



International Forum of Sovereign Wealth Funds

Published on *International Forum of Sovereign Wealth Funds* (<https://www.ifswf.org>)

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## **Sovereign wealth funds see a more challenging investment environment in a bipolar world**

**London 28 July 2020** – Today, the International Forum of Sovereign Wealth Funds (IFSWF), a global network of almost 40 sovereign wealth funds, and Invesco, one of the world's leading independent investment managers, have published *The rise of a bipolar world: Sovereign wealth fund views on the global macro outlook*.

This first-of-its-kind survey of 24 sovereign wealth funds, conducted at the end of June, examined their short-to-medium-term outlook and the impact of the COVID-19 pandemic on the global economy.

The study reveals that sovereign wealth funds are expecting the geopolitical and macroeconomic environment to be dominated by tensions between the United States and China, with emerging economies largely aligning with China, but with the European Union being caught in between.

They also believe that the key event of the next twelve months will be the US presidential election in November, the outcome of which will shape how the global investment environment develops. While sovereign wealth funds overwhelmingly believe a second term for President Trump will lead to the US becoming more isolationist, they do not necessarily believe that a victory for Joe Biden guarantees that the US will become more multilateralist and outward-looking. Overall, they believe the global economy will be facing a few bumpy quarters ahead.

**Duncan Bonfield, Chief Executive, IFSWF, says**, “We are pleased to present this first-of-its-kind study which reveals how sovereign wealth funds are looking at the near-term investment environment. The research provides a real insight into how sovereign wealth funds will be allocating their capital over the next year and represents the views of two-thirds of IFSWF members – a third of all sovereign wealth funds globally\*. This study will provide valuable information for both investment markets and policy-makers as the global economy recovers from the pandemic.”

**Rod Ringrow, Head of Official Institutions at Invesco, says**, “We are delighted to have collaborated with IFSWF on this important project. Sovereign wealth funds are a strategically important client group for Invesco, and it is exciting to be able to gain such an immediate perspective into how they're viewing the current global macro environment.”

The full research report, *The rise of a bipolar world: Sovereign wealth fund views on the global macro outlook*, is available on **the IFSWF website**.

\* Based on IFSWF's record of global sovereign wealth funds, available here.

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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](http://www.ifswf.org)

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**Source URL (modified on 2020-07-28 07:54):** <https://www.ifswf.org/general-news/sovereign-wealth-funds-see-more-challenging-investment-environment-bipolar-world>