



Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta  
National Treasury Management Agency

Ciste Infheistíochta Straitéisí d'Éirinn  
Ireland Strategic Investment Fund

**WELCOME**

**IRELAND STRATEGIC INVESTMENT FUND (ISIF)**

**MARKET ENGAGEMENT EVENT**

# Event Welcome

Conor O'Kelly

*Chief Executive*

*NTMA*



# Key Note Speech

Mr. Michael Noonan  
*T.D.*  
*Minister for Finance*



# “Building Momentum & Relationships”

Eugene O’Callaghan

*Director -ISIF*



# Overview

- Mandate
- Investment Strategy
- Pipeline



# Mandate

*“invest on a commercial basis to support economic activity and employment in Ireland”*

## Double Bottom Line

Investment Returns  
and  
Economic Impact

**Unique Challenge**  
to effectively balance two  
mandate objectives



## Sovereign Development Fund

- Relatively new concept
- No direct international precedents
- Feasibility untested

# Update & Progress

- **2014 Market Engagement Event**
    - “Double Bottom Line”
    - Open for Business
  - **Legislative process complete**
    - NTMA (Amendment) Act, 2014 commenced in December 2014
  - **Governance process complete**
    - New NTMA **Board** appointed
    - ISIF **Investment Committee** in place
      - Brendan McDonagh
      - Susan Webb
      - John Herlihy
      - Richard Leonard
      - Julie Sinnamon
  - **Recruitment** of 23 new ISIF team members since June 2014
- **Actively engaging** with market
    - Market Engagement Events
    - Advisers/Intermediaries/Financial Institutions
    - Individual transaction engagement
  - High quality **pipeline** developed
    - over 300 opportunities considered
  - Discretionary Portfolio **€7.4bn** (31/3/2015)



# Update & Progress

- Review and approval of investment strategy in progress
  - NTMA Board
  - Investment Committee
  - Engagement and consultation process with Department of Finance and Department of Public Expenditure and Reform near completion
  
- Expected publication of Investment Strategy Q2 2015





# Economic Impact

## Key Concepts



### Deadweight

- Benefits would have been achieved without ISIF investment



### Displacement

- Benefits achieved at expense of other domestic players



### Additionality

- Benefits would not have been achieved without the ISIF investment

## Economic Impact in practice

20% Lower Impact

80% High Impact

Accelerator

Short term benefits

Exports

Manufacturing

Enabling Infrastructure

- High impact drives additional GDP over time
- Low impact typically one-off effects (e.g. construction) or where ISIF investment drives accelerated post-crisis normalisation of financial markets in Ireland

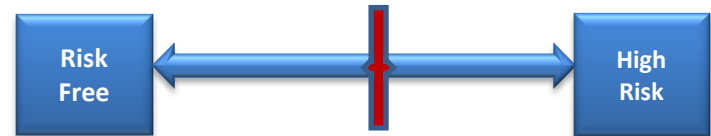
# Investment Strategy

- Where can ISIF invest with impact?



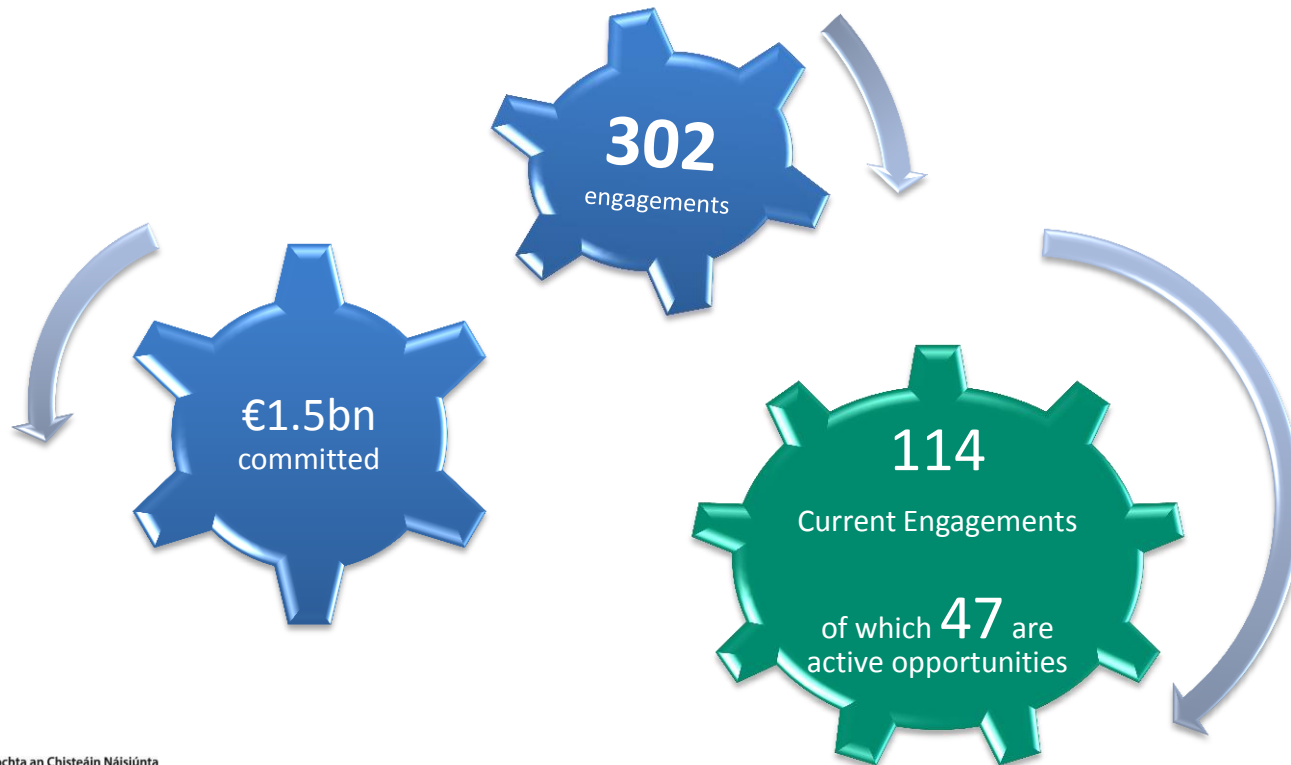
- Key attributes and differentiators

- Flexibility up & down capital structure, to fill gaps
- Long term time horizon
- “Permanent/Patient capital”
- Public Fund - connecting public and private
- Risk adjusted expected return



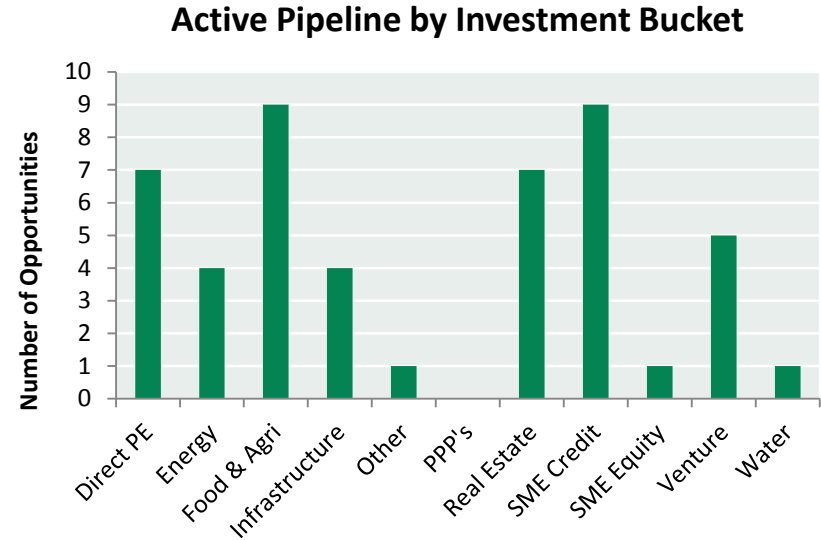
- Commercial investment mandate means “no soft money”

# Update & Progress



# Pipeline

Status	Number of Opportunities
Investments Made	30
Initial Engagements	67
Active Pipeline	47
Dormant Opportunities	39
Lapsed Deals	37
Declined Opportunities	82
<b>Total Engagements</b>	<b>302</b>



- The active pipeline consists of 47 opportunities across a diverse range of sectors as shown in the graph above.
- Typically opportunities range in size between €10 million and €100 million.

# Deployment

- Deployment over multi year period
  - Over next 3 to 5 years
  - Subject to opportunity set
  - Private markets investment inherently takes time
  - Long term investment takes time
- €7.4bn plus co-investment  $\approx$  10% of GDP
  - Important that ISIF does not “crowd out” private sector investors or “become the market”
- Deployment where ISIF can
  - Make a difference to a transaction
  - and
  - Deliver commercial return + economic impact
- €500m to €1bn expected deployment in 2015
  - i.e. €2.0bn to €2.5bn committed in total

# “Building Momentum & Relationships”

## Recent Investment Activity at ISIF



- Eoin Donnelly – Lily O’Brien’s
- David Moloney - Movidius
- John Mulholland – Kilkenny County Council
- Dermod Dwyer – The Convention Centre Dublin
- Dr. Adrian Howd - Malin

## The Power of Networks



- Paul Saunders - ISIF
- David Lam – WestSummit Capital
- Fergal O’Brien - IBEC
- Julie Sinnamon – Enterprise Ireland

## Working with ISIF



- Kieran Bristow – ISIF
- Michael Lee – ISIF
- Cathal Fitzgerald – ISIF
- Donal Murphy - ISIF
- Fergal McAleavey -ISIF



# “Building Momentum & Relationships”

Eugene  
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*Director - ISIF*

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# Recent Investment Activity at ISIF

David  
Moloney

John  
Mulholland

Dermod  
Dwyer

Eoin  
Donnelly

Movidius 



Dr. Adrian  
Howd





# Recent Investment Activity at ISIF

Eoin Donnelly

*Managing Director*



# Eoin Donnelly – Managing Director, Lily O'Brien's

- ISIF is a cornerstone investor in Carlyle Cardinal Ireland Fund
- The CCI fund has **assisted in our growth** & is helping us become leaders in our space
- Private Equity has brought a **focus** to the business beyond what we had before
- We have found a very positive impact **with the skills brought** through Private Equity involvement
- **Capital investment** has been made in our production facility for long term growth
- Having **Irish** investment is important for our brand

# Recent Investment Activity at ISIF

David  
Moloney

*CTO*



# Who Are We?

- **Our goal: to enable visual sensing in IoT devices**
  - E.g. Drones, Head-mounted displays, Wearables, Home Automation, Service Robotics
- **Irish company - founded in Ireland**
  - Design centers in: Dublin, Ireland; Timisoara, Romania; San Mateo, USA
  - Venture-backed: Atlantic Bridge, DFJ, Robert Bosch, China Ireland Growth Tech Fund, ARCH Ventures
  - Strong board: Dan Dobberpuhl, Takeo Kanade, David Tupman
- **Currently employing 75 staff, with 70 in R&D**
  - High performance multi-core, low-power microarchitecture design
  - Computational Imaging & Computer Vision
  - Funding will enable 100+ new top 1% Irish technology jobs over next 3 years
- **Enabling Visual Intelligence at the edge**
  - Disruptive architecture - new SoC called a VPU (Vision Processing Unit)
  - Strong IP position - 100% internally developed

# Myriad VPU Use



- Sense & Avoid
- GPS-denied hovering

## Head-Mounted Display



- 6DOF positional tracking
- depth sensing (gesture)



- Contextually-aware
- computational camera

## Surveillance Cameras



- Residential, Commercial Surveillance
- Detection & Identification

# Recent Investment Activity at ISIF

John  
Mulholland

*Acting Chief Executive*



Kilkenny  
County  
Council



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# Kilkenny County Council and ISIF.....Collaborating for Local Delivery

- Kilkenny County Council taking a more central role in local economic development and stimulating employment
- Local Authorities and ISIF have common mandate and mission. Potential hand in glove partnership
- Unique opportunity for employment creation and investment in 12 acre City Centre site at St Francis Abbey
- ISIF has written a letter of intent that, subject to provisos, it is interested in working with the Council to implement the initiative on a phased basis
- Commercial property development not our core business but key strategic opportunities will have a significant impact locally and could trigger renewed confidence in the employment market



# Recent Investment Activity at ISIF

Dermod  
Dwyer

*Executive Chairman*



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# The Convention Centre Dublin a Journey Through Transition

- *3 minute story - a tale of 2 halves...happy ending*
- **The CCD** - Why? What? A PPP with **OPW** as the Authority (2000/'05/'07/'10)
- Demise **SDDC/Treasury Holdings** - appointment of **Grant Thornton**
- 2012 to 2014 - continue to trade successfully - sorting and separating
- Early 2014 – a key challenge - Duty of care/stakeholders - Leave to chance?
- The introduction - to **NPRF** (now **ISIF**) - **AMP Capital**
- Understanding the uniqueness of the CCD asset – trading business with UC
- The Bidding Process Sept '14.... **IM**... short list... final bids... Jan 2015 - **IIF** successful as Preferred Bidder
- Now approvals - regulatory/**OPW**/Bank syndicate - a new, sustainable ownership
- The end – a long term alignment of interests between **ISIF/IIF** and stakeholders
- Appreciation – all the interested parties – sellers, the buyers, the banks and OPW and Clann CCD



**THE CONVENTION  
CENTRE DUBLIN**

# Recent Investment Activity at ISIF

**Dr. Adrian  
Howd**  
*CEO*



**MALIN**



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# Malin Corporation plc

- Irish based, ESM listed, global life sciences business
  - IPO raised EUR330m, ISIF invested EUR50m (c.15%)
- Malin applies long term capital + operational expertise to unique pre-IPO, pre-trade sale assets
  - Active involvement in our businesses to align capital/strategy and maximise shareholder returns
- Malin committed to Ireland and to ISIF
  - Invest EUR150m in at least 10 Irish companies and create 200 jobs in Ireland within 5 years



# The Power of Networks

Paul  
Saunders

David Lam

Fergal  
O'Brien

Julie  
Sinnamon



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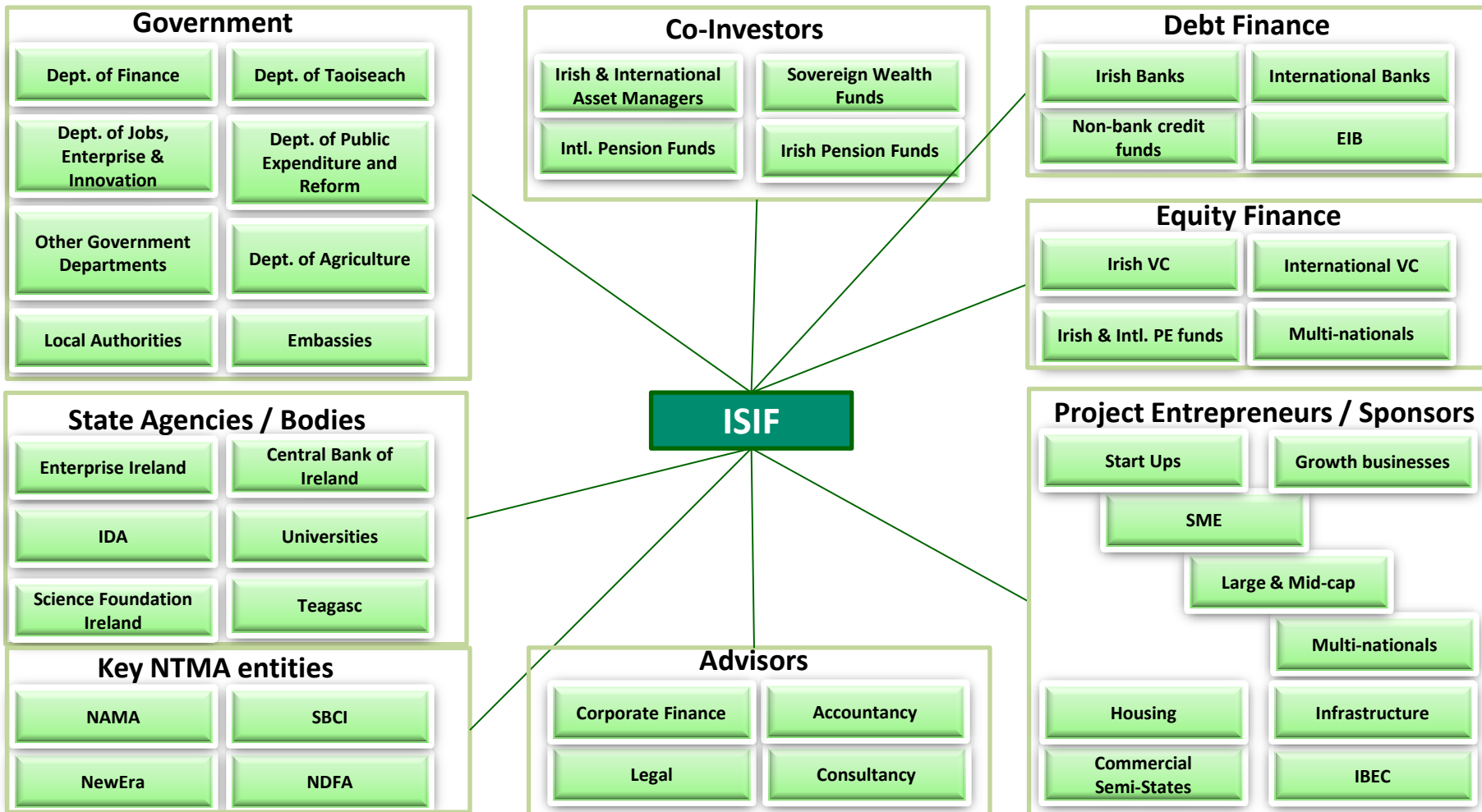
# The Power of Networks

**Paul Saunders**

*Head of Innovation*



# ISIF sits at the centre of an extensive and powerful network



# The Power of Connections

- **ISIF is uniquely positioned** to make connections, to uncover and develop opportunities that might otherwise not be realised
- We can connect public and private, national and international, business and financial, along value chains and across value chains
- ISIF can leverage this position to pull together multiple counterparties around complex, high-impact opportunities
- **How can we best use this network to deliver on our mandate?**





# The Power of Networks

**David Lam**

*Managing Director*



# China Ireland Bridge Model



# The Power of Networks

**Fergal O'Brien**

*Head of Policy &  
Chief Economist*



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# Ibec, The Benefits of Business Networks

- Ibec, our business is networks, 7,000 businesses, 60 trade associations, > 1 mn employees
- Specialist expertise works with business networks to shape better outcomes for companies and country
- Network with purpose, share best practice, unified approach
- Links with ISIF show benefit of problem solving through networks



# The Power of Networks

**Julie Sinnamon**

*CEO*



# The Power of Networks

## Enterprise Ireland

### Objectives:

- +40,000 new jobs by 2016
- +€5bn Exports by 2016
- Stronger eco-system
- Irish enterprise future-proofed

## ISIF

### Objectives:

Double bottom line:

- Economic Impact
- Investment Return



## Enterprise Ireland + ISIF



### Outcomes:

Stronger economic impact:

- ↑ Employment in Ireland
- ↑ Base of Irish companies of scale
- ↑ Positions in niche sectors globally
- ↑ World-class eco-system
- Other ISIF impacts
- Investment returns

# 'Big Ideas'

- **ISIF is looking to use these connections to create high impact opportunities**
- **Ideas and opportunities that:**
  - Have the potential to be 'transformative for Ireland'– strategic, significant scale and impact
  - Strong underlying drivers
  - Leverage Ireland's natural competitive advantages
  - Strong partners to help us deliver these opportunities
- The ISIF network is a significant advantage in the discovery and development of '**Big Idea**' **initiatives**, and enables ISIF to act as a **catalyst and shaper in this process**

# Where We'll Need Your Help

- What sectors, industries and innovations hold the greatest potential for 'Big Ideas' in Ireland?
- What partnerships will we have to develop to discover and build these 'transformational' opportunities?
- As part of the ISIF network, what can we do together to identify and build the ideas that will deliver significant impact over time?

**“Creativity is just connecting things”**

- Steve Jobs





# Working with ISIF

Michael  
Lee

Cathal  
Fitzgerald

Donal  
Murphy

Kieran  
Bristow

Fergal  
McAleavey



# Working with ISIF

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# Investment Strategy

## Core Elements

- Economic Impact
- Portfolio Diversification
- Transition Portfolio

## Transition Period (2014 – 18)

- Invest capital until required for Irish projects
- Earn modest return with focus on capital preservation
- Currently in research phase
- Portfolio in place early Q4



# Working with ISIF

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*Head of Origination &  
Co-Investor Development*

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# Investment Origination & Co-Investment Partnerships

- Unparalleled flexibility across products, structures and maturities
- Constructive co-investment partner with ability to leverage unique market positioning
- ISIF is an attractive partner for ambitious businesses
- Seeking investment opportunities across a broad range of industries



# Working with ISIF

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Fitzgerald

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Investments*

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# Food & Agricultural Investments

- Ireland has clear competitive advantages in the Food & Agri sectors; driven by climate, expertise and strong indigenous companies.
- We are exploring opportunities in all sub-sectors of the market
- Focused on:
  - Supporting Sustainable Growth Agenda
  - Supporting Scaling opportunities
  - Delivering Innovative Financing Solutions
- Strategic Long Term Partner for:
  - Industry
  - Stakeholders
  - Government
- Actively seeking Co-Investors



# Working with ISIF

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# Credit Investments

- Approach of the ISIF Team
  - Commercial assessment is key driver
- Senior Debt Markets
  - Increased liquidity – combination of domestic and international lenders
- Infrastructure and Energy
  - Active PPP and Wind Energy markets
- “Gap” financing role for ISIF
  - Cap on senior debt appetite and / or
  - Limit on equity available and / or
  - Long term / stable partnership
- Structuring flexibility brings additionality



# Working with ISIF

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*Head of Private Equity*

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# Private Equity

- Key ISIF attractions include
  - Invest across the capital structure (equity, mezz, debt)
  - Long term nature of investment/relationship – patient capital
  - Sector agnostic
- Sectors where ISIF currently sees greatest activity
  - SME finance, energy, food, real estate, VC, infrastructure, technology, healthcare
- Direct investment in emerging or established Irish companies with a strong growth focus
- Indirect investment primarily via funds focused on niche areas where funding is absent or limited



# Engaging with ISIF

- **Strong pipeline of opportunities:**
  - Engagement on in excess of 300 opportunities
  - 47 Active proposals in pipeline
- **“Open for Business”**
  - Investment proposals welcome, there is no “Application Form”
  - No specific criteria, just commercial risk adjusted return and economic impact
  - Early stage proposals and ideas welcome as we can be constructive in shaping the transaction
  - Strong, supportive partner for corporate Ireland
- **Contact Us:**
  - Presentation requests & follow-up queries to: [info@isif.ie](mailto:info@isif.ie)



# Engaging with ISIF

**Contact Us:**

[info@isif.ie](mailto:info@isif.ie)

**“Building Momentum & Relationships”**

**Thank you!**

