

European Equity Fund

QUARTER 1, 2012

The MET European Equity Fund returned +7.1% during the first quarter of 2012. The benchmark FTSE Europe index returned +8.4% over the same period.

There is no bid/offer spread on the European Equity Fund and the management fee is 0.60% p.a.

PERFORMANCE UPDATE AT 31.03.2012		
	Merrion	FTSE Europe
1 Month	-0.6%	-0.1%
3 Months	+7.1%	+8.4%
1 Year	-0.7%	-1.7%
3 Years p.a.	+17.6%	+18.2%
5 Years p.a.	-2.7%	-3.4%
10 Years p.a.	+2.1%	+1.8%

Source: MIM & Bloomberg 31.03.2012

SECTORAL DISTRIBUTION OF ASSETS (%)		
	Merrion	World €
Consumer Discretionary	7.9%	10.8%
Consumer Staples	10.3%	12.0%
Energy	14.7%	10.2%
Financials	18.1%	20.1%
Healthcare	11.9%	8.5%
Industrials & Materials	24.2%	19.4%
Information Technology	5.1%	11.3%
Telecom SVC	5.2%	4.0%
Utilities	2.6%	3.7%
Total	100.0%	100.0%

TOP TEN STOCKS	
Rio Tinto-Zinc	3.6%
BP	3.5%
Nestle	3.5%
Roche Holding	3.2%
Total	2.5%
Royal Dutch Shell	2.5%
Intesa Sanpaola	2.5%
Siemens	2.2%
Vodafone	2.2%
Gea Group	2.1%

The Merrion European Equity Fund may invest in alternative investment funds run by Merrion Capital Investment Managers or external fund managers where a performance related fee may be paid. Where the European Equity Fund invests in other funds managed by Merrion Capital Investment Managers, the management charge will be rebated to the European Equity Fund. Further details are available on request from Merrion Investment Managers.

Merrion Investment Managers pay trade commissions ranging between 0.10% and 0.20% on trading client securities, depending on the size, nature, execution venue and other considerations relating to the execution of the trade order. An element of this trade commission may be allocated for the purposes of receiving investment research. The purpose of this research is to enhance the quality of the service to the client provided by MIM to its clients. Further details are available on request from Merrion Investment Managers.

Portfolio Review

Equity markets continued the trend from Q4 2011 when recording positive gains in the first quarter of 2012. As a result the MET European Equity Fund delivered a positive return of +7.1% for the first quarter of 2012.

The primary catalyst for the significant rally in equities in general over the quarter was the introduction of the 3 year LTRO program by the ECB. In effect this alleviated the major source of market concern namely bank liquidity, where banks would not lend to each other. Following the LTRO program banks can now access 3 year money at low rates from the ECB.

The apparent resolution (albeit temporary in our view) of the Greek crisis and the availability of cheap finance at 1% from the ECB has allowed European banks in general and peripheral banks in particular to buy bonds yielding 4% plus with money financed at 1%. This has led to a significant reduction in bond yields and, as a consequence, an increase in investor risk appetite leading to a remarkable rebound over the quarter in all risk markets.

The general outlook for growth remains subdued with forecasts for a decline in the overall Eurozone GDP of -0.3% to -0.5% in 2012.

Stocks that performed strongly during the quarter included Rio Tinto Zinc (+12.5%) and HSBC (+16.2%).

Performance since inception to 31.03.2012



■ MET European Equity Fund ■ FTSE Europe Index

Asset Allocation 31.03.2012

