



PERSPECTIVES ON

# Bringing Communities Together For The Long Term At GIC

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This article looks at the approach GIC's Technology Investment Group (TIG) takes to create sustainable, long-term value in its portfolio.

This piece was first published by [FCLTGlobal](#) on their website.

**“ ... Staying long term takes commitment – you have to believe it and embrace it, but that is where real value gets created.**

**Jeremy Kranz and Chris Emanuel**  
Co-Heads, Technology Investment Group

Investing in long-term projects is often easier said than done. As highlighted in our recent publication, *[Funding the Future, Investing in Long-Horizon Innovation](#)*, long-horizon R&D, when successful, can offer significant, transformational returns to companies, but these are often among the first projects sacrificed in the face of short-term pressure. Similarly, long-term investors frequently invest in companies with innovative, revolutionary ideas, but may be pressured to sell before the investments reach their full potential to meet short-term incentives. Staying the course in the face of short-term pressure takes discipline and commitment: sometimes it takes a whole lifecycle for companies to fully realize their potential.

As a sovereign wealth fund, GIC has a mandate to preserve and enhance the international purchasing power of the reserves they manage, to secure Singapore's financial future. It has long championed a balanced, holistic, and long-term approach towards deploying capital as an asset owner, aiming to achieve sustainable real returns over a 20-year horizon.<sup>1</sup> In support of that long-term mandate, GIC maintains a diversified portfolio, balancing different risk and return profiles of its core asset classes to be resilient across a range of market conditions.

An ocean away from Singapore, in the heart of Silicon Valley, is GIC's technology investment group: a team comprising specialized private equity professionals that look to better deploy capital, increase business development efforts and to highlight tech disruption risks for the benefit of GIC's overall portfolio - all of which contribute to GIC's success.

## GIC Technology Investment Group's Unique Framework

As Jeremy Kranz and Chris Emanuel, co-heads of GIC's technology investment group, described, the team's approach to delivering sustainable long-term returns focuses on a "lifecycle investing" approach: investing in companies at the earliest stages, sticking with them as they mature and grow,

<sup>1</sup> "Investments – Performance." GIC, 2021. <https://www.gic.com.sg/investments/performance/>.

and then holding them beyond IPO.<sup>2</sup> GIC's large portfolio of investments, across a wide range of asset classes in both the public and private markets, allows the team to leverage firm-wide insights and provide advice and support to companies across all stages of growth. Some examples include the team's long-term investments in companies like Snowflake, Doordash, Bytedance, Affirm, and Meituan. The team prefers to work from the ground up to better understand the fundamentals, rather than placing a lot of bets on "the next big thing."

By putting in the work to develop communities and franchises in niche categories of expertise, and focusing on building a reputation as a unique long-term investor and partner, the technology investment group attempts to identify businesses they believe can become "iconic companies" with durable business models. In their eyes, a truly "iconic" company is one that creates a new category; these companies tend to be founder-led, high-margin businesses with durable competitive advantages. In their view, companies with these characteristics should stay in the portfolio forever. Internally at GIC, instead of passing a maturing company between its venture capital, private equity, and public equities divisions (realizing gains and paying premiums to pass the same asset around), the technology investment team can simply hold the firm for the long term for the compounding of fundamental value. This unique structure allows GIC to support founders through key moments like global expansion, expansion into adjacencies, and partnership opportunities.

Tying things back to risk and return, Kranz notes that, "the most risk comes into a portfolio when you pay a high valuation for a non-category leading company...when you pay a lot for a company like that, you've taken on a far riskier asset."

The technology investment group's approach to investing in innovation shares similarities with other organizations who have found success investing in long-term opportunities identified by our *Funding the Future* research.

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<sup>2</sup> "Technology." GIC, 2021. <https://www.gic.com.sg/about-gic/technology/>.

## | Partnerships

One aspect of R&D investing highlighted by FCLTGlobal’s research is that partnerships between companies, investors, and external organizations can help tap new skills and thinking, share risks, defray costs, and anchor projects. This aligns with one of the technology investment group’s core beliefs about fostering long-term partnerships with portfolio companies. According to Kranz, “We have challenges to compete due to our strict adherence to price discipline. To remain competitive, we carve out a niche and play to our own strengths within our long-term lens.” To that end, GIC’s technology investment group seeks to be the anchor tenant, offering early-stage startups lifetime, stable partnerships and holdings via long-term investing. In addition, the group invests through venture capital funds, co-investing with these funds and making direct investments. This is possible due to the diverse composition of the team with sector specialists for public and private market investments.

## | Siloed R&D/innovation teams

GIC’s team emphasizes its role as a global, long-term investor. Leveraging its global connections, the team brings innovative companies and products to investors in other parts of the world through its Bridge Forum platform, then observes the behaviors of the participants to generate ideas for global, long-term investment opportunities.<sup>3</sup> According to Emanuel, “When developing relationships with new potential investee companies, we focus on the connections GIC has and how we can help. We can provide access and advice for companies that would benefit from deeper connections in Asia, and vice versa, which is something other investors have a hard time replicating.” Since the Bridge Forum’s launch in June 2018, the team has connected nearly 200 business leaders within GIC’s network and facilitated over 450 one-on-one meetings among industry participants and innovative start-ups. These efforts have resulted in business partnerships around the world and have led to numerous investment opportunities both for participating companies and GIC. Another strategy we see in

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**Chris Emanuel**  
 Co-Head, Technology Investment Group

<sup>3</sup> “Bridge forum – innovation meets impact.” Bridge Forum, 2021. <https://bridgeforum.io/>.

*Funding the Future* is that sometimes siloing a company's R&D team can be beneficial for the firm – it keeps the team safe from the perils of groupthink and detached from the usual short-term pressures that come with being a part of a business unit's bottom line. Emanuel notes that while they are not GIC's R&D team, they are in a good position to highlight tech disruption risks, "our team is actively encouraged by senior management to think differently compared other parts of the organization." With offices in San Francisco, China and India, the team is able to take risks and play offense by cultivating relationships and building an expert reputation in long-term investing, instead of worrying about valuations, near- or medium-term targets, and exit opportunities. The team also works closely with GIC's Technology Business Group comprising cross-asset class specialists who monitor and assess industry trends, and recommend GIC's overall technology portfolio size, composition, and partnership strategy.

## | Keeping R&D teams in-house

Finally, *Funding the Future* also highlights the benefits of companies keeping R&D in-house instead of outsourcing it to a third-party vendor. While outsourcing R&D may help companies cut costs in the short term, having an internal R&D team allows companies to gain a fuller picture of the future competitive landscape, helping them balance short-, medium-, and long-term projects. R&D teams can also draw upon knowledge and talent from across the organization to bring new perspectives and inspire cross-pollination of ideas, a strategy that has worked well for companies like Alphabet.

In addition to investing, GIC's technology investment group has also been tasked with experimenting with early-stage technologies to better GIC's internal productivity. According to Emanuel, they are encouraged to experiment with new tools and technologies, keeping GIC at the forefront of innovation, while simultaneously helping to gain firsthand insights into which businesses may have long-term investment potential. In Emanuel's view, "You have to take some risk to ensure the organization continues to advance and stay ahead of or keep pace with peers." Over the past several years, identifying a

growing need to connect virtually, Emanuel and Kranz's team led the firm in the adoption of tools like Airtable, Asana, Zoom, Slack and the virtual event platform Hopin, which has helped modernize how GIC hosts events like the [Bridge Forum](#), and how it connects employees across the firm's 10 global offices.

## | Conclusion

Through its unique long-term partnership approach to private equity, GIC's technology investment group not only embraces innovation and disruption but also manages to reflect to the organization's long-term values as a sovereign wealth fund. In parting, Kranz and Emanuel shared some words of advice, "Staying long term takes commitment – you have to believe it and embrace it, but that is where real value gets created."



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