

Edgar Filing: NEW IRELAND FUND INC - Form N-CSR

NEW IRELAND FUND INC  
Form N-CSR  
January 06, 2006

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-05984

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THE NEW IRELAND FUND, INC.  
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(Exact name of registrant as specified in charter)

Bank of Ireland Asset Management (U.S.) Limited  
75 Holly Hill Lane  
GREENWICH, CT 06830  
-----

(Address of principal executive offices) (Zip code)

PFPC Inc.  
99 High Street, 27th Floor  
BOSTON, MA 02110  
-----

(Name and address of agent for service)

registrant's telephone number, including area code: (203) 869-0111

-----  
Date of fiscal year end: OCTOBER 31  
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Date of reporting period: OCTOBER 31, 2005  
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Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. REPORTS TO STOCKHOLDERS.

The Report to Shareholders is attached herewith.

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[GRAPHIC OMITTED]  
NEW IRELAND FUND LOGO ART

[GRAPHIC OMITTED]  
CASTLE ART

ANNUAL REPORT  
OCTOBER 31, 2005

COVER PHOTOGRAPH -- LISMORE CASTLE, CO. WATERFORD  
Provided courtesy of Tourism Ireland.

## LETTER TO SHAREHOLDERS

Dear Shareholder,

### INTRODUCTION

As may be seen in the Economic Review section below, forecasts for growth in the Irish economy have been reduced somewhat in recent months. However, the economy continues to perform well, with GNP growth expected to be in the 4.5% to 5.0% range, which continues to place Ireland at the forefront of the Western European economies.

Over the past 12 months, the Fund's Net Asset Value ("NAV") rose by a very satisfactory 17.51%. This was a significantly better performance than the return on the Irish and US stock markets, as a whole. As a result of this performance, the Fund continues to rank close to the top of its Western European peer group in the 3, 5 and 10 year categories.

In early November, the Board of the Fund declared a distribution for the fiscal year ended October 31, 2005, in an amount of \$1.93 per share. This will be a stock distribution, however, shareholders will be given the option of taking the distribution in cash, should they so wish. The \$1.93 is comprised of long term capital gains of \$1.77 and net income of \$0.16 per share. The distribution will be made under date of December 28, 2005 to all shareholders of record as of November 14, 2005.

As set out in the notes to the financial statements, the Managed Distribution Program, which was approved by the Board last year, remains on hold because a response is still awaited from the SEC. It is understood that the SEC is re-examining similar distribution plans that had already been approved for other funds, prior to reviewing newly received plans, such as ours.

### PERFORMANCE

In the fiscal year just ended, the Fund's NAV rose 17.51% to \$24.36 compared to the 8.98% return of the Irish Equities Index ("ISEQ"), in US dollar terms. The Fund's performance was driven by its exposure to quality Irish companies, which are benefiting from the strong economic environment in their home market while, at the same time, exploiting growth opportunities in the U.S., the U.K., and elsewhere.

There was some pull back in the fourth fiscal quarter in what was a volatile time for world markets. In this quarter, the Fund's NAV decreased by 5.33%, which compares with a 4.21% decline in the ISEQ, in US dollar terms. The Euro declined by 5.8%, against the dollar, over the last year and by 1.4% in the

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most recent quarter.

During fiscal 2005, we continued to implement the Share Repurchase Program, and over the 12 months, the Fund repurchased, and retired, 165,350 shares at a cost of \$3.6 million. These repurchases represent a reduction of 3.53% of the shares outstanding at October 31, 2004 and they positively impacted the Fund's NAV by 11 cents per share. Since commencement of the

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Program, in fiscal 2000, repurchases have totalled 1,254,300 shares representing 21.7% of total shares which have been issued by the Fund.

### ECONOMIC REVIEW

The overall outlook for the Irish economy remains good. The Central Bank's forecast of GNP growth, for the current year, is close to 4.5%, with a similar outcome expected in 2006. The international environment is very important for an open economy, like Ireland, and growth in the world economy remains robust. The European Central Bank's estimate of world GDP growth, outside of the Eurozone area, is around 4.8% for 2005; on the other hand, weakness within the area, which is reflective of low domestic demand, is resulting in a modest forecast of 1.3% for this year.

The two major risks, to International economies, remain oil price trends and the potential for global imbalances, either, or both, of which could cause sudden moves in currency exchange rates. In Ireland, the growing dependence on the construction sector has increased the potential vulnerability of the economy.

Consumer sentiment recovered a little in the month of October with the overall consumer index being 85.0 as compared to the figure of 80.5 in September. However, this still remains below the corresponding figure for 2004, which was 99.6. Employment continues to be strong and unemployment claims remain steady at 4.4%. This is the lowest jobless rate across the 25 member European Union.

Overall, tax revenues in the first ten months of the year were up 8.6%, as compared to last year, well ahead of the Government's forecast of 4% growth of revenues. This buoyancy has been across virtually all taxation categories.

The annual rate of inflation was 3% in September, the highest rate since August 2003. On an adjusted euro area standard, inflation rose by 2.8%, as compared to the 2.5% Eurozone average. Higher energy prices have been a major factor in pushing inflation higher than it would otherwise have been in the first nine months of 2005.

Demand for credit strengthened further in September, with the year-on-year increase in private sector credit rising to an adjusted rate of 28.6%. This is the fastest rate of credit growth since March 2000. The annual growth rate for mortgage credit fell marginally to 25.8% while the growth rate for non-mortgage credit rose to 28.7%.

### EQUITY MARKET REVIEW

In what was a volatile quarter for world markets, the Irish index fell 2.9% in Euro terms, an underperformance versus its benchmark peers. Over the full year, the index performance was more in line with its peers.

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	QUARTER ENDED OCTOBER 31, 2005 -----		YEAR ENDED OCTOBER 31, 2005 -----	
	LOCAL CURRENCY -----	U.S. \$ -----	LOCAL CURRENCY -----	U.S. \$ -----
Irish Equities (ISEQ)	-2.9%	-4.2%	15.7%	9.0%
S&P 500	-2.2%	-2.2%	6.8%	6.8%
NASDAQ	-3.0%	-3.0%	7.4%	7.4%
UK Equities (FTSE 100)	0.7%	1.4%	15.0%	10.8%
Japanese Equities	14.3%	10.5%	26.3%	14.8%
Euroland Equities Eurostoxx	0.2%	-0.9%	20.3%	12.7%
German Equities (DAX)	0.9%	-0.2%	24.5%	16.6%
French Equities (CAC)	-0.3%	-1.4%	19.7%	12.1%
Dutch Equities (AEX)	-0.4%	-1.5%	19.3%	11.8%

As well as there being some significant corporate activity over the quarter, the first half reporting season provided lots of news flow and mixed reactions from the market.

Over the past number of months, there was considerable interest by a number of investors in the possible acquisition of JURY'S DOYLE HOTEL GROUP. Eventually, JDH Acquisitions, which is led by members of the Doyle family and which already held a 42% stake in the group, agreed to buy the Group for (EURO)18.90 per share.

First half results from ALLIED IRISH BANKS were ahead of estimates with diluted EPS rising by 12% to 71.7 cents. Income grew 13.4% outstripping cost growth of 9.8%. The Bank raised its full year guidance range from 138-140 cents to 140-142 cents. The interim dividend was increased 10% to 0.23 cents.

KERRY GROUP announced the acquisition of NOON GROUP for (pound)124 million. Noon Group produces a range of premium quality Indian, Asian and other international cuisine ready made meals, mainly for UK multiple retailers. In the UK, they are the market leader in chilled Indian, and Thai, ready made categories. In August, Kerry reported first half results that disappointed the market. Group sales rose 8.3% and EBITDA 6.2%. According to the results statement, the environment, which is highly competitive, was made worse by high input costs over the period.

First half turnover grew 13% at CRH, while operating profit expanded 20% to (EURO)445 million. Strength in the Company's US business offset a weaker performance in continental Europe. The dividend was increased 17%, which was similar to the other increases in the past 12 months. Guidance was positive but with the usual CRH type caveats: "The group will continue to benefit in the second half from strong markets in its American operations and from sustained focus on input cost recovery and operational performance although this will be offset to some extent by the recent surge in energy costs".

First half results from KINGSPAN GROUP were very strong. Sales rose 32% to (EURO)580 million, with an organic growth rate of 20%. Pre tax profit increased 55% and EPS 56% to 31 cents. In their positive outlook statement, management

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cited the robust Irish market, the evolving UK construction market and improving Central European and US markets. To meet current analyst forecasts the company needs 17%, year on year, growth in the second half of the year, which does not seem to be particularly demanding given what they have already achieved.

DCC'S stock price was weak in September following a disappointing trading update on the IT division. According to the company, there was a sharp decline, in July and August, in retail consumer expenditure on technology and entertainment products. DCC now expects the division's profit to be down 45% in the first half, with second half profit similar to last year. IT distribution will account for 15% of group profits this year. The other divisions are expected to perform in line with market forecasts.

BABOCK AND BROWN CAPITAL, ("B & B") an Australian investment company, announced that it had taken a 10.8% stake in EIRCOM GROUP while, at the same time, its parent exercised its co-investment right, which adds another 1.7% stake. B&B said it was optimistic about the fundamentals for the Irish economy and believes that Eircom's management made the correct strategic move with the recent acquisition of Meteor. Over time, B & B also said that they believe the market will recognise the Company's inherent value and re-rate it in line with other utilities.

In recent weeks, Swisscom were in discussions with EIRCOM GROUP about the possibility of acquisition but these talks were terminated as a result of intervention by the Swiss Government. The Company's share price, which rose when the talks were initiated, dropped back to the pre-discussions range, following their termination.

C&C GROUP'S half year figures were ahead of expectations with sales up 9% and EPS up 14% over the period. The cider division delivered a stellar performance with revenues and operating profits up 28% and 26% respectively. Volume growth for MAGNERS (C&C's cider brand for markets other than the Republic of Ireland) was 112%, following the successful launch in London. The company maintained its earlier guidance for the full year. It is forecasting mid-single digit growth in operating profit, for the second half of the year, as the strong performance of its cider division continues to drive growth, despite the fact that the other divisions (snacks and soft drinks) are unlikely to match their year-ago performance.

### CURRENT OUTLOOK

With the outlook for the economy remaining favourable, the Irish market continues to provide an attractive operating environment for Irish companies. This is supported by the economy's medium term growth potential, based on the GNP forecast of 4.5% for the current year and Global growth forecasts resulting from the strong performance of the U.S. and Chinese economies.

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Against this background, the valuation of the Irish market is not demanding. The ISEQ is trading on 13.0x next year's earnings, the same multiple as the European market as a whole, but with higher earnings growth of 13% for the ISEQ versus 10% for the European market. The 2.7% dividend yield of the Irish market provides further support, particularly compared to the 10 year Eurozone government bonds, which yield 3.4%.

Sincerely,

/S/ PETER HOOPER  
Peter Hooper

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Chairman  
December 23, 2005

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INVESTMENT SUMMARY (UNAUDITED)

TOTAL RETURN (%)

	MARKET VALUE		NET ASSET VALUE (A)	
	CUMULATIVE	AVERAGE ANNUAL	CUMULATIVE	AVERAGE ANNUAL
One Year	19.07	19.07	17.51	17.51
Three Year	155.05	36.59	122.20	30.46
Five Year	86.84	13.31	48.96	8.29
Ten Year	228.27	12.61	176.54	10.70

PER SHARE INFORMATION AND RETURNS

	1996	1997	1998	1999	2000	2001	2002	2003	2004
Net Asset Value (\$)	16.90	19.99	21.36	19.75	20.06	13.28	11.04	16.29	20.74
Income									
Dividends (\$)	(0.14)	(0.22)	(0.07)	--	(0.13)	(0.01)	(0.03)	--	(0.089)
Capital Gains									
Other									
Distributions (\$)	(0.13)	(0.36)	(0.70)	(1.14)	(1.60)	(2.65)	(0.69)	--	--
Total Return (%) (a)	26.65	22.46	11.68	(2.79)	13.27	(23.76)	(12.07)	47.55	28.14

NOTES

(a) Total investment returns reflect changes in net asset value per share during each period and assume that dividends and capital gains distributions, if any, were reinvested. These percentages are not an indication of the performance of a shareholder's investment in the Fund based on market price.

PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE OF THE FUND.

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PORTFOLIO BY MARKET SECTOR AS OF OCTOBER 31, 2005

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(PERCENTAGE OF NET ASSETS)

[GRAPHIC OMITTED]

EDGAR REPRESENTATION OF DATA POINTS IN PRINTED GRAPHIC

Construction and Building Materials	25.87%
Financial	22.09%
Other Assets	11.34%
Food and Beverages	14.50%
Health Care Services	6.61%
Transportation	4.95%
Business Services	4.11%
Diversified Financial Services	3.97%
Publishing and News	3.46%
Leisure and Hotels	3.10%

## TOP 10 HOLDINGS BY ISSUER AS OF OCTOBER 31, 2005

HOLDING	SECTOR	% OF NET ASSETS
Allied Irish Banks PLC	Financial	16.88%
CRH PLC	Construction and Building Materials	13.43%
Kerry Group PLC, Series A	Food and Beverages	8.85%
Kingspan Group PLC	Construction and Building Materials	6.92%
FBD Holdings PLC	Financial	5.21%
Ryanair Holdings PLC	Transportation	4.95%
DCC PLC	Business Services	4.11%
United Drug PLC	Health Care Services	3.99%
Irish Life & Permanent PLC	Diversified Financial Services	3.97%
Grafton GRP PLC-UTS	Construction and Building Materials	3.73%

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### THE NEW IRELAND FUND, INC. PORTFOLIO HOLDINGS

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October 31, 2005	Shares	Value (U.S.) (Note A)
COMMON STOCKS (97.80%)		
COMMON STOCKS OF IRISH COMPANIES (97.31%)		
BUSINESS SERVICES (4.11%)		
DCC PLC	243,763	\$ 4,525,483

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COMPUTER SOFTWARE AND SERVICES (0.48%)		
IONA Technologies PLC-ADR*	169,300	529,909
		-----
CONSTRUCTION AND BUILDING MATERIALS (25.87%)		
CRH PLC	592,479	14,796,005
Grafton Group PLC-UTS	417,114	4,106,691
Kingspan Group PLC	663,458	7,628,693
McInerney Holdings PLC	196,675	1,974,052
		-----
		28,505,441
		-----
DIVERSIFIED FINANCIAL SERVICES (3.97%)		
Irish Life & Permanent PLC	248,182	4,369,715
		-----
FINANCIAL (22.09%)		
Allied Irish Banks PLC	881,321	18,599,680
FBD Holdings PLC	156,192	5,743,315
		-----
		24,342,995
		-----
FOOD AND AGRICULTURE (2.87%)		
IAWS Group PLC	229,652	3,163,250
		-----
FOOD AND BEVERAGES (14.50%)		
C&C Group	462,383	2,852,164
Fyffes PLC	640,733	1,857,197
Greencore Group PLC	401,256	1,513,901
Kerry Group PLC, Series A	466,873	9,752,382
		-----
		15,975,644
		-----
HEALTH CARE SERVICES (6.61%)		
ICON PLC-Sponsored ADR*	71,646	2,882,319
United Drug PLC	1,129,687	4,397,511
		-----
		7,279,830
		-----
LEISURE AND HOTELS (3.10%)		
Paddy Power PLC	202,495	3,419,785
		-----
PUBLISHING AND NEWS (3.46%)		
Independent News & Media PLC	1,407,440	3,809,814
		-----



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October 31, 2005	Shares	Value (U.S.) (Note A)
-----		
COMMON STOCKS (CONTINUED)		
BUSINESS SUPPORT SERVICES (0.98%)		
Irish Estates PLC*	500,000	\$ 1,077,973
-----		
TECHNOLOGY (1.41%)		
Horizon Technology Group PLC*	1,321,900	1,551,637
-----		
TELECOMMUNICATIONS (2.91%)		
Eircom Group PLC	546,468	1,309,062
Eircom Group PLC - 144Aa	794,361	1,902,888
-----		
		3,211,950
-----		
TRANSPORTATION (4.95%)		
Ryanair Holdings PLC*	650,000	5,457,539
-----		
TOTAL COMMON STOCKS OF IRISH COMPANIES		
(Cost \$52,170,616)		107,220,965
-----		
COMMON STOCKS OF UNITED KINGDOM COMPANIES (0.49%)		
(Cost U.S. \$931,778)		
MOBILE SERVICES (0.49%)		
Getmobile Europe PLC*	900,000	538,987
-----		
TOTAL INVESTMENT COMPANIES BEFORE FOREIGN CURRENCY ON DEPOSIT		
(Cost \$53,102,394)		\$ 107,759,952
-----		

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THE NEW IRELAND FUND, INC.  
PORTFOLIO HOLDINGS (CONTINUED)

October 31, 2005	Face Value	Value (U.S.) (Note A)
-----		
FOREIGN CURRENCY ON DEPOSIT (0.27%)		
(Interest Bearing)		
British Pounds Sterling	(pound) 767	\$ 1,359
Euro	(EURO) 248,286	297,384
-----		
TOTAL FOREIGN CURRENCY ON DEPOSIT		

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(Cost \$298,851)**	298,743
-----	
TOTAL INVESTMENTS (98.07%)	
(Cost \$53,401,245)	108,058,695
OTHER ASSETS AND LIABILITIES (1.93%)	2,130,578
-----	
NET ASSETS (100.00%)	
	\$ 110,189,273
	=====

a Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended.  
\* Non-income producing security.  
\*\* Foreign currency held on deposit at JP Morgan Chase & Co.  
ADR -American Depository Receipt traded in U.S. dollars.  
UTS -Units

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THE NEW IRELAND FUND, INC.  
STATEMENT OF ASSETS AND LIABILITIES

October 31, 2005

ASSETS:

Investments at value (Cost \$53,102,394)	
See accompanying schedule	U.S.\$ 107,759,952
Cash	2,035,092
Foreign currency (Cost \$298,851)	298,743
Dividends receivable	296,023
Prepaid expenses	58,926
	-----
Total Assets	110,448,736
	-----

LIABILITIES:

Investment advisory fee payable (Note B)	69,582
Payable for Fund shares redeemed	55,491
Accrued audit fees payable	38,135
Printing fees payable	32,624
Administration fee payable (Note B)	18,751
Custodian fees payable (JP Morgan Chase & Co.) (Note B)	14,961
Directors' fees and expenses (Note C)	12,835
Accrued legal fees payable	8,478
Accrued expenses and other payables	8,606
	-----
Total Liabilities	259,463
	-----

NET ASSETS	U.S.\$ 110,189,273
	=====

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AT OCTOBER 31, 2005 NET ASSETS CONSISTED OF:

Common Stock, U.S. \$.01 Par Value -  
Authorized 20,000,000 Shares;

Issued and Outstanding 4,523,178 Shares	U.S.\$ 45,232
Additional Paid-in Capital	46,774,527
Undistributed Net Investment Income	733,578
Accumulated Net Realized Gain	7,986,177
Unrealized Appreciation of Securities, Foreign Currency and Net Other Assets	54,649,759
	-----
TOTAL NET ASSETS	U.S.\$ 110,189,273
	=====

NET ASSET VALUE PER SHARE

(Applicable to 4,523,178 outstanding shares)

(authorized 20,000,000 shares)

(U.S. \$110,189,273 / 4,523,178)	U.S.\$ 24.36
	=====

See Notes to Financial Statements.

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THE NEW IRELAND FUND, INC.  
STATEMENT OF OPERATIONS

	For the Year Ended October 31, 2005
-----	
INVESTMENT INCOME	
Dividends	U.S.\$ 2,235,183
Interest	36,471
	-----
TOTAL INVESTMENT INCOME	2,271,654
	-----
EXPENSES	
Investment advisory fee (Note B)	\$ 818,107
Administration fee (Note B)	220,432
Directors' fees and expenses (Note C)	155,071
Legal fees	58,142
Custodian fees (Note B)	50,490
Printing fees	49,978
Other	173,408
	-----
TOTAL EXPENSES	1,525,628
	-----
NET INVESTMENT INCOME	U.S.\$ 746,026
	-----

REALIZED AND UNREALIZED GAIN ON INVESTMENTS (NOTE D)

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Realized gain/(loss) on:	
Securities transactions	10,755,171
Foreign currency transactions	(6,382)
	-----
Net realized gain on investments during the year	10,748,789
	-----
Net change in unrealized appreciation/(depreciation) of:	
Securities	5,326,515
Foreign currency and net other assets	(80,914)
	-----
Net unrealized appreciation of investments during the year	5,245,601
	-----
<b>NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS</b>	<b>15,994,390</b>
	-----
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>U.S.\$ 16,740,416</b>
	=====

See Notes to Financial Statements.

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THE NEW IRELAND FUND, INC.  
STATEMENT OF CHANGES IN NET ASSETS

	Year Ended October 31, 2005	Year Ended October 31, 2004
	U.S.\$	U.S.\$
Net investment income/(loss)	746,026	(294)
Net realized gain on investments	10,748,789	4,062,384
Net unrealized appreciation of investments, foreign currency holdings and net other assets	5,245,601	17,123,885
	-----	-----
Net increase in net assets resulting from operations	16,740,416	21,185,975
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM:</b>		
Net investment income	(140,656)	(424,025)
	-----	-----
Net increase in net assets	16,599,760	20,761,950
	-----	-----
<b>CAPITAL SHARE TRANSACTIONS:</b>		
Value of 165,350 and 86,200 shares repurchased, respectively (Note F)	(3,663,755)	(1,298,640)
	-----	-----
<b>NET DECREASE IN NET ASSETS RESULTING FROM CAPITAL SHARE TRANSACTIONS</b>	<b>(3,663,755)</b>	<b>(1,298,640)</b>
	-----	-----
<b>NET ASSETS</b>		
Beginning of year	97,253,268	77,789,958
	-----	-----

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End of year (Including undistributed  
net investment income of \$733,578  
and \$134,590, respectively)

U.S. \$110,189,273  
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U.S. \$ 97,253,268  
=====

See Notes to Financial Statements.

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THE NEW IRELAND FUND, INC.

FINANCIAL HIGHLIGHTS (FOR A FUND SHARE OUTSTANDING THROUGHOUT EACH YEAR)

	Year Ended October 31,			
	2005	2004	2003	2002
<b>Operating Performance:</b>				
Net Asset Value,				
Beginning of Year	U.S. \$ 20.74	\$ 16.29	\$ 11.04	\$ 13.28
	-----	-----	-----	-----
Net Investment Income/(Loss)	0.16	(0.00) #	0.07	(0.08)
Net Realized and Unrealized Gain/(Loss) on Investments	3.38	4.49	5.08	(1.50)
	-----	-----	-----	-----
Net Increase/(Decrease) in Net Assets Resulting from Investment Operations	3.54	4.49	5.15	(1.58)
	-----	-----	-----	-----
<b>Distributions to Shareholders from:</b>				
Net Investment Income	(0.03)	(0.09)	--	(0.03)
Net Realized Gains	--	--	--	(0.69)
	-----	-----	-----	-----
Total from Distributions	(0.03)	(0.09)	--	(0.72)
	-----	-----	-----	-----
Anti-Dilutive/(Dilutive) Impact of Capital Share Transactions	0.11	0.05	0.10	0.06++
	-----	-----	-----	-----
Net Asset Value,				
End of Year	U.S. \$ 24.36	\$ 20.74	\$ 16.29	\$ 11.04
	=====	=====	=====	=====
Share Price, End of Year U.S.	\$ 21.95	\$ 18.46	\$ 13.81	\$ 8.67
	=====	=====	=====	=====
Total Investment Return (a)	17.51%	28.14%	47.55%	(12.07)%
	=====	=====	=====	=====
Total Investment Return (b)	19.07%	34.47%	59.28%	(16.05)%
	=====	=====	=====	=====
<b>RATIOS TO AVERAGE NET ASSETS/SUPPLEMENTAL DATA:</b>				
Net Assets,				
End of Year (000's)	U.S. \$110,189	\$97,253	\$77,790	\$54,856
Ratio of Net Investment Income/(Loss) to Average Net Assets	0.66%	(0.00)%++	0.54%	(0.64)%

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Ratio of Operating Expenses to Average Net Assets	1.34%	1.80%	1.78%	2.10%
Portfolio Turnover Rate	13%	5%	10%	13%

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### THE NEW IRELAND FUND, INC. NOTES TO FINANCIAL STATEMENTS

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The New Ireland Fund, Inc. (the "Fund") was incorporated under the laws of the State of Maryland on December 14, 1989 and is registered as a non-diversified, closed-end management investment company under the Investment Company Act of 1940, as amended. The Fund's investment objective is long-term capital appreciation through investment primarily in equity securities of Irish companies. The Fund is designed for U.S. and other investors who wish to participate in the Irish securities markets. In order to take advantage of significant changes that have occurred in the Irish economy over the past few years and to advance the Fund's investment objective, the investment strategy now has a bias towards Ireland's growth companies.

Under normal circumstances, the Fund will invest at least 80% of its total assets in equity and fixed income securities of Irish companies. To the extent that the balance of the Fund's assets is not so invested, it will have the flexibility to invest the remaining assets in non-Irish companies that are listed on a recognized stock exchange. The Fund may invest up to 25% of its assets in equity securities that are not listed on any securities exchange.

#### A. SIGNIFICANT ACCOUNTING POLICIES:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements.

**SECURITY VALUATION:** Securities listed on a stock exchange for which market quotations are readily available are valued at the closing prices on the date of valuation, or if no such closing prices are available, at the last bid price quoted on such day. If there are no such quotations available for the date of valuation, the last available closing price will be used. The value of securities and other assets for which no market quotations are readily available, or whose values have been materially affected by events occurring before the funds' pricing time but after the close of the securities' primary markets, are valued by methods deemed by the Board of Directors to represent fair value. Short-term securities that mature in 60 days or less are valued at amortized cost.

**DIVIDENDS AND DISTRIBUTIONS TO STOCKHOLDERS:** Distributions are determined on a tax basis and may differ from net investment income and realized capital gains for financial reporting purposes. Differences may be permanent or temporary. Permanent differences are reclassified among capital accounts in the financial statements to reflect their tax character. Temporary differences arise when certain items of income, expense, gain or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse

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at some point in the future. Differences in classification may also result from the treatment of short-term gain as ordinary income for tax purposes.

As of October 31, 2005, the components of distributable earnings on a tax basis were as follows:

Ordinary Income	\$ 733,578
Accumulated Gains	7,986,177
Unrealized Appreciation	54,649,759
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	\$ 63,369,514
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### THE NEW IRELAND FUND, INC. NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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For tax purposes, at October 31, 2005 and October 31, 2004, the Fund distributed \$140,656 and \$424,025, respectively, of ordinary income.

During the year ended October 31, 2005, the fund realized net foreign currency losses of \$6,382, which decreased distributable net income for tax purposes; accordingly such losses have been reclassified to undistributed net investment income from accumulated net realized gains.

On September 21, 2004, the Board of Directors approved the implementation of a Managed Distribution Program, subject to the granting of the appropriate exemptive relief from the Securities and Exchange Commission. Under the proposed Managed Distribution Program, the Fund would make quarterly distributions at an annual rate, set once a year, that is a percentage of the rolling average of the Fund's prior four quarter-end net asset values. The Board had determined that the initial annual distribution rate would be 10%, with quarterly distributions in an amount equal to approximately 2.5% of the Fund's net asset value. Distributions under the Distribution Plan would consist of, in order of preference and priority, (i) net realized long-term capital gains, (ii) net investment income, (iii) net realized short-term capital gains and, (iv) only to the extent necessary to make up any shortfall, a return of capital (up to the amount of the shareholder's adjusted tax basis in his or her shares). As of October 31, 2005, the Fund is still awaiting a response from the SEC.

**U.S. FEDERAL INCOME TAXES:** It is the Fund's intention to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended, and distribute all of its taxable income within the prescribed time. It is also the intention of the Fund to make distributions in sufficient amounts to avoid Fund excise tax. Accordingly, no provision for U.S. Federal income taxes is required.

**CURRENCY TRANSLATION:** The books and records of the Fund are maintained in U.S. dollars. Foreign currency amounts are translated into U.S. dollars at the spot rate of such currencies against U.S. dollars by obtaining from FT-IDC each day the current 4:00pm London time spot rate and future rate (the future rates are quoted in 30-day increments) on foreign currency contracts. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date on investment securities transactions, foreign currency transactions and the difference between the amounts of interest and dividends recorded on the books of the Fund and the amount actually received. The portion of foreign currency

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gains and losses related to fluctuation in exchange rates between the initial purchase trade date and subsequent sale trade date is included in realized gains and losses on security transactions.

**FORWARD FOREIGN CURRENCY CONTRACTS:** The Fund may enter into forward foreign currency contracts for non-trading purposes in order to protect investment securities and related receivables and payables against future changes in foreign currency exchange rates. Fluctuations in the value of such contracts are recorded as unrealized gains or losses; realized gains or losses include net gains or losses on contracts which have terminated by settlements or by entering into offsetting commitments. Risks associated with such contracts include movement in the value of the foreign currency relative to the U.S. dollar and the ability of the counterparty to perform. There were no such contracts open in the Fund as of October 31, 2005.

**SECURITIES TRANSACTIONS AND INVESTMENT INCOME:** Securities transactions are recorded as of the trade date. Realized gains and losses from securities sold are recorded on the identified cost basis. Dividend income is recorded on the ex-dividend date except that certain dividends from foreign securities are recorded as soon as the Fund is

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THE NEW IRELAND FUND, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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informed of the ex-dividend date. Non-cash dividends, if any, are recorded at the fair market value of the securities received. Interest income is recorded on the accrual basis.

### B. MANAGEMENT SERVICES:

The Fund has entered into an investment advisory agreement (the "Investment Advisory Agreement") with Bank of Ireland Asset Management (U.S.) Limited ("Bank of Ireland Asset Management"), an indirect wholly-owned subsidiary of The Governor and Company of the Bank of Ireland ("Bank of Ireland"). Under the Investment Advisory Agreement, the Fund pays a monthly fee at an annualized rate equal to 0.75% of the value of the average weekly net assets of the Fund up to the first \$100 million and 0.50% of the value of the average weekly net assets of the Fund on amounts in excess of \$100 million. In addition, Bank of Ireland Asset Management provides investor services to existing and potential shareholders.

The Fund has entered into an administration agreement (the "Administration Agreement") with PFPC Inc. The Fund pays PFPC Inc. an annual fee payable monthly. During the year ended October 31, 2005, the Fund incurred expenses of U.S \$220,432 in administration fees to PFPC Inc.

The Fund has entered into an agreement with JP Morgan Chase & Co. to serve as custodian of the Fund's assets. During the year ended, October 31, 2005 the Fund incurred expenses for JP Morgan Chase & Co. of U.S. \$42,942. Bank of Ireland served as the Fund's custodian of the Fund's assets held in Ireland until December 7, 2004. During that period the Fund incurred expenses of U.S. \$7,548 in custodian fees to Bank of Ireland.

For the year ended, October 31, 2005, the Fund incurred total brokerage commissions of U.S. \$44,325, of which U.S. \$12,238 was paid to Davy Stockbrokers, an affiliate of Bank of Ireland Asset Management.



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### C. DIRECTORS FEES:

The Fund currently pays each Director who is not a managing director, officer or employee of Bank of Ireland Asset Management or any affiliate thereof, an annual retainer of U.S. \$11,500, plus U.S. \$1,000 for each meeting of the Board of Directors or Committee of the Board attended in person or via telephone and any stockholder meeting attended in person not held on the same day as a meeting of the Board. The Fund pays the Chairman of the Board of Directors of the Fund an additional U.S. \$32,500. Also, the Fund pays the Chairman of the Audit Committee an additional U.S. \$1,000 for each meeting of the Audit Committee attended. Each Director is reimbursed for travel and certain out-of-pocket expenses.

### D. PURCHASES AND SALES OF SECURITIES:

The cost of purchases and proceeds from sales of securities for the year ended, October 31, 2005 excluding U.S. government and short-term investments, aggregated U.S. \$13,900,073 and U.S. \$14,347,418, respectively.

At October 31, 2005, aggregate gross unrealized appreciation for all securities (excluding foreign currency on deposit) in which there was an excess value over tax cost was U.S. \$57,336,004 and aggregate gross unrealized depreciation for all securities (excluding foreign currency on deposit) in which there was an excess of tax cost over value was U.S. \$2,678,446. Also, on this date, the tax cost of securities for Federal Income Tax purposes is \$53,102,394.

At October 31, 2005, there were no permanent tax and book differences in gross unrealized appreciation/depreciation of securities or the cost basis of securities.

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THE NEW IRELAND FUND, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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### E. COMMON STOCK:

On December 14, 1989, 9,000 shares of the Fund's common stock were issued to Bank of Ireland Asset Management. On October 31, 2005 Bank of Ireland Asset Management held 11,548 shares representing 0.26% of the Fund's total issued shares.

On October 31, 2005, Bank of Ireland Asset Management controlled 319,455 shares, representing 7.06% of the Funds outstanding shares. The Wachovia Corporation held 563,200 shares, as stated in a 13G filed with the Securities and Exchange Commission on May 3, 2005, representing 12.45% of the Funds outstanding shares.

### F. SHARE REPURCHASE PROGRAM:

In accordance with Section 23(c) of the Investment Company Act of 1940, as amended, the Fund hereby gives notice that it may from time to time repurchase shares of the Fund in the open market at the option of the Board of Directors and upon such terms as the Directors shall determine.

For the year ended, October 31, 2005, the Fund repurchased 165,350 (3.53% of the shares outstanding at October 31, 2004 year end) of its shares for a total cost of \$3,663,755 at an average discount of 12.07% of net asset value.

For the year ended, October 31, 2004, the Fund repurchased 86,200 (1.81% of the shares outstanding at October 31, 2003 year end) of its shares for a total cost of \$1,298,640, at an average discount of 15.13% of net asset value.

### G. MARKET CONCENTRATION:

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Because the Fund concentrates its investments in securities issued by corporations in Ireland, its portfolio may be subject to special risks and considerations typically not associated with investing in a broader range of domestic securities. In addition, the Fund is more susceptible to factors adversely affecting the Irish economy than a comparable fund not concentrated in these issuers to the same extent.

### H. CAPITAL LOSS CARRYFORWARD:

The capital loss carryforward of \$2,768,994, determined as of October 31, 2005, has been utilized.

### I. SUBSEQUENT EVENT:

On November 14, 2005, the Fund declared a stock distribution of \$1.93 per share, which represents a distribution from net investment income of \$0.16 and realized capital gains of \$1.77 to shareholders of record November 4, 2005, payable December 28, 2005.

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THE NEW IRELAND FUND, INC.  
REPORT OF INDEPENDENT PUBLIC REGISTERED ACCOUNTING FIRM

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To the Board of Directors and Shareholders  
of The New Ireland Fund, Inc.:

We have audited the accompanying statement of assets and liabilities of The New Ireland Fund, Inc. (the "Fund"), including the portfolio holdings, as of October 31, 2005, and the related statement of operations for the year then ended and the statement of changes in net assets for the two years then ended and the financial highlights for the three years then ended. The financial highlights for the years ended October 31, 2002 and October 31, 2001 were audited by other auditors. Those auditors expressed an unqualified opinion on those financial statements in their report dated December 6, 2002. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights. Our procedures included confirmation of securities owned as of October 31, 2005, by correspondence with the Fund's custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Fund as of October 31, 2005, the results of its operations for the year then

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ended and the changes in net assets for the two years then ended and the financial highlights for the three years then ended, in conformity with accounting principles generally accepted in the United States of America.

/S/ GRANT THORNTON LLP

New York, New York  
December 2, 2005

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### ADDITIONAL INFORMATION (UNAUDITED)

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#### DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

The Fund will distribute to stockholders, at least annually, substantially all of its net income from dividends and interest payments and expects to distribute substantially all its net realized capital gains annually. Pursuant to the Dividend Reinvestment and Cash Purchase Plan approved by the Fund's Board of Directors (the "Plan"), each stockholder will be deemed to have elected, unless American Stock Transfer & Trust Company (the "Plan Agent") is instructed otherwise by the stockholder in writing, to have all distributions automatically reinvested by the Plan Agent in Fund shares pursuant to the Plan. Distributions with respect to Fund shares registered in the name of a broker-dealer or other nominee (i.e., in "street name") will be reinvested by the broker or nominee in additional Fund shares under the Plan, unless the service is not provided by the broker or nominee or the stockholder elects to receive distributions in cash. Investors who own Fund shares registered in street name may not be able to transfer those shares to another broker-dealer and continue to participate in the Plan. These stockholders should consult their broker-dealer for details. Stockholders who do not participate in the Plan will receive all distributions in cash paid by check in U.S. dollars mailed directly to the stockholder by American Stock Transfer & Trust Company, as paying agent. Stockholders who do not wish to have distributions automatically reinvested should notify the Fund, in care of the Plan Agent for The New Ireland Fund, Inc.

The Plan Agent will serve as agent for the stockholders in administering the Plan. If the Directors of the Fund declare an income dividend or a capital gains distribution payable either in the Fund's common stock or in cash, as stockholders may have elected, non-participants in the Plan will receive cash and participants in the Plan will receive common stock to be issued by the Fund. If the market price per share on the valuation date equals or exceeds net asset value per share on that date, the Fund will issue new shares to participants at net asset value or, if the net asset value is less than 95% of the market price on the valuation date, then at 95% of the market price. The valuation date will be the dividend or distribution payment date or, if that date is not a trading day on the New York Stock Exchange, Inc. ("New York Stock Exchange"), the next preceding trading day. If the net asset value exceeds the market price of Fund shares at such time, participants in the Plan will be deemed to have elected to receive shares of stock from the Fund, valued at market price on the valuation date. If the Fund should declare a dividend or capital gains distribution payable only in cash, the Plan Agent as agent for the participants, will buy Fund shares in the open market, on the New York Stock Exchange or elsewhere, with the cash in respect of such dividend or distribution, for the participants' account on, or shortly after, the payment date.

Participants in the Plan have the option of making additional cash payments

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to the Plan Agent, annually, in any amount from U.S. \$100 to U.S. \$3000, for investment in the Fund's common stock. The Plan Agent will use all funds received from participants (as well as any dividends and capital gain distributions received in cash) to purchase Fund shares in the open market on or about January 15 of each year. Any voluntary cash payments received more than thirty days prior to such date will be returned by the Plan Agent, and interest will not be paid on any uninvested cash payments. To avoid unnecessary cash accumulations and to allow ample time for receipt and processing by the Plan Agent, it is suggested that the participants send in voluntary cash payments to be received by the Plan Agent approximately ten days before January 15. A participant may withdraw a voluntary cash payment

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### ADDITIONAL INFORMATION (CONTINUED) (UNAUDITED)

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by written notice, if the notice is received by the Plan Agent not less than forty-eight hours before such payment is to be invested.

The Plan Agent maintains all stockholder accounts in the Plan and furnishes written confirmations of all transactions in the account, including information needed by stockholders for personal and U.S. Federal tax records. Shares in the account of each Plan participant will be held by the Plan Agent in non-certificated form in the name of the participant, and each stockholder's proxy will include those shares purchased pursuant to the Plan.

In the case of stockholders such as banks, brokers or nominees who hold shares for beneficial owners, the Plan Agent will administer the Plan on the basis of the number of shares certified from time to time by the stockholder as representing the total amount registered in the stockholder's name and held for the account of beneficial owners who are participating in the Plan.

There is no charge to participants for reinvesting dividends or capital gains distributions. The Plan Agent's fee for the handling of the reinvestment of dividends and distributions will be paid by the Fund. However, each participant's account will be charged a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open market purchases in connection with the reinvestment of dividends or capital gains distributions. A participant will also pay brokerage commissions incurred in purchases from voluntary cash payments made by the participant. Brokerage charges for purchasing small amounts of stock of individual accounts through the Plan are expected to be less than the usual brokerage charges for such transactions, because the Plan Agent will be purchasing stock for all participants in blocks and prorating the lower commission thus attainable.

The automatic reinvestment of dividends and distributions will not relieve participants of any U.S. Federal income tax which may be payable on such dividends or distributions.

Experience under the Plan may indicate that changes are desirable. Accordingly, the Fund reserves the right to amend or terminate the Plan as applied to any voluntary cash payment made and any dividend or distribution paid subsequent to notice of the change sent to all stockholders at least ninety days before the record date for such dividend or distribution. The Plan also may be amended or terminated by the Plan Agent with at least ninety days written notice to all stockholders. All correspondence concerning the Plan should be directed to the Plan Agent for The New Ireland Fund, Inc. in care of American Stock Transfer & Trust Company, 40 Wall Street, New York, New York, 10005, telephone number (718) 921-8283.

ADDITIONAL INFORMATION (CONTINUED) (UNAUDITED)

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MEETING OF STOCKHOLDERS

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On June 7, 2005 the Fund held its Annual Meeting of Stockholders. The following Directors were elected by the following Votes: James Boyle 3,600,840 For; 53,293 Abstaining; Brendan Donohoe 3,580,039 For; 74,094 Abstaining. Peter J. Hooper, Denis P. Kelleher, James M. Walton and George G. Moore continue to serve in their capacities as Directors of the Fund.

DIRECTOR'S FEES

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See note "C" in Notes to Financial Statements.

FUND'S PRIVACY POLICY

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The New Ireland Fund, Inc. appreciates the privacy concerns and expectations of its registered stockholders and safeguarding their nonpublic personal information ("Information") is of great importance to the Fund.

The Fund collects Information pertaining to its registered stockholders, including matters such as name, address, tax I.D. number, Social Security number and instructions regarding the Fund's Dividend Reinvestment Plan. The Information collected from the following sources:

- o Directly from the registered stockholder through data provided on applications or other forms and through account inquiries by mail, telephone or e-mail.
- o From the registered stockholder's broker as the shares are initially transferred into registered form.

Except as permitted by law, the Fund does not disclose any Information about its current or former registered stockholders to anyone. The disclosures made by the Fund are primarily to the Fund's service providers as needed to maintain account records and perform other services for the Fund's stockholders. The Fund maintains physical, electronic, and procedural safeguards to protect the stockholders' Information in the Fund's possession.

The Fund's privacy policy applies only to its individual registered stockholders. If you own shares of the Fund through a third party broker, bank or other financial institution, that institution's privacy policies will apply to you and the Fund's privacy policy will not.

PORTFOLIO INFORMATION

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The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The Fund's Form N-Q is available (1) by calling 1-800-468-6475; (2) on the Fund's website located at [HTTP://WWW.NEWIRELANDFUND.COM](http://www.newirelandfund.com); (3) on the SEC's website at [HTTP://WWW.SEC.GOV](http://www.sec.gov); or (4) for review and copying at the SEC's Public Reference Room ("PRR") in Washington, DC. Information regarding the operation of the PRR may be obtained by calling 1-800-SEC-0330.

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 ADDITIONAL INFORMATION (CONTINUED) (UNAUDITED)  
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PROXY VOTING INFORMATION  
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A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities held by the Fund is available, without charge and upon request, by calling 1-800-468-6475. This information is also available from the EDGAR database or the SEC's website at HTTP://WWW.SEC.GOV. Information regarding how the Fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 is available at HTTP://WWW.SEC.GOV.

CERTIFICATIONS  
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The Fund's president has certified to the New York Stock Exchange that, as of June 21, 2005, he was not aware of any violation by the fund of applicable NYSE corporate governance listing standards. The Fund's reports to the Securities and Exchange Commission on Forms N-CSR and N-CSRS contain certifications by the Fund's principal executive officer and principal financial officer that relate to the fund's disclosure in such reports and that are required by rule 30a2(a) under the Investment Company Act.

TAX INFORMATION  
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For non-corporate shareholders 100%, or the maximum amount allowable under the Jobs and Growth Tax Relief Reconciliation Act of 2003, of income earned by the Fund for the period November 1, 2004 to October 31, 2005 may represent qualified dividend income. Final information will be provided in your 2005 1099 Div Form.

For the fiscal year ended October 31, 2005, the Fund designates long-term capital gains of \$7,986,177.

BOARD OF DIRECTORS/OFFICERS  
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NAME, ADDRESS, AND AGE	POSITION(S) HELD WITH THE FUND	LENGTH OF TIME SERVED AND TERM OF OFFICE*	PRINCIPAL OCCUPATION(S) AND OTHER DIRECTIONS DURING PAST FIVE YEARS
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NON-INTERESTED DIRECTORS:

Peter J. Hooper, 65 Westchester Financial	Director and Chairman of	Since 1990. Current term	President of Hooper Associates- Consultants; Director, The Ireland
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Center, Suite 1000 50 Main Street White Plains, NY 10606	the Board	expires in 2006.	United States Council for Commerce and Industry; Director, Flax Trust - America.
James J. Boyle, 66 50 Main Street White Plains, NY 10606	Director	Since 2000. Current term expires in 2008.	Chairman and President of Cardinal Resources, Inc. (oil and gas production); Formerly Director, Standard Microsystems Corporation; Trustee, Alvernia College.
Denis P. Kelleher, 66 17 Battery Place New York, NY 10004	Director	Since 1991. Current term expires in 2007.	Chief Executive Officer, Wall Street Access-Financial Services; Director, SI Bank & Trust; Chairman and Member of the Board of Trustees St. John's University.
George G. Moore, 54 8010 Towers Crescent Drive Vienna, VA 22182	Director	Since 2004. Current term expires in 2006.	Chairman/Chief Executive Officer, TARGUS info; Chairman, AMACAI Information Corporation.
James M. Walton, 74 Room 3902 525 William Penn Place Pittsburgh, PA 15219	Director	Since 1990. Current term expires in 2007.	Chairman, Vira I. Heinz Endowment; Formerly, Director, FireFly, Inc., Director and Vice Chairman, MMC Group, Inc. (management company).

### INTERESTED DIRECTORS:

Brendan Donohoe, 46 ** 75 Holly Hill Lane Greenwich, CT 06830	Director and President***	Since 2005. Current term expires in 2008.	President, Bank of Ireland Asset Management (U.S.) Limited (2005 to present); Director & Regional Director Asia/Pacific, BIAM Australia Pty Limited (2000 to 2005); Director & Regional Director Asia/Pacific, Bank of Ireland Asset Management (Japan) Limited (2000 to 2005); Managing Director, BIAM Australia Pty Limited, (1996-2000); Director, Iridian Asset Management (2005 to present).
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### OFFICERS:\*\*\*

Brendan Donohoe	President	Appointed Annually	see description above
Lelia Long, 43 75 Holly Hill Lane Greenwich, CT 06830	Treasurer	Since 2002. Appointed Annually	Senior Vice President and Director, Bank of Ireland Asset Management (U.S.) Limited.
Vincenzo A. Scarduzio, 33 760 Moore Road King of Prussia, PA 19406	Secretary	Since 2005. Appointed Annually	Senior Regulatory Administrator, PFPC Inc. (2001 to present).

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NAME, ADDRESS, AND AGE	POSITION(S) HELD WITH THE FUND	LENGTH OF TIME SERVED AND TERM OF OFFICE*	PRINCIPAL OCCUPATION(S) AND OTHER DIRECTORSHIPS DURING PAST FIVE YEARS
OFFICERS (CONTINUED):***			
Debra M. Brown, 43 20 Oak Street, Suite 200 Beverly Farms, MA 01915	Chief Compliance Officer	Since 2004. Appointed Annually	Principal, Brown & Associates; President, Self Audit, Inc.
Hugh Carter, 48 4400 Computer Drive Westborough, MA 01581	Assistant Treasurer	Since 1999. Appointed Annually	Vice President and Investment Accounting Director, PFPC, Inc.

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THE NEW IRELAND FUND, INC.  
DIRECTORS AND OFFICERS

Peter J. Hooper - CHAIRMAN OF THE BOARD  
 James J. Boyle - DIRECTOR  
 Brendan Donohoe - PRESIDENT AND DIRECTOR  
 Denis P. Kelleher - DIRECTOR  
 George G. Moore - DIRECTOR  
 James M. Walton - DIRECTOR  
 Lelia Long - TREASURER  
 Hugh Carter - ASSISTANT TREASURER  
 Vincenzo Scarduzio - SECRETARY  
 Debra M. Brown - CHIEF COMPLIANCE OFFICER

PRINCIPAL INVESTMENT ADVISOR

Bank of Ireland Asset Management (U.S.) Limited  
 75 Holly Hill Lane  
 Greenwich, Connecticut 06830

ADMINISTRATOR

PFPC Inc.  
 4400 Computer Drive  
 Westborough, Massachusetts 01581



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## CUSTODIANS

JP Morgan Chase & Co.  
North America Investment Services  
3 Metro Tech - 7th Floor  
Brooklyn, New York 11245

## SHAREHOLDER SERVICING AGENT

American Stock Transfer & Trust Company  
40 Wall Street  
New York, New York 10005

## LEGAL COUNSEL

Sullivan & Cromwell  
125 Broad Street  
New York, New York 10004

## INDEPENDENT PUBLIC REGISTERED ACCOUNTING FIRM

Grant Thornton LLP  
60 Broad Street  
New York, NY 10004

## CORRESPONDENCE

ALL CORRESPONDENCE SHOULD BE ADDRESSED TO:

The New Ireland Fund, Inc.  
c/o PFPC Inc.  
99 High Street  
27th Floor  
Boston, Massachusetts 02110

TELEPHONE INQUIRIES SHOULD BE DIRECTED TO:

1-800-GO-TO-IRL (1-800-468-6475)

## WEBSITE ADDRESS:

[www.newirelandfund.com](http://www.newirelandfund.com)

IR-AR 10/05

## ITEM 2. CODE OF ETHICS.

- (a) The registrant, as of the end of the period covered by this report, has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party.
- (c) There have been no amendments, during the period covered by this report, to a provision of the code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing

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similar functions, regardless of whether these individuals are employed by the registrant or a third party, and that relates to any element of the code of ethics description.

- (d) The registrant has not granted any waivers, including an implicit waiver, from a provision of the code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party, that relates to one or more of the items set forth in paragraph (b) of this item's instructions.

### ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

As of the end of the period covered by the report, the registrant's board of directors has determined that James J. Boyle is qualified to serve as an audit committee financial expert serving on its audit committee and that he is "independent."

### ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

#### AUDIT FEES

- (a) The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the registrant's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years are \$35,201 and \$35,560.

#### AUDIT-RELATED FEES

- (b) The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit of the registrant's financial statements and are not reported under paragraph (a) of this Item are \$0.00.

#### TAX FEES

- (c) The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for the review of the federal and state tax returns including review of related extension requests are \$2,500 and \$2,575.

#### ALL OTHER FEES

- (d) The aggregate fees billed in each of the last two fiscal years for products and services provided by the principal accountant, other than the services reported in paragraphs (a) through (c) of this Item are \$0.00.
- (e) (1) Disclose the audit committee's pre-approval policies and procedures described in paragraph (c) (7) of Rule 2-01 of Regulation S-X.

THE NEW IRELAND FUND, INC.

AUDIT COMMITTEE POLICY  
ON

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### PRE-APPROVAL OF SERVICES PROVIDED BY THE INDEPENDENT ACCOUNTANTS

The Audit Committee of The New Ireland Fund, Inc. (the "Fund") is charged with the responsibility to monitor the independence of the Fund's independent accountants. As part of this responsibility, the Audit Committee must pre-approve any independent accounting firm's engagement to render audit and/or permissible non-audit services, as required by law. In evaluating a proposed engagement of the independent accountants, the Audit Committee will assess the effect that the engagement might reasonably be expected to have on the accountant's independence. The Committee's evaluation will be based on:

a review of the nature of the professional services expected to be provided,

a review of the safeguards put into place by the accounting firm to safeguard independence, and

periodic meetings with the accounting firm.

### POLICY FOR AUDIT AND NON-AUDIT SERVICES PROVIDED TO THE FUNDS

On an annual basis, the scope of audits for the Fund, audit fees and expenses, and audit-related and non-audit services (and fees proposed in respect thereof) proposed to be performed by the Fund's independent accountants will be presented by the Treasurer and the independent accountants to the Audit Committee for review and, as appropriate, approval prior to the initiation of such services. Such presentation shall be accompanied by confirmation by both the Treasurer and the independent accountants that the proposed services will not adversely affect the independence of the independent accountants. Proposed services shall be described in sufficient detail to enable the Audit Committee to assess the appropriateness of such services and fees, and the compatibility of the provision of such services with the auditor's independence. The Committee shall receive periodic reports on the progress of the audit and other services which are approved by the Committee or by the Committee Chairman pursuant to authority delegated in this Policy.

The categories of services enumerated under "Audit Services", "Audit-related Services", and "Tax Services" are intended to provide guidance to the Treasurer and the independent accountants as to those categories of services which the Committee believes are generally consistent with the independence of the independent accountants and which the Committee (or the Committee Chairman) would expect upon the presentation of specific proposals to pre-approve. The enumerated categories are not intended as an exclusive list of audit, audit-related or tax services which the Committee (or the Committee Chairman) would consider for pre-approval.

### AUDIT SERVICES

The following categories of audit services are considered to be consistent with the role of the Fund's independent accountants:

Annual Fund financial statement audits  
SEC and regulatory filings and consents

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### AUDIT-RELATED SERVICES

The following categories of audit-related services are considered to be consistent with the role of the Fund's independent accountants:

Accounting consultations Agreed upon procedure reports  
Attestation reports Other internal control reports

Individual audit-related services that fall within one of these categories and are not presented to the Audit Committee as part of the annual pre-approval process will be subject to pre-approval by the Committee Chairman (or any other Committee member on whom this responsibility has been delegated) so long as the estimated fee for those services does not exceed \$7,500.

### TAX SERVICES

The following categories of tax services are considered to be consistent with the role of the Fund's independent accountants:

Tax compliance services related to the filing or amendment of the following:  
Federal, state and local income tax compliance; and  
Sales and use tax compliance  
Timely RIC qualification reviews  
Tax distribution analysis and planning  
Accounting methods studies  
Tax consulting services and related projects

Individual tax services that fall within one of these categories and are not presented to the Audit Committee as part of the annual pre-approval process will be subject to pre-approval by the Committee Chairman (or any other Committee member on whom this responsibility has been delegated) so long as the estimated fee for those services does not exceed \$7,500.

### OTHER NON-AUDIT SERVICES

Certain non-audit services that the independent accountants are legally permitted to render will be subject to pre-approval by the Committee or by one or more Committee members to whom the Committee has delegated this authority and who will report to the full Committee any pre-approval decisions made pursuant to this Policy. Non-audit services presented for pre-approval pursuant to this paragraph will be accompanied by a confirmation from both the Treasurer and the independent accountants that the proposed services will not adversely affect the independence of the independent accountants.

### PROSCRIBED SERVICES

The Fund's independent accountants will NOT render services in the following categories of non-audit services:

Bookkeeping or other services related to the accounting records or financial statements of the Fund  
Financial information systems design and implementation  
Appraisal or valuation services, fairness opinions, or contribution-in-kind reports  
Actuarial services  
Internal audit outsourcing services  
Management functions or human resources  
Broker or dealer, investment adviser, or investment

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banking services

Legal services and expert services unrelated to the audit  
Any other service that the Public Company Accounting  
Oversight Board determines, by regulation, is impermissible.

### PRE-APPROVAL OF NON-AUDIT SERVICES PROVIDED TO BIAM AND BIAM AFFILIATES

Certain non-audit services provided to Bank of Ireland Asset Management (U.S.) Limited ("BIAM") or any entity controlling, controlled by or under common control with BIAM that provides ongoing services to the Fund ("BIAM Affiliates") will be subject to pre-approval by the Audit Committee. The only non-audit services provided to these entities that will require pre-approval are those RELATED DIRECTLY TO THE OPERATIONS AND FINANCIAL REPORTING OF THE FUND. Individual projects that are not presented to the Audit Committee as part of the annual pre-approval process, will be subject to pre-approval by the Committee Chairman (or any other Committee member on whom this responsibility has been delegated) so long as the estimated fee for those services does not exceed \$75,000. Services presented for pre-approval pursuant to this paragraph will be accompanied by a confirmation from both the Treasurer and the independent accountants that the proposed services will not adversely affect the independence of the independent accountants.

Although the Audit Committee will not pre-approve all services provided to BIAM Affiliates, the Committee will receive an annual report from the Fund's independent accounting firm showing the aggregate fees for all services provided to BIAM and BIAM Affiliates.

December 10, 2003

(e) (2) The percentage of services described in each of paragraphs (b) through (d) of this Item that were approved by the audit committee pursuant to paragraph (c) (7) (i) (C) of Rule 2-01 of Regulation S-X are as follows:

(b) N/A

(c) 100%

(d) N/A

(f) The percentage of hours expended on the principal accountant's engagement to audit the registrant's financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees was less than fifty percent.

(g) The aggregate non-audit fees billed by the registrant's accountant for services rendered to the registrant, and rendered to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the registrant for each of the last two fiscal years of the registrant was \$0.00.

(h) The registrant's audit committee of the board of directors has considered whether the provision of non-audit services that were rendered to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is

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subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence.

### ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The registrant has a separately designated audit committee consisting of all the independent directors of the registrant. The members of the audit committee are: James J. Boyle, Peter J. Hooper, George G. Moore and James M. Walton.

### ITEM 6. SCHEDULE OF INVESTMENTS.

Schedule of Investments in securities of unaffiliated issuers as of the close of the reporting period is included as part of the report to shareholders filed under Item 1 of this form.

### ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

The Proxy Voting Policies are attached herewith.

#### BANK OF IRELAND ASSET MANAGEMENT

#### PROXY VOTING POLICY

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### I PROXY VOTING PROCEDURES

#### A. PURPOSE

Bank of Ireland Asset Management Limited and the BIAM group of companies ("BIAM") has adopted and implemented these policies and procedures ("Policies") to seek to ensure that client proxies are voted in the clients' best interests, in accordance with BIAM's fiduciary duties to clients and, in the case of BIAM (U.S.), with SEC rule 206(4)-6 under the Investment Advisers Act of 1940. BIAM believes that the Policies set forth herein are reasonably designed to achieve that goal.

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### B. SCOPE

BIAM's authority to vote the proxies of its clients is established by its advisory contracts and its proxy voting guidelines have been tailored to reflect these specific contractual obligations. These Policies apply where clients have delegated the authority and responsibility to BIAM to decide how to vote proxies. Where BIAM has agreed to follow client guidelines in voting proxies, client guidelines will be followed and supercede these Policies. BIAM also will follow these Policies, as applicable, if it provides advice or recommendations about specific proxy votes to clients that have not delegated voting responsibility to BIAM. These Policies may be changed from time to time.

### C. GUIDING PRINCIPLES

It is the policy of BIAM to vote all proxies for the exclusive benefit of its clients. The maximization of total return for the client as an investor in the stock being voted is the governing influence in considering corporate voting decisions.

### D. DECISION AND VOTING PROCESS

BIAM's proxy voting decisions are made by the Asset Managers. (For clients that have specific voting guidelines, Portfolio Construction will determine the votes to be cast at a client level.) BIAM may vote differently on the same matter if client guidelines or specific instructions call for a vote that is inconsistent with BIAM's Proxy Voting Guidelines or a decision made by BIAM's Asset Managers. In unusual circumstances, BIAM Asset Managers may make different proxy voting decisions for different clients.

Portfolio Construction is responsible for the communication of voting decisions between the Asset Managers and BIAM's proxy voting agent (the "Agent"). Portfolio Construction provides the Agent with up to date portfolio holdings information. As a

result, the Agent can provide BIAM with all voting and shareholder meeting information necessary for informed and timely decision making. The Agent is responsible for the timely and accurate processing of the voting decision, and the distribution of this decision to all relevant parties. The Agent is also responsible for unblocking / rescinding a voting decision upon request from BIAM.

### E. PROXY VOTING COMMITTEE

BIAM has established a Proxy Voting Committee ("Committee") to deal with various issues associated with proxy voting. The role of the Committee is to develop and periodically review these Policies to help ensure they are up to date and reflect current regulatory requirements; review compliance with these Policies; and critically evaluate exceptions to the Policies. The Committee also is responsible for taking reasonable steps to seek to identify any material conflicts of interest on the part of BIAM or its personnel that may affect particular proxy votes. The Committee is comprised of representatives from Asset Management; Portfolio Construction; Compliance and Client Service.

### F. CONFLICTS OF INTEREST



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Occasions may arise where BIAM may have a material conflict of interest with respect to a matter to be voted. A material conflict of interest may exist, for example, if BIAM has a very significant business relationship with either the company whose stock is being voted, the person soliciting the proxy or a third party that has a material interest in the outcome of the proxy vote.

The Proxy Voting Committee provides guidance to assist BIAM personnel in identifying potential conflicts of interest and bringing them to the attention of the Committee. The Committee is responsible for evaluating the materiality of any conflicts. These Policies describe some, but not all, of the specific types of conflicts of interest that BIAM may encounter in connection with proxy voting. The Committee is expected to evaluate the particular facts and circumstances of each situation and exercise its best judgment in deciding whether the conflicts are material and how they should be addressed. A member of BIAM's senior management will be designated, upon request from the Committee, for consultation and to resolve any conflicts issue on which the Committee has been unable to reach a decision on its own.

When a material conflict of interest is identified, BIAM may (1) vote the proxies in accordance with the general rule stated in the Proxy Voting Guidelines set forth in these Policies (as may be amended from time to time), provided the guidelines specify how votes generally will be cast on that particular type of matter, i.e., the guidelines state that BIAM generally will vote "for" or "against" the proposal; (2) seek voting instructions or a waiver of the conflict from the clients whose securities are to be voted on their specific shares; (3) cast the votes for its clients in the same proportion as the vote of all other holders of such security, or "mirror vote," if information about the votes cast by other

holders is reasonably and timely available to BIAM; (4) refrain from voting, other than to vote "present" for purposes of a quorum or (5) take other action appropriate under the circumstances.

An adviser-client relationship will not be considered material for conflict purposes if the gross investment advisory income received from the relationship by BIAM during its most recent fiscal year did not exceed one percent (1%) of BIAM's annual gross investment advisory income and is not expected to exceed that amount in the current fiscal year.

BIAM sets its Proxy Voting Guidelines and makes each proxy voting decision independently, in the best interests of its clients and without regard to the interests of BIAM, its parent company or any other affiliates of BIAM. In addition, as a matter of policy, BIAM will not accept or consider direction from its affiliates on how to vote any particular proxy.

### G. WHEN BIAM DOES NOT VOTE PROXIES

In appropriate circumstances, BIAM may not vote proxies respecting client securities, including, but not limited to, situations where (a) the securities are no longer held in a client's account; (b) the proxy and other necessary documents are not received in sufficient time to allow BIAM to analyze the material or cast an informed vote by the voting deadline; (c) BIAM concludes that the cost of voting the proxy outweighs any potential benefit to the client; (d) in BIAM's judgment, the matter to be voted is neither material nor relevant to shareholders and the issuer of the securities; (e) securities have been loaned out pursuant to a client's securities lending program and are unavailable to vote; or (f) the value or amount of the securities to be voted is insignificant or undeterminable. BIAM also may refrain from voting a proxy where BIAM believes that it is in the client's best interest to do so. Generally, this

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will occur if BIAM is in disagreement with the proposals but the management have committed to make, within an agreed time frame, appropriate changes which in BIAM's view will favor shareholders.

In certain markets, shareholders are required to stop trading securities for a specified time before or after a shareholder meeting ("Blocking Period"). BIAM may refrain from voting or cancel a vote when BIAM concludes that it is more beneficial to clients to be free to trade the securities than to vote securities. In addition, BIAM will, to the best of its ability, unblock a share position that is subject to a Blocking Period if there is danger of a failed trade. Blocking only occurs in certain markets and the Blocking Periods and rules vary from country to country, and in certain circumstances, from company to company.

### II PROXY VOTING GUIDELINES

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The following are guidelines and as such are not exhaustive and do not include all potential voting issues. Because proxy issues and the circumstances of individual companies are so varied, there may be instances when BIAM will not vote in strict adherence to these guidelines. Votes on matters not covered by these guidelines will be determined in accordance with the guiding principles set forth above. Certain proxy questions that are company specific and of a non-routine nature may be more appropriately handled on a case-by-case basis. At any time, BIAM may seek voting instructions from some or all clients holding the securities to be voted.

#### A. AUDITORS

BIAM generally will vote FOR proposals to ratify auditors, unless there is reason to believe that an auditor has a material financial interest in or association with the company, and is therefore not independent, or there is reason to believe that the independent auditor has rendered an opinion which is neither accurate nor indicative of the company's financial position.

#### B. BOARD OF DIRECTORS

##### ELECTION OF DIRECTORS

Electing directors is an important stock ownership right that shareholders can exercise. Shareholders should seek to elect directors who represent their interests and will act in a manner which will maximize the value of their ownership interest and who can ultimately be held accountable for their actions.

>> BIAM generally will vote FOR all nominees in uncontested elections. However, each election is examined on a case-by-case basis and BIAM will withhold votes for individual nominees or entire slates of directors if it believes such action is in the best interest of shareholders.

##### DIRECTOR INDEMNIFICATION AND LIABILITY PROVISIONS

Directors and officers are often faced with difficult choices and should be willing to make decisions that are not risk-averse. BIAM believes that directors should not be held accountable for actions taken where they have acted honestly and in good faith but should not be fully released from liability if they act

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outside of such parameters.

- >> BIAM generally will vote FOR proposals providing for indemnification and liability limitations for officers and directors, provided the policies are limited to the director acting honestly and in good faith and putting the interests of the company first, rather than eliminating entirely director's and officer's liability for monetary damages for violating the duty of care.

### BOARD SIZE

Proposals to allow management to increase or decrease the size of the board at its own discretion are often used by companies as a takeover defense. By increasing the size of the board, management can make it more difficult for dissidents to gain control.

- >> BIAM generally will vote FOR proposals that seek to fix the size of the board.
- >> BIAM generally will vote AGAINST proposals that give management the ability to alter the size of the board without shareholder approval.

### INDEPENDENT CHAIRMAN (SEPARATE CHAIRMAN/CEO)

- >> BIAM generally will vote FOR proposals to separate the roles of Chairman and CEO.

### MAJORITY OF INDEPENDENT DIRECTORS/ESTABLISHMENT OF COMMITTEES

BIAM believes that having a board independent of management is of the utmost importance to both a company and its shareholders.

- >> BIAM generally will vote FOR proposals asking that a majority or more of directors be independent.
- >> BIAM generally will vote FOR proposals asking that board audit, compensation, and/or nominating committees be "independent". Independence does not necessarily require that the entire committee be composed of independent directors.

### DIRECTOR TENURE/RETIREMENT AGE

Tenure and Age limits impose an arbitrary threshold beyond which director's may not serve regardless of the director's performance.

- >> BIAM believes that directors should be judged on their own merit and generally will not support proposals for such arbitrary guidelines as age restrictions.
- >> BIAM generally will vote FOR proposals that require directors to present themselves for re-election on a periodic basis.

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### FILLING VACANCIES/REMOVAL OF DIRECTORS

Shareholder ability to remove directors, with or without cause, is prescribed by a state's business corporation law, an individual company's articles of incorporation, or its bylaws. If the state or company has specified that removal may only be for cause, then such things as self-dealing or fraud will allow for the removal of a director. Removal without cause requires no such showing, which would allow shareholders to remove through a majority vote any director before his or her term expires.

>> BIAM will evaluate on a CASE-BY-CASE basis proposals that members of the board can only be removed for cause.

### C. SHAREHOLDER RIGHTS

#### CONFIDENTIAL VOTING

In a confidential voting system, all proxies, and voting tabulations that identify individual shareholders are kept confidential. This confidentiality can eliminate any real or perceived coercion towards voters.

>> BIAM generally will vote FOR proposals that corporations adopt confidential voting, use independent vote tabulators or use independent inspectors of election, as long as the proposal includes a provision for proxy contests as follows: In the case of a contested election, management should be permitted to request that the dissident group honor its confidential voting policy. If the dissidents agree, the policy remains in place. If the dissidents will not agree, the confidential voting policy is waived.

>> BIAM generally will vote FOR proposals to adopt confidential voting by shareholders.

#### SHAREHOLDER ABILITY TO CALL SPECIAL MEETINGS

Certain matters may arise between regularly scheduled shareholder meetings that require attention. The inability of shareholders to call meetings could result in shareholders being unable to remove directors, initiate a shareholder resolution or respond to a beneficial offer without having to wait for the next scheduled meeting. The inability to call a special meeting and the resulting insulation of management could adversely affect corporate performance and shareholder returns.

>> BIAM generally will vote AGAINST proposals to restrict or prohibit shareholder ability to call special meetings.

>> BIAM generally will vote FOR proposals that remove restrictions on the right of shareholders to act independently of management.

### D. PROXY CONTESTS

Proxy contests can play a valuable role in removing entrenched directors and creating a means for corporate change.

#### VOTING FOR DIRECTOR NOMINEES IN CONTESTED ELECTIONS

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Electing directors is an important stock ownership right that shareholders can exercise.

>> BIAM will review on a CASE-BY-CASE basis how it will cast its votes for directors in a contested election based upon what BIAM believes are the director nominees that will serve in the best interests of shareholders and will enhance shareholder value.

### VOTING FOR STRATEGIC INITIATIVES IN CONTESTED ELECTIONS

>> Votes in a contested election to approve a strategic initiative will be evaluated on a CASE-BY-CASE basis and voted in favor of the position that BIAM believes will be in the best interest of shareholders and will enhance shareholder value.

### E. ANTI-TAKEOVER MEASURES

BIAM generally will vote AGAINST anti-takeover proposals if such proposals act against the common interests of shareholders.

#### AMEND BYLAWS WITHOUT SHAREHOLDER CONSENT

>> BIAM generally will vote AGAINST proposals giving the board exclusive authority to amend the Bylaws.

>> BIAM generally will vote FOR proposals giving the board the ability to amend the bylaws with shareholder consent.

#### ANTI-TAKEOVER PROVISIONS

>> BIAM generally will vote AGAINST any proposed amendments to corporate Articles, Bylaws or Charters that include anti-takeover provisions.

#### POISON PILL PLANS

Poison pills (or shareholder rights plans) are tactics used by management fearing an unwelcome takeover bid. They cause a variety of events to occur which may make the company financially less attractive to a potential acquirer.

>> BIAM generally will vote FOR a proposal that the company submit a shareholder rights plan (poison pill) to a shareholder vote.

>> BIAM generally will vote AGAINST a proposal to renew or amend an existing shareholder rights plan (poison pill).

>> BIAM generally will vote FOR a proposal to redeem a shareholder rights plan (poison pill).

>> BIAM generally will vote AGAINST an increase in capital stock for use in the implementation of a shareholder rights plan (poison pill).

#### GREENMAIL

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Greenmail payments are targeted share repurchases by management of company stock from individuals or groups seeking control of the company. Since only the hostile party receives payment, usually at a substantial premium over the market value of its shares, the practice discriminates against all other shareholders. This transferred cash could, absent the greenmail payments, be put to use for reinvestment in the company, payment of dividends, or to fund a public share repurchase program.

- >> BIAM generally will vote FOR proposals to adopt anti-greenmail charter or bylaw amendments or otherwise restrict a company's ability to make a greenmail payment.

### F. CAPITAL STRUCTURE

#### ADJUSTMENTS TO PAR VALUE OF COMMON STOCK

Stock that has a fixed per share value printed on its certificate is called par value stock. The purpose of par value stock is to establish the maximum responsibility of a

shareholder in the event that a company becomes insolvent. Many times proposals to reduce par value stem from state law requirements or banking regulations.

- >> BIAM generally will vote FOR management proposals to reduce the par value of common stock.

#### COMMON STOCK AUTHORIZATION

State statutes and stock exchanges require shareholder approval for increases in the number of common shares a board is authorized to issue. Companies increase their supply of common stock for a variety of ordinary business purposes: raising new capital, funding stock compensation programs, business acquisitions, and implementation of stock splits or payment of stock dividends.

- >> BIAM generally will vote FOR increases in common stock authorized provided such action is determined to be in the shareholders' best interests.

- >> BIAM will review on a CASE-BY-CASE basis proposals to approve a reduction in the number of shares of common stock authorized for issue or an elimination of an authorized class of common stock.

#### PREFERRED STOCK

- >> BIAM will review on a CASE-BY-CASE basis proposals to increase the number of blank check preferred shares after analyzing the number of preferred shares available for issue given a company's industry and performance in terms of shareholder returns.

- >> BIAM will review on a CASE-BY-CASE basis proposal to eliminate a currently authorized class of preferred stock.

#### PREEMPTIVE RIGHTS

Preemptive rights permit shareholders to share proportionately in any new issues

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of stock of the same class. These rights guarantee existing shareholders the first opportunity to purchase shares of new issues of stock in the class they own, in an amount equal to the percentage of the class they already own. These rights provide shareholders with some protection from involuntary dilution of their ownership interest.

- >> BIAM generally will vote FOR proposals that restore preemptive rights of shareholders.

### SHARE REPURCHASE PROGRAMS

- >> BIAM generally will vote FOR management proposals to institute open-market share repurchase plans (Stock Repurchase Program).

### STOCK DISTRIBUTIONS: SPLITS AND DIVIDENDS

- >> BIAM generally will vote FOR management proposals to increase the common share authorization for a stock split or share dividend.
- >> BIAM generally will vote FOR recommended stock splits.

### G. MERGERS AND CORPORATE RESTRUCTURINGS

- >> BIAM will review on a CASE-BY-CASE basis proposals for mergers and acquisitions.

### GOING PRIVATE TRANSACTIONS (LBOS AND MINORITY SQUEEZEOUTS)

- >> BIAM will review on a CASE-BY-CASE basis proposals to take a company private, taking into account factors including, but not limited to, offer price/premium, fairness opinion, how the deal was negotiated, conflicts of interest, other alternatives/offers considered, and non-completion risk.

### SPIN-OFFS

- >> BIAM will review on a CASE-BY-CASE basis proposed spin-offs, taking into consideration factors including, but not limited to, tax and regulatory advantages, planned use of the sale proceeds, valuation of the spin-off, fairness opinion, benefits to the parent company, conflicts of interest, managerial incentives, corporate governance changes and changes in the capital structure.

### H. EXECUTIVE AND DIRECTOR COMPENSATION

- >> BIAM will evaluate on a CASE-BY-CASE basis all proposed executive and director compensation plans.

### GOLDEN AND TIN PARACHUTES

Golden and tin parachutes are designed to protect the employees of a corporation

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in the event of a change in control. Golden parachutes are payments to senior level management that are triggered during a change of control. The calculation is usually based on some multiple of an employee's annual or monthly compensation. Some companies are extending the coverage to all employees via tin parachutes.

>> BIAM generally will vote FOR proposals that the company eliminate or restrict existing severance agreements, change-in-control provisions, or golden parachutes.

### DIRECTOR COMPENSATION

BIAM believes that director compensation should be appropriate for the time and effort that directors spend executing their duties.

>> BIAM evaluates all director compensation proposals on a CASE-BY-CASE basis.

### STOCK OPTION EXPENSING

>> BIAM generally will vote FOR proposals that the company to expense stock options unless management has already publicly committed to start expensing by a specific date.

### I. MISCELLANEOUS

#### AMENDING MINOR BYLAWS

>> BIAM generally will vote FOR management proposals for bylaw or charter changes that are of a housekeeping nature (updates or corrections).

#### CHANGING CORPORATE NAME

>> BIAM generally will vote WITH MANAGEMENT with regard to changing the corporate name.

#### CHANGING DATE, TIME OR LOCATION OF ANNUAL MEETING

>> BIAM generally will vote FOR management proposals to change the date/time/location of the annual meeting unless the proposed change is unreasonable. BIAM requires at least ten days notice of any such change in order to allow for custodian deadlines.

07/01/2003

#### ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not yet applicable.

#### ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.



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## REGISTRANT PURCHASES OF EQUITY SECURITIES

PERIOD	(A) TOTAL NUMBER OF SHARES (OR UNITS) PURCHASED	(B) AVERAGE PRICE PAID PER SHARE (OR UNIT)	(C) TOTAL NUMBER OF SHARES (OR UNITS) PURCHASED AS PART OF PUBLICLY ANNOUNCED PLANS OR PROGRAMS	(D) MA APPROXIM SHARES (O PURCHASED U
May 1 2005 to May 31 2005	26,050	21.27	26,050	
June 1 2005 to June 30 2005	3,950	21.18	3,950	
July 1 2005 to July 31 2005	4,200	22.35	4,200	
August 1 2005 to August 31 2005	28,800	22.83	28,800	
September 1 2005 to September 30 2005	30,000	23.38	30,000	
October 1 2005 to October 31 2005	15,650	22.16	15,650	
Total	108,650	22.43	108,650	

- a. The date each plan or program was announced : February 2000
- b. The dollar amount (or share or unit amount) approved : 10% of shares outstanding at the previous fiscal year end
- c. The expiration date (if any) of each plan or program : None
- d. Each plan or program that has expired during the period covered by the table : None
- e. Each plan or program the registrant has determined to terminate prior to expiration, or under which the registrant does not intend to make further purchases : None

### ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There have been no material changes to the procedures by which the shareholders may recommend nominees to the registrant's board of directors, where those changes were implemented after the registrant last provided disclosure in response to the requirements of Item 7(d)(2)(ii)(G) of Schedule 14A (17 CFR 240.14a-101), or this Item.

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ITEM 11. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the registrant's second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

- (a) (1) Code of ethics, or any amendment thereto, that is the subject of disclosure required by Item 2 is attached hereto.
- (a) (2) Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.
- (a) (3) Not applicable.
- (b) Certifications pursuant to Rule 30a-2(b) under the 1940 Act and Section 906 of the Sarbanes-Oxley Act of 2002 are attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(registrant) THE NEW IRELAND FUND, INC.

By (Signature and Title)\* /S/ BRENDAN DONOHOE

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Brendan Donohoe, President  
(principal executive officer)

Date JANUARY 5, 2006  
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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the

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following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)\* /S/ BRENDAN DONOHOE

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Brendan Donohoe, President  
(principal executive officer)

Date JANUARY 5, 2006

By (Signature and Title)\* /S/ LELIA LONG

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Lelia Long, Treasurer  
(principal financial officer)

Date JANUARY 5, 2006

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\* Print the name and title of each signing officer under his or her signature.