



Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta
National Treasury Management Agency

Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach

Pre-legislative Scrutiny of the General Scheme of the Future Ireland Fund and Infrastructure, Climate and Nature Fund Bill

22 November 2023

Agenda



Organisational Structure

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New Funds (FIF / ICNF)

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Summary of Funds

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Responsible Investment

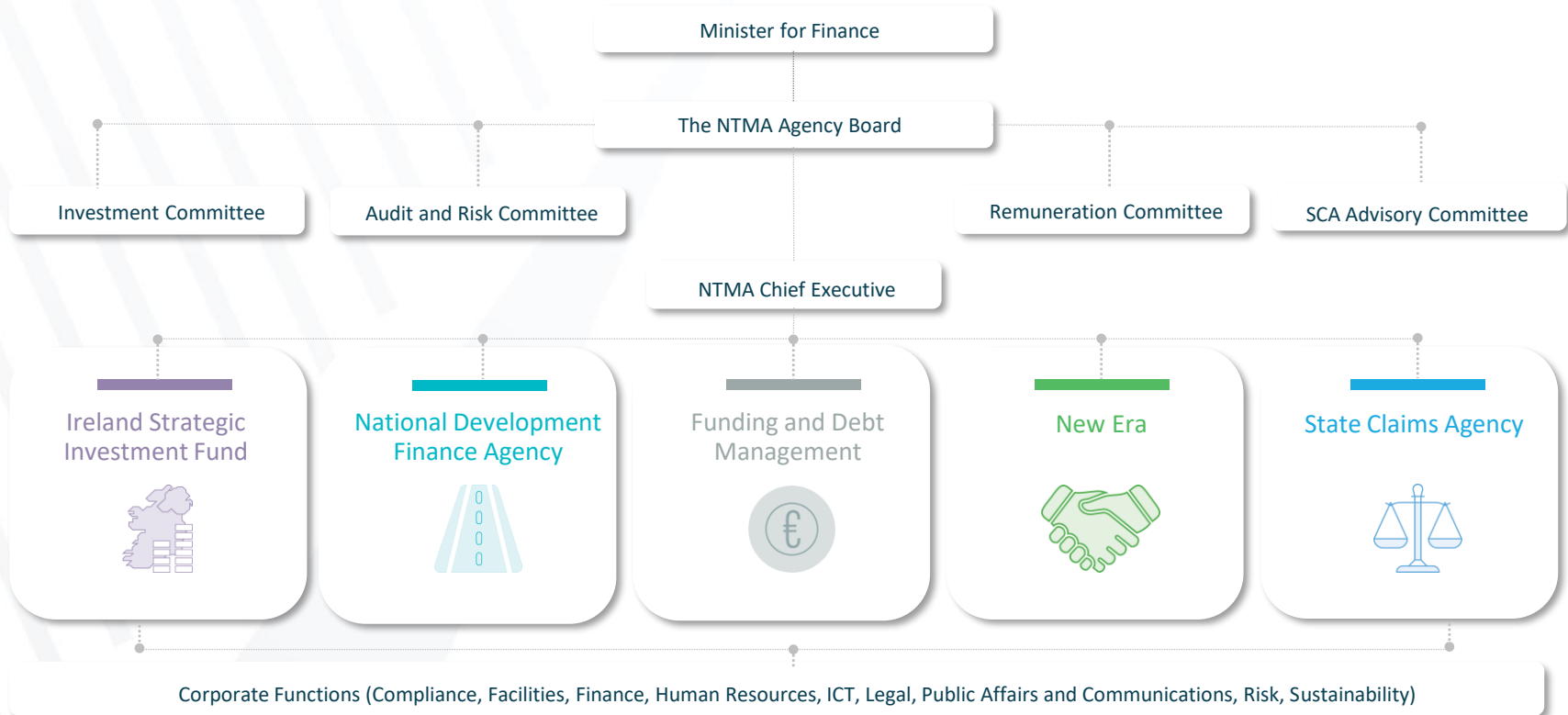
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Comparable International Funds

07

Organisational Structure¹



1: Excludes affiliates who have their own Boards

New Funds



Future Ireland Fund

- Long-term
- Aims to assist in dealing with future expenditure pressures, including aging, climate and digitalisation
- Forecast of approximately €70bn in contributions by 2035



Infrastructure, Climate and Nature Fund

- Shorter-term
- Aims to ensure that capital spending is maintained in the event of an economic shock, and to provide funding for projects that will contribute to the achievement of climate and nature goals.
- Investment of €2bn to be added each year from 2024 to 2030

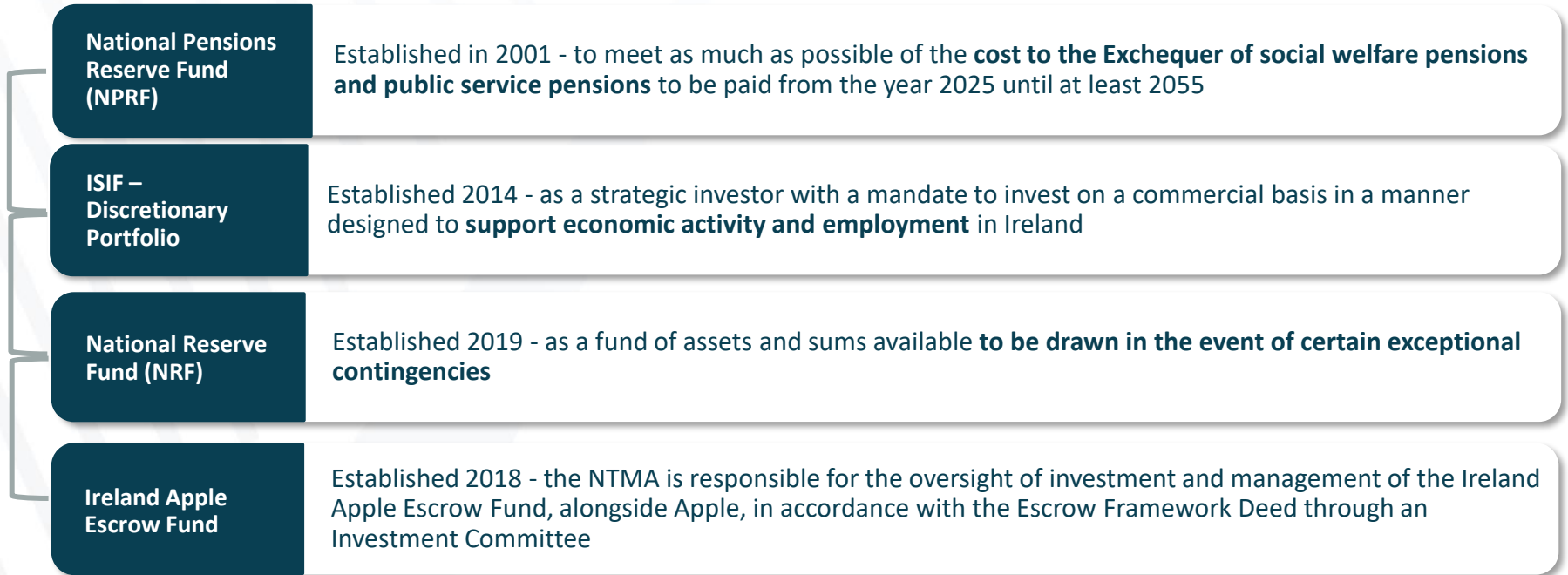
The NTMA is **supporting the Department** of Finance's work in establishing the new funds announced by the Minister.

The **NTMA, through ISIF** and its predecessor the National Pensions Reserve Fund is an **experienced long term commercial investor**.

The NTMA has grown from a **single function** as a sovereign borrower to a manager of a **wide-ranging portfolio of State assets and liabilities**. The many additional mandates entrusted to the Agency by Government over that period demonstrates the **scalable, flexible operational platform** in place.

The NTMA will continue to work closely with the Department as the **necessary enabling legislation** is put in place, to optimise arrangements for the **establishment and management of the new funds**.

Summary of Funds



National Pensions Reserve Fund (NPRF)	Established in 2001 - to meet as much as possible of the cost to the Exchequer of social welfare pensions and public service pensions to be paid from the year 2025 until at least 2055
ISIF – Discretionary Portfolio	Established 2014 - as a strategic investor with a mandate to invest on a commercial basis in a manner designed to support economic activity and employment in Ireland
National Reserve Fund (NRF)	Established 2019 - as a fund of assets and sums available to be drawn in the event of certain exceptional contingencies
Ireland Apple Escrow Fund	Established 2018 - the NTMA is responsible for the oversight of investment and management of the Ireland Apple Escrow Fund, alongside Apple, in accordance with the Escrow Framework Deed through an Investment Committee

Responsible Investment

- The NTMA through the Ireland Strategic Investment Fund (ISIF) has a longstanding commitment 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 Sustainable and Responsible Investment Strategy (S&RIS) informs how ISIF achieves its mandate and how it behaves as an investor and as a steward of public assets
- As part of the investment strategy for the Future Ireland Fund and the Infrastructure, Climate and Nature Fund, the NTMA will consult with the Minister for Finance on how it incorporates responsible investment and exclusions
- ISIF (formally NPRF) was a founding signatory of the UN Principles of Responsible Investment

Signatory of:



1 WE WILL
INCORPORATE
ESG ISSUES INTO
INVESTMENT
ANALYSIS AND
DECISION-MAKING
PROCESSES.

2 WE WILL
BE ACTIVE
OWNERS AND
INCORPORATE
ESG ISSUES INTO
OUR OWNERSHIP
POLICIES AND
PRACTICES.

3 WE WILL SEEK
APPROPRIATE
DISCLOSURE ON
ESG ISSUES BY THE
ENTITIES IN WHICH
WE INVEST.

4 WE WILL
PROMOTE
ACCEPTANCE AND
IMPLEMENTATION
OF THE PRINCIPLES
WITHIN THE
INVESTMENT
INDUSTRY.

5 WE WILL
WORK
TOGETHER TO
ENHANCE OUR
EFFECTIVENESS
IN IMPLEMENTING
THE PRINCIPLES.

6 WE WILL EACH
REPORT ON
OUR ACTIVITIES
AND PROGRESS
TOWARDS
IMPLEMENTING
THE PRINCIPLES.



Comparable International Funds

Australia Future Fund

- Generating reserves to help meet the upcoming rise in unfunded liabilities from an ageing population.
- Funded 2006, size €125bn.
- Withdrawals expected from 2026.

New Zealand Super Fund

- Provide funding for the increased future cost of universal pension payments.
- Funded 2001, size €30bn.
- Ongoing government contributions to mid 2030s, value expected to peak in mid 2070s.

AP4 Sweden

- Contribute to the financial security of current and future pensioners by managing part of the national pension system's buffer capital.
- Funded 1974, size €45bn.
- Surplus/deficit between paid-in/out pension contributions and pensions transferred to/from the buffer funds.

Alaska Permanent Fund

- Save a portion of the State's oil revenues for the needs of future generations.
- Funded 1976, size €40bn.
- Distributes a portion of the earnings to Alaskans annually in the form of a dividend.



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