1. EXECUTIVE SUMMARY

The secretive nature and dynamic investment activity of sovereign wealth funds have continued to make headline news since the publication of Preqin's last Sovereign Wealth Fund Review, propelled by their large assets under management (AUM) and growing influence in the global economy. As low oil prices and volatile global markets have increased pressure on sovereign wealth funds, assets in the industry still continue to grow, reaching $6.59tn worldwide as at March 2017 across 76 sovereign wealth funds. Although this is a significant figure, the growth of the industry has slowed in comparison to earlier years, as seen in Fig. 1.1.

The 10 largest sovereign wealth funds in the world manage $5.2tn in assets, which equates to 79% of total sovereign wealth assets globally. The league table of sovereign funds (page 19) compiled by Preqin shows that Norway's Government Pension Fund Global is still the largest sovereign wealth fund in the world, with AUM of $889bn. Collectively, sovereign wealth fund assets have increased by $80bn over the past 12 months, experiencing a slowdown in recent years as some funds have either lost assets or ceased operations. Such funds have been replaced by new, smaller, emerging sovereign wealth funds, such as Turkey Wealth Fund, which is $14mn in size and was established in 2016. 1Malaysia Development Berhad is an example of a fund that has changed its direction to become an non-operating company, and in March 2016, began the process of transferring all of its subsidiaries (Bandar Malaysia Sdn Bhd and TRX City Sdn Bhd) and lands in Air Itam and Pulau Indah to the Ministry of Finance.

Other sovereign wealth fund activity includes the merging of Mubadala Development Company and International Petroleum Investment Company to form one of Abu Dhabi's largest sovereign wealth funds, Mubadala Investment Company. The newly established entity has not only amassed assets of $125bn from its former funds, but also the expertise and experience to achieve the long-term objective of economic diversification within Abu Dhabi and the surrounding United Arab Emirates.

Nevertheless, the industry has grown: 51% of sovereign wealth funds have seen assets increase over the past year (Fig. 1.2) and new sovereign wealth funds continue to be planned (as seen in Chapter 20). Diego Lopez and Crispian Lord from PwC explore this topic

Fig. 1.1: Aggregate Sovereign Wealth Fund Assets under Management, 2008 - 2017

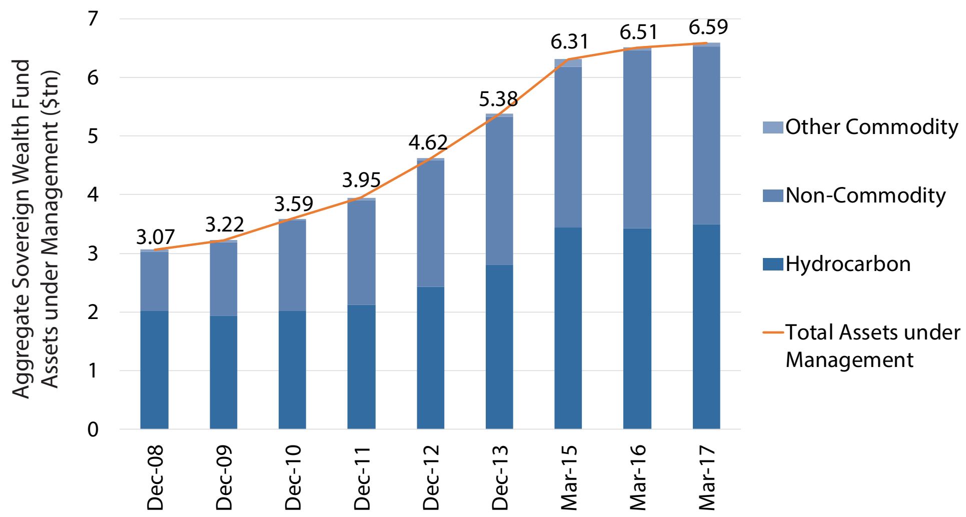
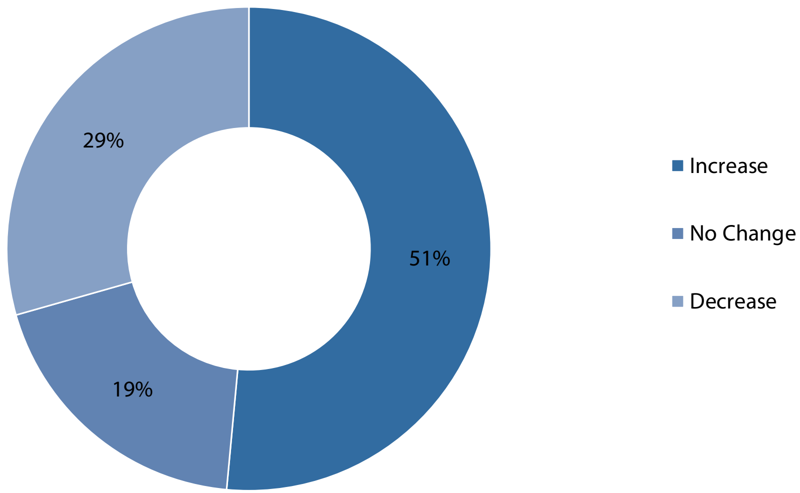


Fig. 1.2: Sovereign Wealth Funds that Have Seen a Change in Assets under Management in 2016-2017



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further and look at the important factors governments must consider when looking to establish their own sovereign wealth funds.

SOURCES OF CAPITAL

Hydrocarbon-funded sovereign wealth funds make up 53% of total industry capital, and account for many of the oil-dependent sovereign wealth funds in the Middle East such as Kuwait Investment Authority and Abu Dhabi Investment Authority (ADIA). Non-commodity-funded sovereign wealth funds account for 46% of industry capital, such as China Investment Corporation, which manages the country's foreign reserves and reduces the amount of capital it holds in US currency. The smallest proportion (1%) of sovereign wealth funds are funded by other commodities, such as Pula Fund, which derives its capital from diamond exports.

SOVEREIGN WEALTH FUNDS INVESTING IN TRADITIONAL AND ALTERNATIVE ASSETS

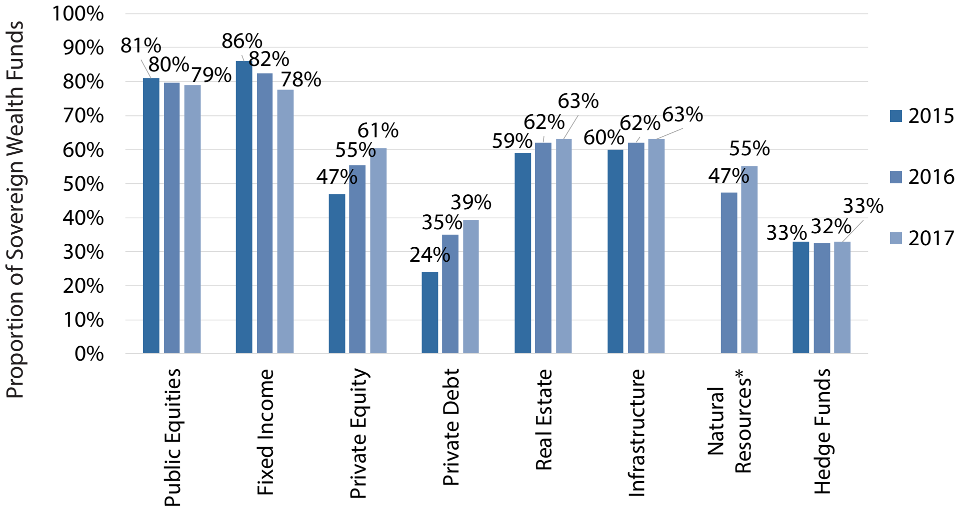
Fig. 1.3 shows that sovereign wealth funds invest across a wide range of asset classes. Traditional asset classes such as public equities and fixed income are a firm fixture in many of these institutions' portfolios, with 79% and 78% of sovereign wealth funds investing in each respectively. Notably, some sovereign wealth funds allocate 100% of their total assets to fixed income, such as Ghana's two sovereign wealth funds and Peru Fiscal Stabilization Fund, illustrative of the low-risk strategies that some funds employ.

The proportion of sovereign wealth funds investing in alternatives has grown, signalling the maturity and sophistication of this type of investor as they look to increase diversification within their portfolios. The proportion of sovereign wealth funds currently investing in private equity (see Chapter 11 for more information) is the highest on record at 61%, with institutions such as Ireland Strategic Investment Fund investing directly in private equity and through private equity fund structures.

The private debt market has expanded significantly since the Global Financial Crisis (GFC), and sovereign wealth funds have continued to invest in the asset class. State Oil Fund of the Republic of Azerbaijan is one such investor which gains exposure to the private debt asset class through its investments in private equity, investing in mezzanine strategies in North America and Europe. Chapter 13 further explores the universe of sovereign wealth funds investing in private debt.

More than half of sovereign wealth funds invest in each of real estate, infrastructure and natural resources, with these proportions having increased from previous years. Kazakhstan's National Investment Corporation (NIC) is one sovereign wealth fund that is considering investing in infrastructure; the asset class has been included as part of NIC's wider alternatives strategy and so the fund will look to invest in the future. For sovereign wealth funds

Fig. 1.3: Sovereign Wealth Funds Investing in Each Asset Class, 2015 - 2017



Please note: Preqin has only been collecting natural resources data since 2015.

funded by commodities, investing in natural resources allows funds to reduce their reliance on a single commodity (such as hydrocarbon) and diversify into investments in other natural resources. Fondo Soberano de Angola invests in Africa's vast wealth of natural resources through private equity-style funds and gains exposure to timberland, metals & mining and agriculture assets.

To a lesser extent, sovereign wealth funds are active in hedge funds, as detailed in Chapter 18. Despite only one third of sovereign wealth funds investing in the asset class, their allocations are significant and represent 12% of all institutional capital invested in hedge funds worldwide. Hedge funds, with their shorter investment horizons than other alternative assets, may not be suitable for those sovereign wealth funds seeking alternatives that can provide superior returns over a long cycle. However, as oil prices have declined and many sovereign wealth funds are looking to withdraw capital from their portfolios, liquidity may become more important to these entities. ADIA, for example, made its maiden investment in hedge funds in 1986 to diversify the fund's portfolio, and has since sought to maintain its exposure to the asset class due to the continued protection offered by hedge funds during periods of sustained market declines which may affect other holdings.

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SOVEREIGN INVESTORS AND EMERGING SOVEREIGN WEALTH FUNDS

The **2017 Preqin Sovereign Wealth Fund Review** looks at the significance of other sovereign investors and emerging sovereign wealth funds worldwide in Chapters 19 and 20. While these different types of entities are not featured in the main line-up of sovereign wealth funds in this publication, their influence and impact are substantial and worthy of note. Parallels between sovereign wealth funds and global investors (such as asset managers and pension funds) have been drawn by many observers, citing their array of similarities which include large pools of AUM, a sophisticated and wide range of investment preferences (such as investment in alternatives) and an autonomous nature. Such sovereign investors attract just as much attention as sovereign wealth funds. Emerging sovereign wealth funds are also examined, such as Mexico's Fondo Mexicano del Petróleo which will begin investing once the sovereign wealth fund reaches 3% of GDP; until then, the fund has been steadily accumulating oil revenues for budget purposes.

CHALLENGES AND OPPORTUNITIES FOR SOVEREIGN WEALTH FUNDS

Despite the large amount of assets and the continued influence of these state-owned investment vehicles, sovereign wealth funds still face significant challenges, but also opportunities. PwC's Dr. Alexis Crow examines how sovereign investors, in their unique positions, can take advantage of macro risks and geopolitical opportunities to generate long-term profit in Chapter 6, while Leo Humphries, Simin Varghese and Christian Zarifi look at unique, alternative opportunities in private debt in Chapter 12.

MORE SOVEREIGN WEALTH FUNDS, MORE ASSET CLASSES, MORE ANALYSIS

Preqin's first Sovereign Wealth Fund Review launched in 2008 in response to the need for more information on these secretive entities and their investments in the private equity and real estate sectors. Following the success of this inaugural review of the industry, Preqin received hundreds of enquiries from professionals working in all areas of finance and research that were seeking a source of data and information on the more general strategies of sovereign wealth funds. With our dedicated research team based across the globe, Preqin was able to do just that, and in this, our ninth and most comprehensive edition yet, we look across the entire investment portfolios of sovereign wealth funds.

New for 2017, Preqin has added information on real estate deals invested in and exited by sovereign wealth funds, as well as more analysis across investment portfolios and in-depth commentary on this important sector, to help our clients gain the best intelligence on sovereign wealth funds. Preqin's analysis covers:

- Public Equities
- Fixed Income
- Private Equity
- Private Debt
- Real Estate
- Infrastructure
- Natural Resources
- Hedge Funds

The influence of sovereign wealth funds is undeniable; with assets topping $6.59tn, they have reached a size comparable to that of the entire alternative assets industry, which Preqin today estimates at approximately $7.7tn.

With more sovereign wealth funds, more investments and more information than ever before, the **2017 Preqin Sovereign Wealth Fund Review** is the most comprehensive review of the industry ever produced.

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THE 2017 PREQIN SOVEREIGN WEALTH FUND REVIEW

A comprehensive guide to sovereign wealth funds

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7. SOVEREIGN WEALTH FUNDS INVESTING IN PUBLIC EQUITIES

Public equities form an important component of many of the world's sovereign wealth funds' investment strategies. The vast majority (79%) of sovereign wealth funds allocate to the asset class, a proportion that has remained steady over the years despite the volatility associated with investing in public markets. 2016 was a particularly turbulent year for global markets, which saw events such as the UK voting to leave the European Union following the referendum in June and Donald Trump winning the US presidential election in November. Nevertheless, public equities are widely utilized among sovereign wealth funds, offering the potential for significant yield, portfolio diversification and liquidity.

Sovereign wealth funds look to allocate to public equities for a number of reasons. Palestine Investment Fund, for example, invests in public equities to complement its long-term allocation to illiquid assets (private equity, real estate and infrastructure). Investment in public equities can also serve as a way to support national policies, by backing national development or protecting industries within a region. For example, National Financial Stabilization Fund (NFSF) in Taiwan previously allocated 100% of its portfolio to public equities in order to support and stabilize the Taiwanese stock exchange in times of economic uncertainty. As at January 2017, NFSF held 99.9% of its total assets in cash, but would invest in public equities again if the domestic stock market required stabilization.

Although most sovereign wealth funds invest in public equities, 17% do not invest in the asset class at all. For example, Venezuela's National Development Fund invests directly in real estate and infrastructure projects, with a particular focus on its domestic economy.

The equities investments of the remaining 4% of sovereign wealth funds are unknown for several reasons. Many sovereign wealth funds lack transparency, such as Mauritania's National Fund for Hydrocarbon Reserves and Algeria's Revenue Regulation Fund. Other sovereign wealth funds may not have a concrete investment strategy in place since they are at a nascent stage of development.

ASSETS UNDER MANAGEMENT

Typically, the largest sovereign wealth funds invest in public equities, as shown in Fig. 7.2. All sovereign wealth funds with $50bn or more in assets under management (AUM) have exposure to the asset class, compared with half of funds with AUM of less than

Fig. 7.1: Sovereign Wealth Funds Investing in Public Equities

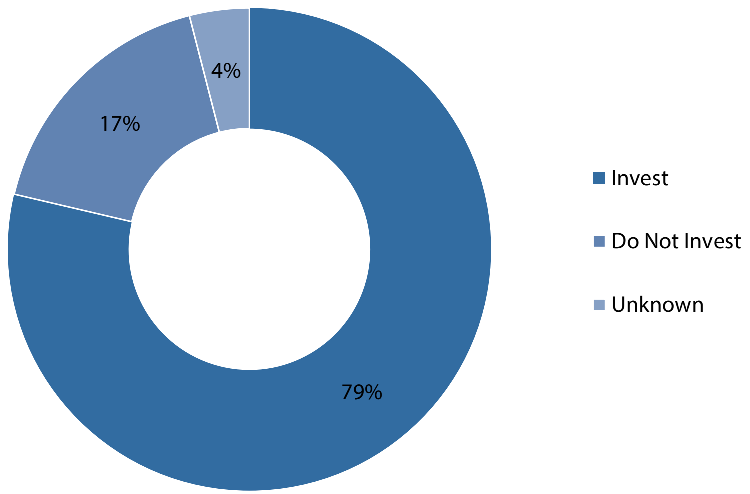
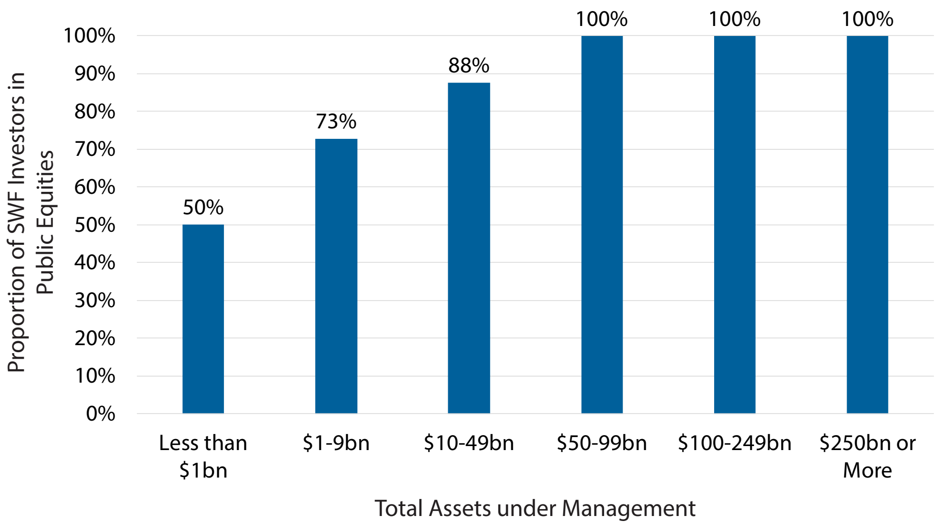


Fig. 7.2: Sovereign Wealth Funds Investing in Public Equities by Total Assets under Management



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12. ALTERNATIVE PRIVATE DEBT OPPORTUNITIES - PWC

Bank restructuring activity in Europe continues, creating opportunities for a wide spectrum of the investor universe, including those that traditionally did not directly invest in credit.

Research by PwC shows that banks across Europe hold around €2.1tn of unwanted debt, which amounts to almost 5% of banking assets. Of this pool, we estimate that around €600bn is made up of largely performing loans with long maturity profiles (collectively called 'long-dated assets' or 'LDAs') that do not now fit with the strategic focus of these banks. This is due to the markets in which they are in or the asset class or quite simply because the returns they offer in the current market environment given the capital they consume are no longer attractive.

LDAs, as an asset class, is increasingly gaining momentum in the market. It is diverse and includes, among other pools, shipping, aviation and infrastructure portfolios. While the overall characteristics of these assets, especially the longer tenure, do not necessarily meet the investment criteria of funds that have traditionally invested in distressed loan portfolios ('credit funds'), they can offer an attractive alternative investment to sovereign investment funds (SIFs)[1] looking for yield, longer duration and scale.

Fig. 12.1 presents PwC's estimate on how the circa €600bn is split between pools of similar nature. It also indicates the territories where PwC expects the highest transaction activity by asset type.

While we have long been in discussion with lenders about their intention for LDAs, despite their non-core status, few such portfolios have traded. This is due to a combination of reasons:

- **Future price expectations:** certain sectors have been affected by a prolonged downturn. This has resulted in a number of banks being, up to now, reluctant to sell at what they thought were depressed prices, in the hope of future recovery on collateral values.
- **Affordability:** particularly with regards to performing assets, where these are held at par and the yield is only at or perhaps below current market rates, the banks are likely to suffer a loss on sale. Historically this has not been affordable.
- **Investor universe:** the buyer population for such assets, especially long-dated performing loans, is significantly more limited compared to property-backed assets which have dominated loan sales to date.

Fig. 12.1: Estimated Allocation of circa €600bn of LDAs by Asset Type, Key Characteristics and Location Activity

Asset Type	Estimated Allocation	Key Characteristics	Location of Expected Activity
Public Finance	50%	■ Among the longest dated assets in European banks; maturities of up to 70 years ■ Some loans may have features that allow prepayment risk to be controlled ■ Public information on fixed-rate deals indicate gross yields of 4-8%	Germany, UK, Ireland
Project Finance	20%	■ Standard tenors range anywhere from 5 to 20+ years ■ Margins for construction/greenfield projects go up to 2% while refinancing projects lie between 1.6-1.8%	Germany, Iberia, Netherlands
Shipping	10%	■ Maturities typically 5-10 years ■ Gross yields of 1.5-5%	Germany, Netherlands, UK, Ireland
Aviation and other	20%	■ Maturities typically 25+ years ■ Market evidence indicates gross yields of up to 8%	Iberia, Germany, UK

Source: PwC research, latest available published financial statements

The relative material size of such assets on the banks' balance sheet means that an increasing number of financial institutions are gradually more willing to entertain larger transactions on a portfolio basis. Also, as the banks are strengthening their capital position, any potential loss from the sale of LDAs is more likely to be within their budget.

Our discussions in the market corroborate the increased demand for such assets, and the pools that are performing, from organizations including sovereign investment, pension funds and other specialist investors looking

[1]We use a broad definition of Sovereign Investment Funds, including the major Sovereign Wealth Funds and Pension Funds.

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ROUTE TO MARKET

Sovereign wealth funds look to gain access to real estate in a wide variety of ways, including directly, in private funds and in listed real estate. As shown in Fig. 15.6, direct investment in real estate remains the most attractive route to market for sovereign wealth funds. Investing directly provides unique advantages: greater control over the management of real estate assets, and not being constrained by the closed-end fund model of buying and selling at specific times. Additionally, many acquire landmark properties in major cities, although these capital-intensive trophy assets are mainly the reserves of the largest sovereign wealth funds.

A significant proportion (67%) of sovereign wealth funds invest in the asset class through private real estate funds, which offer exposure to those institutions that may not wish to invest directly in real estate assets due to preference, limited opportunities or a lack of expertise in local markets. National Investment Corporation gains access to the asset class entirely through private real estate funds and, in July 2016, announced its plans to deploy $80-160mn via both primary and secondary funds of funds. The $799mn Kazakhstani sovereign wealth fund maintains an interest in a wide range of strategies, including core, core-plus, value added, opportunistic and debt investments, with a global reach.

Listed real estate is the least favoured route to market, as utilized by 38% of sovereign wealth funds investing in real estate, none of which invest solely through listed real estate.

ALTERNATIVE STRUCTURES

Fig. 15.7 shows alternative structures that many sovereign wealth funds utilize to gain exposure to the asset class; the largest proportion (48%) partake in joint ventures. GIC has been particularly active in this part of the market; in January 2017, the Singapore-based sovereign wealth fund entered a 95:5 joint venture with Paramount Group to acquire 60 Wall Street for $1.04bn, a 47-storey LEED Silver office tower in Manhattan; and in February 2017, GIC formed joint ventures with several institutions, including Beacon Capital Partners, to acquire office assets in the Washington DC metropolitan area for $1.05bn.

Co-investments and separate accounts are utilized by a significant proportion of sovereign wealth funds to gain exposure to real estate (42% and 38% respectively). Separate accounts typically require sizeable capital commitments and are therefore favoured by the larger sovereign wealth funds. Alaska Permanent Fund Corporation is one such fund and has gained exposure to the asset class through separate accounts, with mandates managed by CB Richard Ellis, LaSalle Investment Management and L&B Realty Advisors, among others.

Fig. 15.5: Sovereign Wealth Funds Investing in Real Estate by Location

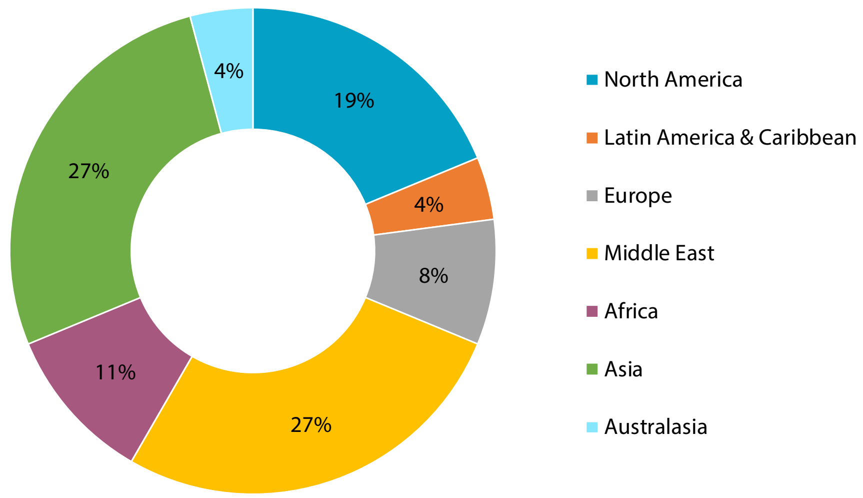
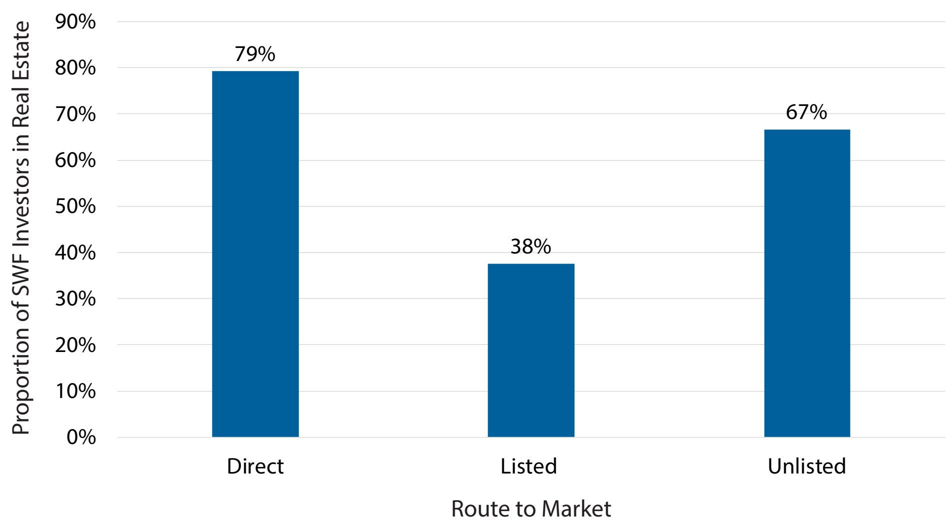


Fig. 15.6: Sovereign Wealth Funds Investing in Real Estate by Route to Market



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20. EMERGING SOVEREIGN INVESTMENT FUNDS - PWC

In 1953, Kuwait Investment Board (forerunner of Kuwait Investment Authority) was established to manage the proceeds from oil & gas and build savings to support the Emirate's economy. Since then, approximately 100 sovereign investment funds (SIFs)[1] have emerged as conduits for various objectives including capital maximization, stabilization and economic development[2]. As many as 25 funds were created from 2005 to 2008, a period of high oil prices and reluctance to foreign capital that preceded the GFC and the re-examination of the industry with the Santiago Principles for good governance and transparency.

Today, a number of governments are discussing the advantages, challenges and consequences of incorporating such mechanisms into their financial system and fiscal rule: type of vehicle to be set up ("what?"), macroeconomic rationale ("why?"), operating model ("how?") and optimal size ("how large?").

WHAT?

A SIF is a pool of assets owned by governments to achieve national objectives, generally through the diversification of the source of income and the execution of investments overseas. Historically, there has been certain correlation between the accumulation of wealth (e.g. high oil prices, new discoveries) and the setup of a SIF, although it decreased in the aftermath of the GFC.

The investment mandate of a SIF must be clearly defined and differentiated from other state-owned entities. Most countries hold a unique fund that executes the international investments while others have preferred to establish several vehicles with distinct purposes. One example is Abu Dhabi, which owns five SIFs, two of which have recently merged into a $125bn powerhouse[3].

China is another example of a complex public sector driving the creation of various investment vehicles, which are sometimes perceived as competitors for the same assets[4]. The rule of thumb is that a sovereign wealth fund (SWF) is a financial, passive investor while a state-owned enterprise (SOE) is a strategic investor, but that distinction becomes blurry in China's foreign policy and acquisitions overseas.

WHY?

Governments' main rationale in setting up a SIF is to battle the resource curse (or Dutch disease) and the mismanagement of budget surpluses, regardless of their economy's size and status. There are ongoing conversations in tiny territories such as Macau and Bahamas, and in troubled nations such as Lebanon and Zimbabwe. In Africa alone, there are over 20 countries currently discussing the implementation of a fund, which would ironically place the greatest number of SIFs on the poorest continent in the world[5].

Unfortunately, a SIF is not a 'one-size-fits-all' solution and must be set up in a context of strict independence and good governance. Iran's OSF (replaced by NDFI in 2011), Nigeria's ECA (replaced by NSIA in 2012) and Ireland's NPRF (replaced by ISIF in 2014) are some examples of funds that were established for a goal but ended up being exhausted by the government for some other purpose. The solution to budget surpluses is not systematically to set up a fund. In fact, the lack of governance, operating structures and control frameworks, and most notably of independence from political pressures and changes, can lead to a manifest failure of the objectives and a rapid depletion of capital. A successful fund must have a vision and a mission and adhere to its mandate with a clear autonomous structure.

HOW?

Executing the mandate and demonstrating independence manifests itself in the design of the governance and operating structures to ultimately demonstrate that there is no actual or perceived misuse of public funds. The importance of this has been recently demonstrated in Turkey with the public backlash around the transfer of a number of nationally owned industries into a new fund[6]. An additional consideration is that a SIF may want to seek co-investments in some of its ventures and these co-investors will only be prepared to go ahead if they can gain

[1] We use a broad definition of Sovereign Investment Funds, including the major Sovereign Wealth Funds and Pension Funds
[2] See PwC "The Taxonomy of Sovereign Investment Funds" http://www.pwc.com/gx/en/industries/sovereign-wealth-investment-funds/publications/the-taxonomy-of-sovereign-investment-funds.html
[3] On 21 January 2017, the ruler of Abu Dhabi issued a law creating the Mubadala Investment Company, which comprises both the International Petroleum Investment Company (IPIC) and Mubadala Development Company, and their respective assets http://www.mubadala.com/en/merger
[4] See FT "China's investment arms extend reach" https://www.ft.com/content/f3f8d260-afc0-11e1-a025-00144feabdc0
[5] See Dixon, A. and Monk, A. "What Role for Sovereign Wealth Funds in Africa's Development?" http://www.cgdev.org/doc/Initiatives/Oil2Cash/Final_Formatted_Monk_and_Dixon_SWF_10.11.pdf
[6] See Reuters "Turkey transfers billions in major company stakes to sovereign wealth fund" http://www.reuters.com/article/us-turkey-economy-fund-idUSKBN15L1PG

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Fund Name	Vintage	Fund Type	Geographic Focus	Size (mn)	Committed (mn)
Partech Entrepreneur Seed Fund	2013	Venture Capital	Europe	30 EUR	
Quadrille Technologies III	2015	Venture Capital	Europe	100 EUR*	
R2V Fund	2014	Venture Capital	Europe	25 EUR	15 EUR
Robolution Capital Fund	2014	Venture Capital	Europe	80 EUR	
Services Innovants Santé et Autonomie Fund	2014	Venture Capital	Europe	100 EUR*	10 EUR
SGAM AI France Croissance	2007	Fund of Funds	Europe	91 EUR	
Sino French (Midcap) Fund	2015	Growth	Europe	500 EUR	100 EUR
Siparex MidMarket III	2012	Buyout	Europe	200 EUR	
UK High Technology Fund No.1	2000	Fund of Funds	Europe	126 GBP	

PRIVATE DEBT

Bpifrance invests in the private debt asset class through its allocation to private equity. The sovereign wealth fund gains exposure to the sector through a range of private debt structures including direct lending, mezzanine and special situations. The fund also invests in private debt funds of funds.

As at February 2017, Bpifrance is expected to commit approximately €100mn to Europe-based private equity and private debt opportunities over the next 12 months.

PRIVATE DEBT PREFERENCES

Direct Lending	✓	Global	✕
Distressed Debt	✕	North America	✕
Mezzanine	✓	Europe	✓
Special Situations	✓	Asia	✕
Venture Debt	✕	MENA	✕
Fund of Funds	✓	Other	✕
Co-Investor	✓	Emerging Markets	✕
Separate Account	✕		
		Emerging Managers	✕

SAMPLE FUND INVESTMENTS

Fund Name	Vintage	Fund Type	Geographic Focus	Size (mn)	Committed (mn)
Acto Mezzanine II	2014	Mezzanine	Europe	210 EUR	
Croissance Mezzanine	2014	Mezzanine	Europe	150 EUR	
Trocadero Capital & Transmission II	2014	Mezzanine	Europe	120 EUR	

NOTABLE HOLDINGS

Investment Name	Investment Location	Stake (%)
Carbone Lorraine	France	10.0
Constellium	France	12.0
Daily Motion	France	-
European Investment Fund	UK	2.3
NEOEN	France	15.4
New Nomads	France	-
STMicroelectronics	France	10.9

CDP EQUITY

Year Founded: 2011

71 Corso Magenta, Milan, Italy

Tel: +39 02 8904 061 Fax: +39 02 8904 0678 www.cdpequity.it

Cdp Equity (formerly Fondo Strategico Italiano [FSI], or Italian Strategic Fund, until March 2016) was established by Ministerial Decree on 3 May 2011. Its strategic controlling shareholder is Cassi depositi e prestiti (Cdp), which is 80% owned by Ministry of Economy and Finances (MEF) and 18% by bank foundations, and it is active in supporting the territory, economic growth and infrastructure development in Italy.

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Source of Capital: Non-Commodity **Total Funds under Management:** €4,630mn

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REAL ESTATE PREFERENCES			
Direct	✓	Global	✓
Listed	✓	North America	✓
Unlisted	✓	Europe	✓
Co-Investor	✓	Asia	✓
Joint Venture	✓	MENA	-
Separate Account	✓	Other	✓
		Emerging Markets	✓
Core	✓		
Core-Plus	-	Emerging Managers	-
Value Added	-		
Opportunistic	✓		
Debt	✓		
Distressed	✓		
Fund of Funds	-		
Secondaries	-		

SAMPLE DEAL ACTIVITY

Deal Name	Primary Asset Type	Deal Size (USD mn)	Deal Date	No. of Co-Buyers	Location of Assets
France, Retail Portfolio	Retail	1,437	Jul-15	1	Arcueil, France; Toulon, France
Celsius Portfolio	Retail		Jul-15	1	France
Chiswick Park	Office	1,280	Nov-13		London, UK
1 New York Plaza	Mixed Use	700	May-16		New York, US
Sydney, Australia, Office Portfolio	Office	2,450	Oct-15		Balranald, Australia; Brisbane, Australia; Melbourne, Australia; Sydney, Australia; The Rocks, Australia; Waitara, Australia
Japan, Industrial Portfolio	Industrial	1,600	Dec-11	1	Japan
AMA Plaza	Mixed Use	547	Apr-16	1	Chicago, US
Meguro Gajoen	Mixed Use	1,178	Feb-15	1	Tokyo, Japan

SAMPLE EXITS

Deal Name	Primary Asset Type	Deal Size (USD mn)	Deal Date	No. of Co-Sellers	Location of Assets
White Gardens	Office	794	Nov-13	6	Moscow, Russia

SAMPLE FUND INVESTMENTS

Fund Name	Vintage	Fund Type	Geographic Focus	Size (mn)	Committed (mn)
Aetos Capital Asia IV	2009	Opportunistic	ROW	250 USD	
GLP Brazil Income Partners I	2012	Core	ROW	400 USD	
GLP Japan Income Partners I	2012	Core	ROW	400 USD	183 USD
Goodman Australia Partnership	2011	Core	ROW	1,700 AUD	
North Haven Real Estate Fund VII Global	2009	Opportunistic	ROW	4,000 USD	800 USD
North Haven Real Estate Fund VIII Global	2014	Opportunistic	N. America	1,700 USD	
Real Estate Turnaround Consortium	2009	Opportunistic	N. America	5,565 USD	1,000 USD
WLR Cardinal Mezzanine Fund	2017	Debt	Europe	350 EUR*	

INFRASTRUCTURE

CIC invests in infrastructure through CIC International and the Department of Special Investments under CIC Capital. The sovereign wealth fund gains exposure to the asset class for stable financial returns. CIC invests in infrastructure via private vehicles and direct assets; it does not gain access through listed funds. The Chinese institution takes minority equity stakes in global high-yield infrastructure assets, including green and new energy projects.

CIC targets opportunities in both developed and emerging markets, including North America and Asia, although it does not invest domestically. The sovereign wealth fund views the UK favourably as an investment destination due to its business-friendly environment and sound legal framework.

As at January 2017, the sovereign wealth fund is looking to make new infrastructure investments in the next 12 months. It will only consider unlisted infrastructure fund commitments with existing GPs from within its portfolio. For direct investments, the Chinese institution is open to opportunities globally, with a preference for OECD countries. In terms of industry, CIC is willing to consider a diversified range of sectors.

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