



Ireland Strategic Investment Fund

The NTMA controls and manages the Ireland Strategic Investment Fund (ISIF), which has a statutory mandate to invest on a commercial basis in a manner designed to support economic activity and employment in the State.

The Ireland Strategic Investment Fund (ISIF), controlled and managed by the National Treasury Management Agency (NTMA), is a €16.6bn fund. ISIF is comprised of the Discretionary Portfolio (€8.9bn) and the Directed Portfolio (€7.7bn).

The Discretionary Portfolio has a “double bottom line” mandate to invest on a commercial basis in a manner designed to support economic activity and employment in Ireland. Since the transfer of assets to ISIF from the National Pensions Reserve Fund (NPRF) in December 2014, ISIF has pursued the execution of an investment strategy designed to meet this mandate.

The revised ISIF Impact Strategy was launched in June 2022, with a focus on four key investment themes: climate, housing and enabling investments, scaling indigenous businesses, and food and agriculture. A particular focus includes initiatives with an ambition to deploy capital in a targeted and commercial manner addressing Ireland’s key strategic challenges and in priority areas such as regional development, climate change, equity for homebuilding and female entrepreneurship.

The Directed Portfolio (primarily public policy investments in AIB and historically Bank of Ireland) continues to be held within ISIF under direction from the Minister for Finance.

ISIF Impact Strategy

ISIF's statutory mandate to invest on a commercial basis in a manner designed to support economic activity in the State remains unchanged. However, the focus of this mandate has evolved over time to reflect some of Ireland's key strategic challenges. These challenges include climate, housing and enabling investments, scaling indigenous businesses, and food and agriculture.

The Minister for Finance announced a €400m allocation for equity-based investments in new housing projects in July 2023, building on ISIF's existing housing related commitments. By end-2024, ISIF had committed just under €130m in support of this ambition. Since its launch in June 2022, the city-specific investment programme has made notable progress, with €138m committed and just under €400m deployed⁶ to unlock the economic potential of Ireland's five regional cities - Cork, Galway, Limerick, Waterford, and Kilkenny. This initiative, aimed at driving growth and regeneration, has exceeded its €500m target in under three years.

ISIF announced its ambition to seek to invest €1bn in climate-related investments over a five-year period in 2021. During 2024, ISIF invested a further €641m under this commitment, bringing the overall total of climate-related investments made in support of the decarbonisation strategy to €1bn, meeting the target two years ahead of schedule.

In November 2022, ISIF announced its ambition to invest a minimum of €50m over a two-year period, through private equity firms that are majority female-led. By end-2024, €61m in aggregate of investment had been approved exceeding the original stated aim, with a further €100m allocation announced in December 2024.

Performance

ISIF earned an investment return of 6.5% in the year 2024, driven by public market equities, realisations on direct equity investments in the Irish Portfolio as well as positive returns across fixed income and growth equity. From inception to end-2024, ISIF has generated an annualised investment return of 3.4% per annum. ISIF's investment target is to exceed the five-year rolling cost of Government debt (2.6% at end-2024) over the long term.

Discretionary Portfolio

ISIF's "double bottom line" mandate makes it one of a number of sovereign funds globally that invest to support both economic activity and employment, in addition to delivering commercial returns. ISIF seeks to generate a return over the long term in excess of the cost of Irish Government debt (as defined in the *National Treasury Management Agency (Amendment) Act 2014 (as amended)*).

The Discretionary Portfolio includes €3.9bn of investments designed to have a domestic economic impact (Irish Portfolio) and €5.0bn in global investments that are highly liquid (Global Portfolio) so that funding can be made available for

Irish Portfolio investments and/or other Government initiatives as directed. The Discretionary Portfolio value has grown since inception to a market value of €8.9bn at end-December 2024. This has been driven by a combination of investment gains (currently €2.9bn), cash injections and net of transfers to other Government initiatives, including to the National Surplus (Exceptional Contingencies) Reserve Fund and historically the Land Development Agency (LDA).

Since inception, in December 2014, ISIF has committed a total of €8.8bn to Ireland, directly and indirectly through its investment partners. The current market value of ISIF's Irish Portfolio is estimated at €3.9bn. Over €1.6bn was committed by ISIF to 35 separate investments during 2024 (average investment size of €47m), which are set out in more detail on pages 26-27. ISIF's portfolio is diversified by asset class, as shown below, and its investment activity is spread across its four key investment themes of climate, housing and enabling investments, scaling indigenous businesses, and food and agriculture. This includes investments across all the regions.

Additionally, there are €5.0bn of assets globally invested of which over €0.4bn are reserved for other Government priority initiatives (Home Building Finance Ireland (HBFI)). The main objective of the global investments is to provide liquidity for Irish Portfolio investments as well as outstanding directed or expected withdrawals (including in respect of HBFI and historically the LDA) to earn an appropriate risk adjusted return that will assist ISIF's performance. A table of the global investment managers are outlined on page 28.

Asset Allocation

ISIF Overview at End-2024



Figures reflect the economic exposure of each asset class and may not total due to rounding.

⁶ Figure excludes deployments in 2024 for Scaling Indigenous Business due to economic impact time lag.

Irish Investments During 2024

Investment	Description of Investment	Commitment €m
Abingworth Bioventures 9 L.P.	Commitment to a trans-Atlantic bio-science venture capital fund.	37 ⁷
AIB Foresight SME Impact L.P.	Commitment to an SME private equity fund helping growing companies to implement sustainable best practices; and create high-quality, local jobs across Ireland.	25
AP Ventures Fund III L.P.	Commitment to an early-stage hydrogen technology fund, focused on the hydrogen value chain.	29 ⁷
Arctic TopCo Limited	Reinvestment in AMCS alongside EQT Group and certain other existing shareholders.	89
Ardstone Residential Income Fund (a sub fund of Ardstone Partners ICAV)	Commitment to a fund seeking to increase the supply of mass-market private rental and social housing units in Ireland.	75
Avenue Ireland Opportunities Fund SCSp	Commitment to a fund supporting the construction of new homes in Ireland through Avenue's partnership with Castlehaven Finance.	75
Blume Equity Fund I SCSp	Commitment to a female-led, climate focused growth equity fund investing in businesses addressing climate and environmental challenges.	15
Cardinal Ireland Partners Fund III SCSp	Commitment to a fund focused on investing in high potential Irish businesses and supporting them to progress and grow.	50
Cheyne SVC Hybrid Credit Fund	European fund providing loans to SME and lower middle market Irish companies.	40
Copenhagen Infrastructure V SCSp	Commitment to greenfield renewable energy fund targeting investments across a range of technologies, including offshore wind, energy storage, and onshore wind and solar projects.	200
Earlybird DWES Fund VIII GmbH & Co. KG	Commitment to a Pan European VC Fund focused on pre-seed to series A emerging tech.	20
Exponent Herriot Co-Investment Partners, L.P.	Co-investment in Chanelle Pharma, a leading Irish manufacturer of generic pharmaceutical products, through an Exponent-managed co-investment vehicle.	15
Exponent Private Equity Partners V, I.L.P.	Commitment to a private equity fund that invests in founder-led businesses and corporate carve-outs across the UK, Ireland and Europe.	59 ⁷
Foresight Energy Infrastructure Partners II SCSp	Commitment to a renewable energy fund, focused on enabling infrastructure in the areas of renewable energy generation; energy storage solutions; and grid infrastructure.	125
Foundry Innovation & Research 1, Limited (FIRE1)	A clinical stage connected health company developing a remote monitoring device for heart failure (follow-on).	13 ⁷
Fountain Healthcare Partners Fund II Annex, L.P.	Commitment to a Dublin headquartered venture capital fund investing in early-stage life science companies.	4
INEI IV SCSp	Commitment is to an infrastructure fund that specialises in late-stage renewable development platforms.	50
Insight Partners (EU) XIII, SCSp	Fund XIII will be a continuation of Insight's strategy of focusing on high growth software companies and scaling them into market leaders in their segment.	46 ⁷

⁷ Non-Euro based commitment (converted at exchange rates at specified time).

Investment	Description of Investment	Commitment €m
Kharis Next Food Capital SCSp	Commitment to a venture capital fund that specialises in early/growth stage foodtech companies.	15
Kilkenny Abbey Quarter Development Partnership	Commitment to a limited partnership alongside Kilkenny County Council to contribute to the next phase of the Abbey Quarter site development in Kilkenny city centre (follow-on).	2
Longitude Venture Partners V L.P.	Commitment to a US-based healthcare venture capital fund.	37 ⁷
MiddleGame Ventures Series A Fund II SCSp	Commitment to a European venture capital fund investing in FinTech start-ups across Ireland and Europe.	20
MML Growth Capital Partners Ireland Fund III L.P.	Commitment to an Irish-based private equity fund focused on Irish SMEs across a range of sectors.	40
Muzinich Pan European Private Debt III SCSp	Commitment to a European fund providing loans to SME and lower middle market pan-European companies.	65
Irish Homebuilding Equity Fund (previously known as Pearl Residential Equity Fund II)	Commitment to a fund enabling the development of housing units in Ireland by providing the equity required to unlock senior bank financing and begin works on-site.	25
Port of Cork Infrastructure Development Company DAC	Investment to expand Port facilities to enable and accelerate offshore renewable energy (ORE) in Ireland.	89
Schroders Greencoat Europe SCSp	Commitment to a new private markets fund focused on investing in energy transition infrastructure assets.	100
Sofinnova Capital Fund XI SCSp SICAV RAIF	Venture capital fund investing in biopharmaceutical and medical device start-ups.	30
Sofinnova Crossover II SLP	France headquartered venture capital fund investing in public and private clinical-stage biotech and medtech companies.	20
SOSV Ireland Biomanufacturing Fund L.P.	Commitment to a venture capital fund specialising in precision fermentation and biomanufacturing companies with an Ireland only focus.	30 ⁷
SOSV V L.P.	Commitment to a venture capital fund specialising in energy systems, food, materials, and healthcare.	30 ⁷
Summix Capital Partners II L.P.	Fund seeking to acquire, enable and sell to the market residential led sites through the provision of planning permission and site infrastructure.	29 ⁷
Timbercreek Ireland Private Debt II DAC	ISIF subscribed for debentures issued by Timbercreek Ireland Private Debt II DAC which is seeking to lend to property investors and developers to support the delivery of new residential units by funding the refurbishment of previously derelict, vacant, or underused properties in Ireland.	36
Wake Up Capital Fund I	Commitment to newly formed Irish venture capital fund focused on impact investing.	8
Willow Corporate Credit DAC	Irish headquartered fund providing loans to SME and lower middle market companies.	100
Total		1,643

Figures may not total due to rounding.

Global Investment Managers and Pooled Funds at End-2024

Manager/Pooled Fund	Mandate
Goldman Sachs Asset Management International	Multi-Asset
Ruffer LLP	Multi-Asset
Pinebridge Investments Ireland Limited	Multi-Asset
UBS Asset Management (UK) Ltd.	Equity, Fixed Income and Commodities
Irish Life Investment Managers Limited	Multi-Asset
Generation IM Fund plc. (managed by Generation Investment Management LLP)	Equity
ISIF BAAM Alpha Fund Ltd. (managed by Blackstone Alternative Asset Management L.P.)	Absolute Return
Bridgewater Pure Alpha Major Markets Fund III, Ltd. (managed by Bridgewater Associates L.P.)	Absolute Return
AHL Alpha (Cayman) Limited (managed by AHL Partners LLP)	Absolute Return
Mackay Shields ECO Funding DAC (managed by MacKay Shields Europe Investment Management Limited)	Fixed Income
Global Real Estate Managers*	Real Estate

*Legacy NPRF investments.

ISIF's custodian, BNY Mellon, provides custody, accounting, pricing and transaction services to the NTMA. BNY Mellon is responsible for transaction settlement and the custody of the segregated holdings of ISIF's directly owned public markets assets.

Investment Themes

Climate

ISIF's Climate Investment Strategy seeks to fund climate-positive initiatives which support Ireland's transition to a Net Zero low-carbon economy. This is a two-pillar approach:

- Firstly, supporting the sustainable infrastructural requirements of the Irish economy out to 2030 in key areas where carbon emissions are prevalent, as outlined in the Government's Climate Action Plan.
- Secondly, in funding the development of new technologies and business models that will support the longer-term transition of the Irish economy to Net Zero beyond 2030 and before 2050.

ISIF has partnered with top-tier international investors with deep expertise in the climate arena, bringing smart capital and world-class talent to focus on Ireland's decarbonisation journey. During 2024, ISIF made commitments of €641m in aggregate to climate-related investments.

Housing and Enabling Investments

The housing and enabling investment theme of ISIF's Impact Strategy targets significant investment across residential development, urban regeneration, commercial real estate and infrastructure. In 2024, ISIF committed c. €242m under the housing and enabling investment theme. ISIF made significant progress on its city-specific partnership in Kilkenny with Abbey Quarter, and Limerick with One Opera Square which is due to reach practical completion in the first half of 2025 and deployments of €206m under the €500m regional cities investment programme. ISIF was selected as "Impacting Investor of the Year 2024" at the GRI Europe Awards in September 2024, for its commitment to the One Opera Square project.

ISIF has made continued progress under its €400m Equity for Homebuilding Programme in 2024 with investments into funds managed by Ardstone, Pearl and Summix. These investments will seek to enable the delivery of homes for owner occupier, renters, students and people who need social housing. ISIF is continuing to target supporting the delivery of 25,000 homes by 2030, with an additional 5,303 homes delivered in 2024 through debt and equity investments, bringing ISIF's total to 19,503 at end-2024 and is currently on track to achieve the target.

Scaling Indigenous Businesses

Through the scaling indigenous businesses theme, ISIF seeks to create a broad, dynamic and competitive range of funding options to support the growth plans of Irish businesses. ISIF will achieve this through:

- Investing to support a robust funding ecosystem that provides suitable capital solutions to companies in all sectors, at all stages of the growth lifecycle and across the capital structure; and
- Offering a direct investment alternative for firms with ambition and long-term potential to pursue growth on the timeline best suited to the business and its owners.

In 2024, ISIF committed c. €685m under the scaling indigenous businesses theme, via funds and direct opportunities, supporting the continued growth of the indigenous funding landscape and businesses within it. These include commitments to a range of private/growth equity, venture capital and private credit funds and investments to support a number of businesses directly including Foundry Innovation & Research (FIRE1) and AMCS.

Food and Agriculture

Food and agriculture is Ireland's largest indigenous sector with exports of €18.1bn to 180 countries representing 40% of total indigenous and 60% of manufactured exports employing 171,000 people across rural Ireland.

Ireland's national agri-food strategy, Food Vision 2030, has a goal for Ireland to become a world leader in sustainable food systems internationally over the next decade by balancing climate, smart agriculture, environmental and economic sustainability, health, and innovation. This should deliver significant benefits for the Irish agri-food sector, for Irish society and the environment and will provide the basis for future competitive advantage.

ISIF's food and agriculture investment strategy aims to support the transition of the Irish food and agriculture sector to become a world leader in sustainable food systems. ISIF will support Ireland's leading indigenous food companies to scale and grow internationally, invest in food-tech and ag-tech opportunities that will deliver innovative solutions to support the transition to sustainability and help to achieve ambitious climate targets for agriculture. ISIF will also invest to support the development of new sectors where Ireland has or can create a competitive advantage such as biofuels, biomanufacturing, carbon farming and other nature-based solutions to climate change, aquaculture and alternative crops.

ISIF has committed €75m in 2024 to investments that seek to support Irish indigenous companies scale to supply international markets, meet climate targets and help to develop new innovative sectors such as aqua-tech. These investments complement existing ones across indigenous companies, ag-tech, food-tech, forestry and financing platforms.

Economic Impact

ISIF seeks to maximise the economic impact from investments while also ensuring that all investments satisfy its commercial return objectives.

The economic impact and employment supported by ISIF investment differs from traditional Government expenditure. With Government expenditure, public financial resources are depleted as a result of the spending, whereas, with commercial investment, public resources are expected to be returned with a gain at the end of the investment period. Returned investment capital can then be recycled into additional beneficial projects.

In line with ISIF's "double bottom line" mandate, a key part of ISIF's due diligence in advance of investment is a comprehensive assessment of the economic impact potential of each transaction. Typically, economic impact is assessed across the dimensions of additionality, displacement and deadweight.

Additionality refers to the additional economic benefits to Gross Value Added (GVA) which are likely to arise as a result of the investment under consideration, over and above what would have taken place anyway. ISIF also considers sector specific metrics such as housing units and renewable megawatts (MW) added to the grid.

Displacement refers to instances whereby the additionality created from an investment is reduced or made smaller at the overall economy level due to a reduction in such benefits elsewhere in the economy.

Deadweight refers to instances whereby the economic benefits created from an investment would have been achieved in any event in the absence of intervention.

Through its investments, ISIF seeks to deliver positive economic impact through creating additionality, minimising displacement, and avoiding deadweight by complementing (rather than competing with) private sector sources of capital. Post-investment, ISIF completes an annual survey of all investees to collect economic impact and employment data to enable it to monitor the economic impact progress of all investments.

The following data reflects detailed survey data for FY2023. Given the volume of investees, complexity of responses and subsequent analysis, the publication of this economic impact data lags 6+ months.

ISIF Economic Impact as at End-2023



Jobs supported by ISIF capital

34,385



Gross Value Added (GVA)*

€1.9bn



Turnover

€4.1bn



Employment by region

**44% Dublin/
56% ex-Dublin**



Wage bill

€1.2bn

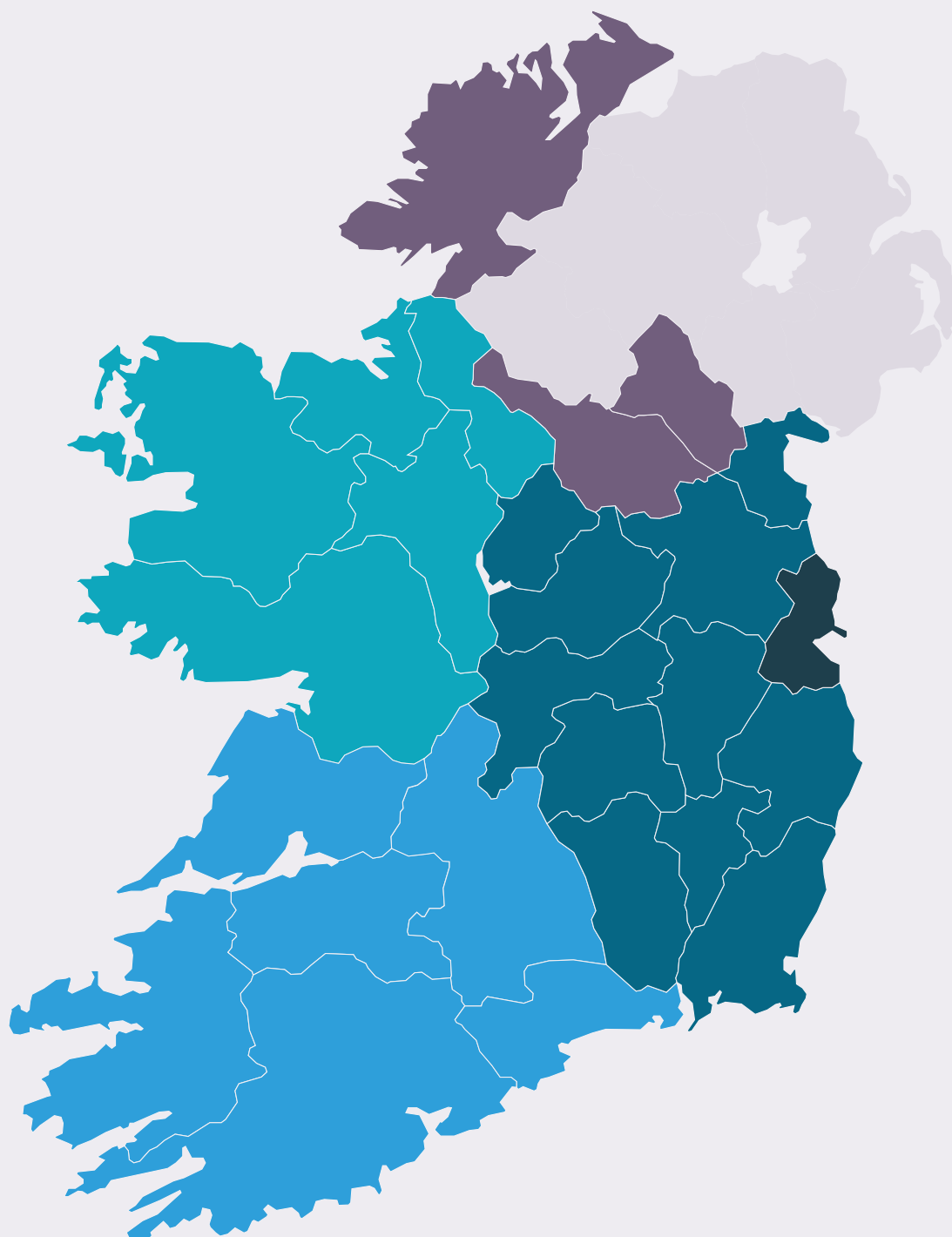


Exports

€1.4bn

*Gross Value Added (GVA) is the enterprise or sector level measure of goods or services produced which, when aggregated across all enterprises and adjusted for taxes and subsidies, equals Gross Domestic Product (GDP).

ISIF Regional Economic Impact FY2023



	Ulster	Munster	Connacht	Leinster (Ex Dublin)	Dublin
Jobs	7%	18%	6%	25%	44%
ISIF Capital Deployed	3%	23%	6%	18%	50%
GVA*	7%	20%	5%	17%	51%
CSO Regional Split of GVA (2021)	2%	37%	5%	15%	41%

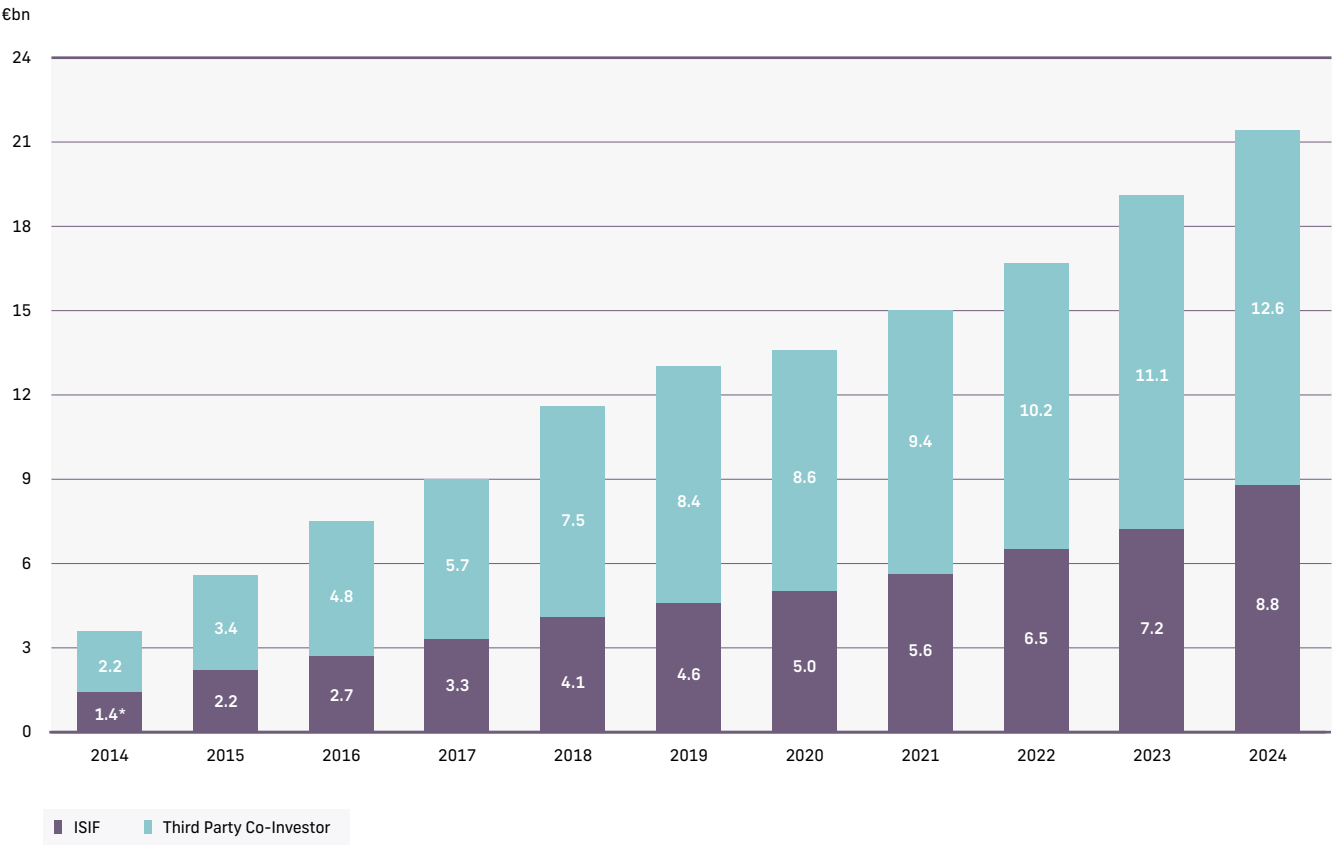
*Gross Value Added (GVA) is the enterprise or sector level measure of goods or services produced which, when aggregated across all enterprises and adjusted for taxes and subsidies, equals Gross Domestic Product (GDP).

Leveraging ISIF's Impact

Including third-party co-investor commitments, a total of €21.4bn arising from ISIF investments has been committed to investment in Ireland since ISIF's inception.

ISIF set a co-investment target at inception to attract €1m in third-party capital alongside every €1m of capital invested by ISIF. As at 31 December 2024, ISIF exceeded this target with a co-investment rate of €1.4m alongside every €1m committed by ISIF.

ISIF Commitments to Ireland 2014-2024



*Irish assets transferred in December 2014 from NPRF that were broadly consistent with ISIF mandate.

Sustainability and Responsible Investment

ISIF is a universal owner, meaning its long-term returns are dependent on the economy's overall health, and therefore integrating Environmental, Social and Governance (ESG) factors are core to its investment approach. ESG consideration benefits ISIF not just through each individual investment, but also at an overall portfolio level, ultimately enhancing both the long-term value of the Fund and the reputation of NTMA in delivering on its mandate.

The Sustainable and Responsible Investment Strategy (S&RIS) 2023 reaffirms ISIF's longstanding commitment to be a responsible investor.

ISIF believes that responsibly managed companies, those that actively manage ESG issues, are best placed to achieve a sustainable competitive advantage and provide strong, long term investment opportunities.

ISIF endeavours to be a responsible investor, actively integrating ESG factors into its decision-making processes with a view to enhancing the overall outcomes for the Fund and ultimately its beneficial owner. ISIF's overarching approach to Sustainable and Responsible Investment includes the following:

- ISIF is focused on ensuring that the whole portfolio, third-party managers, and investee companies consider potential ESG risks and opportunities (as appropriate) and that such risks are appropriately considered as a part of ISIF's decision making and portfolio management.
- ISIF seeks to engage with likeminded investors and organisations that share ISIF's ambition to deliver on ESG priorities. ISIF is a founding signatory to the Principles of Responsible Investment (PRI), a supporter of CDP (formerly the Carbon Disclosure Project) and Climate Action 100+, and an endorser of the One Planet Sovereign Wealth Funds (OPSWF) initiative and the Santiago Principles.

Whole of Fund approach to Sustainability and Responsible Investment

The key tools that ISIF uses to implement ESG in a broadly consistent manner across its portfolios include:

- **Integration:** ESG & Climate Framework tool used to assist in the identification, monitoring and mitigation of material ESG risks across the Irish Portfolio. Throughout its investment decision making process, ISIF aims to mitigate and manage ESG issues.
- **Active Ownership:** ISIF has a long history of active ownership and EOS at Federated Hermes provides Active Ownership services for the Global Portfolio and all voting records are reported quarterly on ISIF's website.
- **Analysis:** ISIF uses the services of ISS-ESG to conduct detailed portfolio analytics including carbon foot printing and impact analysis aligned with the UN Sustainable Development Goals (SDGs).
- **Divestment & Exclusions:** By end-2024 in accordance with its obligations under the *Fossil Fuel Divestment Act 2018*, ISIF had developed a list of 254 fossil fuel companies in which it will not invest. In addition, ISIF also maintains an exclusionary strategy around cluster munitions and anti-personnel mines (which are prohibited investments under the *Cluster Munitions and Anti-Personnel Mines Act 2008*), coal production and processing, tobacco manufacturing and direct investment in companies involved in the manufacture and testing of nuclear weapons or their critical component parts.

Investing with impact is key to ISIF's mandate as it continues to support the wider economy, deploying significant capital and attracting co-investment in innovative and exciting ways that match the double bottom line mandate of generating a commercial return and supporting economic activity and employment. ISIF will prioritise the use of its capital and resources to address strategic challenges and focus its efforts on making transformational investments across its impact themes, including climate. ISIF's Climate Investment Strategy encompasses all areas of the economy where carbon emissions are present such as energy, transport, built environment, waste and enterprise and incorporates other thematic investment areas that assist in transitioning to a Net Zero economy. In October 2024, ISIF published its 2023 Climate Update regarding ISIF's climate investing and how it is managing and mitigating climate risk in its investment portfolio, in addition to actively engaging with investees across ISIF's Irish and Global Portfolios to support the pace of change. ISIF has partnered with Sociovestix, a climate data nonprofit, in analysing climate risk across the Irish Portfolio.

Equity, Diversity and Inclusion

In 2024, 57% of director nominations within ISIF were female (0% when first measured in 2019) against the annual target of 40%. ISIF is also a member of Level 20 (a not-for-profit organisation founded with the aim of improving gender diversity in the private equity industry) and the 30% Club Industry Group for the financial services sector and the 30% Club Investor Group. ISIF's gender diversity action plan also promotes a minimum target of 30% female representation on the boards of ISIF investee companies across the Irish Portfolio, against which in 2024, 16% of all Irish Portfolio investee companies have at least 30% women on the board.

Female-led Investment Firms

In November 2022, ISIF announced its ambition to invest a minimum of €50m over two years into female owned private equity and venture capital funds. By establishing an ambition for investing in female-led funds, ISIF is seeking to demonstrate its commitment to addressing gender inequality in investment and to positively impact the allocation of capital to female led businesses.

By end-2024, ISIF has closed €36m in aggregate of commitments under this initiative to Norrsken Venture Capital and Blume Equity and had a further €25m in aggregate of commitments approved for two further female-led managers. These commitments bring new capital, investment expertise and additional networks across early-stage venture capital to private equity, and in the climate, impact, life sciences and healthcare sectors. In December 2024, ISIF announced that it was doubling its ambition to support female led investment firms by seeking to commit a further €100m to female-led funds over the coming years.

Directions from the Minister for Finance

ISIF has allocated just under €2.0bn of capital from the Discretionary Portfolio for other Government initiatives; the Land Development Agency (LDA) (€1.25bn), and Home Building Finance Ireland (HBFI) (€730m). €425m of HBFI's allocated capital is available for drawdown from the Fund as at 31 December 2024.

- Land Development Agency (LDA): On 22 October 2018, the Minister for Finance informed the NTMA in writing of a proposal to allocate a reserve of up to €1.25bn to support the LDA. During 2024, further to a Direction from the Minister for Finance, the NTMA transferred further capital⁸ out of the assets of ISIF to the LDA on one occasion for the purpose of discharging the Minister's liability arising as a result of the Minister for Public Expenditure, National Development Plan (NDP) Delivery and Reform's subscription for shares in the LDA in accordance with Section 25(3) of the *Land Development Agency Act 2021*. On 11 June 2024, the NTMA was directed to transfer the final €325m to the LDA.
- Home Building Finance Ireland (HBFI): On 8 April 2019, the Minister for Finance directed the NTMA to execute a revolving loan facility agreement with Home Building Finance Ireland (Lending) DAC (HBFIL) and to make available a maximum loan balance of up to €730m from ISIF to HBFI at any point in time. Since the establishment of HBFI, €802m in total has been drawn down at various stages under the revolving loan facility. Taking into account interest and repayments of €497m by HBFI, the outstanding loan balance as at end-2024 amounted to €305m.

⁸ Information on prior Directions from the Minister for Finance can be found in previous NTMA Annual Reports.

The Directed Portfolio

The Directed Portfolio – primarily public policy investments in AIB Group plc (AIB), Strategic Banking Corporation of Ireland (SBCI) and HBFI – continues to be held within ISIF under direction from the Minister for Finance. During the financial crisis, a total of €20.7bn was invested from the NPRF in AIB and Bank of Ireland at the direction of the Minister for Finance for public policy reasons. These assets transferred to ISIF on the establishment of ISIF.

The figures in this section relate to directed investments held by ISIF only and do not include public policy investments in Irish financial institutions made by the Minister for Finance through the Exchequer.

From 2021 – 2024 inclusive, the Minister for Finance issued directions to the NTMA to facilitate the sale of part of the State's shareholding in AIB, which is held as a directed investment within ISIF, through a pre-arranged trading plan which was ongoing at end-2024. The sale of shares commenced in early 2022. The Minister issued directions to the NTMA in 2024 in relation to the disposal of further parts of the State's directed shareholding through participation in AIB's share buyback programme, as well as an off-market share buyback transaction and the placing of additional shares in an accelerated book building process. As at 31 December 2024, ISIF's directed shareholding in AIB had been reduced from c. 41% at 31 December 2023 to c. 19%.

At end-2024, the Directed Portfolio comprised:

- i. Ordinary shares in AIB valued at the market price of €5.31 per share;
- ii. €5.0bn in cash and cash equivalents including commitments of €165m to the SBCI; and
- iii. €305m loan to HBFI.

The Directed Portfolio has a valuation of €7.7bn at end-2024. Its return in 2024 was 23.9%.

Regarding the €20.7bn invested in AIB and Bank of Ireland, cash returns on investments to date have amounted to €18.0bn while investment valuations at end-2024 were €2.3bn, bringing the total amount (income and value) to €20.3bn.

In 2024, Section 42B of the *National Treasury Management Agency (Amendment) Act 2014* was amended, such that proceeds of the disposal of a directed investment, up to a value of €2.5bn, may be used to pay money to the LDA or any subsidiary DAC for the purposes of discharging the liability of the Minister in respect of the shares allotted and issued to the Minister for Housing, Local Government and Heritage and the Minister for Public Expenditure, NDP Delivery and Reform under Section 25 of the *Land Development Agency Act 2021*. On 16 December 2024, the NTMA was directed to transfer an initial €100m to the LDA no later than 10 January 2025.

Directed Portfolio at End-2024

	Cash Invested €bn	Cash Received €bn	End-2023 Value €bn	End-2024 Value €bn	Total (Income & Value) €bn	Shareholding at End-2024 %
Bank of Ireland	4.7	5.1	0	0	5.1	0
AIB	16	12.9	4.1	2.3	15.2	19
Total Bank Investments	20.7	18.0	4.1	2.3	20.3	
HBFI		0	0.3	0.3		
Cash and cash equivalents (including commitments to SBCI)			1.7	5.0		
Total Directed Portfolio			6.2	7.7		

Figures may not total due to rounding.