Official Institutions Group

Where Sovereign Investors Turn When It Matters Most

Sovereign investors face immense pressure to deliver results and manage risk. They must do this while satisfying demands for rigor, transparency and innovative solutions from a diverse and powerful set of stakeholders.

We understand this pressure because we live it every day.

As a Global Systematically Important Financial Institution (G-SIFI) and one of the world's largest asset managers, we draw on our experience, size and global reach to address the complex challenges facing sovereign investors. For nearly two decades, official institutions have turned to us for innovative solutions, a global perspective, reliable execution and customized training and research.

Rigor and Innovation for Complex Challenges

We work with sovereign wealth funds, central banks, public pension funds, supranational entities and other official institutions (OIs) across 39 countries. This experience allows us to bring perspective, objectivity and innovation to each client.

Our OI Platform

$499B
AUM for official institutions[1]

#1
ranking for sovereign wealth AUM; #3 for central bank AUM[2]

3x
winner of Central Banking's Asset Manager of the Year (2016, 2017 and 2019)[3]

Scale and Stability That Withstand Scrutiny

OIs face tremendous scrutiny and must be able to defend their decisions to numerous stakeholders. Our ability to provide advice and solutions that withstand scrutiny is why our clients take comfort in working with us.

Strong governance. We are a G-SIFI, so we fully understand the need for strong governance, risk controls, transparency and discretion.

Fiduciary culture. Our asset management business was born from our fiduciary culture as a custodian. Our "One State Street" model ensures that our investors come first.

Rigorous execution. As one of the world's largest custodians and asset managers, we have the scale and resources necessary to manage mandates and execute trades for even the largest OIs.

Innovative Solutions to Emerging Challenges

Our track record of solving the complex problems OIs face includes:

- "Tracker fund" program for the Hong Kong Monetary Authority, created 20 years ago and continuing today, to bring stability to the Hang Seng Index
- Pan-Asian bond fund to develop sovereign debt across eight local markets
- Partnership with the ECB to build up its ABS portfolio as a tool for transmitting monetary policy and strengthening euro area credit markets
- Selection by the US Treasury to manage and advise its MBS portfolio with the goal of protecting taxpayers' long-term interests and minimizing tail risk

1 AUM as of September 2019.

2 Pensions & Investments Research Center. December 31, 2018.

3 The "Central Banking Asset Manager of the Year" award recognises Asset Managers who demonstrate that they have added value in managing investment assets of central banks and other sovereign investors. The Central Banking "Asset Manager of the Year" Award is based on Risk/return and liquidity suitability, diversification, benchmarking/benchmark outperformance. Submissions should describe why an institution deserves an award through a selection of case studies describing solutions and benefits offered to its official institution clients. While geographical reach and breadth of assets coverage are important, particular attention will be made to asset managers that have met the real needs of their clients during the period under review. https://www.centralbankingawards.com/categories

Sharing Expertise to Drive Client Success

The depth of our research and the quality of our training programs are cornerstones of our work with official institutions.

Proprietary Research

We apply our intellectual rigor and insights gained from working with OIs and other clients around the world to conduct proprietary research that answers sovereign investors' most pressing questions.

Through our analysis of trends shaping macroeconomics, monetary policy and capital markets, we bring ideas that elevate our clients' investment perspectives.

Annual reports on OI investment trends. These reports analyze asset flows across sovereign investors and include trend analyses and peer group comparisons for:

- Sovereign wealth funds
- Central banks
- Public pension funds
- ESG investing among OIs

Thematic reports on timely issues. We identify and explore issues that are of utmost importance to sovereign investors, including how OIs can use ETFs, private market investment trends, policy expectations for the next downturn and analyses of China's and Saudi Arabia's capital markets.

Knowledge Transfer, Training and Events

OIs are eager to learn from the asset management industry's leading practitioners, policymakers and academics — as well as from other OIs around the world. We organize training that involves both academic theory and up-close interaction with investment professionals.

- From our flagship annual OI conferences in Boston and London to customized training at a client's headquarters in Asia, our multi-level training program provides forums for investment professionals from OIs to explore new topics, advance their skills and network with peers.
- We partner with organizations such as the Official Monetary and Financial Institutions Forum (OMFIF), Harvard University and the Massachusetts Institute of Technology (MIT) to provide our OI clients with industry-leading research and training.
- Our annual Institutional Training Academy in London offers an overview of asset management topics delivered through presentations and workshops. When possible, we also offer deep-dive customized topics and educational tours in collaboration with our industry partners to provide a unique cultural learning experience.

Navigating ESG Integration with Precision and Perspective

Amid increasing calls for sustainability and transparency, OIs are facing immense pressure to take action on environmental, social and governance (ESG) issues in their portfolios.

Drawing on more than three decades of ESG leadership and $206B of ESG-focused mandates, we are committed to helping sovereign investors navigate this complex and vitally important issue.

Advice for Each Stage of the Journey

We work with OIs at all stages of their ESG journey, helping them to think through the many questions involved in developing an ESG approach that thoughtfully and strategically achieves their objectives.

OIs turn to us for help with:

- Understanding how excluding certain companies or sectors would affect a portfolio's tracking error and risk/return profile
- Developing customized strategies that tilt toward companies with superior ESG practices in specific, thematic areas such as climate change or gender diversity
- Integrating ESG research and scoring into an investment process

Breaking New Ground in ESG Investing and Asset Stewardship

R-Factor™. Our transparent ESG scoring model, R-Factor™, is built on best-in-class data about financially material sustainability factors. Developed in conjunction with the Sustainability Accounting Standards Board (SASB), we believe that R-Factor will help create more sustainable capital markets by providing essential information to investors and corporate management teams.

Fearless Girl. As long-term investors, we believe that using our voice and our voting power to improve governance practices is part of our fiduciary duty. Through our Fearless Girl campaign, we have engaged with more than 1,300 companies that did not have a woman on their board of directors and called on them to take action.

Low-Carbon Bond Fund. We are leading the charge to bring ESG investing to fixed income through a broad suite of solutions, including our Low-Carbon Corporate Bond Strategy. This strategy could help investors reduce the carbon-intensity of their fixed income portfolios and understand the tradeoffs between carbon reduction and tracking error.

To learn more about our Official Institutions Group and our capabilities for sovereign investors, visit **ssga.com/officialinstitutions**.

About the Official Institutions Group

State Street Global Advisors' Official Institutions Group is a dedicated, London-based team that provides advice and solutions for global sovereign investors, including sovereign wealth funds, central banks, supranationals and public-sector clients. As one of the largest managers of official assets,* we offer a full range of investment capabilities across styles, asset classes and geographies. Our team collaborates with sovereign investors to understand their distinct investment challenges, respond to their immediate needs, design customized client-centric solutions and help them prepare for the future.

* Pensions and Investments Research Center. December 31, 2018.