



International Forum of Sovereign Wealth Funds

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Sovereign Wealth Funds Invest for Resilience in Challenging Times

Investing for Resilience: IFSWF Annual Review 2019

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London, 9 June 2020 – Today, the International Forum of Sovereign Wealth Funds (IFSWF), a global network of sovereign wealth funds from nearly 40 countries, releases *Investing for Resilience*, its annual review of sovereign wealth funds' investment activity in 2019.

Drawing on IFSWF's proprietary dataset of direct equity investments made by more than 70 sovereign wealth funds globally, the analysis reveals that sovereign wealth funds were facing mounting headwinds to investing directly in 2019. Rising geopolitical tensions, slowing global economic growth, less-liquid stock markets and increasing competition in the private equity markets, all contributed to an increasingly challenging investment environment. As a result, the value of equity stakes taken by sovereign wealth funds last year dropped to \$35 billion from \$43.3 billion in 2018.

The 2019 IFSWF annual review also reveals that while the investment climate may have been challenging, sovereign wealth funds were searching for opportunities in sectors, such as enterprise software and services and biotechnology, which have proved more resilient to the Covid-19 crisis, while their interest in sectors such as industrials and financial services that have been hard-hit by the crisis waned.

Duncan Bonfield, Chief Executive of IFSWF said, “Our data shows that, as a group, sovereign wealth funds were positioning their portfolios towards sectors that have held up during the market turbulence in the wake of the Covid-19 pandemic. However, we have also seen more domestic investment activity from a range of sovereign wealth funds, suggesting that they are beginning to play an important role in supporting their local economies.”

The review’s findings support research IFSWF undertook in April 2020 with State Street Corporation in suggesting that sovereign wealth fund portfolios will be more resilient in the face of current market turmoil that previously thought.

The IFSWF annual review also features contributions focusing on investing for sustainable development from Indranil Ghosh, CEO of Tiger Hill Capital, Daniel Wilde, Economic Adviser, Commonwealth Secretariat and PwC.

You can read the review at www.ifswfreview.org.

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About the International Forum of Sovereign Wealth Funds

The International Forum of Sovereign Wealth Funds (IFSWF) is a voluntary organisation of global sovereign wealth funds committed to promoting good governance and investment management practices through dialogue, research and self-assessment. The IFSWF also seeks to promote a deeper understanding of sovereign wealth fund activity amongst government and financial services institutions.

Find out more at www.ifswf.org

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