UBS FX STRATEGY:
Sovereign Wealth Funds

Zurich

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Sovereign Wealth Funds

Oil Prices & EURUSD

West Texas Oil Prices

EURUSD
Sovereign Wealth Funds

S&P 500 & EURUSD

S&P 500

EURUSD

USD

EURUSD

Jan-97 Jun-99 Nov-01 Apr-04 Sep-06
Sovereign Wealth Funds

Asset Managers, FX Reserves & SWFs

- G10 Asset Managers
- Central Banks
- Middle East

USD Tn

2001 2002 2003 2004 2005 2006 2007 2008
Sovereign Wealth Funds

Sovereign Wealth Funds' Assets

USD Bn

ADIA  SAMA  Norway  GIC  Kuwait  CIC  Russia  Temasek  QIA  Libya  Aus  Algeria  Brunei  US  Kazakh  KIC

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Sovereign Wealth Funds

Foreign Exchange Assets, Middle East

Cumulative Current Account Surplus Since 1970

Change In FX Reserves Since 1970s

Reported FX Reserves

USD Bn


USD Bn

0 500 1000 1500 2000

0 500 1000 1500 2000
Sovereign Wealth Funds

Currency Composition

- Norway Pension Fund
- Russia Stabilisation Fund
- Qatar Investment Authority
- Singapore GIC
- "All" Central Banks

Bar chart showing the currency composition of various sovereign wealth funds.

0% 10% 20% 30% 40% 50% 60% 70%

USDEURGBP JPY
USDEURGBP JPY
USDEUR
USD
USDEURGBP JPY
Sovereign Wealth Funds

Oil Prices & EURUSD

USD

EURUSD

West Texas Oil

Jan-97 Jun-99 Nov-01 Apr-04 Sep-06

0 25 50 75 100 125 150

0.80 0.90 1.00 1.10 1.20 1.30 1.40 1.50 1.60

0.80 0.90 1.00 1.10 1.20 1.30 1.40 1.50 1.60

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Sovereign Wealth Funds

Asset Allocation

- Temasek
- CIC
- Norges
- KIA
- ADIA
- Alaska
- GIC
- Australia
- Russia
Sovereign Wealth Funds

S&P 500 & EURUSD

USD

EURUSD

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Sovereign Wealth Funds

Market Capitalisation Weights

- USA: 35%
- Eurozone: 20%
- Japan: 15%
- UK: 10%
- BRIC: 10%
Sovereign Wealth Funds

Geographical Allocations

- Temasek
- ADIA
- GIC
- Norges

Allocations:
- Sing Majors Emerging Asia
- USA
- EU/JPN
- Emerging Asia
- Majors
- EM
- Majors
- EM

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