

An Introduction to ADIA

ADIA



Abu Dhabi Investment Authority

Established in 1976, ADIA is a globally-diversified investment institution that prudently invests funds on behalf of the Government of Abu Dhabi through a strategy focused on long-term value creation.

ADIA'S MISSION

ADIA's mission is to sustain the long-term prosperity of Abu Dhabi by prudently growing capital through a disciplined investment process and committed people who reflect ADIA's cultural values.

A Legacy in Motion

For more than 40 years, ADIA has fulfilled its mission by drawing on the wisdom of the past while maintaining a firm focus on the future.



OUR FOUNDING VISION

ADIA was founded in 1976, at a time when Abu Dhabi was still in the early stages of its transformation from a relatively small coastal city into the multicultural global capital of today.

Just over a decade earlier, Abu Dhabi had shipped its first barrels of oil to overseas buyers. And only five years had passed since the creation in 1971 of the United Arab Emirates as a nation, with Abu Dhabi as its capital and the late Sheikh Zayed bin Sultan Al Nahyan as its first President.

Amid this time of great change, ADIA's founding fathers, led by Sheikh Zayed and his son, the late Sheikh Khalifa bin Zayed Al Nahyan, recognised the important role that ADIA could play in securing Abu Dhabi's future.

At the core of their vision were three important decisions that laid the foundations of ADIA's growth and contribution to Abu Dhabi's success over the decades:



LONG-TERM

ADIA's mission, enshrined in law since 1976, ensures that we look beyond market cycles and fluctuations to focus on long-term trends that will generate sustainable returns.

This long-term approach is central to everything we do; from the importance we place on building relationships to our commitment to educating and developing our people.

ABU DHABI-BASED, GLOBAL INVESTOR

Since its inception, ADIA has invested globally from its headquarters in Abu Dhabi. This was unusual at a time when technology was less developed than today and investors typically based themselves in London and New York. However, doing so enabled ADIA to bring international talent and expertise to Abu Dhabi and to provide valuable training opportunities to local talent.

INDEPENDENT

Our founders understood that ADIA's long-term success would hinge on its ability to focus solely on generating financial returns, freed from domestic political and regulatory considerations. In creating ADIA as an independent government entity, they brought valuable clarity to our mission and laid the groundwork for more than four decades of positive, inflation-adjusted returns.

ADIA TODAY

ADIA is now a global investment institution, with a multicultural workforce investing in more than two dozen asset classes and sub categories.

However, the ADIA of today continues to draw inspiration from the values and principles that have underpinned our success over the past four decades.

The clear line of continuity can be seen in our commitment to diversification, robust risk management and controls, and our determination to put our reputation before all else. It is also illustrated by our emphasis on educating and developing our people, and on building long-term relationships of trust with our partners based on mutual understanding and respect.



As in the past, ADIA's culture remains one that emphasizes collaboration and respect for the views of others. Our people also share an acute awareness of their responsibility to fulfil our mission and contribute to Abu Dhabi's future prosperity.

Innovation has always been central to ADIA's success, as demonstrated by our early investments in new asset classes, such as private equity and hedge funds, in the 1980s.

In a dynamic and ever changing investment landscape, we believe it is essential to remain flexible and evolve to capture opportunities that may be fleeting in nature. In doing so, however, we must never lose sight of our mission or the attributes that have guided us so well, for so long.

RESPONSIBLE, LONG-TERM INVESTING

ADIA is a member of the International Forum of Sovereign Wealth Funds (IFSFW), a voluntary organisation of more than 30 global SWFs.

ADIA also served as co-Chair in 2008, alongside the International Monetary Fund (IMF), in the development of the "Santiago Principles", which comprises 24 generally accepted principles and practices voluntarily endorsed by IFSWF members.



In addition, ADIA closely monitors and regularly reviews its approach to other important and emerging global trends. Foremost among these is Climate Change, which is expected to have a significant impact on global assets in the years and decades to come.

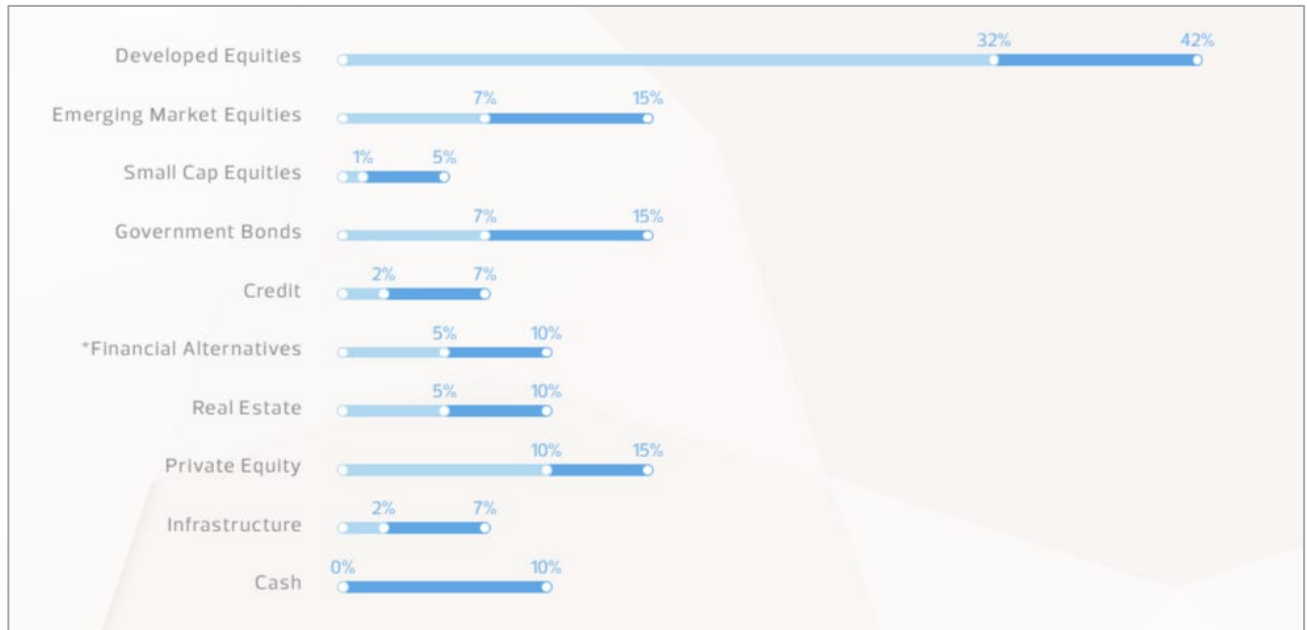
As a founding member of the One Planet Sovereign Wealth Fund Working Group, ADIA helped to develop a framework in 2018 to promote the integration of the climate change analysis into the management of large, long-term and diversified asset pools.

Portfolio Overview

We have a highly diversified portfolio that spans geographies, asset classes and asset types, enabling us to generate consistent, long-term returns throughout market cycles.



LONG TERM STRATEGY PORTFOLIO



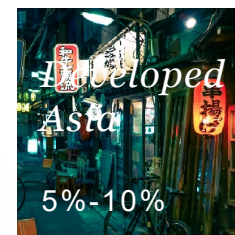
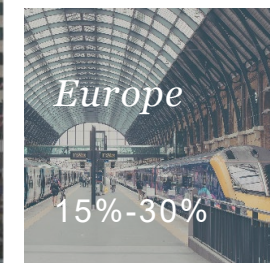
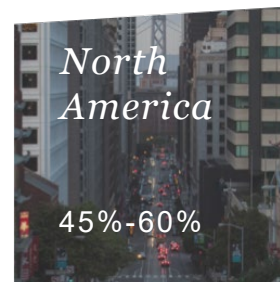
Minimum
Maximum

The above denotes long-term strategy portfolio ranges within which allocations can fluctuate; hence they do not total 100%.

*Financial alternatives comprises hedge funds and managed futures.

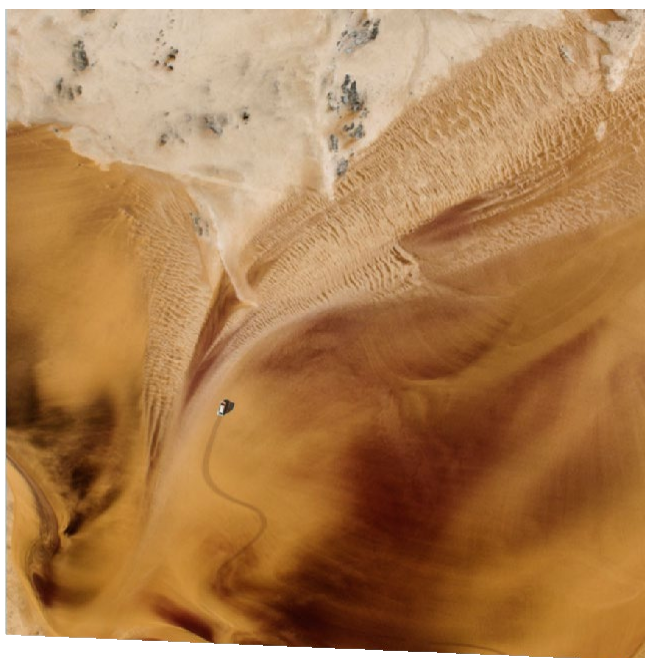
OUR INVESTMENT STRATEGY

We have a flexible investment approach, combining long-term focus at a portfolio level with an ability to respond quickly to more fleeting opportunities when they arise.



Investment Strategy

We have built a diversified, long-term focused portfolio, with the flexibility to capture new and emerging opportunities.



OUR INVESTMENT PRINCIPLES

At ADIA, we believe that asset allocation is the primary driver of long-term outperformance.

We take a structured yet flexible approach that balances this long-term focus with an ability to respond quickly, if appropriate, when new opportunities arise.

We view information and data as essential raw commodities, which we must filter and distill to develop actionable insights that lead to enhanced returns.

We believe in empowering our investment professionals with discretion to deploy their allocated capital and risk in areas most likely to outperform.

BUILDING OUR PORTFOLIO

Investment strategy at ADIA begins by defining our risk appetite, calibrated through a blend of publicly traded securities known as the Reference Portfolio.

We then seek to add value through our Strategic Asset Allocation process, diversifying across more than two dozen asset classes and sub-categories, based on ADIA's long-term view of the world. This results in higher expected returns than the Reference Portfolio for a similar level of risk.

We continuously streamline ADIA's investment strategies to ensure optimal performance, while exploring opportunities to expand our investable universe.

IMPLEMENTING OUR STRATEGY

ADIA's Investment Committee and, ultimately, the Managing Director, are responsible for reviewing and approving the Strategic Asset Allocation.

Investment departments are then responsible for investing capital allocated to them, in line with their mandates, benchmarks and guidelines.

We empower ADIA's in-house investment professionals to take a global view of opportunities, both within and across their asset classes. We also encourage them to be tactical in responding to attractive new opportunities or trends.

We view investment strategy as a collaborative process, and tie it closely to the ADIA-Wide Planning process. This promotes debate around our key assumptions and strategic priorities, and aligns the organisation with its objectives.

MANAGING OUR RISK

At ADIA, we believe that managing risk is a core responsibility of all employees.

ADIA's risk management framework ensures that management has clear visibility of all sources of risk, both from a top-down and bottom-up perspective.

This involves analysing aggregate portfolio risk as well as investment risk by asset class, country, counterparty and other dimensions.

We also actively monitor operational and compliance risks, and conduct operational due diligence and business continuity activities.

In addition, ADIA's investment departments each have their own risk framework. This complements the ADIA-wide framework and provides them with the flexibility to identify risks that are unique or specific to their asset class.

Through a process of ongoing education, we seek to ensure that ADIA continues to build on and enhance its culture of risk awareness.

We expect our people to demonstrate the highest standards of ethics and integrity and administer this through ADIA's Code of Conduct and other policies.

Asset Classes

Our portfolio comprises more than two dozen asset classes and sub categories, from equities and fixed income to hedge funds, real estate, private equity and infrastructure.



EQUITIES

We manage a highly diversified portfolio of equities, investing both actively and passively across global markets.



FIXED INCOME

An active and flexible investor across fixed income markets, with a mandate to diversify and enhance ADIA's total portfolio returns while meeting its liquidity requirements.



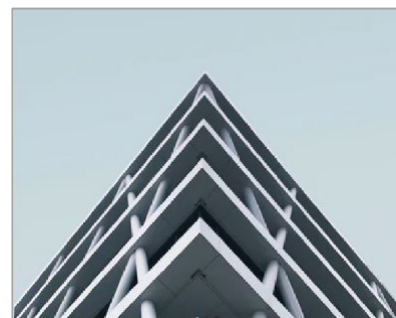
FINANCIAL ALTERNATIVES

We invest in globally recognised and innovative managers across the spectrum of hedge funds and other alternative strategies.



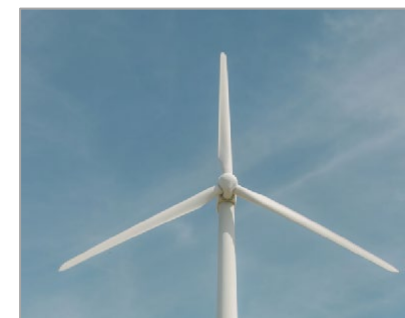
PRIVATE EQUITIES

With a 30-year track-record of investing in private equity assets, we provide flexible solutions that support the growth of promising businesses.



REAL ESTATE

With a global footprint and long term outlook, we invest in property assets that meet the current and evolving requirements of the market.



INFRASTRUCTURE

A stable, responsible investor in global infrastructure assets, with a long-term horizon that enables us to hold assets through market cycles.

Equities

We manage a highly diversified portfolio of equities, investing both actively and passively across global markets.



PHILOSOPHY

Equities make up the largest percentage of assets in our portfolio, reflecting our confidence in their ability to generate consistent returns over time.

We believe that markets are mostly efficient, but that temporary mispricings can be captured through active management and a dynamic and flexible investment process.

PROCESS

We invest in global equities through a combination of internal teams and externally managed funds.

Our network of external managers invest actively in companies around the world, with an emphasis on quality, value, earnings growth potential and momentum.

ADIA employs a sizeable team of internal portfolio managers, with the autonomy to invest in ways that are appropriate to the specifics of their respective markets.

Our passively managed investments seek to replicate the performance of global market indices, while adding marginal value through prudent and selective trading activities.

APPROACH

The Equities Department is an active investor in public equity markets across all major geographies through both internal teams and external managers.

The Department's primary focus is on identifying markets where it believes active management has a systematic advantage as well as selecting uniquely skillful managers with highly differentiated investment approaches.

By applying this well-defined investment approach in a disciplined manner, the Department believes it will achieve its excess return objective over time.

Fixed Income

We have an active and flexible investment strategy across fixed income markets, with a mandate to diversify and enhance ADIA's total portfolio returns while meeting its liquidity requirements.



PHILOSOPHY

ADIA's investments in fixed income assets perform a critical role in our portfolio, reducing overall risk and providing investment returns with low correlation to other asset classes.

By investing actively across the fixed income space, our teams seek to produce returns that outperform debt markets as a whole, while remaining within risk parameters.

In a constantly evolving market, we place high emphasis on remaining innovative and agile in order to anticipate and capitalise on opportunities when they arise.

PROCESS

We provide our team with the discretion and flexibility to allocate between asset types and strategies, in order to capture fast moving opportunities in the market.

Our people collaborate closely across and within teams, sharing insights and experiences.

Through the deep relationships that ADIA has built over 40 years, our people have access to high quality insights and investment opportunities across the fixed income landscape.

PORTFOLIO

ADIA invests globally across all major fixed income assets. These include government and inflation-linked bonds in both developed and emerging markets, as well as investment grade and non-investment grade credit.

Financial Alternatives

We invest in globally recognised and innovative managers across the spectrum of hedge funds and other alternative strategies.



PHILOSOPHY

With their low correlation to other asset classes, our investments in financial alternatives provide ADIA with diversification and enhanced risk-adjusted returns.

We believe that our ability to select and build long-term relationships with the best global managers across strategies and regions is central to achieving our goals.

PROCESS

We take a holistic view of our portfolio, recognising that success derives from a constantly evolving balance between managers with complementary approaches and strategies.

In a market where opportunities are often fleeting, we continuously explore new ideas and welcome dialogue with new and innovative managers, irrespective of size.

PORTFOLIO

Our portfolio comprises investment in discretionary and systematic hedge funds, complemented by non-traditional funds.

We have a flexible mandate that ranges from large investments in globally recognised managers, to smaller allocations or seed investments in new or more niche managers.

Our investments in hedge funds are divided into diversifying strategies, comprising Systematic and Discretionary Macro, and return-enhancing strategies, comprising Event Driven, Equity Hedge and Relative Value.

Private Equities

With a 30-year track-record of investing in private equity assets, we provide flexible solutions that support the growth of promising businesses.



PHILOSOPHY

Private equity plays an important role in diversifying and enhancing ADIA's total returns.

Our global reach and in-house expertise, together with our network of relationships, enable us to unlock solutions to complex situations.

We are a long-term investor, which gives us the flexibility to act as a stable partner through market cycles.

PROCESS

We are open-minded about finding value wherever it exists, assessing opportunities across geographies, sectors and asset types on a relative value basis.

The flexibility of our mandate means that we are able to invest at all points in the capital structure and craft innovative solutions that support value creation strategies.

Our goal is to build collaborative and enduring relationships with our investment partners and the companies in which we invest, based on closely aligned interests.

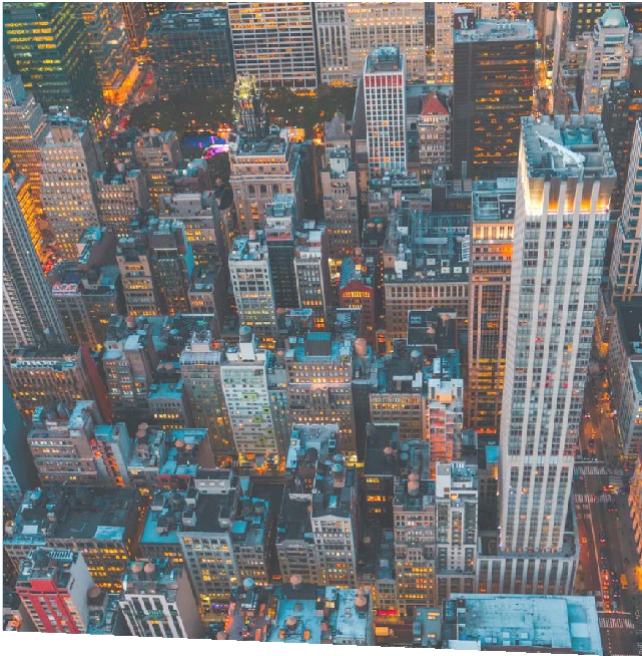
PORTFOLIO

We invest directly into mature as well as growth-stage companies with strong management and value creation potential, either alongside our partners or by taking sole minority stakes.

We have an extensive network of long standing relationships with leading global and regional private equity firms, with which we have built broad and mutually beneficial partnerships encompassing both direct and fund investments.

Real Estate

With a global footprint and long term outlook, we invest in property assets that meet the current and evolving requirements of the market.



PHILOSOPHY

We believe that real estate is a people business, and our success depends on identifying and acquiring properties that people want to use and experience.

We have a global network of partners and managers who provide innovative and long-term solutions that address the needs and expectations of end users, now and in the future.

PROCESS

We invest on a global relative value basis. This means identifying the most attractive assets from different markets and evaluating them against each other, rather than investing strictly by region, asset type, or other single factors.

We have a broad and flexible mandate and this is reflected in our portfolio, which includes residential, industrial, office, hospitality and other assets. We invest in both the equity and debt of existing properties, as well as construction and development projects.

PORTFOLIO

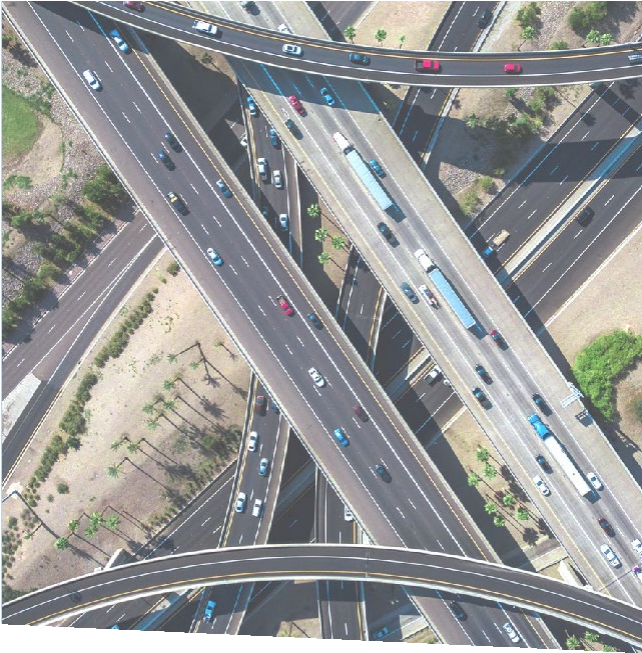
ADIA has been investing in real estate since its creation in 1976, and our investments now span all major regions, sectors and asset types.

We review our portfolio constantly to ensure that each asset is achieving its full potential.

As a long-term investor, we have the patience and in-house expertise to underwrite the most complex projects, which we have learned often bring the highest returns over time.

Infrastructure

We are a stable, responsible investor in global infrastructure assets, with a long-term horizon that enables us to hold assets through market cycles.



PHILOSOPHY

With their low volatility and reliable cashflows, infrastructure assets play a key role in diversifying ADIA's portfolio and providing returns with low correlation to other assets.

As an investor, we believe that financial performance stems directly from our ability to understand and fulfil the needs and expectations of our assets' end users.

PROCESS

We take minority stakes in infrastructure assets, either independently or alongside partners in full acquisitions.

We have strong relationships with the world's most experienced and respected infrastructure investors, and always ensure that our objectives are closely aligned.

As a financial investor, we do not seek operational control of infrastructure assets.

In a competitive landscape, our internal processes allow us to move swiftly to identify and capitalise on attractive opportunities when they arise.

PORTFOLIO

We seek investments that offer long term, consistent cashflow in countries and regions with stable legal and regulatory frameworks.

We focus mainly on assets that provide a combination of growth and stability, in sectors such as transportation, utilities, energy and telecommunications infrastructure.

We have a substantial and growing portfolio of investments in renewable energy, comprising up to 15 gigawatts in production across assets located in India, the U.S. and U.K.

In addition to investments in developed markets, we are increasingly seeking opportunities in emerging economies with strong growth prospects and infrastructure requirements.

Governance

ADIA has robust governance standards with clearly defined roles and responsibilities that ensure accountability.



BOARD OF DIRECTORS & INVESTMENT COMMITTEE

Management of ADIA is vested in ADIA's Board of Directors, which comprises a Chairman, Managing Director and board members who are appointed by a resolution issued by the Abu Dhabi Supreme Council for Financial and Economic Affairs.

ADIA's Board of Directors is responsible for setting ADIA's strategy and risk-return parameters and meets periodically to review its performance.

ADIA's Managing Director has responsibility for implementing ADIA's strategy and its investment and operational activities.

ADIA's Managing Director is assisted by the Investment Committee, which is responsible for providing recommendations on all investment-related matters.

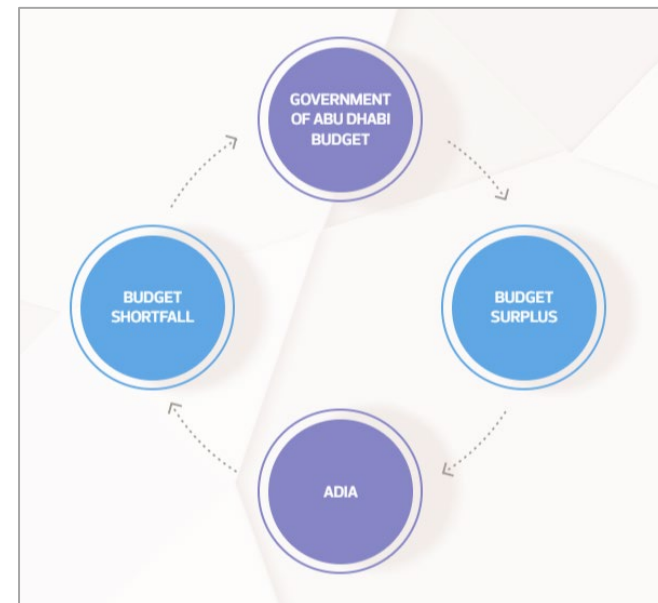
The Managing Director chairs the Investment Committee, which includes among its members the Executive Directors of all investment departments.

RELATIONSHIP WITH GOVERNMENT

ADIA was established by the Government of the Emirate of Abu Dhabi in 1976 as an independent investment institution.

ADIA conducts its investment activities without reference to the Government of Abu Dhabi and has no visibility on the spending requirements of the Government or the activities of other Abu Dhabi-owned investment entities.

ADIA's assets are not classified as international reserves.



The Government of Abu Dhabi provides ADIA with funds that it has allocated for investment and are surplus to its fiscal requirements. ADIA is required to invest these funds in such a way to generate sustainable long-term returns, and to return funds to the Government of Abu Dhabi, as needed.

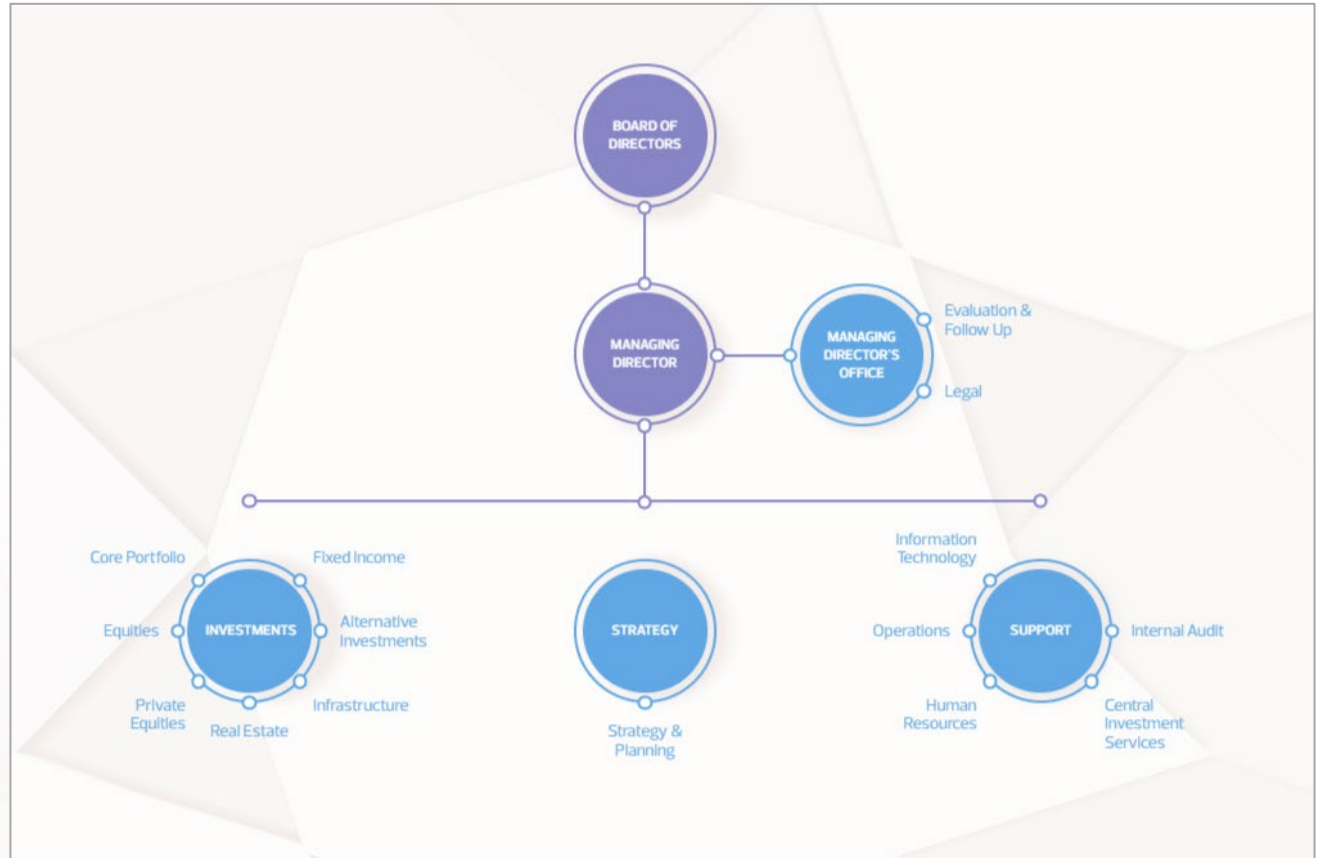
Organisation Structure

ADIA's ability to fulfil its mission and deliver sustainable long term returns is underpinned by a network of professional teams across the organisation.

ADIA's investment departments are responsible for building investment portfolios within the parameters set for them through the asset allocation process.

These investment departments, which invest across multiple geographies, have discretion over the origination and recommendation of investment proposals.

Our support department structure has developed over many years to ensure that the business continues to operate efficiently at all levels in pursuit of ADIA's investment goals.



Our People

Our people are as international as our investments, bringing together an array of skills and experiences to create a collaborative and stimulating workplace.



PHILOSOPHY

As a global investor based in Abu Dhabi, ADIA's strength comes from its unique combination of international and local perspectives and experiences.

We search globally for experienced and talented people who share our values.

Our diverse team is drawn from some of the world's largest financial institutions, corporates and other respected organisations.

We believe that education is a continuous process and we invest heavily in developing the skills and knowledge of our people.

ADIA is proud to employ the largest number of CFA charterholders in the Middle East.

HOW WE WORK

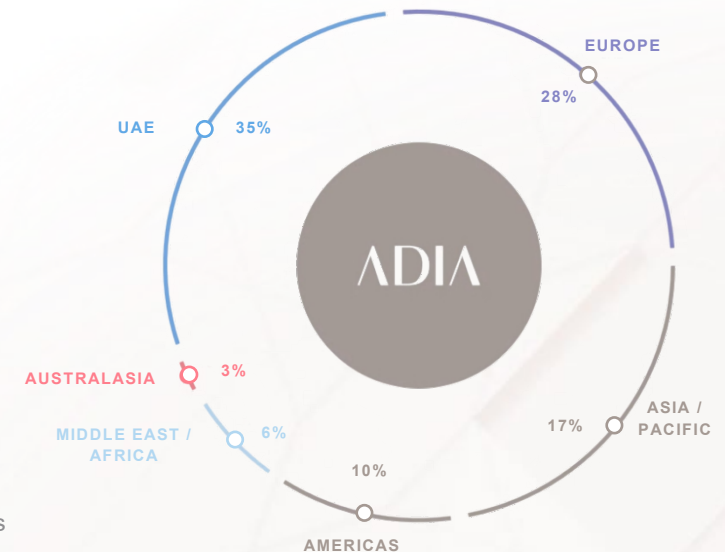
ADIA has a dynamic working culture that encourages respectful debate, ensuring we gain the broadest range of insights and perspectives of our diverse workforce.

Guided by the values of our founders, and over 40 years of experience, we seek to balance the needs of the present with the opportunities of the future. This requires us to be flexible and agile to ensure we continue to grow and succeed in a changing global investment landscape.

ADIA's mission to sustain the long-term prosperity of Abu Dhabi is central to how we think and behave, ensuring that short term gain never outweighs wise long-term judgement.

GLOBAL PLATFORM

ADIA combines a culturally diverse workforce, made up of more than 65 nationalities, with a global network of relationships with the world's top investment institutions and thought leaders.



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