



China Investment Corporation



CONTENTS

Part I CIC Overview

Part II CIC Investment Review

Part III Private Equity Investment



Part I

CIC Overview



Establishment and Mission

- CIC was founded on September 29, 2007 with issuance of Special Bonds worth RMB 1.55 trillion by the Ministry of Finance. These were, in turn, used to acquire approximately USD 200 billion of China's foreign exchange reserves. As a commercial investment institution, CIC has full operational independence and makes its investment decisions based on its assessment of economic and financial objectives.
- CIC operates with a clear mandate to diversify China's foreign exchange investments and to seek maximum returns for its shareholder within acceptable risk tolerance.
- CIC aims to grow into a world-class and respected Sovereign Wealth Fund.



Organization Structure

CIC International

was established in September 2011, with a mandate to invest and manage overseas assets. It took over the entire overseas investment portfolio and mandate from CIC. Since CIC International was established, an additional \$49 billion has been provided to the company.

Central Huijin

a wholly owned subsidiary of CIC, holds controlling stakes in key state-owned financial institutions in China. Though Central Huijin is not involved in the operations of the companies it invests in, it exercises its shareholder rights and performs its obligations to improve governance, and preserve and enhance the value of state-owned financial assets.



Part II

CIC Investment Review



Investment Principles

- CIC invests on a **commercial basis**. Our objective is to seek maximum returns for our shareholder within acceptable risk tolerance.
- CIC is a **financial investor** and do not seek control of the companies in our portfolio.
- CIC is a **responsible investor**, abiding by the laws and regulations of China and recipient countries and conscientiously fulfilling our corporate social responsibilities.
- CIC pursues investments based on in-depth research within our asset allocation framework to ensure a **prudent and disciplined decision-making process**.



Portfolio Construction

CIC bases its asset allocation on the **Endowment Model** and bring in diverse risk allocation elements to improve allocation decision-making. We also constructed a mid-term policy portfolio to achieve more stability and flexibility in portfolio management while boosting investment returns.

Strategic Asset Allocation

Long-term investment guidance

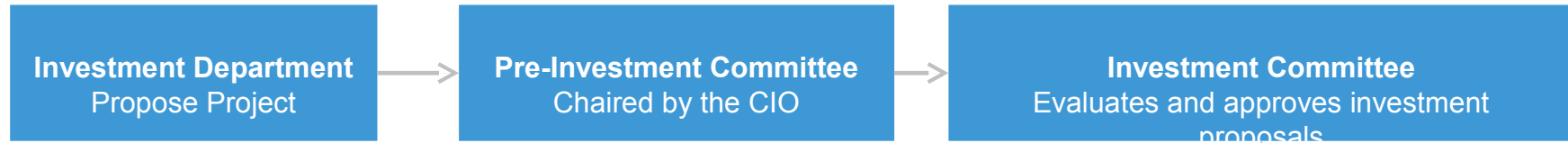
Policy Portfolio

3-year time horizon;
anchor for investment
activities and portfolio
rebalance

Tactical Asset Allocation

Active tilt from the Policy Portfolio;
seizing investment opportunities arising
from market volatility to seek risk premium

Investment Decision-Making



- Chairman and CEO
- Vice Chairman and President
- Executive Vice President and CIO
- Other Executive Vice Presidents
- Chief Strategy Officer
- Chief Risk Officer

Investment
Departments



- Department of Asset Allocation and Strategic Research
- Department of Public Equity
- Department of Fixed Income and Absolute Return
- Department of Private Equity
- Department of Special Investment
- Department of Risk Management
- CIC International (Hong Kong)



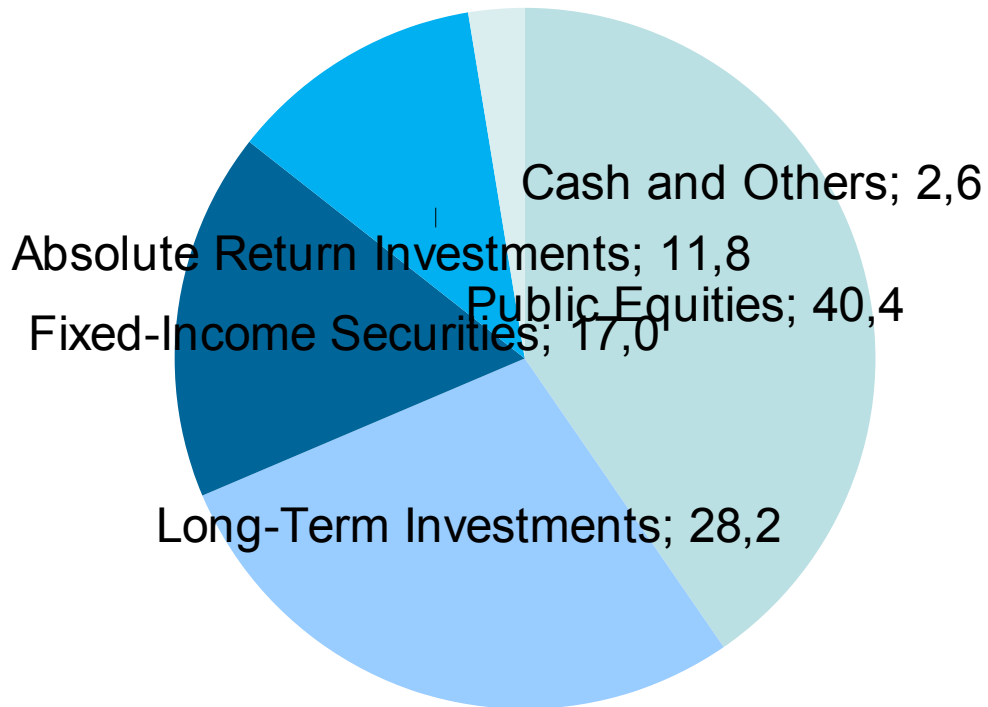
Investment Departments

- Department of Asset Allocation and Strategic Research is responsible for developing investment policies, proposing asset allocation plans, policy portfolios and tactical allocation schemes, managing the total portfolio and developing alternative portfolio investment and passive asset investment strategies. It functions as the Secretariat for the Investment Committee and the Pre-investment Committee, and provides support for the decision-making process and ensures procedure compliance and supervision and monitoring.
- Department of Public Equity is responsible for actively managing public equity investments globally. Assets are managed through several strategies, which are further divided into sub-strategies. Strategies are set up based on different regions, striving for a full coverage of major global markets while focusing on certain key regions. Sub-strategies are set up based on different investment methods, principals, styles or sub-regions.
- Department of Fixed Income and Absolute Return is responsible for active tactics for fixed income products, and external and internal investment of assets of absolute return. Active tactics for fixed income products include investment in treasury bonds of developed and emerging economies; and absolute return products include investment in hedge funds, risk parity and multi-asset tactics.
- Department of Private Equity is responsible for private equity and real estate investments through private equity funds, direct investments and co-investments, as well as credit opportunity investment.
- Department of Special Investment is responsible for investments in assets in such sectors as energy, mining, infrastructure and agriculture.

Portfolio Distribution

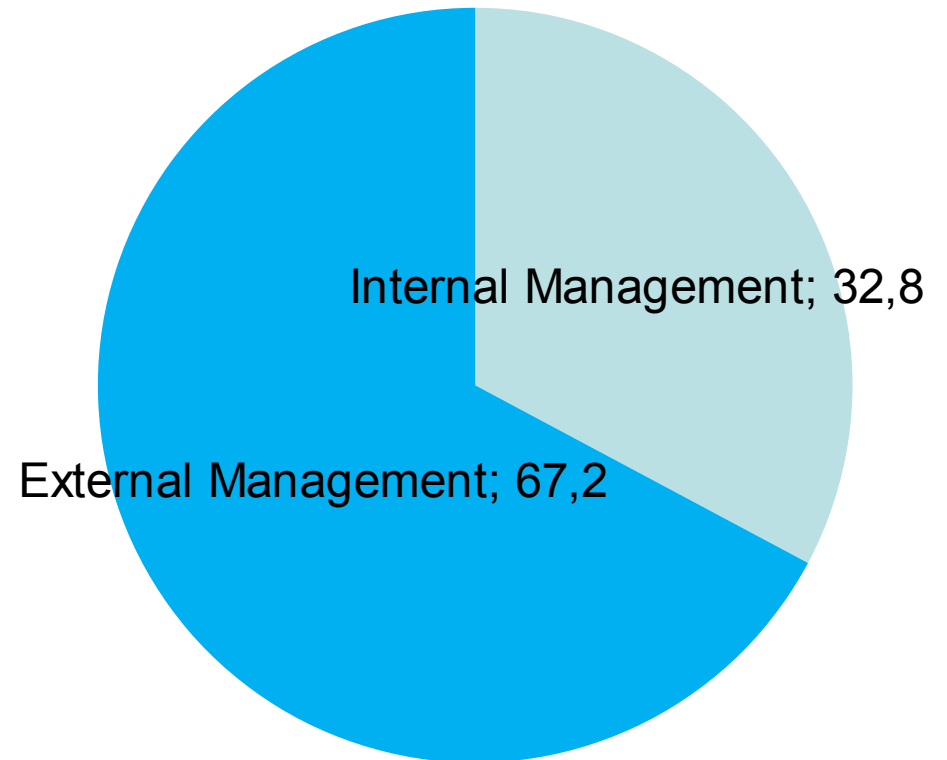
Global Investment Portfolio Distribution

As of 31 Dec 2013



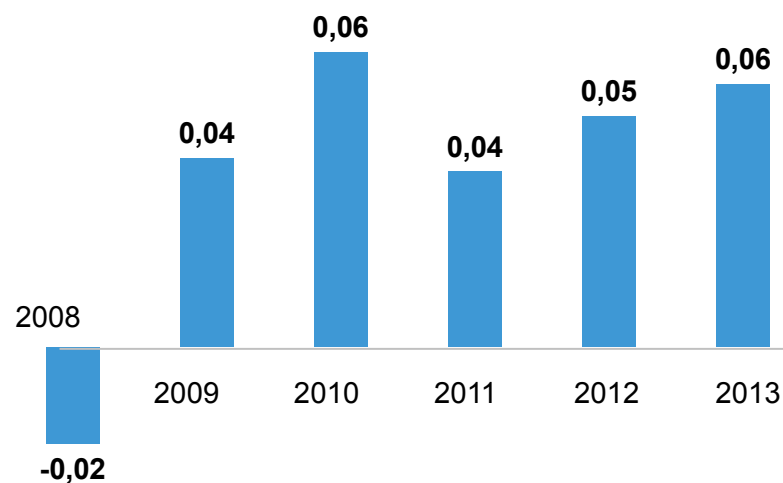
Internally Managed Assets VS Externally Managed Assets

As of 31 Dec 2013

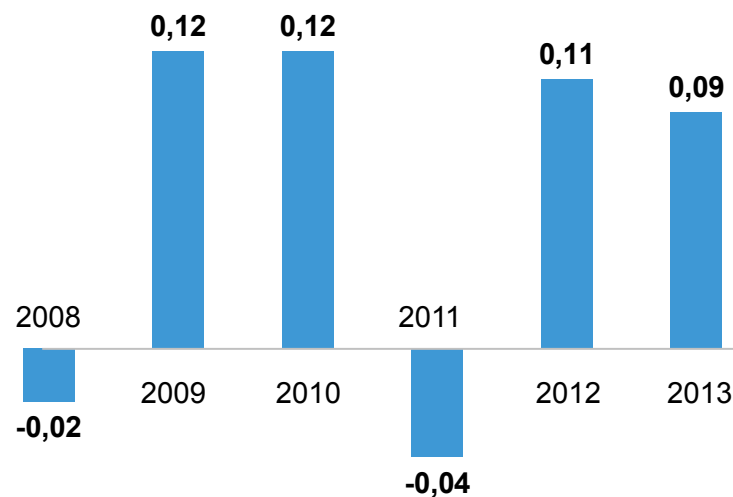


Investment Performance

Cumulative Annualized Return



Annual Return





Part III

Private Equity Investment

Strategy

- Our department covers all sectors **excluding** oil & gas, mining, infrastructure, agriculture, and makes long-term investments both directly and indirectly globally
- Our investment strategies include: private equity funds, co-investment and direct investment, and asset-class consists of private equity, private debt and real estate

<i>Investment Method</i>	Fund Investment	Co-Investment	Direct Investment
<i>Business Line</i>			
Private Equity	✓	✓	✓
Private Debt	✓	✓	✓
Real Estate	✓	✓	✓



Thank You!