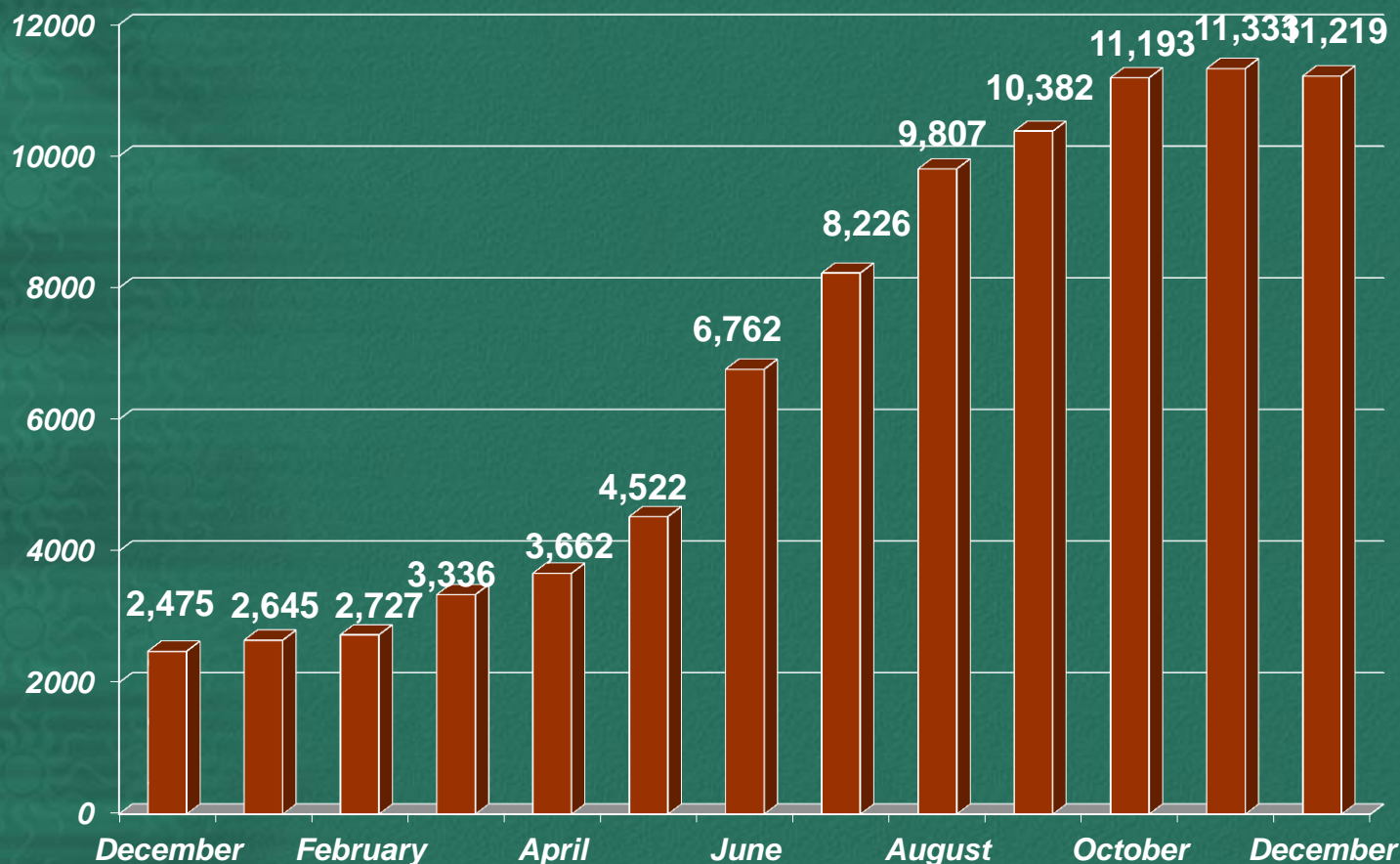




# ***State Oil Fund of the Republic of Azerbaijan***

***Results of the Investment Operations in  
2008***

## Monthly dynamics of increase in SOFAZ assets in 2008



mln. USD

SOFAZ's assets in the beginning of 2008	2,475.37
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SOFAZ's assets by the end of 2008	11,219.20
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Net increase of assets in 2008	8,743.83
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## ***SOFAZ's portfolio breakdown by foreign currencies (by 31.12.2008)***

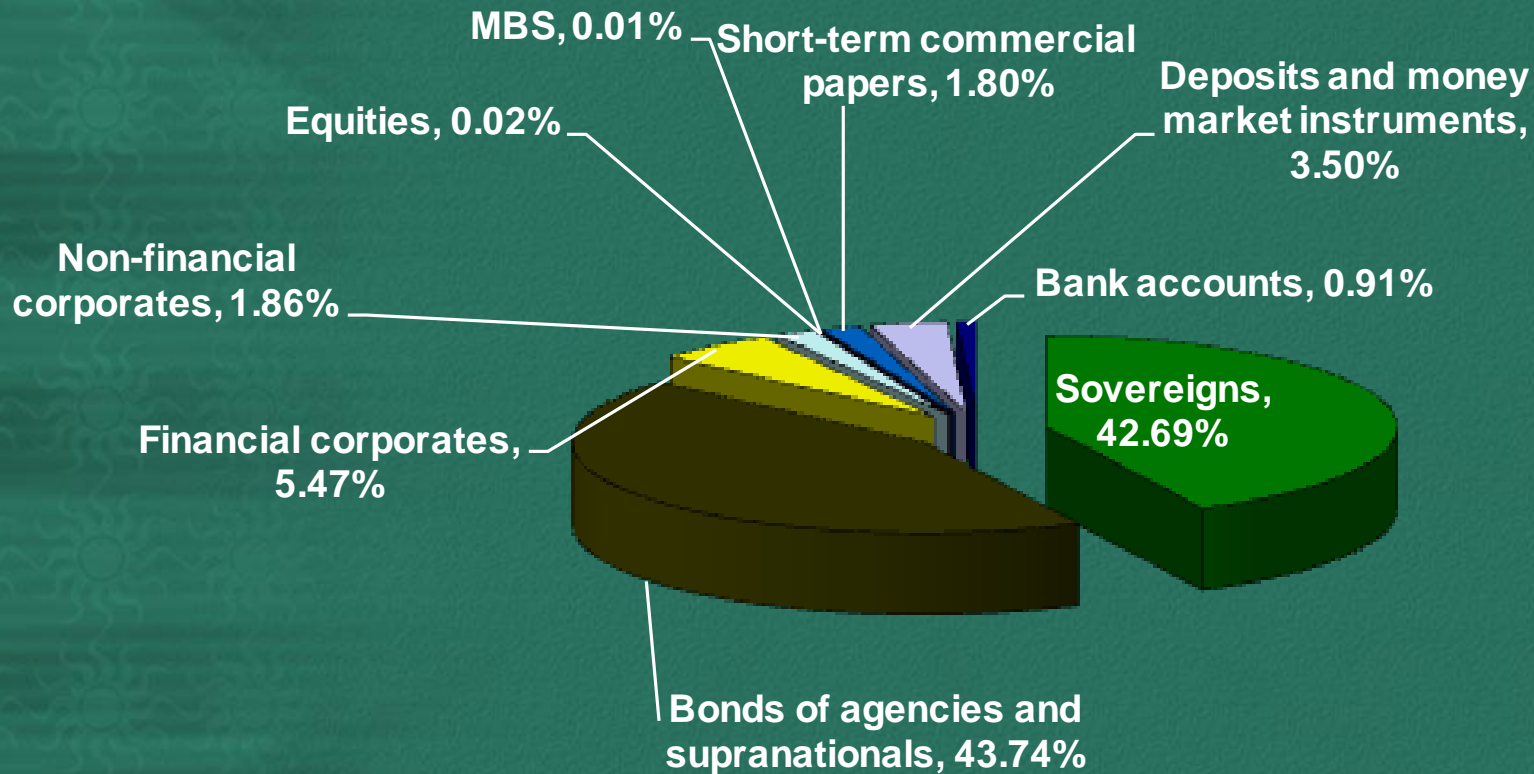
<b>Currencies</b>	<b>mln.</b>	<b>%</b>
<b>TOTAL INVESTMENT PORTFOLIO:</b>	<b>\$ 11,119.89</b>	<b>99.11%</b>
<i>with</i>		<i>100%</i>
<i>USD</i>	<i>\$ 5,857.21</i>	<i>52.67%</i>
<i>Euro</i>	<i>€ 3,387.95</i>	<i>42.95%</i>
<i>GBP</i>	<i>£ 335.37</i>	<i>4.38%</i>
<b>TOTAL AZERBAIJAN MANAT</b>	<b>\$ 99.31</b>	<b>0.89%</b>
<b>TOTAL ASSETS:</b>	<b>\$ 11,219.20</b>	<b>100.00%</b>



## ***SOFAZ's investment portfolio breakdown by asset class (by 31.12.2008)***

<b>Assets</b>	<b>mln.</b>	<b>%</b>
<b>TOTAL SECURITIES</b>	<b>\$ 10,429.66</b>	<b>93.79%</b>
<i>with</i>		
<b><i>Sovereigns</i></b>	<b>\$ 4,746.56</b>	<b>42.69%</b>
<b><i>Bonds of agencies and supranationals</i></b>	<b>\$ 4,864.35</b>	<b>43.74%</b>
<b><i>Corporate bonds of financial institutions</i></b>	<b>\$ 608.70</b>	<b>5.47%</b>
<b><i>Corporate bonds of non-financial institutions</i></b>	<b>\$ 206.93</b>	<b>1.86%</b>
<b><i>MBS</i></b>	<b>\$ 0.78</b>	<b>0.01%</b>
<b><i>Equities</i></b>	<b>\$ 2.34</b>	<b>0.02%</b>
<b>SHORT-TERM COMMERCIAL PAPERS</b>	<b>\$ 199.61</b>	<b>1.80%</b>
<b>DEPOSITS AND MONEY MARKET INSTRUMENTS</b>	<b>\$ 389.91</b>	<b>3.50%</b>
<b>BANK ACCOUNTS</b>	<b>\$ 100.71</b>	<b>0.91%</b>
<b>TOTAL INVESTMENT PORTFOLIO:</b>	<b>\$ 11,119.89</b>	<b>100.00%</b>

# ***SOFAZ's investment portfolio breakdown by asset class (by 31.12.2008)***

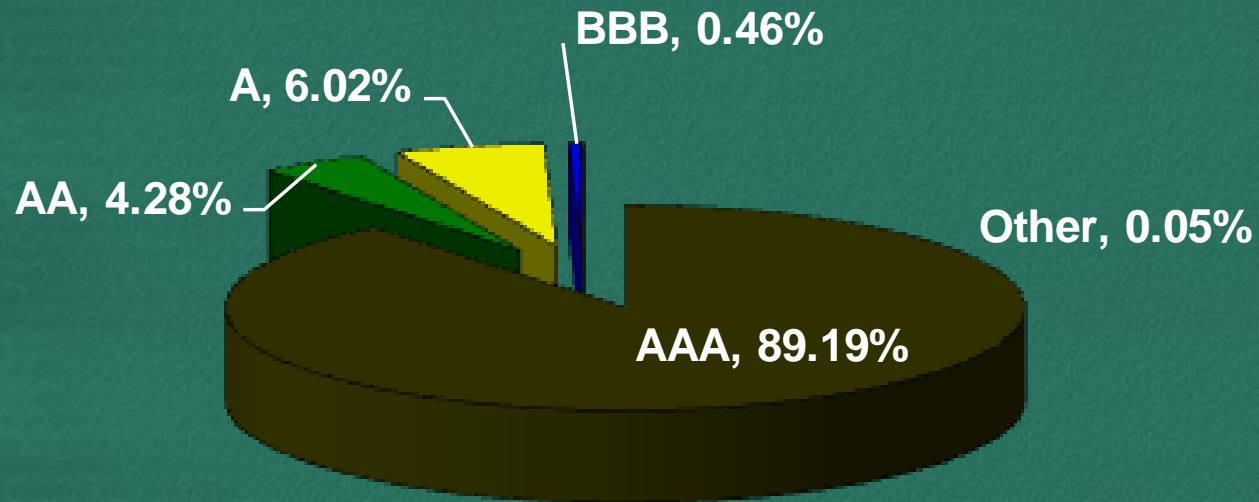


## ***Classification of the bonds in SOFAZ's portfolio by their credit ratings (by 31.12.2008)***

<i><b>S&amp;P / Moody's</b></i>	<i><b>mln</b></i>	<i><b>%</b></i>
<i><b>AAA / Aaa</b></i>	<i><b>\$ 9,300.19</b></i>	<i><b>89.19%</b></i>
<i><b>AA, AA+, AA- / Aa1, Aa2, Aa3</b></i>	<i><b>\$ 446.13</b></i>	<i><b>4.28%</b></i>
<i><b>A, A+, A- / A1, A2, A3</b></i>	<i><b>\$ 628.01</b></i>	<i><b>6.02%</b></i>
<i><b>BBB, BBB+, BBB- / Baa1, Baa2, Baa3</b></i>	<i><b>\$ 47.42</b></i>	<i><b>0.46%</b></i>
<i><b>Other</b></i>	<i><b>\$ 5.57</b></i>	<i><b>0.05%</b></i>
<i><b>TOTAL BONDS</b></i>	<i><b>\$ 10,427.32</b></i>	<i><b>100.00%</b></i>



***Classification of the bonds in SOFAZ's investment portfolio by their credit ratings (by 31.12.2008)***

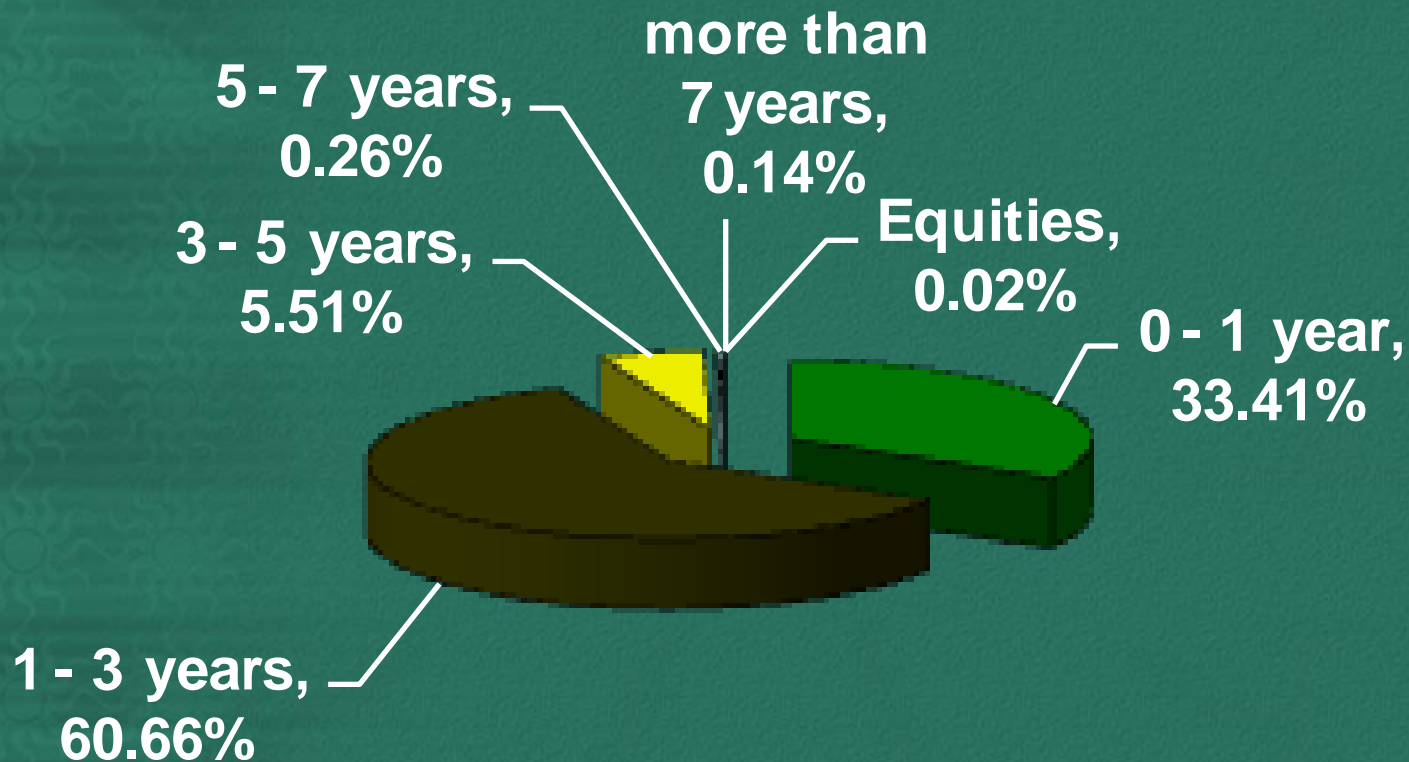


## ***SOFAZ's investment portfolio breakdown by maturities (by 31.12.2008)***

<i><b>Period (year)</b></i>	<i><b>mln.</b></i>	<i><b>%</b></i>
<i><b>0 - 1 year</b></i>	<i><b>\$ 3,714.88</b></i>	<i><b>33.41%</b></i>
<i><b>1 - 3 years</b></i>	<i><b>\$ 6,744.90</b></i>	<i><b>60.66%</b></i>
<i><b>3 - 5 years</b></i>	<i><b>\$ 613.19</b></i>	<i><b>5.51%</b></i>
<i><b>5 - 7 years</b></i>	<i><b>\$ 28.62</b></i>	<i><b>0.26%</b></i>
<i><b>More than 7 years</b></i>	<i><b>\$ 15.96</b></i>	<i><b>0.14%</b></i>
<i><b>Equities</b></i>	<i><b>\$ 2.34</b></i>	<i><b>0.02%</b></i>
<i><b>Total investment portfolio:</b></i>	<i><b>\$ 11,119.89</b></i>	<i><b>100.00%</b></i>



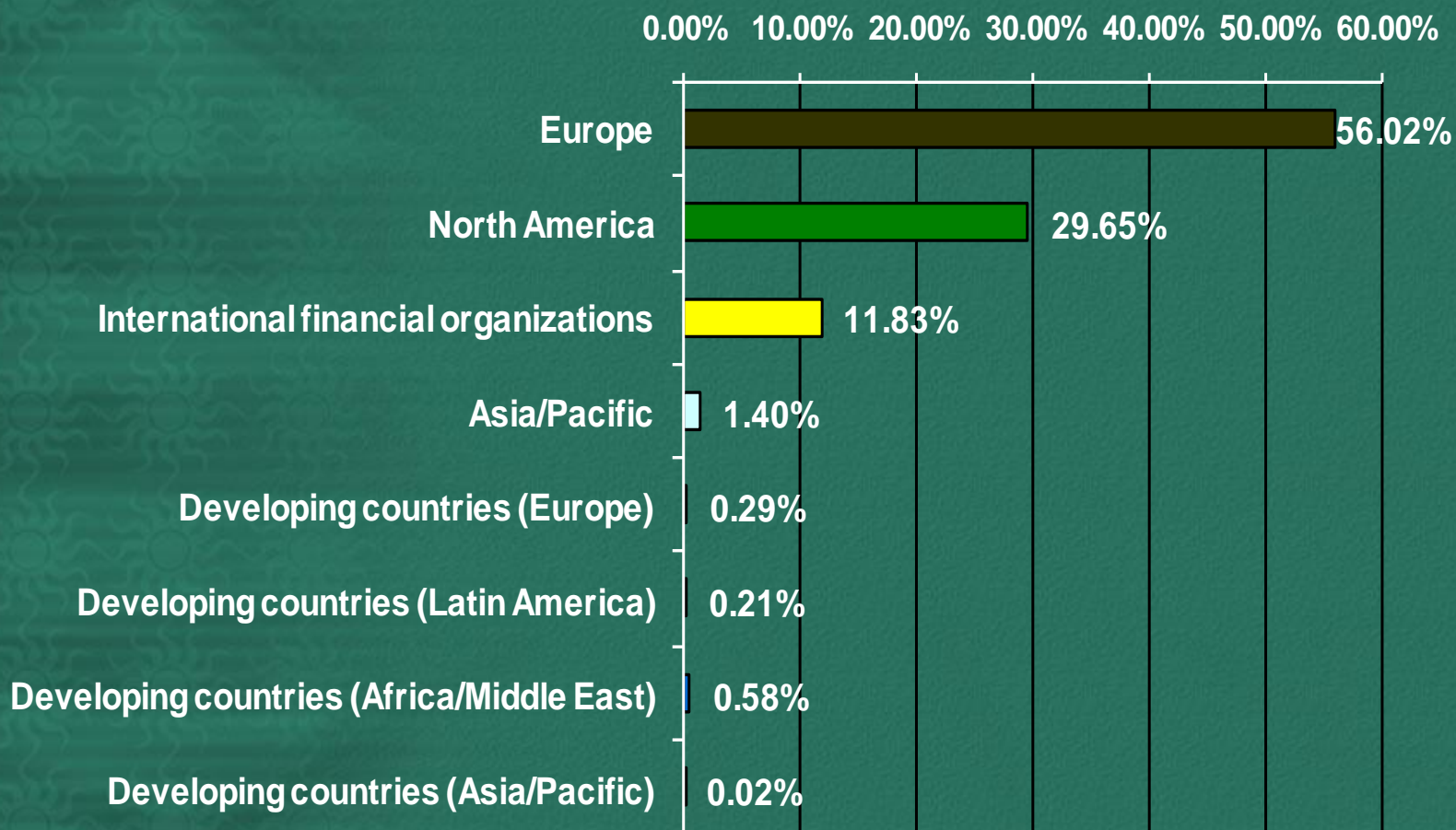
## ***SOFAZ's investment portfolio breakdown by maturities (by 31.12.2008)***



## ***SOFAZ's investment portfolio breakdown by geographic regions (by 31.12.2008)***

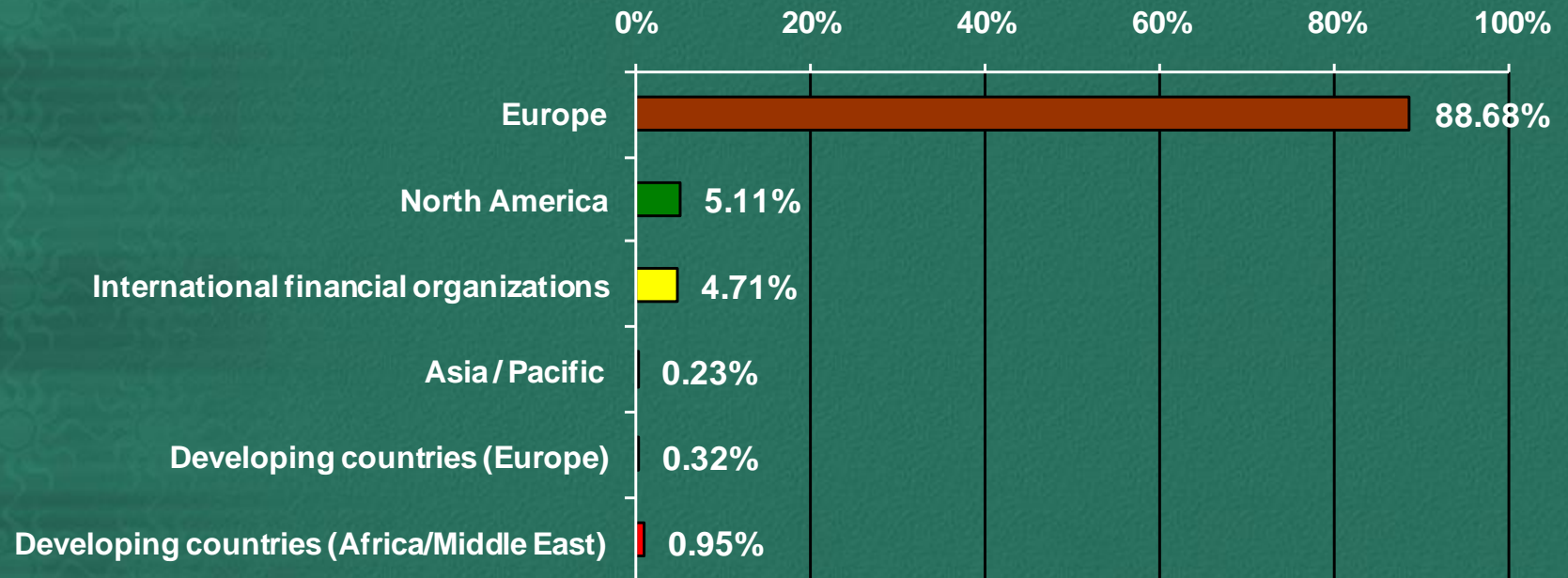
<b><i>Europe:</i></b>	<b><i>6,229.71</i></b>	<b><i>56.02%</i></b>
<b><i>North America:</i></b>	<b><i>3,297.01</i></b>	<b><i>29.65%</i></b>
<b><i>International financial organizations:</i></b>	<b><i>1,315.74</i></b>	<b><i>11.83%</i></b>
<b><i>Asia / Pacific Ocean:</i></b>	<b><i>155.36</i></b>	<b><i>1.40%</i></b>
<b><i>Developing countries (Europe):</i></b>	<b><i>32.59</i></b>	<b><i>0.29%</i></b>
<b><i>Developing countries (Latin America):</i></b>	<b><i>23.18</i></b>	<b><i>0.21%</i></b>
<b><i>Developing countries (Africa/Middle East):</i></b>	<b><i>64.25</i></b>	<b><i>0.58%</i></b>
<b><i>Developing countries (Asia/Pacific):</i></b>	<b><i>2.05</i></b>	<b><i>0.02%</i></b>
<b><i>Total investment portfolio:</i></b>	<b><i>11,119.89</i></b>	<b><i>100.00%</i></b>

## ***SOFAZ's investment portfolio breakdown by geographic regions (by 31.12.2008)***

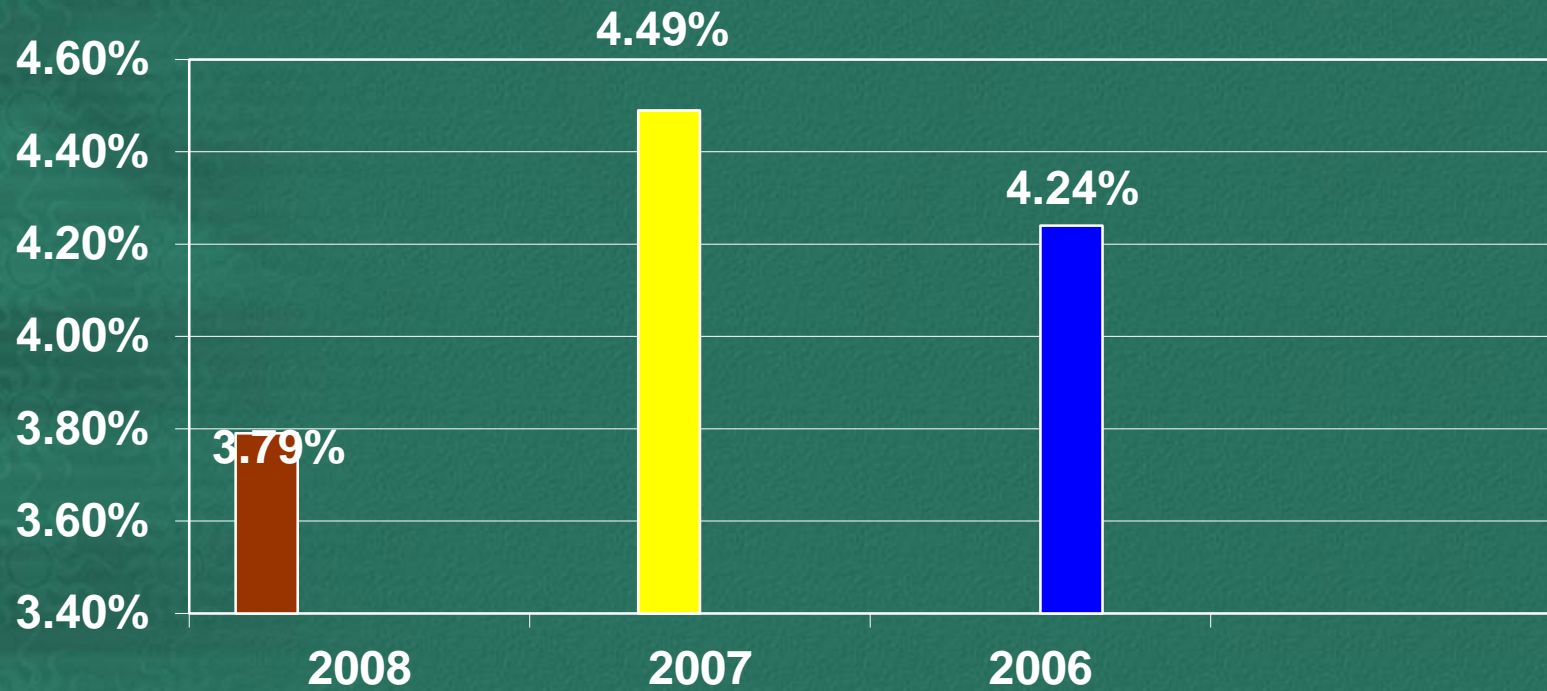




# ***Euro portfolio breakdown by geographic regions (by 31.12.2008)***



## ***SOFAZ's return on total assets***



	Return on currency basket
3-year average	4.17%