Sovereign Wealth Funds Quarterly Newsletter

From the collaboration between Bocconi's Sovereign Investment Lab and The Boston Consulting Group

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SIL Sovereign Investment Lab

Foreword

The landscape of SWFs has dramatically changed in recent years. After a prolonged period of asset growth and high returns, SWFs are grappling with the looming consequences of the oil shock and ultra-low yields of the "New Normal". In some resource-rich countries, governments tapped their accumulated wealth to fill holes in their budget and prop up their battered economies. In their quest for better returns, most SWFs tilted their allocation in favor of more risky, less liquid assets. New investment strategies involving alternatives, real estate, infrastructure, private equity and venture capital have been embraced, deeply affecting SWFs' behavior, organization and governance. Against this backdrop of a rapidly changing environment, Bocconi's Sovereign Investment Lab and The Boston Consulting Group have joined forced to track in a timely manner the most recent evolution of global SWFs' activity. We are thus proud to present the inaugural issue of the SWF Quarterly Newsletter, featuring a roundup of most recent deals, key industry trends and announcements, and op-eds by thought leaders and experts. Combining SIL's in-depth research capabilities with BCG's on-field industry knowledge and expertise, our newsletter is a one-stop shop for being up to date on facts and figures of an influential (and quite secretive) class of global investors.

Key facts and figures

16
active SWFs completing an acquisition in Q12017

53
completed SWF deals

$14.9 BN USD
total reported deal value in Q12017

70 %
share of deal value of co-investments with private parties and/or other SWFs

70 %
share of deal value in frontier or emerging markets

$5.3 BN USD
the largest SWF deal of the quarter is QIA's acquisition of 9.75% of Russian energy giant Rosneft

Global outlook for SWF investments

With two thirds of SWF assets originating from resource-rich nations, the oil price is always a key starting point to understand SWFs' behavior and investment strategies. After the oil shock and the historical lows reached by the end of 2015, oil prices have recovered in the course of 2016, and fluctuated around a reference price of $50 in Q12017. The agreement signed by OPEC and non-OPEC countries on production cuts in late 2016 has started to pay off, and future contracts suggest that absent exogenous shocks prices should remain in that range for the rest of the year.

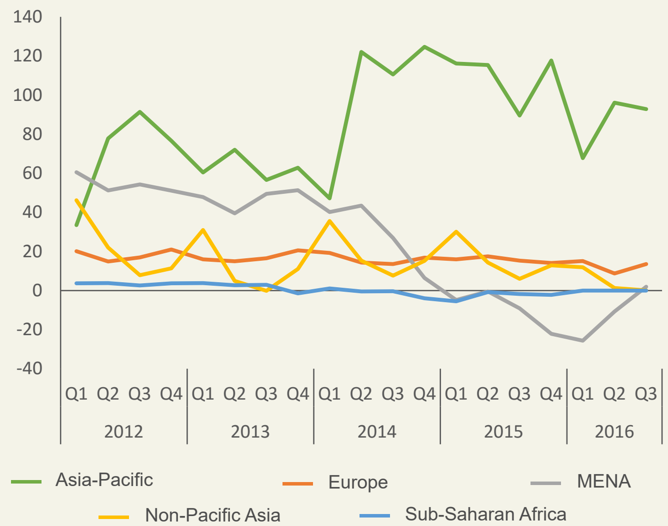
The conditions of commodity exporting nations (notably Russia and Gulf countries) suffering a macroeconomic strain caused by the oil shock have thus gradually improved. Global trade is showing some signs of recovery after a long period of weakness also in emerging and developing nations, including China and other Asian countries, where growth remains strong. After a disappointing 2016, most economies hosting SWFs are thus gaining momentum, contributing to a global economic growth which according to the most recent IMF estimates is expected to rise to 3.5% in 2017.

The improved macroeconomic conditions have thus allowed some countries to shift "back to normal" in early 2017, after a period when SWF have been used to fill the gap in the public budget as fiscal stabilization tools. Thanks to increased trade surplus, the accumulation of foreign reserves should resume, and SWF can focus to proper long-term investment in order to preserve the wealth of the nation for future generations rather than short-term stabilization.

Chart 1. The oil price, Q12016-2017 ($ Bbl)

Source: OPEC

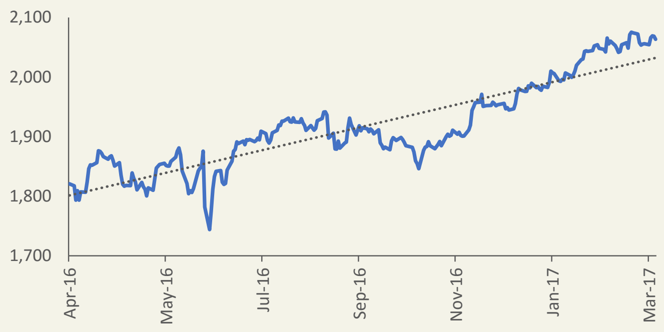
Chart 2. The current account balance by region, 2012-2016



Source: IMF

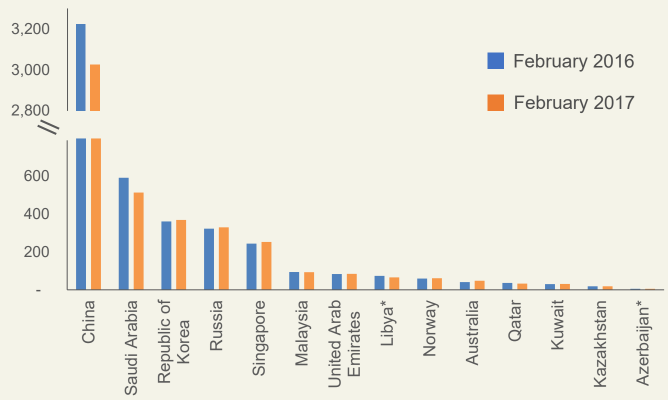
Given their long time horizons, SWFs are heavily exposed to equity, and their yielded hefty return in the course of 2016. Indeed, global equities have shown a rising trend over the past 12 months,primarily driven by the prospects of the US economy pushed up by the promises of cuts in taxes and regulations brought forward by President Trump. The expectations of looser fiscal policy in the United States have contributed to a stronger dollar and higher US Treasury interest rates, pushing up yields elsewhere as well. As long as the Fed continues its hiking race, downside risks will rise, contributing to a more challenging investment environment. With widespread political uncertainty, protectionist backlash and geopolitical tensions slowing global trade and cross-border capital flows, the balance of risks remains tilted to the downside, especially over the medium term.

Chart 3. Global equity markets, Q12016-2017
S&P Global 1200 (USD)



Source: Financial Times

Chart 4. Foreign exchange reserves by selected countries hosting a SWF



** Last data available as of December 2016*
Source: International Financial Statistics (IFS), IMF

Q1 2017 Deal Activity Summary

Activity

In Q1 2017, we observed 16 SWFs out of the 38 included in the SIL list completing 53 direct equity investments with a total publicly reported value of $14.9 billion. On an annual basis, these figures would imply a 14% and 23 % increase in the number of transactions and deal value, respectively, relative to 2015, our last published account of SWF activity. The average deal size is $337 million, consolidating a declining trend and witnessing a shift towards diversification and a more prudent approach.

SWF activity in 2017 started with a vengeance in January, thanks to 21 deals and a total price tag close to $11 billion, primarily due to QIA's $5.3 billion acquisition of the Russian energy company Rosneft.

Deal highlights

QIA and Glencore, the Anglo-Swiss commodity conglomerate, joined forces in a successful bid for a 19.5% state oil giant Rosneft, boosting the privatization process staled by Western sanctions. The complex deal, involving also the Italian bank Intesa Sanpaolo in bridge financing, represents the largest direct foreign investment to Russia since the Ukrainian crisis, and the first sizable investment in Russia by QIA.

Geography

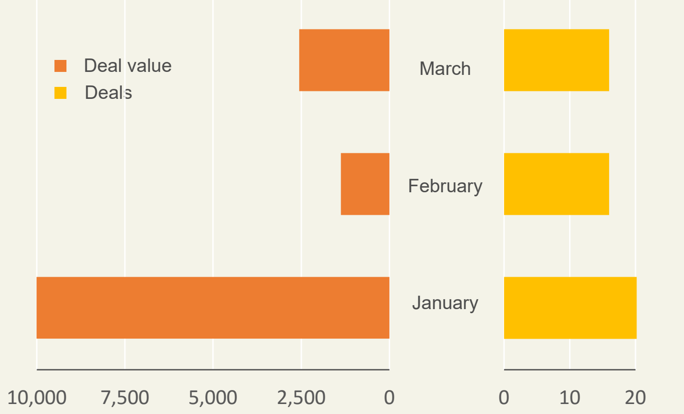
The geographical breakdown of SWF direct equity investments has typically shown a penchant for developed countries. The first quarter of 2017, however, reveals a keen appetite towards emerging or frontier markets, accounting for almost 70% of total deal value, with a strong focus on Russia and the Czech Republic. With 20 deals worth $4.7 billion, the United States and the United Kingdom – despite Brexit – remain the only relevant destinations of SWF investments in advanced nations in early 2017. SWFs of all stripes shied away from targets from core European countries, a revealing sign of the current perceived uncertainty about the political and economic prospects of the Union.

The international profile of SWF operations reveals an increased exposure abroad, and a very limited activity at home. Only 10 investments involved a domestic target worth less than 10% of total reported value. In the recent past, we have observed SWFs – especially those originating from commodity-producing economies - investing more domestically to help revitalize struggling domestic markets. More recently, SWFs changed strategy to focus on their long-term mission, i.e. preserving national wealth for future generations with a global diversification of investments.

Deal highlights

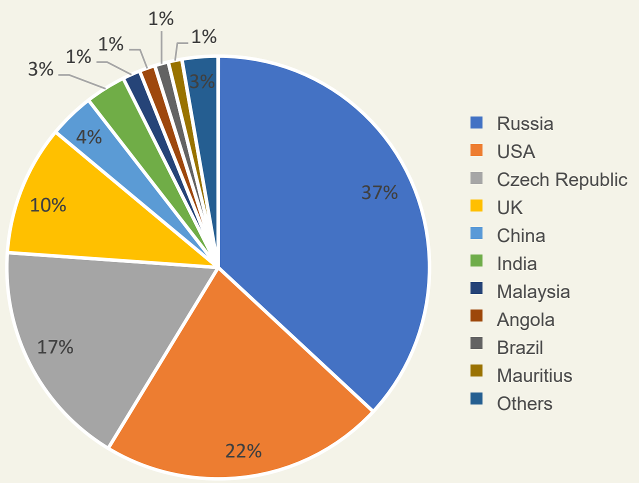
Central and Eastern European countries have been historically under the radar screen of SWFs. In the first quarter, GIC snapped two sizable deals in the Czech Republic: the acquisition of P3, a Prague-based specialized owner and manager of logistic facilities, from TPG Real Estate, and of 4.2% stake in Moneta, a listed retail commercial bank.
The former deal, reportedly the largest European transaction in properties in the last year, is also the second largest SWF acquisition reported in Q1.

Chart 5. SWF investments in Q12017



Source: Sovereign Investment Lab, Bocconi University

Chart 6. Deal value by target country, Q12017



Source: Sovereign Investment Lab, Bocconi University

Chart 7. SWF investments by sector, Q12017

Total number of deals by sector

Total deal value by sector

Source: Sovereign Investment Lab, Bocconi University

Sectors

Recent years have seen the rise of SWF investment in start-ups, digital ventures, and innovative IT companies, often leveraging on the experience of venture capitalists with an established track record. The most recent data confirm this trend is gaining momentum. Indeed, with 18 acquisitions primarily targeted in the United States, information technology – broadly defined – is the top target sector by number of deals in the first quarter of the year. As we write, a few high-mark deals have been announced and we expect the same sector to climb the ranking by value by year end.

With 16 publicly reported deals worth $4.5 billion, in the first quarter of 2017 SWF investment in real estate, infrastructure, and utilities account for 30% per cent of both investments and value, placing the so called "safe assets" second in the ranking by target sector, and confirming a key trend in the industry. Within this bucket, real estate has recently become the target sector of choice for many SWFs, gradually adjusting their exposure to this asset class.

The lion's share of value reported in the oil and gas sector is due to the Rosneft mega-deal, which by itself accounts for 36% of total investments. Apart from this deal, not a single dollar has been invested by global SWFs in the conventional energy sector, which in recent years has progressively lost relevance, both in absolute and relative terms. Another declining sector is the banking industry, accounting for a tiny 3% of deal value in the last quarter. Uncertainty looms large over the prospect of the financial industry, even if a likely increase in interest rates and the expectation of consolidation could make banks appealing again.

Co-investments

Over the last years, SWFs have displayed an increasing desire and ability to team up and find opportunities for co-investments with other SWFs or other financial investors and through joint-ventures (the so called Sovereign Private Partnerships, SPP). Several good reasons support this new collaborative strategies, such as cost saving, information sharing, and portfolio diversification. The most recent data confirm the relevance of SPPs in SWF deals: 64% of reported deal value is ascribed to joint-ventures with private partners, or to lesser extent to investment alliances with other SWFs. Rather than teaming up among themselves, SWF now typically engage in deal making with private partners.

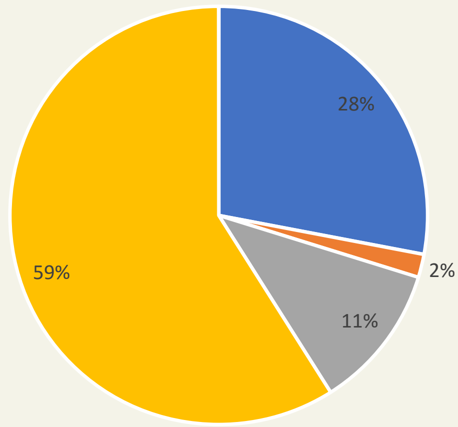
Deal highlights

The most active SWF in brick-and-mortar in the first quarter of 2017 is by all measures GIC. The Singaporean fund partnered with Paramount in a joint $1 billion bid for 60 Wall Street, a high-end office tower in Downtown Manhattan serving as Deutsche Bank headquarter. In a similar deal, GIC formed a joint-venture with the leading real estate developer Beacon Capital Partners to acquire 2.1 million square meters of office assets in Washington D.C.

Deal highlights

Amongst SWFs more exposed to IT investment, Temasek sticks out. Through its venture capital arm, Vertex Ventures, the Singaporean company has provided pre-IPO financing to seven Unicorns. The most recent reported deal is the $800 million acquisition from Google's parent company Alphabet of Verily Life Science, a company specialized in healthcare software and hardware. The fund's injection will finance the bio-tech company's expansion in Asia, leveraging on the galaxy on Temasek's holdings in the region.

Chart 8. SWF investments by type, Q12017

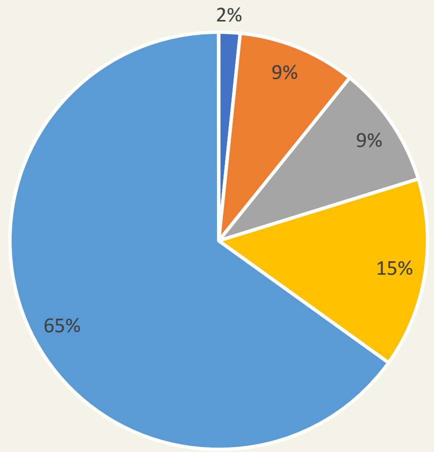


- Standalone investments
- Investments with only SWFs or other sovereign entities
- Investments with SWFs and private investors
- Investments with private partners

% refer to deal value

Source: Sovereign Investment Lab, Bocconi University

Chart 9. Type of co-investor, Q12017



- Banks
- Miscellaneous
- Private equity funds
- Other financial investors
- Strategic investors

% refer to deal value

Source: Sovereign Investment Lab, Bocconi University

Funds

QIA wins the prize of the most active fund by value of Q12017, with two reported transactions worth 40% of total investment value. The emirate's SWF has confirmed its usual penchant for ultra-large scale investments, and its strong execution capabilities of complex, cross-border, politically sensitive deals. Q12017 was also remarkable quarter year for the two Singaporean funds, namely GIC and Temasek, which jointly completed 24 deals worth $6,6 billion, representing 45% of both total investments and value, respectively. GIC's most recent activity has been particularly impressive, spanning all main geographies and sectors to enhance its globally diversified investment portfolio.

Interestingly, the most recent quarter was not hectic for key industry players such as ADIA, and CIC, which did not surpass the one billion mark in their investments. This prudent approach might be driven by lack of valuable investment opportunities, the looming uncertainty in Europe, and difficult macroeconomic conditions in the home country.

For the first time, Saudi Arabia Public Investment Fund has been included in the SIL list of tracked funds. Having started to invest significantly abroad, PIF warrants consideration as a full-fledged SWF.

Table 1. Ranking of active SWFs by deal value, Q12017

SWF name	USD MM
Qatar Investment Authority (QIA)	5,981
GIC Pte Ltd	5,559
Temasek Holdings Pte Ltd	1,077
China Investment Corporation (CIC)	145
Khazanah Nasional Bhd	389
Abu Dhabi Investment Authority (ADIA)	257
Fundo Soberano de Angola	180
Russian Direct Investment Fund	150
Ireland Strategic Investment Fund	119
State General Reserve Fund	110
Public Investment Fund	107
State Oil Fund of the Republic of Azerbaijan (SOFAZ)	100
Mubadala Investment Company PJSC	51
Future Fund	32
Kuwait Investment Authority (KIA)	3
Investment Corporation of Dubai	n.a.
Total	**14,859**

Source: Sovereign Investment Lab, Bocconi University

Table 2. Top 10 deals by value

Fund	Target name	Target country	Sector	Deal size (USD MM)	Stake
Qatar Investment Authority (QIA)	Neftyanaya Kompaniya Rosneft Pao	Russia	Petroleum & Natural Gas	5,336.47	9.75%
GIC Pte Ltd	Pointpark Properties Sro	Czech Republic	Transportation	2,514.51	100.00%
GIC Pte Ltd	60 Wall St, New York City	USA	Real Estate	988.00	95.00%
Temasek Holdings Pte Ltd	Verily Life Sciences llc	USA	Information Technology	800.00	-
GIC Pte Ltd	Three U.S. student housing portfolios	USA	Real Estate	720.00	45.00%
China Investment Corporation (CIC)	National Grid Plc's regional gas distribution business	UK	Infrastructure & Utilities	644.61	8.71%
Qatar Investment Authority (QIA)	National Grid Plc's regional gas distribution business	UK	Infrastructure & Utilities	644.61	8.71%
GIC Pte Ltd	Washington D.C. office portfolio	USA	Real Estate	525.00	50.00%
Khazanah Nasional Bhd	Edotco Group sdn bhd	Malaysia	Real Estate	200.00	11.37%
Abu Dhabi Investment Authority (ADIA)	Renew Power Ventures pvt ltd	India	Infrastructure & Utilities	200.00	-

Source: Sovereign Investment Lab, Bocconi University

The Leviathan Corner

Sovereign Investment in the Age of Trump

Paul Rose - Ohio State University and SIL, Bocconi University

The past year had two major political inflection points that are of special interest to sovereign funds and other large institutional investors: the Brexit vote, which surprised many observers, and the U.S. presidential election, which surprised even more.

As the Brexit process moves forward, negotiations between Britain and the European Union should bring clarity to the potential effects of the exit for investors. Finding clarity in Trump's foreign investment policy may be considerably more difficult. The next several months will be critical in helping investors determine what to expect from the "Dealmaker-in-Chief," but public comments and early signs from his administration suggest both promising and perilous trends for those seeking to invest in the United States.

The promise

Huge infrastructure investment.

- Infrastructure deals have been increasingly important to sovereign wealth fund portfolios, with Preqin noting that SWFs are attracted by infrastructure's long-term, stable yields, and reporting that as of 2016, 86% of SWFs were invested in transportation infrastructure. President Trump has repeatedly called for huge infrastructure spending to rebuild flagging U.S. roads, bridges and airports. Massive infrastructure investment will not only satisfy a key Trump campaign promise, but should also result in a very public display of jobs production, which the Trump Administration will be keen to highlight to help gain political momentum. The infrastructure plan will reportedly be implemented through public-private partnerships, but the debate on the success of such partnerships (largely at the level of individual states) is only in the early stages.

Bi-Lateral Investment treaties.

- President Trump has shown a desire to move away from multilateral trade agreements, such as the Trans-Pacific Partnership and the North American Free Trade Agreement. Although this move will likely have negative economic (and possibly political) impacts for the United States and its trading partners, the silver lining is that President Trump has expressed interest in pursuing bespoke trade deals. Rather than looking to multilateral deals, Trump seems to prefer bi-lateral agreements that prioritize face-to-face transactions and hard bargaining. Despite fears that he would pursue the nationalistic, protectionist trade policy that was a hallmark of his campaign rhetoric, President Trump has shown some flexibility in dealing with other nations' leaders on trade issues. Recently, for example, he expressed the view that he was willing to offer China favorable trade terms if it would provide economic pressure on North Korea. President Trump also declined to label China a currency manipulator, despite a campaign promise that he would do so on "Day 1."

Deals that support U.S. allies.

- For a president who reportedly values loyalty very highly, key U.S. allies will likely continue to enjoy favorable trade treatment, and may even see a relaxation of scrutiny on certain transactions that would otherwise come under evaluation by the Committee on Foreign Investment in the United States (CFIUS), the key regulatory body reviewing investment that may implicate U.S. national security. The law firm Foley & Lardner LLP recently noted that while the president normally only has a role at the end of a CFIUS review process (at which point the president may decide to block a proposed transaction), the high degree of confidentiality in CFIUS reviews and the likely interest of the president in deals that implicate national security suggest that President Trump may exert influence on high-profile deals. For allies, President Trump may put a thumb on the scales in their favor.

The perils

Deals that punish U.S. "enemies".

- While political allies may receive preferential treatment in their U.S. investments, funds may also be concerned that they will receive greater scrutiny if their sponsor government is on unfavorable terms with the United States. Again, because CFIUS review is a highly confidential process and is rarely reviewed by U.S. courts, the President and his staff may be able to exert influence on the process that could dramatically increase the level of scrutiny for certain transactions. A strategy of conducting foreign policy through deal-making (and in permitting or prohibiting deals, or reducing or increasing the costs of transactions, dependent on the status of relations with the Trump administration) creates considerable risk for SWF deals. Most fundamentally, it reduces the predictability and transparency that funds rely on to determine the viability of a transaction. Additionally, it has the perverse effect of encouraging other countries to retaliate by offering less transparency and behaving less predictably in their review of U.S. transactions.

An "America First" CFIUS review.

- Even for transactions from countries that are not on unfavorable terms with the U.S., the Trump administration may pursue a more aggressive enforcement of foreign investments laws and a more strict CFIUS review process for foreign transactions. This could also result in a more expansive category of transactions involving "national security," a trigger for CFIUS' coverage. While "national security" has not been defined as including purely economic interests, the Trump administration may seek to expand CFIUS to focus on individual or cumulative economic effects of foreign investment. Such a policy would be consistent with the "America First" position that President Trump effectively used to galvanize support during his presidential campaign.

Restructuring sovereign debt.

- A particularly ominous possibility is that President Trump will seek to renegotiate U.S. sovereign debt. In a cable financial news interview, then-candidate Trump stated that "I would borrow, knowing that if the economy crashed, you could make a deal." Although many looked at the comments as naïve and whimsical, Trump has experience with such negotiations: six Trump properties have declared bankruptcy, starting with the Trump Taj Mahal in 1991 and ending most recently with the bankruptcy of Trump Entertainment Resorts in 2009. Scenarios that would bring the United States to default on its sovereign debt are likely far-fetched, but the Dealmaker-in-Chief has not hesitated to renegotiate when a deal does not turn out well. Because many SWFs have a large investment in U.S. sovereign debt—long considered to be some of the safest investments in the world—a default would be an enormous shock. As legal scholars Steven Davidoff Solomon and David Zaring note, some of the largest holders of U.S. sovereign debt (such as SWFs) might find it difficult to resist an effort to renegotiate the terms of the debt, and might even be willing to accept restructuring in exchange for other trade concessions.

As President Trump's foreign policy and trade policy begin to take shape, no investors have more at stake than sovereign wealth funds. Funds are well-advised to prepare for a bumpy transition and abrupt shifts in policy as economic globalists and protectionist nationalists vie for power in Trump's inner circle. If the globalists win out, as seems to be increasingly likely, sovereign funds may have less to fear from U.S. foreign investment policy than candidate Trump's campaign rhetoric suggests. Indeed, investment may increase as the administration seeks to minimize barriers to foreign investment. If the nationalists reassert control, then we are likely to see more peril than promise in the Trump administration's treatment of sovereign investment.

News from the market

Key trends from the industry

Technology is a hot area of growth, particularly for Middle Eastern and Asian SWFs:
Technology is set to become one of the fastest growing sectors in 2017. While the market is still largely dominated by venture capital funds, the potential for tech businesses to expand quickly has recently attracted a growing flow of capital from major SWFs. The number of SWFs making direct investments in private technology companies has increased almost three-fold over the past three years, from 9 deals in 2014 to 26 in 2016. Total deal value in the same period increased more than 150%, from $5 billion to around $13 billion. This trend is particularly pronounced in the Middle East, where SWFs have become increasingly active. Earlier this year, Japanese tech giant, SoftBank Group, teamed up with Saudi Arabia's state-owned Public Investment Fund (PIF) to launch a $100 billion technology investment fund. In addition, the Qatar Investment Authority (QIA) plans to open an office in San Francisco to build up its technology portfolio and diversify away from oil and gas. QIA is already a backer of Uber (along with PIF), and Flipkart (along with GIC). These moves build on tech investments made by other Middle Eastern players, such as the $1.3 million KIA (along with Bpifrance) put into the accommodation rental platform startup, BedyCasa, in 2014.

$13 billion invested by SWF in tech companies in 2016

SWFs from East Asia are not falling behind in the tech race. Singapore's Temasek Holdings and GIC have been the most active funds in technology sector in recent years. Temasek participated in ItutorGroup's $100 million series B round in 2014 while GIC was part of the company's $200 million Series C round in 2015. As one of the early investors of Xiaomi, Tamasek participated in the $90 million Series B funding back in 2011. In 2014, GIC joined a consortium that included All-Stars Investment, DST Global, Hopu Investment, and Jack Ma's Yunfeng Capital, that injected $1.1 billion into Xiaomi. The Singaporean sovereign wealth duo have also led a $1.5 billion funding round in Alibaba's Cainiao last year. Separately, Temasek has funded the major Chinese ride-sharing company, Didi Chuxing, and participated in a $215 million Series D funding round for the Chinese bike-sharing platform, Mobike. In February, GIC invested in Shanghai-based Advanced Leading Technology, a manufacturer of electric vehicle systems, taking an 18% stake for an undisclosed amount.

GIC taken 18% stake in Advanced Leading Technology, a manufacturer of electric vehicle systems

The rise of African Funds: governments are using SWFs to fund infrastructure budget gaps, and support new economic policies:
Countries continue to rely on SWFs to support infrastructure investment. This is especially true in places like Africa where the needs are great and traditional financing may be limited. A recent report from the World Bank shows that Africa in total generates only about half of the $93 billion needed annually to meet its burgeoning infrastructure needs, leaving a sizable financing gap. SWFs are well positioned to fill that void and help finance critical power, transport, water, and other infrastructure projects, as well as provide a funding base for other longer-term infrastructure initiatives.

Over the past five years, oil producers in Nigeria, Ghana and Angola have all established SWFs. Other African nations are expected to follow suit. The Gambian government is currently looking into an SWF that could be funded by revenue from natural resources and state-owned enterprise dividends, and Mozambique and Kenya have also been considering establishing SWFs. In all, African SWFs have combined AUM of over $159 billion. That figure represents 6.4% of the continent's GDP, with the majority (83%) of that value coming from oil-related assets.

African SWFs have combined AUM of over $159 billion

SWF announcements

Bangladesh: The nation's cabinet gave initial approval for the creation of a **Bangladesh Sovereign Wealth Fund**. The fund will be established over a five-year period, supported by annual contributions of $2 billion from the country's foreign exchange reserves.

India: The governments of India and Britain together invest 240 million pound in the newly announced 500 million pound joint fund that focuses on Indian infrastructure projects. The launch marks the most recent in a series of sub-funds created under India's **National Investment and Infrastructure Fund (NIIF)**. In September 2016, India announced that two sub-funds, one focused on renewable energy and the other on highway projects, are being set up. The Indian government also plans to create 3 more sector specific sub-funds focusing on airport and ports under NIIF.

National Investment and Infrastructure Fund (NIIF) with 500 MM GBP to invest in infrastructure

Turkey: The Turkish government transferred state-owned stakes worth billions of dollars from Turkish Airlines, the petroleum company, TPAO, Halbank, Turkish Telecom and others into a newly established SWF intended to finance large infrastructure projects such as airports, seaports, roads and railroads. Launched in August 2016 with an initial transfer of $13 million, the new investments are part of a government effort to bring upwards of $200 billion in assets under management (AUM).

Russia and Turkey

Russia and Turkey signed a Memorandum of Understanding to form a joint **Russia-Turkey Investment Fund** in which each country will invest up to $500 million through the Russian Direct Investment Fund (RDIF) and the Turkey Wealth Fund (TWF), respectively. Similar to other RDIF country funds, the Russia-Turkey Investment Fund will target economic development projects that strengthen bilateral ties.

Tracked funds

Country	Fund Name	Inception Year	Source of Funds	AUM 2016 (USD BN)
Norway	Government Pension Fund – Global[£]	1990	Commodity (Oil & Gas)	**903.96**
UAE-Abu Dhabi	Abu Dhabi Investment Authority[†]	1976	Commodity (Oil & Gas)	**828.00**
China	China Investment Corporation**	2007	Trade Surplus	**813.76**
Kuwait	Kuwait Investment Authority[†]	1953	Commodity (Oil & Gas)	**592.00**
Singapore	Government of Singapore Investment	1981	Trade Surplus	**353.58**
Qatar	Qatar Investment Authority[†]	2005	Commodity (Oil & Gas)	**335.00**
China	National Social Security Fund[†]	2000	Trade Surplus	**294.85**
UAE-Dubai	Investment Corporation of Dubai[6]	2006	Commodity (Oil & Gas)	**200.82**
Saudi Arabia	Public Investment Fund[£]	1971	Commodity (Oil & Gas)	**190.00**
Singapore	Temasek Holdings[£]	1974	Trade Surplus	**179.91**
UAE-Abu Dhabi	Mubadala Investment Company PJSC[ℇ]	2017	Commodity (Oil & Gas)	**125.00**
Russia	National Wealth Fund and Reserve Fund[6]	2008	Commodity (Oil & Gas)	**110.85**
UAE-Abu Dhabi	Abu Dhabi Investment Council[†]	2007	Commodity (Oil & Gas)	**110.85**
Australia	Australian Future Fund[6]	2006	Non-Commodity	**92.51**
Republic Of Korea	Korea Investment Corporation**	2005	Government-Linked Firms	**91.80**
Libya	Libyan Investment Authority[†]	2006	Commodity (Oil & Gas)	**66.00**
Kazakhstan	Khazakhstan National Fund**	2000	Commodity (Oil & Gas)	**65.70**
Brunei	Brunei Investment Agency[†]	1983	Commodity (Oil & Gas)	**40.00**
Malaysia	Khazanah Nasional Berhard**	1993	Government-Linked Firms	**34.95**
Azerbaijan	State Oil Fund of Azerbaijan[ℇ]	1999	Commodity (Oil & Gas)	**33.21**
New Zealand	New Zealand Superannuation Fund[ℇ]	2001	Non-Commodity	**21.74**
Ireland	Ireland Strategic Investment Fund[£]	2001	Non-Commodity	**21.70**
East Timor	Timor-Leste Petroleum Fund[†]	2005	Commodity (Oil & Gas)	**16.90**
UAE-Dubai	Istithmar World*	2003	Commodity (Oil & Gas)	**11.50**
UAE-Dubai	Dubai International Financial Center**	2002	Government-Linked Firms	**11.00**

Country	Fund Name	Inception Year	Source of Funds	AUM 2016 (USD BN)
Bahrain	Mumtalakat Holding Company**	2006	Government-Linked Firms	**10.51**
Russia	Russian Direct Investment Fund[£]	2011	Non-Commodity	**10.00**
Oman	State General Reserve Fund*	1980	Commodity (Oil & Gas)	**9.15**
Oman	Oman Investment Fund[†]	2006	Commodity (Oil & Gas)	**6.00**
Angola	Fundo Soberano de Angola**	2012	Commodity (Oil & Gas)	**4.75**
Kingdom of Morocco	Ithmar Capital[£]	2011	Government-Linked Firms	**1.00**
UAE-Ras Al Khaimah	Ras Al Khaimah Investment Authority[†]	2005	Commodity (Oil & Gas)	**1.20**
Nigeria	Future Generations Fund**	2012	Commodity (Oil & Gas)	**1.07**
Vietnam	State Capital Investment Corporation**	2005	Government-Linked Firms	**0.87**
Kiribati	Revenue Equalization Reserve Fund*	1956	Commodity (Phosphates)	**0.65**
Sao Tomé & Principe	National Oil Account*	2004	Commodity (Oil & Gas)	**< 0.01**
		Total Oil & Gas		3,625.41
		Total Trade Surplus		1,641.90
		Total Other		357.23
		Total AUM		**5,624.54**

£ AUM as of December 31, 2016

† Estimate by SWF Institute as of 19 April 2017

** AUM as of 31 December 2015

¥ AUM as of 31 March 2016

ɞ AUM as of 30 June 2016

* Sovereign Investment Laboratory estimate of assets under management as of December 2016.

ε On 21 January 2017, the President, His Highness Sheikh Khalifa bin Zayed Al Nahyan, as the ruler of Abu Dhabi, issued a law creating the Mubadala Investment Company, a company wholly owned by the government of Abu Dhabi. This new company will comprise both the International Petroleum Investment Company and Mubadala Development Company, and their respective assets. This law formalizes the 29 June 2016 announcement that IPIC and Mubadala would merge. The value of assets under management is updated as of April 2017.

SWFs of Morocco and Palestine have been added to the SIL list in 2015. Public Investment Fund has been added to the SIL list in 2016.

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