Sovereign Wealth Funds Quarterly Newsletter

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

BCG The Boston Consulting Group

with the scientific support of

Università Bocconi
BAFFI CAREFIN CENTER
SIL Sovereign Investment Lab

Foreword

The SWF industry is living testing times. Oil-based funds are redefining their long-term strategies in a new environment of declining commodity prices and revenues, while trade-surplus funds are still grappling with the looming consequence of the "great deceleration" of emerging countries. Yet, the last semester shows that this adjustment path is not simple nor linear, as events may abruptly alter the outlook and consequently affect SWF behaviour.
The last two quarters marked a significant reverse in the oil price triggered by mounting tensions in the Gulf and by the upward reassessment of the growth prospects in emerging economies, particularly in Asia.
These recent facts partly explain the resurgence of SWF investments in the course of 2017, even if more expressed in terms of activity rather than deal size. In the last two quarters, SWF from the Middle East remained quiet, with their investments dwarfed by the largest Asian funds. The jury determining the year's closing balance is still out, but we expect a significant uptick also by value in MENA thanks to the forthcoming deals by Saudi's Public Investment Fund, the once sleeping sovereign investment vehicle now turned into dynamic global investor in cutting-edge sectors such as technology, robotics and artificial intelligence.
This observation introduces one of the dominant themes of this semester in the SWF industry, escaping oil dependence by diversification and transforming the national economy. While Saudi Arabia officially ended its long love affair with oil, the $1trn Norwegian Fund Government Pension Fund Global stated its intention to dump its holdings in the oil and gas sector. While some took the announcement as a confidence vote for sustainability and climate-friendly policies, the smoking gun most likely was diversification, given the large government investments in energy utilities and sheer size of in-ground oil assets. At any rate, even if oil remains the backbone of energy consumption in the medium term, producing nations are all striving to replace it as the main economic driver. With an estimate $6 trillion at their disposal, SWFs wield an enormous power and thanks to their illiquid, long-term investments will contribute to the evolving shape of the global economy. Bocconi's SIL and BCG will strive to help our readers to keep track of these exciting developments.

Key facts and figures

13
active SWFs completing an acquisition in Q2-Q3 2017

102
completed SWF deals

$15.7 BN USD
total reported deal value in Q2-Q3 2017

60 %
share of deal value of co-investments with private parties and/or other SWFs

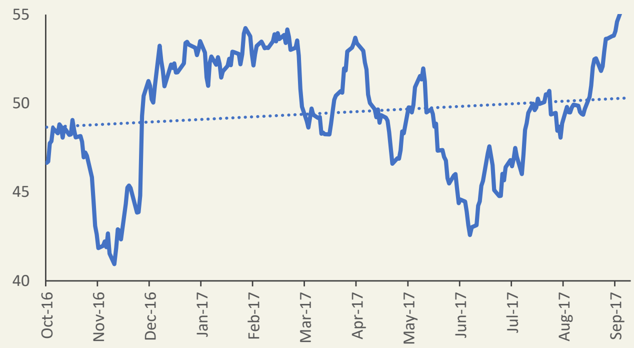
30 %
share of deal value in frontier or emerging markets

$1.8 BN USD
the largest SWF deal of the quarter is Temasek acquisition of stake in Global Healthcare Exchange Llc.

Global outlook for SWF investments

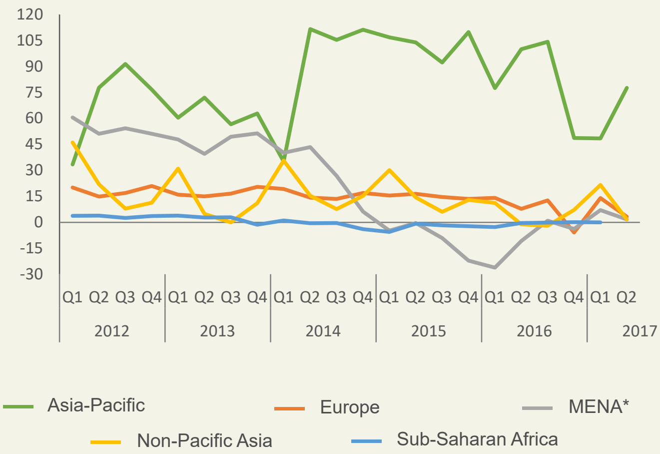
The most recent trends in oil markets are always a natural reference for the current macroeconomic scenario affecting SWF investments. Indeed, the story of the oil price in the last semester was a “tale of two quarters”, split by major political events affecting the Middle East. In June, a few weeks after President Trump’s official visit to Riyadh, Saudi Arabia, the United Arab Emirates, Egypt and Bahrain cut diplomatic ties with Qatar, imposing tough conditions to the small Gulf state for its alleged support to terrorism. Qatar’s banking system suffered a sudden capital outflow, which forced the government to inject liquidity in the banking system and later this year to withdraw $20bn from its SWF. Nonetheless, Qatar rejected the requests of the other Gulf’s states and restored fully diplomatic relations with Iran. Mounting tensions in the Gulf followed the consolidation of power in the Kingdom of Muhammad bin Salman (MBS) named as crown prince by the end of June, and by the re-election of Iran’s moderate reformist president, Hassan Rouhani in late May.
The political events occurring in late Q2 were the watershed for the trends in the oil price. Until then, prices kept falling from 50 $/bbl recorded at the beginning of the quarter down to 42 $/bbl, mainly due to higher than expected inventories and increased production by countries outside the OPEC group. The improved compliance with the agreement signed among producing countries in March that was observed in Q3 gave another boost to oil prices, with the OPEC basket price breaking the 55 $/bbl mark for the first time since 2015.
Oil prices are on a positive growing trend that helped oil-rich countries to reduce their current account deficits, which according to IMF in the MENA region amounted to more than $40 bn in 2016, whereas in the first half of 2017 the region posted a surplus of around $9 bn. At the global level, the cyclical upswing that began midway through 2016 continues to gather strength, reaching out 75 per cent of the world economy, even if energy-exporting countries continue to struggle. Global trade growth picked up meaningfully in early 2017, reflecting a recovery in global demand and especially capital spending. Growth prospects for emerging economies are marked up considerably for 2017, primarily owing to a stronger growth projection for China. Thanks to the improved macroeconomic outlook, foreign reserves have started to increase in most countries owning a SWF, with the important exception of Saudi Arabia, China and Qatar. Equity markets in advanced economies have continued to rise in recent months amid strong earnings, further improvements in consumer and business confidence, and favourable macroeconomic data, while market volatility

Chart 1. The oil price, 2016 - Q2/Q3 2017 ($ Bbl)



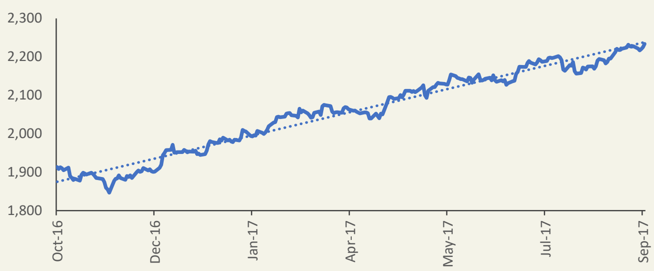
Source: OPEC

Chart 2.
The current account balance by region, 2012-2017



**Due to lack of data, the following countries have been excluded: Lybia, Oman, United Arab Emirates and Palestine in the MENA region; Nigeria in the Sub-Saharan African region*
Source: IMF

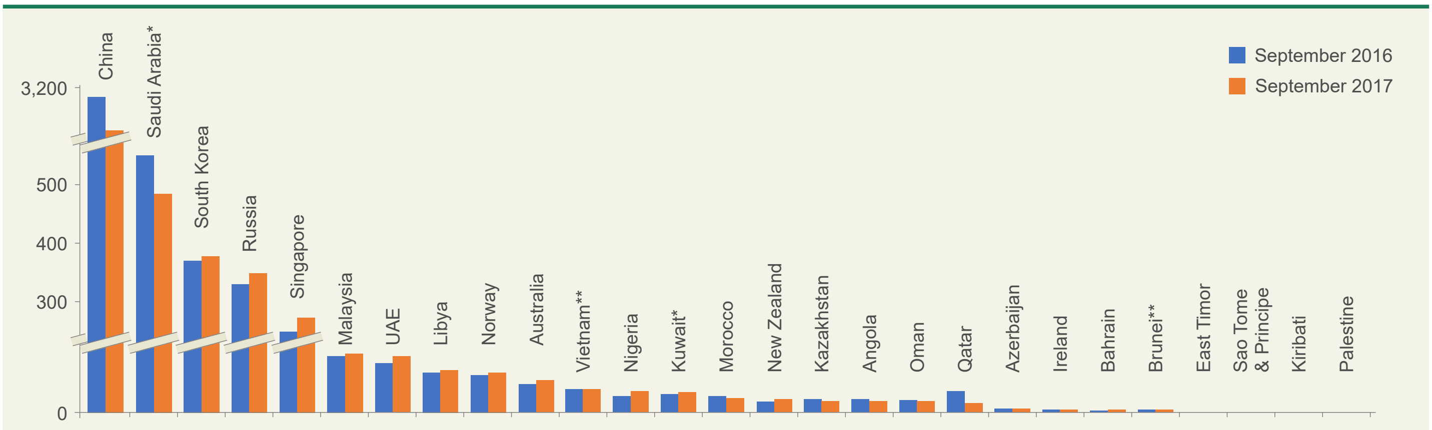
Chart 3. Global equity markets, 2016 - Q2/Q3 2017
S&P Global 1200 (USD)



Source: S&P Dow Jones Indices

indicators remain low. The S&P Global 1200 gained more than 8% in Q2 and Q3 2017 but this positive sentiment could leave global equity markets any time soon. A badly managed roll off of the FED's $4.5trn portfolio announced in September, persistent low or negative rates in many countries, which in turns cut the room of manoeuvre of central banks in case of sudden downturns, and a higher than expected level of corporate leverage in emerging markets might put markets under pressure in the coming months.
Looking forward, the overall investment climate for SWF is challenging. Protectionist ideas have been gaining ground in the European Union, where the EC president Juncker has called for a system to better screen acquisitions of European assets by foreign (allegedly Chinese) investors. Indeed, according to official statements, President Xi Jinping is willing to increase China's influence in the world through SWF investments, the newly created Asian Infrastructure Investment Bank and the One Belt and One Road Initiative connecting Eurasian countries. While Europe is becoming a closer target region, the recently announced tax plan by the Trump administration could attract foreign investors lured by larger corporate incomes, a defining moment to test the "America First" rhetoric used to galvanize support during the presidential campaign.

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



**Saudi Arabia and Kuwait latest available data August 2017; ** Vietnam and Brunei latest available data July 2017*

Source: IMF

Q2-Q3 2017 Deal Activity Summary

Activity

In the second and third quarter of 2017 we observed 13 SWFs out of the 38 included in the SIL database completing 102 direct equity investments with a total publicly reported value of $15.7 billion. On an annual basis, this represents a 14% decrease in the deal value compared to the same period in the previous year. However, by the number of transactions we record a 52% increase in activity. Consequently, the average deal size is considerably lower and stands at around $174 million a figure in line with SWFs' goal of diversifying their portfolios further and their necessity to become much more prudent in their investment strategy.
September, with 23 transactions, was the busiest month of the period under coverage. However, in terms of deal value, April recorded the largest number, $4.8 billion worth of deals were completed including the acquisition of 90% of Nova Transportadora do Sudeste by a consortium in which both GIC and CIC participated.

Deal highlights

CIC and GIC teamed up with Brookfield Infrastructure and British Columbia Investment Management Corporation, to acquire 90% of Petrobras' Nova Transportadora do Sudeste, a system of natural gas transmission assets in the southeast of Brazil, for $5.2 billion. The deal was announced last year in September and was scheduled to close in February 2017, however completion was postponed due to court suspension.

Geography

Last year's most attractive market for SWFs, the USA, is undoubtedly again the winner in Q2-Q3. USA attracted 31 transactions jointly worth around $6.3 billion representing 40% of all deal value this semester. If we combine these numbers with the ones reported in Q1, the USA is well on track not only to top the rank again this year, but also to attract even more investment than 2016. Australia continues with its "asset recycling" policy primarily revolving around privatizing large infrastructure assets. SWFs jumped on the opportunity by investing $1.7 billion, making Australia the second most attractive advanced country during this semester. Spain and the UK were also under the spotlight, with $860 million and $717 million, respectively.

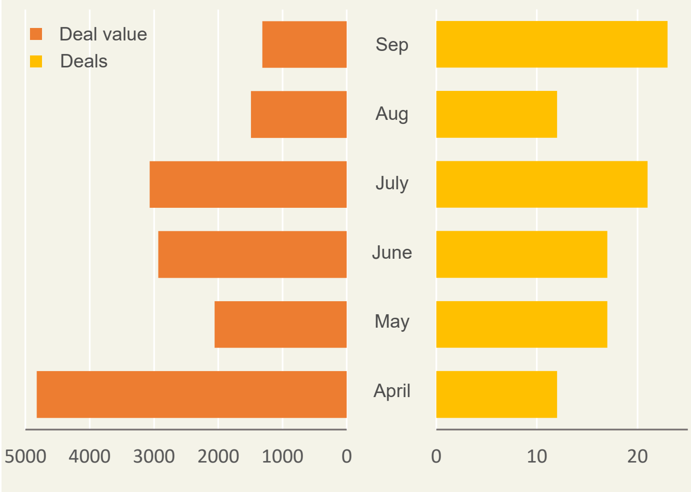
Emerging markets were less appealing compared to Q1 of 2017, accounting for around 30% of investment value primarily due to the above mentioned acquisition of Nova Transportadora do Sudeste in Brazil and CIC's follow on investment in Everbright Bank in China. To the latter deal accrue also the 10% share of domestic investments recorded in the period.

India is steadily gaining ground as one of the key emerging markets for SWF investment. Due to the nature of the market, front-page headline deals are not very common, however in this semester, thanks to 23 completed deals, India is the second target market in terms of completed transactions.

Deal highlights

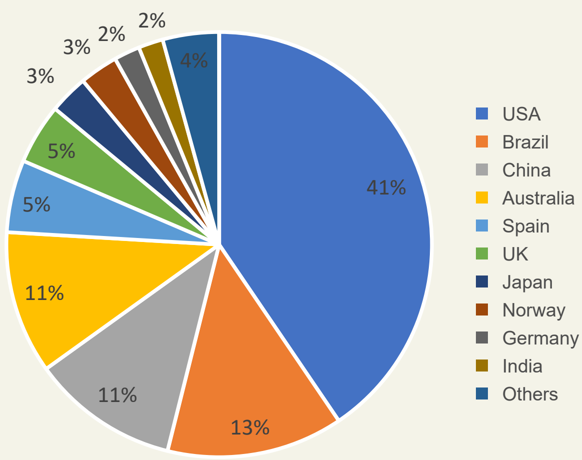
The USA's well-developed services industry remains one of the most interesting fields for SWFs. Temasek acquired a majority stake in Global Healthcare Exchange LLC, a provider of connected intelligent healthcare supply chains, from Thoma Bravo thus staying on track with their goal of reshaping their portfolio towards longer term trends.

Chart 5. SWF investments in Q2/Q3 2017



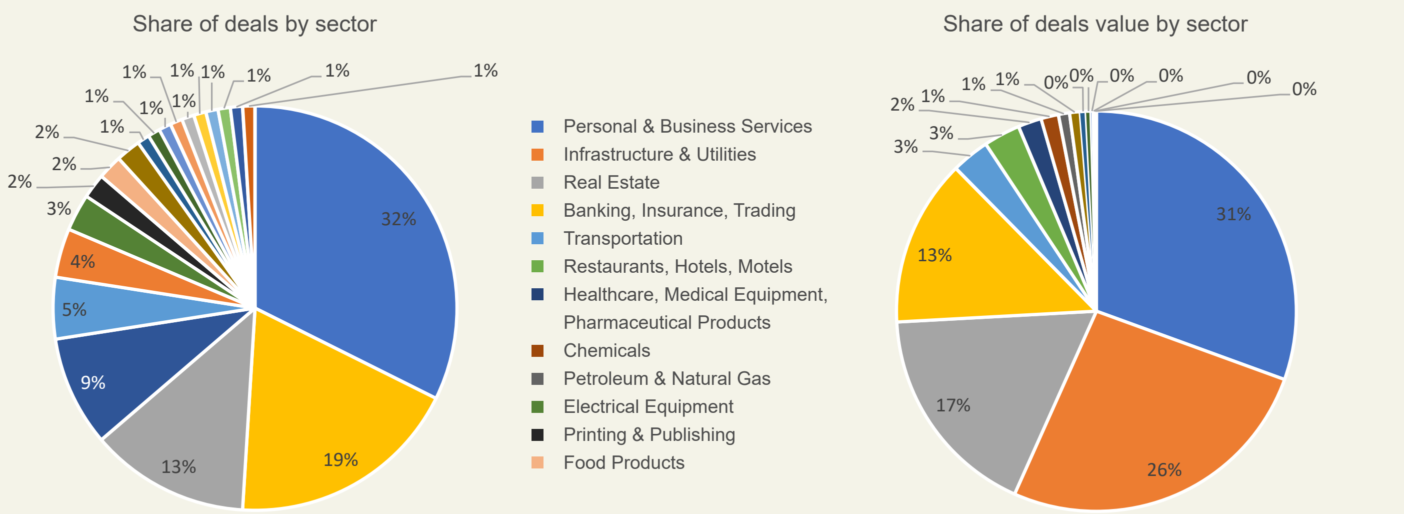
Source: Sovereign Investment Lab, Bocconi University

Chart 6. Deal value by target country, Q2/Q3 2017



Source: Sovereign Investment Lab, Bocconi University

Chart 7. SWF investments by sector, Q2/Q3 2017



Source: Sovereign Investment Lab, Bocconi University

Sectors

The appetite for personal and business services (especially IT linked sectors) sectors remains strong. Indeed, digital ventures fit very well in the current investment strategy of many SWFs. With 33 deals worth around $4.8bn they represent the top single industry this semester.

After a strong performance at the beginning of the year, "safe assets" continue to attract SWF attention. This sector, bunching alternatives such as real estate assets and infrastructure, attracted 17 deals worth $6.8bn. Most of the deals occurred in the real estate sector, even if by value infrastructure and utilities sector got the lion's share with $4.1bn worth of investment.

Deal highlights

High valuations and lowering rents are pushing SWFs to rethink the way they invest in real estate. SWFs are increasingly more committed to finding profitable deals beyond trophy buildings in top cities. Temasek's Mapletree Investments has completed one of the largest such deals in this semester. In a three-deal combo the Singaporean fund purchased a portfolio of student accommodation properties in North America for $1.6 billion from US based private equity firm Kayne Anderson.

Banks have been gradually experiencing a decline in popularity over the past couple of years, but we report a slight reversal in this trend. The lion's share of reported value accrues to CIC's investment in Everbright Bank, the sector did manage to attract no less than 19 transactions. Moreover, SWFs seem to be changing their strategies in the industry. Out of the 19 deals, 13 took place in emerging markets, seeking smaller and smarter investment opportunities as compared to the big-ticket deals completed during the financial crisis.

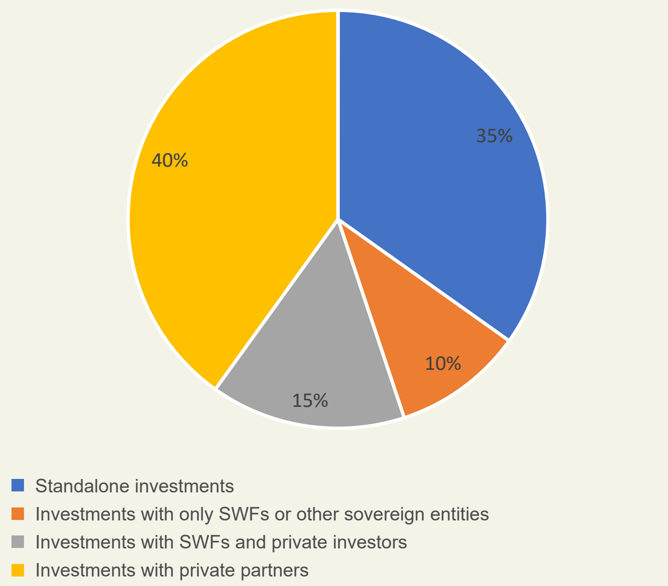
Co-investments

Over the last years, SWFs have displayed an increasing desire find opportunities to team up with other SWFs or other financial investors 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: 55% 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

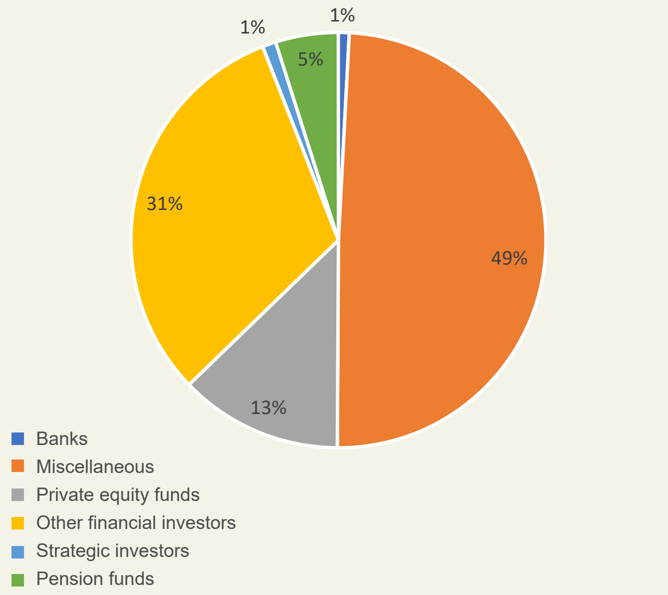
Australia is setting an example for financing the reconstruction of the country's infrastructure. Another mega-deal was concluded in this semester as part of the "asset recycling" program, as expected SWFs have taken part in many of the deals under this program. A consortium led by Macquarie Group, including AMP Capital, Qatar Investment Authority and British Columbia Investment Management Corporation, paid around $5.6 billion for 50.4% of Endeavour Energy, one of Australia's biggest public energy companies which supplies electricity to 2.4m people in Sydney and nearby regions.

Chart 8. SWF investments by type, Q2/Q3 2017



Source: Sovereign Investment Lab, Bocconi University

Chart 9. Type of co-investor, Q2/Q3 2017



Source: Sovereign Investment Lab, Bocconi University

Funds

GIC and Temasek had another vibrant semester, spanning all main markets and sectors. The Singaporean funds jointly completed 58 deals worth around $9.2 billion, almost 60% of both total investments and investment value. China Investment Corporation is third on the list of the biggest spenders in this semester primarily due to the large Nova Transportadora do Sudeste and Everbright Bank deals, in terms of activity however, with only 7 deals, CIC is far from Singapore's champions.

Commodity funded SWFs have been particularly quiet this semester. They closed 31 deals worth $3.2bn accounting for only 20% of investment value in the period. Out of the active commodity funds only QIA surpassed the one billion mark in investments. In terms of number of deals, GPFG and ADIA lead the pack with 9 and 7 investments respectively. GPFG focused on real estate assets with 6 out of the 9 deals they closed being in this segment. ADIA had a more diversified approach with regard to sectors, but with a strong focus on India, which received 6 out of ADIA's 7 investments in the semester.

Table 1.
Ranking of active SWFs by deal value, Q2/Q3 2017

SWF name	USD MM
GIC Pte Ltd	4,927
Temasek Holdings Pte Ltd	4,312
China Investment Corporation (CIC)	3,025
Qatar Investment Authority (QIA)	1,832
Abu Dhabi Investment Council	606
Government Pension Fund – Global	574
Future Fund	144
Russian Direct Investment Fund	112
Mubadala Investment Company PJSC	89
Abu Dhabi Investment Authority (ADIA)	38
Kuwait Investment Authority (KIA)	22
Khazanah Nasional Bhd	7
Investment Corporation of Dubai	n.a.
Total	**15,688**

Source: Sovereign Investment Lab, Bocconi University

Table 2. Top 5 deals by value

Fund	Target name	Target country	Sector	Deal size (USD MM)	Stake
Temasek Holdings Pte Ltd	Global Healthcare Exchange Llc	USA	Personal & Business Services	1,800.00	–
Temasek Holdings Pte Ltd	Student Accomodation	USA	Real Estate	1,600.00	100.00%
China Investment Corporation (CIC)	China Everbright Bank Co Ltd	China	Banking, Insurance, Trading	1,575.00	4.30%
Qatar Investment Authority (QIA)	Endeavour Energy	Australia	Infrastructure & Utilities	1,401.02	12.60%
China Investment Corporation (CIC)	Nova Transportadora Do Sudeste Sa	Brazil	Infrastructure & Utilities	1,050.00	18.00%
GIC Pte Ltd	Nova Transportadora Do Sudeste Sa	Brazil	Infrastructure & Utilities	1,050.00	18.00%

Source: Sovereign Investment Lab, Bocconi University

News from the market

Deal activity expected to further shift towards Co-investment partnerships and direct investments influenced by sovereign Investors being increasingly proactive and sophisticated.

An increasing amount of direct deals by Sovereign Investors is expected to be completed in the form of co-investments (alongside General Partners – GPs) or sourced internally by the increasingly more skilled in-house investment teams.
Invesco Asset Management surveyed 59 state-owned investment funds worldwide with over $7 trillion of Assets under Management and found out that the percentage of real estate assets managed by in-house teams across the 59 SWFs jumped to 42%, from 31% in 2013. The percentage of global equities managed in-house rose to 34 percent, from 26 percent at the end of 2013.

The benefits to the GP-sovereign investor relationship is significant:
GPs can bypass fund deal limitations by using "friendly" capital and sovereign investors get access to select opportunities at very low or no cost, thereby boosting their returns prospects.
Sovereign investors are increasingly utilizing co-investment opportunities given their long-term investment horizons and interest in developing their interactions with PE houses, especially those in the "megafund" and "tier-1" categories.
Since 2009, co-investments and direct investments grew annually by 21%.

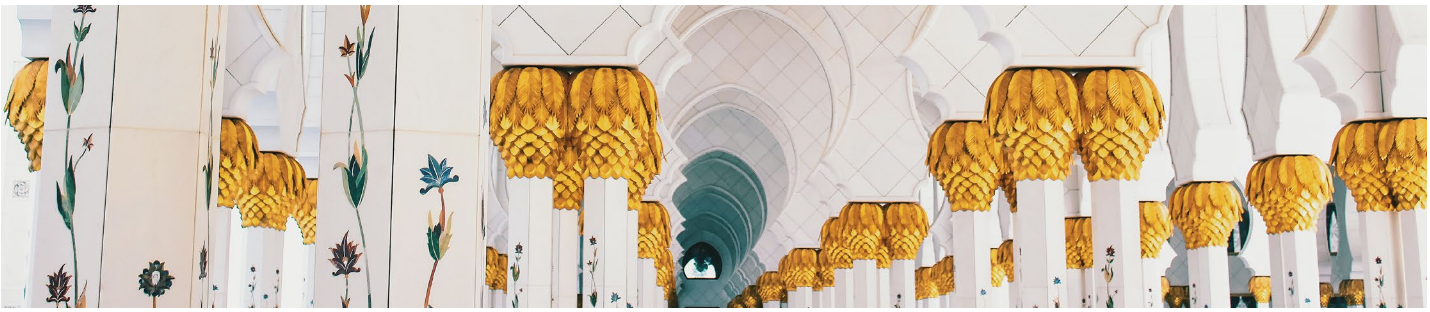
Co-investment isn't solely confined to the PE space; Infrastructure has seen an increasing amount of co-investment activity, given that the ticket size is typically high and privatised assets are normally sold in public auctions.
Co-investments allow sovereign investors to enter into public-private partnership projects or team up with infrastructure asset managers to seize and drive value through such investment opportunities.
Recent examples of such structures include the Thames Tideway Tunnel and Autoroutes Paris-Rhin-Rhone projects.

Real Estate is another space which is attracting increased interest, since co-investment structures allow sovereign investors to access property and landmark acquisition deals. One recent example would be the Time Warner HQ building in New York City, which saw ADIA and GIC participate in the co-investment syndicate with $1.3 billion. A second example would be the Canary Wharf Group in London, owners of the landmark Canary Wharf Tower, whose co-investment syndicate included both QIA and Brookfield acquiring the company for $5.5 billion.

Real estate assets managed in-house reached 42%, from 31% in 2013

Global equities managed in-house rose to 34 percent, from 26 percent at the end of 2013

Since 2009, Co-investments and direct investments grew annually by 21%



Besides co-investment activity, direct investments (through both sole direct participation and joint-sponsorships) are expected to increase as sovereign investors gain more expertise and capabilities, both through (interestingly) their existing co-investment participations and own-team build-outs (a proposition that often is more cost-effective than having straight exposure to the 2-20 fee framework).
As of 30/11/2017, 30% of total SWF deals were done as Direct Investment.

30% of total SWF deals were done as Direct Investment

Competition for high-quality assets globally is likely to rise as this "shadow capital" emerges into the mainstream. While the argument for directs is well-known and pronounced, there are challenges present: Operational value creation and portfolio company engagement should not be underestimated, GP alignment will be key to preserving co-investment relationships (especially when there is a dual track process, i.e.co-investment + direct participation) and having the right operating model mechanics will be crucial to success.

Knowledge management is being increasingly viewed as a strategic value enabler by global sovereign investors, as they look for new and interesting angles from which to sustain a competitive edge throughout their investment value chains.

Knowledge management within the global principal investors space has often been viewed as a "tick-in-the-box" reactive exercise, with efforts to capture knowledge ranging from creating often-dormant repositories to an intranet site that provides a "cookie-cutter" solution for different asset classes. Given increasing competition for high-quality assets, investment mandates becoming multi-dimensional and an increasing emphasis on generating active value in portfolio companies competing in volatile macroeconomic and competitive environments, 'knowledge management' is taking a seat at the top table, moving from reactive repositories to proactive tools to disseminate proprietary insight.

A tangible example of knowledge management within a SWF context would be the creation of a central knowledge "hub", which would effectively serve as a repository for all of the knowledge and proprietary insights developed by the fund through the course of its investment and portfolio asset value creation activities. While such a hub can take many forms, a critical success factor for a SWF knowledge management unit is its ability to grow and evolve with the growth of the fund, becoming an actively managed internal unit that intricately weaves into the investment DNA of the fund itself.

The world's top principal investors – global pension funds and SWF's – are actively developing strategies to weave knowledge management into their investment DNA. Indeed, some have gone one step further and are running significant transformation programmes to ensure knowledge management techniques, incentives and structures are actively managed into the operating models of their constituent asset classes.

While not a mainstream topic, knowledge management is almost certainly going to become one of the key drivers of the SWF internal strategic agenda for the next 2-3 years and beyond.

Global Round-Up

Saudi Arabia and China

Saudi Arabia and China are teaming up to establish and operate a US$20bn joint investment fund focusing on investments in infrastructure, energy, mining and materials. The two countries would share the costs and profits evenly according to Saudi Arabia Energy Minister Khalid Al Falih. During the Saudi-Chinese economic conference in Jeddah, the Saudi vice-minister of economy and planning Mohammed Al Tuwaijri said that Saudi Arabia would be willing to consider making some of its contributions to the joint fund in yuan to diversify the funding basis of Saudi Arabia.

US$20bn joint investment fund focusing on investments in infrastructure, energy, mining and materials

United Arab Emirates

Abu Dhabi has finalized a merger of Mubadala Development Co. and International Petroleum Investment Co. (IPIC) earlier this year. Mubadala's CEO Khaldoon Al Mubarak has become the CEO of the 14th largest SWF in the world, with an AUM of US$125bn, while Mubadala's Chairman and Crown Prince of Abu Dhabi, Sheikh Mohamed Bin Zayed Al Nahyan, will assume the Chairmanship of the new entity. Abu Dhabi has been optimising its expenditure and consolidating state-owned companies after the oil price dropped by 50% in recent years, placing significant pressure on fiscal dynamics. In an interview last month, Al Mubarak said that Mubadala will invest in technology companies in the U.S. after opening an office on the West Coast to manage its US$15bn commitment to the SoftBank Vision Fund.

Mubadala Development Co. and International Petroleum Investment Co. (IPIC) merged to become the 14th largest SWF in the world

Canada

The Investment Management Corporation of Ontario (IMCO) began operations in July this year to manage the assets of its first two clients, the Workplace Safety Insurance Board (WSIB) and the Ontario Pension Board (OPB). Together, the funds under management have a value of approximately US$60B and are invested across a broad range of asset classes, including public equities, public debt, private equity, real estate, and infrastructure. This puts IMCO in the group of the largest public-sector asset managers in Canada. IMCO, modelled after similar entities in Canada such as AIMCo and bcIMC, was first established in 2016. Its mandate is to provide investment management services to public-sector clients in Ontario.

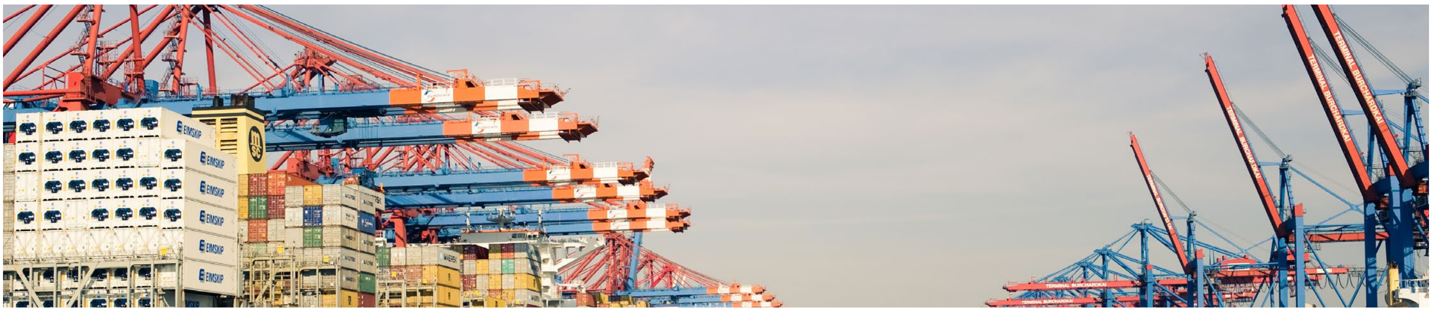
Investment Management Corporation of Ontario (IMCO) began operations with AuM of $60B

India

The National Investment and Infrastructure Fund (NIIF) continues its development and structure build-out. To recap, the NIIF is a fund created by the Government of India for enhancing infrastructure financing – Greenfield, brownfield and stalled projects – in the country (this is different from the National Investment Fund). The NIIF is envisaged as a fund of funds with the ability to make direct investments as required. As part of its build-out, the NIIF signed a US$1bn agreement with the Abu Dhabi Investment Authority (ADIA), whereby ADIA will invest alongside the NIIF in the energy, transportation and other infrastructure-related sectors in India.

Romania

Romania's government is planning to set up a sovereign wealth fund pending approval from the European Commission. The fund would hold controlling or minority stakes in the state's 27 most profitable companies across the transport, pharmaceutical and energy sectors, and inject cash of around US$480m to help finance roads and hospitals. A supervisory council of nine people appointed by finance ministry with mandate to set up the fund will manage the fund initially and need to select a management board of seven before the end of its term.



Tracked funds

Country	Fund Name	Inception Year	Source of Funds	AUM 2016 (USD BN)
Norway	Government Pension Fund – Global[¥]	1990	Commodity (Oil & Gas)	**841.09**
UAE-Abu Dhabi	Abu Dhabi Investment Authority[†]	1976	Commodity (Oil & Gas)	**828.00**
China	China Investment Corporation[£]	2007	Trade Surplus	**813.51**
Kuwait	Kuwait Investment Authority[†]	1953	Commodity (Oil & Gas)	**524.00**
Singapore	Government of Singapore Investment	1981	Trade Surplus	**359.00**
Qatar	Qatar Investment Authority[†]	2005	Commodity (Oil & Gas)	**320.00**
China	National Social Security Fund[†]	2000	Trade Surplus	**295.00**
UAE-Dubai	Investment Corporation of Dubai[6]	2006	Commodity (Oil & Gas)	**187.67**
Saudi Arabia	Public Investment Fund[£¶]	1971	Commodity (Oil & Gas)	**230.00**
Singapore	Temasek Holdings[µ]	1974	Trade Surplus	**197.00**
Russia	National Wealth Fund and Reserve Fund[6]	2008	Commodity (Oil & Gas)	**110.85**
Australia	Australian Future Fund[¥]	2006	Non-Commodity	**102.58**
Republic Of Korea	Korea Investment Corporation[£]	2005	Government-Linked Firms	**122.30**
Kazakhstan	Khazakhstan National Fund[£]	2000	Commodity (Oil & Gas)	**64.20**
UAE-Abu Dhabi	Mubadala Investment Company PJSC[¥]	2017	Commodity (Oil & Gas)	**126.71**
Libya	Libyan Investment Authority[†]	2006	Commodity (Oil & Gas)	**66.00**
Brunei	Brunei Investment Agency[†]	1983	Commodity (Oil & Gas)	**40.00**
Malaysia	Khazanah Nasional Berhard[£]	1993	Government-Linked Firms	**21.66**
Azerbaijan	State Oil Fund of Azerbaijan[¶]	1999	Commodity (Oil & Gas)	**36.02**
New Zealand	New Zealand Superannuation Fund[¥]	2001	Non-Commodity	**25.87**
East Timor	Timor-Leste Petroleum Fund[†]	2005	Commodity (Oil & Gas)	**16.60**
UAE	Emirates Investment Authority[†]	2007	Commodity (Oil & Gas)	**34.00**
UAE-Abu Dhabi	Abu Dhabi Investment Council[†]	2007	Commodity (Oil & Gas)	**110.00**
UAE-Dubai	Istithmar World*	2003	Government-Linked Firms	**11.50**
Bahrain	Mumtalakat Holding Company[£]	2006	Government-Linked Firms	**10.40**

Country	Fund Name	Inception Year	Source of Funds	AUM 2016 (USD BN)
UAE-Dubai	Dubai International Financial Center[£]	2002	Government-Linked Firms	**11.00**
Russia	Russian Direct Investment Fund[¶]	2011	Non-Commodity	**10.00**
Oman	State General Reserve Fund*	1980	Commodity (Oil & Gas)	**9.15**
Ireland	Ireland Strategic Investment Fund[¥]	2001	Non-Commodity	**22.49**
Oman	Oman Investment Fund[†]	2006	Commodity (Oil & Gas)	**6.00**
Angola	Fundo Soberano de Angola**	2012	Commodity (Oil & Gas)	**4.75**
UAE-Ras Al	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**
Palestine	Palestine Investment Fund[£]	2003	Non-Commodity	**0.86**
Kiribati	Revenue Equalization Reserve Fund*	1956	Commodity (Phosphates)	**0.65**
Kingdom of Morocco	Fonds Marocain de Développement Touris-tique[£]	2011	Government-Linked Firms	**0.20**
Sao Tomé & Principe	National Oil Account*	2004	Commodity (Oil & Gas)	**< 0.01**
		Total Oil & Gas		3,557.31
		Total Trade Surplus		1,664.51
		Total Other		340.38
		Total AUM		**5,562.20**

¶ AUM as of Ocotber 31, 2017

¥ AUM as of 30 June 2017

† Estimate by SWF Institute as of June 2017

µ AUM as of 31 March 2017

£ AUM as of 31 December 2016

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

б AUM as of 30 June 2016

** AUM as of 31 December 2015

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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