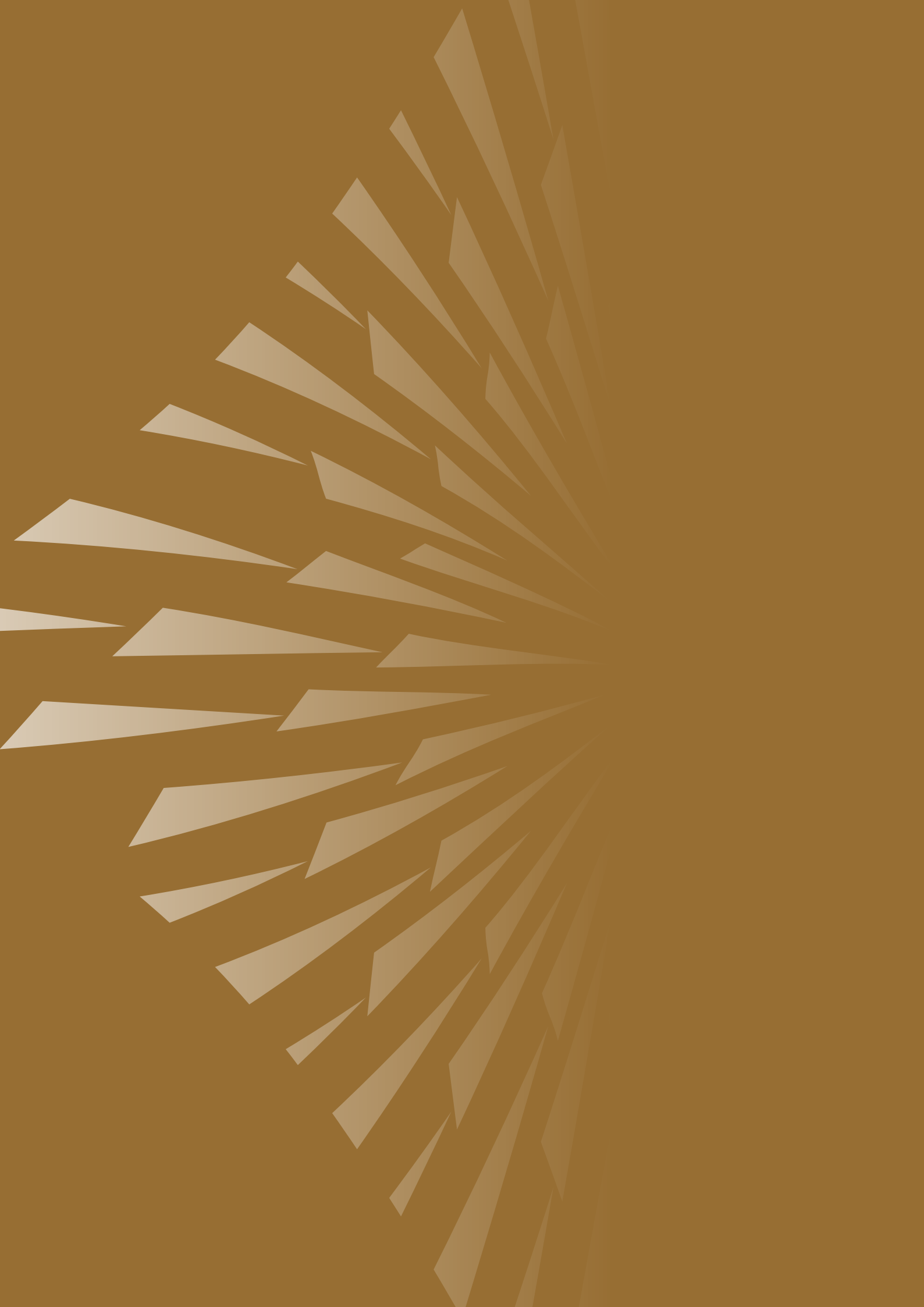




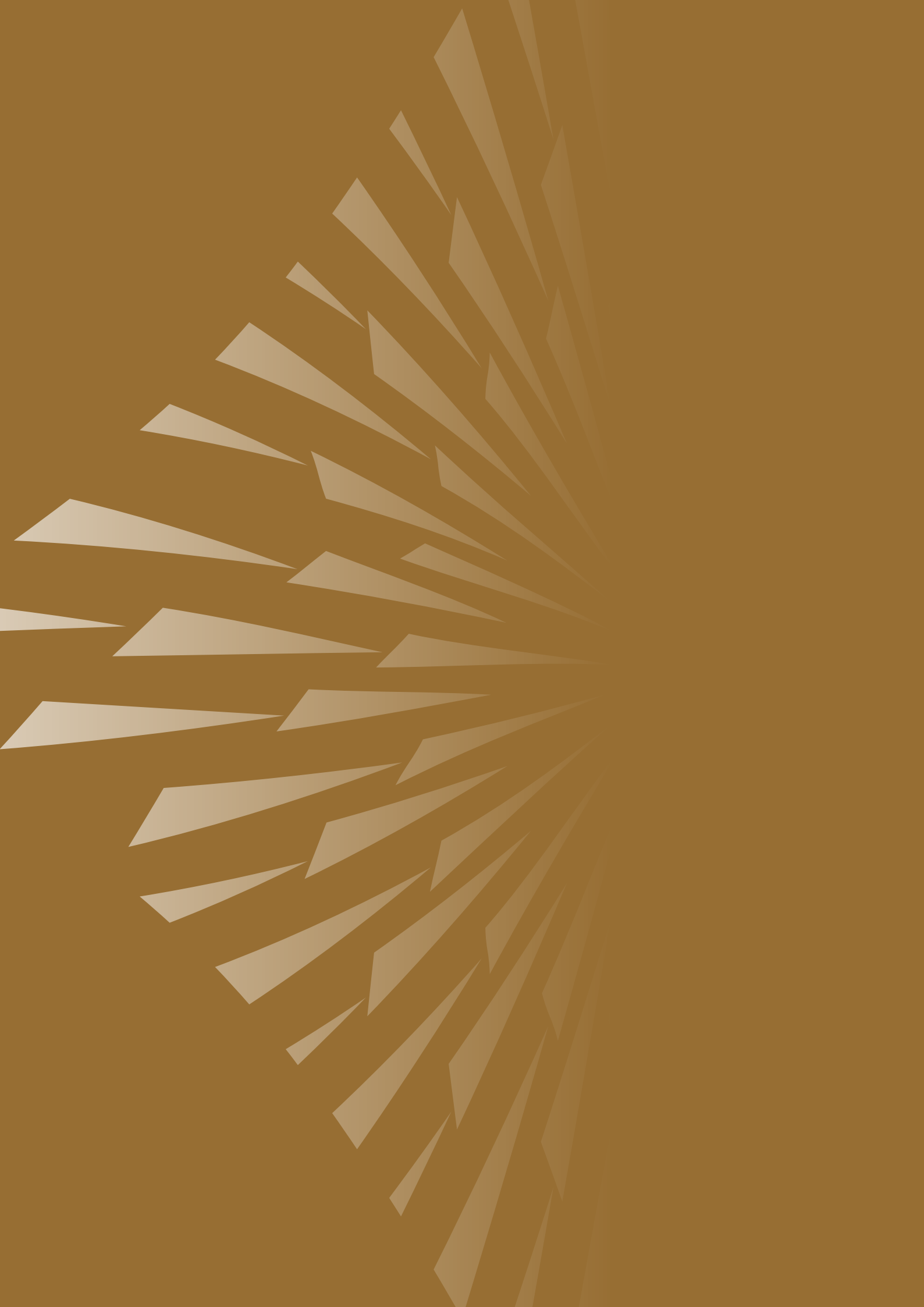
Emirates Investment Authority

Inaugural Report





His Highness
Sheikh Khalifa bin Zayed Al Nahyan
President of the United Arab Emirates

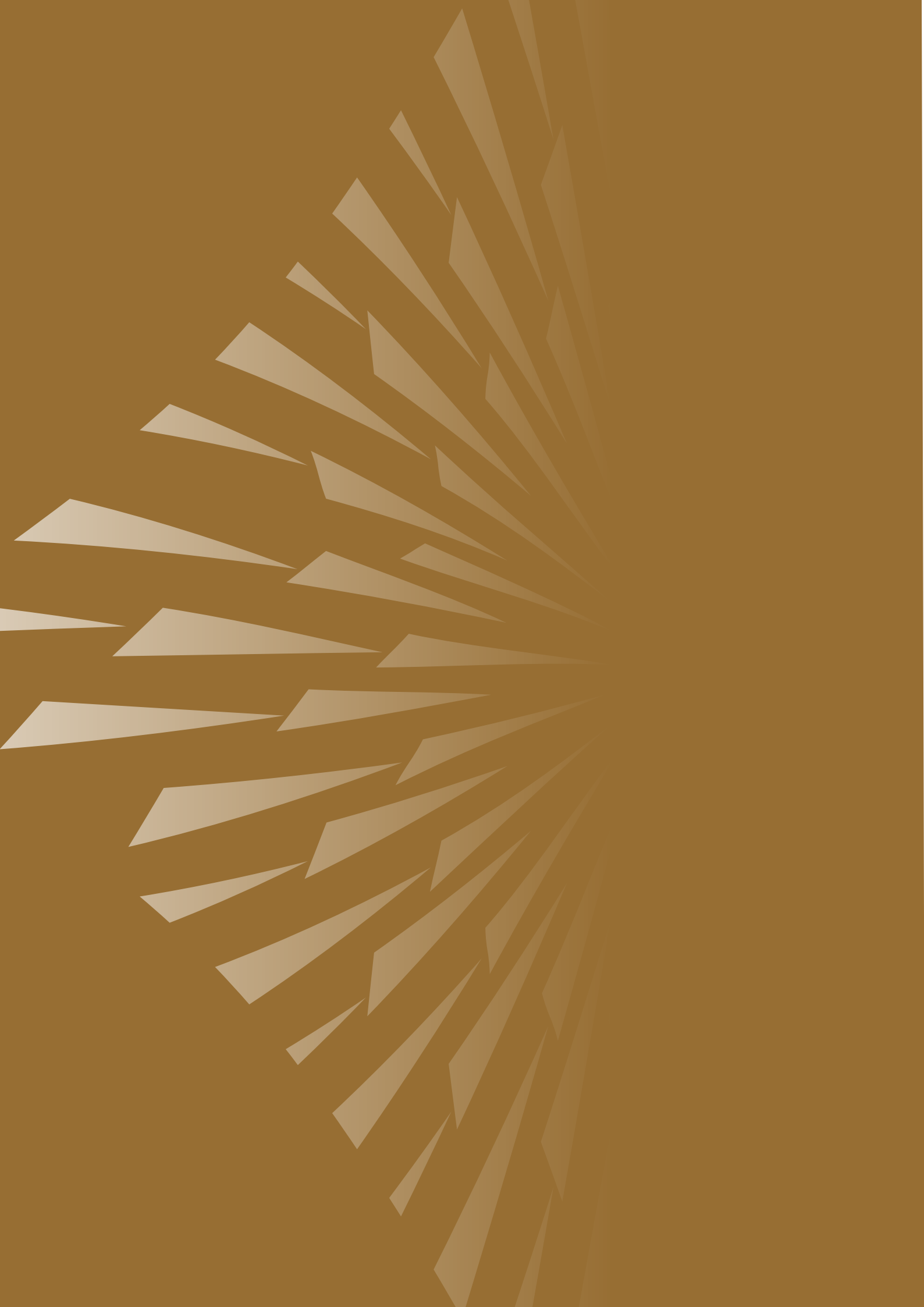




His Highness

Sheikh Mohammed Bin Rashid Al Maktoum

Vice President, Prime Minister and Ruler of Dubai



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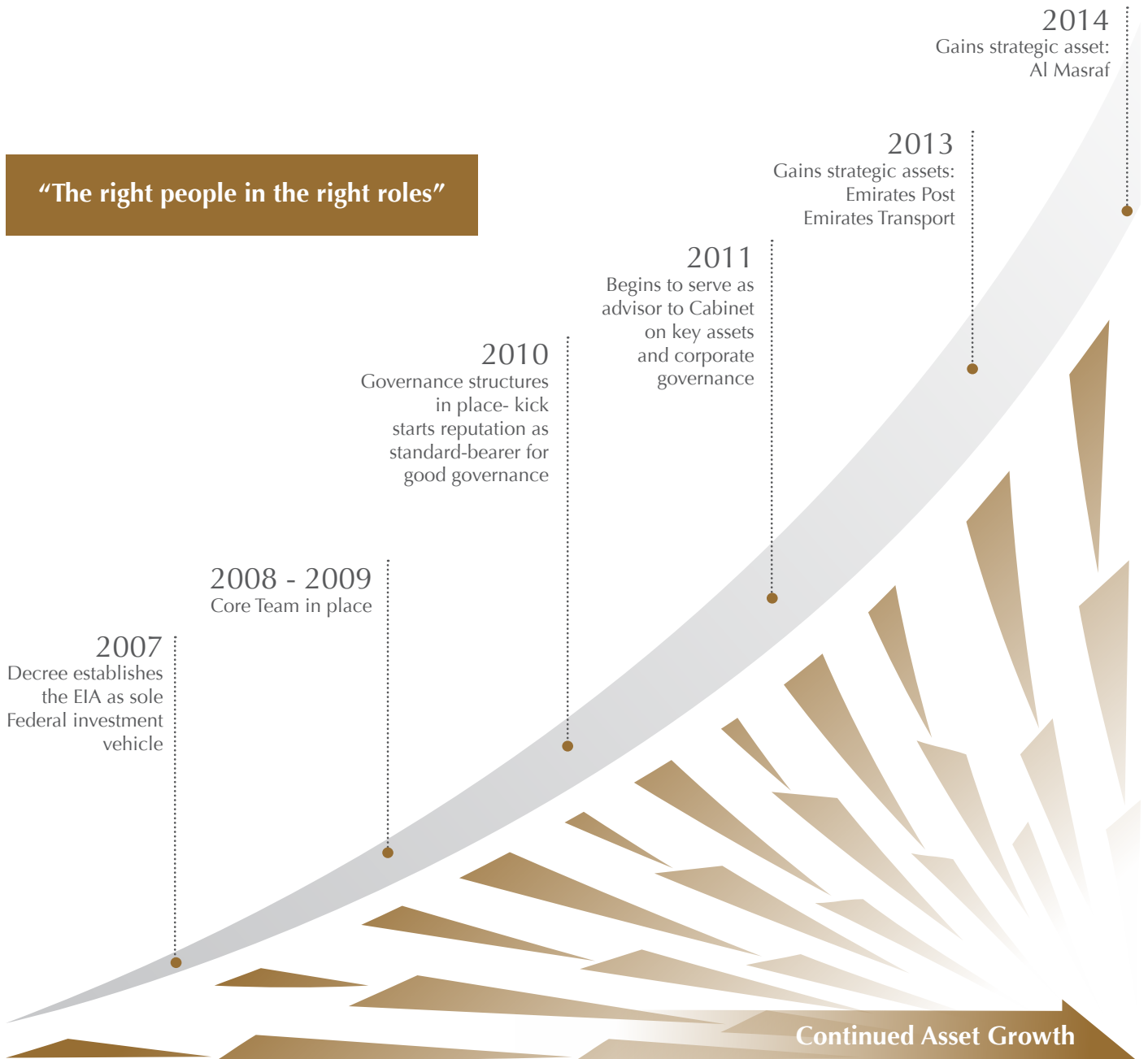
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Our Story

As a relatively young organization entrusted with a great responsibility, the Emirates Investment Authority (EIA) has taken tremendous steps towards fulfilling its national mandate with creativity, ambition and resourcefulness. Since inception, our Federal decree has compelled us to find the most prudent yet optimal way forward in investing the nation's wealth securing the financial well-being of the United Arab Emirates and its people for years to come.

"A balance between prudence and dynamism"

"The right people in the right roles"



Overview

The United Arab Emirates (UAE) has a young, dynamic and rapidly developing economy and society. With such resources and endowments the UAE has been able to set new global precedents and standards in areas such as education, technology, industry and business.

Its strategic location at the crossroads of East and West makes the UAE an ideal environment for local, regional and international investment, across diverse sectors and asset classes. The EIA is the only federal sovereign wealth fund of the UAE, which means it is the sole investment organization uniquely responsible for investing its national wealth and developing its people, as well as its strategic assets in order to secure the future welfare of the entire nation. The Emirati people are the most crucial force for future success and they are therefore at the heart of the EIA's strategic priorities.

The EIA, which is fully owned by the Federal Government of the UAE, was established in 2007 through Federal Decree Law No. 4 of 2007 and amended by Federal Decree Law No. 13 of 2009.

The key directives of the EIA are to:

1. Act as a custodian and manager of certain federal assets of the UAE, in order to develop their full economic potential.
2. Prudently invest the sovereign wealth of the UAE in order to deliver long term, sustainable financial gains for the continued prosperity of all UAE Nationals.
3. Support and advise the Federal Government in certain matters relating to economic and industrial policy.

These directives are primarily executed through a highly diversified portfolio of assets and investments across multiple economic sectors, asset classes and geographies.



In only seven years since its inception, the EIA has quickly positioned itself as a valued advisor to the Federal Government and a successful investment manager. Moreover, the EIA has directly assisted the Federal Government in realizing the full economic and growth potential of certain federally owned, strategic assets such as Emirates Integrated Telecommunications Company (du) and Emirates Telecommunications Corporation (Etisalat). More recently the EIA has been entrusted with the custody and management of new federal assets such as Emirates Post, Emirates Transport and Al Masraf bank, as well as further federal funds to invest on its behalf.

In 2007, the EIA embarked on a mission to build a world-class investment management platform in accordance with global best practices in capital allocation, risk management and corporate governance. The EIA has also invested significant energy, resources and focus to attract, retain and develop a multi-talented, experienced and highly entrepreneurial team. Thus, we consider our people to be the catalyst for our most important decisions and the backbone of our sustainability as we look to the future.

“We have worked hard to steadily institutionalize our investment process so that each investment we undertake clearly demonstrates a full life cycle that is closely aligned to our long term investment strategy and expected returns.”

CIO

“Our role as investor is not to provide the day-to-day management of our investments but rather to advise and guide them on the right resources, strategies and governance structures to put in place so they are allowed to grow and operate efficiently and independently. Our approach is always focused on long term sustainable value creation.”

General Counsel

Chairman's Message

H.H. Sheikh Mansour Bin Zayed Al Nahyan



With the establishment of the United Arab Emirates, Sheikh Zayed bin Sultan Al Nahyan sought to unite the seven Emirates of Abu Dhabi, Dubai, Ras Al Khaimah, Ajman, Sharjah, Umm al-Quwain, and Fujairah in a union of national cooperation for the purpose of ensuring long term mutual prosperity. In this same spirit of unity, the EIA was created with a clear mandate to manage the sovereign wealth of the UAE for the long term benefit of the entire nation.

The EIA was established by a Federal Government decree in 2007 with the responsibility to build and develop a federal investment organization in order to manage the sovereign funds and assets allocated to us by the Federal Government. Under this mandate, the EIA was given an independent legal position and a reporting line directly to the Cabinet of the Federal Government. Our mandate is unique within the UAE as we are the only federal level sovereign wealth fund (SWF) for the entire nation.

One of our central responsibilities is to act as a catalyst for the accelerated development of the federal economy, as well as some of its key industrial and business assets. Our role and experience in managing some of the most important strategic federal assets has uniquely positioned us to advise the Federal Government in broader economic and industrial policy areas.

It has also allowed us to assist and develop other federal assets that we have been entrusted within areas such as corporate governance, strategic development, international expansion and operational best practice.

We also look to develop our people and have sought to fulfill this role through the active empowerment, career development and training of our next generation of young UAE Nationals. This is achieved through initiatives such as our Investment Leadership Program (ILP). In addition, we aim to provide ongoing assistance and skills transfer to many young UAE leaders and managers within both our own organization and our strategic assets.

Endowed with this privileged responsibility, we have successfully built upon the EIA's initial foundations and have increased its investment scope in order to further diversify its holdings across new asset classes and geographies.

We will prepare for our next phase of growth by looking forward to new challenges and opportunities as we continue to build our distinctive investment organization and develop our talented team. We shall continue to energetically pursue our mandated goals of prudent, long term and sustainable investment management and, at all times, in accordance with the highest standards of global best practice.

Chairman of Executive Committee's Message

H.E. Obaid Humaid Al Tayer



The EIA was established as a result of the inspired, long term vision of Sheikh Zayed bin Sultan Al Nahyan. Our EIA mandate clearly reflects this vision and is focused on the long term, sustainable prosperity of our nation and its people.

The core objective of the EIA remains as simple and clear today as it was in 2007 when it was initially granted its mandate, however our strategy, as well as the organization itself, has substantially evolved and grown over this time.

The EIA has been unique since its inception. As the only federal sovereign wealth fund in the UAE we were tasked with an objective and mandate that was significantly different from other similar funds within the UAE. This unique position and responsibility required the development and execution of a differentiated long term investment strategy, as well as a solid governance but flexible organization structure. Looking back, we are very satisfied to see that our initial plans and strategy have produced impressive results for our stakeholders and that the organization has managed to successfully evolve in line with the challenges laid down before it. Moreover, this organization has performed in an investment and market environment that has seen considerable flux and volatility since its establishment.

The core component of any investment organization is its people. This is especially true for the EIA. Guided by our board, which includes dedicated and committed members from across the entire UAE, we have built and attracted a world class investment team that has adapted with the needs and requirements of the EIA's investment strategy. Importantly, this investment team has demonstrated a broad range of investment and operational skills

that has consistently kept pace with our expanding portfolio of both strategic UAE assets and investments. The EIA team is a blend of skills which is unique when compared to other, similar sovereign funds but it is a team that we believe is best suited for the generation of sustainable long term returns and for the way our objectives has evolved over time.

We have made, and continue to make, considerable investments into our people and their own development. Such investments are applied at every level in the EIA, from the board members to entry level graduate trainees. This continuous investment and development of our people will allow us to remain well equipped to meet the investment challenges that lie ahead. Moreover, it allows us to undertake the best investment decisions and execution for our portfolio.

Thanks and gratitude for the consistent and positive performance of the EIA since our inception lies with both the investment team and Board of the EIA however our role has only been made possible by the trust, obligations and resources placed with us from UAE Federal Government and the Ministry of Finance. The responsibility and stewardship of our nations' wealth and long term prosperity is an enormous honour and one that we take great pride and responsibility in.

We sincerely hope this inaugural report of the EIA will bring new insights and understanding of the important mandate we have been entrusted with, as well as the team and organization that we have built to deliver it.

Chief Executive Officer's Message

H.E. Mubarak Rashed Al Mansoori



When the EIA received its mandate in 2007, it was born into an increasingly challenging and volatile global investment environment. The worldwide financial crisis resulted in dramatic changes to the world's investment and economic landscape. In spite of these challenges, and with valuable support from our sponsors in the Federal Government, we actively began to pursue our mandate: To secure the long term prosperity for the entire nation by strategically investing those funds allocated to us by the Federal Government.

In the few short years since our initial establishment we are proud to have made significant strides in the execution and delivery of our mandate. We have vigorously developed an investment organization that is built on the very highest standards of global best practice and have fostered an exceptional investment capability within a now well-established institution.

We originally inherited two federal assets which formed the foundation of our long-term strategic investment portfolio: Emirates Integrated Telecommunications Company (du) and Emirates Telecommunications Corporation (Etisalat). Along with our counterparts in both organizations, we have improved corporate governance and ensured full compliance to best practice. Both entities now stand as two of the most progressive telecommunications companies in the Middle East region, and are considered amongst the leading training grounds for UAE professionals.

In 2013 and 2014, the EIA was again entrusted with three additional strategic federal assets, Emirates Post, Emirates Transport and the regional bank, Al Masraf. We consider this increased responsibility as a further vote of confidence by the Federal Government in our ability to develop such assets and realize their long term potential. We are applying the same focus to these three organizations and endeavor to work with their management and boards in order to assist with their long-term growth plans.

In any investment organization it is ultimately the caliber and strength of the team that drives consistent, sustainable and long-term returns. The same is true for our team at the EIA. Since our inception we have built a lean but highly experienced and flexible team of world-class investment and support professionals. Our team has quickly adapted and evolved from acting as custodians and managers of our initial cornerstone federal assets to a team that now manages a highly diversified and global portfolio of investments. These investments range from large, direct industrial holdings, private equity and hedge fund investments to more liquid debt and equity securities. During this time, our experienced team of leaders has also been

instrumental in assisting and advising the Federal Government on policy issues ranging from national telecommunications to industry and financial services.

We have always focused on recruiting the right people and empowering them to further build their skills and enhance their careers. Our consistent focus on employee development has, for example, resulted in world class career and leadership development programs for many of our UAE National employees, and is demonstrated by our successful Investment Leadership Program (ILP). Additionally, we encourage every EIA employee to be self-directed and we aim to assist them in charting their own individual career development paths.

One of the key steps in our future evolution will include a significant push to develop and deepen our international investment reach across new geographies, sectors and asset classes. The central focus for us will be to forge relationships with like-minded institutional investors, fund managers, industry practitioners and others. We will nurture and expand our growing network of relationships in order to best position the UAE on its continued drive toward excellence. This initiative will also assist us in securing further investment opportunities with international partners who share our long term investment vision.

While we are proud of our considerable achievements to date, we must now build on the solid platform we have created in order to prepare and further develop the EIA for its next phase of growth. We are confident in our ability to continue delivering on our mandate and to achieve our primary objective to generate sustainable and long term economic returns for our nation's promising future.

As a distinctively federal organization, the EIA has established itself as an important advisor to the Federal Government with regards to the future development and long-term prosperity of the UAE. This role was made possible through an invitation from the Ministry of Finance to be involved in the growth and development of strategic federal assets held by the Ministry of Finance. In other areas, we have had the honor to serve in a further advisory capacity regarding the formulation of various federal economic and industrial policies. It is a privilege to be recognized by our government as a trusted counterparty and to be relied upon by them as a source of expertise and advice.

We are delighted to present our inaugural report for the EIA. We hope it will provide a new, broader understanding and awareness in our unique mandate and investment strategy as well as our wider advisory role within the Federal Government.

During 2015 we have taken time to review our operating model and have made important structural changes to our organisation which will facilitate the next phase of EIA's evolution to ensure more focus on our approaches to Asset Management and the dedicated management of our Strategic Assets.

Milestones

Since our foundation in 2007 we have grown and evolved at a rapid pace, surpassing our original organizational development goals and time frames. Significant efforts have been employed in order to create, develop and grow the solid investment platform and team in place today at the EIA.



“As the only sovereign and federal investment vehicle in the UAE, we’re now ready for the next phase of our evolution and growth. We regularly look to our predecessors, our investment partners and other SWFs in order to learn and glean the industry best practices as we move forward.”
EIA Telecoms Investment Director

Step 1

Establishment

The EIA was established in 2007 through Federal Decree Law No. 4 of 2007 and amended by Federal Decree Law No. 13 of 2009.

Step 2

Governance

We first developed an effective corporate governance framework with a strong board of directors and an active Executive Committee which reflected the unique nature of our mandate. This enabled us to assume the dual roles of a trusted advisor to the Federal Government as well as a highly efficient and capable investment manager of the UAE’s sovereign wealth.

Step 3

Core Team

We searched for and recruited the very best people in order to drive the rapid formation and development of our fledgling investment organization. Our initial core team demonstrated a mixture of international and local investment management skills as well as in-depth industry experience and expertise.

Step 4

Transfer of Cornerstone Portfolio Assets

With the initial core team and governance framework in place, we were then entrusted with the custody, management and development of strategic federal assets such as Emirates Integrated Telecommunications Company (du) and Emirates Telecommunications Corporation (Etisalat).

Step 5

Establishment of Investment Process and Portfolio Management Approach

We quickly established a formal, three-stage investment process consisting of: rigorous pre-screening and initial due diligence; followed by Investment Committee review and debate; and final investment decision-making from our Executive Committee. Our investment portfolio approach was broken down into two distinct and focused investment groups: Strategic Assets and Asset Management.

Step 6

Portfolio Expansion and Further Institutionalization

The solid performance of our initial portfolio as well as the rapid development of our investment platform and capability meant we were quickly entrusted by the Federal Government with further assets to manage and invest on behalf of the nation. In 2013 and 2014 we were entrusted with the custody of three additional strategic assets – Emirates Post, Emirates Transport and Al Masraf bank. We also significantly expanded the international scope and reach of our investment portfolio and further developed our internal guidelines, operations, institutional functions and architecture.

The Decree & Relationship with the Federal Government

The EIA was established through Federal Decree Law No. 4 of 2007 as amended by Federal Decree Law No. 13 of 2009. These decrees provided the EIA with an overall responsibility to manage the sovereign wealth of the UAE by creating a diversified portfolio of assets in key economic sectors and asset classes with the aim of delivering long term economic gains.

The EIA was established through Federal Decree Law No. 4 of 2007 as amended by Federal Decree Law No. 13 of 2009. These decrees provided the EIA with an overall responsibility to manage the sovereign wealth of the UAE by creating a diversified portfolio of assets in key economic sectors and asset classes with the aim of delivering long term economic gains.

The EIA was established by the Federal Government to carry out its investment activities independently from other entities at the federal level. The Federal Cabinet approves nominations to the Board of Directors of the EIA and decides their remuneration. Otherwise, the EIA is fully independent with the Board of Directors acting as its “supreme authority” in all matters of its own governance. The Board of Directors reports directly to the Federal Cabinet and must receive approval from the Federal Cabinet for its annual budget.

The Federal Cabinet of the UAE also allocates appropriate funds to the EIA for investment, in strict accordance with its mandate and directives. The EIA is expected to deliver economic returns

that may then be contributed back to the Federal Government in order to assist with its own budgetary requirements, as and when required.

To fulfill its unique responsibilities, the EIA was endowed with the following key powers:

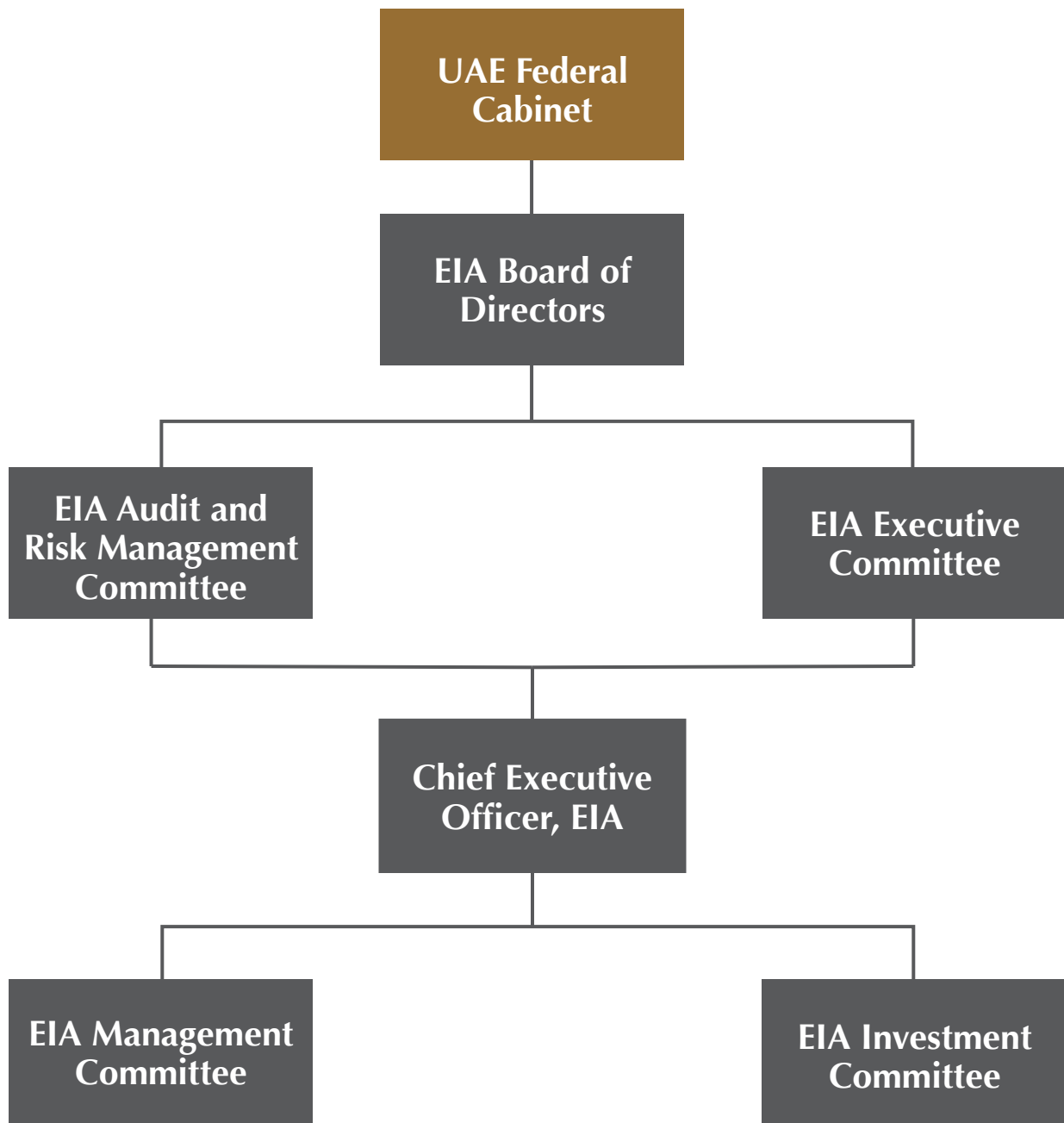
- To formulate policies for investment and reinvestment of the allocated funds, by way of the establishment of companies, funds, investment portfolios and institutions operating in different investments.
- To manage the funds through investment and reinvestment in a range of asset types, granting loans and facilities, borrowing and receiving financial facilities, among others.
- To execute all necessary legal, physical and procedural actions related to the investments such as: registering investments in the name of the EIA; entering into finance agreements; issuing bonds and guarantees; settling claims, debt and indemnities; incorporating and acquiring companies; among others.



Governance & Leadership

The EIA adheres to solid governance principles, upholding best practice standards of long-term investment management with integrity, responsibility and accountability.

Our rigorous commitment and focus in this regard have not gone unnoticed. The UAE state audit reports demonstrate that since inception the EIA has shown consistent and exemplary adherence to these principles. As a result, we remain in good standing and trust with our guardians, the Federal Cabinet. Strong governance, comprehensive oversight and solid leadership is the cornerstone of our unique federal investment mandate and organization. Such principles and standards set the tone and direction of how we go about our business as well as how we invest and manage the funds that have been entrusted to us.



The Board of Directors

Following the establishment of the EIA through Federal Decree a carefully selected Board of Directors was created for the Authority.

The Board of Directors has full responsibility to oversee all affairs of the EIA to ensure its objectives are met. The Board sets overall direction on investment strategies, objectives, risk parameters and asset allocation. The Board also oversees the performance of the EIA Management Team and charges the CEO with primary responsibility for overseeing the investment and operational performance of the organization. A number of Board committees guide overall investment allocations and risk tolerance and approve the investment recommendations of the Management Team. Board committees oversee other critical areas such as audit and risk management, governance, compensation, human resources and financial reporting.

The Board of Directors consists of a group of distinguished and accomplished individuals, led by His Highness Sheikh Mansour Bin Zayed Al Nahyan as its Chairman.

H.H. Sheikh Mansour Bin Zayed Al Nahyan, Chairman



H.H. Sheikh Mansour Bin Zayed Al Nahyan is the Deputy Prime Minister of the UAE and Minister of Presidential Affairs of the UAE. In addition, H.H. Sheikh Mansour is the Chairman of the Ministerial Council of Services.

H.E. Mohammad Abdulla Al Gergawi, Deputy Chairman



H.E. Mohammad Abdulla Al Gergawi is the Minister of Cabinet Affairs. In addition, H.E. Al Gergawi holds the positions of Deputy Chairman of the Ministerial Council for Services, Chairman of the Emirates Competitiveness Council, and Chairman of Dubai Holding.

H.E. Sultan Bin Saeed Al Mansoori, Board Member



H.E. Sultan Bin Saeed Al Mansoori is the Minister of Economy. In addition, H.E. Al Mansoori holds the Chairmanships of the Critical Committees on Consumer Protection; the Coordinating and Economic Cooperation Committee; the Board of Directors of the Securities and Commodities Authority; the Insurance Authority; and the Federal Civil Aviation Authority.

H.E. Obaid Humaid Al Tayer, Board Member



H.E. Obaid Humaid Al Tayer is Minister of State for Financial Affairs of the UAE. He has held senior positions at the Dubai Chamber of Commerce and Industry, and served as its Chairman from 2000 to 2008. H.E. Al Tayer is a highly regarded entrepreneur and businessman, and is Chairman of the reputed AlTayer Group

of Companies, a diversified conglomerate with interests in automotive, contracting, distribution, publishing, and retail with operations around the GCC. H.E. Al Tayer is the chairman of the EIA Executive Committee.

H.E. Abdul Hamid Mohammed Saeed, Board Member



H.E. Abdul Hamid Mohammed Saeed is Managing Director and Board Member of First Gulf Bank. In addition, H.E. Saeed holds positions including: Vice Chairman of First Gulf Libyan Bank, Chairman of First Gulf Financial Services, Chairman of Aseel Finance, Board and Executive Committee Member of Abu Dhabi Securities Exchange, Managing Director of Reem Investment and a member of the Economic Committee of the Higher National Security Council and a member of the Board of Directors at Mubadala. H.E. Saeed also serves on the EIA Executive Committee.

H.E. Eissa Mohamed Al Suwaidi, Board Member



H.E. Eissa Mohamed Al Suwaidi is the Managing Director of the Abu Dhabi Investment Council. He is also a Board Member of Abu Dhabi National Oil Company for Distribution, the International Petroleum Investment Company, and the Abu Dhabi Fund for Development. He also holds the Chairmanships of Emirates Telecommunications Company ("Etisalat") and Abu Dhabi Commercial Bank. H.E. Al Suwaidi also serves on the EIA Executive Committee.

Kaltham Hamad Balabad Al Ghafli



Ms. Kaltham Al Ghafli is an Investment Manager in the External Equities Department in ADIA. She is an integral part of the team responsible for selecting, building and managing a portfolio of funds and relationships in Europe, Middle East & Africa. Ms. Kaltham is a member of the External Equities Investment Committee.

EIA Board Committees

The Executive Committee

The Executive Committee makes all administrative decisions of the EIA and serves as the key decision maker on all investment opportunities and activities presented to it by the Investment Committee of the EIA.

H.E. Obaid Humaid Al Tayer, Chairman of the EIA Executive Committee



H.E. Obaid Humaid Al Tayer is Minister of State for Financial Affairs of the UAE. He has held senior positions at the Dubai Chamber of Commerce and Industry, and served as its Chairman from 2000 to 2008. H.E. Al Tayer is a highly regarded entrepreneur and businessman, and is Chairman of the reputed Al Tayer Group of Companies, a diversified conglomerate with interests in automotive, contracting, distribution, publishing, and retail with operations around the GCC.

H.E. Eissa Mohamed Al Suwaidi, Member EIA Executive Committee



H.E. Eissa Mohamed Al Suwaidi is the Managing Director of the Abu Dhabi Investment Council. He is also a Board Member of Abu Dhabi National Oil Company for Distribution, the International Petroleum Investment Company, and the Abu Dhabi Fund for Development. He also holds the Chairmanships of Emirates Telecommunications Company ("Etisalat") and Abu Dhabi Commercial Bank.

H.E. Abdul Hamid Mohammed Saeed, Member EIA Executive Committee



H.E. Abdulhamid Mohammed Saeed is Managing Director and Board Member of First Gulf Bank. In addition, H.E. Saeed holds positions including: Vice Chairman of First Gulf Libyan Bank, Chairman of First Gulf Financial Services, Chairman of Aseel Finance, Board and Executive Committee Member of Abu Dhabi Securities Exchange, Managing Director of Reem Investment and a member of the Economic Committee of the Higher National Security Council and a member of the Board of Directors at Mubadala.

The Investment Committee

The Investment Committee is made up of a number of senior Management Team members who review and deliberate on all potential investment proposals brought to it by the broader Management Team as part of a formal, three-stage investment decision-making process. The Investment Committee analyses and reviews all investment cases approved by the CEO and authorizes and requests any additional investment due

The Audit and Risk Committee

The Audit and Risk Committee reports directly to the Board of Directors and works with the CEO, in consultation with external advisors, to agree, establish, enforce and monitor the appropriate audit and compliance models and levels of risk for the EIA. The Audit and Risk Committee develops and establishes the risk and audit frameworks as well as a series of control 'checks and balances' for the EIA's overall investment activities. It also acts as an autonomous partner, alongside the Executive Committee, in order to ensure the entire organization stringently adheres to these levels of control and oversight.

H.E. Sultan Bin Saeed Al Mansoori, Chairman EIA Audit and Risk Committee



H.E. Sultan Bin Saeed Al Mansoori is the Minister of Economy. In addition, H.E. Al Mansoori holds the Chairmanships of the Critical Committees on Consumer Protection; the Coordinating and Economic Cooperation Committee; the Board of Directors of the Securities and Commodities Authority; the Insurance Authority; and the Federal Civil Aviation Authority.

H.E. Salem Sultan Al-Dhaheeri, Member EIA Audit and Risk Committee



H.E. Salem Sultan Al-Dhaheeri is an independent member on the EIA Audit and Risk Committee. H.E. Sultan Al-Dhaheeri is also a board member at TAQA and is the Deputy Director at Abu Dhabi Investment Authority. A Certified Public Accountant since 1994, he graduated with a Bachelor of Science Degree in Accounting from Metropolitan State College in Denver. He is also a Member of the Board of Directors and Member of the Audit Committee of several public and private companies.

diligence to be performed. The Investment Committee then presents any potential investments for final decision to the Executive Committee.

The Management Committee

The Management Committee of the EIA, led by the CEO, comprises the investment executives who manage the investment portfolios and assets of the EIA on a day to day basis.

Investment Portfolio & Approach

The EIA was initially established in order to manage and develop a foundation portfolio of strategic federal assets endowed to it by the Federal Government of the United Arab Emirates. The strong growth and investment performance of this initial portfolio enabled it to be entrusted with further assets and funds of the Federal Government. These new funds and assets allowed the EIA to further develop and build a broader and more diversified portfolio broken down into all asset classes under the Asset Management Group such as Equities, Fixed Income, Hedge Funds, Private Equity, Private Debt, Real Estate and Infrastructure to allocate capital to these new asset classes and groups locally, regionally and internationally.

Having undertaken prudent investment strategies in accordance with global best practice, the EIA takes pride in having built a now highly diversified investment portfolio, spread broadly across a variety of asset classes and investment instruments. All investments undertaken are carefully and thoroughly managed to ensure superior risk-adjusted returns and to deliver long-term and sustainable financial value and returns to the UAE. To date the investment performance of this more diversified portfolio has performed ahead of our initial return objectives. The EIA has a clearly defined and structured investment and risk management framework which includes a Strategic Asset Allocation program with a 7 -10 year time horizon. This is a theoretical target portfolio comprised of a mix of asset classes that is determined to be best equipped to meet the EIA's long-term investment objectives in terms of potential return and risk appetite.

Each year, the EIA formulates a Policy Portfolio designed to best capture current market trends and take advantage of the EIA's unique position as a truly long-term investor and source of capital. As such, the EIA follows an asset allocation approach that is in line with the most sophisticated and highest returning endowments in the world, who we regard as our peers.

The EIA combines asset classes in such a way as to provide the highest expected return for a given level of risk. We incorporate an integrated risk management approach that includes an early warning system on our main risk limits, monthly volatility and maximum draw down. This approach is further refined by employing a dual regime tactical allocation limit framework and target per asset class.



"We seek out partnerships with managers who clearly understand our unique federal remit and investment philosophy and who have an established proven and consistent investment track record."

EIA Treasury Director

Asset Allocation Limit Framework

Asset Class	Minimum	Maximum
Public Equities	15%	35%
Fixed Income	10%	30%
Hedge Funds	5%	25%
Private Equity	10%	25%
Real Estate	3%	12%
Multi Asset	5%	30%
Cash	0%	10%
Risk Hedging	0%	20%

The EIA strives to build a superior performance and risk management track record, based on active investment management and well-diversified asset allocation. This entails a larger allocation to alternative investments and non-traditional asset classes, which stems from their long term return potential and diversifying power. The EIA's long time investment horizon is well-suited to exploit illiquid, less efficient markets such as Private Equity, Real Estate, Infrastructure and Hedge Funds. Our efforts to invest in less efficiently priced asset classes, combined with our active investment and risk management, should consistently position the EIA in the top quartile of institutional investors.

The EIA's capital is strategically deployed and monitored to ensure that the risks involved in each of the underlying assets or investments are within strict set limits and that overall investment activity and strategy are aligned to generate the desired long term financial goals and required returns. The diversification, development and growth of the EIA's entire investment portfolio over the last few years is such that it can now be broken down into two distinct investment groups – Strategic Assets and Asset Management. The Asset Management group is further broken down into the sub asset classes: Equities, Fixed Income, Hedge Funds, Private Equity, Private Debt, Real Estate and Infrastructure.

Strategic Assets

The EIA's 'strategic' portfolio of assets consists of small, medium and large equity stakes in a number of important companies and businesses across a mix of industrial and economic sectors. As an investment manager, the EIA has developed its own variety of ownership and investment models and frameworks. For example, the EIA is a 100% shareholder of certain strategic federal assets while in others it is a strong minority-shareholder alongside other investors. In all of its shareholdings, the EIA aims to ensure that each investment reaches its maximum potential and return. Two of the EIA's most notable investments in this regard are its significant holdings in Emirates Integrated Telecommunications Company (du) and Emirates Telecommunications Corporation (Etisalat), two of the more progressive and robust telecommunications companies in the Middle East and North Africa region. During 2013 and 2014 EIA also added three significant assets to this portfolio - Emirates Post, Emirates Transport and Al Masraf Bank.

"As a truly long-term manager of intergenerational equity with no existing liabilities, we face both unique investment challenges and opportunities. We aspire to become the gold standard of how a sovereign wealth fund should operate and grow the national wealth."

EIA CIO-Asset Management

Emirates Integrated Telecommunication company (du)



In 2007, the EIA inherited a 40% stake in du as one of its two original long-term strategic investment portfolios. Our advice and assistance to both the management and board of du has allowed the organization to improve its governance and compliance practices, facilitating growth at a rapid pace. du's success and our counsel and advice in contributing to this success prompted the Federal Government to assign the EIA with the management and development of further strategic state-owned assets.

Most recently the UAE has decided to establish a UAE currency industrial printing facility with the primary objective of serving the requirements of the Central Bank of UAE. This strategic and nationally important facility will also look to market its excess production capacity to the international

Emirates Telecommunication corporation (Etisalat)



EIA received custody and management of the UAE Federal Government's [60%] shareholding in Emirate Telecommunications Corporation (Etisalat) in 2007. As a majority owner, the EIA was responsible for assisting and advising the board and senior management team of Etisalat with the organization's strategic direction, corporate and financial governance and public policy. The EIA further supports Etisalat by defining financial and operational performance KPIs to best drive growth. Moreover, our growing expertise and knowledge of the global and regional telecommunications industry has allowed the EIA to act as an independent counsel and advisor to the UAE government with regard to its national telecommunications policy.

market. The EIA intends to develop and operate a state-of-the-art printing facility that will possess a world class operational and technical specifications required for the printing of all UAE banknotes, as well as those of other international central banks.

Asset Management

The EIA's Asset Management portfolio of investments is made up of a combination of investments in listed equities, fixed income and other alternative investments - local, regional and international - as well as a significant number of holdings in different investment funds managed by both local and international third party investment managers. The majority of our investments in the Asset Management portfolio are managed by third party investment managers.

The EIA's Asset Management Private Equity portfolio predominantly consists of investments and funds managed by local, regional and international third party private equity managers. These investments have been made across the broad spectrum of the private equity asset class in such sub-asset class areas as direct private equity, fund of funds and secondaries. The EIA Private Equity team also manages a smaller number of direct private equity investments or assets that have been previously made as co-investments alongside some of our external private equity manager partners.

Investment Process

The EIA's investment strategy and approach have developed and evolved significantly since its establishment in 2007. Given its mandate, asset base, and funding sources the EIA is able to implement a truly long term investment approach when allocating capital to its portfolio.

This ability to invest for the long term allows the EIA to operate using a different set of investment criteria from other investors. Backed by a strong and growing investment team, the EIA is able to identify and assess emerging investment opportunities, looking beyond short-term cycles to focus on more fundamental, long-term economic trends.

The EIA's investment process consistently follows the same three stage process for every opportunity we consider:

1. Pre-screening and initial due diligence by underlying EIA departments
2. Investment Committee review and decision
3. Executive Committee final decision

Initially, each potential investment opportunity is rigorously screened by the EIA's specialist investment teams. This pre-screening covers all key aspects of the proposed investment: both financial, and operational. Proposed investments that pass this pre-screening process are then submitted to the Investment Committee, which then reviews and deliberates on whether to undertake further, more formal due diligence on the proposed investment. Once a potential investment has received further appropriate due diligence, the Investment Committee also deliberates on whether or not the opportunity should proceed to the Executive Committee for final decision. Second only to the Board of Directors, the Executive Committee of the EIA is the key investment decision-making body within the organization.



Portfolio Management

The EIA investment and portfolio management teams are divided into two specialist groups focused on our two investment portfolio groups – Strategic Assets and Asset Management.

“Our investment decision making process was developed over time to ensure that each opportunity is thoroughly evaluated on its potential to enhance our portfolio and contribute to the UAE’s long term future prosperity.”

EIA Investment Director, Private Equity

Portfolio Groups – Strategic Assets and Asset Management. These groups work hand-in-hand with multiple portfolio companies and external, third-party fund managers in order to advise, assist and support their respective growth plans or investment strategies.

One of the EIA’s key strengths is its ability to also identify, source and select top performing external fund managers across multiple asset classes, investment strategies and geographies and to then delegate investment responsibilities to these external managers, depending upon our chosen investment strategy and risk parameters. The long term partnerships we have developed with these external managers have proved to be extremely fruitful and consistent over time.

The EIA always aims to play an important but appropriate role with each of its investments, assets or funds:

- Actively participating as a member of the Board of Directors or Advisor, where applicable;
- Assisting in the improvement of accountability, corporate governance and organizational or investment oversight;

- Supporting and enhancing investment management skills and capabilities or investment decision making.

In doing so, the EIA aims to contribute to the development of its portfolio companies, assets and external fund managers in order to protect and enhance value and achieve long term financial returns.

Given the evolution of the EIA’s investment portfolio, its investment teams initially undertook a more hands-on approach to the management of some of its Strategic Assets. The EIA’s portfolio was initially ‘seeded’ with a number of strategic assets of the Federal Government. Some of these assets and shareholdings required significant restructuring or strategic advice in order to ensure that the maximum economic return could be gained. The expertise and capability garnered from this initial EIA portfolio management approach and experience has meant that the EIA has been able to replicate and focus these asset management skills on other new assets and investments.

The EIA investment teams constantly evaluate and monitor the risk-return aspects of each investment as well as the wider portfolio. Its investment teams work with both internal risk management and audit employees as well as our independent, third-party risk and audit advisors to ensure that each EIA investment and portfolio adheres to its stringent risk management and audit guidelines.



Arab Bank For Investment and Foreign Trade (Al Masraf)



Emirates Post Office



Emirates General Transport and Services Corporation (Emirates Transport)

The Arab Bank for Investment and Foreign Trade (Al Masraf) was established in 1976, with the purpose of instilling co-operation amongst Arab countries and promoting joint economic ventures. The EIA has been entrusted by the Federal Government of the UAE to work with and advise the board of directors and management of the bank on its journey to becoming a preferred financial partner for banking services, offering best-in-class products and services to customers.

Entrusted to the EIA in 2013 as a vote of confidence in our ability to manage large, strategic state-owned businesses and help them develop in order to realize their long-term potential. As the official post operator for the UAE, Emirates Post has both a great responsibility and a pivotal role to play in the ongoing development of our nation. As with other strategic state assets such as du and Etisalat, the EIA works closely with both the management and board of Emirates Post to help the organization realize its full potential and create a modern, world class postal service for the UAE.

Emirates Transport (Emirates General Transport and Services Corporation) was founded in 1981, with the aim of organizing and managing transport and maintenance services for various federal and local government agencies, and private sector institutions. The organization aspires to be a leader in sustainable transport and was entrusted to the EIA as part of its evolution into a world class transport services company.

Organization & People

2015 saw the EIA mature further into a fully-fledged investment organization with clear processes and procedures and a strong corporate governance framework built on our initial foundations and guided by our mandate and board.

“At the EIA we aim to instill an entrepreneurial and dynamic culture. Each ILP graduate who joins us must thrive on continuous self-development and learning. ILP graduates work within a close-knit team that allows them to participate on a wide range of diverse projects and alongside senior and experienced investment professionals.”

EIA Human Resources, Investment Leadership Program

As we move onto the next phase of our growth, our organizational structure will evolve accordingly while maintaining our original principles and values. The last year also saw the EIA welcome some new, key personnel, whose talent and skills will help us in our ongoing development and growth.

Our People

Due to our unique position and key directives, the EIA has sought to maintain a lean team of highly qualified experts since inception. We consider the relatively small size and high caliber of our team to be our core strength. Our people philosophy centers on entrepreneurship, flexibility, and each individual’s ability to contribute to a broad range of projects and investments. We also provide skills diversification to each employee by opening up opportunities to work across teams and asset classes, to work with senior management, and to participate in decision-making at various levels.

Our organization continues to develop and grow over time, according to its evolving investment strategy and needs. More than twelve different countries are represented amongst our employees, as are a wide range of talents and abilities. With such diversity and small size, we believe that candor and open debate are imperative and we make it a point to encourage open discussion at all levels. We believe that the diverse quality and experience of our people coupled with the openness of our investment process allows for a more rigorous and higher quality level of investment debate and decision making.

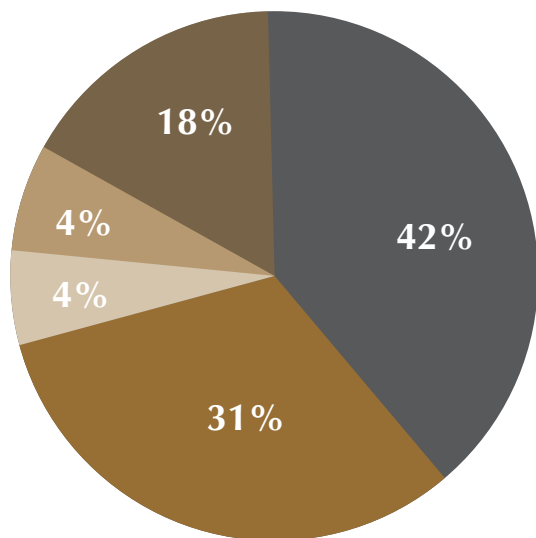
As we continue down our growth path, we do not anticipate growing dramatically in our employee numbers. However, we will grow to meet our goals by investing in individuals with both increased specialization and broader investment experience. As we evolve, we will remain rooted in our people philosophy and continue to abide by a core set of values:

Transparency - As a lean organization, we must efficiently and openly share resources among our various teams in order to maximize our potential. Transparent and fully engaged cooperation across teams is essential for building our employees’ trust and sustaining our dynamic team environment.

Respect - We maintain a standard of professionalism that is outlined and upheld by our Business Code of Conduct. Through our transparent evaluation and employee relations processes, employees clearly know what their objectives are and how they are evaluated.

Compliance - With a fiduciary obligation to the UAE Federal Government and nation we must enforce and comply with the highest standards of accountability, governance and integrity across our entire organization.

EIA Employee Diversity



- Europe
- Middle East and North Africa
- The Americas
- Asia/ Australia
- UAE



Investment Leadership Program and Career Development

As an organization with a federal mandate covering the whole of the United Arab Emirates (UAE), the EIA has a particular interest and responsibility in nurturing UAE National talent from all seven emirates.



The long-term future of our nation depends on the skills and talent of our next generation of leaders. At the EIA, we believe that helping our UAE Nationals reach their full potential is the only way of ensuring the continuation of the UAE's success story.

Our focus is not just on the future. UAE Nationals currently account for approximately 42% of our EIA workforce, proving that they already have played an integral role in the creation and growth of the EIA. They absorb the knowledge imparted from the many different nationalities and professionals we have at the EIA and use these experiences to broaden their own skillsets.

UAE Nationals selected by the EIA through the Investment Leadership Program (ILP) must meet a series of rigorous qualifications including successful completion of a degree, usually Business Administration or Finance, and maintaining at least a 3.0 or a 4.0 grading scale. In addition, those selected must have demonstrated their ability to work with a multicultural team, multitask on various projects, and be willing to speak up and share their ideas within a group.

Once they have passed through the selection process, ILPs are subject to an intense but rewarding program that effectively integrates both study and work. Our UAE Nationals learn on the job, starting real work on day one within one of our investment teams. This begins their rotation cycle within all of our investment teams. Through these rotations, ILPs gain a broader understanding of how our business works and experience first-hand the challenges of managing our investments.

In addition to full time work, the ILP is required to earn his or her Chartered Financial Analyst certification within 18 months of beginning the program. Once an ILP successfully completes the program, he or she will be hired as an Associate at the EIA and is sent for two months for international training with a leading global financial services firm.

The success of our Investment Leadership Program (ILP) has been remarkable. Many ILP graduates are leaders within their communities and are civic-minded outside of work, which the EIA supports and encourages. Some ILPs have gone beyond what was required of them and earned additional certifications in finance and accounting. ILPs are rewarded for their initiative through such measures as earning a fast-track to an Associate position or an increase in salary.

The EIA has seen five candidates successfully complete the ILP program so far all of which achieved the CFA level 2 certification during this initial 18-month period. Additionally, it currently has two members of staff that are current ILP program members. The EIA is always looking out for suitable and motivated UAE Nationals to recruit into this expanding program.

Going forward, we see our UAE Nationals playing an increasingly important and even more central role as the EIA continues to deliver its mandate of managing the sovereign wealth of the UAE for the benefit of the entire nation.

Our Investment Leadership Program Graduate Scheme

ILP Graduate 1

Abdulaziz joined the EIA's Investment Leadership Program (ILP) in January 2013 after graduating from American University in Sharjah with his degree in Finance. During university, he was an exchange student to the United States and chose to write his senior project about strategic asset allocation. Abdulaziz has already passed the first level Chartered Financial Analyst (CFA) exam as well as the level one exam for Chartered Alternative Investment Analyst (CAIA) certification and is on his second rotation as an ILP graduate with the Asset Management team. In late 2013, Abdulaziz was invited to join a trip to the U.S. to participate in meetings regarding potential new investment opportunities in New York, New Jersey, Boston, Washington, D.C., and San Francisco.

Why the EIA and the ILP?

I was drawn to investment evaluation and how to identify opportunities to extract value for the future. I was also looking to develop my leadership skills and knowledge of finance with practical experience on the job. When I saw the ILP brochure, I was immediately attracted because I knew it would be challenging. Most fresh graduates aren't required to work and study simultaneously but I was drawn to the challenge of working full-time while earning my CFA. Also, the EIA provides the unique opportunity to work in a variety of areas, not just in asset management or private equity, so I knew I could gain specialization in a variety of sectors.

Please describe your experience in the EIA's ILP.

The EIA has a very supportive environment. My colleagues are very professional and they have provided me with opportunities to learn from the best. For example, I was sent to London with another ILP graduate to attend a week of training with investment consultants, Cambridge Associates. On top of this, I also have the chance to get involved in new activities across the organization and feel like I can ask for opportunities as well. For instance, I had the opportunity to participate in the EIA's Asset Allocation Strategic Exercise which essentially sets the blueprint for the EIA's investment strategy. Since then, I've attended Asset Management meetings and have been asked to lead a stock analysis project, which evaluates a portfolio of liquid assets, and make recommendations. There are also opportunities to work with other departments such as Human Resources, who have asked me to join them for the annual career fair at the UAE embassy in Washington, D.C. While there I will meet fresh UAE graduates from schools in the U.S. and share my experiences at the EIA with them.

What are your plans for the future?

I'm very interested in portfolio management so my work in the Asset Management division at the EIA has been very insightful. However, I found the Private Equity division to also be interesting so as I continue my rotations, I will keep an open mind. After some more time at the EIA, I would like to study for my MBA. This may take me abroad for a period of time, but I plan to return and apply my skills and knowledge to my country's future development.

ILP Graduate 2

Abdallah joined the EIA's Investment Leadership Program (ILP) in December 2013. Having moved abroad in 2007, Abdallah graduated from California State University in 2012 with a degree in Business Administration concentrated in Finance. After graduation, he worked in the Finance Department of the Dubai Police where he also completed the official police officer training course.

Why the EIA and the ILP?

The clarity which the ILP provides is extremely impressive. The program is clearly and precisely formatted, allowing me to improve my skills and gain experience in a number of different fields, including private equity, asset management, treasury and special projects. Private equity is a particular interest of mine, although it should be said that working at the EIA has given me exposure to a number of different investments and sub-industries. The EIA's status as a federal-level Sovereign Wealth Fund is also very appealing, as are the shared values of those people I am fortunate enough to work with – they are goal-orientated, decisive and determined.

Please describe your experience in the EIA's ILP.

I started work on a special project which offers me a base and foundation to understand how businesses are started, as well as an opportunity to develop my project management skills. After this I will be learning more about asset management, which is important as it is one of the EIA's core specialties. In addition to all of this work, the network of people that I have formed and the knowledge I have acquired is a real additional pleasure of being involved with the ILP.

What are your plans for the future?

I am looking forward to gaining exposure to all of the many vocations covered by the ILP, to get an idea of what roles might be best for me in the future. I hope to develop investment analysis skills and, once I have completed the ILP, to continue working for the EIA. At some point I would like to complete an MBA, in order to gain further knowledge and credibility. After this, I would look to use my skills to help advance the prosperity of our nation.

Corporate Social Responsibility

As a Federal organization with an investment strategy and mandate that covers both the UAE and overseas, the EIA has an obligation to ensure that its activities create as much positive, sustainable economic and social impact on their various stakeholders and external communities as possible.

The EIA adopts a proactive and sustainable investment approach that helps accelerate business performance and increase long-term returns whilst at the same time embracing responsibility for the EIA's actions. This approach also encourages a positive impact through our investment activities on the environment, employees, communities, stakeholders and all other members of the public sphere.

As outlined above, a core tenant of the EIA's CSR values and principles is the emphasis that we place on our people – our most valuable resource. The EIA has a particular interest and responsibility in nurturing our UAE National talent. At the EIA, we believe that helping our UAE Nationals, as well as our other employees, reach their full potential and achieve their personal and professional goals is the primary way of ensuring that we can contribute more to the UAE's society and community beyond the financial returns we seek to make on our investments.







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