

CIC reaps gains from rosy overseas investments

China Investment Corporation (CIC), the nation's sovereign wealth fund, said on Thursday it posted a solid return of 11.7 percent on its global investment portfolio in 2009, thanks to major global moves made last year.

The fund said it reaped a net profit of \$41.66 billion in 2009 after making a total investment of \$58 billion over the period.

If the domestic portfolio of State-owned financial institutions is also taken into consideration, the fund has made a return on registered capital of 12.9 percent, it said.

"We deployed significant capital into markets around the world last year and earned a satisfactory return for our shareholders," CIC Chairman Lou Jiwei said in its 2009 annual report, the second of its kind since the fund was established in late 2007.

Lou said the fund "accelerated its investment activities" since May 2009 as the global economy began to show signs of recovery. That compares to its strategy in 2008, when the fund kept the bulk of its assets in cash to limit losses amid the worsening global financial crisis.

The fund posted a negative 2.1 percent return from its global investment in 2008 with only \$4.8 billion being invested in overseas market.

By the end of 2009, over 32 percent of CIC's assets were in cash or cash equivalent products, 36 percent in global equities, 26 percent in fixed income securities and 6 percent in alternative investments.

"If the projects we pledged to invest in are taken into account, till now we have deployed some 90 percent of our available funds," a top fund official said.

Lou said this year will continue to present a challenging investment environment and the condition of the world economy is "by no means certain and markets remain volatile". CIC, established in 2007 with the mission to diversify China's financial holdings, embarked on its latest large-scale recruitment drive on Wednesday with 64 positions being advertised.

The fund is looking for financial professionals including asset allocation researchers, financial analysts, credit risk analysts and hedge fund analysts.

By the end of 2009, CIC had grown to nearly 250 team members, with over 80 percent having advanced degrees and over 50 percent having overseas work or education experience.

Source: China Daily

(Editor: 祁瀚文)