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## **Ireland Strategic Investment Fund publishes strategy to become “investor of choice” for Irish companies and projects**

- *Fund will invest €7.4 billion across industry sectors, regions and asset classes in Ireland*
- *Use of co-investors aims to bring total investment impact up to 10% of GDP*
- *ISIF separately publishes first report on the impact of its investments to date on the Irish economy*
- *79 Irish companies and projects with a combined annual turnover of €472 million benefit from ISIF investment*

**2 July 2015** - The Ireland Strategic Investment Fund (ISIF), managed by the National Treasury Management Agency (NTMA), has today published its investment strategy setting out the long-term strategic direction for the fund.

Key features of the strategy include:

- Completing the ISIF’s transition from the National Pensions Reserve Fund over a 3-5 year period to a fund that is focused exclusively on Ireland, subject to commercial investment opportunities being available.
- Seeking co-investors wherever possible to ensure that investments are commercial and to leverage and provide further scale to the economic impact that can be obtained from the ISIF’s resources.
- Committing 80% of the ISIF’s total portfolio over time to investments that are categorised as “high economic impact.”(see note 1)
- Earning a portfolio return over the medium term in excess of the average cost of Irish Government debt.
- Developing a broad-based portfolio across industry sectors, regions and asset classes.

Commenting on the ISIF’s strategy, **ISIF Director Eugene O’Callaghan said:**

*“The ISIF is a large fund with over €7 billion to invest. As we will be co-investing with other parties, our investment programme could, over time, amount to up to 10% of Irish GDP.*

*As our size will create risks and opportunities, we will be acutely conscious of the need to remain flexible and adaptable.*

*We will strive to be an attractive “investor of choice” and we will use our long-term investment horizon and flexibility across the capital structure to deliver benefits that other investors cannot necessarily provide.*

*We are open for business and open to ideas and would encourage anyone with a suitable proposal to share their ideas with us.”*

The ISIF’s investment strategy includes an illustrative asset allocation across industry sectors when fully deployed:

<b>Sector</b>	<b>€m</b>	<b>+/- range</b>
Innovation	1,000	+/- 200m
Real Estate based businesses	1,000	+/- 200m
SMEs	900	+/- 200m
Infrastructure	850	+/- 150m
Energy	800	+/- 100m
Water	700	+/- 100m
Food and Agri	500	+/- 50m
Venture Capital	500	+/- 50m
Direct Private Equity	400	+/- 40m
Other	750	+/- 50m
<b>Total</b>	<b>7,400</b>	

The investment strategy has been approved by the NTMA Board following consultation with the Minister for Finance and the Minister for Public Expenditure and Reform. An Executive Summary of the strategy has been published at [www.isif.ie](http://www.isif.ie).

### **Publication of ISIF’s first Economic Impact Report**

The ISIF had previously announced plans to publish a semi-annual update of the economic impact of its investments.

The first Economic Impact Report, published today, shows that at the end of December 2014:

- The ISIF had committed €1.4 billion to investments in Ireland, with €726 million already drawn down.
- For every €100 million invested by ISIF in Ireland, a further €120 million is invested by third parties as a result of the ISIF securing co-investment commitments.
- Dublin accounted for 48% of the ISIF’s Irish investments, with the rest of Ireland accounting for 52%.
- 79 Irish companies with an annual turnover of €472 million benefit from ISIF investment.
- Approximately 8,362 jobs are supported directly and indirectly by ISIF investments. (see note 2)

- €206 million earned in wages/salaries in 2014 by employees of Irish companies supported by ISIF.
- 53% of revenues generated by ISIF-supported companies come from exports.

The report provides a comprehensive list of companies and projects in which the ISIF has committed investments and also provides a baseline against which the future progress of the ISIF can be assessed.

Commenting on the baseline Economic Impact Report, **Eugene O’Callaghan said:**

*“These are encouraging figures that show the positive impact that ISIF investments have on the wider Irish economy.*

*They show we are making good progress in meeting our ‘double bottom line’ mandate to achieve a commercial return and support economic activity and employment in Ireland.*

*We expect to commit between €500 million and €1 billion to additional investments in Ireland over the course of 2015, bringing our total Irish investment commitments to between €2 billion and €2.5 billion.”*

The update also provided a detailed breakdown of the sectors in which the ISIF has committed investment:

<b>Sector</b>	<b>€m</b>
Venture capital	382
Water	300
Infrastructure	250
SME Credit	200
SME Equity	125
Real Estate	75
Energy	44
PPP	32
Food and Agri	30
<b>Total</b>	<b>1,438</b>

See note 3

Mr O’Callaghan said the role of the ISIF’s venture capital investments is especially important.

*“Venture Capital has a critical role to play in Ireland’s economic development. While the majority of the companies that have received venture capital funding from us are generating relatively modest levels of economic activity at present, this is due to their early stage in the business life cycle. These companies have the potential, as they grow, to become large contributors to economic activity.”*

## Notes to editors

**Note 1:** “High economic impact” investments include areas such as those led by export and manufacturing growth, and the construction of infrastructure that will enhance Ireland’s competitiveness and productivity.

**Note 2:** ISIF’s investments in Irish-based companies and projects not only create jobs, but also have an indirect effect through service contracts and capital investment entered into by investee entities. This indirect employment effect is estimated conservatively through the use of employment multipliers based on CSO methodology.

Additionally, while it is recognised that there is an induced employment effect (i.e. jobs created from the employees of the underlying investees spending their money) it is difficult to measure this impact and therefore this is currently not included in the ISIF’s numbers.

<b>Note 3:</b>	€m
Investment commitment as of 31 December 2014 as reported in the first Economic Impact Report	1,424
Project completed pre year end	14
<b>Total Investment generating economic impact</b>	<b>1,438</b>