SWFS
Gulf Sovereign Wealth Funds Rethink Fixed Income as Fed Raises Rates
p2

INVESTORS
AIMCo, GIC, Manulife, and OTPP Back Mega Utah Green Hydrogen
p19

DEALS
ADIA and GIC Help Fuel Buyout of Zendesk
p12

SUPPLY CHAINS
A Large Piece of America's Supply Chain was Just Bought by Eastern SWFS....
p30

Sovereign Wealth Quarterly

Source on Sovereign Wealth Funds, Pensions, Endowments, Family Offices, and Asset Owners

July 2022 | swfinstitute.org | LOGIN: swfi.com | @swfinstitute

Gulf Sovereign Wealth Funds Rethink Fixed Income as Fed Raises Rates

As Gulf sovereign wealth funds refill their coffers from the rising global price of oil, the influx of cash appears to be finding new homes in new issuances of debt in a world of rising interest rates. Sovereign funds like the Abu Dhabi Investment Authority (ADIA), Qatar Investment Authority (QIA), and to an extent on the central bank front the Saudi Central Bank have complained about the challenges of finding yield in a low interest rate world. SWFI estimates ADIA has around US$ 100 billion allocated to sovereign debt, while Norway Government Pension Fund Global has around US$ 250 billion plus in that bucket. These long term institutional investors are active in the world of sovereign debt, eyeing so-called century bond issuances. The pendulum is now swinging in the other direction, as Western governments have lost the ability to control inflation partially caused by monetary policy mismatches, stoking inflation to levels unseen in decades. U.S. inflation accelerated to 8.6% in May 2022, a shocking 40-year high. The figure prompted the Federal Reserve to have its largest interest rate increase since 1994. U.S. Treasury Secretary Janet Yellen said that "unacceptably high" prices are likely to stick with consumers through 2022 on the T.V. show ABC's This Week on June 19, 2022. "We've had high inflation so far this year, and that locks in higher inflation for the rest of the year," she said Sunday on ABC's "This Week." "I expect the economy to slow," she said, adding: "But I don't think a recession at all inevitable."

Forcing SWFs to Embrace Higher Portfolio Risk and Century Bonds

Cash-rich Gulf-based sovereign wealth funds fared better performance-wise in the 2000s, 2010s, and part of the 2020s in allocating capital to equity and illiquid markets such as private equity, private credit, infrastructure, and to an extent real estate in some cases. Norway Government Pension Fund Global ended up having more than 70% of its massive portfolio in listed equities, growing frustrated with finding suitable fixed income investments to generate return. The accelerated QE policies of the Bank of Japan, European Central Bank, Federal Reserve, and other European central banks provided these various government the ability to have essentially "free money". The sovereign debt at low-to-zero interest rates, sometimes negative interest rates, at the time, allowed these governments to spend and accrue debt to try to catalyze their respective economies. Some sovereign funds adapted by allocating more toward alternatives and listed stocks, and entering riskier areas of the bond spectrum, such as emerging market debt and private credit. The decades-long maturities of some of these government bonds made the price of the securities highly sensitive to interest rates. This clearly was a lure for institutional fixed income buyers because as interest rates slid, the gains were larger. This is now swinging in the opposite direction, as holders of low interest rate securities are feeling the pain, as new bonds are being issued with higher interest rates.

Sovereign wealth funds who over-allocated to long duration fixed income holdings are now seeing the value of their bonds decrease, as higher-yielding government debt are being issued. Remember century bonds? Century bonds were heavily marketed by Wall Street and other European banks. In March 2016, Ireland issued a century bond at a coupon of 2.35% through a private placement by Goldman Sachs and Nomura. During 2011, at a high point in the eurozone debt crisis, Ireland's 10-year bonds were at the 15% level. In 2017, J.P. Morgan helped Oxford University enter the capital markets for the first time in its 800-year history with the sale of a US$ 1 billion century bond. Companies such as The Walt Disney Company and Coca-Cola have issued 100-year notes, and even sovereign governments that have defaulted like Argentina have issued century bonds. J.P. Morgan led the sale of a 100-year bond for Austria in 2019 as yields across the globe drop to record lows at the time. A good deal for Austria as it was able to tap the market for ultra-long-term debt, looking to take advantage of low interest rates. Austria first issued a 100-year bond in 2017, raising €3.5 billion and paying investors a coupon of 2.1%. Pensions, sovereign funds, and insurance companies were heavily pitched during the low-interest rate environment that long-dated debt is attractive because it could be matched to long-term liabilities. Hedge funds and other riskier fixed income investors could also make gains through currency or interest rate swap trades. The European Central Bank helped create the environment of negative interest rate bonds and century bonds on the continent, as the ECB upped the pace of its bond purchases over the decade.

Fast-forward to 2022 as many bonds from highly-rated borrowers with long-terms plummeted. The price of the University of Oxford's debt due in 2117 – the century bond – dropped 49% year-to-date. Austria, which was highly-rated by the rating agencies, saw its 2120 (century bond) bond price fall to around 63%. Sovereign investors in the Middle East are rethinking fixed income asset allocation; should they wait it out? This is a plausible question for many investment committees. ◆◆

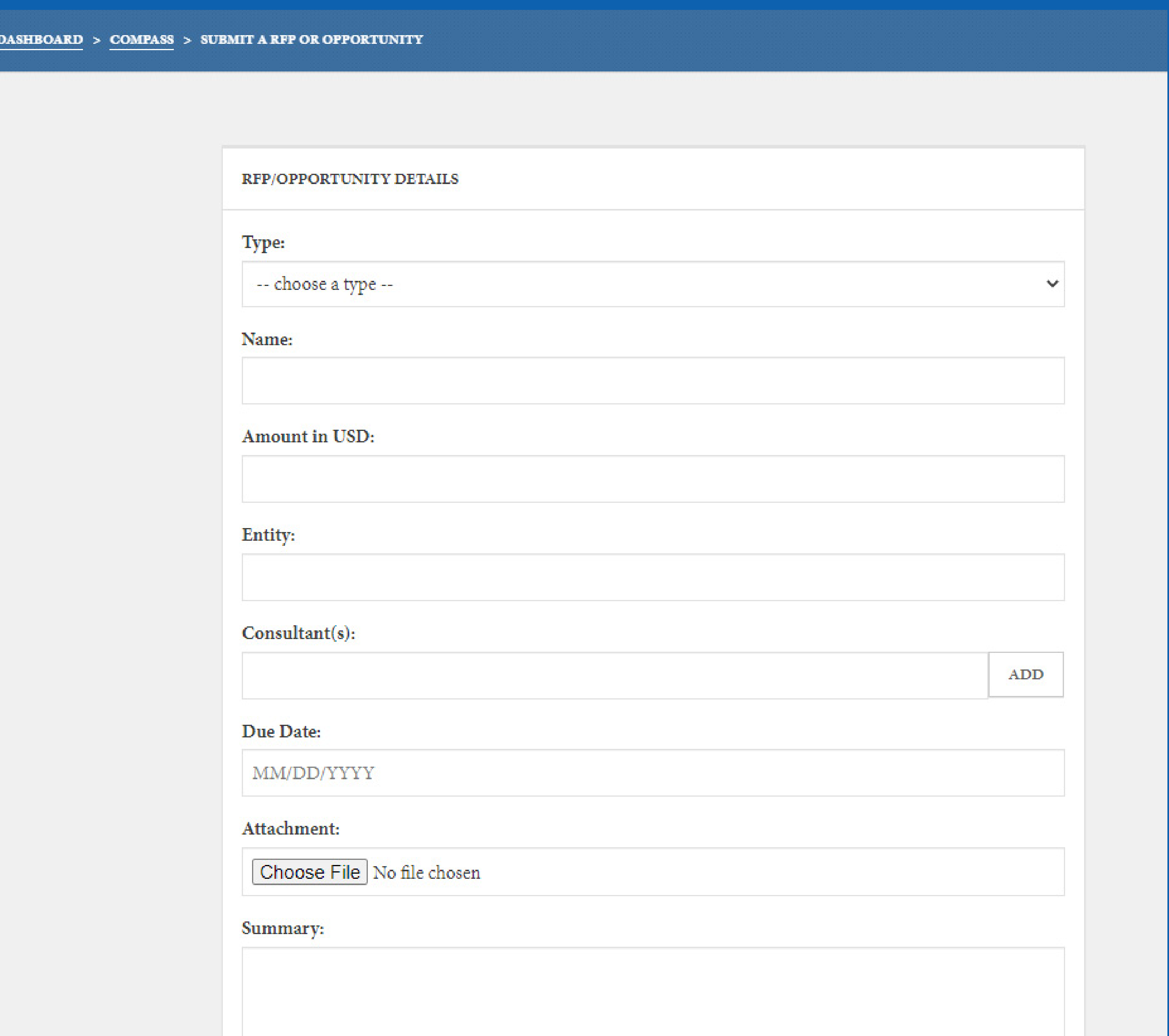
July 2022

contents

SWFI®

How to submit an RFP or opportunity on swfi.com

1. LOGIN to SWFI.com
2. SELECT - Submit an RFP or Opportunity
3. ENTER information
4. HIT submit to SWFI


DASHBOARD > COMPASS > SUBMIT A RFP OR OPPORTUNITY

RFP/OPPORTUNITY DETAILS

Type:

-- choose a type --

Name:

Amount in USD:

Entity:

Consultant(s):

ADD

Due Date:

MM/DD/YYYY

Attachment:

Choose File No file chosen

Summary:

Select SWFI Membership Sponsors

صندوق معاشات ومكافآت التقاعد لإمارة أبوظبي
Abu Dhabi Retirement Pensions & Benefits Fund

Antares Capital

Morgan Lewis

IQEQ
Know how Know you

CHICAGO TITLE INSURANCE COMPANY

ENAM ASSET MANAGEMENT

SAMRUK KAZYNA

HAYNES BOONE

LFDE

Akin Gump
STRAUSS HAUER & FELD LLP

MUBADALA

S&P Dow Jones Indices
An S&P Global Division

WASATCH
GLOBAL INVESTORS

Fidelity National Title
Insurance Company

A special thank you to our members for continually supporting education and dialogue in the global institutional investor community. Learn more about membership by contacting events@swfinstitute.org.

Sovereign Wealth Funds Make Up Almost 3 Percent of the U.S. Stock Market

According to recent flow data by the Sovereign Wealth Fund Institute (SWFI), sovereign wealth funds have US$ 1,259,181,984,783 allocated to U.S. listed equities out of a total assets of US$ 10,060,562,495,661. 12.52% of sovereign wealth fund assets are allocated to U.S. equities. This pool of institutional investors does not include government funds and public pensions, but what SWFI defines as sovereign wealth funds. The FTSE Russell 3000 tracks the U.S. stock market. On May 6, 2022, the FTSE Russell 3000 estimated the U.S. stock market capitalization to be US$ 44.9 trillion. By analyzing SWF allocations, sovereign wealth funds make up 2.804% of the U.S. stock market. Sovereign wealth fund data is taken from the latest available periods and adjustments and roundings were calculated for smaller sovereign funds. The larger sovereign wealth funds are known as contrarian investors, often investing when others pull back. In addition, large sovereign funds typically are long-term in nature. Some of the largest sovereign funds investing in U.S. stocks include Norway Government Pension Fund Global, China Investment Corporation, Abu Dhabi Investment Authority, Kuwait Investment Authority, GIC Private Limited, Saudi Arabia's Public Investment Fund, Qatar Investment Authority, and the Korea Investment Corporation. Gulf-based sovereign wealth funds that derive their wealth from oil have around US$ 520 billion allocated to U.S. stocks. ◆◆

Over $2 Trillion Confirmed for Institute Fund Summit 2022 America

Institute Fund Summit 2022 America – 12th ANNUAL EVENT
New York, NY, United States. 4-5, October 2022
Learn more: events (a) swfinstitute.org.

The VIP Summit for Sovereign Wealth Funds, Public Funds, Endowments, Foundations, Allocators, Single Family Offices, and other Long-Term Public Investors

SWFI plans to hold a VIP institutional investor summit – The Institute Fund Summit 2022 America – on October 4-5, 2022 in New York City. We propose an information-driven, marketing-free forum where attendees share insights, engage in forward-looking discussions, and learn relevant, timely market intelligence. This is an exclusive event for institutional investors, government officials, and C-level investment executives who want to interact and build relationships. Discussions and presentations are purely educational. Significant emphasis is placed on peer to peer interactions, with sufficient networking time built into each engagement. SWFI has confirmed the attendance from organizations, in the aggregate, in which AUM exceeds US$ 2 trillion based off research, data, and signups.

Sovereign Wealth Quarterly

Quarter 2 - Year 2022
www.swfinstitute.org
terminal: swfi.com
twitter: @swfinstitute

PRESIDENT
Michael Maduell

EDITORIAL
editor@swfinstitute.org

CLIENT SUPPORT, REPRINTS & RENEWALS
support@swfinstitute.org
+1 (415) 717-6912

SUBSCRIPTION QUESTIONS
support@swfinstitute.org

CUSTOM RESEARCH
research@swfinstitute.org

EVENTS & CONFERENCES
General: events@swfinstitute.org
www.ifsummit.com

ADVERTISING AND MEMBERSHIPS
Vince Berretta, vberretta@swfinstitute.org
General: advertise@swfinstitute.org
+1 (702) 768-0703

CORPORATE ADDRESS
Sovereign Wealth Fund Institute, Inc.
2300 West Sahara Avenue, Suite 800
Las Vegas, NV 89102
United States

OTHER KEY OFFICES
Located in WA (USA)

French Family Office Florac Finds Value in U.S. Middle Market Companies

Formed in 2009, Florac is an investment firm and is the family office of Marie-Jeanne Meyer, a historical shareholder of the Louis-Dreyfus Group. Florac is managed by Léopold Meyer and invests in direct stakes in companies, taking on €20 million to €150 million equity tickets alongside strategic partners, founders, or managers, in companies with strong growth prospects based in Europe – specifically France, Belgium, Italy, and Switzerland – and the United States. Florac has an office in Southern California. Florac was founded in 2009 by Marie Jeanne Meyer Louis-Dreyfus, her husband and her three children: Camilla, Ilona, and Léopold. The firm was founded on the same principles and values as the Louis Dreyfus Group and seeks to invest the Meyer family's funds in private equity. Florac is an evergreen structure which aims to grow the family's assets over the long term and is not focused on current income or dividends.

Meyer Louis-Dreyfus family

The Meyer family is a branch of the Louis-Dreyfus family, the historical shareholders of the Louis Dreyfus Group. The Louis Dreyfus Group was founded in 1851 and expanded across multiple business lines (energy, commodities trading, real estate, telecom, apparel, etc.) by employing high-quality people, identifying opportunistic acquisitions, and focusing on growth. As of late 2021, with over 22,000 employees in more than 90 countries, Louis Dreyfus Group is one of the agricultural commodities trading leaders with annual revenues exceeding US$ 65 billion. Florac looks for companies and focuses on capital appreciation rather than income generation. Florac's investment approach is not based on portfolio investment statistics. Each investment is considered as a stand-alone investment. There are no pre-set limits as to sector concentration, size, etc. Florac can partner with financial firms, families or management teams with solutions ranging from the injection of growth capital to the acquisition of minority or majority stakes to full LBOs. Florac requires board representation in investments and will partake in growth capital, LBO, MBO, and recapitalizations.

Some Deals

In December 2019, Florac, NewHold Enterprises and its equity partners, invested in PRIME AE. PRIME AE is a provider of a full range of services in the architecture and engineering, construction management and inspection, transportation, and water resources sectors. In May 2021, Diverzify was acquired by ACON Investments, a middle market-focused private equity firm. In August 2021, Florac joined the cap table alongside ACON and Diverzify's founding family. Diverzify is a commercial flooring installation and services provider offering its services nationwide through its wide facility footprint and broad network of vetted subcontractors. In April 2021, Florac along with its partners Triton Pacific Capital Partners, Beach Point Capital Management, and GMB Capital Partneri invested in Unio Health Partners (UHP). UHP is a physician services platform with the goal of transforming urology, gastroenterology, and radiation oncology care delivery across the Western U.S. ◆◆

How Did Temasek Holdings Blow Money on Bayer AG?

Singapore's Temasek Holdings believed in the Bayer AG story. In April 2018, Temasek subscribed to 31 million new shares of Bayer, corresponding to around 3.6% of the capital stock, for total gross proceeds of 3 billion euros. After that subscription, Temasek held approximately 4% of the issued capital stock of Bayer. This capital raise was before Bayer's costly acquisition of Monsanto. The Temasek deal helped Bayer pull off a risky US$ 62.5 billion purchase of Monsanto in 2018. Even during the Roundup litigation cases that sprouted, Temasek maintained a large position in Bayer, which on paper amounts to billions in unrealized losses. The unrealized losses happened just months after Temasek made the large investment into Bayer. Did Bayer or Temasek conduct enough research on Monsanto, its controversial business practices, and its liabilities?

In late June 2022, the U.S. Supreme Court rejected Bayer's appeal to shut down thousands of lawsuits claiming that its Roundup weedkiller causes cancer. The justices left in place a US$ 25 million judgment in favor of Edwin Hardeman, a California man who says he developed cancer from using Roundup for decades to treat poison oak, overgrowth and weeds on his San Francisco Bay Area property. Later in June, a panel of the 9th U.S. Circuit Court of Appeals rejected an Environmental Protection Agency (EPA) finding from 2020 that glyphosate does not pose a serious health risk and is "not likely" to cause cancer in humans. The U.S. appellate court ordered the EPA to take another look at its finding. Bayer inherited Roundup and the costly litigation when it acquired Monsanto in 2018. In 2021, Bayer set aside US$ 4.5 billion to deal with the claims that glyphosate, the weed-killing ingredient in Roundup, causes non-Hodgkin lymphoma, a type of cancer. Bayer had previously taken a charge of nearly US$ 10 billion for earlier rounds of litigation. The cost of the litigation has forced Bayer to sell certain assets across each of its segments, including pharmaceuticals.

Temasek Holdings made it known that it was not pleased with Bayer CEO Werner Baumann and has asked for a change in leadership. In an April 29, 2022 Bayer shareholder meeting, Temasek had informed Bayer chairman Norbert Winkeljohann that it wanted a change in corporate leadership. Shareholders Alatus Capital and Temasek Holdings had urged other Bayer investors not to ratify the management's performance. ◆◆

Temasek and EDBI Partake in Series A Round in Tessa Therapeutics

Singapore-based Tessa Therapeutics Ltd. is a clinical-stage cell therapy company developing next-generation cancer treatments for hematological malignancies and solid tumors. Tessa Therapeutics closed a US$ 126 million Series A financing round. Polaris Partners led the financing with participation from existing investors, including Temasek Holdings, Singapore Economic Development Board (EDBI), Heliconia Capital, and Heritas Capital. In conjunction with the financing, Amy Schulman and Darren Carroll, Managing Partners at Polaris Partners, have joined Tessa's Board of Directors. Tessa plans to use the proceeds from the financing to advance the ongoing clinical development of the company's autologous CD30-CAR-T therapy (TT11) and allogeneic CD30.CAR EBVST therapy (TT11X) programs. The CD30-CAR-T clinical trial supplies will be manufactured in Tessa's newly qualified state of the art commercial cGMP facility.

Tessa's lead program TT11, is an autologous CD30 chimeric antigen receptor T-cell (CAR-T) therapy that harvests the patient's own T-cells and modifies them to target cancer cells expressing the CD30 protein, a well-validated lymphoma target. Clinical data from the pilot stage of the ongoing Phase 2 CHARIOT trial of TT11 presented at ASH demonstrated a favorable safety profile and promising efficacy in relapsed or refractory CD30-positive classical Hodgkin lymphoma (cHL) patients, with a complete response (CR) rate of 57.1 percent and an overall response rate (ORR) of 71.4 percent. Tessa expects to advance to the pivotal Phase 2 CHARIOT trial later this year. A second program TT11X, is based on Tessa's proprietary allogeneic CD30.CAR EBVST platform. The platform overcomes toxicity challenges common to "off the shelf" cell therapies such as Graft vs Host Disease (GVHD) by using allogeneic Virus specific T-cells (VSTs) augmented with CD30-CAR. ◆◆

Brookfield Raises Massive $15 Billion for Global Net Zero Transition Strategy

Brookfield Asset Management reached the final institutional close for the Brookfield Global Transition Fund with total capital raised of US$ 15 billion, making it the world's largest private fund dedicated to facilitating the global transition to a net-zero carbon economy. The $15 billion includes investments from institutional investors in and alongside the Fund, as well as amounts reserved for the private wealth channel. Highlighting industry support for decarbonization, demand for the Fund significantly exceeded its initial hard cap, and the final fund size was oversubscribed. A diverse group of more than 100 investors from around the world committed to the Fund, including public and private pension plans, sovereign wealth funds, insurance companies, endowments and foundations, financial institutions, and family offices. Brookfield is the largest investor in the Fund, underscoring the firm's longstanding alignment of interests with those of its investors. While the Fund is now closed to institutional investors, it remains open to a limited number of private wealth investors through Brookfield Oaktree Wealth Solutions.

BGTF, co-headed by Mark Carney (former Governor of both the Bank of England and Bank of Canada) and Connor Teskey, focuses on investments to accelerate the global transition to a net zero economy. Brookfield Global Transition Fund invests in the transformation of carbon-intensive industries, as well as the development and accessibility of clean energy sources, leveraging Brookfield's leadership in renewable power. Approximately $2.5 billion has been deployed or allocated from the Fund to date, spanning a range of decarbonization technologies with investments at significant scale. These include:

The acquisition of U.S. and German solar power and battery developers created a combined renewable power development pipeline capacity of approximately 25,000 MW. An investment in a carbon capture and storage developer to fund the rollout of the company's critical technology across energy and industrial facilities in North America and a development partnership with a U.K. battery storage provider to roll out up to 1,200 MW of capacity alongside 200 MW of co-located solar. ◆◆

Bahrain Mumtalakat Holding Swings to Profit in FY 2021 After COVID Hangover Year

Bahrain Mumtalakat Holding Company, the sovereign wealth fund of the Kingdom of Bahrain, announced its consolidated financial results for the year ended December 31, 2021, recording the highest net profit since inception. Mumtalakat's standalone financial results for the year 2021 recorded a profit of BD 45.6 million compared to a loss of BD 550.7 million for the year 2020. Standalone results represent solely the activities of Mumtalakat as an entity. Furthermore, Mumtalakat paid dividends to the shareholder of BD20 million as a contribution to the national budget. Dividend income received during the year was BD63.3 million compared to BD49.2 million for the year 2020, and profits before impairments amounted to BD71.3 million compared to BD68.3 million for the year 2020.

FY 2020 results were deeply impacted by the COVID-19 global pandemic. The Group results represent the activities of Mumtalakat and the results of its portfolio companies which recorded a consolidated net profit of BD 329 million in 2021 as compared to a consolidated net loss of BD 528 million in 2020. The significant improvement in net results is attributed to the improved operational performance of Aluminium Bahrain B.S.C. (Alba), a principal company of the Group, and lower impairment losses. Mumtalakat's revenue increased by 34% from BD 1.6 billion in 2020 to BD 2.2 billion in 2021 primarily driven by higher LME prices.

Alba is the first aluminium smelter in the Middle East which has started its commercial operations back in 1971. Alba registered a record net profit for the 2021 year of BD 452 million compared to a net profit of BD 9.8 million in the prior year. The increase in net profit is primarily due to higher LME prices of aluminum in 2021 and the increase in production and sales resulting from its line 6 expansion. In addition, the aviation industry experienced modest recovery due to lifting of travel restrictions which resulted in an increase in Gulf Air ticket sales. Mumtalakat's principal associates, National Bank of Bahrain (NBB) and Bahrain Telecommunications Company (Batelco) continued to report positive financial results. Mumtalakat's share of profits from Batelco and NBB for 2021 were BD 22.6 million and BD 21.9 million respectively (2020: BD 20.3 million and BD 10.8 million respectively). ◆◆

ADIA and GIC Help Fuel Buyout of Zendesk

Zendesk, Inc. (NYSE: ZEN) entered into a definitive agreement to be acquired by an investor group led by Permira and Hellman & Friedman LLC (H&F) in an all-cash transaction that values Zendesk at approximately US$ 10.2 billion. The private equity firms are getting Zendesk for a much cheaper price. In February 2022, Zendesk turned down around a US$ 17 billion buyout proposal from a group that included both Permira and Hellman & Friedman. Under the terms of this agreement, Zendesk shareholders will receive US$ 77.50 per share. The offer represents a premium of approximately 34% over Zendesk's closing stock price on June 23, 2022, the last full trading day prior to this announcement.

In addition to Hellman & Friedman and Permira, the investor group includes a wholly-owned subsidiary of the Abu Dhabi Investment Authority (ADIA), and Singapore's GIC Private Limited. ADIA and GIC are frequent co-investors in U.S. tech buyout deals in recent years, according to data from the Sovereign Wealth Fund Institute (SWFI). The transaction, which has been unanimously approved by Zendesk's Board of Directors, is expected to close in the fourth quarter of this year and is subject to customary closing conditions, including Zendesk stockholder approval. Hellman & Friedman and Permira have arranged for debt and equity financing commitments for the purpose of financing the transaction. Upon closing of the transaction, Zendesk will operate as a privately-held company. In April 2022, Zendesk hired Qatalyst Partners to explore a sale.

JANA Partners

In June 2022, activist investor JANA Partners LLC announced that it intends to sue Zendesk for the company's failure to set a date for its 2022 annual meeting under Delaware General Corporation Law Section 211, which grants shareholders a right of action if a company fails to hold an annual meeting within 13 months of the prior year's meeting. Barry Rosenstein, Managing Partner of JANA, said in a press release on June 8, 2022, "Zendesk's Board has inflicted significant damage on its shareholders and its incumbent directors must stop hiding from accountability. To protect against further value destruction, shareholders must be given the opportunity to vote on directors who will act in their best interests and restore desperately needed value and credibility.

In response to a June CNBC report, Rosenstein added, "If CNBC's reporting is accurate, Zendesk shareholders should be furious. This report of a bungled sale process—following the Board's rejection of real interest in the Company in February to instead pursue the ill-conceived acquisition of Momentive, which was subsequently shunned by more than 90% of Zendesk's shareholders—would be the latest catastrophic example of the Board's inability to properly oversee management and the Company. Zendesk's stock price today hit a new 52-week low, illustrating that shareholders have lost confidence in the Company and further underscoring how desperately change is needed." On February 16, 2022, JANA Partners declared that absent the significant boardroom change at Zendesk, JANA had proposed to restore Zendesk's credibility, JANA believes Zendesk must be sold.

Qatalyst Partners and Goldman Sachs & Co. LLC are serving as financial advisors to Zendesk in connection with the proposed transaction. Wachtell, Lipton, Rosen & Katz is serving as Zendesk's legal advisor.

Morgan Stanley & Co. LLC is serving as financial advisor to the investor group. Fried, Frank, Harris, Shriver & Jacobson LLP is serving as M&A counsel to the investor group and to Permira. Simpson Thacher & Bartlett LLP is serving as financing counsel to the investor group. Kirkland & Ellis LLP is serving as counsel to Hellman & Friedman. ◆◆

SEC Charges Egan-Jones Ratings Co. and CEO with Conflict of Interest Violations

The Securities and Exchange Commission (SEC) charged Haverford, PA-based Egan-Jones Ratings Company, a nationally recognized statistical rating organization (NRSRO) registered with the Commission in certain ratings classes, with violating conflict of interest provisions. The SEC also charged the company's founder and chief executive officer, Sean Egan (age 64), with causing certain of those violations. The SEC's order finds that, in 2019, Sean Egan, who at the time headed Egan-Jones's ratings group, became involved in business and marketing activities concerning a client and was influenced by sales and marketing considerations while participating in determining a credit rating for that client, which created a prohibited conflict of interest. The order finds that by issuing and maintaining a rating for the client under those circumstances, Egan-Jones violated the SEC's NRSRO conflict of interest rules and, further, that Egan caused the company's violations.

The SEC's order also finds that, in 2018, Egan-Jones violated another conflict of interest provision by continuing to issue and maintain ratings for another client even though that client had contributed ten percent or more of the company's net revenues during the prior fiscal year. Finally, the order finds that Egan-Jones failed to establish, maintain, and enforce policies and procedures reasonably designed to manage such conflicts of interest. Without admitting or denying the SEC's findings, Egan-Jones agreed to settle the matter by paying a $1.7 million penalty and more than $146,000 in disgorgement and interest. It also committed to conduct training, retain an independent consultant to assess its policies and procedures concerning conflicts of interest, and prohibit Egan from, among other things, participating in determining or monitoring credit ratings issued or maintained by Egan-Jones or developing or approving procedures used for determining credit ratings issued or maintained by Egan-Jones. Separately, and also without admitting or denying the SEC's findings, Egan agreed to pay a $300,000 penalty to settle the SEC's charges against him. ◆◆

SEC Charges Energy Capital Partners on Disproportionate Expense Allocations to Fund

On June 14, 2022, the Securities and Exchange Commission (SEC) charged New Jersey-based investment adviser Energy Capital Partners Management LP (ECP) with allocating undisclosed, disproportionate expenses to a private equity fund it advises. ECP agreed to pay a US$ 1 million penalty to settle the SEC charges and has voluntarily paid back more than US$ 3.3 million to the fund. The SEC is cracking down on private equity firms that don't follow their own agreements. Energy Capital Partners has limited partners that include U.S. public pension funds.

According to the SEC's order, ECP led an investment consortium to acquire the stock of a public company in what is referred to as a take-private transaction. In connection with this transaction, which closed in March 2018, ECP agreed that third-party co-investors would not have to bear expenses related to a credit facility used to finance the transaction. As a result, the SEC's order found that ECP allocated a disproportionate share of these expenses to a private equity fund it advised without disclosure. The SEC's order found that, under the fund's organizational documents, these expenses should have either been disclosed or not allocated in this manner. ECP consented to the entry of the SEC's order finding that the firm violated Sections 206(2) and 206(4) of the Investment Advisers Act of 1940 and Rule 206(4)-7 and 206(4)-8. Without admitting or denying the SEC's findings, ECP agreed to a cease-and-desist order and censure, in addition to the $1 million penalty.

In May 2022, Energy Capital Partners was hoping to raise nearly US$ 1.6 billion in a single-asset secondary deal that will let ECP extend its hold over power company Calpine Corporation. Secondary advisory firm PJT Partners is advising ECP. Pantheon Ventures is the lead investor in the transaction. Calpine Corporation is one of America's largest generators of electricity from natural gas and geothermal resources. In August 2017, Energy Capital Partners lead an investor group that includes billionaire industrialist Leonard Blavatnik's Access Industries and Canada Pension Plan Investment Board (CPPIB), to acquire debt-laden Calpine for US$ 5.6 billion. At that time, the U.S. wholesale power generation industry was struggling with margin pressure. ◆◆

Samruk-Kazyna JSC Wins Long Dispute over Enforcement of €500 Million Arbitral Award

Samruk-Kazyna JSC was in a long-standing dispute regarding the enforcement of a €500 million arbitral award. Law firm Loyens & Loeff represented Samruk-Kazyna on the legal assignment. On June 14, 2022, the Court of Appeal of The Hague in the Netherlands held that Samruk's shares in KMG Kashagan B.V. enjoy immunity of enforcement and lifted the pre-judgment attachment levied by Anatolie Stati and Gabriel Stati, Moldovan oil and gas investors, and their companies. The Court of Appeal of The Hague ruled that the attached shares in KMG Kashagan B.V. should be regarded as "property" of Samruk's sole shareholder – the Republic of Kazakhstan – because the Republic of Kazakhstan exercises control over them. The Court of Appeal of The Hague further held that the attached shares are specifically in use or intended for use by the Republic of Kazakhstan for other than government non-commercial purposes within the meaning of Article 19, part c, U.N. Convention and that they therefore enjoy immunity of enforcement. The judgment is an important decision in the context of state immunity in relation to sovereign wealth funds.

The legal battle between the Statis and the Kazakhstan government began in 2010 when the Ministry of Oil and Gas of Kazakhstan terminated the contracts for oil and gas exploration and production of Kazpolmunai LLP and Tolkynneftegaz LLP, companies owned by the Statis in Mangistau province, in the west of the country. The Statis subsequently filed an arbitration claim against Kazakhstan under the terms of the Energy Charter Treaty, of which Kazakhstan is a signatory, and in 2013 a tribunal constituted by the Stockholm Chamber of Commerce awarded the Statis compensation of around US$ 500 million. ◆◆

Labor Ministry and Business Community Likely to Battle on GPIF Possibly Investing in Startups

The cabinet of Japan Prime Minister Fumio Kishida seeks to use the capital of the world's largest pension fund to back Japanese startups. Japan Government Pension Investment Fund (GPIF) could end up being an investor in local Japanese startups as part of Kishida's economic program. The funds could be in the forms of equity or loans as no formal investment channels have been announced. It would likely make sense for the GPIF to invest indirectly through venture capital funds or corporate venture funds, as the pension investor may not have the internal capabilities to scale up fast enough. Keidanren is Japan's largest business lobby and in March 2022 they called for use of the ¥10 trillion (US$ 75 billion) GPIF has available for alternative investments. The GPIF puts the majority of its money in listed equities and bonds, it can invest up to 5% of its total assets in alternative investments including private equity and real estate. The cabinet measure is likely to get push back from Japan's Ministry of Labor, which is more conservative in its investment practices and mission. The allocation to private equity and real estate for GPIF has been relatively small at figures of less than 1% of the total fund. ◆◆

BlackRock Widens Proxy Voting to $2.3 Trillion in Passive Equity Investments

In October 2021, BlackRock Inc. permitted a group of institutional investor clients with indexed equity assets totaling US$ 410 billion that wanted to make their own shareholder votes. BlackRock is expanding its Voting Choice program to allow more clients invested in its equity index funds to cast proxy votes. Since the formal launch of BlackRock's Voting Choice program in October 2021, eligible institutional investors committed an additional US$ 120 billion to the program for a total of US$ 530 billion or about 25% of the US$ 2.3 trillion of eligible indexed equity assets within the proxy-voting program, a BlackRock news release showed. The US$ 2.3 trillion of eligible indexed equity in the shareholder voting program represents 47% of BlackRock's total US$ 4.9 trillion of passively managed equity strategies. BlackRock has expanded the range of institutional pooled funds offering shareholder voting to more asset owners in the United Kingdom, Canada, and Ireland and is working on a "proof of concept" for individual investors in the U.K. to participate in the Voting Choice program, the release said. BlackRock said the program expands the opportunity for proxy voting by public and private pension funds, insurance companies, endowments, foundations, and sovereign wealth funds. Within the Voting Choice program, investors can control their own voting, choose to vote only on issues that matter to them, select from seven different voting policies, or continue to rely on BlackRock's stewardship office. ◆◆

CDPQ Makes Bigger Inroads with DP World By Investing $2.5 Billion in UAE Infrastructure

DP World, a subsidiary of Dubai World, is a global infrastructure-led supply chain solutions provider. Caisse de dépôt et placement du Québec (CDPQ) agreed to invest US$ 2.5 billion in the Jebel Ali Port, the Jebel Ali Free Zone, and the National Industries Park through a new joint venture in which it will hold a stake of approximately 22% (through a sub-concession of up to 35 years), with the remainder of the transaction being financed by debt. Other long-term investors will have the opportunity to acquire an additional stake of up to US$3 billion. The transaction implies a total enterprise value of approximately US$ 23 billion for the three assets. The Jebel Ali Port, Free Zone and National Industries Park together form an integrated ecosystem for the supply and logistics chains of over 8,700 companies from around the world, serving more than 3.5 billion people globally. The three assets generated pro-forma 2021 revenue of US $1.9 billion. Tranche 1 (US$ 5 billion) of the transaction is expected to close in the second or third quarter of 2022, and tranche 2 (up to US$ 3 billion) is expected to close during the fourth quarter of 2022. ◆◆

Rockpoint Group to Fuel Walton Global's BTR Plans

Walton Global Holdings, LLC (Walton Group) is a real estate investment and land asset management company with US$ 3.6 billion under management. Walton Group formed a joint venture with The Rockpoint Group, a real estate private equity firm based in Boston, to support the growing demand for single-family homes in the form of rental communities across the United States. Rockpoint intends to invest up to US$ 300 million in equity in Walton's Build-to-Rent (BTR) line of business that is expected to total up to $1 billion in real estate assets. Walton's BTR platform was launched in 2021. The joint venture is initially focusing on targets within Walton's existing Master Plans and more than 81,000-acre land portfolio across the U.S. Walton has an initial pipeline of approximately 3,500 units in expanding MSAs such as Atlanta, Austin, and Jacksonville, that are targeted to be part of the joint venture.

Walton Global recently closed a US$ 100 million facility provided by affiliates of funds managed by Fortress Investment Group LLC. The funds will be allocated to Walton's builder land financing (BLF) business line to acquire properties in high growth areas to support home demand across the United States. Walton's first facility acquisition to utilize the Fortress facility closed in May 2022. The US$ 9.5 million project, La Playa, is a development located in Hayward, California within Alameda County in the San Francisco Bay Area, with plans to develop 47 new homes. In 2021, Walton Global sold more than 9,500 acres with a value of nearly US$ 300 million from their existing land portfolio, which translates into thousands of new homes throughout the U.S., to builders including D.R. Horton, Pulte Homes, M/I Homes, and Regent Homes.

Walton's 2021 land acquisition announcements totaling 2,150 included the acquisition of 632 acres of land for residential development in the U.S. – California, Colorado, North Carolina, and Texas. In the November and December 2021, Walton Global acquired 208 acres in Stonebreaker, a master-planned community in the City of Dacono, which is located on the east side of Interstate 25 outside of Denver. Walton had secured 217 acres for residential development in Union New Hope, which is near Charlotte, North Carolina. Walton acquired 166 acres in Seguin Ranch located in Greater San Antonio. Walton entered the Northern California market by obtaining 67 acres of land in the Sacramento area for the Feather Glen development. ◆◆

Temasek Forms Direct Unit GenZero to Invest in Decarbonization Themes

Singapore-based Temasek Holdings formed GenZero (Carbon Solutions Platform Pte. Ltd.), a wholly-owned investment platform company dedicated to accelerating decarbonization globally. GenZero looks to catalyze decarbonization solutions with its ability to deploy long-term and flexible capital. It invests in opportunities ranging from early-stage companies and solutions that require patient capital to commercialize and grow, to more mature ones that are ready to scale. Temasek Holdings commits an initial S$5 billion (US$ 3.6 billion) to set up GenZero. GenZero has three investment focus areas: (i) technology-based solutions that deliver deep decarbonization impact through climate-driven technologies; (ii) nature-based solutions that help protect and restore our natural ecosystems to generate climate impact while benefiting local communities and biodiversity; (iii) carbon ecosystem enablers which refer to companies and solutions that support the development of an effective, efficient, and credible carbon ecosystem.

GenZero will be managed by a dedicated team of professionals with deep expertise in the investment and sustainability space, led by its CEO-designate, Frederick Teo, who is currently the Managing Director of Sustainable Solutions at Temasek International. Teo has served nearly 12 years in Temasek in leadership positions across a broad range of roles such as sustainability, portfolio management, business continuity and strategic stakeholder engagement. He will fully transition to his role at GenZero on July 1, 2022. GenZero will invest in carbon reduction and carbon removal technologies such as low-carbon materials, Carbon Capture, Utilization and Sequestration (CCUS), and advanced biofuels such as Sustainable Aviation Fuel (SAF). These opportunities will help deliver fundamental decarbonization impact in sectors such as power and energy, transport and building, industry and manufacturing.

GenZero has invested in Newlight, a U.S.-based manufacturer of biomaterial produced from methane to displace plastics. Through a joint investment with C-Quest Capital, GenZero is funding deployment of clean, energy efficient cookstoves to rural households in Southeast Asia to reduce carbon emissions. GenZero will also invest with third-party funds to expand its networks and collaborate with like-minded partners. It is currently working with Decarbonization Partners, a Temasek-BlackRock partnership launching a series of funds that focus on late-stage venture capital and early growth private equity decarbonization solutions investments; and Brookfield Global Transition Fund, which aims to accelerate the global transition to a net zero carbon economy by targeting investment opportunities relating to reducing emissions and energy consumption, as well as increasing low-carbon energy capacity and supporting sustainable solutions.

GenZero will support and scale the deployment of nature-based solutions through investments and project co-development with partners in forestry and agriculture sectors, and leverage carbon credits as a market mechanism to accelerate funding into these solutions. GenZero has partnered with Global EverGreening Alliance to support farming communities in Kenya to improve their livelihoods through land restoration and tree planting. It has also invested in the New Forests Tropical Asia Forest Fund 2, which aims to develop a diversified portfolio of sustainable forest plantation assets in Southeast Asia and support the region's transition towards responsible forestry management.

Building an effective and credible carbon ecosystem

Carbon markets can play a critical part in delivering real emissions reduction and driving climate ambition, but only when it is done right. An effective and trusted carbon market will help accelerate decarbonization by providing a mechanism to fund decarbonization technologies and projects; while a credible ecosystem and market will be critical to enhance transparency and confidence. To support this, GenZero will invest in carbon ecosystem enablers including areas such as climate advisory services, carbon trading infrastructure, Monitoring, Reporting & Verification (MRV) technologies and rating providers. GenZero has invested in global climate solutions firm South Pole, which develops and implements emission reduction projects and strategies for companies, governments and organizations around the world. GenZero is also working with Climate Impact X, a global carbon marketplace and exchange, which aims to establish a credible carbon trading infrastructure based in Asia. In addition, GenZero has made an investment in Perennial, a US-based early-stage start-up using artificial intelligence and remote sensing to accurately quantify soil organic carbon sequestration on agricultural lands.

Operational governance

GenZero disclosed the formation of its Board of Directors, which brings together experienced leaders with collective expertise spanning sustainability, finance, energy and technology, and nature-related sectors. The Board will be chaired by Sunny Verghese, Co-founder & Group CEO of Olam, and former Chairman of the World Business Council for Sustainable Development.

Members of the Board also include Ms Goh Swee Chen, President, Global Compact Network Singapore; Dr Steve Howard, Chief Sustainability Officer, Temasek International; Dr Ruth Nussbaum, Group Director, Proforest; and Mr Alan Thompson, Operating Partner, Temasek International. ◆◆

U.S. President Biden and G7 Leaders Formally Launch the Partnership for Global Infrastructure and Investment

At the 2021 G7 Summit, U.S. President Joe Biden and G-7 leaders announced their intent to develop a an infrastructure partnership to meet the infrastructure needs of low and middle-income countries and support the United States' and its allies' economic and national security interests. Over the past year, members of the Biden administration have traveled to hear directly from countries on how we can meet their infrastructure needs. The Group of Seven (G7) is an intergovernmental organization made up of the world's largest developed economies: France, Germany, Italy, Japan, the United States, the United Kingdom, and Canada. This alliance is creating an infrastructure program has some similarities of the One-Belt, One-Road initiative of China.

At the G7 Leaders' Summit in Schloss Elmau, the heads of state of the G7 will formally launch the Partnership for Global Infrastructure (PGII) to mobilize hundreds of billions of dollars. U.S. President Biden will announce that the U.S. aims to mobilize US$ 200 billion for PGII over the next 5 years through grants, U.S. federal government financing, and leveraging private sector investments. Together with G7 partners, the overall group aims to mobilize US$ 600 billion by 2027 in global infrastructure investments. The United States and its G7 partners will seek to mobilize additional capital from other like-minded partners, multilateral development banks, development finance institutions, sovereign wealth funds, and more. Biden's predecessor former U.S. President Trump attempted a similar feat, but was bogged down with a plethora of internal issues.

U.S. President Biden will release a Presidential Memorandum to execute the PGII across four priority pillars. Some of these policies are a continuation of previous American president such as investing in 5G and 6G digital connectivity, cybersecurity enhancements, developing and upgrading the infrastructure of health systems and contributing to global health security, and improved water and sanitation infrastructure. Other measures include developing clean energy supply chains across the full integrated lifecycle, from the mining of metals and critical minerals; to low-emissions transportation and hard infrastructure; to investing in new global refining, processing, and battery manufacturing sites; to deploying proven, as well as innovative, scalable technologies in places that do not yet have access to clean energy. ◆◆

APG and GIC Take a Substantial Stake in The Student Hotel

The Student Hotel (TSH), APG Asset Management, Aermont Capital, Charlie MacGregor and GIC Private Limited have reached an agreement as part of which GIC and APG will acquire a substantial stake in TSH and commit to invest to fuel further expansion for the hybrid hospitality leader, subject to customary regulatory approvals. The transaction values The Student Hotel, including assets currently under development, at €2.1 billion. The deal sees APG and founder Charlie MacGregor increase their current stake in TSH. APG first invested in TSH in 2015. MacGregor and Aermont Capital entered into business in 2014 after MacGregor opened the first The Student Hotel in 2012. GIC now joins as a new investor. TSH's hybrid hospitality model, combining student accommodation, hotel rooms, co-working and meeting spaces, bars and restaurants, worked well during the COVID-19 pandemic as TSH was able to substantially increase room allocation towards students when leisure and corporate travel dramatically reduced, thereby achieving strong occupancy rates and remaining cash-positive. With APG and GIC's commitments, TSH is able to accelerate its growth strategy to expand into key European cities and grow its presence to 50 hotels from 25 hotels under ownership today, of which 15 are currently operational and three are opening in 2022, in Madrid, Barcelona, and Toulouse. The transaction is subject to approval from the relevant regulatory authorities. ◆◆

Shoring up Domestic Liquidity, Saudi Central Bank Provides Time Deposits to Commercial Lenders

In a bid to shore up local liquidity, the Saudi Central Bank placed about 50 billion riyals as time deposits with commercial lenders. This move happened before the U.S. Federal Reserve raised interested rates in June 2022. The funding from the central bank came in at least three separate tranches so far. The first and second injection comprised of three-month deposits that totaled around 15 billion riyals each. The Saudi Central Bank, otherwise referred to as SAMA, made money available to banks at a discount to the three-month Saudi Interbank Offered Rate, or Saibor, used as a benchmark to price loans. Liquidity conditions as measured by Saibor are the tightest since late 2008. Growth in bank deposits in Saudi Arabia has trailed credit expansion in the Kingdom. The credit expansion in Saudi Arabia was largely driven by a boom in mortgages. The boom in mortgages has squeezed the Saudi money market, while the Saudi government withholds its oil windfall for a longer period of time to control fiscal spending. ◆◆

Norway's SWF Puts Malaysia's Supermax Corp Under Observation

On June 15, 2022, Norges Bank revealed that the Executive Board has decided to place the company Supermax Corporation Berhad under observation for a period of two years. Supermax Corporation Berhad started as a trader and exporter of latex gloves in 1987 before venturing into manufacturing in 1989. It is Malaysia's largest Own Brand Manufacturer and the world's second largest producer of rubber gloves. Norges Bank claims this is "due to unacceptable risk that the company contributes to serious violations of human rights, referring to the conduct-based criteria in section 4 (1) (a) of the Guidelines for the Observation and Exclusion of Companies from the Government Pension Fund Global. The decision is based on a recommendation from the Council on Ethics of 6 May 2022. In its recommendation, the Council on Ethics recommended excluding the company. According to section 6 (5) of the Guidelines, observation may be decided «when there is doubt as to whether the conditions for exclusion are met or as to future developments, or where observation is deemed appropriate for other reasons». Based on the recommendation, the Executive Board has made the assessment that the company's announced measures to improve living and working conditions for migrant workers leave uncertainty about future developments. The period of observation gives the Council on Ethics the opportunity to find out whether the measures sufficiently reduce the risk of violations." Norges Bank Investment Management oversees Norway Government Pension Fund Global. ◆◆

AIMCo, GIC, Manulife, and Ontario Teachers Back Mega Utah Green Hydrogen Project

Founded in 1998, Houston-based Haddington Ventures, LLC oversees a portfolio of U.S. conventional and renewable energy businesses. Haddington Ventures, LLC has formed Haddington ESP I, LP to provide construction equity for projects developed by the Advanced Clean Energy Storage Joint Venture (ACES Delta, LLC), which will be a massive green hydrogen platform. With this equity funding, construction can begin in June 2022, and hydrogen hub operations are scheduled to commence in 2025. The investors in Haddington ESP are Alberta Investment Management Corporation (AIMCo), GIC Private Limited, Manulife Financial Corporation (Manulife) and Ontario Teachers' Pension Plan Board. In addition to the investors' initial US$ 650 million equity commitment, they have additional rights to increase their collective investment to US$ 1.5 billion. ACES Delta is developing the green hydrogen storage hub near Delta, Utah, with electrolyzer capacity to produce up to 100 metric tonnes per day of green hydrogen under a long-term contract with the Intermountain Power Agency (IPA). IPA is comprised of 23 Utah municipalities and owns the Intermountain Power Project (IPP). IPP supplies power to the IPA members, six rural electric cooperatives, and municipal utilities in Southern California, including Los Angeles, Burbank, and Glendale.

The initial funding from Haddington ESP will finance a project to use renewable energy resources to power 220 megawatts of electrolyzers that will split water into hydrogen and oxygen. The resulting zero-carbon green hydrogen will be stored in salt-dome storage caverns and made available on demand to IPA, which intends to utilize the hydrogen in its combined-cycle natural gas plant to generate electricity for its project participants. ACES Delta is a joint venture between Mitsubishi Power Americas, Inc. and Utah-based Magnum Development LLC, a managed portfolio company of Haddington Ventures under Haddington Energy Partners III. The Haddington/Magnum team brings experience in underground salt storage development, construction, and operation while Mitsubishi Power Americas brings experience and technological support for the electrolyzers and other power related elements. In May 2022, the U.S. Department of Energy made a conditional commitment for approximately US$ 500 million of debt financing for Advanced Clean Energy Storage I, LLC.

Legal representation to Haddington ESP investors was provided by Sidley Austin LLP, while Haddington Ventures was represented by Willkie Farr & Gallagher LLP. ◆◆

Crusoe Energy Systems Acquires Easter-Owens Electric

On June 22, 2022, Crusoe Energy Systems LLC acquired Denver-based Easter-Owens Electric Co., the manufacturer of modular data centers and specialized electrical systems. The acquisition follows several years of close cooperation between the companies as Crusoe has optimized and scaled its fleet of modular data centers that eliminate natural gas flaring and related emissions. The acquisition of Easter-Owens represents an extension of Crusoe's existing strategy to vertically integrate key operational capabilities across climate-aligned power sourcing, modular infrastructure systems and digital technologies.

Crusoe looks forward to investing in and expanding Easter-Owens' existing employee base, technologies and facilities to accelerate the expansion of Crusoe's Digital Flare Mitigation, Crusoe Cloud, and other data center operations. Crusoe currently operates approximately 100 modular data centers that consume otherwise flared natural gas across Montana, North Dakota, and Colorado and has planned expansions to additional domestic and international areas of operation, as well as new carbon-reducing power sources. Since launching in 2018, Crusoe is a major American Bitcoin validator. Crusoe Energy Systems has backing from investors such as sovereign wealth funds including the Oman Investment Authority (OIA).

Easter-Owens is a third-generation family business with a history in the Denver community and the electrical design and fabrication industry and has been a major supplier to Crusoe since 2020. Easter-Owens has provided fabrication services for businesses and governments since its founding in 1955. Crusoe, founded by two Denver natives, aims to expand upon the strong foundation laid by the Easter family. The Easter family will assist and consult with Crusoe's management team throughout the integration process. ◆◆

GIC Invests in UK Software Provider Access Group

The Access Group is a provider of business management software to middle-market organizations in the U.K., Ireland, and Asia Pacific. The Access Group received further capital from its shareholders, Hg Capital and TA Associates, with an associated enterprise value of £9.2 billion. Access Group has grown significantly since its incorporation in 1991. The Access Group employs approximately 5,000 people. In addition, Singapore's GIC Private Limited confirmed a new investment in Access Group and that it will become a minority shareholder in the company. The transaction, which is subject to customary regulatory approvals, is expected to close in the second half of 2022.

Rothschild & Co advised The Access Group and Arma Partners advised Hg on the transaction. Legal advisors were Latham & Watkins, Linklaters, and Travers Smith. Deloitte and Kirkland & Ellis advised The Access Group on the refinancing activities. Hg began life as Mercury Private Equity, the private equity arm of Mercury Asset Management plc, a long-established U.K.-based asset management firm. Mercury Asset Management was acquired by Merrill Lynch in 1997. ◆◆

Future Fund CIO Sue Brake Leaves Her Role

Sue Brake, Chief Investment Officer of the Future Fund Management Agency, has decided to leave the organization for family reasons. Sue Brake has been in the role since December 2020. She was appointed as the acting Chief Investment Officer in July 2020, having joined the Future Fund as Deputy Chief Investment Officer, Portfolio Strategy, in June 2019. Dr Raphael Arndt, Future Fund Chief Executive Officer said in a press release, "I want to thank Sue for her valuable contribution to the Future Fund during a time of unprecedented change in global markets and economies. "Her leadership and work on the review of the investment strategy leave a significant and positive legacy at the Future Fund. We wish Sue all the very best for the future." Brake's departure has created the opportunity for the Future Fund to restructure its Investment team so that the function is best placed to meet the challenges of the evolving macro environment, according to the press release. Arndt will act as Chief Investment Officer while maintaining his role as Chief Executive Officer until the CIO position is filled. Dr Arndt was previously the Chief Investment Officer between 2014 to 2020. ◆◆

PSP Investments Inks Deal with Citri&Co

Citri&Co is a vertically integrated fresh fruit company in Europe, distributing conventional and organic citrus, melon and watermelon and stone fruit produced in Spain and Brazil. The group markets more than 700,000 tons of fruit per year to more than 30 countries and more than 200 customers. Miura Partners is a middle-market private equity firm in Spain based in Barcelona with more than €1 billion of assets under management. The firm specializes in investing in mid-size family-owned & entrepreneurial businesses, providing attractive growth and innovation plans, and with a clear focus on sustainability. Citri&Co is a Miura Partners portfolio company.

Citri&Co and the Public Sector Pension Investment Board (PSP Investments), one of Canada's largest pension investment managers, have formed a long-term strategic alliance to acquire and manage agricultural land. Under the terms of the partnership, PSP Investments will acquire farmland, primarily comprised of citrus fields in Spain; while Citri&Co will operate and manage the farmland, leveraging its decades of experience and technical expertise. Consistent with its vertically integrated, "field-to-table" model, Citri&Co will continue the packing, distribution and sale of all produce grown on the properties. Both parties, together with Miura Partners, will continue to seek opportunities for the acquisition, development and management of agricultural land, which will strengthen Citri&Co's position as a year-round supplier of fresh fruit. PSP Investments is a global investor in agriculture and timber. With approximately C$16 billion of assets under management in its agriculture and timber portfolio globally, the organization has developed a number of similar alliances with like-minded partners in geographies around the world. ◆◆

FOOD SECURITY: Three SWFs Sign a Deal in Rabat for African Investment

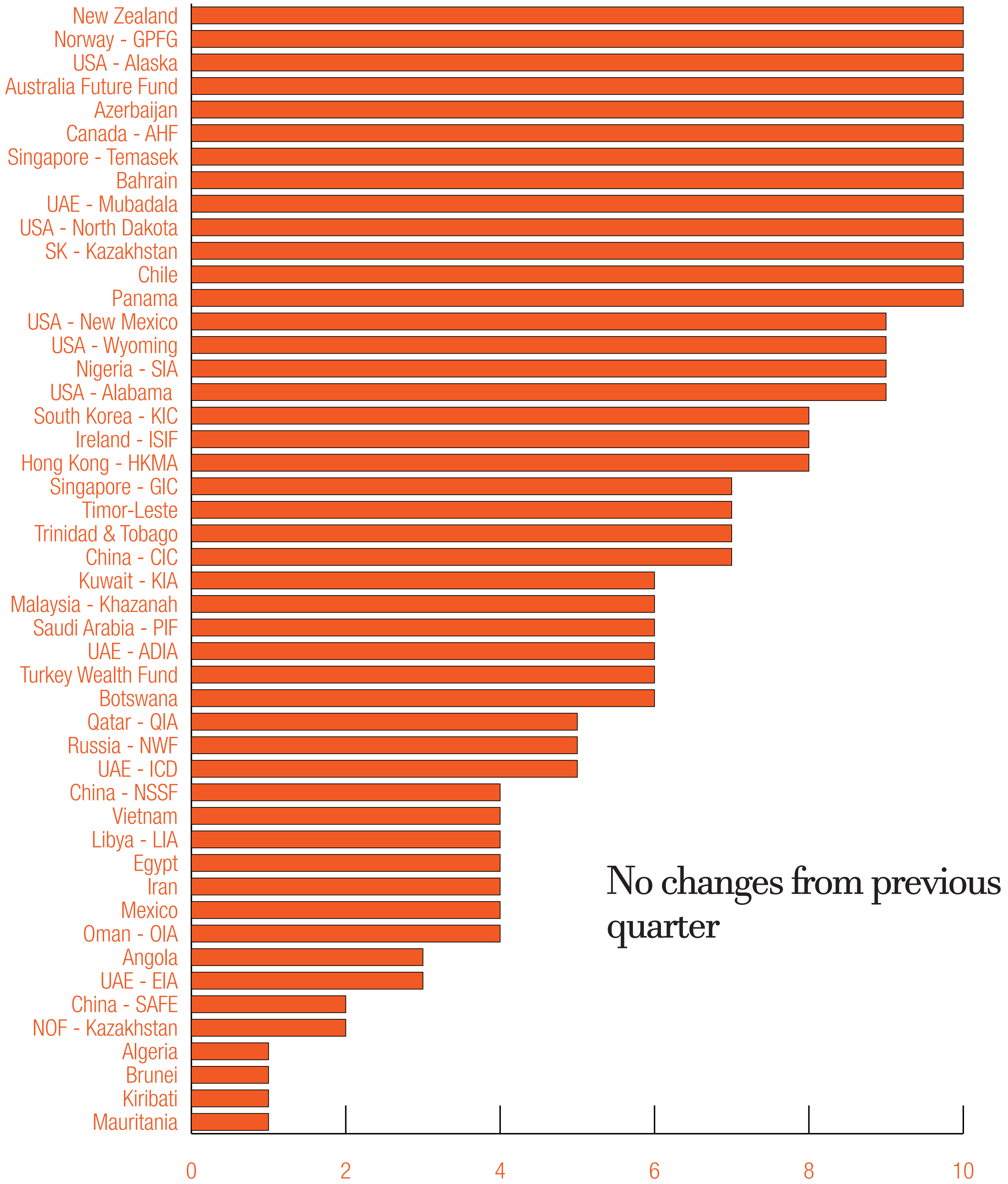
In the city of Rabat, at a forum attended by King Mohammed VI of Morocco, three Gulf sovereign wealth funds signed to promote investment in Africa, alongside nine from within the continent. The Abu Dhabi Investment Authority (ADIA), Kuwait Investment Authority (KIA) and holding firm Abu Dhabi Developmental Holding Company (ADQ) at the sidelines of the first meeting of the Africa Sovereign Investors Forum (ASIF) agreed to promote investment in Africa as food security concerns increase. The African sovereign funds that signed the deal include Morocco's Ithmar Capital, Nigeria Sovereign Investment Authority, Ghana Infrastructure Investment Fund, Gabon's Fonds Gabonais d'Investissements Stratégiques (FGIS), Rwanda's Agaciro Development Fund, Angola's Fundo Soberano, the Sovereign Fund of Egypt, Senegal's FONSIS and Djibouti's Sovereign Fund. ◆◆

Rockpoint Group Funnels More Money into Invitation Homes

Invitation Homes Inc. entered into an agreement with Rockpoint Group, L.L.C. to form a new joint venture partnership that will acquire U.S. homes in premium locations and at higher price points relative to the homes currently targeted by Invitation Homes and its previous venture with Rockpoint, which the two companies announced in October 2020.

The JV will be capitalized with a total equity commitment of US$ 300 million, of which US$ 50 million (16.7%) will be committed by Invitation Homes and US$ 250 million (83.3%) will be committed by Rockpoint. A total of approximately $750 million (including debt) is expected to be deployed by the JV to acquire and renovate single-family homes in premium neighborhoods that command price points and rents that average 30%-60% higher than those targeted by Invitation Homes' traditional investment strategy. The companies plan to focus on submarkets within the Western U.S., Southeastern U.S., Florida, and Texas. Invitation Homes will provide investment, asset management, and property management services to the JV, for which it will earn asset management and property management fees and have the opportunity to earn a promoted interest subject to certain performance thresholds. ◆◆

2nd Quarter Y2022 LMTI Ratings



Notes: The Linaburg-Maduell Transparency Index was developed at the Sovereign Wealth Fund Institute by Carl Linaburg and Michael Maduell. The Linaburg-Maduell transparency index is a method of rating transparency in respect to sovereign wealth funds. The transparency index was developed as a response to concerns of unethical agendas being carried out by government owned investment vehicles; calls have been made to the larger "opaque" or non-transparent funds to show their intentions.

IFM Investors Takes a Position in ERG

San Quirico S.p.A. (SQ) is the ultimate parent company of the San Quirico Group. It was established almost 30 years ago, and it is owned by the Garrone and Mondini families. SQ is the controlling shareholder of ERG S.p.A., one of largest independent green power producers in Europe, and owns 100% of SQ Invest S.p.A. that operates in financial investment markets, and the Fondazione Edoardo Garrone, as well as other minor assets and subsidiaries. SQ is headquartered in Genoa. San Quirico and IFM Investors (as manager of the IFM Net Zero Infrastructure Fund ("IFM NZIF")) agreed to form a strategic, long-term partnership in respect of ERG S.p.A. The family office of the Garrone-Mondini family and IFM NZIF signed a landmark agreement which will see IFM NZIF and its affiliates acquire an initial 35% interest in a new holding entity to be established and that will hold, in turn, c. 62.5% of ERG.

The investment by IFM NZIF and its affiliates is in excess of EUR 1 billion and includes an option for an additional EUR 500 million of capital to support ERG's growth along the lines of the strategic targets announced by ERG in March 2022. SQ will keep controlling ERG at the consummation of such transaction and so the transaction will not result in a public offer nor the delisting of ERG. The ERG Group, with generating facilities comprising roughly 3,000 MW of installed capacity is a major independent operator in the production of electricity from renewable sources such as wind (2,198MW), solar (311MW) and a co-generative thermoelectric power plant (480MW).

Completion of the transaction is subject to certain regulatory approvals and is targeted for Q3 2022. SQ was advised by Rothschild & Co as sole financial advisor and Legance – Avvocati Associati as legal advisor. IFM was advised by Goldman Sachs as sole financial advisor, M&M Capital as strategic advisor and BonelliErede as legal advisor. ◆◆

InfraVia Acquires Blue Phoenix Group

It was disclosed on June 22, 2022, that InfraVia Capital Partners acquired a majority stake in Blue Phoenix Group, a company engaged in waste recycling infrastructure, from Waterland Private Equity. Blue Phoenix Group provides integrated sustainable solutions to the energy-from-waste sector for treatment and recycling of bottom ash that remains after waste incineration. Daiwa International Capital Partners will roll-over its current stake alongside InfraVia. With the support of InfraVia as a new controlling shareholder and Daiwa ICP, Blue Phoenix will accelerate its growth with the ambition to further strengthen its role as global leader in incinerator bottom ash processing. Read more about the intended acquisition here.

Waterland has been the main shareholder of the Blue Phoenix Group since 2015 and has developed Blue Phoenix Group to further strengthen its role as a global player with more than 25 ash recycling facilities worldwide and activities in the UK, United States, EU, Asia, and Australia. International law firm Clifford Chance advised private equity firm InfraVia Capital Partners. Emendo Capital and Natixis Partners acted as joint financial advisers to InfraVia. On July 21, 2021, Daiwa ICP European Infrastructure 1, L.P. purchased a 30% stake in Blue Phoenix Group from Waterland Private Equity. Daiwa ICP European Infrastructure 1 is a platform established by Daiwa International Capital Partners Limited in May 2021 to invest in strategic European infrastructure assets. ◆◆

PGGM Invests in the Lendlease Innovation Limited Partnership

PGGM is keen on getting exposure to office properties in the Asia-Pacific region that are linked to the pharma industry. Lendlease formed a S$1 billion innovation partnership with PGGM – calling it the Lendlease Innovation Limited Partnership. The S$1 billion partnership will invest in real estate assets in the innovation and life science space with a focus on Australia, Japan, and Singapore. PGGM will hold an 85% interest and Lendlease 15%. Lendlease will provide services to the partnership based on the assets' needs, which include investment management and development management. The partnership will leverage Lendlease's expertise in placemaking by creating hubs of economic activity where innovation, entrepreneurship, creativity and placemaking intersect. The partnership has already secured its first asset, a commercial property in Yokohama, Japan. The 12-storey freehold property is in close proximity to established clusters of high-tech, knowledge-intensive R&D and innovation operations in Yokohama's Minato Mirai district. Minato Mirai is an established R&D and innovation hub, home to the R&D operations of companies such as Sony, Shiseido and Hyundai. ◆◆

Permodalan Nasional Berhad and KWAP Back Sime Darby LOGOS Industrial Development Fund

The Sime Darby Property Berhad and LOGOS SE Asia Pte. Ltd. joint venture (SDPLOG) had the first close of its inaugural Industrial Development Fund. With 70% in capital commitments secured at first close for a fund size of up to US$ 250 million, the Shariah-compliant Fund will be anchored by Permodalan Nasional Berhad and unit trust funds under its management (PNB) and Kumpulan Wang Persaraan (Diperbadankan) (KWAP). This is alongside Sime Darby Property and LOGOS Property as sponsors of and co-investors in the Fund, which will enable the development of logistics assets over the next three years, in accordance with the Industrial Development Fund's business plan. The immediate capital available to the Industrial Development Fund for deployment as at first close is RM500 million (~US$114 million).

Funding from investors will support the development of sustainable, large-scale, integrated modern logistics real estate assets in Malaysia with green building certification. At its maiden site, the 177-acre E-Metro Logistics Park, the Fund is set to deliver logistics assets spanning 8 million square feet in gross lettable area. Located in Sime Darby Property's township of Bandar Bukit Raja, Klang, Selangor, the E-Metro Logistics Park will feature a combination of ready-built or built-to-specification facilities. Sime Darby Property's Group Managing Director, Dato' Azmir Merican said that the Fund is capitalizing on the sub-themes of logistics and warehousing, e-commerce, as well as cold-chain, which are in high demand, consistent with global trade flows and supply chain developments, as well as rising e-commerce growth alongside the shift in consumer preferences. "We are confident that the overall interest in logistics as an asset class will increase. The E-Metro Logistics Park is strategically located and connected to highways, seaports, and airports, making it an ideal location for regional supply chain hubs," he said in a press release.

On September 29, 2021, Sime Darby Property Berhad and LOGOS SE Asia Pte. Ltd. entered into a shareholders' agreement to form a joint venture (SDPLOG) to establish a platform focusing on developing and investing in assets primarily in the Industrial & Logistics sector. Sime Darby Property holds 51% equity of SDPLOG and is the first public-listed property developer in Malaysia to venture into the creation of development funds within the Industrial & Logistics sector. The remainder 49% equity of SDPLOG is held by LOGOS Property. ◆◆

CPP Powers Renewable Power Capital with €800 Billion

Canadian public pensions are major investors in European renewables. Many of these asset owners are eager to provide flexible financing to such endeavors. Canada Pension Plan Investment Board (CPP Investments) has committed a further €800 million to Renewable Power Capital Limited (RPC), in support of RPC's largest investment to date which covers a cluster of four onshore wind sites in Sweden. The latest financial commitment will support the costs of acquisition as well as provide the capital required for construction and project completion. The latest investment will more than double RPC's onshore wind portfolio from 317MW to 845MW across Sweden and Finland, in addition to a nearly 4GW solar PV pipeline in Spain. The four new sites are expected to generate power ready for export to grid in Q4 2025. ◆◆

Mubadala-Backed Sirius Aviation Capital Holdings Grows Aircraft Portfolio, Buying Assets from SMBC Aviation Capital

Headquartered in Abu Dhabi Global Market (ADGM), Sirius Aviation Capital Holdings Limited acquired five single-aisle, mid-life aircraft from SMBC Aviation Capital. SMBC Aviation Capital, formerly RBS Aviation Capital, is one of the world's largest aircraft leasing companies. It is owned by a consortium of leading Japanese institutions: Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Finance and Leasing Company Limited and Sumitomo Corporation. For Sirius Aviation Capital Holdings this brings the total number of aircraft under management to 17, with an approximate value of US$ 500 million. Sirius Aviation Capital Holdings entered into a joint venture with Carolous Aviation Leasing LLC, a portfolio company of Charlotte, North Carolina-based Corrum Capital Management LLC to acquire the aircraft. Sirius' share of the joint venture was funded through a commitment from its anchor investor, Abu Dhabi Catalyst Partners. Abu Dhabi Catalyst Partners is a joint venture between Mubadala Investment Company and Alpha Wave Ventures (formerly Falcon Edge Capital). Sirius commenced operations in ADGM in March 2020.

On another note, Sirius Aviation Capital Holdings acquired two further aircraft, an Airbus A321 on lease to ANA and a A320 on lease to Wizz Air. The aircraft were acquired from an undisclosed Japanese lessor. Sirius Aviation Capital Holdings is run by Howard Millar. The main part of Howard Millar's career was spent at Ryanair Holdings plc where he was latterly Deputy Chief Executive and Chief Financial Officer (until 2014) having spent 23 years at the company. Howard continues to be on the board of directors of Ryanair as a Non-Executive Director and also serves on the Nomination Committee.

On September 15, 2021, Sirius Aviation Capital Holdings announced that one of its joint venture entities had closed its first bank facility with Deutsche Bank to refinance the acquisition of five single-aisle aircraft which it had acquired in 2020. The five aircraft are on operating leases to three different carriers: three Boeing 737 NG's with Southwest (US), one A320 with Spirit (US) and one A320 with Etihad (UAE). In June 14, 2021, Sirius Aviation Capital Holdings announced that it has acquired ten single-aisle, mid-life aircraft from BOC Aviation, a member of Bank of China Group during the COVID-19 pandemic. On May 14, 2021, the lessor bought five single-aisle, mid-life aircraft from BOC Aviation. ◆◆


LFDE
www.lfde.en
IT'S TIME
TO INVEST
DIFFERENTLY
Our commitement since 1991

As Crypto Markets Roil, Cloud Overhangs Immutable Developer and Venture Fund

Immutable is a web platform for trading non-fungible tokens (NFTs) on Ethereum. Immutable launched its inaugural development fund, Immutable Ventures. The Immutable Developer and Venture Fund is dedicated to supporting web3 games and NFT-centric companies that build on Immutable X. The fund hopes to raise US$ 500 million to boost the adopting of the Immutable X protocol by allocating token grants and investments to the most promising games and projects building on the Immutable X platform. Immutable Pty. Ltd.is an independent service provider to Digital Worlds NFTS LTD, the issuer of IMX Tokens.

The Immutable Developer and Venture Fund aims to provide investments and grants with a combination of $IMX, Immutable X's native token, and cash. The investment fund will work with developers, IP holders and strategic partners to invest in and incentivize developers to build successful games and projects on the IMX platform. Earlier in 2022, GameStop announced a strategic partnership with Immutable to launch its new NFT marketplace on the Immutable X platform.

Additionally, Immutable Ventures has already made several strategic investments in web3 companies and NFT startups, including Starkware, Stardust, PlanetQuest, and Topology. Earlier, Immutable announced a US$ 200 million series C fundraising round led by Temasek Holdings, and included Tencent and Animoca Brands. Immutable was founded in 2018 in partnership with StarkWare, Sydney-based Immutable X is company focused in NFT technology, focused on Layer 2 solutions that bring scalability, affordability and power to the Ethereum NFT ecosystem. In addition, the company also is a developer and publisher of popular web3 projects, including Gods Unchained and Guild of Guardian. ◆◆

Walmart Family Wealth Buys the Denver Broncos

The NFL team Denver Broncos agreed to be sold for US$ 4.65 billion to Walmart heir Rob Walton, his daughter Carrie Walton Penner, and her husband, Greg Penner. The purchase and sale agreement calls for the Walton-Penner family to acquire the Denver Broncos from the Pat Bowlen Trust. The agreement is subject to approval from the NFL's finance committee and league ownership as well as the satisfaction of customary closing procedures. It's the highest amount ever paid for an American sports team. Greg Penner chairs Walmart's board of directors and leads the Walton family's venture capital group Madrone Capital Partners. Rob Walton is the eldest son of Sam Walton. The recent US$ 5.4 billion sale of England's Chelsea FC sold for more. Peyton Manning, a Hall of Fame quarterback, could play an advisory role on the Denver Broncos.

Manning has an inadvertent relationship with the Waltons thanks to his friendship with Los Angeles Rams owner Stan Kroenke. The Kroenke's own the Colorado Avalanche and Denver Nuggets, two teams Manning has been a frequent guest at games over the years. Stan Kroenke's wife is Ann Walton, who is the daughter of Bud Walton. Bud Walton helped Sam Walton build Walmart into a giant retailer. In 1984, Pat Bowlen paid just US$ 78 million to buy the Broncos. Pat Bowlen died in 2019. After Bowlen died in 2019, there have been legal battles as he never declared a successor to his majority ownership (estimated at 78%). Bowlen's ownership was placed in a trust overseen by Broncos team President Joe Ellis, Broncos consultant Rich Slivka, and Denver attorney Mary Kelly. ◆◆

Foster Farms Goes Corporate, Selling Out to Atlas Holdings

Greenwich, Connecticut-based Atlas Holdings LLC has acquired Foster Farms, a family-owned provider of frozen and prepared poultry products headquartered in Livingston, California from entities associated with the Foster Family. Founded in 1939 on a small farm, Foster Farms has products available across the United States. Foster Farms employs approximately 10,000 employees and operates major processing facilities in California, Washington, Louisiana, Oregon, and Alabama. Foster Farms, which generates revenues of approximately US$ 3 billion annually, will continue to operate under the Foster Farms name. Max and Verda Foster founder Foster Farms. Founded in 2002, Atlas and its affiliates own and operate 25 companies. Andrew Bursky and Tim Fazio started Atlas Holdings in 2002 with the purchase of a small paper mill in rural Indiana that employed 85 people. Bursky co-founded Interlaken Capital, Inc. Before co-founding Atlas, Tim Fazio was a Principal at Pegasus Capital Advisors and Vice President at Interlaken Capital. Furthermore, Donnie Smith, former Chief Executive Officer of Tyson Foods, has been named Foster Farms' new Chief Executive Officer and Chairman of the Board. Smith spent 36 years with Tyson in roles spanning all business functions. He was named CEO in 2009, a role he held until his retirement in 2016. Houlihan Lokey served as financial advisor and Mayer Brown LLP was legal advisor for Foster Farms. Morgan Stanley & Co. LLC served as financial advisor and DLA Piper LLP was legal advisor for Atlas. ◆◆

Swiss Life and EDF Invest Agreed to Recap DataBank

DigitalBridge Group, Inc. (NYSE: DBRG) disclosed the recapitalization of its portfolio company DataBank, a U.S.-based data center platform. The initial stage of the recapitalization is being structured as a sale of ownership interests to affiliates of Swiss Life Asset Management AG and EDF Invest. Under the terms of the agreement, Swiss Life Asset Management and EDF will acquire 27% of the fully diluted equity interests in DataBank for approximately US$ 1.2 billion in cash from existing investors. DigitalBridge acquired DataBank in 2016. Upon completion of this initial phase of the recapitalization and pursuant to the transaction announced in this release, DigitalBridge's ownership interests in DataBank will be reduced to 15.5% and DigitalBridge will receive cash proceeds of $230 million, implying a pre-transaction net value of $906 million, inclusive of retained net value of $676 million. Subsequent stages of the recapitalization are expected to result in incremental new investors acquiring ownership interests in DataBank from existing investors, including DigitalBridge, prior to the anticipated completion of the recapitalization in the fourth quarter of 2022. The recapitalization transactions are and will be subject to various closing conditions, including receipt of required regulatory approvals.

Swiss Life Asset Managers was advised by DH Capital as financial advisor and Vinson & Elkins LLP as legal advisors. DataBank was advised by Goldman Sachs as financial advisor and Proskauer Rose LLP as legal advisors. DigitalBridge was advised by Wachtell, Lipton, Rosen & Katz as legal advisors. PJT Partners acted as exclusive financial advisor to DigitalBridge's Independent Transaction Committee of the Board of Directors. ◆◆

Loomis Sayles and Beach Point Land Global Credit Mandate from IMCO

The Investment Management Corporation of Ontario (IMCO) announced it has invested approximately US$ 1 billion with two global credit managers, forming the foundation of IMCO's allocation to actively managed public credit, and enhancing its access to the structured credit and leveraged loans markets. IMCO is investing US$ 550 million with Loomis, Sayles & Co. and US$ 450 million with Beach Point Capital Management. Together, the two complementary managers will enable IMCO to increase its active allocations to investment grade debt, high-yield bonds, structured credit, and leveraged loans. IMCO's Global Credit portfolio invests across a range of public and private credit market segments, including corporate bonds and loans, real estate and infrastructure debt, off-balance-sheet financing, emerging markets debt, high yield bonds and leveraged loans to generate higher risk-adjusted returns than traditional fixed income, adding diversification benefits to a total portfolio for IMCO's public sector clients. The Global Credit program is differentiated by its broad approach to portfolio construction, making strategic allocations to liquid/illiquid securities and geographies across the risk spectrum. As of December 31, 2021, IMCO's Global Credit portfolio had CAD$6-billion AUM. The portfolio is expected to grow to CAD$8-billion or more by 2025. ◆◆

A Large Piece of America's Supply Chain was Just Bought by Eastern Sovereign Wealth Funds and OMERS

Singapore's GIC Private Limited, OMERS Infrastructure, and Wren House, the infrastructure sovereign wealth enterprise of the Kuwait Investment Authority, have announced the signing of an agreement to jointly acquire Direct ChassisLink Inc. (DCLI) from investment funds managed by Apollo Global Management, LLC and EQT Infrastructure. DCLI is a chassis provider in the U.S., enabling over-the-road transportation of containerized freight to and from ports, railyards, and customer locations. The closing of the transaction is expected in the second half of 2022, subject to customary closing conditions, including regulatory approvals.

DCLI is one of the largest chassis lessors in the U.S. With over 151,000 marine and 100,000 domestic chassis in its fleet, DCLI operates out of strategic locations across key port and rail terminals in the U.S. DCLI is headquartered in Charlotte, North Carolina, and employs approximately 410 employees. Chassis are the steel frames on which trucks carry shipping containers. Chassis are an essential part of the transportation value chain and are used to carry containers between ships in port and local destinations, as well as to and from intermodal hubs for long haul transport by rail or truck. DCLI is a major player and its falling into the hands of sovereign funds and OMERS. DCLI's customers consist primarily of container shipping companies, railroads, motor carriers, beneficial cargo owners, and other logistics companies who use DCLI's chassis under long-term contracts. The question to ponder is whether the new sovereign wealth owners will seek higher prices for upcoming long-term contracts.

Backstory

Littlejohn & Co. carved Direct ChassisLink out of Danish shipping giant Maersk in 2012, and then sold it to EQT Infrastructure in 2016. In 2017, Direct ChassisLink acquired a fleet of approximately 73,000 domestic chassis from TRAC Intermodal. On March 7, 2019, funds managed by affiliates of Apollo Global Management acquired Direct ChassisLink and Blume Global, Inc. from EQT Infrastructure (EQT Infrastructure II and EQT Infrastructure III funds) for around US$ 2.5 billion including debt. EQT Infrastructure had retained a 20% stake in DCLI and Blume Global. Blume Global allows Direct ChassisLink customers to use a single information technology platform for reservations, tracking, and billing of both chassis and containers. Likely when it came to selling DCLI, Apollo was looking at rough U.S. IPO markets and opted to satisfy the hunger of sovereign wealth funds' appetite for U.S. infrastructure assets. ◆◆

Sumitomo Mitsui Banking Corporation Takes an Equity Stake in Marathon Capital

Formed in 1999, Marathon Capital, LLC is an investment banking firm. Marathon Capital entered into a strategic collaboration agreement with Sumitomo Mitsui Banking Corporation (SMBC), one of the largest industrial, energy and infrastructure lenders in the world. SMBC is a member of SMBC Group. In conjunction with the agreement, the parties have entered into a definitive agreement for a minority equity investment in Marathon Capital. The proceeds will be used to accelerate the firm's growth and expansion. Under the strategic collaboration agreement, Marathon Capital and SMBC will collaborate towards the origination and execution of new mandate activity covering strategic advisory, capital markets and credit solutions for both firms' clients globally. Marathon Capital's strategic advisory practice will augment SMBC's global reach and market-leading credit, debt capital markets and structured finance capabilities. SMBC's balance sheet and lending capacity will supplement Marathon Capital's equity raising, project financing, tax expertise, off-take advisory services and M&A franchise.

RIMON PC and Neal, Gerber & Eisenberg LLP provided legal advice to Marathon Capital. Sheumack & Co. GMA, LLC. (SHEUMACK GMA) served as exclusive strategic and financial advisor to Marathon Capital. SMBC was advised by Shearman & Sterling LLP and Skadden, Arps, Slate, Meagher & Flom LLP. ◆◆

CANADA PENSION PLAN INVESTMENT BOARD SELLS ARQIVA STAKE TO INVESTMENT TRUST DIGITAL 9 INFRASTRUCTURE

Canada Pension Plan Investment Board (CPP Investments) has agreed to terms with Digital 9 Infrastructure plc (D9) to sell its entire stake in Arqiva Group Limited. Arqiva Group is a wireless infrastructure provider of television and radio broadcasting services in the U.K. and an internet of things connectivity platform for U.K. utilities providers. CPP Investments first acquired a stake in Arqiva in 2009, making this one of the public fund's longest-standing investments in the U.K. and in the global infrastructure portfolio to date.

CPP Investments' net proceeds from the transaction, after certain costs and adjustments, are expected to be approximately C$ 585 million. Digital 9 is paying an estimated £459 million for a 48% stake in Arqiva Group. The transaction is subject to customary conditions and regulatory approvals and is expected to complete in the second half of 2022. Digital 9 Infrastructure is an investment trust which invests in a range of digital infrastructure assets, including data centers, and fiber networks. Digital 9 Infrastructure raised over US$ 1 billion from its IPO in March 2021 and further placings in June and September 2021. Triple Point Investment Management is the Investment Manager for Digital 9 Infrastructure.

Other Deals

In July 2021, Digital 9 Infrastructure made a £50 million plus investment into the development of a new intercontinental subsea cable and terrestrial fiber system, known as Europe Middle-East India Connect 1 (EMIC-1). The investment is being made alongside an investor group and is planned for a 3-year period. Digital 9 Infrastructure's new system will be a carrier-neutral network between Europe, the Middle East, and India comprising subsea and terrestrial fiber infrastructure which will connect key locations in these regions.

In early December 2021, Digital 9 Infrastructure completed the acquisition of a data center asset and subsea fiber landing station, SeaEdge UK1, on the U.K.'s largest data center campus in Newcastle for a purchase price of £15 million. On January 9, 2022, Digital 9 Infrastructure agreed to invest a further US$ 93 million in Verne Holdings Limited (Verne Global) over the next 12 months to fund the expansion of capacity by a further 20.7 MW. In September 2021, Digital 9 Infrastructure completed the acquisition of Verne Holdings, a 100% renewable energy powered data centre platform in Iceland, operating on a former NATO site near Keflavik for £231 million in cash. Verne Global's prior shareholders were Novator Partners and General Catalyst Partners, as well as co-investors Wellcome Trust and Stefnir. ◆◆

Chat with the Chief: Ayman Soliman, CEO of The Sovereign Fund of Egypt

This is a deep dive interview between Michael Maduell, President of the Sovereign Wealth Fund Institute (SWFI) and Ayman Soliman, the Chief Executive Officer of The Sovereign Fund of Egypt. The interview occurred on June 27, 2022.

Michael Maduell: Can you please give a brief genesis on why the Sovereign Wealth Fund of Egypt was created given that other Gulf countries derive much of their sovereign wealth strictly from oil and gas? Also, do you see it more as a strategic development sovereign wealth fund, meaning that you are trying to create jobs versus a pure-play savings fund?

Ayman Soliman: Actually, we are a wealth creation fund and a preservation fund. We've been reading through the strategies of all the sovereign wealth funds around the world, before we started ours and before we set our own goals. We don't come from the same background as other SWFs such as being resource rich like Norway or some other Gulf countries. We come from a market that is not as capital abundant as oil-rich countries. We are not a single-track economy meaning not concentrated around a single resource or economic activity. We are a diversified economy with an industrial base. Our main objective is to discover and recreate wealth through investing our rich asset and resource base and more efficiently and for profit.

Egypt has a long history and has been evolving since the pharaohs from a pure agricultural economy toward a modern industrial economy.

In the modern economic times, the last shot of industrialization happened in the early 1970s. In the 1960s and 1970s the Egyptian economy was fundamentally strong, but social agendas soon took the attention away. With a booming population, the economic mindset has always been set around "firefighting" and losing site of building and creating wealth.

In this modern day, wealth creation has two avenues, one is a conducive environment for business activity and the second avenue is a strong vibrant private sector.

Since 2018, the agenda was set around on how to catalyze the private sector, hence the creation of the SWF. We are a biased private equity investment house that is looking to extract value out of state-owned enterprises (SOE) in partnership with the private sector, turning around SOEs, or forming investment partnerships to new areas of our economy with upside.

Michael Maduell: Can you please give an example of some of these newly defined sectors?

Ayman Soliman: For example, Egypt has a long-standing presence in tourism. It used to be a third of our GDP. We used some of that excess employment allocation to develop a business outsourced processing industry in areas of call centers, technical support, and software development. As a fund we invest behind incubator businesses, allocating a portion of our real estate toward incubation hubs, and provide investment into the educational ecosystem that can generate more workers for the IT industry.

Another similar example is the renewable space that includes desalination, green hydrogen, and other downstream products.

We also have a long-standing market share in the food sector. We became the number one exporter of citrus exports, taking on Orange County in America. These are the niche areas the SWF finds and grows.

Michael Maduell: From an investor practitioner's point of view, as the fund is already open to SWF co-investors, would the wealth fund be open to growth equity, private equity firms and other development financial institutions?

Ayman Soliman: Some of our green portfolio companies such as renewables, green hydrogen, we are open to creating equity vehicles. Some of these sub vehicles can be available to institutional investors. Other ways of access is for us to be a general partner or seed some of these educational private equity funds or specialist PE funds. In addition, we do direct deals. For example, we partnered with investors like EFG Hermes and co-invested directly into a bank.

Michael Maduell: You brought up the SWF's investment in the citrus industry. We know a lot of SWFs and pension plans are large in the agricultural space as inflation and food security are becoming bigger issues. Can you elaborate more on how Egypt's food security plans and how it intertwines with Egypt's SWF?

Ayman Soliman: The next wave in agriculture is happening. Water efficient solutions were not on the radar historically given our strategic location. However, now with advances in agricultural technology (ag tech), we are seeing opportunities in precision farming, AI irrigation technology. These technologies are allowing for higher density yield and newer types of crops. The Egyptian government is supporting water efficiency efforts. In addition, we are working on new reclamation projects; these are capital intensive. We are investing behind precision farming and ag tech companies that are there to scale up. The food chain starts with farming and then you have efficiencies, which lead to cold storage and eventually some exports. We are investing in that entire value chain.

Michael Maduell: Last question, how do investments get decided upon?

Ayman Soliman: We are governed like a PE fund. We have a board that is comprised of a majority of independent members alongside government representation. The majority of board members are independent industry experts populating our Investment Committee. As a fund, we have our own team made up of private equity and investment banking professionals. Furthermore, we have sub-funds in various sectors that have their own respective board members with relevant sector expertise.

Michael Maduell: Thank you for your time. ◆◆

“Global Perspective – Spotlight on Real Estate Debt and Fund Finance”

By: Albert Tan, Justin Keller, and Carlos Rendon[1]

Introduction

Based on the latest quarterly data from PERE, a leading publication for the world’s private real estate markets, there seems to be a major shift underway in private real estate fundraising, as real estate debt has recently prevailed as the most popular strategy amongst real estate asset classes since PERE began tracking the data in 2008. This shift served as the impetus for a recent panel discussion at this year’s PERE Global Investor Forum, held in May 2022, in San, Francisco, California. Moderated by Albert Tan, a Partner and Co-Head of Fund Finance at Haynes and Boone, LLP, the panel, titled “Global Perspective – Spotlight on Real Estate Debt and Fund Finance,” brought together the expertise of panelists Roshan Chagan, Partner at Ares Management Corporation, Vicky Du, Managing Director and Global Head of Fund Finance at Standard Chartered Bank, and Simon Uiterwijk, Head of Commercial Real Estate Debt, US, at NN Investment Partners, who addressed the recent ascension of real estate debt as a favored strategy within real estate fundraising, situating the trend within the broader economic shifts of recent years, and discussed the role of subscription-secured lines of credit within this context.

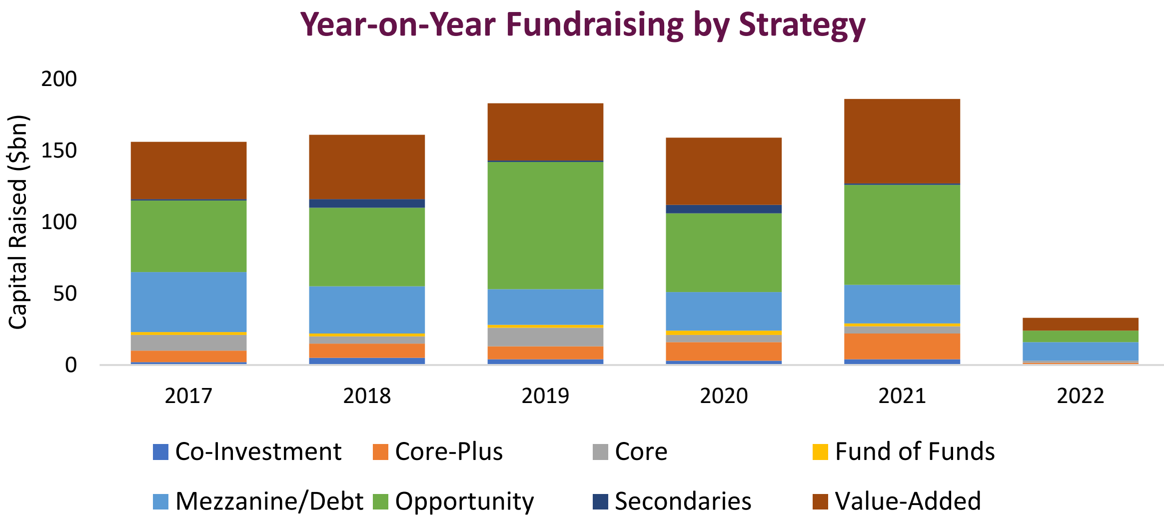
Following is a high-level summary of the discussions from that panel.

Global Perspective – The Rise of Real Estate Debt

According to PERE’s Q1 2022 Fundraising Report published in early May, out of total capital raised of $33.2 billion during the first quarter, debt prevailed as the most popular strategy for the first time since PERE began tracking the data in 2008—raising approximately $11.5 billion. Significantly, debt accounted for more than 34% of total capital raised during the quarter—easily the largest-ever percentage for the strategy since PERE started tracking the data.

Notably, based on the report, four of the top five private real estate funds closed in the first quarter of 2022 were focused on mezzanine debt investments, and all four debt funds exceeded $1.5 billion—with the highest topping $3.2 billion.

[1] **Albert Tan** is a Partner and Co-Head of Fund Finance Group at Haynes Boone; **Justin Keller** is an Associate and member of the Fund Finance Group at Haynes Boone; **Carlos Rendon** is a Summer Associate at Haynes Boone.



Source: PERE

Debt's fundraising triumph consequently knocked the reigning champion strategy—opportunistic—out of the top spot, a position the latter strategy has held, according to PERE, for all but one of the last 12 years. Apart from 2020, opportunistic has prevailed every year as the most favored strategy, accounting for at least 30% of total capital raised since 2017. This time, however, opportunistic dropped to its smallest-ever share of 25.18% and fell to third place behind value-add, which accounted for 33.03% of the capital raised.

The panelists discussed several factors that are driving the shift to real estate debt as opposed to other strategies within the asset class, continuing a trend that has developed over the last couple of years. Specifically, the panelists largely agreed that market volatility, rising interest rates, and inflation have all contributed to push investors toward safer investment opportunities, including real estate debt funds. Investors view real estate debt as a safer option in this environment since the floating rate nature of real estate loans provides a natural hedge against inflation. Moreover, as Mr. Chagan highlighted, since debt is higher in the capital structure, such an investment provides investors with confidence as there is security for the investment.

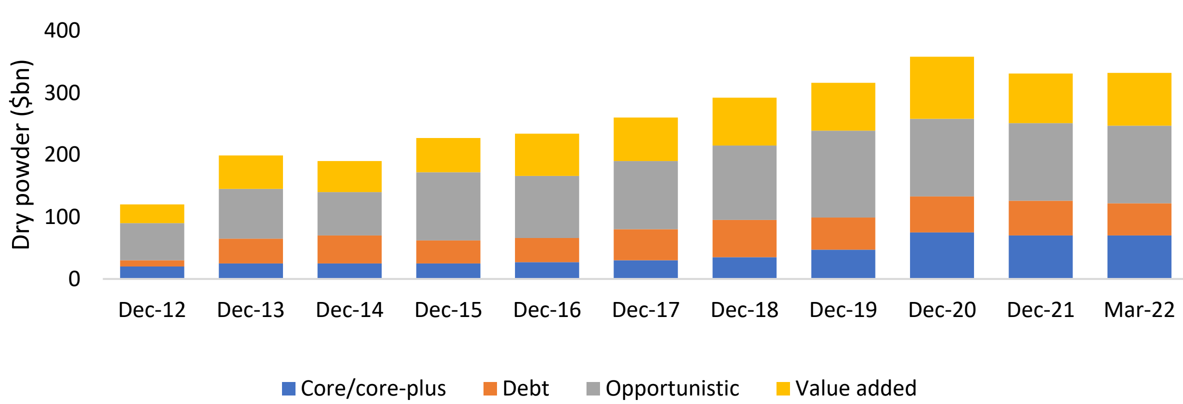
Following the global financial crisis of 2008-09, the real estate debt market faced significant reputational hurdles, and in the last couple of years, the COVID pandemic and the apparent cultural shifts occurring in its wake, including a push for greater flexibility and remote work arrangements, have spurred discussion on the risks of commercial real estate as an investment strategy. The panelists largely agreed that, despite these challenges, real estate debt has performed well and will remain an attractive strategy for many investors. As a general matter, diversification across different sectors and geographies within a real estate debt portfolio can serve well in managing concentrations and avoiding idiosyncratic risks. Moreover, an investment in real estate debt offers investors the prospect of consistent income and cash flow to help balance a portfolio, and it can offer investors a back door to acquiring discounted assets in sectors or at times when an equity investment may be seen as too risky or expensive. The panelists were generally skeptical of claims of the death of the office, arguing that the human need for personal interaction and relationship building in a business context means businesses will largely continue to make use of commercial office space for the foreseeable future. Furthermore, commercial real estate is a real asset that can be repurposed or retooled to become something else. From her vantage as a member of Standard Chartered Bank's Capital Allocation Committee, Ms. Du corroborated that, from her perspective, the pipeline of commercial real estate loans remains robust.

Global Perspective – Fund Finance

Similarly, despite the continuing challenges presented by COVID, the demand for subscription financing has remained incredibly strong, and the market generally has seen no material distress, including no material defaults of capital calls on institutional investors within the fund finance industry. In fact, the fund finance market has continued to experience robust growth, with the global fund finance industry more than doubling over the past four to five years, growing from approximately $300 billion to approximately $700 billion according to fund finance market participants.

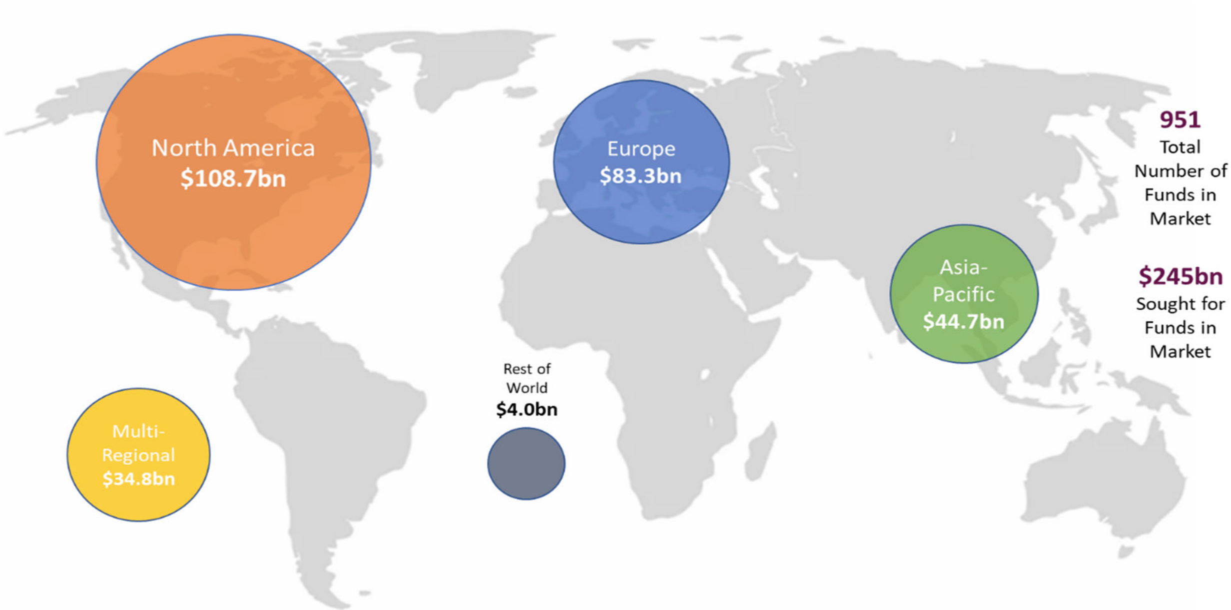
This explosive growth—notwithstanding the challenges of the last few years—should not come as a surprise to those who understand the benefits of subscription facilities, the flagship product within the industry. As the panelists discussed, subscription facilities are typically primarily used as liquidity management tools, and the benefits of their use accrue to both sponsors and investors. For instance, access to a subscription facility alleviates administrative burdens from the constant capital calls that might otherwise be necessary, allows sponsors to deploy capital more quickly, and helps institutional investors manage their cash pipeline and liquidity management. Also, during times of liquidity crunches or economic volatility, it takes time for institutional investors to figure out their cash needs; subscription facilities help them better assess future cash needs. From a lender's perspective, subscription facilities remain attractive assets given the historical performance of these facilities and the growth of the industry. The panelists discussed one particular area of growing trend—lending to separately managed accounts ("***SMAs***") with a single investment-grade investor, which is generally a sovereign wealth fund or a public pension plan, as opposed to larger comingled funds featuring a number of investors—with Ms. Du highlighting the distinct challenges of underwriting SMAs. Ultimately, lenders tend to get comfortable lending to SMAs on the basis of higher fees, the overall diversification within the lender's portfolio, and the strength of the lender's relationship and/or familiarity with the investor.

Closed-End Private Real Estate: Dry Powder by Primary Strategy, 2012 -2022



Source: Preqin

Geography – Regional Focus of Capital (Q1 2022)



Source: PERE

As fund sponsors and investors have come to a greater understanding of the utility of subscription facilities, investors have come to expect (and even require) their use. This greater familiarity has also spurred an expansion of innovative and unique uses of subscription facilities and related products to address the differing needs funds encounter at different life stages. With allocations to alternative investments continuing and private capital fundraising continuing to grow, the continued growth of the fund finance market seems assured. According to Preqin, over the last three years, there has been, on average—within the real estate private equity sector alone—between approximately $300 billion to $350 billion of dry powder. Furthermore, according to PERE, in the first quarter of 2022, there are 951 new funds in the market targeting to raise approximately $245 billion in new capital— with 44% targeting North America, 34% targeting Europe, 18% targeting Asia Pacific, with rest allocated among multi-regional strategies and rest of world. While this represents only the private equity real estate market, Preqin forecasts that total private capital fundraising across all private capital asset classes—inclusive of private equity, venture capital, private debt, real estate, infrastructure, and natural resource—will be well over $1.6 trillion by 2026.

Looking Forward – Real Estate Debt and Fund Finance

The panel closed with a discussion of panelists' perspectives on the current market cycle and outlook for the future. With respect to real estate, panelists predicted that outcomes will likely depend on the specific sector and geography. While some sectors may be in decline, the residential side may continue to experience upside in certain areas. Similarly, logistics assets may continue to perform well, but some areas may have assets that are overvalued. The debt market overall has performed better than during the global financial crisis—compared to the financial crisis, the market is currently characterized by lower loan to value ratios, higher cash flow ratios, higher spreads, and more protective covenant structures. Simon Uiterwijk further emphasized that there is still a good amount of liquidity in the debt market, as evidenced by the fundraising statistics.

Some panelists think that there is a probability of a recession by next year, and investors could mitigate negative effects of such a recession by maintaining floating rate debt assets and staying in a favorable position within the capital structure. In terms of fund finance, the market is expected to grow as facilities have proven to be a useful liquidity management tool for both sponsors and investors. Borrowers of fund finance facilities also tend to have a longer-term horizon in terms of market views and more patient capital; therefore, they may be well positioned to withstand shocks in the market, with access to subscription facilities themselves further buoying their position. The panelists fully expect continued growth in the fund finance market.

Actis Buys Portfolio of Six Operating Highway Toll Projects in India from Welspun Enteprises

Actis LLP entered into an agreement to purchase a portfolio of six operating highway toll road projects in India from Welspun Enterprises Limited (WEL), part of the Welspun Group, for an aggregate Enterprise Value of US$7 75 million. The portfolio benefits from a stable mix of annuity and toll cash flows, with the projects located strategically across India including in the most prominent North-South highway corridor. This will be the first road investment in India from Actis' Long Life Infrastructure Fund (ALLIF), which seeks to invest in stabilized operating assets, within multiple infrastructure sectors that deliver yield for investors. Aligning with this objective, five of the six toll roads have a Hybrid Annuity concession, whereby the concessionaire gets a fixed pay-out to ensure road availability. The concessions for the five projects are awarded by National Highways Authority of India and have received a AAA local credit rating. The projects are being purchased from WEL, part of the Welspun Group, an infrastructure development company focusing on Road, Water and Wastewater segments. Welspun Enterprises has investments in Oil & Gas Exploration. The completion of the deal is subject to certain conditions including approval from the lenders of Highway Projects and the National Highways Authority of India and the Public Works Department of Government of Maharashtra. ◆◆

Helios Towers Partners With Rakiza in $575 Million Omantel Tower Deal

Helios Towers plc is a telecommunications infrastructure company. Rakiza Telecommunication Infrastructure LLC, a wholly owned subsidiary of Oman Infrastructure Fund (Rakiza Fund), agreed to purchase a 30% minority stake in the newly-incorporated holding company for Omantel Telecommunications Company (S.A.O.G)'s passive infrastructure assets in Oman, with Helios Towers purchasing the remaining 70%. Helios Towers expects that the acquisition will close in or around the end of Q2 2022, subject to satisfaction of outstanding closing conditions. Helios Towers will retain operational control of the target assets. Helios Towers intends to finance the acquisition through its existing cash and available bank facilities. On May 11, 2022, Helios Towers and Omantel entered into an agreement for Helios Towers to acquire Omantel's passive tower infrastructure portfolio of 2,890 sites, for a cash consideration of US$ 575 million and representing an enterprise value of US$ 615 million, including the Helios' estimate of transaction costs and capitalised ground leases of $40 million. Helios Towers owns and operates telecommunication tower sites in Tanzania, Democratic Republic of Congo, Congo Brazzaville, Ghana, South Africa, Senegal, Madagascar, and Malawi. ◆◆

Ernst & Young Fined $100 Million by SEC over Some Auditors Cheating on Ethics Portion of Exam

Major accounting firm Ernst & Young (E&Y) faces a US$ 100 million fine. The Securities and Exchange Commission (SEC) fined the auditing firm, after an investigation found that hundreds of its auditors cheated on ethics exams from 2017 to 2021. The SEC investigation began in 2019 and found that from 2017 to 2021 at least 49 E&Y auditors sent and/ or received answers keys to CPA ethics exams. Additionally, "hundreds" of other auditors cheated on continuing professional education courses that are required to maintain CPA status. The SEC says E&Y didn't do enough to combat the cheating. E&Y auditors were involved in a similar scandal from 2012 to 2015, the SEC notes, and the firm will be required to undergo an independent review of ethics procedures. ◆◆

Fortum Oyj Sells Remaining Stake in Charge Point Operator Recharge AS to Infracapital

Fortum Oyj is selling its 30% stake in electric vehicle charging point operator Recharge AS to Infracapital for around 80 million euros (US$ 85 million). Infracapital will own 100% of Recharge on completion of the deal. Recharge has more than 4,600 connectors at 830 locations across the Nordics. In May 2020, Infracapital (through Infracapital Partners III), the infrastructure equity investment arm of M&G Plc, signed an agreement with Fortum to acquire a 63% stake in Fortum Recharge AS, a public Electric Vehicle Charge Point Operator in the Nordic region. At that time, Fortum Recharge owned close to 1,300 public charging points and operating an additional 1,400 charging points in Norway, Finland, and Sweden. ◆◆

Norway Sovereign Wealth Fund Promotes Internally for Co-CIOs of Equities

Balthasar and Furtado Reis will be co-responsible for company investments, including internal equity and credit security selection. Daniel Balthasar and Pedro Furtado Reis have been appointed Co-Chief Investment Officers Equities at Norges Bank Investment Management (NBIM), which oversees Norway Government Pension Fund Global. They will take up their positions on July 1, 2022. Norway Government Pension Fund Global is a major owner of listed stocks globally. The oil-based sovereign wealth fund is a universal asset owner in terms of stocks. "I'm very pleased that Daniel and Pedro are taking up the positions as Co-Chief Investment Officers Equities. They are both brilliant professionals who impress me a lot with their deep knowledge about equity markets. In addition, they are remarkable, yet humble leaders, who care deeply about their people. I think they will be an excellent addition to our leader group", CEO Nicolai Tangen at Norges Bank Investment Management says.

Internal Promotions

Balthasar joined the fund in 2006 as a Portfolio Manager. In 2014, he became Head of Basic Industries and Autos – a position he held until end of 2020, when he was appointed Global Co-Head of Sector Strategies. Furtado Reis joined Norges Bank Investment Management in 2011 as a Portfolio Manager. In 2014, he became a Senior Portfolio Manager and Head of Banks – a position he held until he was appointed Global Co-Head of Sector Strategies together with Balthasar. In May 2022, long-time chief equities investment officer Petter Johnsen announced he would step down from his role. Petter Johnsen will remain in his current role until Balthasar and Furtado Reis take over. ◆◆

IndInfravit Trust to Acquire 5 Road Projects in India from Brookfield

India's IndInfravit Trust would acquire five operational road projects from companies owned by Brookfield Asset Management's funds in a deal valued at about US$ 1.2 billion, including debt, as it seeks to expand its road portfolio. The transaction is subject to certain regulatory and other customary conditions, including approval from relevant regulatory authorities, lenders and unitholders of IndInfravit. The Roads Portfolio comprises three toll roads and two annuity roads, with approx. 2,400 lane kms in Andhra Pradesh, Bihar, Maharashtra and Uttar Pradesh. The Roads Portfolio has been operational, on an average, for approximately 9 years, and have an average residual concession period of 20 years. IndInfravit currently holds a portfolio of thirteen operational road concessions with approx. 5,000 lane kms spread across five states. This acquisition will expand the portfolio into three additional states, Andhra Pradesh, Bihar and Uttar Pradesh. IndInfravit's unitholders include Allianz insurance companies represented by Allianz Capital Partners, Canada Pension Plan Investment Board (CPP Investments), and OMERS Infrastructure.

Ambit acted as the exclusive financial adviser to IndInfravit. Cyril Amarchand Mangaldas acted as legal adviser to IndInfravit. ◆◆

Saudi PIF Takes Stake in Embracer Group

Saudi Arabia's sovereign wealth fund Public Investment Fund (PIF) purchased an 8.1% stake, around 99.9 million shares, worth 10.3 billion Swedish krona (US$ 1.05 billion) in Swedish gaming business Embracer Group. The Public Investment Fund's Savvy Gaming Group (SGG) was launched in January 2022. PIF is betting on games and entertainment as a major area of growth. Embracer plans to set up a regional center in Saudi Arabia on the back of the relationship with SGG. "Savvy Gaming Group has committed to invest heavily in the games and e-sports industry, and to materially strengthen the global games community," said SSG chief executive Brian Ward. "This investment in Embracer Group is a starting point for a long-term commitment to the company. The Embracer team has built a truly unique and leading ecosystem of entrepreneurs and creators at a scale which we believe will continue to generate enormous value for the games community in the coming years." PIF had made investments in a wide range of gaming companies including Nintendo, Activision Blizzard, Electronic Arts, and Take-Two Interactive. ◆◆

DISCLAIMER

SWFI®

Sovereign Wealth Fund Institute, Inc.
2300 West Sahara Avenue, Suite 800
Las Vegas, NV 89102
United States
swfi.com | swfinstitute.org

Feedback/Suggestions: support@swfinstitute.org
Subscriptions: Aaron, support@swfinstitute.org
Custom Content Solutions: support@swfinstitute.org
Data questions: research@swfinstitute.org

General Event Inquiries: events@swfinstitute.org
Event Tickets/Sponsors: events@swfinstitute.org
Event Coordination: events@swfinstitute.org
Main Event Website: www.ifsummit.com

Twitter: @swfinstitute
President - Twitter: @sovereignfunds

By Accepting Russian Gold, Switzerland Shows it Does Not Want to Cede Gold Market Share to Dubai

More than 3 tons of gold was shipped to Switzerland from Russia in May 2022, according to data from the Swiss Federal Customs Administration. This is the first shipment between Russia and Switzerland since February 2022. The shipments represent about 2% of gold imports into the key refining hub in May 2022. Switzerland joined with other European nations on creating sanctions against Russia when Russia invaded Ukraine. Switzerland historically has taken a neutral state status even during World War I and World War II. Russian bullion became a "taboo" at the start of the invasion, and refiners did not want to accept new gold from Russia. This was after the London Bullion Market Association removed Russia's own fabricators from its accredited list. The LBMA rules don't prohibit Russian metal from being processed by other refiners.

Switzerland is home to four major gold refineries, which together handle two-thirds of the world's gold. The four largest gold refiners in Switzerland are MKS PAMP SA, Metalor Technologies SA, Argor-Heraeus SA, and Valcambi SA. They said they did not take the imported Russian gold. Switzerland is in competition with city-states like Dubai on gold refining. Russian firms have decamped from Geneva to move gold into Dubai. The increasing sanctions on Russia have prompted commodity traders to look at other options other than Switzerland, which was historic for brokers helping to match Russian producers with buyers all over the world. Dubai is a relatively new player in the world of gold trading hubs. As late as 1996, the United Arab Emirates did not even appear among the world's top one hundred gold-importing countries. Two decades later, the UAE ranked among the top four, above Hong Kong and the United States. The majority of the UAE's gold refiners are located in Dubai. In 2016, the UAE imported gold from more than one hundred countries, mainly located in Africa, South America, or South Asia. ◆◆

Russian National Reinsurance Company Used as a Backstop for Russian Ships for Insurance

As Western sanctions bite Russian companies over Russia's Ukraine invasion, the Russian National Reinsurance Company (RNRC) is now the key reinsurer for Russian ships. This includes ships owned by Sovcomflot. Sovcomflot is Russia's largest shipping company, and one of the global leaders in the maritime transportation of hydrocarbons, as well as the servicing and support of offshore exploration and oil & gas production. Sovcomflot is impacted by sanctions from countries in Europe and the United States. Major P&I pools have reportedly all ended their coverage and refused new policies for Russian-related assets. Russian National Reinsurance Company is controlled by the country's central bank. The Central Bank of the Russian Federation (Bank of Russia) in March 2022 raised Russian National Reinsurance Company's capitalization to 300 billion roubles from 71 billion roubles and hiked its guaranteed capital to 750 billion roubles so the firm had adequate resources to provide reinsurance. In addition, India is providing safety certification for dozens of ships managed by a Dubai subsidiary of Sovcomflot, official data showed, enabling oil exports to India and elsewhere after Western certifiers withdrew their services due to global sanctions against Russia. ◆◆


Networking. Access. Knowledge
Become an SWFI Member
SWFI®
APPLY FOR MEMBERSHIP TODAY
email: kmaduell@swfinstitute.org
Premier Summits for Sovereign Wealth Funds, Central Banks, Pensions, Superannuation Funds, Family Offices*, and other Long-Term Public Investors
General information: events@swfinstitute.org
For event sponsorships and memberships, Karen A. Maduell, kmaduell@swfinstitute.org