



Edited Keynote by GIC CEO Lim Chow Kiat on Commemorating a Decade in São Paulo

Before I start, I would like to express my support and sympathy to the victims of the catastrophic floods in the Southern Brazilian state of Rio Grande do Sul. Our thoughts are with those impacted and GIC will be supporting relief efforts in the area through a donation to a local charity.

Thank you to our partners for joining us tonight – this milestone marks one decade of partnership with many of you, which I hope will continue for many more decades to come. I would also like to thank our team in the Brazil office, led by Wolfgang Schwerdtle, which has quadrupled in size since we opened a decade ago, from six to more than 25 employees today.

In achieving our mission, GIC has protected, preserved, and enhanced the value of Singapore’s reserves. While Brazil is rich with natural resources, our work at GIC has enabled Singapore to build up a valuable nest egg, making up for the natural resources that we lack like oil, forests, and more.

Over 10 years, our investment teams in Brazil have made us proud. They have done good work to find the right opportunities in Latin America (LATAM). With partners like yourselves, these do make a difference for Singapore.

On LATAM

LATAM has a wealth of natural resources and its intrinsic strengths. These include an enormous reserve of minerals, abundant sustainable energy resources, as well as extensive biodiversity. All these make for an exciting region for long-term investment. We must come together and find ways to build businesses that tap into these riches, for these resources to be used well. We are hopeful that more foreign investors will join us in LATAM. We can then get to a scale which will propel businesses to grow. GIC hopes to be a bridge for the region through our long-term capital and partnership.

Over the last 10 years, the LATAM market has gone through ups and downs. Yet, it’s precisely amidst this volatility when some of our best investments were made. We are proud to have remained a steady investment partner for LATAM businesses regardless of market cycles. This is a reflection of GIC’s flexible approach and our core belief in long-term investing.

We also have the advantage of our teams working very closely together across our 11 global offices in key financial cities. We optimise the total GIC portfolio, which helps us offer solutions across the capital structure. This flexible solution mindset applies to any proposal we evaluate.

On Partnerships

We have three principles when it comes to partnerships. We are fair, we are friendly, and we are firm. These apply across all offices in GIC, all asset classes, and all generations of staff. We have been privileged to live by these principles since our establishment in 1981, more than 40 years ago.

At the end of the day, our goal is to bring value to our partners. Our capital is useful, but our partners also benefit from our confidence and support through difficult times, when creative solutions are most needed. In addition, through our various GIC events, partners are able to build relationships on a global scale and share insights on key business issues such as sustainability, technology, and the macro environment. This ecosystem is important to thrive in a complex environment. We are proud that our LATAM partners have benefitted from these opportunities.

On Opportunities

GIC continues to see long-term investment opportunities, particularly in two key structural themes: the urgent and vast amount of investments required to address climate change, and the rapid advancement of technologies such as artificial intelligence (AI).

Climate



Climate change is a planetary challenge. GIC aims to play a role in solving this, both for commercial returns and to be a force for good in the world.

We look at our investment universe in three parts:

1. Green technologies - we have invested in renewables, carbon capture and storage, hydrogen, green steel, and more. Although the market is relatively small for these decarbonisation solutions, we are helping to develop it.
2. On the other end of the spectrum is what we call assets with high stranding risks. Assets, which have very little prospect of transitioning successfully, such as certain businesses in coal and oil sands. These are companies we avoid.
3. Then, we have transition assets, which make up as much as 85-90% of the addressable market for GIC. We are in close communications with many companies needing to transition. We want to explore our role in providing capital and solutions to enable these firms to decarbonise. It's not easy, because implementing the decarbonisation trajectories for these businesses tend to be very capital-intensive.

We believe sustainability will present long-term opportunities for the next 10-20 years, if not longer. In Private Equity, GIC's Sustainability Solutions Group (SSG) seeks to deepen our exposure to emerging decarbonisation opportunities, allowing GIC to be invested early on in potentially game-changing green solutions.

Technology

In today's world, technology is so pervasive that nobody can ignore it. In this space, the topic on everyone's mind is AI.

At GIC, we are closely assessing investment opportunities in AI. We are also finding ways to integrate it into our investment and organisational processes with multiple use cases. Our teams in LATAM work closely with our Technology Investment Group (TIG) to continue growing our portfolio in AI, fintech, enterprise software, and other important areas of the tech sector across the region.

Macro

As a long-term investor, we are primarily interested in sustainable macro growth. Recent challenges for investors also have presented opportunities. An inflation scare in the Western world has caused interest rates to stay elevated. But that has also translated into capital market pricing opportunities, and it looks like we can still find places to deploy capital to.

In fact, because interest rates are higher, certain market segments have become more attractive, such as private credit, where we have been steadily deploying even more capital.

On Brazil

We have a long history of studying Brazil's macro environment. We are encouraged by how the recent inflation pressures have been tackled in the country. It was tough, with rising interest rates driven by the central bank, but this has given Brazil a good window to allow interest rates to come down and for more capital to be deployed.

Today, we see the beginning of a new investment cycle as interest rates begin to fall. We continue to closely monitor Brazil's fiscal policy. It's encouraging to see government policies addressing spending norms, but there's still room for improvement. Nominal growth over interest rates is one area that we hope policymakers will also watch closely to ensure fiscal sustainability. With positive progress in this space, we believe there will remain strong long-term opportunities to deploy capital and find great assets with the help of our partners.

The entrepreneurs in LATAM are amazing. Despite the high cost of capital, they are able to build and grow incredible businesses, which requires perseverance. This is heartening because GIC's objective is to find great



partners creating great businesses, which can compound returns over a long period of time. And what is a long period? We think 20 years which is our performance metric in terms of time horizon.

In closing, I want to reiterate that our presence in Brazil is not symbolic: it is strategic, impactful, and emblematic of our commitment to global diversification, to long-term value creation, and to LATAM as a region.

As we stay committed to investing in a global future, we must keep in mind that there is so much we can tackle, together.

Thank you!