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IFAD
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REPORT ON IFAD'S INVESTMENT PORTFOLIO
FOR THE THIRD QUARTER OF 2003

ADDENDUM

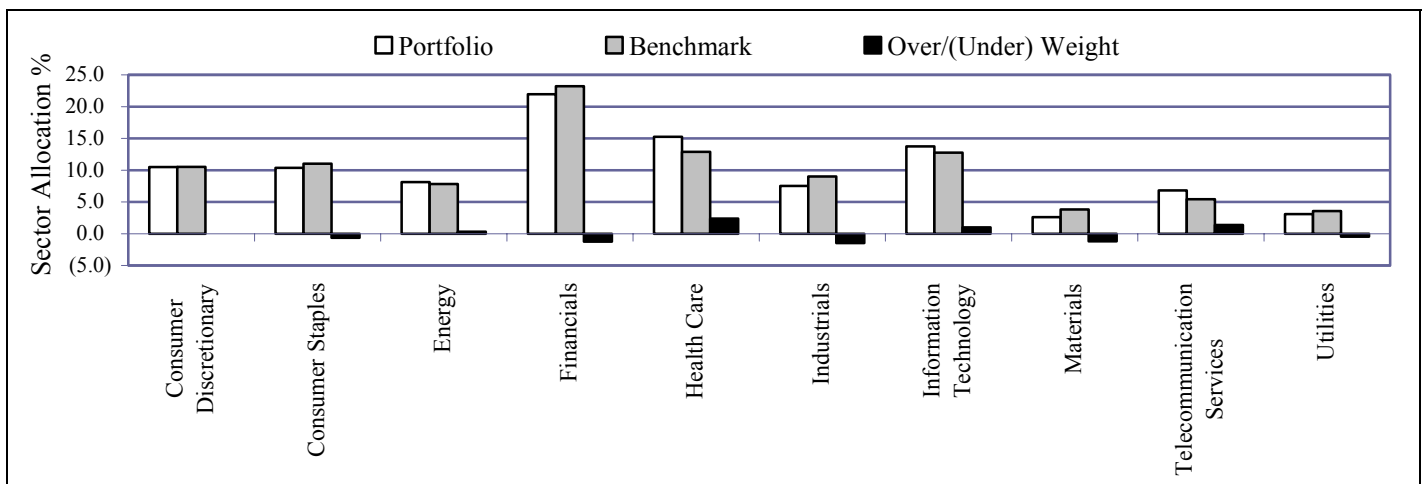
I. INTRODUCTION

1. The present addendum provides information on the sector allocation of the investment portfolio's equity holdings as at 30 September 2003, and specifically to sector allocation by industries and uses industry sector classifications applied by the portfolio's benchmark indices.

II. SECTOR ALLOCATION OF THE EQUITIES PORTFOLIO

2. Figure 1 shows the sector allocation of the total equities portfolio as at 30 September 2003 and compares to the sector allocation of the aggregate benchmark.

Figure 1: Sector Allocation of the Total Equities Portfolio at 30 September 2003



3. As shown in Figure 1, the three major sectors of the total equities portfolio and its aggregate benchmark were Financials, Health Care and Information Technology, which together constitute approximately 50% of both the portfolio and its aggregate benchmark. Other major sectors are Consumer Discretionary and Consumer Staples. As at 30 September 2003, the total equities portfolio did not show significant over- or underweights relative to the aggregate benchmark; the biggest sector deviation was a 2.4 % overweight in the Health Care sector.

4. Table 1 shows the sector allocations of the two sub-portfolios, i.e. North American and European equities, and compares to the sector allocations of their respective benchmarks.

Table 1: Sector Allocation of the Equities Portfolio by Sub-Portfolios at 30 September 2003
(Percent)

Industry Sector	North American Equities			European Equities			Total Equities Portfolio		
	Portfolio	Benchmark ^a	Over/(Under) Weight	Portfolio	Benchmark ^b	Over/(Under) Weight	Portfolio	Benchmark ^c	Over/(Under) Weight
Consumer Discretionary	12.2	10.7	1.5	7.7	10.2	(2.5)	10.5	10.5	(0.0)
Consumer Staples	7.8	11.5	(3.7)	14.6	10.2	4.4	10.4	11.0	(0.6)
Energy	5.4	5.7	(0.3)	12.6	11.3	1.3	8.1	7.8	0.3
Financials	20.3	20.9	(0.6)	24.7	27.0	(2.3)	22.0	23.2	(1.2)
Health Care	16.5	13.9	2.6	13.2	11.2	2.0	15.3	12.9	2.4
Industrials	8.5	10.4	(1.9)	5.9	6.7	(0.8)	7.5	9.0	(1.5)
Information Technology	19.3	17.7	1.6	4.6	4.6	0.0	13.7	12.8	1.0
Materials	2.5	2.8	(0.3)	2.8	5.5	(2.7)	2.6	3.8	(1.2)
Telecommunication Services	4.1	3.4	0.7	11.3	8.8	2.5	6.8	5.4	1.4
Utilities	3.4	3.0	0.4	2.6	4.5	(1.9)	3.1	3.6	(0.5)
Total	100.0	100.0	-	100.0	100.0	-	100.0	100.0	-

^a The benchmark index is Standard & Poor's 500.

^b The benchmark index is Morgan Stanley Capital Index for European equities.

^c The benchmark index is the weighted aggregate of Standard & Poor's 500 for North American equities and Morgan Stanley Capital Index for European equities.

5. As indicated in Table 1, the two major common sectors of both the North American and European equities portfolios and their benchmarks were Financials and Health Care. As a general feature, the North American portfolio and its benchmark have a larger allocation in Information Technology than the European equities, which in turn have larger allocations in Financials, Energy and Telecommunication Services.

6. The North American equities portfolio was almost sector-neutral in many sectors and was mainly overweighted in Health Care (+2.6%), which was offset by an underweight in Consumer Staples (-3.7%). As noted in document EB 2003/80/R.12, the North American equities portfolio outperformed in the third quarter mainly due to stock selection. Sector allocation had less of a negative impact.

7. The European equities portfolio had somewhat bigger over- and underweights and in a larger number of sectors. The sector weights were driven by the investment manager's style of focusing on quality growth stocks in mostly large capitalization stocks. Main overweights were therefore in Consumer Staples (+4.4%), Telecommunication Services (+2.5%) and Health Care (+2.0%). The portfolio underweighted Materials (-2.7%) and Consumer Discretionary (-2.5%) due to persisting downward earnings revisions and other negative factors. Financials (-2.3%) was also clearly underweighted. As noted in document EB 2003/80/R.12, the portfolio underperformed in the third quarter mainly due to stock selection. Sector allocation had less of a negative impact.