

The International Forum of Sovereign Wealth Funds

Overview Presentation

IFSWF is a global nonprofit organization of 30 SWFs

Members are bound by our common belief that the Santiago Principles add value for our owners and stakeholders.

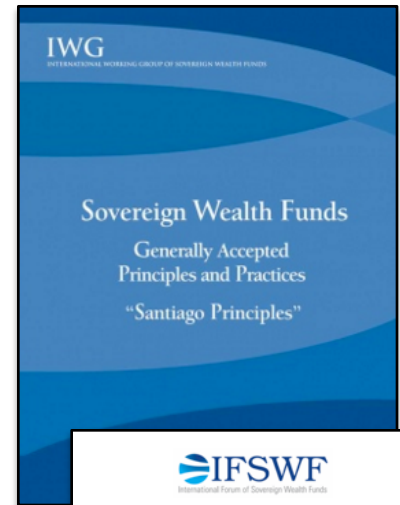
IFSWF fulfills three core functions:

- **Standard Setting** - Encouraging good governance and ongoing commitment to the Santiago Principles
- **Knowledge sharing** – helping to raise expected risk-adjusted investment returns of members
- **Representation** – engagement and collaboration with global financial and policy institutions



The Forum is distinguished by its foundation in official policy and the Santiago Principles

- The Santiago Principles were established by SWFs in discussion with official institutions
- The Santiago Principles:
 - Incorporate input from IMF, World Bank, OECD, and investment recipient countries
 - Are a voluntary set of 24 Generally Accepted Practices and Principles covering:
 - Objectives and coordination with economic policy
 - Institutional framework and governance structure
 - Investment and risk management
- Our members use the Santiago Principles to:
 - Benchmark their practices and structure
 - Serve as a framework for peer learning
 - Continuously improve investment and economic outcomes
- Santiago Principle implementation is increasing
 - 15 members assessed their implementation in 2015
 - As of May 2016, 26 of 30 members have completed self-assessments



The Forum has a Global Membership



- 30 member funds
- Leading funds from all regions
- Representing 2/3 of global SWF assets
- Including around one third of SWFs globally

IFSWF Members



KHAZANAH
NASIONAL



Our Board is prominent and global



Adrian Orr
IFSWF Chair
Chief Executive Officer,
New Zealand
Superannuation Fund



Majed Al Romaihi
**IFSWF Deputy
Chair**
Executive Director of
Real Estate and
Infrastructure,
Abu Dhabi Investment
Authority



**H.E. Sheikh Abdulla Bin
Mohammed Bin Saud Al-
Thani**
Board Member
CEO,
Qatar Investment Authority



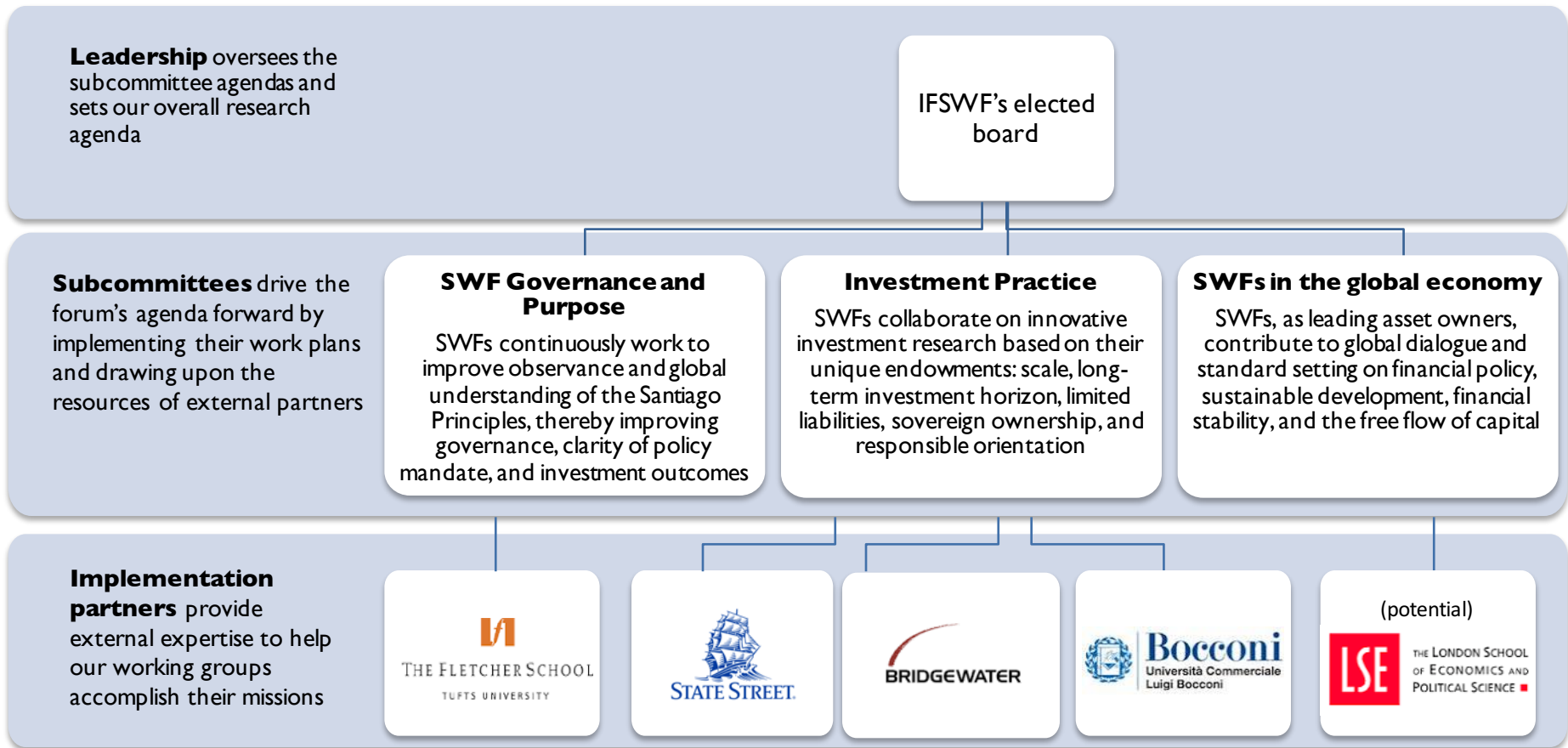
Li Keping
Board Member
Vice Chairman, President, and
Chief Investment Officer,
China Investment Corporation



Deanna Ong
Board Member
Company Secretary and
Managing Director,
GIC Private Limited

- Meets quarterly
- Leading our working groups
- Elected by the membership to 3 year terms
- Representing varying SWF sizes and functions

Member subcommittees drive the Forum's agenda



SCI focuses on SWF governance and purpose

- **Mission**
 - SCI 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.
- **Supporting beliefs**
 - The Santiago Principles create value for SWFs and their global stakeholders
 - Clarity of mandate and integration into economic policy help an SWF accomplish its mission
 - The Santiago Principles serve as a platform for peer learning and knowledge exchange
 - Santiago Principle implementation strengthens the entire SWF community
- **Specific activities and outputs**
 - HBS-style case study analysis on how members implement the SPs, and how they add value
 - Structured peer assistance to aid members, new SWFs, and policymakers in Santiago Principle observance
 - Rigorous, member-led self assessment to demonstrate our commitment to the Santiago Principles
 - Academic analysis of the Santiago Principles, governance, and policy mandates for strategic investors
 - Academic analysis of the role and value of the Santiago Principles in a global governance context

SCI Leadership




SCI Membership









SCI Implementation Partners



THE FLETCHER SCHOOL
TUFTS UNIVERSITY

SC2 focuses on investment practice

- **Mission**
 - SC2 collaborates on innovative investment research based on SWFs’ unique endowments: scale, long-term investment horizon, limited liabilities, sovereign ownership, and responsible orientation.
- **Supporting beliefs**
 - SWFs are commercially oriented, best practice investors
 - A long-term investment horizon improves investment outcomes
 - Collaboration among like-minded investors improves investment capabilities
- **Specific activities and outputs**
 - Collaborative research among our members
 - Creation of a database of SWFs SAA, transactions, and investment flows
 - Provision of data and investment insights to academic researchers
 - Publications and case studies on the nature of SWF investments
 - Collaborative research with external stakeholders
 - Support for mutual peer assistance as requested by members

SC2 Leadership



Fondo Strategico Italiano



中国投资有限责任公司
CHINA INVESTMENT CORPORATION

SC2 Membership

**NEW ZEALAND
SUPERANNUATION
FUND**



Heritage Fund





**الهيئة العامة للاستثمار
Kuwait Investment Authority**



FMDT futurefund
Australia's Sovereign Wealth Fund



kic Korea Investment Corporation



State General Reserve Fund
Ministry of Finance



صندوق الاستثمار الفلسطيني
PALESTINE INVESTMENT FUND

SC2 Implementation Partners



Bocconi
Università Commerciale
Luigi Bocconi



STATE STREET



BRIDGEWATER

SC3 considers the role of SWFs in the global economy

- **Mission**
 - S3 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**
 - SWFs are responsible participants in the global investment community
 - SWF investments benefit both their owners and global stakeholders
 - Collaboration on investment issues by asset owners improves outcomes for society
 - SWFs provide liquidity, counter-cyclical investment and are engaged asset owners
- **Specific activities and outputs**
 - Creating a database of SWF-relevant policies, guidelines, and regulations
 - Building relationships with stakeholders to advance IFSWF's beliefs
 - Active Communication on the nature of SWFs and the purpose of IFSWF
 - Strengthening SWF relationships with other like-minded investors
 - Publishing research on the role of SWFs in the global economy

SC3 Leadership



SC3 Membership




SC3 Implementation Partners

(Potential)



ANNUAL WORKCYCLE

Q4 Year End Annual Meeting

Hosted by IFSWF and NZSF in Auckland 8-11 November 2016



8TH ANNUAL MEETING | NEW ZEALAND 2016

**NEW ZEALAND
SUPERANNUATION
FUND**

Q1 Santiago Principles Workshop

Hosted by SC1 in cooperation with the Fletcher School in Baku, Azerbaijan 1-2 March 2016



State Oil Fund of the Republic of
Azerbaijan



THE FLETCHER SCHOOL
TUFTS UNIVERSITY



Q3 SWFs in the Global Economy Workshop

Hosted by SC3 and the London School of Economics in London fall 2016 (tentative)



Q2 Investment Practice Workshop

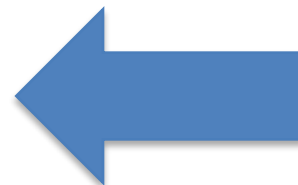
Hosted by SC2 and Bocconi University in Milan, Italy 30 June 2016



Fondo Strategico Italiano



Bocconi
Università Commerciale
Luigi Bocconi



The annual meeting is an opportunity for exchange of experiences and knowledge growth

- Members engage with select policymakers, academics, and private sector. Examples include:
 - Policy: IMF, World Bank, OECD, US Treasury, European Commission, IIF, etc.
 - Academia: Bocconi, The Fletcher School, London School of Economics, etc.
 - Private Sector: top level representation from leading asset managers and consultancies
- Members lead the agenda and content:
 - Case study presentations by members
 - Knowledge-sharing workshops for members
 - Presentations and keynotes by global leaders in investment and policy



IFSWF's 2016 Annual Meeting will showcase the SWF response to climate change

Theme: Investing in a Climate of Uncertainty: The SWF Response

Dates: 8 November – 11 November

Keynotes and Panels

- Global macroeconomic outlook
- Climate change and climate policy: portfolio risks
- Climate change and climate policy: Investment opportunities
- Purpose and practice of SWFs: Governance and mandate
- The New Zealand Story: Aotearoa Unlimited
- The New Zealand Story: Maori Economic Development

Tentative Workshop Topics

- Governing the Investment Mandate
- Benchmarking
- Performance Measurement and Incentives
- Strategic Investment
- Infrastructure Showcase
- Investment Opportunities in Africa



8TH ANNUAL MEETING | NEW ZEALAND 2016



Previous IFSWF Annual Meetings

2015 Italy



2014 Qatar



2013 Norway



2012 Mexico



2011 China



2010 Australia



2009 Kuwait Special Session



2009 Azerbaijan



Our history and our future

- The IFSWF has evolved from an informal working group to an active membership organization headquartered in the City of London



- Ten members have joined IFSWF since we began accepting new members in 2014



Contact the Secretariat



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Appendix



Membership carries benefits and requirements

Benefits	Requirements
Santiago Principles implementation	Voluntary implementation of the Santiago Principles
Membership in a global peer network	Maintain active participation
Collaboration with peers	Pay membership fees
Collaborative research and peer assistance	Voluntary work in Subcommittees
Access to the dedicated Secretariat	Ensure representation at the Forum by qualified nominees (3)
Ability to be a candidate for the Board	Vote on resolutions (Members may also abstain)

The Forum is a unique, member-supported, voluntary organization

- The Forum supports four objectives:
 - Maintain a stable global financial system and free flow of capital and investment
 - Comply with all applicable regulatory and disclosure requirements in the countries in which we invest
 - Invest on the basis of economic and financial risk and return-related considerations
 - Have in place a transparent and sound governance structure that provides for adequate operational controls, risk management, and accountability
- The Forum achieves these objectives by:
 - Promoting a key set of guidelines: The Santiago Principles
 - Facilitating cooperation between SWFs, investment recipients, and policymakers
 - Maintaining its independence as a trusted and member-supported peer organization



IFSWF Overview

- The IFSWF is a peer membership non-profit composed of 30 SWFs
- Members are bound by common belief that the Santiago Principles improve outcomes for investors and society
- The Forum uses the Santiago Principles to promote good governance and best investment practice
- The Forum's strength lies in its 30 members, connections to multilateral institutions, and guardianship of the Santiago Principles



Members lead the Forum and elect the Board

