

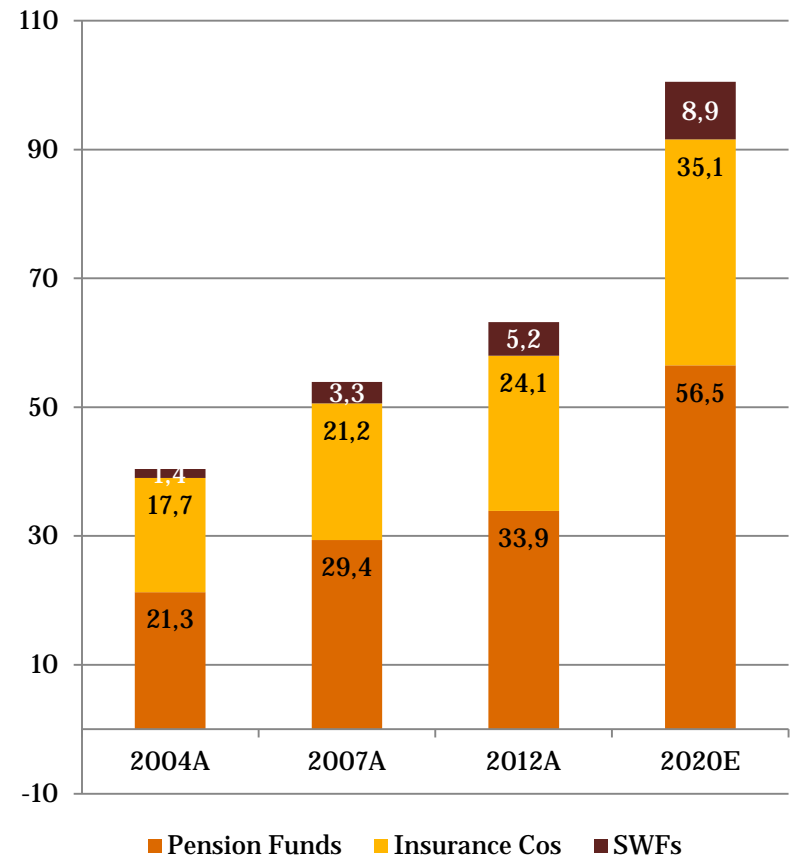
SWFs in 2020: The Human Side

Diego Lopez

Setting the Scene

- Rise of **Global Investors** (SWFs and large Pension Funds) in both number and size
- Growing role in a context of **scarce liquidity**
- **Shift to the East:** South East Asia and Middle East as most active outbound-capital regions
- Focus has changed from US treasuries and public equities to **alternative assets**:
 - Real Estate
 - Infrastructure
 - Private Equities
- Increasing **collaboration** and **alignment** of co-investors and general partners on the ground
- Shift to **co-investments / direct investments**
- Build up of internal capabilities: **in-house experts** in every asset class, industry and geography
- Focus on **Governance, Tax and Regulation**

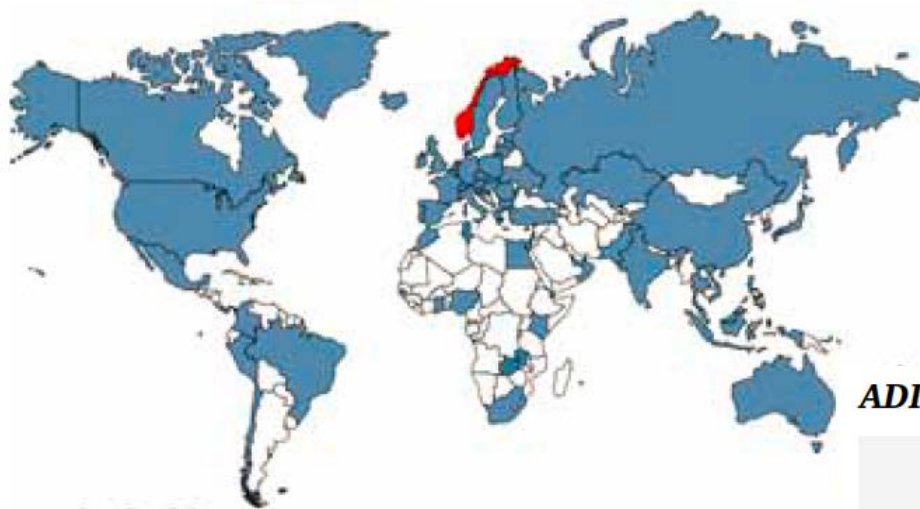
Asset Management (US\$ trillion)



Source: PwC Asset Management 2020: A Brave New World

How Global? Very much so

NBIM Investments



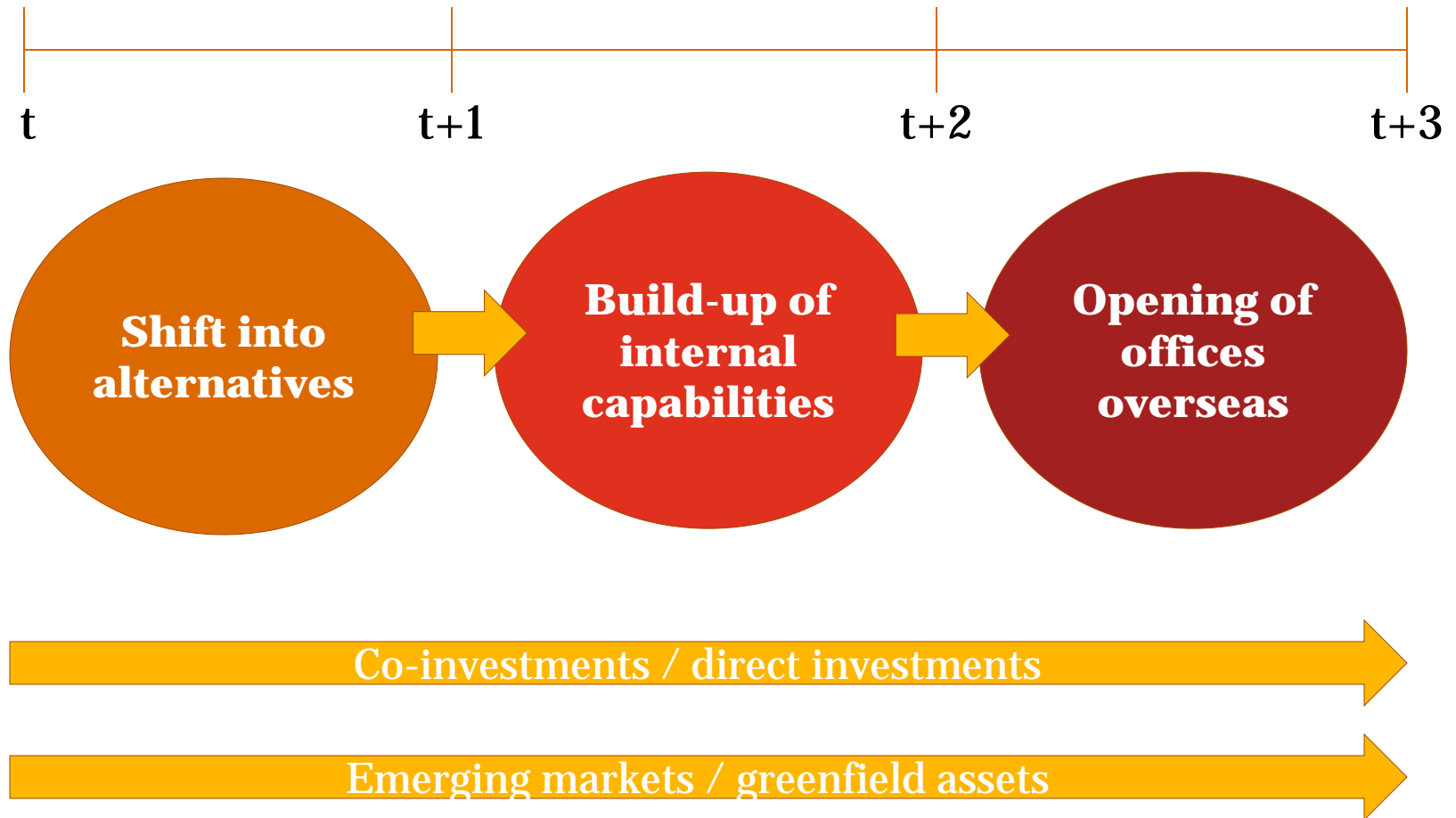
ADIA Investments



➤ Need to increase **international “tentacles”**:

- by hiring **foreigners**
- by opening **offices overseas**

This is a process...



But it gets tricky for some...

National Talent

Few to manage lots:

- 5.0 million **Norwegians**
- 3.3 million **Singaporeans**
- 1.4 million **Emiratis**
- 1.2 million **Kuwaitis**
- 0.3 million **Qataris**



■ Nationals ■ Foreigners

Reverse Brain Drain

Brilliant nationals educated in Ivy League schools overseas – need to lure them back:

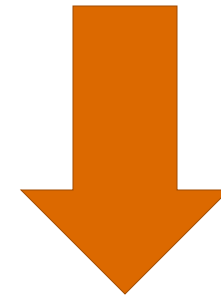
- **China** – CIC, SAFE, NSSF
- **Russia** – NWF, RF, RDIF
- **Africa** – NSIA, FSDEA, PF



Dubious Attractiveness

Oslo/Beijing/Kuwait, anyone?

- The Green (early careers looking for a fast-track)
- The Gray (experienced ones escaping fast-paced cities)
- The Grounded (people with ties to the region)



What about **London** or **NYC**?

So what's next?

- 1,600 staff in 70 offices overseas today – **3,000+ staff in 100+ offices in 2020**
 - New offices to cover new markets – Chile, Nigeria, Australia, Silicon Valley
 - Tax / BEPS – Hiring in Cayman?
 - Governance and Control – KIO getting yelled at, IPIC and ADIC reshuffle
 - New funds – Africa, Latin America, Western Europe
- NBIM, GIC, Temasek, GCC Funds to hire **even more foreigners by 2020**
 - Funds growing in size – Local population, not so much
- Chinese and Russian to open more offices and grow **foreign staff by 2020**
 - Keen to understand counter-parts and “best practices”
 - Secondments between collaborative funds, just like with GPs today
 - Show me the money – Staff shifting funds regarding of their nationality and beliefs
- All in all,

***“a new GLOBAL landscape of funds,
portfolios, offices and people”***