



IFSWE Board Meeting

12 December 2023



IFSWF Board Meeting Agenda

12 December 2023

06:00 – 07:00 (GMT/London time). By video call.

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| 06:00 – 06:05 | 1. Chair's welcome , approval of agenda, matters arising, disclosure of interests |
| 06:05 – 06:15 | 2. Chief Executive's report (for noting) |
| 06:15 – 06:20 | 3. Approval of auditor engagement terms (Board approval required) |
| 06:20 – 06:35 | 4. IFSWF 2024 Programme (for discussion) <ul style="list-style-type: none">- Webinars- Events- Research |
| 06:35 – 06:50 | 5. IFSWF 2024 Budget (for approval) |
| 06:50 – 06:55 | 6. IFSWF Strategy Review (verbal update) |
| 06:55 – 07:00 | 7. Other business |
| 07:00 | 8. Close of meeting |

Future Board meetings:

Feb/Mar 2024 TBC

May/Jun 2024 TBC

Sep 2024 TBC

Nov 2024 TBC (Oman)



2. Chief Executive's report

Following the Annual Meeting in Madrid, the focus for the period has been on speaking and moderating at international events, running webinars, organising the 2024 programme and migration and testing for the new IFSWF website.

Research

- *A Joint Study: Institutional arrangements for Managing a Country's forex assets (ex-official forex reserves) and Lessons for the Future—The Case of Latin America*. Initial findings were presented at the FLAR Annual Meeting on 9-10 November. The full report will be published in Q1 2024.
- *2022 IFSWF-OPSWF Climate Change Survey*. Data collection is nearly complete, and the full report will be published in Q1 2024.

Webinars

Allocating to Private Markets in a Higher Inflation Environment: Why, What and How? 31 October, with ADIA, Neuberger Berman & LCP.

<https://www.ifswf.org/member-event/allocating-private-markets-higher-inflation-environment-why-what-and-how>

Sovereign Immunity: Key Points for Sovereign Wealth Funds. 14 November, with Allen & Overy.

<https://www.ifswf.org/member-event/sovereign-immunity-key-points-sovereign-wealth-funds>

Conferences

World Pension Summit, 10-12 October, The Hague

<https://web.cvent.com/event/8acc296d-2381-4f22-a583-2877763818b7/websitePage:ca00e065-f98f-4490-ab5b-10d141761b79>

Invesco Sovereign Conference, 16 October, Cambridge University

<https://www.invesco.com/content/dam/invesco/apac/en/pdf/insights/2023/july/igsam-main-study-july-2023.pdf>

World Investment Forum, Sovereign & Public Investor Dialogue, 17-18 October, Abu Dhabi

<https://worldinvestmentforum.unctad.org/session/sovereign-and-public-investors-dialogue>

FLAR: Navegando una Era Exponencial XXXVII Conferencia de Bancos Centrales e Instituciones Oficiales, 9-10 November, Cartagena

<https://myalbum.com/album/MpzY9SmFtvH7CE/?invite=d262f40d-28fa-4c91-9ffc-bedb3995d2a3>

COP28, 1-12 December, Dubai

<https://www.cop28.com/en/>

Publications

IFSWF published a summary of proceedings at the Annual Meeting for stakeholders:

<https://www.ifswf.org/sites/default/files/Annual%20Meeting%202023%20Write%20up.pdf>



Member Relations

Following a referral from The Pula Fund of Botswana, the Secretariat has commenced initial membership discussions with The Petroleum Fund of Ghana.

The Board is asked to note this report.



3. Approval of Auditor Terms of Engagement

IFSWF retains PricewaterhouseCoopers LLP (PwC) as its auditors. PwC has provided new terms of engagement which now include a Liability Limitation Agreement (LLA). The LLA limits the liability of PwC to a maximum of £5million (the full agreement is in the Appendix.) PwC terms of agreement require approval for the engagement from the IFSWF Board acting on behalf of IFSWF members.

The Board is requested to approve the terms of engagement.

4. IFSWF 2024 Programme

IFSWF Knowledge Sharing Programme 2024

The knowledge-sharing programme is a work in progress, with speakers not yet finalised and topics subject to amendment or addition. The programme is designed to inform the IFSWF Board of progress and allow Board members the opportunity to participate and comment.

Webinars

Deglobalisation and Conflict: How Could Sovereign Wealth Funds Approach Investment Opportunities in a New Geopolitical Landscape

- How can sovereign wealth funds manage tail risks in a rising uncertainty and instability world? Learn about the best hedging and risk overlay strategies to capture returns in volatile markets.
- What are the long-term risks that investors need to consider when allocating capital in a deglobalised world? Find out how to assess the impact of geopolitical factors on your portfolio performance.
- How will markets react to conflict and crisis in a multipolar world? Discover how to develop effective allocation strategies that adapt to changing scenarios and opportunities.
- What are the new investment opportunities that a multipolar world will offer to sovereign wealth funds? Explore the potential of emerging markets, alternative assets, and digital innovations in a shifting global order.

Moderator: **Udaibir Das, Senior Advisor, IFSWF**

Panellists: **Arnab Das, Invesco; TBC, GIC; Antonio Ribiero, Mubadala**

China's Economic Slowdown: How to Navigate the Risks and Opportunities for Investors

- China's economy is facing a slowdown amid rising debt, ageing population, and policy uncertainty. How will these factors affect the investment climate and opportunities in the world's second-largest economy?
- Is China still an attractive destination for investors, or is it losing its edge to other emerging markets? Learn about the strengths and weaknesses of China's economic model and its prospects for growth and reform.
- What are the main risks and opportunities of investing in China's different sectors and regions? Find out how to assess the impact of debt, demographics, real estate,



consumer dynamics, and geopolitical tensions on your portfolio performance and diversification.

- How will near-shoring and friend-shoring trends affect China's role in the global value chain and its competitiveness? Discover how to leverage the opportunities of digital transformation, innovation, and regional integration in a changing global order.

Moderator: **Arnab Das, Invesco**

Speakers: **Christy Tan, Franklin Templeton, TBC Baker McKenzie, TBC QIA, IMF Economist**

Catalysing a Sustainable Future for Africa: How Sovereign Wealth Funds Can Lead the Way

- Africa is a continent of immense potential and challenges, facing the need for sustainable social and economic development. How can sovereign wealth funds play a key role in enabling this transformation and creating long-term value for the region?
- Africa has a huge infrastructure gap that hinders its growth and development. How can sovereign wealth funds close this gap by forming solid partnerships with governments, multilateral institutions, the private sector, and civil society?
- Africa has an opportunity to leapfrog to a green economy that is resilient, inclusive, and low carbon. What are the opportunities to invest in green infrastructure and industry on the continent? What are the key sectors and technologies that can drive this transition?
- Africa is vulnerable to the impacts of climate change and needs to diversify its economy away from fossil fuel dependence. How can sovereign wealth funds catalyse the Just Transition by making economies more resilient to climate change, supporting the shift to renewable energy sources, and investing in capacity development, skills, and technology?

Moderator: **Laird Reed, Senior Investment Manager, IFC Catalyst Fund**

Speakers: **Aminu Umar-Sadiq, NSIA; Obaid Amrane, Ithmar; Other SWF TBC, Local Partner**

Building a twenty-first-century investment function: How can SWFs leverage AI and big data to improve investment decisions?

- How can digitalisation and AI strengthen operational frameworks?
- Where do sovereign wealth funds start implementing new systems? What expertise and training are available?
- What skills will back and middle office employees need to take advantage of new systems?
 - How can sovereign wealth funds use data analytics to enhance stakeholder management and outcomes?
- Managing cyber risk as technology becomes more critical in the investment process.
- How to ensure risk and compliance functions are integrated into the use of AI and that privacy concerns/data leakage concerns are addressed.

• Moderator: **Will Hardman, Director, Veritai**

Speakers: **Neill Clark, State Street; Ben Allgrove, Partner and Chief Innovation Officer (TBC), Baker McKenzie, Mazen Jabban, Chairman & CEO, Vidrio (TBC – depending on scheduling),**



10-Year Treasuries at 5%: Impact on SWFs' portfolios

- Economic implications of 10-year Treasuries reaching a 5% yield
- Portfolio Reallocation Strategies: A 5% yield affects asset allocation strategies and risk management in sovereign wealth fund portfolios.
- Income Optimisation: How can SWFs optimise income generation and cash flow in a higher yield environment?
- Is private credit the new alternative to traditional bonds?
- Share experiences and insights from other sovereign wealth funds on navigating the 5% yield landscape.

Moderator: **Jahangir Aka, Neuberger Berman**

Speakers: **SOFAZ; GIC, Patrick Zweifel, Chief Economist (TBC), Pictet Asset Management, TBC, Lane Clark Peacock.**

A Twenty-First-Century Approach to Asset Allocation: How to Create a Dynamic Portfolio that Meets Your Objectives

- The traditional approach of managing multi-year strategic asset allocation based on fixed assumptions and historical data is no longer adequate in an uncertain world with time-varying expected returns. How can investors overcome this challenge and achieve their desired outcomes?
- Shorter-term tactical asset allocation and Total Portfolio Management have been proposed as alternative solutions, but they have their own limitations and drawbacks. How can investors avoid the pitfalls of these approaches and improve their portfolio performance and governance?
- We believe that the tools exist today to create a dynamic asset allocation conditioned by a client's objectives, using an approach that integrates macroeconomic views and data with market pricing. How can investors leverage these tools and techniques to fulfill the aims of both tactical asset allocation and Total Portfolio Management and create a portfolio that is resilient, adaptable, and aligned with their goals?

Moderator: **Justin Simler, abrdn**

Potential Speakers: **Rishab Sethi, NZSF, Commercial Partner TBC**

Powering the Energy Transition: smart grids, batteries and AI as enablers of a low-carbon future

- How smart grids can enhance the reliability of energy distribution of renewable energy generation.
- The use of smart grids in managing energy consumption and increasing efficiency.
- How energy storage solutions, including batteries, are critical to renewable energy integration and grid stability.
- Exploration of artificial intelligence (AI) applications in the energy sector, including predictive maintenance, demand forecasting, and grid optimisation.

Moderator: **Dan Carol, Milken Institute**

Speakers: **BPI France, TBC, QIA, Andrew Chambers, Franklin Templeton, Chijioke ("Chi") Gbolahan Egejuru, Head of InfraTech, IFC.**



Events

Board Management, Governance & Strategy Workshop

- Member-only, single-day event in London
- Late May/Early June
- Networking Buffet Lunch

Developing Better Board Dynamics: How to Enhance Management-Board Interactions for Sovereign Wealth Funds

- Board policies are crucial for ensuring good governance, accountability, and performance of sovereign wealth funds. What are the most important best practice board policies that management teams need to follow and implement?
- Board decision-making depends on the quality and timeliness of information provided by management teams. How can management teams best communicate accurate, relevant, and concise information to boards to facilitate sound decision-making and oversight?
- Board members may not have the same level of expertise and experience as management teams in investment matters. How can management teams best educate and inform board members about investment decisions and mandates, and ensure their understanding and alignment?
- Board relationships are key for building trust, confidence, and collaboration between management and board members. How can management teams best use pre-meeting and post-meeting interactions to develop strong relationships with board members, and address any issues or concerns?
- Consultations, one-to-one relationships, succession planning, and two-way communications are some of the ways that management teams can enhance their board interactions. How can management teams best leverage these tools and techniques to improve their board dynamics and effectiveness?

Moderator: [Matthew Leatherman, FCLTGlobal](#)

Strategy Discussion & Review

- Opportunity for senior leaders from IFSWF members to discuss and review progress on new strategy

Moderator: [Udaibir Das](#)

Sustainability Workshop, Madrid, May/June, hosted by Clarity AI

- Using data: impact risk, carbon footprinting and compliance
- Transition planning: *Mike Hugman, Children's Investment Fund Foundation*
- Transition financing
 - [Hybrid Capital](#)
 - [Co-financing](#)
 - Green/Blue bonds
 - Blended Finance
- Biodiversity
 - What does considering biodiversity mean? And what is the investment case?
 - What are the risks?
 - Where are the opportunities?
 - How do we measure and monitor outcomes?



- How do sovereign wealth funds engage on this topic? What knowledge and skills do we need?

Impact frameworks and reporting: [Luyen Tran, Chief Development Impact Officer, IFC](#)

- Should you consider impact, even if you're not an impact investor? What risks and opportunities does social impact investing create?
- What are the best frameworks to use for measuring impact
- How should sovereign wealth funds report on the impact
- Creating opportunities: how can sovereign wealth funds catalyse the energy transition



Reputation Management Workshop, Doha, 14-15 April 2024

Communicating in the 21st century: How sovereign wealth funds manage their reputation in the modern media landscape.

DRAFT AGENDA

Sunday, 14 April 2024

0930	<ul style="list-style-type: none"> • Registration and Coffee
1000	<ul style="list-style-type: none"> • Welcome • <i>Duncan Bonfield, CEO, IFSWF</i> • <i>Qatar Investment Authority Representative</i>
1015	<ul style="list-style-type: none"> • Communicating Mandate, Risk and Return to different audiences. • What are best practices in clearly explaining your mandate and macroeconomic role to local audiences? • How do SWFs adapt their communications outreach for local Vs international audiences? How do you manage expectations and place boundaries around expectations? • Why should SWFs regularly communicate their enterprise risk policies with stakeholders? Does communicating risk policies make a SWF more vulnerable? • How should SWFs approach communicating AUMs? Is disclosure of returns/AUM to the public important? • How to communicate returns without compromising your reputation. Pros and cons of reporting annual returns vs. longer-term returns. Is there a case for not communicating returns? • Strategies for educating stakeholders about financial markets. • How to communicate the concept of long-term investing to different audiences
1130	<ul style="list-style-type: none"> • Coffee Break
1200	<ul style="list-style-type: none"> • Managing your Reputation with Partners and Stakeholders • How to effectively plan your partner and stakeholder identification and mapping? • Which stakeholders fall within the remit of SWF communications functions? • Effectively educating stakeholders and board members about financial markets and new strategies/approaches. • How to present your institution to government/parliaments/politicians. How to respond to criticism? • What defines the nature of relationships between SWFs? How should SWFs work together? • How to manage relationships with co-investors? What is best practice? How do you prevent miscommunications and misunderstandings? • Thinking about terms in RFPs. What do you want from asset managers and partners? How do you get the most out of your service providers? • What does good procurement practice look like?



1315	<ul style="list-style-type: none"> • Lunch
1430	<ul style="list-style-type: none"> • Safeguarding your Sustainability Credentials • Communicating the investment beliefs behind your sustainability credentials. Why is taking a sustainable investment approach important? • Choosing appropriate sustainability frameworks. What is best for you? • Explaining why your approach is more appropriate for your institution over another. • Demonstrating sustainability/climate impact. • How to report? How to guard against accusations of greenwashing. • The role of setting effective ESG communications tactics in guarding against accidental greenwashing. What does a good sustainability communications strategy look like? • How do you increase authenticity in your ESG communications to avoid negative speculation? • How do you create an effective and compelling ESG story in advancing your organization's ESG strategies and success. • Communicating challenges about integrating ESG/adopting new approaches. How to keep the public with you.
1600	<ul style="list-style-type: none"> • Coffee Break
1630	<ul style="list-style-type: none"> • Networking Excursion • Visit to the National Museum of Qatar
TBC	<ul style="list-style-type: none"> • Networking Dinner

Monday 15 April, 2024

0830	<ul style="list-style-type: none"> • Morning Coffee
0900	<ul style="list-style-type: none"> • Developing Narratives and selecting appropriate channels • How do you tell a compelling investment story that enhances your reputation? • Other than results and financial returns, what other financial communications activities would you expect to engage in throughout the year to help better shape your narrative? E.g.: Proactive requests including Journalists meet, thought leadership, ESG reports, CSR reports, holding conferences. • Understanding the media's perception of your institution. Are you happy with this? • How much are SWFs associated with their state's foreign/domestic policy and how to navigate this. • Developing a narrative to counter inaccurate reporting. What can you talk about? • Choosing topics on which to engage with the media vs. those to be avoided. • Choosing spokespeople and media training • Choosing media partners. What do you need to consider when deciding which media outlets/reporters to work with.
1030	<ul style="list-style-type: none"> • Coffee Break
1100	<ul style="list-style-type: none"> • Creating Strategies for the 21st Century News Environment: social media, Fake News and the Dawn of Artificial Intelligence • Do we need to engage in social media? If so, which channels? Where is your audience? • What is our personality on social media? Do we broadcast or engage? • What are the risks of engaging (or not!) with social media channels. How do you choose the right social media platform to use?



	<ul style="list-style-type: none"> • Creating compelling social media content • How to measure the effectiveness of the content you are presenting in your social media platforms • How will artificial intelligence disrupt the digital and traditional media landscape. What are the opportunities and risks for SWFs. • How to effectively counter fake news or misinformation on social media • How can we leverage artificial intelligence to identify reputational risks and develop effective campaigns.
1230	<ul style="list-style-type: none"> • Closing Remarks
1245	<ul style="list-style-type: none"> • Lunch
1400	<ul style="list-style-type: none"> • Networking Excursion • Sustainable neighbourhoods in Qatar – a visit to Msheireb Downtown Doha and Souq Waqif, or Lusail City, and/or • The Legacy of FIFA World Cup 2022 – a visit to Lusail/Education City stadium

Annual Meeting, Muscat, November 2024

Research

- Latin America (Q1 2024)
- Climate Change Survey (ADIA and NSIA case studies, Q1 2024)
- Investment flows with State Street (Q2 2024)
- Middle Eastern SWFs and local capital (stock) markets with BNY Mellon
- Annual Review (Q2 2024)
- Update to Africa report (Q3 2024)
- Cost and operations report (Q3 2024)
- How are the Santiago Principles reflected in soft law (Q4 2024)

The Board is requested to discuss the programme.



5. IFSWF 2024 Budget

2024 budget and 2023 expected outturn

	2023 budget	2023 projected outturn*	2024 budget	Notes for 2023 budget
INCOME	£	£	£	
Membership fees	893000	893000	944000	Assumes Alberta and Greece as new member.
TOTAL	893000	893000	944000	
EXPENSES				
Payroll	665000	614000 ¹	660000 ²	Assumes inflation of 6% and additional adjustments.
Rent	58000	54000	57000	
Website	61000	60000	58000	
Marketing, communications, production & design	23000	21000	24000	
Travel	63000	71000	78000	2024 budget assumes x12 return flights outside Europe and x8 return flights to Europe.
Software, consultancy, office & other expenses	53000	57000 ³	64000	2024 figures includes £10k allowance for legal advice and £21k for audit fees and £24k for Udaibir Das.
TOTAL	923000	877000	941000	
PROJECTED SURPLUS/(DEFICIT)	(30000)	16000	3000	
CONTINGENCY FOR STRATEGY REVIEW			45000	The contingency does not form part of the operational budget and will be taken from reserves if required.

*Based on November 2023 provisional data. Outturn assumes maximum costs and therefore minimum surplus.

¹ Payroll expenses lower than forecast because of lower pay rises for Secretariat.

² UK inflation rate is currently 7.5% and expected to remain high, but potentially reducing to 4-6%.

³ Includes costs for Udaibir Das of £16.5k (budget £28k).

The approach to both income and expenditure is cautious (from an accounting perspective). Income assumes two new members (already agreed) and expenditure assumes a medium outlay. The forecast deficit is the medium case based on the current situation and reasonable expectations.



The proposed budget delivers a surplus of £3,000. This includes a budget for legal fees, support for the Annual Meeting and travel. As in prior years, there are discretionary expenses which could be curtailed if necessary. As of 1 December 2023, IFSWF had cash reserves of £1.79m, a net rise of approximately £310,000 since 2018.

Budget guidance for 2025-2026

There are no significant new expenditures currently planned for 2024-2025 and the Secretariat is working on a similar basis for expenditure and income for those years. However, the strategy review may result in additional operational costs. If this is the case, it would be prudent for the Board to review the fee levels. Increasing the membership fees will require the approval of 90% of the voting membership.

The Board is requested to approve the budget.



6. IFSWF Strategy Review (verbal update)

7. Other Business

8. Close of meeting
