

AN POST SUPERANNUATION SCHEMES 2014

ANNUAL REPORT AND FINANCIAL STATEMENTS

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TRUSTEES AND OTHER INFORMATION

TRUSTEES

Patrick Gallagher (Chairman)
Anthony Harmon
Patrick Knight
Brian McCormick
Alan McGeehan
Charles O'Neill (retired 25 February 2015)
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

INVESTMENT MANAGERS

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

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



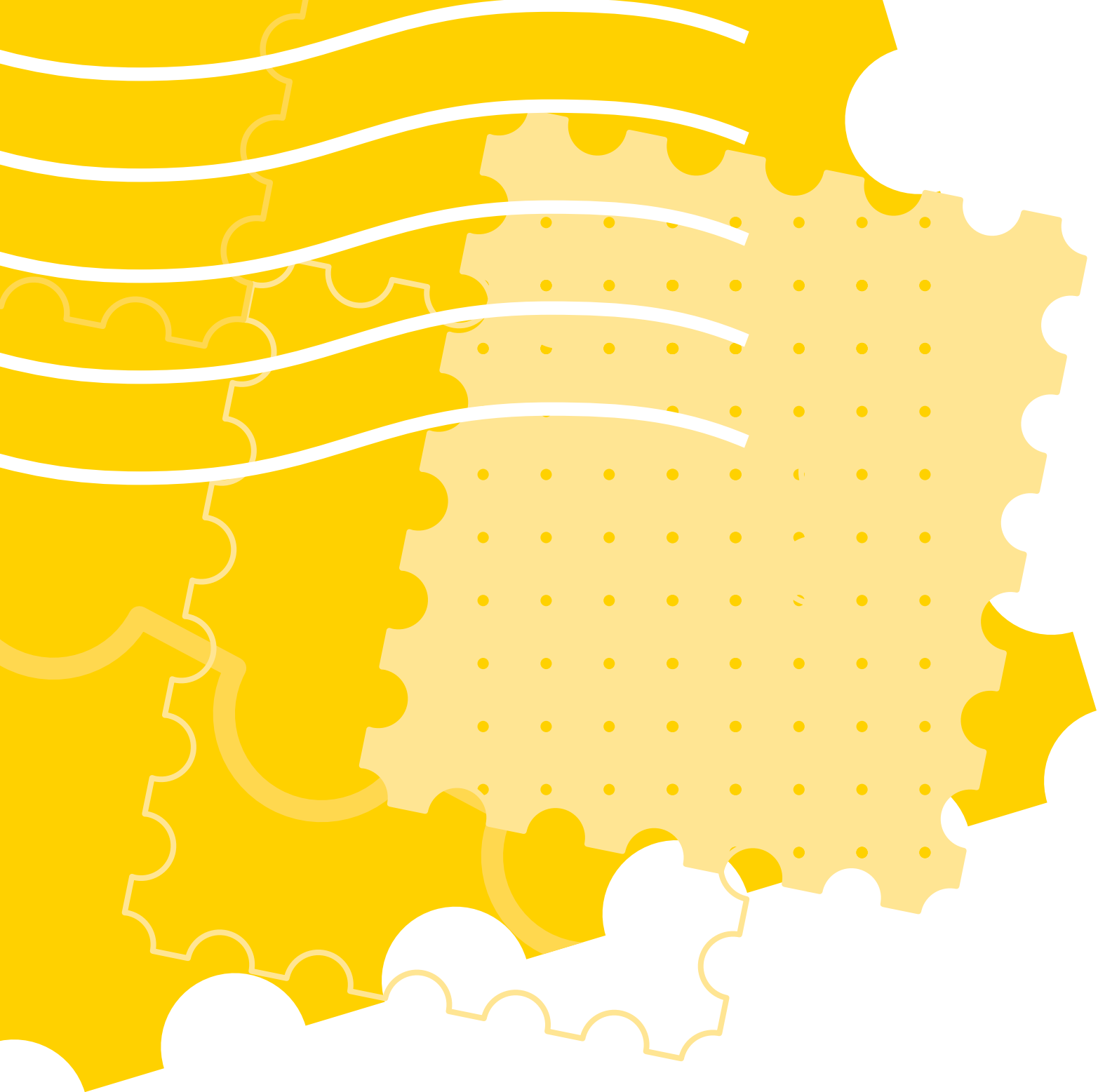
6. CHARLES O'NEILL
Trustee (retired
25 February 2015)



7. NIALL PHELAN
Trustee (appointed
29 May 2014)



8. PAUL DOLAN
Secretary



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.

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 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. 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.

The An Post Main Superannuation Scheme, 1990 was again amended by deed on 21 January 2015. The amendments include the adjustment to the normal retirement age for certain members and to the definition of pay designated as pensionable. 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.

Trustee meetings are held at least quarterly and 12 Trustee meetings were held during 2014. 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. Mr Niall Phelan was appointed as a Trustee on 29 May 2014 and Mr Charles O'Neill retired as a Trustee on 25 February 2015.

TRUSTEES' REPORT CONTINUED

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:

1. to ensure, in so far as is reasonable, that contributions payable by the members and the employer are received;
2. to provide for the proper investment of funds;
3. to make arrangements for the payment of benefits;
4. to ensure that proper membership and financial records are kept.

The Trustees and the administrator have access to appropriate training on their duties and responsibilities and, during the year, €1,750 (2013: €3,998) 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 section 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 communicate 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 2014 by 18.7% as both equity and bond markets posted strong returns. Together, these two asset classes account for the majority of the Schemes' investments. Other risk assets also performed well.

Following the global financial crisis of 2008, equity markets have experienced volatile yet cumulatively positive performance, with many market indices recording all time high levels. Returns have been driven by a 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 which resulted in ultra low interest rates and additional liquidity in the monetary system. Noteworthy was the decrease in the value of the Euro against the US dollar. At the start of 2014, one Euro bought US\$1.37; by year end one euro bought just US\$1.21. This sharp decline had the effect of amplifying returns from dollar assets when translated back to Euro. The falling value of the Euro currency has continued into 2015.

The Trustees continued to fund the existing commitments in the alternative assets portfolio during the year and in addition funded two new investments, Premier Lotteries Ireland Limited and Harbert European Growth Capital Fund.

The Trustees were obliged to pay the fourth instalment of the Pension Levy, which was introduced in 2011. An amount of €16.5m was paid to Revenue from the assets of the Schemes in September 2014. This is made up of the fourth instalment of 0.6% and 0.15%, the latter being the first of a two year levy payable in 2014 and 2015.

The Investment Report on pages 11 to 19 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 1 January 2013. The result of which was a deficit in the Fund. Consequently a Minimum Funding Standard (MFS) funding proposal was submitted to the Pensions Authority on 8 April 2014 and was subsequently approved on 19 May 2014. This funding proposal is currently on schedule to restore the Schemes to a fully funded position by 2023 (see the Actuary's statement on page 20 of this report).

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. In addition, the Actuary also prepared a Funding Standard Reserve Certificate with an effective date of 2 January 2013, in which he stated that the Schemes did 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 is effective from 1 January 2016. Nevertheless, as mentioned in the previous paragraph, the current MFS funding proposal is on track to achieve its objective, i.e., to satisfy the Pension Authority's Minimum Funding Standard (including the funding standard reserve) by 31 December 2023.

An amendment to the Schemes was submitted to the Department of Public Expenditure and Reform and the Department of Communications, Energy and Natural Resources and was approved on 21 January 2015.

The financial position of the Schemes at the time of writing this report is broadly in line with the valuation at year-end. The Minimum Funding Standard deficit under the amended Scheme's rules at year end was €173.0m. This figure included provision for a Risk Reserve as required by the Pensions Authority with effect from 1 January 2016. If the Risk Reserve was excluded, the Scheme would have been funded.

During 2014, contributions totalled €56.8m (employer – €52.5m, employees – €4.3m). Transfer values in amounted to €0.2m. Investment income, net of investment management expenses of €2.9m, amounted to €26.5m. Benefits and other payments (including the Pension levy) for which the Schemes were liable totalled €101.5m. Net movement in the market value of investments resulted in an increase in investments of €429.0m. The Schemes achieved a return of 18.7% on their investments in 2014. At 31 December 2014, the net assets of the Schemes were valued at €2,608.3m.

Details of the composition of the Schemes' net assets at 31 December 2014 are set out in the following table:

	€'000
Quoted Fixed Interest Securities	542,770
Unquoted Equities	36,052
Unit Trusts	1,611,285
Property Pooled Investments	128,254
Alternative Investments	151,388
Derivative assets	
Futures	2,288
Cash Instruments	3,108
Cash on deposit	147,301
Other Investment Balances	(23,530)
Accrued Investment Income	9,986
Derivative Liabilities	
Options	(750)
Forward Foreign Exchange (FX)	(727)
Swaps	(2,934)
Total Investments	2,604,491
Current Assets	4,642
Current Liabilities	(819)
Total Fund	2,608,314

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 15 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 15 to 19.

TRUSTEES' REPORT

CONTINUED

9. MEMBERSHIP DETAILS AT 31 DECEMBER 2014

	2014	2013
Employed		
At 1 January	9,480	9,736
Additions	309	198
Leavers	(619)	(454)
At 31 December	9,170	9,480
Deferred Pensioners <i>(i.e. former staff of An Post who have preserved pension entitlements)</i>		
At 1 January	2,464	2,377
Additions	274	165
Leavers	(61)	(78)
At 31 December	2,677	2,464
Pensioners <i>(i.e. retired staff of An Post)</i>		
At 1 January	4,139	3,973
Additions	235	283
Leavers	(118)	(117)
At 31 December	4,256	4,139
Dependants <i>(i.e. widows, widowers and children of former staff of An Post)</i>		
At 1 January	1,279	1,281
Additions	92	65
Leavers	(70)	(67)
At 31 December	1,301	1,279

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

10. SUBSEQUENT EVENTS

The Trustees continue to monitor the Schemes' funding position. The Company pledged a contingent asset which is a portfolio of properties it owns and it signed a resolution assigning these properties, with the approval of the relevant Departments on 16 February 2015, confirming the funding agreement between the parties and the Trustees. To date the Trustees are on track to meet the funding requirements by 2023.

Markets continued to perform well during the first half of 2015. 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 annual levy of 0.6% on the aggregate market value of assets 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

In 2014 there were no changes to the Schemes' rules since the previous year in the information specified in Schedule C of the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 to 2013. In 2015 a deed of amendment was signed to reflect the changes agreed between An Post and its Group of Unions. The most significant changes relate to the Schemes' normal retirement age for different classes of members and to the definition of pay designated as pensionable.

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

18 June 2015



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.

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 Management Agreement 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 80.0% of the Schemes' assets:

1. passive global developed equity market – 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, IPUT plc, Fidelity Investments, Rockspring PIM (LLP) 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.

The Trustees also invested in Premier Lotteries Ireland Limited, the company operating the National Lottery. Details of these investments are on pages 16 to 19 of this report.

Details of the investment holdings at 31 December 2014 are set out in the following table.

INVESTMENT MANAGER	ASSETS (€'000)	% OF PORTFOLIO
State Street Global Advisors – Equities and Bonds	1,295,868	49.8%
PIMCO – Bonds	499,031	19.2%
AXA Rosenberg – Small Cap Equities	148,159	5.7%
JP Morgan – Equities Emerging Markets	71,716	2.8%
Heptagon – Equities Emerging Markets	56,440	2.2%
PIMCO – Tactical Opps Fund	39,116	1.5%
State Street Global Advisors – Property	45,745	1.8%
Fidelity Investments – Property	29,577	1.1%
IPUT Property Fund	24,856	0.9%
Rockspring PIM (LLP) – Property	13,976	0.5%
Irish Forestry Unit Trust	2,918	0.1%
NAFIT – US Forestry	11,182	0.4%
Miscellaneous Bonds	26,222	1.0%
Alder Capital Limited – Currency	28,317	1.1%
Venture Capital	36,052	1.4%
ILIM/AMP – Infrastructure	22,714	0.9%
Premier Lotteries Ireland Ireland	25,000	1.0%
Goldman Sachs – Currency	18,908	0.7%
Czech Asset Management	10,681	0.4%
Coller Capital – Private Equity	8,516	0.3%
Blackstone Capital Partners – Private Equity	11,311	0.4%
Partners Group – Private Equity	10,218	0.4%
Macquarie – Infrastructure	5,356	0.2%
BlueBay – Corporate Credit	4,000	0.1%
Harbert European Growth Cap	4,604	0.2%
BDO Development Fund	1,762	0.1%
Trustee Managed Cash	152,246	5.8%
Total	2,604,491	100.0%

INVESTMENT REPORT CONTINUED

The overall asset allocation of the Schemes' funds at the end of 2014 is as follows:

ASSET	%
Equities	48.2%
Bonds	32.5%
Alternatives	9.2%
Property	4.3%
Cash	5.8%

The overall currency exposure of the Schemes' funds at 31 December 2014 is:

CURRENCY	%
Euro	54.0%
USD	29.0%
GBP	4.0%
Yen	3.0%
Other currencies	10.0%

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 15 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 15 to 19.

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 2014, are as follows:

	PORTFOLIO VALUE	PORTFOLIO %	FUND (INDEX) PERFORMANCE %
Global Equities	€975.7m	75.3%	19.7% (19.5%)
Eurozone Bonds	€320.2m	24.7%	28.8% (28.9%)
Total	€1,295.9m	100.0%	

The opening value of the total assets of the portfolio, on 1 January 2014 was €1,207.2m. A total of €158.0m was sold from the portfolio during the year: €83.0m from Equities and €75.0m from Bonds. The closing value at 31 December 2014 was €1,295.9m. The overall return for the year is 22.2%.

In 2014, equity values continued to improve, with many markets recording all time highs, despite intermittent uncertainty in the global recovery. A clear divergence between the US and Eurozone economies began to emerge as the year progressed. The US recovery was consolidated with employment, manufacturing and consumer activity showing positive growth. The U.S. market continued to be a primary driver of global growth, outperforming other developed and emerging markets in 2014. In Europe although the Italian, French and Spanish equity markets contracted, the German, UK and Irish markets achieved positive returns. Asia, China and Japan posted positive performances. The diverging rates of economic recovery meant that overall the Eurozone lost ground and the Euro weakened considerably against the US dollar and sterling in the last quarter of 2014.

The geographic split of the Global Equity portfolio reflects that of the MSCI Global index with almost 60.0% in North America, 11.0% in the Eurozone and 8.0% each in Japan and the UK. In USD terms, North American equities increased by 12.0% in 2014, a good return which, when reported in Euro, translates to a very strong 27.0%.

The European Central Bank committed to further monetary policy easing with more active intervention in the Eurozone bond markets towards the end of 2014. The ECB began buying bonds in October with purchases of asset backed securities following in November. These programmes and interest rate reductions have resulted in a further decline in euro area bond yields and as a result market values have shown steep improvement. The ECB programme is to continue until 2016. Healthy returns were achieved in 2014 by German, Irish and Spanish bonds as borrowing costs fell.

US bond yields are increasing, albeit from extremely low levels, as the US economy recovers and an increase in interest rates is expected in the US in 2015. This may impact EU interest rates which are at near historic low levels. The consequent very high values of Eurozone bonds led the Trustees to sell a small portion of bonds from this portfolio in order to crystallise some of the very large gains in market value. The intention is to hold the proceeds in cash and reinvest when interest rates rise and bond market values fall.

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.

	PORTFOLIO	BENCHMARK	VALUE
PIMCO-Bonds	28.9%	28.9%	€499.0m

The opening market value of the portfolio on 1 January 2014 was €426.9m. €50.0m of bonds were sold in December 2014 and the closing value at 31 December 2014 was €499.0m. The portfolio recorded a return of 28.9% for the year, matching the benchmark. The majority of the portfolio is invested in euro government long dated debt.

The very strong return from Government bond markets in 2014 was driven by the dramatic fall in bond yields over the course of the year. As yields fall, the price of a bond increases, resulting in bond prices at year end that were at historically high levels. The fall in global bond yields has been a consequence of the response of various Central Banks to the financial crisis by cutting interest rates and in some case introducing quantitative easing programmes.

Looking back at 2014, the US remained a bright spot in the global economy, with a healthy improvement in the labour market and encouraging GDP growth. In Europe, deflationary fears, disappointing growth and geopolitical uncertainty dominated in 2014. Growth in Europe was mixed, with a stabilisation in the first half of the year followed by mixed data and differentiated growth between countries. Concerns over a possible Greek exit from the Euro and persistently low inflation worried policymakers. The very weak inflation numbers prompted the ECB to take more aggressive action to fight deflation. The ECB deposit rate was reduced to near zero and a series of targeted longer term refinancing operations were introduced. The ECB commenced its programme to purchase covered bonds and asset backed securities in the fourth quarter. 2014 also saw heightened geopolitical risks around the world and in-line with such developments, political support for non-mainstream parties grew – the outcome of the Greek elections being particularly noteworthy. Core and peripheral European government bond yields declined over the year, supported by ECB announcements indicating that the impact of full-blown quantitative easing was likely to be material.

During 2014 the portfolio generated an absolute return of 28.9%. Our overweight to peripheral (particularly Spanish and Slovenian) bonds as well as our off-benchmark exposure to spread strategies such as covered bonds, and asset backed securities were positive for performance. Our duration positioning detracted from performance where our underweight to the long end of yield curves was negative as yields moved downwards.

At year end, the portfolio was generating a yield of 2.9%, a relatively attractive return in an ultra-low yield environment.

	PORTFOLIO	BENCHMARK	VALUE
PIMCO-Tactical Opportunities Fund	22.2%	N/A	€39.1m

The Trustees invested €34.0m in the PIMCO Tactical Opportunities fund in August 2013. This is an opportunistic credit strategy fund which seeks to capitalise on dislocations across global credit markets, particularly in structured credit, due to global deleveraging and increased regulation of banks. The opening market value of the fund at 1 January 2014 was €33.2m and at 31 December 2014, the fund was valued at €39.1m. There was no cash flow during the year. The fund makes twice yearly distributions to investors and in 2014 we received US\$1.9m in income. The portfolio posted a return of 22.2% in euro terms for the year. The underlying assets are complex financial securities and derivative instruments and the manager is currently focused on exposure to real estate debt, mainly in the US. The relative weakness of the euro enhanced the more modest local US dollar return of 7.6%.

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	16.4%	16.4%	€148.2m

The Global Small Cap portfolio had an opening market value of €136.6m at 1 January 2014. There was a sale of €10.0m from the portfolio in July 2014. The closing value of the portfolio at 31 December 2014 was €148.2m. The portfolio performed strongly during 2014 with a return of just over 16.0%, matching its index.

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 size of companies in the portfolio is €2.7 billion, as measured by market capitalisation.

The catalyst for the stock market's gains was the strengthening U.S. economy which saw significant improvements in employment and consumer confidence data. However, this positive economic momentum was not shared around the globe and central banks around the world began their own stimulus packages. This rise in equity markets also masked significant periods of volatility with rising geopolitical tensions and concerns about global economic growth which hit emerging markets and commodity markets most. Oil prices halved over the final 6 months of 2014 to end the year at US\$53 per barrel.

INVESTMENT REPORT

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Over the full 12 months, the leading sectors were Utilities and Healthcare. Materials and Telecommunications finished the year in the red, but it was Energy that was the most dramatic loser. Risk aversion became an important feature as investors avoided more volatile shares.

Investors generally rewarded the types of characteristics favoured by our investment process. As a result, buying stocks that appeared attractive relative to their earnings was particularly well rewarded over the period. However, the increase in risk aversion in the second half of the year had a negative impact on the Fund's above-benchmark exposure to companies with higher levels of beta (a measure of share price sensitivity to wider market movements).

From an industry perspective, exposure to energy-related companies was penalised. Stock selection was rewarded within the consumer and industrials sectors. Airline stocks soared towards the end of the year as lower fuel costs bolstered profits. The Fund moved overweight to Alaska Air, Hawaiian Airlines and JetBlue in the second half of the year and these featured among the Fund's top contributors to performance.

AXA Rosenberg believes that opportunities persist for active managers who are focused on company fundamentals, as the recent spike in market volatility reinforces the importance for investors to focus on balance sheet strength and future earnings.

The Small Cap portfolio holds 688 stocks out of an index of over 5,600 names. The US dominates the country share of the portfolio, with 58.5% at year end, followed by the Eurozone at 9.5%, Japan at 8.5% and the UK at 8.3%. There is no exposure to Ireland. The dividend yield is 2.1%.

EMERGING MARKETS EQUITIES

Investments in emerging markets are made with the expectation of higher returns than those of developed markets, as emerging countries are expected to deliver higher economic growth than their more developed peers. Such investments can be more risky due to political instability, infrastructure problems and currency volatility. To mitigate this risk the Trustees have invested in well established funds with experienced managers.

STATEMENT FROM JP MORGAN ASSET MANAGEMENT

JP Morgan Global Institutional Asset Management was appointed by the Trustees to manage part of the Emerging Markets portfolio in April 2013. The fund in which the Schemes are invested is the JPM Emerging Markets Opportunities Fund.

The benchmark against which performance is measured is the MSCI Emerging Markets Index. The table below shows the manager's performance for the year.

	PORTFOLIO	BENCHMARK	VALUE
JP Morgan Emerging Markets	13.1%	11.4%	€71.7m

The opening market value of the investment at 1 January 2014 was €63.4m. The closing market value of the investment at 31 December 2014 was €71.7m. There was no cashflow during the year. The return for 2014 was 13.1%, comfortably ahead of the benchmark return of 11.4%.

2014 was a difficult year for Emerging Markets (EM) and the asset class underperformed developed markets. The strengthening of the US dollar, the significant fall in oil and weak commodity prices had a negative impact in general, though performance across regions and countries varied, with Asia strongly outperforming Latin America and EMEA. The manager is overweight in the former and underweight in the latter two regions. An overweight position in India and strong stock selection there contributed positively to performance. Investments in Brazil, Qatar and Thailand were positive contributors while investments in Russia and China detracted from performance in 2014. There is still no clear evidence of a turn in the underlying economic fundamentals in EM but the manager believes that the long term story of growth in Emerging Markets remains compelling and patient, disciplined investors will be rewarded in the medium term.

At the end of 2014 the portfolio was invested in 76 companies. The regional split of holdings is: 68.1% in Asia, 15.2% in the Europe/Middle East/Africa region (EMEA), 12.2% in Latin America and 2.5% in developed markets with cash accounting for 2.1%. The largest individual country holdings are China (25.4%), Korea (15.3%), Taiwan (12.7%) and Brazil (9.8%). The portfolio is producing an attractive dividend yield of 3.6%.

STATEMENT FROM HEPTAGON CAPITAL

Heptagon Capital, based in London, is the promoter of the Oppenheimer Developing Markets Equity Fund, in which the Trustees invested €50.0m in September 2013. The total size of this fund is approximately US\$865.0m. The underlying investment manager is US based OFI Institutional Asset Management who manage US\$45bn in Emerging Markets equity strategies.

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

	PORTFOLIO	BENCHMARK	VALUE
Oppenheimer Developing Markets	8.8%	11.4%	€56.4m

The opening market value of the investment at 1 January 2014 was €51.9m and the closing market value at 31 December 2014 was €56.4m. The investment return for the year was 8.8% underperforming the benchmark return by 2.6%.

The manager's strategy is to invest 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 defensible competitive advantages. The fund in general ignores benchmarks, while adopting an active management approach to investment.

The manager acknowledges that 2014 was a disappointing year for the fund. They remain focused on their strategy which has produced a strong long term track record. At the end of October 2014, the fund was performing in line with the benchmark but the sudden collapse in oil prices and the consequent fall in the currencies of oil producing countries such as Russia, Mexico and Colombia had a negative impact on relative performance. The fund had an exposure of 6.0–7.0% to Russia and the 3 worst performing stocks over the year were Russian companies. In addition there were some stock picking mistakes in 2014 e.g. Petrobras the Brazilian oil company and Tullow Oil, the Irish oil exploration company.

The manager believes that the structural growth story for emerging markets is still intact, driven by factors including the growing middle class, demographics, education, urbanisation, advances in technology, and political and economic reform. The manager believes investors should remain focused on investing in companies not countries. The team at Oppenheimer are active managers seeking out high quality, attractively valued companies, regardless of the prevailing macroeconomic environment.

The portfolio holds approximately 121 stocks, with the largest country holdings being China (14.9%), India (12.8%) and Brazil (13.5%). The top 10 stocks account for 25.0% of the portfolio value.

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 2014:

MANAGER	VALUE
State Street Global Advisors	€45.7m
IPUT plc	€24.9m
Fidelity Investments	€29.6m
Rockspring PIM (LLP)	€14.0m
Irish Forestry Unit Trust	€2.9m
North American Forestry Investment Trust	€11.2m
Total	€128.3m

Overall the return on property investments for the year ended 31 December 2014 was 16.0%.

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 €38.3m on 1 January 2014. There was no cash flow in or out of the fund during the year. The closing value of the assets at 31 December 2014 was €45.7m. The return on the portfolio for the year was 22.0%. The fund paid its first distribution of income, €0.8m, during 2014.

SECTORAL ALLOCATION	%
Offices	54.0%
Retail	31.0%
Industrial	15.0%

GEOGRAPHIC ALLOCATION	%
Ireland	77.0%
UK	23.0%

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

2014 was a strong year of recovery for the Irish commercial property market. Strengthening economic fundamentals led to the resurgence in investor interest in the Irish market. Transaction volumes were high throughout the year with the total value of market deals at €4.5bn, exceeding the previous peak in 2006. Much of this activity was amongst domestic buyers. The capital gains tax exemption introduced for investment property bought before the end of 2014 was an additional spur. Although NAMA sold a large number of assets this did not negatively impact the market. Rental growth has been robust and the office sector, particularly in prime locations where supply is limited, continued to lead the market in 2014.

INVESTMENT REPORT

CONTINUED

The UK commercial property market had another strong year. The rate of rental growth has slowed slightly in London but demand remains strong. Some regional markets are growing as investors switch attention away from central London in search of better yields. As in Ireland, the retail sector continues to lag commercial property.

There are 37 directly held properties in the portfolio with a net asset value of €242.0m. The manager continues to focus on actively managing the assets in order to maintain and improve value and protect income yield.

IPUT PROPERTY FUND

The value of the Schemes' holding in IPUT at 1 January 2014 was €19.6m. Income earned for the year totalled €1.3m. The closing value of the assets at 31 December 2014 was €24.9m. The return for the year was 33.6%.

The Irish commercial property market continued its recovery, first evidenced in 2012, and recorded very strong returns for the year, with the office sector performing particularly strongly. Ireland's fast improving economic indicators provided a strong backdrop as a wide range of domestic and international investors sought to invest in the growing economy and property markets. 2014 was the strongest year ever for investment in commercial real estate.

IPUT secured a significant amount of new capital from 22 new investors in 2014, both domestic and international. This led to a very busy year and the fund completed purchases of €389.0m, 26 properties in total, including the property portfolio of the Bank of Ireland Staff Pension Fund – 13 high quality properties in Dublin. Other acquisitions included a Dublin city centre office block at Hanover Reach, office property at St Stephens Green and a 50.0% interest in a modern office development in Citywest. The fund also invested in modern logistical buildings in Citywest, Damastown and Blanchardstown. In addition the fund acquired phase I of the Carrickmines retail park.

The availability of prime office space in Dublin continues to diminish and as a result lease terms are strengthening, incentives are reducing and tenants are committing to longer leases. The outlook for retail units, shopping centres and retail parks in Dublin is becoming increasingly positive also. It is anticipated that rental growth in Dublin retail will continue in 2015. An emerging shortage of larger scale modern logistics buildings in the city has pushed up industrial rents although capital values remain low in this sector.

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 fund remains focused

on Dublin which offers a larger, more liquid market with the best growth potential for capital values and rents.

The portfolio holds 85 properties, with a total fund value of €1.4bn at year end, of which 98.0% (by value) are located in Dublin. The sector mix is Office (64.0%), Retail (25.0%) and Industrial (11.0%). At year end the vacancy rate across the portfolio stood at 2.0%. The income yield for the year was 5.7%.

FIDELITY EUROZONE SELECT REAL ESTATE FUND

The Trustees have invested a total of €30.0m in this fund, dating from 2012-2013. The investment was valued at €29.0m at 1 January 2014 and €29.6m at year end. Income received from the fund totalled €1.5m, giving a return for the year of 7.2%.

SECTORAL ALLOCATION

%

Offices	65.0%
Retail	18.0%
Industrial	17.0%

GEOGRAPHIC ALLOCATION

%

France	51.0%
Germany	25.0%
Netherlands	6.0%
Belgium	18.0%

The fund is managed by Fidelity Investments. The objective of the fund is to deliver an attractive and stable income return and capital appreciation through stock selection and active management. The investment strategy is focused on high quality properties in the core Eurozone markets of Germany, France and the Benelux countries. Investment turnover in the core reached its highest level since 2006, with demand in Germany particularly strong. Activity is still concentrated in the core urban centres but there is evidence that investors are now looking at good secondary locations. Office supply is at very low levels in the core markets and this will support increasing rental values into 2015.

At 31 December 2014 the fund had a portfolio of 10 high quality office, retail and warehouse properties. 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 properties had 98.0% occupancy in 2014 and no rent arrears at year end. The fund's income distribution yield is stable at 5.1%.

ROCKSPRING PROPERTY INVESTMENT MANAGERS LLP

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

A restructuring took place during 2014 where 18 assets in peripheral European countries (Spain, Portugal, Greece and Hungary) were transferred into a ring-fenced, closed end fund. These assets are mainly in retail warehousing and shopping centres. The remaining 36 assets, largely in the retail warehousing sector, are located in Germany, Switzerland, Belgium and Holland.

The opening value of the portfolio at 1 January 2014 was €11.6m. The closing value of the combined portfolio at 31 December 2014 was €10.5m. This closing figure consisted of €9.5m for the Pan European Property Limited Partnership and €1.0m for the Rockspring Peripheral Europe Limited Partnership. Income earned during the year was €1.0m. The overall return was -2.5% for the year.

The investment in the UK Retail Plus Property Trust was valued at €3.6m at 1 January 2014. The fund invests in High Street property in secondary UK locations and rental income is distributed quarterly. Income earned in the year totalled €0.4m. The fund was valued at €3.4m at 31 December 2014. Unit holders in the Trust voted in 2013 to wind-up the fund in an orderly three year disposal programme. The return for 2014 is 8.0%.

LASALLE EURO GROWTH II SARI

The fund has been in a wind up process for the past few years which is now almost complete. There are no more properties in the fund and the remaining assets are cash balances and tax reclaims. Distributions totalling €1.1m were received from the fund in 2014. The Trustees decided that it would be prudent to write down the value of this investment to nil at the end of 2014.

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. US\$3.0m was drawn down during 2014 bringing the total capital invested to US\$12.8m. NAFIT invests in 5 underlying timber funds, spanning timber holdings in 15 states and Canada. The investment was valued at US\$13.5m/€11.2m at year end. NAFIT will report a positive return of 5.4% to unit holders for the year. The manager expects to make distributions to investors in 2015. The long term return potential for the fund is positive as the US economic recovery continues and the demand for timber is expected to give rise to increased timber prices.

IRISH FORESTRY UNIT TRUST (IFORUT)

The Scheme is invested in the Irish Forestry Unit Trust, which owns and manages commercial forests 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 holding at 1 January 2014 was €2.8m. At 31 December 2014, the investment was valued at €2.9m. The fund paid out a distribution of €0.1m. The overall fund return for 2014 is 8.3%. The major storms in February 2014 caused significant wind damage to forest assets but the impact to the Trust was minimised as insurance was in place. The strong demand for timber facilitated the disposal of high volumes of storm felled wood. Timber prices remained robust through 2014. The combination of biological growth and continued strong pricing will see positive returns in 2015.

VENTURE CAPITAL

Legacy holdings in mature Venture Capital funds were valued at €1.6m at 1 January 2014 and their closing value at 31 December 2014 was €1.5m, with distributions received of €0.02m. The largest holding, valued at €1.4m, was wound up in early 2015.

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 in the four funds continued during the year bringing the total capital drawn down to €31.3m. As the funds mature they reach a harvesting stage, where the manager may sell some of the underlying portfolio companies and return the proceeds to investors. During the year, three of the funds had successful exits and returned cash to the Trustees: Seroba €3.2m, Fountain US\$2.7m and Atlantic Bridge US\$1.7m. The opening market value of the four investments at 1 January 2014 was €23.2m. The closing market value of these investments at 31 December 2014 was €31.1m.

The Trustees committed to invest €8.0m in Frontline Venture Fund of which €2.8m had been invested at 31 December 2014. This holding was valued at €2.6m at 31 December 2014. The Trustees also agreed to invest in successor funds from Fountain and Atlantic Bridge, respectively €10.0m and €20.0m. At 31 December 2014 €1.2m of these commitments had been drawn down.

INVESTMENT REPORT

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MISCELLANEOUS BONDS

The Trustees hold €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 2014 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 €6.2m at year end. The bond pays an annual coupon and this, together with some capital repayment, amounted to €1.2m. in 2014.

The Trustees had €10.0m holding of an Irish Government 5.0% 2020 bond. Taking advantage of very strong bond prices, the holding was sold in October 2014 and generated a capital gain of €2.9m, in addition to income earned of €1.9m over the 4 year holding period.

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 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 €28.3m and €18.9m respectively resulting in returns of 1.8% and 18.7% respectively.

PRIVATE EQUITY

The Trustees have invested in four Private Equity funds which cover a complementary range of size and strategies. Together they provide broad exposure to the asset class;

- I. Blackstone Capital Partners VI LP Private Equity fund: this is one of the world's largest private equity funds, with US\$16 billion of capital to invest. The Schemes' commitment is US\$20m of which US\$12.0m has been invested. US\$0.8m was returned to the Trustees in distributions in the year. At year end the fund held investments in 39 companies in the US, Europe and Asia. The market value of this investment at 1 January 2014 was €4.4m. The investment was valued at €11.3m at 31 December 2014.
- II. Collier International Partners VI is the 6th fund from Collier, a London firm which specialises in the private

equity secondary market. As a secondaries fund, it purchases positions in existing private equity funds. Collier VI is a US\$5.5bn fund dating from 2012. The Schemes' commitment is US\$20.0m. and US\$2.3m was drawn down during the year, bringing the total capital drawn down to US\$9.4m by 31 December 2014. The fund distributed US\$2.5m to the Trustees in 2014. The market value of this investment was US\$9.6m/€7.0m on 1 January 2014. The holding was valued at US\$10.3m/€8.5m at 31 December 2014.

- III. Partners Group Secondary 2011 is the fourth fund from Partners Group, a Swiss based firm specialising in private market investments. The total fund size is €775.0m of which the Schemes' commitment is €15.0m. €7.8m was drawn down by 31 December 2014 and distributions of €1.5m were made during 2014. The investment was valued at €10.2m at year end.
- IV. BDO Development Capital Fund is a €75.0m Irish fund set up to invest equity in mid-sized indigenous companies with high growth potential. The Trustees committed to invest €10.0m, of which €1.8m had been drawn down by 31 December 2014. The fund has made two investments to date in the healthcare and technology sectors. The investment was valued at €1.8m at year end.

The Trustees have made a €25.0m equity investment in Premier Lotteries Ireland Limited, the company which holds the licence to operate the Irish National Lottery for 20 years. The investment was made as part of a consortium alongside An Post and the Ontario Teacher's Pension Plan. The funds were invested in two tranches in 2014. Over the lifetime of the licence period, the investment is expected to pay dividend and interest income to the investors. The investment was valued at €25.0m at year end.

The Blackstone, Collier and Partners funds are performing in line with expectations – all report an increase in the value of their underlying assets and are returning cash to investors. The BDO fund and the Lottery investments are still at an early stage in their respective investment cycles.

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 Schemes' commitment is €20.0m, which has been fully drawn down. The fund paid distributions of €0.9m during the year. The holding was valued at €22.7m at 31 December 2014. To date, the fund has invested in a portfolio of wind farms and a portfolio of telecom towers, in Ireland. The Trustees have agreed to invest an additional €20.0m, which will be drawn down upon completion of the purchase of the fund's next asset, the Convention Centre Dublin.

- ii. Macquarie Infrastructure Fund 4: the parent is Macquarie Group, a large Australian financial services company. The Schemes' commitment is €20.0m, of which €5.5m was drawn down by year end. The fund paid a distribution of €0.3m and rebated fees of €0.1m to the Trustees during the year. The holding was valued at €5.3m at 31 December 2014. The assets in the fund are gas transmission networks in Germany and the Czech Republic and a share of 3 UK regional airports.

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 31 December 2014 the manager had drawn down US\$12.6m of the commitment and returned US\$8.5m in distributions. The investment was valued at US\$6.0m at 31 December 2014 and the return on Fund I is 7.1% per annum.

In February 2013 the Trustees decided to commit US\$25.0m to a follow-on fund, SJC Offshore Capital Finance Fund II. By 31 December 2014 US\$6.3m had been drawn down. The fund returned US\$0.4m in distributions in 2014. The investment was valued at US\$6.4m at 31 December 2014. The return on Fund II is running at 7.4% per annum.

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 31 December 2014 €4.0m of our commitment had been drawn down and the fund had made ten investments. The investment was valued at €4.0m at year end.

The Trustees made a commitment to invest €10.0m in the Harbert European Growth Capital Fund. The fund invests in later stage growth European companies via secured loans. By year end the fund had invested in 19 companies primarily in the software and communications sectors, mainly in the UK and Germany. By 31 December 2014 €4.6m of our commitment had been drawn down. The fund returned €0.1m in distributions in 2014. The investment was valued at €4.6m 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 from previous years. Further details of the lending programme are set out in note 12 to the financial statements.

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 Main Superannuation Schemes 1990 to 2015 and the An Post Spouses' and Children's Contributory Pension Scheme, 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.

The last Funding Standard Reserve Certificate was also prepared with an effective date of 2 January 2013. This certificate confirmed that the combined scheme did not hold sufficient additional assets to satisfy the funding standard reserve at that effective date.

A funding proposal to enable the combined scheme to meet the funding standard (including the funding standard reserve) over the period to end 2023 was submitted to, and approved by, the Pensions Authority during 2014.

I am reasonably satisfied that the current funding proposal remains on track to achieve its objective. Taking account of the value of assets and the value of liabilities as at 31 December 2014, I am reasonably satisfied that the combined scheme is expected to satisfy the funding standard (including the funding standard reserve) no later than 31 December 2023.

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

Michael Madden,
FSAI
9 June 2015

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, the Actuary's recommendation 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

18 June 2015

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

We have audited the financial statements of the An Post Superannuation Scheme for the year ended 31 December 2014, 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 Chartered Accountants 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 Financial Reporting Council.

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 2014 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 2014 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

18 June 2015

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 1 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 IPUT plc 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. Property within these funds are included at open market value as at 31 December 2014 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 2014 at open market value by independent valuers, in accordance with the RICS Valuation Standards (7th edition). 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 2014.

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 2014.

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 the Scheme's 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 2014

	NOTE	2014 (€'000)	2013 (€'000)
CONTRIBUTIONS AND BENEFITS			
Contributions receivable	1	56,750	64,123
Individual transfers in	2	206	353
		56,956	64,476
Benefits payable	3	(83,056)	(83,160)
Administration expenses	5	(1,249)	(922)
Individual transfers out	4	(682)	(25)
		(84,987)	(84,107)
Net withdrawals from dealings with members		(28,031)	(19,631)
RETURNS ON INVESTMENTS			
Investment income	6	29,416	23,374
Change in market value of investments	7	428,957	191,416
Investment management expenses	8	(2,899)	(2,926)
Net returns on investments		455,474	211,864
PENSION LEVY	9	(16,480)	(12,103)
NET INCREASE IN THE FUND DURING THE YEAR		410,963	180,130
Net assets of the Schemes at beginning of year		2,197,351	2,017,221
Net assets of the Schemes at end of year		2,608,314	2,197,351

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

On behalf of the Trustees



Patrick Gallagher
Trustee



Anthony Harmon
Trustee

18 June 2015

NET ASSETS STATEMENT AT 31 DECEMBER 2014

	NOTE	2014 (€'000)	2013 (€'000)
Assets			
Investments	7	2,604,491	2,195,145
Current assets	10	4,642	3,039
Current liabilities	11	(819)	(833)
Net current assets		3,823	2,206
Net assets of the Schemes at end of year		2,608,314	2,197,351

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

18 June 2015

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. CONTRIBUTIONS RECEIVABLE

	2014 €'000	2013 €'000
AN POST		
Normal	47,851	49,026
Augmentation*	4,627	10,532
MEMBERS		
Spouses' and Children's Pension Scheme	2,271	2,529
Purchase of added years	240	341
Employee 5.0% contribution	1,761	1,695
	56,750	64,123

*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	206	353
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3. BENEFITS PAYABLE

SUPERANNUATION SCHEME		
Pensions	61,621	59,303
Lump sums	11,747	14,235
Mortality benefits	393	502
	73,761	74,040
SPOUSES AND CHILDREN'S PENSION SCHEME		
Pensions	9,295	9,120
	83,056	83,160

4. TRANSFERS OUT

Individual transfers to other Revenue Approved Schemes	682	25
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

5. ADMINISTRATION EXPENSES

	2014 €'000	2013 €'000
Management expenses	1,215	888
Auditors remuneration	34	34
	1,249	922

6. INVESTMENT INCOME

Income from fixed interest securities	16,818	15,829
Dividends from equities	2,413	499
Income from unitised property funds	8,403	6,017
Interest on cash deposits and other income	1,782	1,029
	29,416	23,374

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 2014 amounted to €34.1m (2013: €39.0m) 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 €17,665 (2013: €27,357). Income from the Securities Lending programme has decreased as SSgA manages the portfolio on a passive basis.

7. INVESTMENTS

	MARKET VALUE 01/01/2014 €'000	PURCHASES AT COST AND DERIVATIVE PAYMENTS €'000	SALES PROCEEDS AND DERIVATIVE RECEIPTS €'000	CHANGE IN MARKET VALUE €'000	MARKET VALUE 31/12/2014 €'000
Fixed Interest Securities	545,939	1,453,223	(1,541,235)	84,843	542,770
Equities	24,763	10,179	(8,507)	9,617	36,052
Unit Trusts	1,492,284	142,931	(310,657)	286,727	1,611,285
Property	113,454	2,444	(68)	12,424	128,254
Alternatives	96,408	57,125	(14,832)	12,687	151,388
Derivatives					
Futures	(913)	4,279	(25,913)	24,835	2,288
Options	(132)	7,487	(8,787)	682	(750)
Swaps	131	62,509	(68,776)	3,202	(2,934)
Forward FX	2,183	20,431	(16,268)	(7,073)	(727)
Cash Instruments	24,973	2,163,781	(2,186,214)	568	3,108
	2,299,090	3,924,389	(4,181,257)	428,512	2,470,734
Cash Deposits	4,144			372	147,301
Other Investment balances	(117,513)				(23,530)
Outstanding dividends & interest receivable	9,424			73	9,986
Total investments	2,195,145			428,957	2,604,491

INVESTMENT RECONCILIATION TABLE

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	2014 (€'000)	2013 (€'000)
Payables for investment purchases	(25,769)	(280,206)
Receivables for investments sold	2,239	162,693
Total	(23,530)	(117,513)

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 14	MARKET VALUE (€'000) AT 31 DEC 14
Euro Bond Futures Purchased	Less than 1 Year	183,324	2,385
Euro Bond Futures Sold	Less than 1 Year	(115,423)	(97)
Total		67,901	2,288

There was no collateral held at the year end in respect of future contracts amounts (2013: nil).

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 14 €'000	LIABILITY VALUE AT 31 DEC 14 €'000
Bond Put Option	Less than 1 Year	Euro Bond	(68,100)		(32)
Bond Put Option	Less than 1 Year	GBP Bond	(24,700)		(13)
Bond Call Option	Less than 1 Year	Euro Bond	(40,001)		(439)
Bond Call Option	Less than 1 Year	GBP Bond	(24,700)		(156)
Bond Call Option	Greater than 1 Year	Euro Bond	22,730		(34)
Stock Call Option	Less than 1 Year	JPY/USD Spot	(6,500)		(42)
Stock Put Option	Less than 1 Year	USD/EUR Spot	(14,700)		(34)
Sub Totals			(155,971)	-	(750)
Net total					(750)

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 14 €'000	LIABILITY VALUE AT 31 DEC 14 €'000
Credit Default Swaps Euro	–	Less than 1 Year		(313)
Credit Default Swaps US\$	–	Less than 1 Year		(870)
Credit Default Swaps US\$	–	More than 1 Year		(938)
Interest Rate Swaps Euro	–	More than 1 Year		(813)
Sub totals			Nil	(2,934)
Net Total				

Collateral held at the year end in respect of Swaps totalled €3.3m (2013: US\$ 4.1m).

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 14 €'000	LIABILITY VALUE AT 31 DEC 14 €'000
Forward OTC	Feb 15	USD	105	MXN	1,531		(1)
		CHF	19,316	EUR	16,088	18	
		EUR	25,003	USD	31,302	853	
		USD	8,350	EUR	6,761		(137)
		AUD	2,131	EUR	1,454	18	
		GBP	28,118	EUR	35,147		(1,057)
		JPY	2,864,700	EUR	19,292		(452)
		EUR	1,663	GBP	1,318	34	
		EUR	3,874	CHF	4,654		(2)
		USD	1,684	JPY	200,067		(12)
		EUR	1,233	JPY	181,094	15	
	Apr 15	DKK	37,713	EUR	5,060		(4)
Sub Totals						938	(1,665)
Net total							(727)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

7. INVESTMENTS (CONTINUED)

INVESTMENTS AT MARKET VALUE	2014 €'000	2013 €'000
FIXED INTEREST SECURITIES		
Eurozone public sector quoted	381,752	284,341
Eurozone other quoted	131,900	147,138
Rest of world public sector quoted	3,952	4,315
Rest of world other quoted	25,166	110,145
	542,770	545,939
EQUITIES		
Eurozone unquoted	36,052	24,763
PROPERTY FUNDS		
Eurozone Property	117,072	106,228
Non Eurozone Property	11,182	7,226
	128,254	113,454
UNIT TRUSTS		
Eurozone other than property	1,295,855	1,207,161
Rest of world other than property	187,275	169,856
Emerging markets other than property	128,155	115,267
	1,611,285	1,492,284
ALTERNATIVE INVESTMENTS		
Eurozone	120,879	74,918
Non Eurozone	30,509	21,490
	151,388	96,408
DERIVATIVES		
Forward FX	-	2,183
Futures	2,288	-
Swaps	-	131
	2,288	2,314
CASH INSTRUMENTS		
Euro	209	20,804
Foreign currency	2,899	4,169
	3,108	24,973
Sub Total	2,475,145	2,300,135

7. INVESTMENTS (CONTINUED)

INVESTMENTS AT MARKET VALUE	2014 €'000	2013 €'000
Cash	147,301	4,144
Other Investment Balances	(23,530)	(117,513)
Outstanding dividends, interest receivable	9,986	9,424
DERIVATIVE LIABILITIES		
Forward FX	(727)	-
Swaps	(2,934)	-
Futures	-	(913)
Options	(750)	(132)
Total Investments	2,604,491	2,195,145

8. INVESTMENT MANAGEMENT EXPENSES

Administration, management and custody fees charged in accordance with the relevant investment mandates and custody contracts.	2,899	2,926
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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 imposed an annual levy at 0.6% of the of the Schemes' asset value for the years 2011 to 2013 inclusive, 0.75% was payable in 2014 and a new levy of 0.15% is payable for 2015.	16,480	12,103
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10. CURRENT ASSETS

Income tax recoverable	783	267
Cash at bank	2	1040
Sundry Debtors	41	50
Balance due from An Post	3,816	1,682
	4,642	3,039

11. CURRENT LIABILITIES

Accrued expenses	819	833
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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 2014 was €15,404,864 (2013: €3,279,740) and the collateral held in respect of these loans totalled €15,885,534 (2013: €3,377,815). 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 2014:

	€'000	% OF NET ASSETS
SSgA EUT Global Developed Index Equity Fund	975,634	37.4%
SSgA EUT Euro Long Bond Index Fund	320,220	12.3%
Axa Rosenberg Global Small Cap Alpha Fund	148,159	5.7%

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 EUT Global Developed Index Equity Fund	895,732	40.8%
SSgA EUT Euro Long Bond Index Fund	311,431	14.2%
Axa Rosenberg Global Small Cap Alpha Fund	136,618	6.2%

No single investment in any of the pooled investment vehicles listed above comprised more than 5.0% of the net assets of the Schemes at 31 December 2014.

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 (2013: €2.9m) of which €0.7m (2013: €0.7m) was outstanding at the year end. At 31 December 2014 a total of 75.5% (2013: 68.0%) 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 2014 MILLION	31 DEC 2013 MILLION
Venture Capital funds	€78.0	€42.8	€13.4
Macquarie Infrastructure Fund 4	€20.0	€14.5	€16.3
Irish Infrastructure Fund	€20.0	€20.0	-
Partners Group Secondary 2011	€15.0	€7.2	€11.9
BDO Development Capital Fund	€10.0	€8.2	€10.0
BlueBay Ireland Corporate Credit Fund	€10.0	€6.0	€8.0
Harbert European Direct Lending	€10.0	€5.4	-
SJC Offshore Capital Finance Fund II	US\$25.0	US\$18.7	US\$20.4
Blackstone Capital Partners' VI Fund	US\$20.0	US\$8.9	US\$14.9
Collier International Partners VI	US\$20.0	US\$10.6	US\$12.9
North American Forestry Investment Trust	US\$15.0	US\$2.2	US\$5.2
SJC Offshore Capital Finance Fund I	US\$15.0	US\$2.4	US\$2.4

Details of these investments are noted on pages 16 to 19 of this report.

17. SUBSEQUENT EVENTS

The amended Scheme was signed by the Minister for Communications, Energy and Natural Resources, the Minister for Public Expenditure and Reform and An Post on 21 January 2015.

18. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Trustees on 18 June 2015.

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:

1. 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;
2. There are clear principles governing the guidelines and restrictions to be presented to the investment managers regarding their investment of the Schemes’ assets;
3. 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
4. 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 Schemes’ investments. However, the Trustees recognise that the Company’s continued financial support for the Schemes is of 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:

1. Identifying the Schemes’ risk tolerance level and formulating an appropriate and efficient investment policy which best serves the interests of the members;
2. Delegating the management of Schemes’ investments to investment managers. The Trustees recognize that their role is supervisory – not investment advisory;
3. Monitoring and evaluating performance results to ensure that all guidelines are being adhered to in line with objectives;
4. 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
5. Regularly reviewing this Statement, which they may amend or restate at any time at their sole discretion.

INVESTMENT MANAGERS

A number of 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 manager 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	35.0%	MSCI World index
Emerging Markets Equities	5.0%	MSCI Emerging Markets Index
Global Small Cap Equities	5.0%	S&P SmallCap Index Global
Total Equity	45.0%	–
Eurozone Bonds	35.0%	BofA Merrill Lynch EMU Government 10+ Year index
European Property	5.0%	Various
Alternative Assets	10.0%	Various
Cash	5.0%	Bank rates
Total	100.0%	Composite

The currency of the Schemes, and that of the benchmark, is the euro.

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	35.0%	30.0%–40.0%
Emerging Markets Equities	5.0%	4.0%–8.0%
Global Small Cap Equities	5.0%	4.0%–8.0%
Total Equity	45.0%	40.0%–50.0%
Eurozone Bonds	35.0%	33.0%–40.0%
European Property	5.0%	4.0%–8.0%
Alternative Assets	10.0%	7.0%–12.0%
Cash	5.0%	0.0%–10.0%
Total	100.0%	

MANAGER STRUCTURE

The Trustees have appointed a number of equity and bond managers – both active and passive. State Street Global Advisors (SSgA) manages passive equities and bonds. PIMCO manages active bonds. JP Morgan, Heptagon and Axa Rosenberg manage active equity mandates. Together these managers manage c. 80.0% of the Scheme's total assets. There are four property managers – SSgA, IPUT, Fidelity and Rockspring. In addition, there are several alternative asset managers who together manage less than 6.0% of the Scheme's assets. A small proportion of the Scheme's assets (approximately 2.0%) are managed directly by the Trustees.

PERFORMANCE OBJECTIVES

The performance objectives of the main appointed managers are as follows:

INVESTMENT MANAGER	BENCHMARK	PERFORMANCE OBJECTIVE
SSgA Passive	Composite of MSCI World index and Citigroup EGBI 10+ Years index	Tracking error <0.3%
PIMCO	BofA Merrill Lynch EMU Government 10+ Year index	Benchmark +1.0% p.a. net of fees
Axa Rosenberg	S&P SmallCap Index Global	Benchmark +2.0% p.a. net of fees
JP Morgan and Heptagon	MSCI Emerging Markets Index	Benchmark +2.0% p.a. net of fees
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

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

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

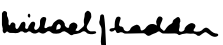
SCHEME NAME:	An Post Superannuation Schemes
SCHEME COMMENCEMENT DATE:	1 January 1984
PENSIONS BOARD REFERENCE NO.	PB 43750
EFFECTIVE DATE OF THIS CERTIFICATE:	2 January 2013
EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY)	N/A

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 ($15.0\% \times ((1) \text{ minus } (3))$) 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

NOTES



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