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Minutes of IFSWF Board Meeting on
10 May 2016

1. Board Meeting on 10 May 2016

- 1.1 This note records the IFSWF Board meeting held on 10 May 2016 at 1 Cornhill, London, EC3V 3ND. The meeting agenda is found in Appendix 1.

Attending:

- Mr Adrian Orr, IFSWF Chair
- Mr Majed Al Romaithi, IFSWF Deputy Chair
- Mr Li Keping, IFSWF Board Member (telephone)
- Ms Deanna Ong, IFSWF Board Member
- H.E. Sheikh Abdullah Bin Mohammed Bin Saud Al-Thani, IFSWF Board Member

Recording:

- Mr Duncan Bonfield (Secretary to the Board)
- Mr Bayasgalan Rentsendorj
- Mr Adam Robbins

2. Minutes

- 2.1 The Board approved the Agenda of the meeting.

- 2.2 The Board noted the report from the Acting Chief Executive:

Dashboard – the secretariat introduced an updated reporting dashboard which will be sent to the Board quarterly. The Board requested a summary dashboard to be posted on the Members Hub of ifswf.org.

The Board noted the progress of work plans for SC1 and SC2 and the review by SC3 of its workplan.

The Board noted the progress of the digital strategy and specifically the planned project to redevelop the Members Hub in time for the Annual Meeting in Auckland.

The Board noted the improved communications with members via the Chair's monthly newsletter.

The Board noted that the current agreement for the Forum's office accommodation expires in June 2017 and expressed a preference to stay within the City of London ahead of greater London.

The Board noted that relationships with US Treasury and EBRD are a priority for the Forum.

- 2.3 The Board reviewed the update to the Strategic Plan which focuses the secretariat on improving productivity and turning the Board's three year Strategic Plan into action.

Contained in the plan were proposed refinements to the operations of the sub-committees:

- to evolve the terms of reference
- to improve accountability to the Board and engagement with the sub committees
- to implement a more formal annual calendar of activity, planning and decision-making, culminating in the Annual Meeting

The plan also proposed a clear three part operating strategy for the secretariat, focused on:

- *output* – e.g. knowledge-sharing workshops, events and web-based interactions
- *outsource* – keeping the secretariat lean, with third parties providing expertise and resource to aid speed of delivery.
- *outreach* - secretariat to manage contact and relationships with members and key external audiences energetically

The plan also called for the creation of the (virtual) IFSWF Research Centre for all its commissioned research and data supported by a two year commitment to research programmes with Bocconi and Fletcher School, Tufts.

The plan also reviewed the potential creation of an IFSWF dataset by an academic partner.

The plan requested two additional administratively-focused staff for the secretariat.

2.4 **In its discussion and debate** on the update to the Strategic Plan, the Board raised a number of points, notably:

The need for a balanced commitment from Board members to sub-committee work. Board members concluded that they can best contribute through an advisory and reporting role, though looking to involve their organisations more extensively when required.

The importance of developing the IFSWF brand and intellectual capital through its research programme, rather than funding external research centres. The Board also requested a three year budget projection to include new commitments.

The Board emphasised the rationale for having a US-based academic partner because of the importance of the US market to members. In further discussion, the Board also expressed a desire to review the academic partnerships after two years with a view to ensuring the highest academic standards and potentially expanding into new geographies.

The Board requested a more detailed paper on evaluating an IFSWF dataset and its core purpose and usefulness before a decision is made on whether to pursue the project. The paper will take into account the need to respect member confidentiality requirements.

2.5 **The Board made a number of decisions** around the update to the Strategic Plan:

Approval of the refinement of the Terms of Reference for the sub-committees, subject to member review at the Annual Meeting (see Appendix II)

Approval of the annual work plan and reporting cycle for the committees (see Appendix III).

Approval for the establishment of the IFSWF Research Centre (virtual) on www.ifswf.org.

Approval of a two year academic research programme (2017/18) funded from reserves, of up to £50,000 per annum per institution, subject to Board stage-gate authorisation.

Approval of additional administrative resource for the secretariat to a maximum (overall cost of employment) of £120,000 per annum for two roles as soon as possible. The Board emphasised the need for a creative approach to recruitment to deliver best resource.

2.6 The Board noted the progress update on the Annual Meeting in Auckland.

3. Other Business

3.1 The Board:

noted the upcoming IFSWF endorsed Milan workshop (30 June), organised by Bocconi and agreed to further promote internally.

agreed to actively host a day for IFSWF CEO to visit each headquarters to improve strength and depth of contacts.

3.2 The next Board meeting is scheduled for 0700-0900 on 11 August (by conference call)

3.3 The Chair closed the meeting at 1200.

3.4 Following the meeting, there was an informal Board lunch to introduce the London School of Economics.

Appendix 1:

IFSWF BOARD MEETING

AGENDA - 10 May 2016

From 10:00 - 12:00 followed by Board lunch from 12:00-13:00 in London
(All London time)

10.00 - 10.05	1	Chair's Welcome and Approval of Agenda
10.00 - 10.05	2	Disclosure of Interests
10:05 - 10:15	4	Board Only Time
10:15 - 10:30	5	Acting Chief Executive's Report (For Noting)
10:30 - 10.45	6	Dashboard
10:45 - 11:05	7	Update to Strategic Plan (for approval)
11:05 - 11:25	8	Research Proposal from Bocconi University/Sovereign Investment Academy (for approval)
11:25 - 11:45	9	Research Proposal from Fletcher School Tufts University (for approval)
11.45 - 11:55	10	Final programme for 8th Annual Meeting in Auckland (for noting)
11:55 - 12:00	11	Other Business

Break 12.00pm to 12.30pm

12:30 - 13:30	12	Board lunch in London with London School of Economics
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Appendix II: Committee Terms of Reference

SC Guidelines	Subcommittee 1 on the SWF Governance and Purpose	Subcommittee 2 on Investment Practice	Subcommittee 3 on the International Investment Environment
Mission	Mission	Mission	Mission
What the SC aims to accomplish	SC1 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.	SC2 collaborates on innovative investment research based on their unique endowments: scale, long-term investment horizon, limited liabilities, sovereign ownership, and responsible orientation.	SC3 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	Supporting Beliefs	Supporting Beliefs	Supporting Beliefs
Views the SC members hold in common	The Santiago Principles create value for SWFs and their stakeholders	SWFs are commercially oriented, best practice investors	SWFs are responsible participants in the global investment community
	Clarity of mandate and integration into economic policy help an SWF accomplish its mission	A long-term investment horizon improves investment outcomes	SWF investments benefit both their owners and global stakeholders
	The Santiago Principles serve as a platform for peer learning and knowledge exchange	Collaboration among like-minded investors improves investment capabilities	Collaboration and thought leadership to inform policy and regulatory reforms
	Santiago Principle implementation strengthens the entire SWF community		SWFs provide liquidity, counter-cyclical investment and are engaged asset owners
Specific Activities and Outputs	Specific Activities and Outputs	Specific Activities and Outputs	Specific Activities and Outputs
Research papers x4	Harvard Business School-style case study analysis on how members implement the SPs, and how they add value	Collaborative research among our members	Creating a database of SWF-relevant policies, guidelines, and regulations
Knowledge-sharing workshop x1	Structured peer assistance to aid members, new SWFs, and policymakers in SP observance	Creation of a database of SWF key data such as SAA, transactions, and investment flows	Building relationships with policy organizations to inform regulatory and policy discussions
Annual event presentation X1	Rigorous, member-led self assessment to demonstrate our commitment to the SPs	Provision of data and investment insights to academic researchers	Active communication on the nature of SWFs and the purpose of IFSWF
Annual event workshop x1	Academic analysis of the SPs, governance, and policy mandates for strategic investors	Publications and case studies on the nature of SWF investments	Strengthening SWF relationships with other like-minded asset owners

Web-based member surveys and research

Academic analysis on the role and value of the SPs in a global governance context

Collaborative research with external stakeholders

Publishing research on the role of SWFs in the global economy

Operation via the new members hub

Support for mutual peer assistance as requested by members

APPENDIX III Annual Cycle for Sub Committees

