPUTES RESOLUTION PROCEDURE – THE AN POST MAIN SUPERANNUATION SCHEME, 1990 AS AMENDED AND THE AN POST SPOUSES' AND CHILDREN'S CONTRIBUTORY PENSION SCHEME

The actual or potential beneficiary must apply to the Trustees of the Scheme(s) in writing to make a decision in relation to their complaint or dispute, (although a complaint regarding a pension could be a matter for the Company rather than the Trustees) setting out details of that complaint or dispute. Another person can make an application on behalf of an actual or potential beneficiary. In all cases the application must include:

- Full name
- Address
- Date of birth
- Address to be used for the service of documents.
- A statement covering the nature of the complaint or dispute with sufficient details to show why the complainant is aggrieved.
- Such other information as the Trustees may reasonably require.

APPENDIX 3

INTERNAL DISPUTES

RESOLUTION (IDR)

CONTINUED

The Trustees/Company may then respond to the claimant either accepting or rejecting his/her case. If the case is rejected, then the communication should include a statement that “under Section 20 of the An Post Main Superannuation Scheme, 1990 as amended (or Section 22 of the An Post Spouses’ and Children’s Contributory Pension Scheme) if a member or former member is aggrieved by the failure or refusal of the Trustees/Company to make an award under the Scheme or by the amount of any award made, he may appeal to the Minister for Communications, Energy and Natural Resources who shall refer the dispute to the Minister for Public Expenditure and Reform.

On appeal to the Minister for Communications, Energy and Natural Resources and the Minister of Finance, the recommendation should be given in writing in a formal Notice of Determination to the complainant.

This process should be completed within three months of receipt of the initial claim.

The response referred to as a Notice of Determination must include:

- A statement of what has been decided (e.g. make a compensating payment, reject the claim etc.).
- A reference to any legislation, legal precedent, ruling of the Pensions Authority, ruling or practice of the Revenue Commissioners or other material relied upon.
- A reference to any parts of the rules of the Schemes relied upon.
- Where discretion has been exercised, a reference to the parts of the rules of the Schemes that confer this discretion.
- A statement that the determination is not binding unless the person assents in writing to be bound by it.
- A statement that the Pensions Ombudsman may have jurisdiction to investigate the matter and that further information can be obtained from the Pensions Ombudsman, giving his address.

HOW WILL A COMPLAINT BE DEALT WITH BY THE TRUSTEES/COMPANY UNDER IDR

An individual within the Pensions Administration Section (The Pensions Administration Manager) will be appointed to carry out the initial screening process. This individual will be the initial contact for complaints and will determine the nature of the complaint i.e. whether it may be resolved without IDR and if it qualifies for IDR. Once a decision has been made that a complaint or dispute qualifies for IDR, a

further decision must then be made in relation to whether the complaint or dispute is a matter for the Company or the Trustees of the Schemes.

If a complaint or dispute does qualify for IDR it is forwarded to the Company (Human Resources Manager) or the Trustees of the Superannuation Schemes (Scheme Secretary) for decision, whichever is appropriate. To help with the decision making process the Trustees/Company may consult with:

- Employer representatives
- Scheme administrators
- Any other parties involved in the dispute
- Expert advisors (in house legal team etc.)
- The complainant (oral hearing) if this would add clarity

If an individual is not satisfied with the outcome of the IDR procedure, he/she may then refer the complaint to the Pensions Ombudsman for his consideration.

IDR PROCESS

The following chart summarises the IDR process:



APPENDIX 4 SCHEDULE BD – ACTUARIAL FUNDING CERTIFICATE



An Bord Pinsean -
The Pensions Board

ARTICLE 4

This certificate has been prepared under the provisions of Section 42(1) of the Pensions Act 1990 (The Act) for submission to the pensions board by the trustees of the scheme

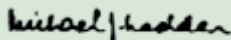
SCHEME NAME:	An Post Superannuation Schemes
SCHEME COMMENCEMENT DATE:	1 January 1984
PENSIONS BOARD REFERENCE NO.	PB 43750
EFFECTIVE DATE OF THIS CERTIFICATE:	2 January 2013
EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY)	31 December 2011

On the basis of information supplied to me, having complied with any guidance prescribed under section 42(4)(b) of the Act and, subject thereto, having regard to such financial and other assumptions as I consider to be appropriate, I am of the opinion that at the effective date of this certificate:

- I. the resources of the scheme, which are calculated for the purposes of section 44(1) of the Act to be €2,017 million, **would not** have been sufficient if the scheme had been wound up at that date to provide for the liabilities of the scheme determined in accordance with section 44(1) of the Act which, including the estimated expenses of administering the winding up of the scheme, amount to €2,328 million, and
- II. None of the resources of the scheme referred to in paragraph (1) comprise contingent assets, in accordance with and within the meaning of the guidance issued by the Board and prescribed under section 47 of the Act.

I, therefore, certify that as at the effective date of this certificate the scheme **does not satisfy** the funding standard provided for in section 44(1) of the Act.

I further certify that I am qualified for appointment as actuary to the scheme for the purposes of section 51 of the Act.

Signature: 	Date: 1 October 2013
Name: Michael Madden	Qualification: F.S.A.I.
Name of Actuary's Employer/Firm: Mercer (Ireland) Limited	Actuary Certificate No. P023

APPENDIX 5

SCHEDULE BE –

FUNDING STANDARD

RESERVE CERTIFICATE



An Bord Pinsean -
The Pensions Board

ARTICLE 4

This certificate has been prepared pursuant to Section 42(1a) of the Pensions Act, 1990 (The Act) For submission to the pensions board by the trustees of the scheme

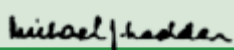
SCHEME NAME:	An Post Superannuation Schemes
SCHEME COMMENCEMENT DATE:	1 January 1984
PENSIONS BOARD REFERENCE NO.	PB 43750
EFFECTIVE DATE OF THIS CERTIFICATE:	2 January 2013
EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY)	N/A

On the basis of information supplied to me, having complied with any guidance prescribed under section 42(4)(b) of the Act and, subject thereto, having regard to such financial and other assumptions as I consider to be appropriate, I am of the opinion that at the effective date of this certificate:

- (1) the funding standard liabilities (as defined in the Act) of the scheme amount to €2,328 million,
- (2) the resources of the scheme (other than resources which relate to contributions or a transfer of rights to the extent that the benefits provided are directly related to the value of those contributions or amount transferred (DC resources)), calculated for the purposes of section 44(1) of the Act amount to €2,017 million,
- (3) €795 million of the amount referred to in paragraph (2) (subject to a maximum of an amount equal to the funding standard liabilities) is invested in securities issued under section 54(1) of the Finance Act 1970 (and known as bonds), securities issued under the laws of a Member State (other than the State) that correspond to securities issued under section 54(1) of the Finance Act 1970, cash deposits with one or more credit institutions and such other assets (if any) as are prescribed under section 44(2)(a)(iv) of the Act,
- (4) the amount provided for in section 44(2)(a) of the Act ($15\% \times ((1) \text{ minus } (3))$) is €230 million,
- (5) the amount provided for in section 44(2)(b) of the Act, being the amount by which the funding standard liabilities of the scheme would increase if the interest rate or interest rates assumed for the purposes of determining the funding standard liabilities were one half of one per cent less than the interest rate or interest rates (as appropriate) assumed for the purposes of determining the funding standard liabilities less the amount by which the resources of the scheme (other than DC resources) would increase as a result of the same change in interest rate or interest rates is €54 million,
- (6) the aggregate of (4) and (5) above amounts to €284 million, and
- (7) the additional resources (as defined in the Act) of the scheme amount to €0 of which, in accordance with and within the meaning of the guidance issued by the Board and prescribed under section 47 of the Act, €0 comprises contingent assets and none of such contingent assets comprise an unsecured undertaking.

I therefore certify that as at the effective date of the funding standard reserve certificate the scheme does not hold sufficient additional resources to satisfy the funding standard reserve as provided in section 44(2) of the Act.

I further certify that I am qualified for appointment as actuary to the scheme for the purposes of section 51 of the Act.

Signature: 	Date: 1 October 2013
Name: Michael Madden	Qualification: F.S.A.I.
Name of Actuary's Employer/Firm: Mercer (Ireland) Limited	Actuary Certificate No. P023

[illegible]

