

## **STATEMENT BY IFSWF CHAIR ON SANTIAGO PRINCIPLES AND THE PURPOSE OF SOVEREIGN WEALTH FUND INVESTMENTS**

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The Managing Director of Kuwait Investment Authority and Chair of the International Forum of Sovereign Wealth Funds (IFSWF), Mr Bader M. Al Sa'ad, has reiterated that the Santiago Principles, which were agreed in October 2008, have established a robust set of generally accepted practices for Sovereign Wealth Funds (SWFs). Its signatories have voluntarily endorsed investing on the basis of maximising risk-adjusted returns, and on economic and financial grounds.

Mr Al Sa'ad was responding to recent news commentary\* on the investment activity of Sovereign Wealth Funds. The commentary included a view that 'some kind of code of practice' was necessary to avoid sovereign investors distorting markets with their capital flows.

Mr Al Sa'ad said: "The Santiago Principles have already established generally accepted principles and practices for Sovereign Wealth Funds. Investing on the basis of maximizing risk-adjusted returns, and on economic and financial grounds, is key among the 24 Principles that IFSWF members voluntarily endorse as part of their IFSWF membership".

"Long-term investment focussed on genuine economic value stabilises global financial markets, as adequately demonstrated by the recovery from the global financial crisis. As stable and long-term sources of investment capital, our member SWFs can invest counter-cyclically and so offer liquidity to markets when other sources are unwilling or unable to provide it", Mr Al Sa'ad said.

Mr Al Sa'ad further added: "IFSWF members spend significant time discussing best practice in long-term investment; and in sharing knowledge and experience about maximising risk-adjusted returns across all asset classes. IFSWF welcomes sovereign investors meeting our membership requirements to join us and participate in those discussions."

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Note: (\*): <http://uk.reuters.com/article/2014/09/08/uk-sovereign-investment-analysis-idUKKBN0H31P320140908>

*About the IFSWF: IFSWF is a global network of sovereign wealth funds established in 2009 to exchange views on issues of common interest and to facilitate an understanding of SWF activities and of the Santiago Principles. The Santiago Principles is a framework of principles and practices voluntarily endorsed by IFSWF members. The emphasis is on appropriate governance and accountability arrangements and sound, prudent conduct of investment practices. For more information on IFSWF and the Santiago Principles, please see [www.ifswf.org](http://www.ifswf.org)*