Presentation by: Ireland Strategic Investment Fund

Supporting investment with innovative policies

European Investment Bank and Central Bank of Ireland

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Ireland Strategic Investment Fund

Invest on a commercial basis to support economic activity and employment in Ireland.
ISIF is an €8 billion Sovereign Development Fund

- **Sovereign wealth funds** invest on a commercial basis for return
  - Stabilisation fund, Rainy Day fund, Long-term savings fund (NPRF)
- **Sovereign development funds** invest on a commercial basis for impact
  - Economic impact (ISIF)
  - Can be social impact also
- Impact on national finances:
  - Government expenditure: resources depleted
  - Sovereign development fund: investment return and realisation means resources can be recycled and economic impact benefits achieved again

No internationally similar funds
Key elements of ISIF Investment Strategy

• Commercial investment
  – “risk adjusted expected return”, no soft money
  – total portfolio return target >4% p.a.

• Economic impact, “making a difference”
  – additionality, avoid deadweight and displacement
  – semi-annual reporting

• Broad based portfolio
  – infrastructure, energy, real estate, (commercial, housing), SME (debt and equity), food & agri, private equity, venture, innovation

Co-investment leverages resources and validates commerciality
ISIF sits within an extensive and powerful investment network

Government
Dept. of Finance | Dept. of Taoiseach
Dept. of Jobs | Enterprise & Innovation
Dept. of Public | Expenditure and Reform
Dept. of Health | Dept. of Agriculture
OPW
Other Government Departments | Embassies

State Agencies / Bodies
Enterprise Ireland | IDA
Central Bank of Ireland
Universities
Science Foundation Ireland | Teagasc

Key NTMA Entities
NAMA
SBCI
NewERA
NDFA

Co-Investors
Irish & International Asset Managers
Sovereign Wealth Funds
Intl. Pension Funds
Irish Pension Funds

Project Entrepreneurs /Sponsors
Start Ups | Growth Businesses | SME
Large & Mid-Cap | Housing
Multi-nationals | Infrastructure
Commercial Semi-States | IBEC

ISIF

Debt Finance
Irish Banks
International Banks
Non-bank credit funds
EIB

Equity Finance
Irish VC
International VC
Irish & International PE funds
Multi-nationals

Advisors
Corporate Finance
Accountancy
Legal
Consultancy

Central Bank of Ireland - UNRESTRICTED
Additionality – “Making a Difference”

• **Filling capital gaps** that are not easily otherwise filled
  - Long timeframe, “evergreen” fund, patient capital
  - Flexibility, all parts of capital structure
  - Sovereign investment partner, minority investor
  - Large fund in economy, important not to “become market”

• **Economy recovering more quickly than originally anticipated**
  - Lots of capital looking for opportunities
  - But this capital has many constraints: risk appetite, ability to execute, model that works for investee etc
Examples of transactions

- **Enabling (future proofing)**
  - Housing: Activate, Ardstone and others, strong pipeline
  - Education: DCU Campus Redevelopment (with EIB)
  - Energy: renewable energy, waste to energy
  - Connectivity: physical, data, energy

- **Growing (engines of growth)**
  - Milkflex: dairy loans with repayments varying in line with milk price
  - SME debt and equity platforms, filling financing gaps
  - Urban renewal: j/v Kilkenny Council, other possibilities
  - Foreign companies locating significant operations in Ireland

- **Leading edge (global level)**
  - China Ireland Technology Fund
  - Genomics Medicine Ireland
  - Venture: numerous direct and via funds, j/v Silicon Valley Bank
Flexible, long term, sovereign public investment partner