UNIVERSITY OF ECONOMICS, PRAGUE

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FOREIGN DIRECT INVESTMENT DRIVEN BY THE SOVEREIGN WEALTH FUNDS AND ITS IMPACT ON THE MARKET VALUE OF THE ACQUIRED COMPANIES

Summary of the Dissertation Thesis

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Abstract

The sheer value of the capital allocated in the Sovereign Wealth Funds (SWF), its continuous growth, and its potential to impact global financial markets with direct political and economic consequences sharply contrast with the scarce information on the funds' financial performance, investment strategies, and overall strategic intentions. This palpable knowledge gap represents the primary motivation behind the research endeavor, whose results are presented in this thesis.

Based on an originally collected dataset comprised of the SWFs cross-border investment transactions, we designed a comparative research model to investigate sovereign wealth funds' long-term impact on the market value of targeted companies. The results signal that the initial positive impact of SWFs on investee performance disappears and the investees tend to underperform the market average in the long run. Next, we employ a comparative analysis of sovereign funds' real rates of return, and the theoretical returns achievable on assets accumulated in international reserves. The results show that, from 2007 to 2017, sovereign funds' returns outperformed the theoretical returns of international reserves by almost two percentage points.

The last chapter takes the form of a case study that focuses on the influential role SWFs play in supporting national champions in strategic industries. We confirm the unique advantages provided by this model. Despite its economic and political potential, this model involves major risks, especially in times of economic recession, when a substantial government fiscal deficit can have a devastating impact on a whole industry and simultaneously lead to severe damage to the international relationships.

Keywords

1. Research Objectives

At the beginning of the twenty-first century, the world was experiencing a continuing way of privatizations supported by market-oriented reforms. This shift from state-ownership was most evident in reducing numbers of state-owned enterprises as pointed out by Megginson (2017).

Just one decade later, we see a substantial change in the international political and economic environment. The vast amount of capital allocated in international reserves is being transferred to state-owned investment funds with limited or no transparency requirements. An upsurge in global oil prices provides additional funds to oil companies wholly owned by autocratic regimes. Moreover, this shift toward state capitalism is essentially magnified by the economic and political expansion of China and its policy build on state-owned enterprises. What drives this global geopolitical shift and how these changes impact the global financial, and political systems remain unclear.

As a direct result of this global geopolitical transformation, the total amount of assets under management (AUM) of SWFs had skyrocketed from $2 trillion in 2005 to $7.45 trillion in 2018. Simultaneously, the number of emerging SWFs has been steadily growing over the last ten years (see Figure 1).
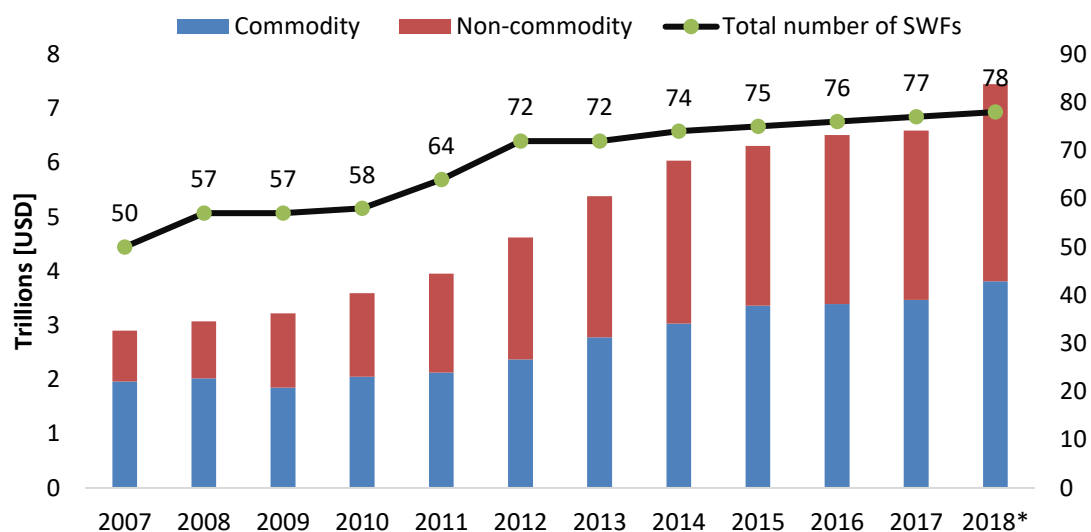

Figure 1: Sovereign Wealth Funds Assets Under Management and Number of Active Funds Worldwide

We believe that a better understanding of the sovereign wealth funds, their role in the national economics, long-term impact on the targeted companies and their strategic motivation allow us to comprehend why the world has changed its course towards to state capitalism and what consequences it brings to the global balance and wealth.

As a result of the complex literature and methodology review presented in the Chapter One, three research areas with a potential for the contribution of the body of knowledge on state-owned investment funds were identified. The discovered gaps in the literature led us to form three key research objectives.

Research objective (i): C*onfirm whether the long-term involvement of SWFs brings a statistically significant premium or loss to foreign investees market returns, or its impact is possibly neutral compared to other institutional investors and the market average.*

Research objective (ii): Design and carry out an empirically based research model allowing us to compare annual/rolling return rate achieved by major SWFs with theoretical returns achievable by the comparable class of funds allocated in the international reserves.

Research objective (iii): On the example of the Russian sovereign wealth funds demonstrates a vital role of state-owned investment funds in supporting strategic national industries particularly with strong export potential.

2. Current Academic Understanding and Body of Knowledge on SWFs

Sovereign Wealth Funds (SWFs) are a subset of the larger group of institutional investors. The fundamental difference between SWFs and other institutional investors, such as pension funds, endowments, and hedge funds, lies in the origin of their capital. If a fund's capital is provided solely by a sovereign state, it can be considered an SWF, and specific factors not common to other institutional investors may influence the fund's operations, investment strategies, long-term priorities, and overall strategic decision-making process.

The history of investment funds owned by sovereign states dates back to 1953 when the first sovereign wealth fund was established in Kuwait. To this date, it still exists as the Kuwait Investment Authority (KIA). Some economists might consider the Permanent School Fund established by the U.S. state of Texas in 1854 to be the ancestor of current sovereign wealth funds (Dewenter et al., 2010). Still, by 1980, there were only nine SWFs officially in operation. That number doubled by 1998 and more than quintupled by 2007. In March 2018, the total number of SWFs had reached seventy-eight (Figure 1).

Surprisingly, not until 2005 were SWFs approached as an individual sub-group instead they were included in the larger group of passive institutional investors. (Kotter and Lel, 2011, Lins, 2003; Mikkelson and Ruback, 1985 or Johanson, 2007).

The financial crisis of 2007-2008 provided an opportunity for SWFs to fully utilized accumulated liquidity desperately needed by the global financial market. Additionally, the crises placed SWFs in the central focus for economists, academia, and politicians. The role of SWFs during the financial crises

was studied by Beck and Fidora (2008), Gilson and Milhaupt (2009), or by Jen (2009) in his work titled "How big could sovereign wealth funds be by 2015?". In the space of only two years, SWFs become shareholders with considerable investment positions in companies as such as Merrill Lynch,[1] Bear Stearns,[2] Morgan Stanley,[3] Citigroup[4] and even the Nasdaq Stock Market, whose 19.99% ownership stake was purchased by Borse Dubai in September 2007 as pointed out by Jory et al. (2010).

In contrast to SWFs, the state-owned enterprises (SOEs) have been thoroughly studied by economists as an individual category since World War II (Gantt and Dutto, 1968; Davis et al., 1971). The results of these studies have significantly influenced the policies implemented by the World Bank (WB) and the International Monetary Fund (IMF) (Shirley and McDonald, 1995). A substantial theoretical body of comparative analysis of private versus public ownership has been developed (Vernon, 1979; Aharoni, 1986). It later became a stepping stone for the economic research aimed at SWFs. A close connection between research on SWFs and SOEs still exists; for example, the work of Bass and Chakrabarty (2014) where the authors analyze the international competition for global resources, and Liang et al. (2015) in his work focused on the anatomy of state control of globalized state-owned enterprises.

SWFs' investment motivation, internal governance, transparency, performance, and accountability, represent major concerns for financial regulators, politicians, economists, and academics, especially concerning their foreign direct investment activities. These concerns escalated in 2008 when the IMF's International Working Group of Sovereign Wealth Funds (IWG-SWF) addressed the issues by organizing a summit attended by the official representatives of the largest SWFs. This conference resulted in a set of recommended principles of transparency and good governance for SWFs to follow (IMF, 2008)[5]. Nevertheless, the principles were never transformed into binding requirements and SWFs are, with a few exceptions, still a strong but opaque group of institutional investors (Stone and Truman, 2016; Bassan, 2015).

A detailed excursion into the origin of SWFs and their evolution is available in Kimmitt (2008) and Bassan (2015). The position of SWFs within the overall picture of state-owned corporations, public-private partnerships, and even military-industrial projects is well described by Wood and Wright (2015).

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[1] In 2007 a 9.4% ownership stake was acquired by Temasek Holdings, a Singapore based SWF; later in 2008 the Kuwait Investment Authority acquired an additional 6% stake in Merrill Lynch (Jen, 2009)

[2] China's CITIC Group bought a 9.9% ownership stake in Bear Stearns in 2008

[3] China's CIC fund purchased a 9.9% share in Morgen Stanley in 2008

[4] Singapore's GIC purchased a 3.6% and Kuwait's KIA a 1.6% ownership stake in Citigroup in 2008

[5] International Working Group of Sovereign Wealth Funds – Sovereign Wealth Funds, Generally Accepted Principles and Practices "Santiago Principles".

The term "sovereign wealth fund" was used for the first time only recently, by Razanov in his article "Who Holds the Wealth of Nations" (Rozanov, 2005). Rozanov defines SWFs[6] as "*sovereign-owned assets pools, which are neither traditional pension funds nor reserve assets supporting national currencies.*" This definition was updated by Rozanov (2008), by adding liability-based classifications aimed at the source of capital and intended use of funds by an SWF.

The general interest of the academia and economists illustrated in Figure 2 shows the evolution of the number of research articles published on the topic of SWFs from 2007 to 2018.[7] The initial interest of the general public and the novelty and appeal of this topic is demonstrated by the steep growth in the number of publications on SWF-related subjects, represented by the number of results provided by the Google Scholar (GS) search engine, which soared from five publications in 2006 to 146 publications in 2009.[8]
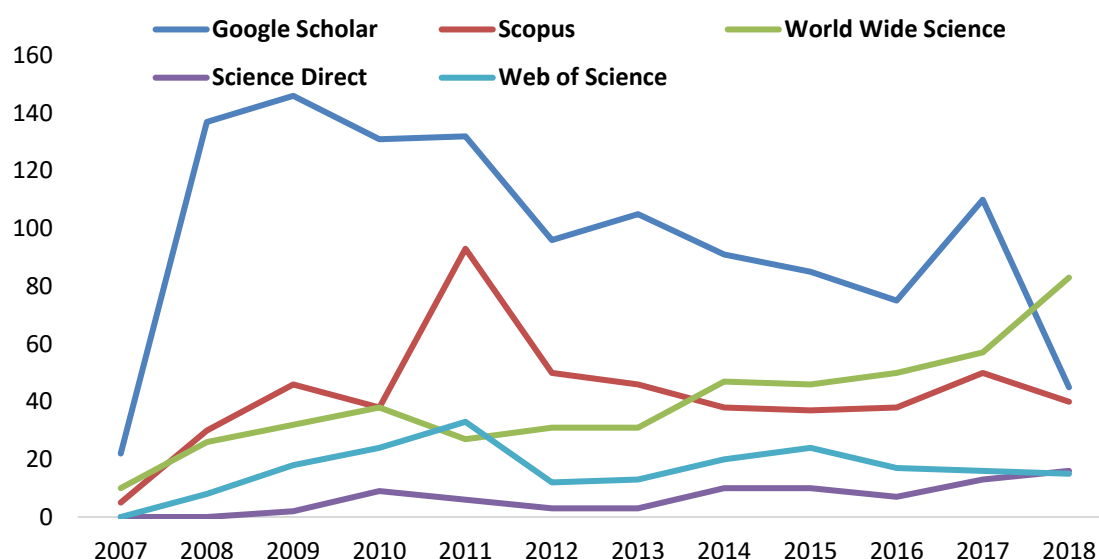

Figure 2: Sovereign Wealth Funds in the Academic Literature – total number of published articles and books

[6] In another paper, "More Layers than an Onion," Capape and Guerrero (2013) provide an excellent analysis of how the definition of SWFs varies among economic research publications. Based on an SWF classification approach using eleven characteristics, Capape found full consensus on only two defining characteristics of SWFs: i) government ownership and ii) the purpose of an investment fund. Strong consensus about the definition was found about another three characteristics. An SWF is considered i) an international investor; ii) without explicit liability to fund public pensions, iii) receiving public funding.
[7] The criteria for an article to be counted in this dataset were as follows: i) it includes the words "sovereign wealth fund" or an abbreviated form or modification thereof, e.g., a plural form, etc., in its title, abstract or keywords (if available), ii) it is a journal publications or book only, and iii) it provides 2018 data for the first 10 months of the year.
[8] We note that Google Scholar's advanced search options are limited. Its search results include all publications, with no filters available allowing one to assess the quality of those publications. Results also include studies published by advisory and regulatory bodies.

3. Methodology Framework, Descriptive Statistics, and Sample Data

The Net Long-term Impact of the Sovereign Wealth Funds on Firms' Value

To quantify the difference in the market value for the investees with SWFs ownership and compare it with the region/sector market average, we designed a four-step procedure.

First, utilizing two transaction databases – the Eikon Datastream database (Breakingviews, I/B/E/S, StarMine) and Securities Data Company (SDC) Platinum, an online historical financial transactions database – an initial search of SWF's related transactions was initiated. An investment period set up from 2008 to 2015 resulted in a dataset comprising 1,081 investment transactions with direct or indirect SWF involvement. Indirect SWF involvement is defined as transactions performed by a company with publicly traceable SWF ownership exceeding 50%. Out of the 1,081 deals, 429 transactions were identified as representing domestic investment (the investor and investee have the same country of origin), which results in an SWF cross-border investment dataset of 652 transactions. Next, the involvement of hedge funds and private equity funds was eliminated, and only transactions with publicly announced and confirmed transaction values were kept in the working dataset. This step reduced the dataset to 319 transactions. The selected research model based on market-adjusted returns does not allow for an evaluation of investments into private equity. Therefore, only transactions into the publicly traded companies are included in the final dataset. This selection step excluded an additional 54 transactions. Finally, only transactions exceeding the 1% stock ownership threshold were included in the final database, now comprising 275 directly driven cross-border investment transactions by SWFs into the publicly traded companies with ownership exceeding 1%.

The final dataset comprises 197 investment events with an average value of a transaction $856.59 million (in total over $118 billion) and average investee share acquired close to 34%. For the final clean dataset, see Table 1 and Table 2. In terms of the total investment transactions number and total investment value, the majority of the SWFs transactions targeted companies are from the EMEA region (42% respective 47% in value).

Finally, a dummy variable for the transactions in compliance with the foreigner direct investment definition was set up. This subgroup comprises 121 transactions of the average value of $783 million, and the average % of shares acquired reaches 46%.

Similar to Dewenter (2010), market-adjusted returns (MARs), rather than market model abnormal returns, were calculated for every transaction from the final dataset.

The market-adjusted returns are computed as the difference between the investee return index (RI) and Thomson Reuters Value-Weighted Indices (WI). Some of the companies in the transaction database are already inactive. Therefore, both the Datastream Code and ISIN Code were used to pull

the RI data from the TR databases. After pulling the ISIN code, the Thomson Reuters Business Classification (TRBC) Industry Group were identified and matched with the appropriate TR Weighted Index.

The market-adjusted return ($MAR_{i,k}$) for investee *i* on event day *k* is defined as the difference between the firm's RI on day *k* ($RI_{i,k}$) and the investee *i* matched WI on day *k*.

$$MAR_{i,k} = RI_{i,k} - WI_{i,k}$$

Return index

RI is available for individual equities and unit trusts. RI shows the theoretical growth in value of a shareholding over a specified period, assuming that dividends are reinvested to purchase additional units of an equity or unit trust at the closing price applicable on the ex-dividend date:

$$RI_t = RI_{t\text{-}1} * \frac{P_t}{P_{t\text{-}1}}$$

except when t = ex-date of the dividend payment D_t, then:

$$RI_t = RI_t - 1 * \frac{P_t * D_t}{P_{t\text{-}1}}$$

where:

P_t = price on ex-date

$P_{t\text{-}1}$ = price on the previous date

D_t = dividend payment associated with ex-date t

Gross dividends are used where available, and the calculation ignores tax and re-investment charges. Adjusted closing prices are used throughout to determine the price index and hence return index.

The Motivation for Transferring International Reserve Funds to Sovereign Wealth Funds

In order to compare SWFs' real rates of return with the theoretical yields of assets accumulated in international reserves with the potential to be transferred to SWFs, an empirical comparative model was designed. The model is built on the SWFs' official real returns, and an original index comprised of a mix of government bonds with various maturities and S&P 500 annual real returns which was designed to simulate maximal hypothetical returns on the IR's assets within the framework of the risk level generally accepted by central banks monetary committees.

The model simulating the theoretical value of IRs rate of returns is represented by the International Reserve Security Return Index (IRSRI), composed of a mix of 1-year, 10-year and 20-year government bond yields (2/3) and S&P 500 annual real returns (1/3).

Based on the publicly available and officially confirmed real rates of return of a group of six SWFs with a total AUM of US$3.4 trillion, representing over 46% of total SWF AUM worldwide (Preqin, 2018), the average annual returns (AARR-1Y) and the 20-year annualized rolling real returns (AARR-20Y) were calculated.

This model is significantly limited by the fact that the usual trade-off between the risk and return on the investment portfolio is not reflected in it. The primary sources of risk for international reserves are the risk of change in (i) exchange rates and (ii) interest rates. The exchange rate's related risk is not relevant to this analysis as cash and money market class are entirely excluded from the model simulations. The interest rates related risks are, on the other hand, relevant to the complex evaluation of the presented results. A possible solution would be the implementation of Value at Risk (VAR) in the research model, which would represent the loss of a portfolio where the probability of occurrence is defined by a confidence level for a given time horizon. Unfortunately, given the limited publicly available information on both SWFs and International reserves investment portfolio in the long-term horizon, we did not include VAR results in this paper as we concluded that at this moment the explanatory power of the VAR risk analysis is not strong enough.

Sovereign Wealth Funds – Specific Role to the Economy

This chapter describes in detail specific role which can be played by SWFs in the national context on the example of the Rosatom - the Russian Federation National Nuclear Corporation and the Russian SWFs. It demonstrates a specific business model where the SWF serves as a funding and financial guarantee authority for the state-owned corporation.

The key section explains the business model built upon the investment capital provided by Russia's sovereign funds, which gives a unique competitive advantage to Rosatom -- in terms of offering a turnkey solution for the delivery of the complex construction and operation of the nuclear energy infrastructure.

The specific examples of the financial and technical solutions offered by this business model are demonstrated in terms of the ongoing or proposed Rosatom international projects. A comprehensive list of projects utilizing this business pattern, including prospective customers and the expected value of future contracts, points to the market size and potential volume of future contracts.

Final subchapter summarizes the advantages and possible drawbacks of the business model and outlines future scenarios for using this pattern in other industries.

4. Thesis Structure

The structure of the thesis closely follows the identified knowledge gaps.

In Chapter One a meta-analysis report provides a comprehensive insight into the current state of knowledge on the subject of sovereign wealth funds and define the theoretical grounds for the hypothesis, testable predictions and research analysis presented in the following chapters.

Chapter Two addresses the substantial inconsistencies identified in the seminal works aimed at analyzing the net long-term impact of SWFs on firms' values. We approach this issue with designing an innovative research model we then use for an empirical analysis of an original dataset comprised of SWFs' cross-border investment transactions.

Chapter Three suggests an experimental approach to comparative analysis on SWFs profitability and presents the analysis results for the selected group of SWFs representing almost 50% of assets managed by SWFs.

Chapter Four discusses the additional contributions of SWFs' to their national economies, which we did not find to be associated with SWFs in the literature. On the example of the Russian SWFs who serves as a financial guarantee authority supporting the state-owned corporation in order to subsidize the vital national industry, we present strong evidence of this SWFs' strategic role.

In the final section of the thesis, we summarize the research results presented in the previous four chapters. We discuss the results' impact on the current body of knowledge, its explanatory power, and its limitations. Finally, we provide future research suggestions and recommendations.

5. Results

We confirm findings presented by Alhashel (2015), Fotak (2017) or Megginson (2019) on the consistency of research results of SWFs short-term impact analysis. The research results reassemble findings in the literature on the subject of the large shareholders as published by Holderness (2003) or Shleifer (1997) who concludes that large shareholders are usually associated with a premium value for the shareholders of target firms where SWFs investments are associated with the positive market reaction around the announcement period of SWFs investment quantified by premium in the target companies market value around this period.

Next, we present examples of significant inconsistencies identified in the research results presented on the subject of the SWFs' long-term investment impact on the targeted companies. Expected value enhancement as envisioned in the context of literature on the large shareholders is fully supported only by Fernandez (2011, 2014). In his work SWFs investees performance results substantially outperform the control group (representing market average).

Surprisingly, even in the studies that use comparable datasets and similar or even identical construction of the research model, we find strongly contradicted results.

We did not find any methodological nor statistical errors, which could explain such a high level of inconsistencies. Instead, we identified three other factors as the most probable cause of the contradictive research results.

> i)   The limited size of the dataset (verified SWFs investment transactions) particularly in the earlier studies and even substantially smaller sample for time range longer than three years following the SWFs investment
>
> ii)   The strong dominance of investment transactions generated by one or two sovereign wealth funds
>
> iii)   Substantial differences in the authors' transactions datasets in terms of the average ownership share acquired by SWFs

Given the set of conflicting theoretical predictions linked to the efficiency, management capabilities and motivation of state-owned companies in combination with the presented contradicted results provided by academia we approach this issue through the empirical examination, which represents a fundamental part of this thesis.

The results of the empirical analysis (see Figure 3 and Figure 4) show positive (+0.83%) market-adjusted returns in companies with SWF investment in the second post-investment year. The positive trend is evident until the third year, where the premium for the group of SWFs investees reaches its maximum (+2.92%) compared to the market average. An interesting observation from the third year following

the SWF involvement is that only 38% of the investees reached market-adjusted returns higher than the market average. The median for the group of SWFs investees (in the third post-investment year) is negative (-12.54%).
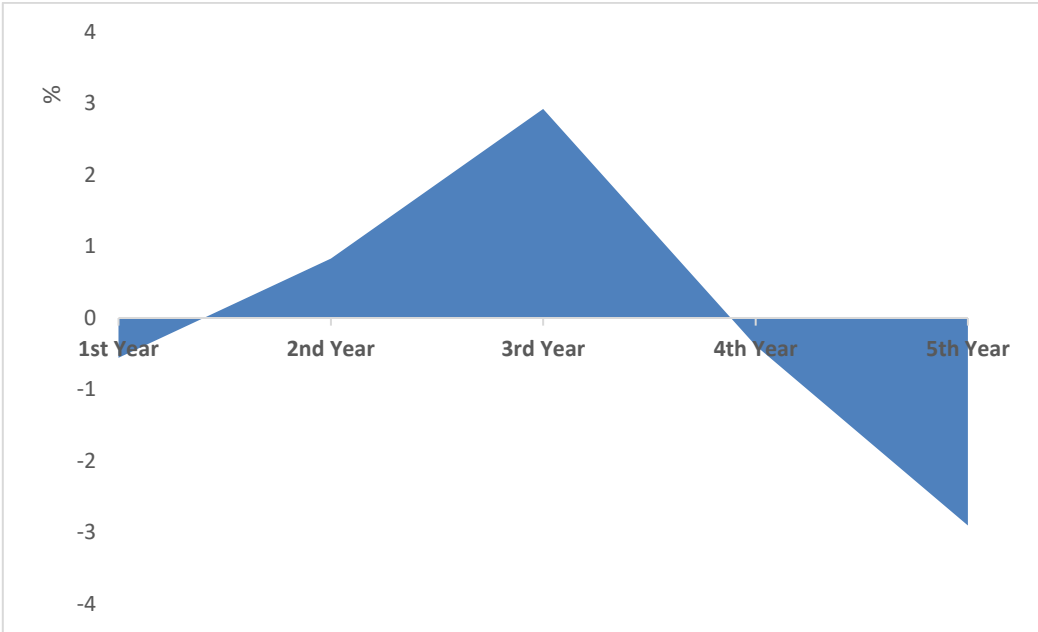

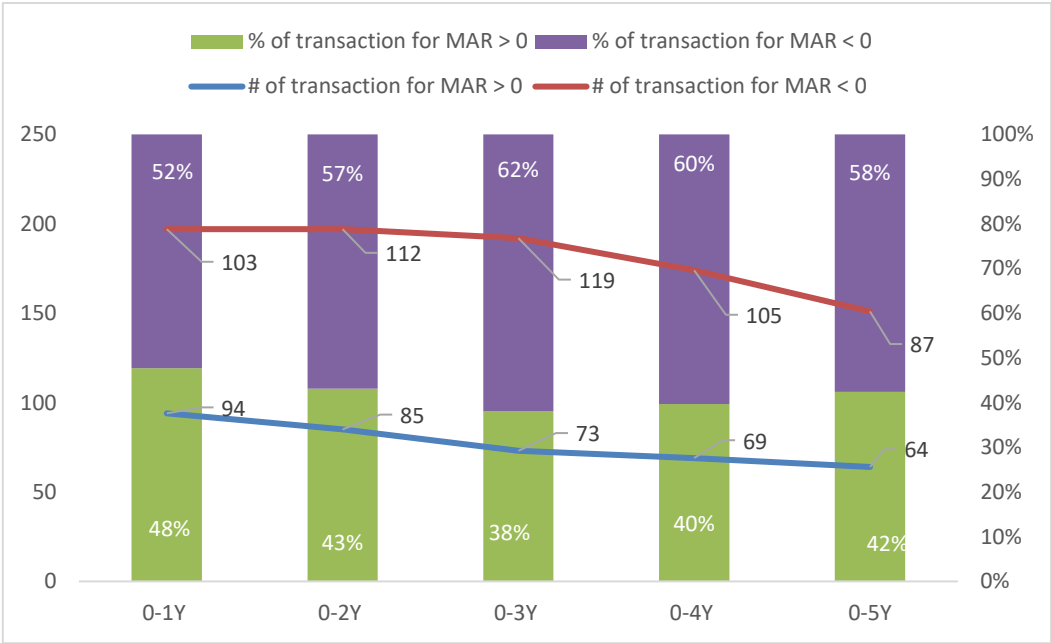**Figure 3:** Market Adjusted Returns – Mean - Full Sample

Figure 4: Market Adjusted Returns versus Market Performance – Full Sample

In the fourth year, however, the SWFs investees' returns indicate a change of the previously positive trend and start to underperform the market average (-0.35% in the 4th year). This negative trend is confirmed in the fifth post-investment year (-2.90%), which indicates that the initial, gradually positive

impact of sovereign wealth funds on investee performance disappears and tends to underperform the market average in a very long-term horizon. Identical trend as for the full sample is identified for the investees included in the FDI subgroup.

Therefore, we fail to reject the null hypothesis to "*The Long-term Impact of Sovereign Wealth Funds on Firms' Value*" alternative hypothesis envisioned in corporate-governance literature by Shleifer and Vishny (1997) that sovereign wealth funds should bring higher value to investees compared to private investors who operate on presumably shorter runs.

Table 1: Investees % Change in the Total RI and % Change in the TR Value-Weighted Indices - Full Sample

The table presents results of the linear regression analysis designed to test the relationship between the annual proportional changes in the total return indexes companies targeted by SWFs and market average simulated by annual c proportional changes in the annual value of the Value-Weighted indices.

Predictor	R	R Square	Adjusted R Square	Unstd. Coefficients B	Std. Error	Stand. Coefficients Beta	t	Sig.
Dependent Variable: Total Return 1Y %								
1Y Global Indices Return Index Diff %	.522	.273	.269	1.065	.125	.522	8.549	.000
Dependent Variable: Total Return 2Y %								
2Y Global Indices Return Index Diff %	.557	.310	.307	1.544	.165	.557	9.370	.000
Dependent Variable: Total Return 3Y %								
3Y Global Indices Return Index Diff %	.215	.046	.041	.559	.184	.215	3.040	.003
Dependent Variable: Total Return 4Y %								
4Y Global Indices Return Index Diff %	.362	.131	.126	1.011	.198	.362	5.095	.000
Dependent Variable: Total Return 5Y %								
5Y Global Indices Return Index Diff %	.202	.041	.034	.308	.122	.202	2.512	.013

Transparency

Linear regression analysis results (see data distribution of the Transparency indexes in our data sample illustrated in Figure 5) indicate that no statistically significant linear dependence of the mean of the SWFs' investees MARs on SWFs level of transparency was detected. Neither, a statistically significant linear relationship was detected for the subgroup of FDI transactions. These findings contradict the Kotter Lea (2011) research results but are consistent with the Dewenter 2010 long-run return regression analysis.
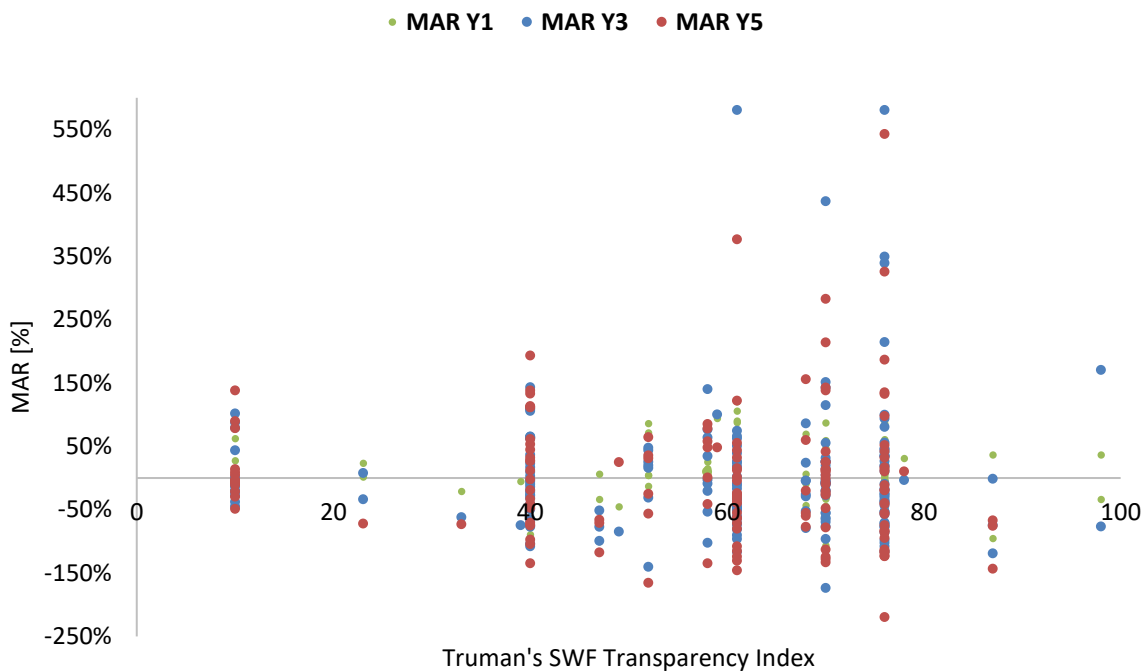

Figure 5: Distribution of % Δ MAR with regards to the Truman SWF Transparency Index

Contrary to the findings presented by Fernandez (2014), who concludes that the companies with a higher SWF ownership stake had performed better, our dataset does not provide any statistically significant evidence of such a relationship. No linear relationship of the mean of the SWFs' investees' MARs on SWFs % share acquired was detected a nonlinear relationship is not evident either. For the distribution of the the ownership analysis results see Figure 6.
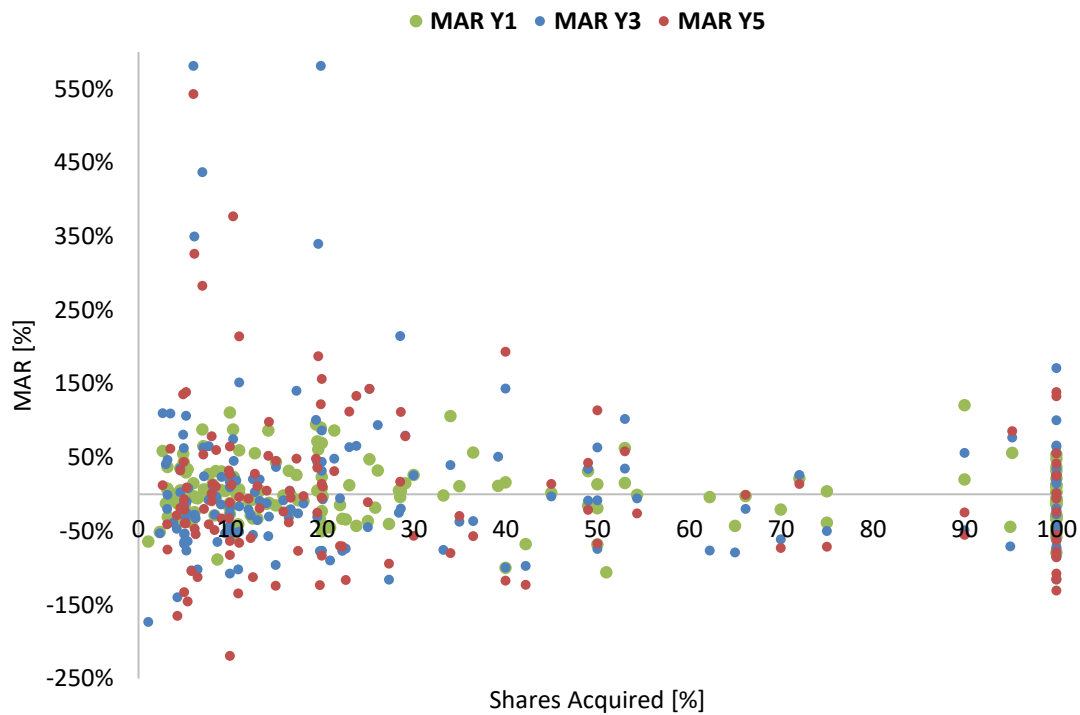

Figure 1: Distribution of % Δ MAR with Respect to the Size of Investee's Share Acquired by an Investor

The Motivation for Transferring International Reserve Funds to Sovereign Wealth Funds

In the study aimed at the motivation for transferring international reserve funds to SWFs the results show that assets managed by SWFs from 2007 to 2017 outperformed theoretical returns achievable by the class of assets with the potential to be transferred to an SWF without jeopardizing crucial IRs monetary and sovereign economic function, allocated in the international reserves. Based on this simplified real return-based model, the average annual premium delivered by SWFs is 1.98% (for average 1-year SWFs returns see Figure 6 for Average 20-year rolling SWFs returns see Figure 7). Given the total value of assets managed by the funds included in this analysis, the estimated premium delivered by this sub-group of SWFs is US$178 billion annually. It needs to be stressed that the presented results do not reflect interest rates related to investment portfolio risks, and therefore, the results should be approached with this respect in their interpretations.
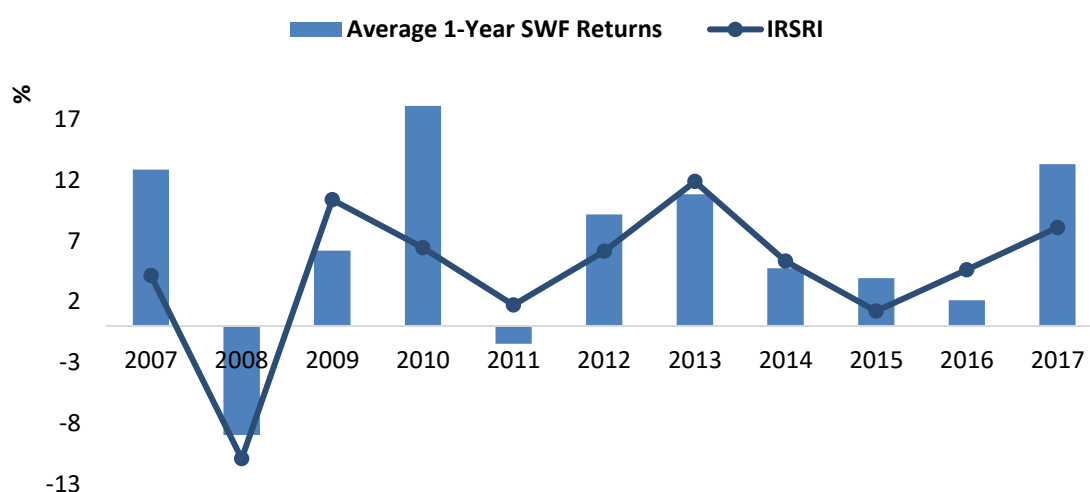

Figure 7: International Reserve Return Index (IRRI) compared with 1-year average returns on SWF assets
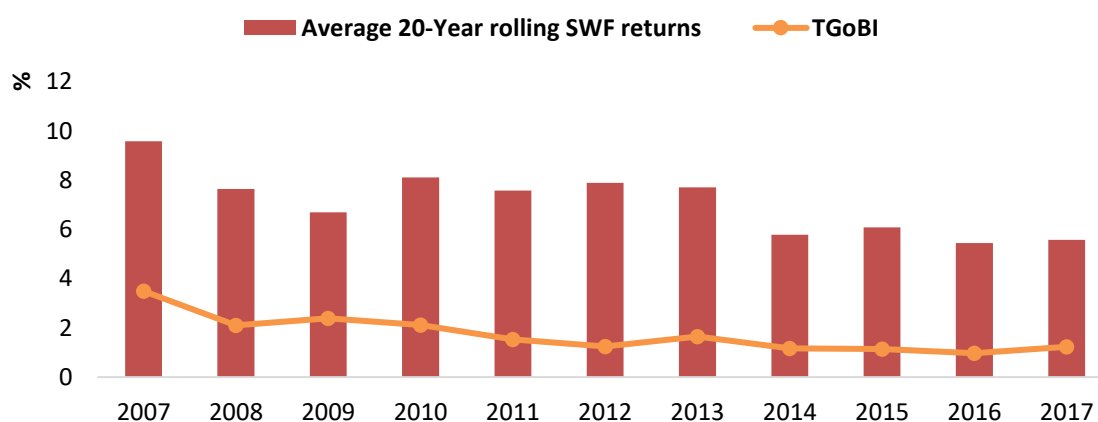

Figure 8: Government Bond Index compared with 20-year rolling returns achieved by a group of SWFs

Sovereign Wealth Funds – Specific Role to the National Economy

With regards to the additional roles of SWFs and their contribution to the national economy we document on the example Rosatom's long-term cooperation with the Russian SWFs (see Fig. 6) that this financial support from SWFs has allowed the company (Rosatom) to bring to the market a competitive business- financial-political model and by doing this changed the "financing nuclear power plant paradigm."

We see that the Rosatom export-oriented strategy has significantly helped the company soften the impact of the ruble devaluation. We also observe gradual growth in revenues coming from the construction of overseas nuclear power plants owing to the number of ongoing projects. How important the role of the funding option during the tender process was to the clients is somewhat unclear but what is visible, based on the presented data, is that without direct support from the Russian SWFs Rosatom would have never been able to offer the BOO model with up 100% funding.

This study also suggests that long-term recession in the Russian Federation could eventually consume funds in both SWFs and put Rosatom in a perilous situation not only in terms of future competitiveness but also in terms of fulfillment of the business commitments concerning ongoing projects.
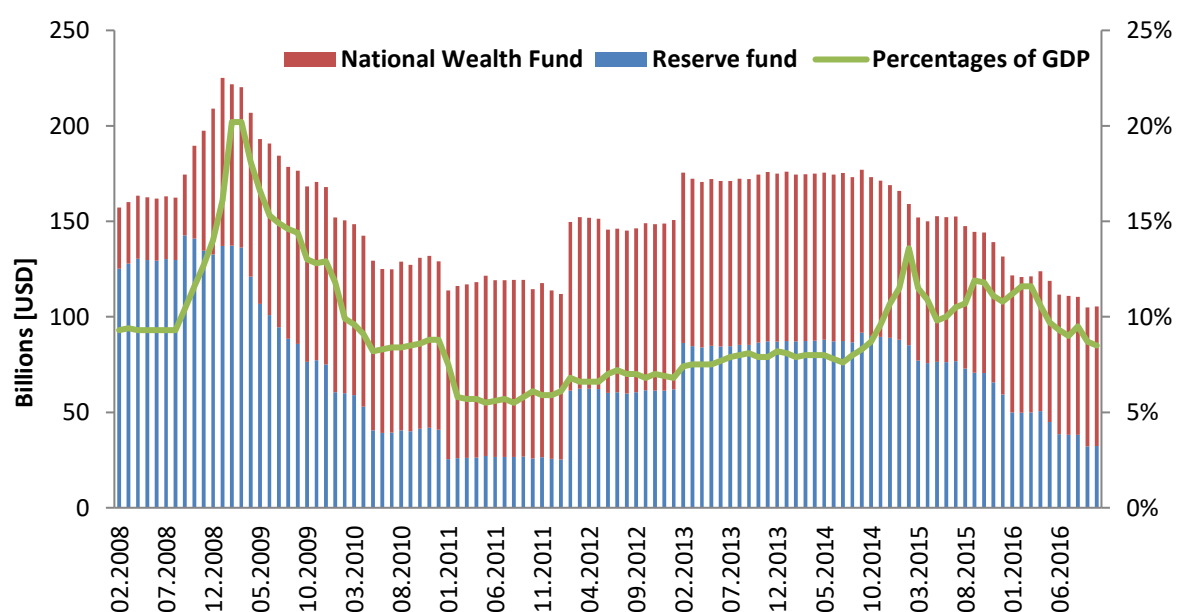

Figure 8: Value of Russian SWFs 2008–2016

Suggestions for Future Research

The continuous lack of generally accepted requirements for the transparency and accountability of SWFs and the minimal effort to enhance compliance with recommended transparency principles monitored in the last ten years allow funds to operate without almost any global surveillance. For some countries, this represents an additional motivation to employ state funds in their strategic political and economic initiatives.

Following the results presented in the SWFs impact analysis particularly considerable drop in market value observed in the fourth and fifth-year, we see an opportunity in further investigation of this negative trend in the five-plus-year post-investment period. This would require extending the full sample effective date interval from 2008 ideally to 1999 (the earliest data available for TR WI).

We conclude that academic research on the long-term impact of SWF investments on acquired companies' values suffers from a critical lack of sufficient and comparable market information. Moreover, due to extreme differences across SWF transactions datasets used by researchers, in terms of transaction value, several transactions and data verification procedures, the research results have limited explanatory power. To improve the explanatory power of future research on SWFs' long-term impact, we recommend to:

i)   provide detail information on the SWF transaction data collection, provenance, verification, and filtration procedures; this information needs to be provided separately for short-term and long-term impact analysis as the research sample differs significantly as a useful benchmark see Bortolotti (2017)

ii)   consider either excluding portfolio investment transactions from the dataset or include a variable to identify targeted investments, preferably SWFs transactions exceeding a certain level (at least >1%) of investees' ownership share for long-term impact analyses

iii)   Avoid inflation of the data sample at any cost. This methodology review shows that this effort leads primarily to adding an excessive number of transactions from one or two SWFs and increases the probability of biased research results.

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8. Summary in Czech

Rostoucí objem kapitálu alokovaný ve státem vlastněných investičních fondech (SIF), který v roce 2018 přesáhnul hodnotu sedmi bilionů USD a jeho potenciální dopad na globální finanční trhy ostře kontrastuje s množstvím a kvalitou dostupných informací o samotném fungování SIF, finančních výsledcích fondů a jejich dlouhodobé investiční strategii. Identifikovaná znalostní mezera představuje primární motivaci pro výzkumnou činnost, jejíž výsledky jsou prezentovány v této dizertační práci.

Stěžejní část práce tvoří originální databáze mezinárodních investičních transakcí SIF a návrh výpočtového modelu umožňujícího srovnání dlouhodobého vývoje hodnoty společností s vlastnickým podílem SIF s tržním průměrem. Výsledné výpočty naznačují, že počáteční pozitivní dopad SIF se v průběhu času vytrácí a v pětiletém horizontu se hodnota společností s podílem SIF propadá pod tržní průměr.

Druhá část práce se zabývá porovnáním míry návratnosti finančních prostředků alokovaných ve SIF s teoretickou výnosností dosažitelnou u porovnatelných finančních aktiv, která jsou součástí mezinárodních rezerv. Výsledné hodnoty ukazují, že v období mezi roky 2007-2017 výnosnost SIF překonala teoretické výnosy porovnatelných aktiv mezinárodních rezerv o téměř dva procentní body.

Závěrečnou část práce tvoří případová studie demonstrující významnou roli, kterou mohou SIF potenciálně sehrát v případě podpory vybrané státní společnosti, eventuálně celého strategického průmyslového sektoru. Navzdory identifikovaným výrazným ekonomickým i politickým benefitům tohoto modelu, práce upozorňuje na významná rizika, která jsou obzvlášť závažná v případě dlouhodobé ekonomické recese, kdy schodek státního rozpočtu může mít devastující dopad na takto podpořený průmyslový sektor a současně vést k dlouhodobému poškození mezinárodních vztahů.