Ho Ching

Chief Executive, Temasek

Singapore's state-owned investment giant represents Asian capital's westward migration like few others

Temasek, founded in 1974 with the Singapore government seeding of 35 company holdings from a detergent maker to a bird park has come a long way in a generation. It is now worth some S$172 billion ($122 billion) and claims a compound annual shareholder return of 16% since inception.

Key agent of change for the development of Temasek, the investment arm of the Singapore government, in recent years has been the appointment of Ho Ching as chief executive in 2002. Ho is also the wife of Singapore's prime minister, Lee Hsien Loong.

Ho has converted Temasek from a Singapore-centric holding company into a leading investor in Asia. "Temasek in the past five years has moved from being a passive custodian to being an active – and outstanding – investor," says Jim Rogers, the internationally acclaimed investment analyst.

So, although Temasek remains a major shareholder in famous Singaporean companies – notably Singapore Airlines, DBS and CapitaLand – its investment strategy is based on profit not geography. "We don't see our role as shoring up anybody," Ho says. "We see our role as getting a return, and if there are opportunities for return, we will be there."

Temasek's prolific buying of banks has made Ho one of the key players in global banking. Temasek is one of the largest shareholders in Standard Chartered, DBS, India's ICICI Bank, banks in Indonesia, South Korea and Pakistan, and in China two of the biggest banks in the world, China Construction Bank and Bank of China.

But it hasn't always gone well. Last year Temasek mistimed investments in Barclays and Merrill Lynch and was forced to sell the stakes at the bottom of the market. Nevertheless, the global market rally has ensured that the fund's portfolio stands just 7% below its peak of $185 billion in March last year.

Temasek has hit the headlines in the past couple of years with the acrimonious purchase of a stake in Thailand's Shin Corp – which arguably led to the overthrow of Thaksin Sinawatra, the prime minister, in 2006 – and in Indonesia, where it holds large (and resented) stakes in the country's banking and telecoms sectors. Also Ho was to have stepped down this year to be replaced by former BHP Billiton chief executive Chip Goodyear but his recruitment failed in July.

Ho can still point to market-beating returns over almost any time frame – and it is instructive that the worst investments during her tenure have been in the developed world. "We felt there could be a downturn," says Ho. "But we were looking at the triggers in the wrong places... we made the assumption that the developed economies, particularly the large economies, are well managed and regulatory risks are low," she says. "Today, we pay a lot of attention to what is being said and done in the US."

One characteristic of Temasek, under Ho, has been its transparency. It doesn't disclose everything, but its detailed annual reviews frequently top 100 pages. They are an open book compared to sovereign funds in the Middle East.

Controversially, Ho last year introduced a compensation system tied to performance, which resulted in slashed pay and bonuses for senior executives.

She answers to a board containing only one member in a direct government position, with a varied roster of other members that balances locals with executive director Simon Israel, formerly at Danone Group, and Marcus Wallenberg of the Scandinavian SEB Group.

For the future, Temasek is going to cut the developed OECD to just 20% of its portfolio and stick to what it knows: 70% in Asia including Singapore, and a further 10% in other emerging markets. *—Chris Wright and Nick Parsons*

Lou Jiwei

Chairman, China Investment Corporation

China's desire to make a return on its hard currency reserves gave birth to CIC. Its boss shows little sign of retreating into the shadows

China Investment Corporation (CIC), China's $298 billion sovereign wealth fund, is back on a buying spree. Having spent 2008 licking its wounds after its investments in Morgan Stanley and Blackstone tanked, CIC is buying everything from real estate to green energy projects, as well as pumping money into outside asset managers.

The man behind its latest bout of acquisitiveness is Lou Jiwei, a former Chinese vice minister of finance who took over as chairman of the newly founded CIC in 2007.

Lou was widely known as one of the country's most seasoned financial operators. He was handpicked by the top leadership to run the new agency, which was set up as an alternative direct investment counterpart to Safe (the State Administration of Foreign Exchange).

Lou's brief was simple: like Safe, to mitigate risks to China's immense foreign exchange reserves; and crucially, to secure better returns than parking China's hard currency in US Treasuries.

"The fund's investment philosophy is stunningly different to the usual Chinese firm's reluctance to expand overseas," say Daniel Rosen and Thilo Hanemann of the Peterson Institute for International Economics. "Foreign markets intimidate their bosses, who lack the know-how to manage them or keep costs down. CIC derives greater confidence from better management, although only two CIC board members have significant experience outside of China."

That said, CIC has signally failed to achieve its investment goals so far. Last year CIC posted a negative 2.1% return on its global investment portfolio as the value of stakes such as those in Wall Street bank Morgan Stanley and private equity firm Blackstone Group slumped.

Now it is looking to pick up distressed assets in the US through the govern-

Sheikh Ahmed bin Zayed Al Nahyan

Managing Director, ADIA

When the credit crunch came, ADIA stepped out of the shadows. The world's largest sovereign fund is increasingly looking towards domestic investment

When oil was discovered in Abu Dhabi in 1958, the emirate had a population of 46,000, four doctors and five schools. Most of the population lived in mud huts. Today, the emirate has its own Guggenheim museum, its own Louvre, its own Sorbonne, and the average net worth of its citizens is around $16 million [TK really?]. Its city skyline is dotted with skyscrapers, and