Abu Dhabi Investment Authority

Full Member

Since 1976, the Abu Dhabi Investment Authority has been prudently investing funds on behalf of the Government of Abu Dhabi with a focus on long-term value creation.

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

Investments

ADIA manages a diversified global investment portfolio across more than two dozen asset classes and sub-categories. We invest directly in global financial markets, alongside trusted partners and through a network of carefully selected external managers.

With a long tradition of prudent investing, ADIA’s decisions are based solely on its economic objectives of delivering sustained long-term financial returns.

ADIA has a disciplined investment strategy that aims to generate stable returns over the long term within established risk parameters, supported by a comprehensive, institution-wide planning process

ADIA’s strategy and planning activities work in tandem, aligning organisational priorities with investment objectives through the ADIA Wide-Planning (AWP) process. Our approach ensures that ADIA’s investment activities are closely tied to its short, medium and long term goals.

Investment strategy at ADIA begins with a clearly defined appetite for risk. This has been calibrated through a blend of publicly traded securities, known as the Reference Portfolio, developed to define the desired amount of market risk that should be accepted over the long term.

The Strategy & Planning Department (SPD) plays a central role in ADIA's investment process, with responsibility for developing, maintaining and periodically reviewing ADIA's Strategic Asset Allocation (SAA) across more than two dozen asset classes and sub-categories. The SAA is intended to add value to the Reference Portfolio by diversifying across this richer set of asset classes, using weightings based on ADIA's long-term view of the world. This results in a higher expected return for a similar level of risk.

Relationship with the Government of Abu Dhabi and Source of Funds

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

ADIA carries out its investment activities independently and without reference to the Government of the Emirate of Abu Dhabi.

ADIA has no visibility on either the spending requirements of the Government of the Emirate of Abu Dhabi or the activities of other Abu Dhabi-owned investment entities. ADIA's assets are not classified as international reserves.

Under the UAE Constitution, the natural resources and wealth of the Emirate of Abu Dhabi are the public property of Abu Dhabi. The Government of the Emirate of Abu Dhabi provides ADIA with funds that are allocated for investment and surplus to its budgetary requirements and its other funding commitments.

ADIA is required to invest and reinvest these funds and make available to the Government of the Emirate of Abu Dhabi, as needed, the financial resources to secure and maintain the future prosperity of the Emirate. In practice, such withdrawals have occurred infrequently.

Governance

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

Management of ADIA is vested in ADIA's Board of Directors, which comprises a Chairman, a Managing Director and Board members who are appointed by a decree of the Ruler of the Emirate of Abu Dhabi.

The Board has primary responsibility for the discharge of ADIA's activities and meets periodically for the establishment and review of ADIA's overall strategy but does not involve itself in investment or operational decisions.

ADIA's Managing Director has sole responsibility for the implementation of ADIA's strategy and administering its affairs, including all decisions related to investments. Investment decisions are based solely on economic objectives in order to deliver sustained long-term financial returns.

Risk Management

In keeping with our prudent culture, risk management is embedded in all of ADIA's investment and related activities, from asset allocation to investments in individual asset classes and ultimately to trade execution.

ADIA's risk management framework is holistic in nature, having been designed to comprehensively identify and analyse all types of risks across asset classes and ensure that any potential issues are managed efficiently and effectively.

The Managing Director has ultimate responsibility for ADIA's risk management, with assistance and advice from several committees and departments, including the Investment Services Department, Strategy Unit,

Evaluation and Follow-Up Division, Internal Audit Department, and Legal Division.

For further information, please go to www.adia.ae

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Member website