

Ireland Strategic Investment Fund

PANDEMIC STABILISATION AND RECOVERY FUND (PSRF)

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Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta
National Treasury Management Agency

Ciste Infheistíochta Straitéisí d'Éirinn
Ireland Strategic Investment Fund

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PANDEMIC STABILISATION AND RECOVERY FUND (PSRF)

- The Covid-19 pandemic has created significant challenges for businesses in Ireland with job losses, worldwide disruption and widespread uncertainty. In response to this the **Pandemic Stabilisation and Recovery Fund (PSRF)** will be set up as a sub-portfolio within the Ireland Strategic Investment Fund (ISIF).
- ISIF will make available up to €2 billion to the PSRF, the focus of which is to **invest on a commercial basis in medium and large scale enterprises**, which are significant employers, and which have been negatively and materially impacted by the pandemic.
- The focus will be on enterprises employing more than 250 employees or with annual turnover in excess of €50 million.
- Enterprises must be able to demonstrate their business was commercially viable prior to the Covid-19 pandemic, and that they can return to viability and contribute to the Irish economy.
- ISIF may consider investing in enterprises below these levels if they are assessed to be of substantial scale and of significant importance at national or regional level .
- Investments will need to yield a commercial and economic impact return in line with ISIF's statutory requirements.
- ISIF's investment approach will be complementary to other Government policy initiatives via agencies such as SBCI and Enterprise Ireland.

ISIF FUND UPDATE

Following a review by the Minister for Finance of potential supports for Ireland's economy during the Covid-19 pandemic, the Ireland Strategic Investment Fund has been asked to focus on investment in medium and large scale enterprises in Ireland through a Pandemic Stabilisation and Recovery Fund (PSRF).

ISIF's Fund Structure is set out below (current and future) which reflects the new PSRF sub-portfolio.

	ISIF End-April 2020	Forecast taking account of new PSRF sub- portfolio + withdrawals
Irish Portfolio	2.7	2.7
Undrawn Irish commitments <i>Reserved amount</i>	1.2	1.2
Global Portfolio	2.0	0.0
Pandemic Stabilisation and Recovery Fund <i>Reserved amount</i>	0.0	2.0
Reserved for withdrawals: Home Building Finance Ireland	0.7	
Land Development Agency¹	1.3	
Discretionary Portfolio	7.9	5.9
Directed Portfolio	2.9	2.9
ISIF	10.8	8.8

¹ Transfer to the Land Development Agency subject to legislation/Ministerial Direction

ELIGIBLE BUSINESSES

BUSINESS SIZES

- ISIF will prioritise investment in medium to large scale enterprises that employ in excess of 250 employees or that have annual turnover in excess of €50 million.
- ISIF will seek to invest in businesses that have been clearly and materially impacted by the pandemic and are of scale in terms of employment and economic activity, or are of national or regional significance.
- ISIF will consider investment in enterprises below these levels if they are deemed to be of substantial scale and of significant importance at a national or regional level.

SECTORS

- All sectors will be considered subject to ISIF's Responsible Investment Policies.
- The business does not currently need to align with ISIF's existing Priority Themes of Regional Development, Housing, Indigenous Businesses, Climate Change, Brexit.

VIABILITY

- Businesses must have proven business models that were viable and profitable prior to the impact of Covid-19 and must be assessed to have a viable long term future post Covid-19.

EXISTING PORTFOLIO

- ISIF will continue to engage with and support its existing investments through this period.

APPROACH TO INVESTMENT

GENERAL APPROACH

- ISIF will leverage its key strengths to support medium and large scale businesses in Ireland, to underpin the recovery and ensure an appropriate return for the State.

COMMERCIAL INVESTOR

- Capacity for long term time horizon
- Flexibility (across types of investment, capital structure, instrument, risk levels etc.)
- Patient capital, non-controlling / minority investor
- Track record, investing across a wide range of sectors
- Ability to work with co-investors

CO-INVESTMENT

- Where existing shareholders have capital available, they will be expected to meaningfully participate alongside ISIF in any recapitalisation.
- ISIF welcomes new co-investment partners where there is significant alignment with 3rd party capital

DOUBLE BOTTOM LINE

- Commercial return and economic impact remain core to the ISIF mandate:
- ISIF will only invest on a commercial basis, in enterprises that present viable business models in the medium to long term
- ISIF's economic impact focus will shift more towards near term economic stimulation and employment, with a view to support stabilisation and recovery of the Irish economy.
- ISIF will invest on a commercial basis to enable otherwise viable medium and large scale businesses to sustain themselves in the near term, irrespective of their sector, and for these businesses to deliver ongoing growth through their ability to persist and support employment over the medium term.

ENGAGING WITH THE ISIF TEAM

If you think your business would be suitable for PSRF investment ...

... please contact us at psrf@isif.ie

- Further information on the PSRF is available via the ISIF website <https://www.isif.ie/>
- Following receipt of your enquiry an ISIF team member will be in touch with you as soon as possible.
- *Please provide contact details for a dedicated point of contact within your business so that the ISIF team may contact you.*



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