



# Ireland Strategic Investment Fund

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## 2023 Mid Year Update



Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta  
National Treasury Management Agency

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Ciste Infheistíochta Straitéisí d'Éirinn  
Ireland Strategic Investment Fund

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# DIRECTOR'S REPORT

I am pleased to provide you with an update on the Ireland Strategic Investment Fund's (ISIF) activities and achievements.

Despite the challenging economic environment marked by high inflation and increased interest rates, we have remained dedicated to our mandate to invest on a commercial basis to support economic activity and employment in Ireland. Our vision is for ISIF to have a transformational impact, through its commercial investments, on major challenges facing the state including climate change, housing, scaling indigenous businesses and supporting the food and agriculture sectors. By taking an approach that reflects ISIF and the NTMA's values, the team focuses on taking a long term and innovative approach and operating with integrity, respect, and fairness as we collaborate with you, our partners.

In the first half of 2023, ISIF has demonstrated resilience and commitment in the face of a rapidly changing environment. Our portfolio achieved a 1.7% return, contributing €136 million to the fund's overall value. Furthermore, we understand the challenges faced by businesses seeking capital in these trying times. We've continued to close significant investments, committing an additional €311 million across our key themes.

In conclusion, ISIF plays a vital role in Ireland's economic landscape, generating commercial returns while supporting economic activity and employment. Our investments have had a positive impact on job creation, gross value add, and wage growth. We want to thank you, our valued partners, for your support in fulfilling ISIF's mandate. We look forward to strengthening these relationships and fostering new collaborations in the months and years ahead.



## Nick Ashmore

Director - Ireland Strategic Investment Fund

# IRELAND STRATEGIC INVESTMENT FUND

The National Treasury Management Agency (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.

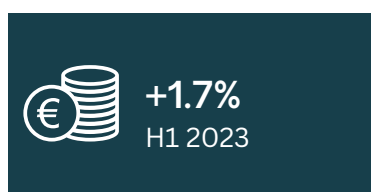
## 2023 UPDATE

At end H1 2023

### Investments Closed



### Portfolio Return



### Additional Fund Value



## INVESTMENT THEME UPDATES

At end H1 2023



# INVESTMENT HIGHLIGHTS

At end H1 2023



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Commitment to Waterland Private Equity fund which can help ambitious Irish-headquartered companies accelerate their growth across Europe and beyond.



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Joint venture partnership to finance the development of the One Opera Square project in Limerick city centre.



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€40m commitment to Gilde Healthcare Fund VI, a new €600m global investment fund that will back medtech and therapeutics investments.



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Participation in the final close of the Elkstone €100m Early-Stage Irish Venture Fund.

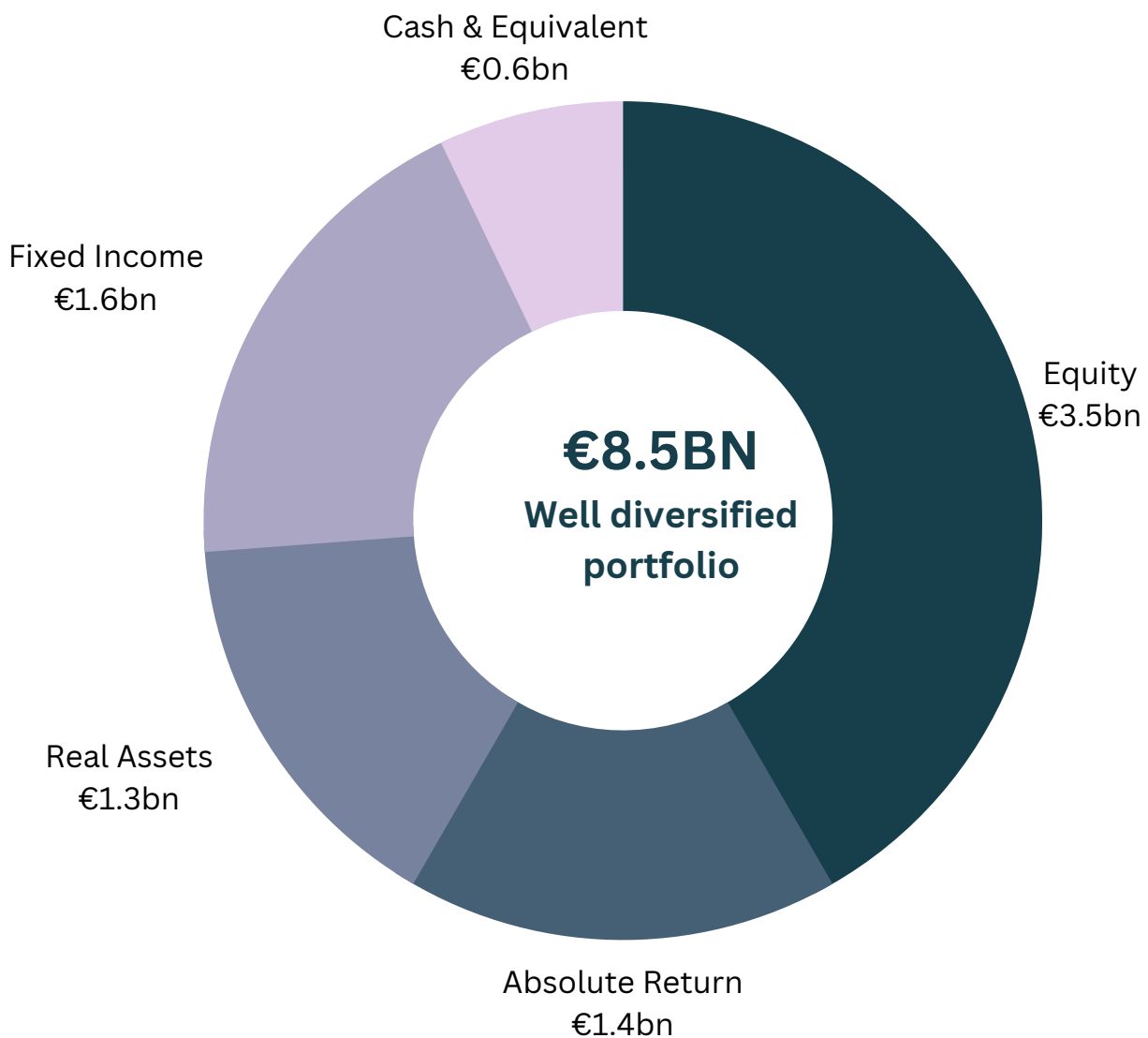


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€94m commitment to Octopus Energy Generation's Sky Fund (ORI SCsp) for investment in renewable energy projects.

# ASSET ALLOCATION

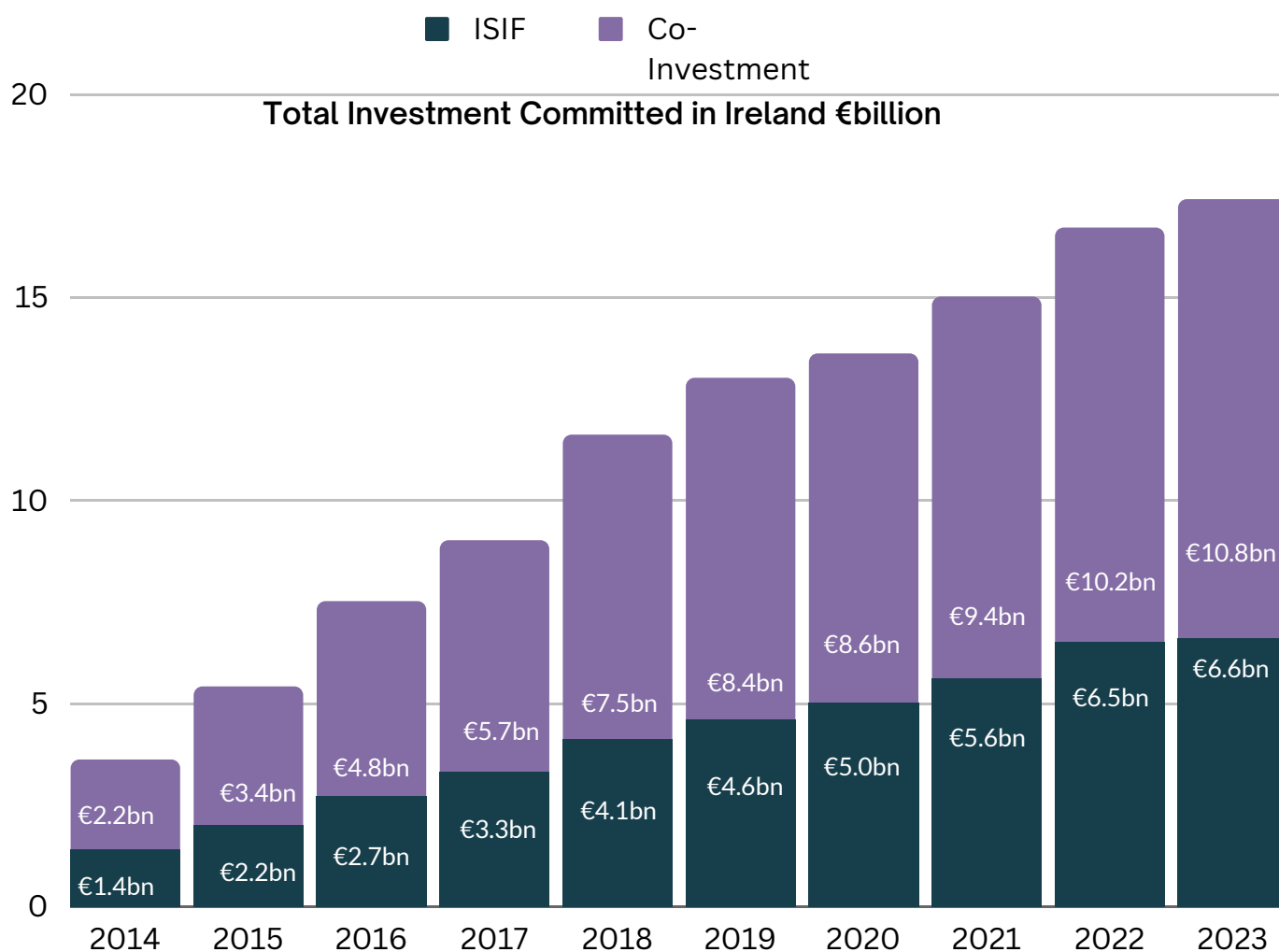
At End H1 2023



Note: All financials as of 30 June 2023 are preliminary and unaudited  
Note: Figures may not total due to rounding.

# LEVERAGING ISIF'S IMPACT

At end H1 2023



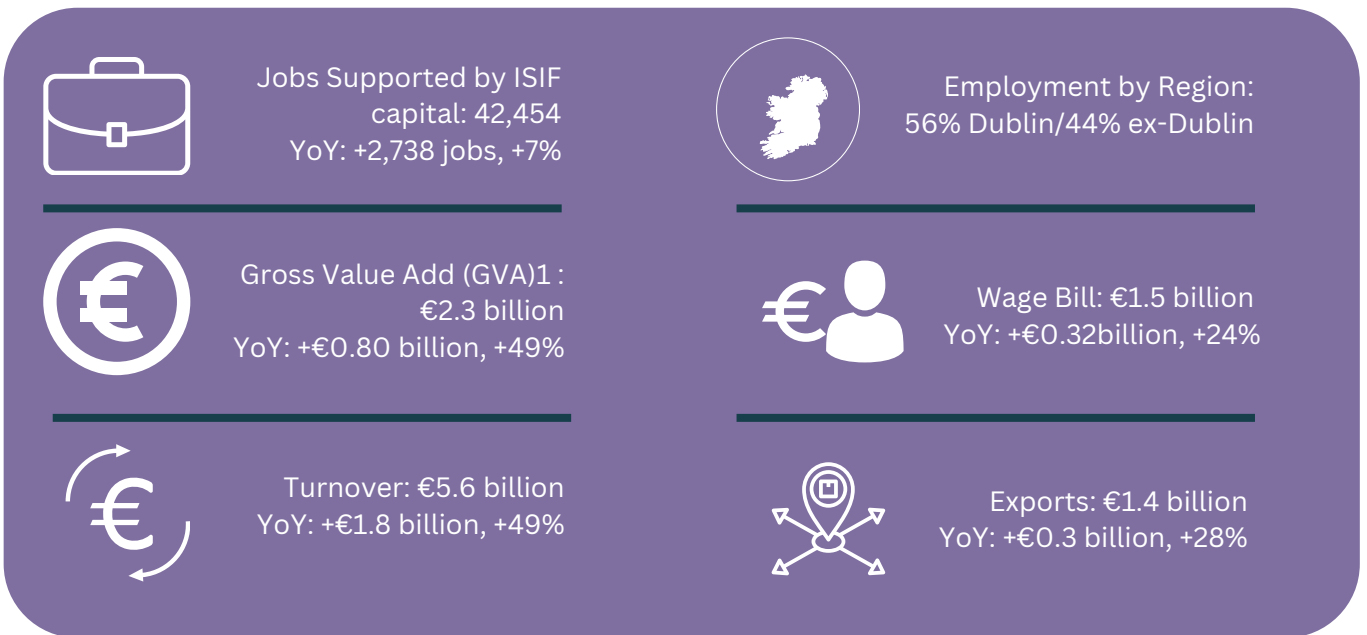
Note: All financials as at 30 June 2023 are preliminary and unaudited

Note: Figures may not total due to rounding

# ECONOMIC IMPACT - FULL YEAR 2022

The Ireland Strategic Investment Fund seeks to maximise investments' economic impact while ensuring all investments satisfy commercial return objectives.

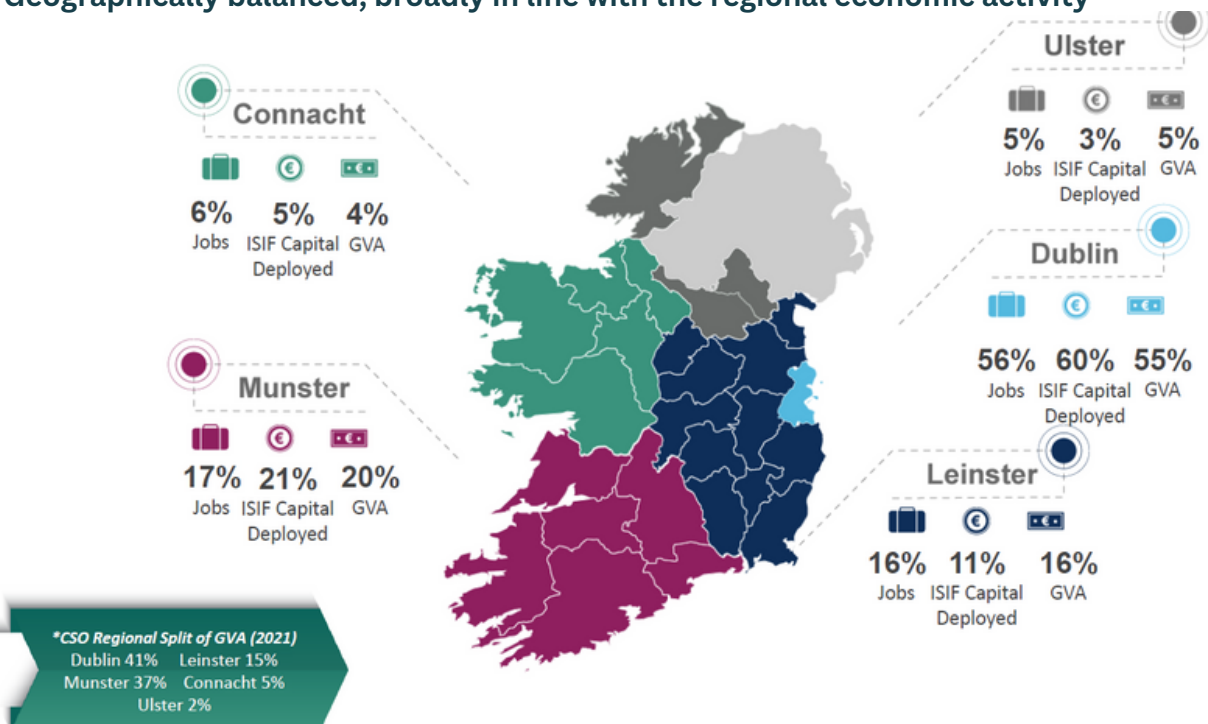
The economic impact and employment supported by ISIF investment differs from traditional Government expenditure. With Government expenditure, public financial resources are depleted due to the spending, whereas with commercial investment, public resources are expected to be returned with a gain at the end of the investment period.



1. 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)

## REGIONAL ECONOMIC IMPACT OF INVESTMENTS

Geographically balanced, broadly in line with the regional economic activity\*





# BACKGROUND & METHODOLOGY

## Annual Economic Impact Survey:

ISIF measures our progress on economic impact via an annual survey of investees across the Irish Portfolio. The survey captures information on the following data points: Sector, Turnover, Exports, Wages, EBIT, Depreciation, Interest Expense, Employee numbers, Number of staff with PhDs, R&D expense, Number of Patents held, Third Level Collaboration, a geographic split of turnover and staff across Ireland by County.

## Processing Analysis:

The survey is issued to investees in early Q1 each year. Processing and analysis of the data then takes place over Q 2/ 3. Responses are sense-checked on a standalone basis and in the context of previous years' data. Survey data is also checked to ensure that only economic activity in Ireland is reported. Survey data provided in USD or GBP is converted to EUR using a 12-month average FX rate sourced from the Central Bank of Ireland.

## Jobs data:

In line with industry standards, an indirect employment multiplier is applied to direct jobs (as reported by investees). Employment multipliers measure how the creation of employment in a particular industry translates into broader employment changes throughout the economy. The NTMA calculation of employment multipliers is based on CSO methodology.

## Assumptions:

The majority of underlying investees provided the relevant data as of 31 December 2022 directly. However, there are some exceptional cases where data was unavailable. For example, in the case of some agri-sector investments, industry benchmarks from Teagasc were applied to estimate the underlying economic impact.

# ASSUMPTIONS, METHODOLOGY AND DISCLAIMER

The NTMA adopts a conservative approach to all data and in many cases excludes data where ISIF does have an impact but where it is difficult to quantify.

## Assumptions and Methodology

- The NTMA relies on the data collected from investees. While economic impact data is somewhat complicated, the NTMA has adopted a structured approach to the collection and analysis of the data.
- Underlying investees are either direct or indirect (i.e., through funds). The economic impact data is gathered through an annual survey of the direct and indirect underlying investees. The economic impact of an underlying investee is only included once – i.e., where ISIF has more than one indirect investment in an underlying investee, the duplicate economic impact is removed from the analysis.
- In cases where ISIF finances a specific project in a large entity, the NTMA only captures the economic impact for the project and not any benefits it may bring to the wider corporate entity.
- The Fund does not include the economic impact from investments ISIF has exited. In addition, the Fund does not include any investments which have no economic impact in Ireland.
- There is some time lag between the commitment to an investment and the achievement of economic impact. Typically, economic impact is generated when there is a draw-down on committed capital and this can be some time after a commitment to an investment.
- The NTMA completes a sense check of all survey data; however, the NTMA is reliant on the underlying investees to provide accurate data and is not in a position to verify the data submitted.
- Survey data provided in USD or GBP has been converted to EUR using a 12-month average FX rate sourced from Central Bank of Ireland.
- The regional distribution of capital invested is weighted based on the capital invested as at 31 December 2021 and based on the underlying investees detailing the location/regional activities of the underlying investee/project.
- The regional distribution of underlying investees' employment and gross value added is based on data provided by the underlying investees detailing the number of jobs and earnings generated regionally.
- The majority of underlying investees provided the relevant data as at 31 December 2021 directly. There are some exceptional cases where data was unavailable so the following assumptions were applied:
  - In a very small number of cases, assumptions were based on relevant industry data such as Teagasc.
  - In line with industry standards, a conservative indirect employment multiplier is applied to direct jobs. The NTMA calculation of employment multipliers is based on CSO methodology.



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