

A Legacy in Motion

In March 2016, ADIA celebrated the 40th anniversary of its creation.

Since then, ADIA has grown to become a trusted and influential player in global finance, with investments spanning multiple geographies and more than two dozen asset classes and sub-categories. ADIA now employs 1,750 people from more than 60 different nationalities at its headquarters in Abu Dhabi.

Throughout the 2016 ADIA Review, we reflect on the key events throughout the four decades of ADIA's existence that have contributed to its legacy – A Legacy in Motion.



1970s

ADIA was created in March 1976 by an Emiri decree from the late Sheikh Zayed bin Sultan Al Nahyan, Ruler of Abu Dhabi and founding President of the United Arab Emirates.

Established as an independent investment institution, ADIA was given a clear mission to prudently grow capital in order to secure the long-term prosperity of Abu Dhabi.

ADIA replaced an earlier institution, the Abu Dhabi Investment Board, which had been formed in 1967 to oversee the activities of London-based external fund managers who were tasked with investing the budget surpluses from Abu Dhabi's recently-commenced oil production into global markets.

The creation of ADIA was a landmark moment when Abu Dhabi assumed direct control of managing its own wealth, and began creating the practices and processes that would allow the organisation to grow and develop.

In addition to its primary role of safeguarding the Emirate's wealth, ADIA also played a key role as a training ground for some of Abu Dhabi's brightest talents, many of whom later used their skills to play important roles in government and the private sector.

From its earliest days, ADIA's clarity of mission, independence, and commitment to investing in and nurturing human capital, were critical in ensuring the success of the organisation in the years to come.



Overview

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and Portfolio Overview

An early ADIA Board meeting, chaired by His Highness Sheikh Khalifa bin Zayed Al Nahyan.





1980/90s

During the 1980s, as its assets grew, ADIA continued to develop, diversify and grow into a truly global investment institution.

Based in its first official headquarters at 125 Corniche Street in Abu Dhabi, ADIA was initially organised into four departments: Bonds and Equity, Real Estate, Finance and Administration, and Local and Arab Investments.

The majority of assets were held by the Bonds and Equity Department, but as the fund grew ADIA began a process of rapid diversification and increasing sophistication.

ADIA was an early adopter of alternative investment strategies, allocating a portion of its capital in 1986 to hedge funds, which many at the time still considered an emerging asset class. In a further sign of its willingness to embrace change after prudent consideration, ADIA added private equity to its asset mix in 1989, prior to the eventual creation of the global Private Equities Department in 1997.

The institution took a further step forward in the early 1990s with the creation of the Evaluation and Follow-Up Department, which added an extra layer of rigour and analysis to the investment process, and resulted in the introduction of formal asset allocation across the portfolio.

In 1997 two of ADIA's founding fathers, Deputy Chairman Ahmed Khalifa Al Suwaidi and Managing Director Mohammed Habroush, both integral to the organisation's evolution and development since its formation, handed over leadership of the institution to the late Sheikh Ahmed bin Zayed Al Nahyan, who became Managing Director. Sheikh Ahmed went on to lead ADIA through a significant phase of growth and is recognised as an influential architect of ADIA's ongoing success.



Business Review

18	Investment Activities
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ADIA's first purpose-built headquarters, which it occupied from 1985 to 2007.





2000s

ADIA entered the 2000s during a period of high growth and diversification into new markets, and the introduction of new asset classes with greater levels of complexity.

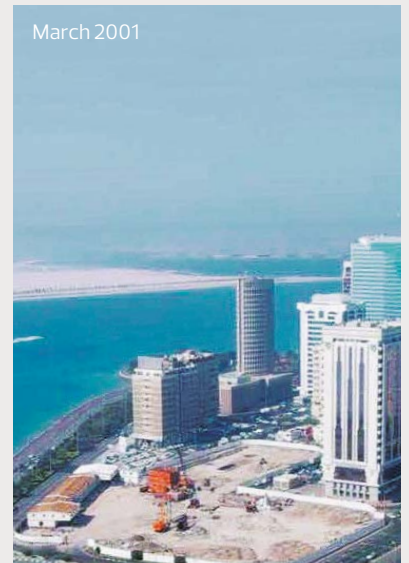
This required internal functions and governance structures to develop to keep pace with the demands of an increasingly sophisticated institution. This process of evolution and specialisation continues today.

In the mid-2000s, important changes were made to how ADIA recruited, managed and rewarded its employees. This work, undertaken over the course of several years, had a profound impact on almost every aspect of how ADIA organised itself and how its employees worked together.

In 2007 ADIA moved into its current headquarters at 211 Corniche Street, Abu Dhabi. That year also saw the introduction of infrastructure as an asset class, while the following year both the Internal Equities Department and Strategy Unit were created.

In 2008, as Co-Chair of the International Working Group of Sovereign Wealth Funds alongside the IMF, ADIA played an important role in the design and development of the Santiago Principles for SWFs. These principles and practices play an important role in building trust between SWFs and host countries by making clear that signatories are investing solely for financial returns. They also provide newer funds with an operating model that supports their efforts to achieve best practice.

March 2001



April 2006



Governance

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ADIA's present-day headquarters at 211 Corniche Street under construction and ADIA's Investment Committee in 2009 (bottom right).

December 2001



May 2002



September 2002



February 2003



ADIA 2016 Review

ADIA's Investment Committee in 2009. Managing Director Sheikh Ahmed bin Zayed Al Nahyan is in the centre and sixth from the left. From the left in order are: Mohamed Darwish Alkhouri, Executive Director, Internal Equities; Majed Alromaithi, Executive Director, Real Estate; Hamad Al Ameri, Executive Director, Alternative Investments; Khalil Foulathi, Board Member and Executive Director, Fixed Income & Treasury; Khalifa Nasser Al Mansouri, Executive Director, Accounts;

Sheikh Ahmed; Sheikh Mohammed bin Khalifa bin Zayed Al Nahyan, Board Member and Executive Director, External Funds Europe; Hamad Al Hurr Al Suwaidi, Board Member; Hareb Aldarmaki, Executive Director, Private Equities; Saeed Al Hajeri, Executive Director, Emerging Markets; Mohammed bin Hamooda bin Ali, Executive Director, External Funds America; Dr Juaan Salem Al Dhaheri, Board Member; Juma Alkhyeli, Executive Director, Equities Far East.



2010s

Sheikh Hamed bin Zayed Al Nahyan became ADIA's Managing Director in 2010, and has continued to build on the traditions established by the institution's founding fathers, while innovating and expanding into new areas and activities.

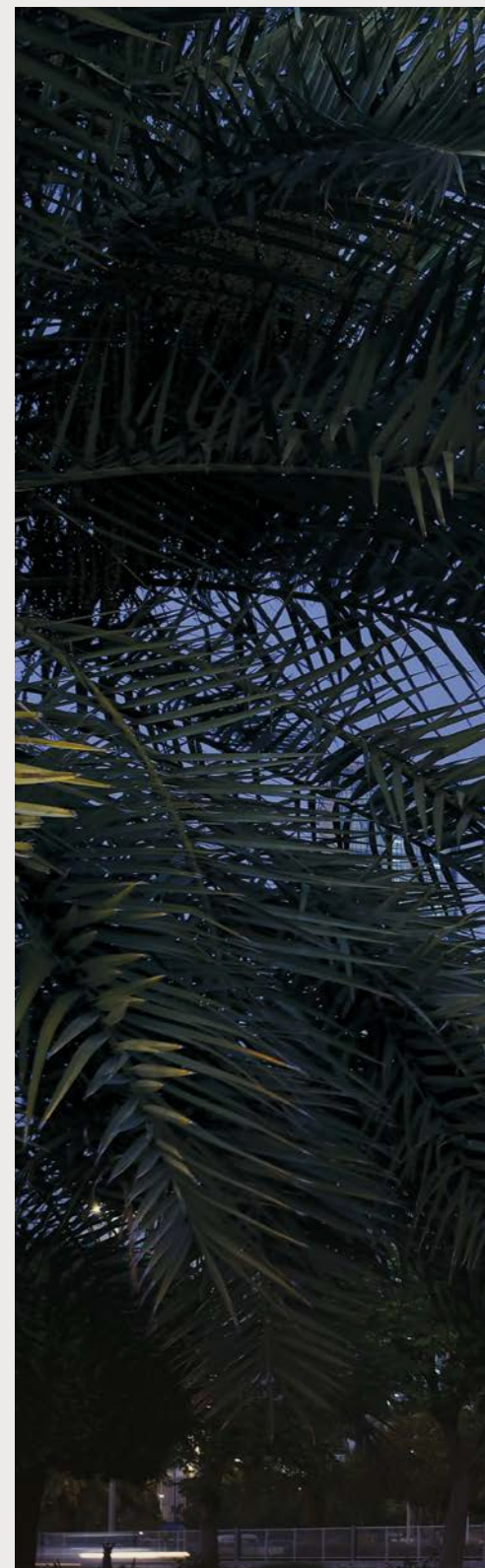
As ADIA has continued to evolve, so has its organisational structure. Between 2011 and 2013, the External Equities, Indexed Funds, Human Resources, and Central Dealing departments were all created, and infrastructure was combined with real estate into a new Real Estate and Infrastructure Department.

As an organisation that encourages questioning the status quo, this process of organisational optimisation continues today.

In 2014, the inaugural Global Investment Forum was held to stimulate the cross-departmental sharing of insights and experience. The event is held annually and tackles major issues that are shaping global financial markets now and into the future.

Today, through continuous engagement and backed by a long and successful track record, ADIA continues to emphasise building strong and trusted relationships with governments, regulators and business partners around the world.

ADIA's reputation is built on clarity and consistency – it is evident in behaviour and decisions that closely align with its mission of safeguarding and growing wealth for future generations. In keeping with its prudent nature, ADIA backs this up with high standards of governance, and clearly defined roles in the organisation that ensure responsibility and accountability.



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Today, ADIA employs 1,750 people representing more than 60 nationalities at its headquarters in Abu Dhabi.

