
SWFs Double Direct Investment During COVID-19 Crisis

Research reveals that – as well as supporting their governments – these long-term investors redoubled their focus on climate change and other secular trends in 2020.

London, 11 May 2021 – Today, the International Forum of Sovereign Wealth Funds (IFSWF), a global network of sovereign wealth funds from nearly 40 countries, has released its annual review of sovereign wealth fund investments in 2020, titled *Continuity in the Face of Upheaval*. The full report is available [here](#).

The annual review draws on IFSWF's comprehensive proprietary database of sovereign wealth funds direct equity investments since 2015. It reveals that sovereign wealth funds saw a myriad of opportunities in the market dislocations of the COVID-19 pandemic. 2020 was a bumper year for deploying capital, with publicly disclosed direct investments almost doubling year-on-year to \$65.9 billion, up from \$35.9 billion in 2019 in sectors such as renewable energy, food production, e-commerce and logistics.

The report identifies three key themes in sovereign wealth fund investments in 2020:

1. **The COVID-19 Response.** Many sovereign wealth funds were called on to support their government's response to the pandemic. As a result, funds with a mandate to invest domestically invested more than those investing in international financial markets for the first time.
2. **Climate Opportunities.** 2020 was the year that sovereign wealth funds engagement with the climate agenda started to come of age. In 2020, sovereign wealth funds made 23 investments valued at over \$2 billion in climate-change-related sectors, such as agritech, forestry and renewable energy, a four-fold increase from 2016.
3. **Committing to Long-Term Trends.** Sovereign wealth funds have multi-year investment horizons. Consequently, we observed substantial deployment of capital into sectors we had previously identified as key investment themes, such as e-commerce and logistics.

Duncan Bonfield, IFSWF Chief Executive, said, "The COVID-19 pandemic presented all investors with enormous challenges. Our data reveals that sovereign wealth funds stuck to their investment strategies and deployed capital in a financially motivated manner in line with their mandates. As long-term investors, sovereign wealth funds are continuing to back long-term trends embracing climate-change solutions and the transition to a low-carbon economy."

The full annual review, *Continuity in the Face of Upheaval*. The full report is available [here](#).

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About the International Forum of Sovereign Wealth Funds

The International Forum of Sovereign Wealth Funds (IFSFWF) 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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