

## **Speech of Jennifer Johnson-Calari, Sovereign Investments Partnerships Director of World Bank, at the SOFAZ Press Conference dated 28.01.2009**

Thank you for those kind words.

It has been World Bank's honor and pleasure to work with SOFAZ for the last 2 years. As you undoubtedly noted in the January in Euromoney SOFAZ has been recognized worldwide for having created very sound investment management platform with which to invest country's financial assets. Our engagement with SOFAZ was primarily collaboration. As you know Azerbaijan is shareholder of the World Bank. We are cooperative organization owned by our member states. Within the WB Treasury we manage 80 bln. dollars of assets for the WB and other official sector institutions including SOFAZ. Our asset management know-how which we have built during the past 30-40 years also belongs to our member countries. This is in that spirit that we have been collaborating in this know-how sharing and training effort.

Over the last two years we have worked with young and very bright Azeris from SOFAZ, portfolio managers, risk managers, settlement and operations specialists, internal auditors. They have come to Washington for intensive trainings. We have come to Baku to provide advisory and consulting services. SOFAZ has been very wise in that they had followed very conservative investment policy focused in first on building sound investment management platform. They have avoided mistakes of many firms in Wall Street and other investors who invested in assets that they didn't understand: CDOs and other highly structured assets. They now faced the challenge, however, of diversifying assets and beginning to move to more sophisticated assets. That will promise higher return over the longer investment horizon for Azeri people. This will be a challenge but it is necessary. It will be necessary to move in higher risk assets with a higher return going forward. The important thing for the Azeri people and Azeri press to understand, however, that SOFAZ is a long term investor and you will need to have the patience to evaluate them over a longer time period in order to achieve this higher return. I would like to close my remarks and to thank Mr. Movsumov for the honor and opportunity of speaking to you today.