

# RTE MANAGED FUND II

30th APRIL 2012

The Merrion Managed Fund has been one of the top performing managed pension funds in Ireland over the last fifteen years. Throughout this period, it has consistently produced higher returns than the consensus option.

*RTE Managed Fund II is invested in the Merrion Managed Fund. The annual investment management fee is 0.25%.*

PERFORMANCE UPDATE AT 30.04.2012		
	Merrion	Average
1 Month	-0.5%	-0.5%
3 Months	+7.8%	+7.2%
1 Year	+3.3%	+3.6%
3 Years p.a.	+10.7%	+10.8%
5 Years p.a.	-1.5%	-2.9%
10 Years p.a.	+3.1%	+2.2%
15 Years p.a.	+5.3%	+4.9%

Source: Pooled Pension Funds Surveys 30.04.2012

SECTORAL DISTRIBUTION OF ASSETS (%)		
	Merrion	World €
Consumer Discretionary	11.0%	10.9%
Consumer Staples	10.2%	12.3%
Energy	14.8%	10.2%
Financials	18.9%	19.8%
Healthcare	8.7%	8.6%
Industrials & Materials	23.0%	19.3%
Information Technology	10.1%	11.2%
Telecom SVC	2.2%	4.0%
Utilities	1.1%	3.7%
Total	100.0%	100.0%

TOP TEN STOCKS		
iShares MSCI Asia ex Japan		2.2%
Rio Tinto Zinc		1.8%
Lyxor ETF DJ Stoxx 600 Banks		1.5%
Microsoft		1.5%
Financial Select Sector SPDR		1.3%
Royal Dutch Shell		1.2%
CRH		1.1%
iShares MSCI Emerging Markets		1.1%
iShares MSCI Pacific ex Japan		1.0%
Total		1.0%

## Portfolio Review

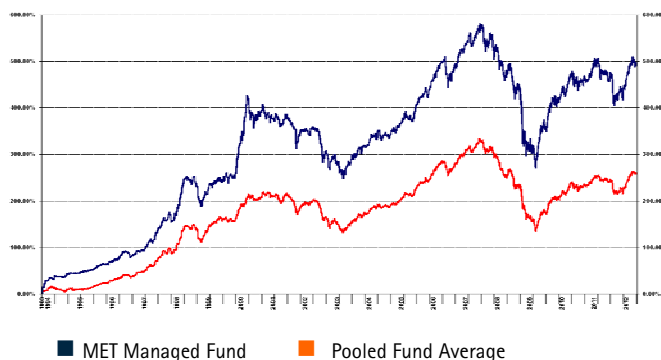
The RTE Managed Fund II fell 0.5% in April while the pooled fund average fell 0.5%. Equity markets sold off early in the month before recovering to end the month down 0.5% in euro terms.

At a broad sector level, healthcare was the best performer in May, rising by 1.0% in euro terms (+5.0% year-to-date), followed by consumer cyclicals (+0.9% on the month, +9.3% year-to-date). Technology was the worst performing sector, falling by 1.8% on the month (+14.9% year-to-date). Financials also fared poorly, falling by 1.6% on the month (+11.1% year-to-date), however this disguises the very weak performance of euro-zone banks, which fell by 15.2% over the month for a year-to-date return fall -8.7%.

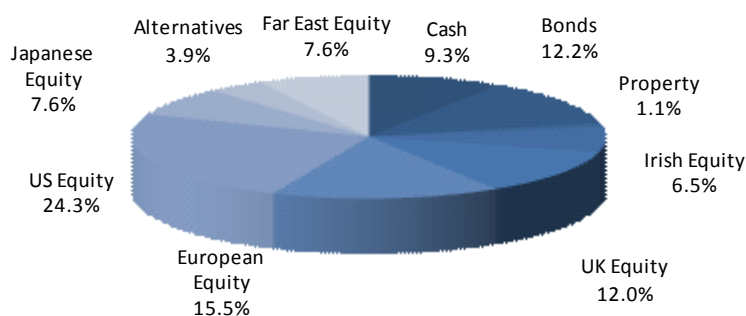
At a regional level, Europe was the worst performer, falling by 5.7% on the month (+3.2% year-to-date), followed by Japan (-2.8% on the month, +3.3% year-to-date). China performed strongly, the Hang Seng rising by 3.5% on the month (+12.2% year-to-date) and the Shanghai composite rising by 6.5% on the month (+6.6% year-to-date).

We increased the fund's equity weighting during the month, focussing on basic materials, energy and industrials at a sector level, and the US, UK and Japan at a regional level. At the end of April the fund was overweight energy, healthcare and basic materials and underweight telecoms and utilities. Within fixed interest, we increased our Italian exposure and reduced our Irish exposure. Periphery bond market exposure remains focused on Italian bonds, with no exposure to Spain or Portugal. The fund remains underweight German bonds and overweight Austrian and Belgian bonds.

## Performance since inception to 30.04.2012



## Asset Allocation 30.04.2012



The Merrion Managed 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 Managed Fund invests in other funds managed by Merrion Capital Investment Managers, the management charge will be rebated to the Managed 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.