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Enabling poor rural people  
to overcome poverty

## **IFAD's Investment Policy Statement**

Executive Board — 103<sup>rd</sup> Session  
Rome, 14-15 September 2011

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For: **Information**

# IFAD's Investment Policy Statement

## Information Note

1. The attention of the Executive Board is drawn to this information note to IFAD's Investment Policy Statement (EB 2011/103/R.33), which includes additional data on the asset allocation under the new Investment Policy Statement.
2. The new asset allocation to emerging market sovereign bonds (BBB- and above) and corporate bonds (A- and above) is limited to 10 per cent or US\$250 million equivalent of the total portfolio value as shown in the table below, on the right-hand side column (shaded in grey).
3. The 10 per cent allocation will be funded by the lowest performing portfolio of Global Government Bonds (AA- and above). The performance as at 31 August 2011 is 1.85 per cent, as shown in the middle column of the table (shaded in grey).
4. The 10 per cent allocation to emerging market sovereign bonds and corporate bonds would better protect IFAD from the continuing turbulence across global financial markets where IFAD's assets are invested.

**Table - Asset allocation under the new Investment Policy Statement as at 31 August 2011**  
(August figures are estimates)

Asset Classes	Current Asset Allocation			Proposed Asset Allocation	
	US\$ Millions	actual %	Performance as of Aug 2011	US\$ Millions	estimated %
Cash	208.00	8%	0.35%	208.00	8%
Held-to-maturity AA- and above	410.00	16%	2.59%	410.00	16%
Diversified Fixed Income AA- and above	406.10	16%	5.29%	406.10	16%
Inflation Indexed AA- and above	520.80	20%	5.35%	520.80	20%
<b>Global government bonds AA- and above</b>	<b>996.80</b>	<b>39%</b>	<b>1.85%</b>	<b>746.80</b>	<b>29%</b>
<b>Emerging market sovereign bonds BBB- and above</b>	<b>0.00</b>	<b>0%</b>	n.a.	<b>150.00</b>	<b>6%</b>
<b>Corporates A- and above</b>	<b>0.00</b>	<b>0%</b>	n.a.	<b>100.00</b>	<b>4%</b>
<b>TOTAL</b>	<b>2 541.70</b>	<b>100%</b>	<b>2.96%</b>	<b>2 541.70</b>	<b>100%</b>

} 10%