

# The International Forum of Sovereign Wealth Funds

## Overview Presentation

## IFSWF is a global nonprofit organization of 30 SWFs

Members are bound by our common belief that the Santiago Principles add value for our owners and stakeholders.

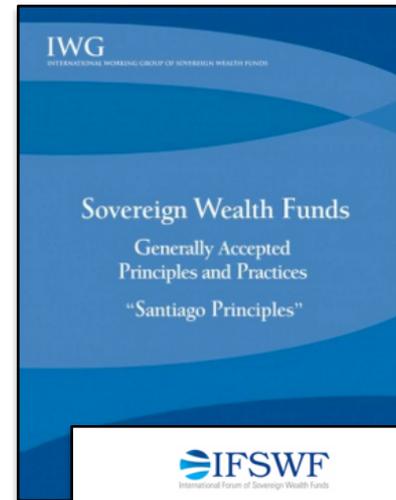
IFSWF fulfills three core functions:

- **Standard Setting** - Encouraging good governance and ongoing commitment to the Santiago Principles
- **Knowledge sharing** – helping to raise expected risk-adjusted investment returns of members
- **Representation** – engagement and collaboration with global financial and policy institutions

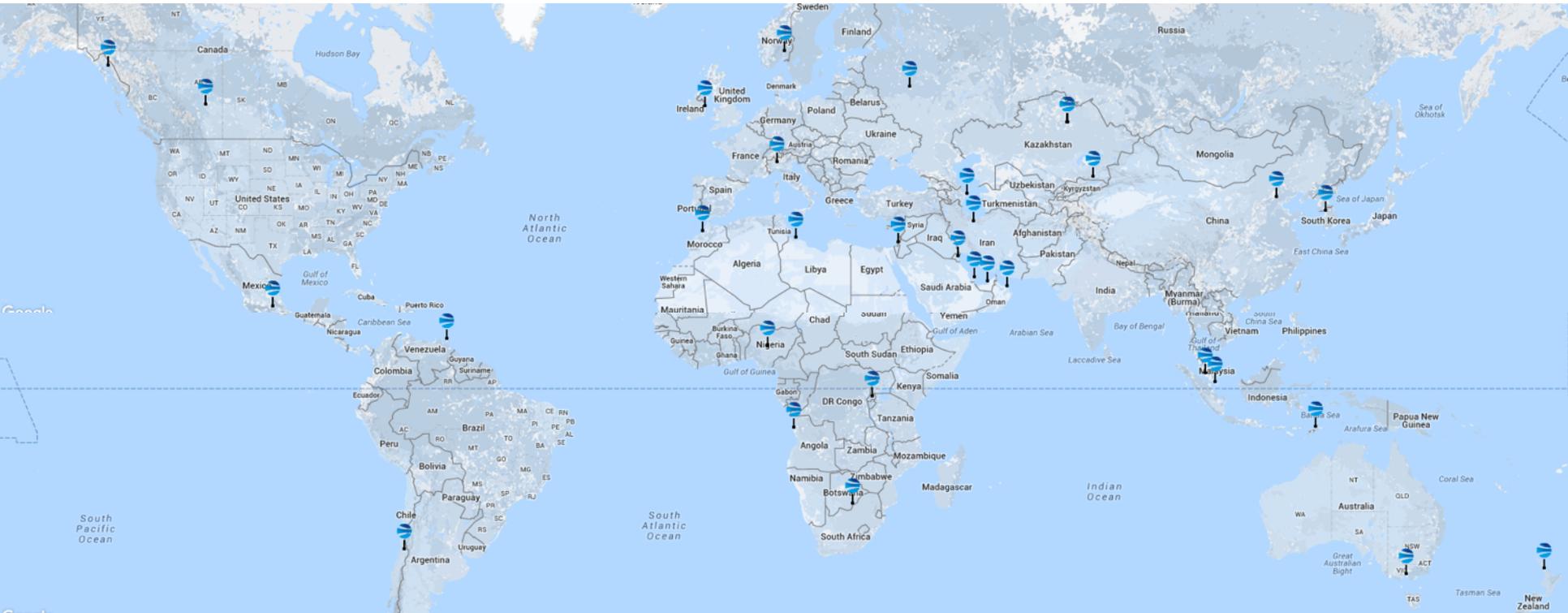


# IFSWF is distinguished by its foundation in official policy and the Santiago Principles

- The Santiago Principles were established by SWFs and incorporate input from IMF, World Bank, OECD, and investment recipient countries. They cover:
  - Objectives and coordination with economic policy
  - Institutional framework and governance structure
  - Investment and risk management
- IFSWF members use the Santiago Principles to:
  - Benchmark their practices and structure
  - Serve as a framework for peer learning
  - Continuously improve investment and economic outcomes
- Santiago Principle implementation is increasing
  - Members are drafting HBS-style case studies on the value of implementation
  - As of August 2016, 26 of 30 members have completed self-assessments



## The Forum has a Global Membership



- 30 member funds
- Leading funds from all regions
- Representing 2/3 of global SWF assets
- Including around one third of SWFs globally

# IFSWF Members



KHAZANAH NASIONAL



## Our Board is prominent and global



**Adrian Orr**  
**IFSWF Chair**  
Chief Executive Officer,  
New Zealand  
Superannuation Fund



**Majed Al Romaihi**  
**IFSWF Deputy  
Chair**  
Executive Director of  
Real Estate and  
Infrastructure,  
Abu Dhabi Investment  
Authority



**H.E. Sheikh Abdulla Bin  
Mohammed Bin Saud Al-  
Thani**  
**Board Member**  
CEO,  
Qatar Investment Authority



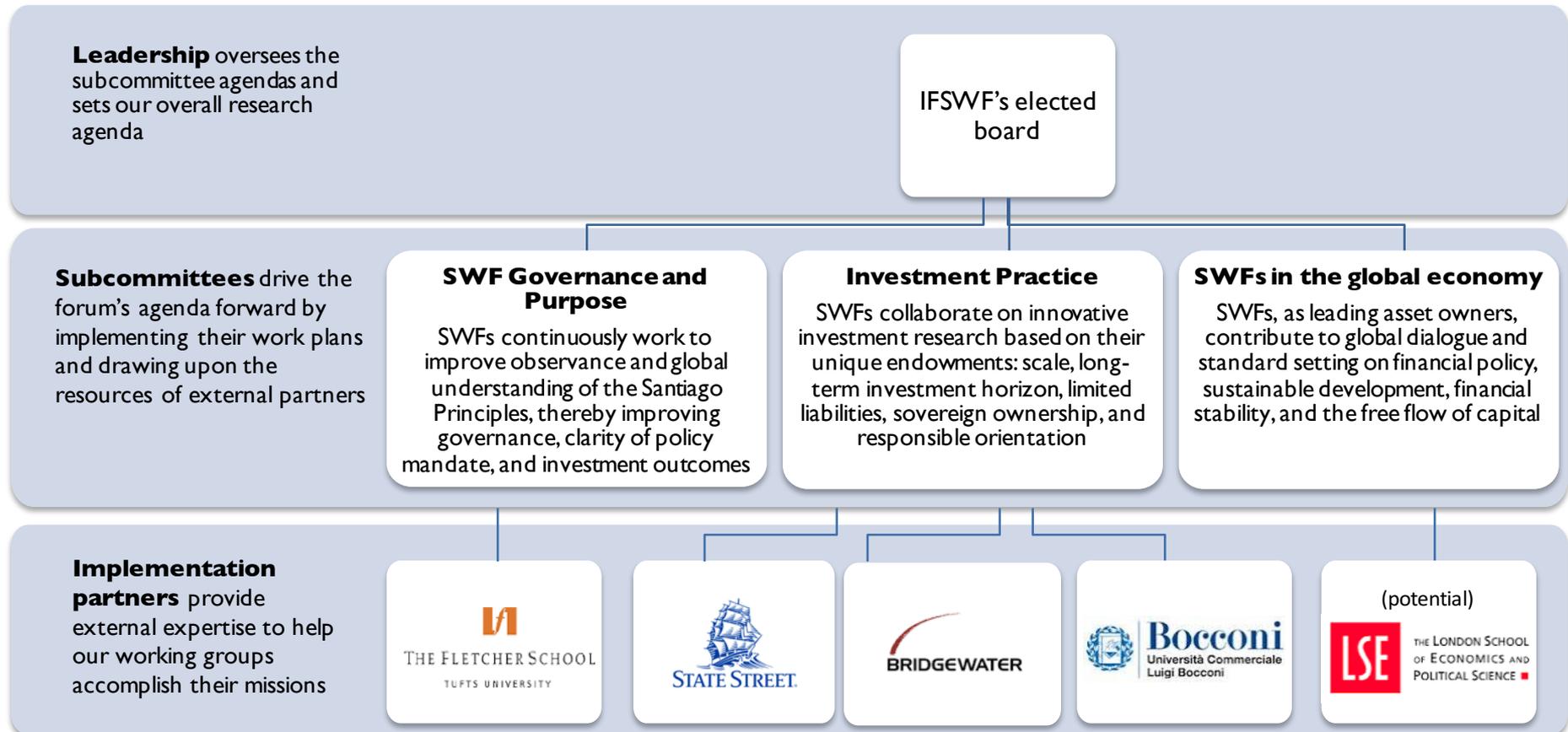
**Li Keping**  
**Board Member**  
Vice Chairman, President, and  
Chief Investment Officer,  
China Investment Corporation



**Deanna Ong**  
**Board Member**  
Company Secretary and  
Managing Director,  
GIC Private Limited

- Meets quarterly
- Leading our working groups
- Elected by the membership to 3 year terms
- Representing varying SWF sizes and functions

## Member subcommittees drive the Forum's agenda



## SCI focuses on SWF governance and purpose

- **Mission**
  - SCI works to improve IFSWF members observance and global understanding of the Santiago Principles, thereby continuously improving governance, clarity of economic policy mandate, and investment outcomes.
- **Supporting beliefs**
  - The Santiago Principles create value for SWFs and their global stakeholders
  - Clarity of mandate and integration into economic policy help an SWF accomplish its mission
  - The Santiago Principles serve as a platform for peer learning and knowledge exchange
  - Santiago Principle implementation strengthens the entire SWF community
- **Specific activities and outputs**
  - HBS-style case study analysis on how members implement the SPs, and how they add value
  - Structured peer assistance to aid members, new SWFs, and policymakers in Santiago Principle observance
  - Rigorous, member-led self assessment to demonstrate our commitment to the Santiago Principles
  - Academic analysis of the Santiago Principles, governance, and policy mandates for strategic investors
  - Academic analysis of the role and value of the Santiago Principles in a global governance context

**SCI Leadership**




**SCI Membership**









**SCI Implementation Partners**



THE FLETCHER SCHOOL  
TUFTS UNIVERSITY

## SC2 focuses on investment practice

- **Mission**
  - SC2 collaborates on innovative investment research based on SWFs’ unique endowments: scale, long-term investment horizon, limited liabilities, sovereign ownership, and responsible orientation.
- **Supporting beliefs**
  - SWFs are commercially oriented, best practice investors
  - A long-term investment horizon improves investment outcomes
  - Collaboration among like-minded investors improves investment capabilities
- **Specific activities and outputs**
  - Collaborative research among our members
  - Creation of a database of SWFs SAA, transactions, and investment flows
  - Provision of data and investment insights to academic researchers
  - Publications and case studies on the nature of SWF investments
  - Collaborative research with external stakeholders
  - Support for mutual peer assistance as requested by members

**SC2 Leadership**



Fondo Strategico Italiano



中国投资有限责任公司  
CHINA INVESTMENT CORPORATION

**SC2 Membership**

**NEW ZEALAND  
SUPERANNUATION  
FUND**





Heritage Fund





الهيئة العامة للاستثمار  
Kuwait Investment Authority

**FMDT futurefund**

Australia's Sovereign Wealth Fund

**kic** Korea Investment Corporation



State General Reserve Fund  
Ministry of Finance



صندوق الاستثمار الفلسطيني  
PALESTINE INVESTMENT FUND

**SC2 Implementation Partners**



**Bocconi**  
Università Commerciale  
Luigi Bocconi



STATE STREET



BRIDGEWATER

## SC3 considers the role of SWFs in the global economy

- **Mission**
  - S3 contributes the perspective of SWFs, as leading asset owners, to global dialogue and standard setting on financial policy, sustainable investment, financial stability, and the free flow of capital.
- **Supporting beliefs**
  - SWFs are responsible participants in the global investment community
  - SWF investments benefit both their owners and global stakeholders
  - Collaboration on investment issues by asset owners improves outcomes for society
  - SWFs provide liquidity, counter-cyclical investment and are engaged asset owners
- **Specific activities and outputs**
  - Creating a database of SWF-relevant policies, guidelines, and regulations
  - Building relationships with stakeholders to advance IFSWF's beliefs
  - Active Communication on the nature of SWFs and the purpose of IFSWF
  - Strengthening SWF relationships with other like-minded investors
  - Publishing research on the role of SWFs in the global economy

### SC3 Leadership



### SC3 Membership



### SC3 Implementation Partners

(Potential)



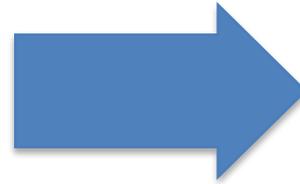
## ANNUAL WORKCYCLE

### Q4 Year End Annual Meeting

Hosted by IFSWF and NZSF in Auckland 8-11 November 2016



8<sup>TH</sup> ANNUAL MEETING | NEW ZEALAND 2016



### Q1 Santiago Principles Workshop

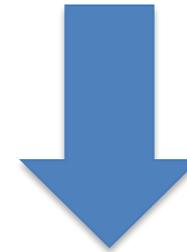
Hosted by SC1 in cooperation with the Fletcher School in Baku, Azerbaijan 1-2 March 2016



State Oil Fund of the Republic of Azerbaijan



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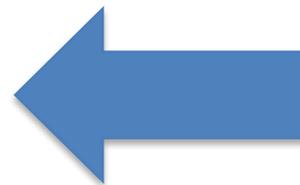


### Q3 SWFs in the Global Economy Workshop

Hosted by SC3 and the London School of Economics in London fall 2016 (tentative)



THE LONDON SCHOOL  
OF ECONOMICS AND  
POLITICAL SCIENCE



### Q2 Investment Practice Workshop

Hosted by SC2 and Bocconi University in Milan, Italy 30 June 2016



Fondo Strategico Italiano



**Bocconi**  
Università Commerciale  
Luigi Bocconi

## IFSWF's workshops allow members to share good practices

- Workshops provide an opportunity for knowledge sharing with trusted peers
  - Small closed-door sessions promote open and in-depth discussion
  - IFSWF members and invited experts only
  - Member-driven agenda and content
  
- 2016 workshops and co-sponsored events:
  - Santiago Principles on 1-2 March 2016 hosted by the State Oil Fund of Azerbaijan
  - Investment Strategies on 30 June 2016 hosted by Bocconi University
  - Global Economy in late September hosted by LSE (tentative)
  - Infrastructure on 6 October 2016 hosted by the Fletcher School
  - Several workshops at IFSWF Annual Meeting



## The annual meeting is an opportunity for exchange of experiences and knowledge growth

- Members engage with select policymakers, academics, and private sector. Examples include:
  - Policy: IMF, World Bank, OECD, US Treasury, European Commission, IIF, etc.
  - Academia: Bocconi, The Fletcher School, London School of Economics, etc.
  - Private Sector: top level representation from leading asset managers and consultancies
- Members lead the agenda and content:
  - Case study presentations by members
  - Knowledge-sharing workshops for members
  - Presentations and keynotes by global leaders in investment and policy



# IFSWF's 2016 Annual Meeting will showcase the SWF response to climate change

**Theme:** Investing in a Climate of Uncertainty: The SWF Response

*Dates:* 8 November – 11 November

## **November 8: A day of member workshops**

- Governing the Investment Mandate
- Benchmarking
- Performance Measurement and Incentives
- Strategic Investment
- Infrastructure Showcase
- Investment Opportunities in Africa

## **November 9-10: Panels and presentations**

- Global macroeconomic outlook
- Climate change and climate policy: portfolio risks
- Climate change and climate policy: Investment opportunities
- Purpose and practice of SWFs: Governance and mandate
- The New Zealand Story: Aotearoa Unlimited
- The New Zealand Story: Maori Economic Development

## **November 11: Networking day**



8<sup>TH</sup> ANNUAL MEETING | NEW ZEALAND 2016



## IFSWF manages peer assistance projects for members



### Project details:

- **Costs** – Vary based on project scope and the external consultant hired
- **Available IFSWF Resources** – IFSWF draws up on the expertise of its 30 members, academic partnerships, private sector relationships, and network of independent consultants
- **Project Outputs** – Each project produces a bespoke report for the sponsoring member. Additionally, IFSWF creates a case study of best practices for each project

### Purpose of this case study:

- Build knowledge base for IFSWF members
- Highlight some of the key findings from this project
- Showcase IFSWF

## Joining IFSWF is a four step process

1. **Endorsement of the Santiago Principles**
  1. Santiago Principles self-assessment
  2. Commitment to continuously improving implementation
  
2. **Adherence to IFSWF's Members' Agreement**
  1. Submission of the application form
  2. Commitment to upholding the duties of membership
  
1. **Due diligence by the Secretariat**
  1. Research and visit by the Secretariat
  2. Review of SWF status
  
2. **Acceptance by the Board**
  1. Formal review by the board
  2. Payment of the membership fee



# Appendix



## Previous IFSWF Annual Meetings

2015 Italy



2014 Qatar



2013 Norway



2012 Mexico



2011 China



2010 Australia



2009 Kuwait Special Session



2009 Azerbaijan



## Our history and our future

- The IFSWF has evolved from an informal working group to an active membership organization headquartered in the City of London



- Ten members have joined IFSWF since we began accepting new members in 2014



## Contact the Secretariat



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