



LIA 2025

Libyan Investment Authority

Pillar 1: Legal

Legal framework, objectives, and coordination with macroeconomic policies

Principle 1

1. The legal framework for the SWF should be sound and support its effective operation and the achievement of its stated objective(s).

1.1. The legal framework for the SWF should ensure legal soundness of the SWF and its transactions.

1.2. The key features of the SWF's legal basis and structure, as well as the legal relationship between the SWF and other state bodies, should be publicly disclosed.

The Libyan Investment Authority (LIA) operates pursuant to [Law No. 13](#) of 2010, which restructured it as a sovereign wealth fund responsible for managing and developing Libya's national wealth. This law mandates the LIA to protect Libyan assets and invest them in a manner that ensures sustainability, supports economic stability, and benefits the future of the country and upcoming generations.

In areas not explicitly covered by Law No. 13 of 2010, guidance is derived from the provisions of [Law No. 23](#) of 2010 concerning commercial activity, serving as a regulatory framework in such cases. Additionally, [Law No. 12](#) of 2010 on labour relations, along with other relevant and applicable legislation.

1.1 All transactions conducted by the LIA are executed within a structured legal framework, based on its founding law, approved executive regulations, and internal policies. The LIA is fully committed to complying with local laws and relevant international standards, thereby ensuring the legal soundness of all its operations and minimising any potential regulatory and legal risks.

1.2 The LIA transparently discloses its legal framework and organisational structure on its official website, illustrating the authorities and responsibilities of the Board of Trustees, the Board of Directors, and the Executive Management. It also clarifies the legal and regulatory relationships with state entities such as the Audit Bureau and the Administrative Control Authority, while maintaining its independence in asset management and, concurrently, upholding accountability and compliance in accordance with applicable Libyan legislation.

Principle 2

2. The policy purpose of the SWF should be clearly defined and publicly disclosed.

The LIA's main purpose is defined in [Law No. 13](#) of 2010 concerning its reorganisation. The law states that the LIA aims to invest the assets of the Investment Fund in a manner that supports Libya's financial and economic stability and contributes to diversifying the national income sources for the benefit of future generations.

In accordance with the provisions of [Article 5 of the aforementioned law](#), the LIA has prepared an [investment policy statement](#) approved by the Board of Trustees, which provides a clearer definition of its investment objectives. Additionally, the LIA focuses on investing funds allocated for external investment based on sound economic principles across various sectors. This approach aims to support the development and diversification of the national economy, generate financial returns, and promote sustainability for future generations.

To achieve these objectives, the LIA adopts an investment strategy based on:

- Establishing international investment portfolios to create diversified income sources independent of the local economy, which is heavily reliant on the oil and gas sector.
- Maximizing the value of its contributions to portfolios, funds, and subsidiary companies.
- Appointing top-tier portfolio and fund managers and investment consultants. All nominations undergo a rigorous review process, including assessment of professional capability, performance track records, and legal status, before being entrusted with managing the LIA's assets. Periodic performance reviews are also conducted. The LIA also engages specialised consultants to conduct due diligence studies and comprehensive evaluations of investment managers to ensure sound investment decisions that align with the strategic asset allocation plan.

These objectives are publicly disclosed through legal texts, official reports, and information published on the [LIA's official website](#). In addition, these reports are submitted to relevant national and international bodies, underscoring the LIA's commitment to its stated policy goals.

Principle 3

3. Where the SWF's activities have significant direct domestic macroeconomic implications, those activities should be closely coordinated with the domestic fiscal and monetary authorities, so as to ensure consistency with the overall macroeconomic policies.

The LIA primarily conducts its investment activities in international markets, while local investments are managed through the Libyan Domestic Investment and Development Fund; one of the LIA's subsidiaries. This fund, which was established pursuant to [Resolution No. 107 of 2009](#), is responsible for investing the LIA's resources domestically on a commercial basis across various sectors, including construction, agriculture, industry, tourism, education, healthcare, finance, real estate, and other economically viable fields. Its objective is to develop the private sector and diversify the national economy.

Furthermore, the LIA maintains operational independence from the Central Bank of Libya and the Ministry of Finance in its investment decisions. It remains continuously informed of macroeconomic developments through ongoing coordination with local authorities.

The relationship between the LIA and Libyan financial oversight bodies is governed by national legislation, including [Law No. 19 of 2013](#), which organized the Audit Bureau, and [Law No. 20 of 2013](#), which established the Administrative Control Authority.

The LIA's Board of Trustees, which comprises the Prime Minister, the Governor of the Central Bank of Libya, the Ministers of Planning, Finance, Economy and Trade, along with three independent members, is committed, by virtue of their leadership roles in the state and their Board membership, to supporting the LIA's vision and reinforcing the national interest through its activities, while ensuring the preservation of the

independence of its positions and investment decisions.

Principle 4

4. There should be clear and publicly disclosed policies, rules, procedures, or arrangements in relation to the SWF's general approach to funding, withdrawal, and spending operations.

4.1. The source of SWF funding should be publicly disclosed.

4.2. The general approach to withdrawals from the SWF and spending on behalf of the government should be publicly disclosed.

The LIA operates within a clear governance framework based on the provisions of Law No. 13 of 2010, which defines its organizational structure, competencies, and investment responsibilities. This law serves as the fundamental legal basis ensuring the separation between ownership, oversight, and executive management.

Articles 15 and 16 of Law No. 13 of 2010 specify the LIA's funding sources, which include monetary funds and assets allocated by the state, surpluses from the general budget, as well as revenues generated from its investment activities.

Upon its establishment, the LIA was allocated an initial sovereign capital sourced from accumulated oil revenue surpluses. The LIA has increased its asset value through the transfer of ownership of several investment entities, in accordance with the provisions of the Law No. 13 of 2010.

4.1 Funding sources are disclosed in official documents, including Law No. 13 of 2010 and the financial disclosures published on the LIA's official website.

4.2 The LIA enjoys independent legal personality and financial autonomy under Law No. 13 of 2010. This legal framework reinforces the LIA's integrity and safeguards its operational independence.

Principle 5

5. The relevant statistical data pertaining to the SWF should be reported on a timely basis to the owner, or as otherwise required, for inclusion where appropriate in macroeconomic data sets.

The LIA acknowledges its obligations to submit statistical reports in a timely and consistent manner. Statistical data is presented annually to the Board of Trustees. Additionally, the LIA provides these data to the relevant regulatory bodies in Libya, which, within the scope of their legal authority, have the right to access the LIA's statistical information at any time upon request (Article 9 of Law No. 13 of 2010).

<https://lia.ly/en/reports-data/>

Pillar 2: Institutional

Institutional Framework and Governance Structure.

Principle 6

6. The governance framework for the SWF should be sound and establish a clear and effective division of roles and responsibilities in order to facilitate accountability and operational independence in the management of the SWF to pursue its objectives.

The LIA operates under a comprehensive governance framework established by Law No. 13 of 2010, which clearly defines the roles and responsibilities of all relevant parties. This law ensures a clear separation of powers at all levels within the LIA. The delegation of the LIA framework in place supports good governance and transparency in managing its operations and assets.

Board of Trustees

The Board of Trustees (see Principle 3) represents the sovereign interests of the Libyan people and performs several key functions, including approving supervisory standards to ensure the soundness of the financial position, reviewing the Board of Directors' reports to mitigate investment risks, and appointing the Board of Directors and external auditors. The Board also forms advisory committees to support investment decisions, approves investment policies, ratifies the organizational structure, establishes investment funds, and endorses the budget and final accounts.

Board of Directors

The Board of Trustees appoints the Board of Directors, which is responsible for undertaking strategic duties including proposing and implementing investment policies, selecting institutions to manage investments, and making decisions regarding investment proposals. The Board also manages investment risks, approves implementation plans and final accounts, evaluates the performance of investment portfolios, and endorses the bylaws of companies and funds. Furthermore, it appoints executive leadership, proposes the organizational structure, adopts administrative regulations, implements training programs, and issues an annual report on the LIA's activities.

Executive Management

The Executive Management of the LIA is responsible for implementing the daily operational and investment decisions. It develops the necessary plans and programs to execute the recommendations of the Board of Directors. Its duties include proposing the formation of the Investment Committee and defining its authorities for Board approval, as well as executing the Committee's recommendations upon reviewing the minutes of its meetings.

The Executive Management also prepares the draft budget, final accounts, and annual financial statements, which are then submitted to the Board of Directors for approval. Additionally, it produces periodic reports on the LIA's activities and the performance of investment portfolios and funds, recommending measures to improve their financial efficiency.

Furthermore, the Executive Management oversees organizational divisions, manages employee contracts, proposes staffing levels, salary structures, and benefits, and submits these proposals to the Board for necessary decisions.

Regulatory Framework

The distribution of roles is clearly defined in the charters of the Board of Directors and its committees, which the LIA adopts to ensure transparency, accountability, and effective internal control. These charters guide the relationship between supervisory bodies and the Executive Management and are regularly updated to align with best practices and applicable legal requirements.

The Board of Directors exercises strategic oversight, approves investment policies, and monitors institutional performance. The Executive Management is responsible for independently implementing the LIA's investment strategy and managing daily operations.

The Board has established key [internal committees](#)—including the Investment Committee, and the Audit, Risk, and Compliance Committee—to support effective decision-making, strengthen internal controls, and

enhance transparency.

The LIA has also adopted a series of governance charters to reinforce internal control systems and the overall governance framework. These include:

Board of Directors Charter, which clearly defines the roles, responsibilities, and authorities of the Board, thereby strengthening both internal and external control mechanisms within the LIA.

Governance Committee Charter, aimed at promoting best governance practices and ensuring effective oversight within the Board of Directors.

Audit, Risk, and Compliance Committee Charter, established to enhance auditing functions and internal controls.

Investment Committee Charter, which outlines the committee's operating procedures and supports transparency and governance in investment decision-making at the Board of Directors level.

Nominations and Remunerations Committee Charter, which regulates employment frameworks, succession planning, and remuneration, thereby reinforcing governance in human resource management.

Principle 7

7. The owner should set the objectives of the SWF, appoint the members of its governing body(ies) in accordance with clearly defined procedures, and exercise oversight over the SWF's operations.

The general objectives of the LIA are defined in Law No. 13 of 2010, which regulates it as an independent legal and financial entity, with a clear separation between ownership, strategic oversight, and executive management.

According to Law No. 13 of 2010, the Board of Trustees is required to convene at least once every three months, or whenever necessary. The Board of Trustees is responsible for appointing the LIA's Board of Directors, which must comprise individuals with scientific competence and practical experience in fund and asset management and investment. The Board of Trustees oversees the performance of the Board of Directors in fulfilling its duties and may invite the Chairman and/or members of the Board of Directors to attend its meetings to discuss any matters. It also appoints the Fund's auditors and approves the annual budget. Additionally, the Board of Trustees may establish independent committees to provide advisory services to the Board of Directors on investment decisions. It also further approves the investment strategy and asset allocation.

Moreover, Law No. 13 of 2010 mandates the Board of Directors to appoint the LIA's Chief Executive Officer, in consultation with the Board of Trustees, to ensure alignment of the executive vision with the purposes for which the LIA was established and as defined by law.

Principle 8

8. The governing body(ies) should act in the best interests of the SWF, and have a clear mandate and adequate authority and competency to carry out its functions.

The tasks of the LIA, as an SWF, are defined under Law No. 13 of 2010 as investing and developing state-designated funds allocated by the state, developing them, and managing them in a manner that contributes to achieving sustainable returns for the future generations of Libya.

Both the Board of Trustees and the Board of Directors are endowed with clear delegation and sufficient authority to efficiently carry out their responsibilities. [Article 8](#) specifies the operating procedures of the Board of Trustees, including holding periodic meetings, making decisions by majority vote, and the liability

of inviting experts for consultation.

[Article 11](#) grants the Board of Directors—appointed by the Board of Trustees—the authority to oversee the implementation of investment programs, thereby reinforcing the separation between oversight functions (Board of Trustees) and executive functions (Board of Directors).

The LIA adheres to a governance framework by applying clear oversight standards, distributing authority between oversight and executive bodies, ensuring transparency through periodic reporting and disclosure of activities, while ensuring that the relevant bodies perform their roles clearly and efficiently to serve the Fund's interests.

Principle 9

9. The operational management of the SWF should implement the SWF's strategies in an independent manner and in accordance with clearly defined responsibilities.

The LIA continuously strives to meet this objective, which is clearly reflected in its strategy. However, asset freezing measures limit these efforts. Law No. 13 of 2010 regulates the mechanisms for implementing the Board of Directors' instructions, which oversees the executive management whom is responsible for executing daily operational and investment decisions (as referenced in Principle 6).

The Executive management also prepares periodic reports on the LIA's activities, the performance of portfolios and investment funds, and proposes measures to improve the status of the economy .

Furthermore, it supervises organisational divisions, manages staff contracts, proposes staffing plans, remuneration and benefits systems, presenting them to the Board of Directors for necessary decisions.

The LIA Board of Directors approved a [strategy for the years 2025–2027](#) based on several key pillars : strengthening governance, enhancing transparency, safeguarding assets, and developing the investment and financial performance of the LIA's group. These pillars include a set of strategic pathways that form the operational methodology through a series of consistent initiatives to achieve its strategic objectives.

This new strategy reflects the LIA's vision of achieving sustainable returns for future generations and reaffirms its commitment to responsibly managing the SWF wealth in accordance with international best practices. It emphasizes on diversification and risk management, to embody the core values of innovation, resilience, integrity, transparency, sustainability, governance, and excellence to create a positive impact and strengthen the LIA's role as a key pillar for achieving stability and sustainable development for the benefit of the Libyan people.

(for more details, see Principle 18).

Principle 10

10. The accountability framework for the SWF's operations should be clearly defined in the relevant legislation, charter, other constitutive documents, or management agreement.

Law No. 13 of 2010 provides a clear and specific accountability framework for the operations of the LIA, including obligations to comply with relevant national legislation. This legal framework mandates compliance with all applicable Libyan laws, in addition to related international regulations, as well as the LIA's internal policies and procedures.

The LIA is subject to oversight by national regulatory institutions, including the Audit Bureau and the Administrative Control Authority, pursuant to Articles 19 and 20 of Law No. 13 of 2010.

The LIA commits to enhancing the institutional accountability framework through continuous auditing and regular updates of its internal policies and audit mechanisms, aligned with international best practices in governance, transparency, and global auditing standards. It operates under a [compliance policy](#) adhering to all applicable international laws and measures.

Principle 11

11. An annual report and accompanying financial statements on the SWF's operations and performance should be prepared in a timely fashion and in accordance with recognized international or national accounting standards in a consistent manner.

Through its current strategy, the LIA aims to issue updated annual financial reports that align with the fiscal years without delay, in line with international best practices in financial disclosure and its accounting policy.

Recently, the LIA has completed the preparation of the consolidated financial statements for the year 2020 in accordance with International Financial Reporting Standards (IFRS), and is proceeding with the consolidated financial statements up to 2024.

Principle 12

12. The SWF's operations and financial statements should be audited annually in accordance with recognized international or national auditing standards in a consistent manner.

The Internal Audit Department is committed to enhancing the quality and efficiency of its operations by assessing and improving the effectiveness of internal controls, governance practices, and risk management. This is carried out through independent mechanisms that guarantee compliance with approved policies and procedures, asset protection, and promotion of transparency and accountability principles. The LIA commits to applying the best international standards and practices in this regard and submits related reports to the Audit, Compliance, and Risk Committee of the Board of Directors.

According to its law, the Audit Bureau is responsible for examining and reviewing the LIA's accounts. The Board of Trustees appoints external auditors from reputable auditing firms with international recognition. These auditors review and audit the LIA's accounts and observe compliance with applicable laws. They must submit performance evaluations and audit results reports to the Board of Trustees.

The LIA cooperates with specialized auditing firms to support efforts in preparing and reviewing its consolidated financial data, ensuring compliance with international accounting standards.

The LIA has contracted PricewaterhouseCoopers (PwC) to prepare consolidated financial statements for 2021– 2022 - 2023, and appointed (EY) as the auditor for the group and its subsidiaries to audit the 2020-2021 consolidated financial statements.

Principle 13

13. Professional and ethical standards should be clearly defined and made known to the members of the SWF's governing body(ies), management, and staff.

The LIA is committed to maintaining the highest professional and ethical standards at all levels. It applies codes of conduct and Professional Ethics for both the [Board of Directors](#) and executive management. In line with its strategy to develop human capital, the LIA provides specialized training programs to its employees and offers full support for obtaining accredited professional certifications.

The [Code of Conduct](#) and Professional Ethics defines principles related to integrity and impartiality in decision-making; avoidance of conflicts of interest; confidentiality and protection of sensitive information; compliance with laws, regulations, and internal policies; and prohibition of corruption, fraud, or abuse of authority.

All LIA employees are required to acknowledge and comply with the Code of Conduct and Professional Ethics upon hiring and with any subsequent updates. Regular training and awareness sessions are provided to enhance understanding and application of ethical standards.

These ethical standards are integral to the LIA's governance and risk management framework, ensuring all decisions serve the best interests of the LIA and the Libyan people.

Principle 14

14. Dealing with third parties for the purpose of the SWF's operational management should be based on economic and financial grounds, and follow clear rules and procedures.

The LIA's approved [Procurement Policy](#) establishes a structured framework for engaging with external parties, ensuring that operational activities are conducted efficiently, transparently, and in a manner that protects the organization's economic and financial interests.

In addition, an independent Bidding Committee operates within the LIA, guided by an approved policy and transparent procedures designed to safeguard the LIA's economic, financial, and administrative priorities.

Before entering into any transaction, third parties are subject to due diligence in accordance with the LIA's [Compliance Policy](#), ensuring adherence to both local and international laws.

Principle 15

15. SWF operations and activities in host countries should be conducted in compliance with all applicable regulatory and disclosure requirements of the countries in which they operate.

The LIA is committed to fully executing its international operations in line with the legal and regulatory frameworks of host countries. This upholds its reputation as a responsible sovereign investor, enhances international trust, and reflects sound and responsible investment practices that contribute to creating long-term sustainable value.

As an internationally oriented, sovereign entity, the LIA exercises the utmost diligence to ensure full compliance with all legal, regulatory, and disclosure requirements in all jurisdictions where it holds assets or conducts investment operations.

Furthermore, the LIA collaborates with legal advisors and specialized experts to guarantee compliance with financial, tax, regulatory, disclosure, and reporting obligations in every country of operation.

The LIA's approach to responsible investment rests on pillars of transparency, compliance, and independence, carefully avoiding any practices that could be perceived as infringing on national sovereignty or interfering in internal affairs.

Through this comprehensive framework, the LIA aims to establish itself as a responsible SWF committed to its mission and objectives, contributing effectively to sustainable development across various investment environments.

Principle 16

16. The governance framework and objectives, as well as the manner in which the SWF's management is operationally independent from the owner, should be publicly disclosed.

The LIA is committed to publicly disclosing its legal foundation, governance structure, and strategic objectives through its founding legislation ([Law No. 13](#) of 2010), official publications, website, and engagement with relevant international stakeholders.

[Law No. 13](#) of 2010 clearly outlines the mandates and responsibilities of both the Board of Trustees and the Board of Directors. It also details specific exemptions and authorities granted to the LIA, aimed at reinforcing its operational independence from the state and other governmental bodies. These include exemptions from local taxes and other domestic laws that may hinder the LIA's activities.

Principle 17

17. Relevant financial information regarding the SWF should be publicly disclosed to demonstrate its economic and financial orientation, so as to contribute to stability in international financial markets and enhance trust in recipient countries.

The LIA has published a [financial report](#), prepared by an independent external auditor, presenting the value of its assets and the geographical allocation of its investments in accordance with the Agreed-Upon Procedures (AUP), available on its [official website](#). In addition, the LIA discloses its annual financial information through its publicly available [annual reports](#) on the same platform.

Pillar 3: Investment

Investment and Risk Management Framework.

Principle 18

18. The SWF's investment policy should be clear and consistent with its defined objectives, risk tolerance, and investment strategy, as set by the owner or the governing body(ies), and be based on sound portfolio management principles.

18.1. The investment policy should guide the SWF's financial risk exposures and the possible use of leverage.

18.2. The investment policy should address the extent to which internal and/or external investment managers are used, the range of their activities and authority, and the process by which they are selected and their performance monitored.

18.3. A description of the investment policy of the SWF should be publicly disclosed.

The LIA has developed its investment policy based on its founding objectives, which are to effectively manage wealth for future generations, to vitally contribute to sustainable development, to diversify Libya's national income sources, to support the national economy over time, and to safeguard assets for the benefit of future generations. Moreover, the [investment policy statement](#) is available on the LIA's official documentation on its website.

Although the ongoing [freezing measures](#) have limited new investments, the LIA is using this period to strengthen its internal frameworks. The focus is on aligning risk tolerance and mitigating its implications, enhancing investment guidelines.

18.1 The LIA does not make use of financial leverage in its investment strategy. In light of the current freezing measures, the use of leverage is not necessary, which is consistent with the LIA's overarching objective of risk mitigation. The prudent risk management constitutes an integral part of its investment rules, ensuring that indebtedness is excluded from its approach. ([Statement of Investment Policy](#))

18.2 The LIA engages a group of external investment managers to manage its assets and investments in accordance with a clear strategic plan, pending the development of the LIA's internal capacities and the establishment of specialized teams in the field of investments. Recommendations for selecting external managers are made by the LIA's investment team and submitted to the Investment Committee, which in turn provides advice and recommendations to the Board of Directors. All external managers undergo thorough due diligence prior to being entrusted with the management of funds on behalf of the LIA. Additionally, their capabilities, track records, and legal status are continuously reviewed.

18.3 The investment policy of the LIA, as outlined in its founding legislation and published on its official website, is based on three fundamental principles:

- 1- Achieving optimal financial returns to enhance the resilience of the Libyan economy over the long term;
- 2- Contributing to the efforts of development and diversification of the Libyan economy through sustainable investments;
- 3- Preserving funds to ensure the future of the future generations.

<https://lia.ly/en/our-investment-platform/our-portfolio/>

Principle 19

19. The SWF's investment decisions should aim to maximize risk-adjusted financial returns in a manner consistent with its investment policy, and based on economic and financial grounds.

19.1. If investment decisions are subject to other than economic and financial considerations, these should be clearly set out in the investment policy and be publicly disclosed.

19.2. The management of an SWF's assets should be consistent with what is generally accepted as sound asset management principles.

The LIA adopts an investment philosophy that aims to maximise risk-adjusted financial returns, based on clear economic and financial principles and a balanced investment policy. It also adopts long-term strategies to achieve sustainable returns, while accepting carefully assessed levels of risk consistent with the fact that it has no direct financial liabilities.

The LIA also invests in low-liquidity assets where the returns are deemed justified and seeks to diversify its portfolio globally beyond traditional sectors such as oil and gas. To achieve its objectives, it classifies its

investments into three main categories:

1. Long-term investments for the benefit of future generations, with the aim of ensuring the sustainable development of national wealth.
2. Domestic investments to support the national economy and stimulate non-oil sectors.
3. Short-term investments to enhance financial stability and provide protection against fluctuations in oil revenues.

It is noteworthy that, due to the international asset-freeze measures imposed on the LIA for over a decade, the LIA has been unable to make effective investment decisions or to implement strategies that would enable it to secure competitive interest rates or improve returns in line with market conditions. These restrictions have significantly limited the LIA's ability to fulfil its investment commitments as originally intended.

19.1 The LIA's investment decisions are guided solely by financial and economic considerations, as stipulated in its founding law. The LIA conducts a comprehensive study and assessment of its investments from all technical aspects and applies ethical restrictions as necessary, which are publicly disclosed in the investment principles set forth in the LIA's [Statement of Investment Policy](#).

Moreover, its primary purpose is to invest public funds in order to generate profits and preserve national wealth. This commitment to financial objectivity is a fundamental and unwavering principle. Nevertheless, the LIA's equity portfolio is currently divided into two distinct categories:

Strategic Equity Portfolio: This category comprises historical investments acquired in earlier periods for political or strategic purposes and not necessarily based on financial performance or economic feasibility. Such investments involve relatively high acquisition costs and do not reflect the LIA's current approach, which is based on investment efficiency.

Non-Strategic Equity Portfolio: This category includes investments selected through organised decision-making processes grounded in rigorous financial analysis, comprehensive feasibility studies, and systematic performance evaluation, in alignment with best practices in investment management.

19.2 The LIA's investment policy seeks to balance sustainable returns with capital preservation, in furtherance of the national interest, through:

1. Maximising sustainable long-term returns
By investing the LIA's funds in a disciplined and systematic manner, thereby enabling asset growth and the value creation over the long term for the benefit of future Libya's future generations.
2. Supporting economic stability and enhancing diversification through contributing to the diversification of Libya's income sources and reducing reliance on natural resources revenues.
3. Safeguarding sovereign capital by adopting a prudent risk-management approach designed to preserve the asset value and protect it against erosion or loss, particularly in light of the challenges associated with restrictions imposed on frozen assets.
4. Diversifying the investment portfolio through the geographical and sectoral asset allocation, thereby mitigating risks associated with regional or sectoral volatility and enhancing the LIA's financial resilience.
5. Enhancing governance, transparency, and accountability.
6. Integrating Environmental, Social, and Governance ([ESG](#)) criteria into our investment decision-making process underscores our commitment to responsible investing. This approach ensures we consider environmental and social impacts while promoting sustainable development both locally and globally.

By adopting an investment governance framework that ensures decision-making in accordance with professional standards and institutional independence, while adhering to the highest levels of disclosure and

responsibility.

Principle 20

20. The SWF should not seek or take advantage of privileged information or inappropriate influence by the broader government in competing with private entities.

The LIA's approach is grounded in the core principles of sound governance, institutional independence, and management practices aligned with international standards for sovereign wealth funds.

In accordance with its founding legislation, [Law No. \(13\)](#) of 2010, the LIA holds an independent legal personality and financial autonomy, enabling it to carry out its mandate and achieve its objectives without political interference or direct governmental involvement.

Furthermore, the LIA refrains from engaging in any activities or negotiations that could grant it undue access to information or suggest improper influence by government entities. The majority of its investments are held abroad and managed through independent structures. This financial and administrative autonomy is a cornerstone of the LIA's credibility and reinforces its reputation as a responsible and effective sovereign wealth fund on the international stage.

Principle 21

21. SWFs view shareholder ownership rights as a fundamental element of their equity investments' value. If an SWF chooses to exercise its ownership rights, it should do so in a manner that is consistent with its investment policy and protects the financial value of its investments. The SWF should publicly disclose its general approach to voting securities of listed entities, including the key factors guiding its exercise of ownership rights.

The LIA exercises the ownership and voting rights associated with its investments in accordance with the provisions of [Law No. \(13\)](#) of 2010, particularly Article (11), which grants the Board of Directors to exercise all ownership rights over subsidiary companies. The LIA performs this role within the framework of its approved investment policies that govern the exercise of such rights.

The LIA also adheres to the principles of responsible management when exercising voting rights, as its investment policy statement emphasises for engagement with the boards of directors of investee companies and active participation in general assemblies. In alignment with international best practices, the LIA considers environmental, social, and governance (ESG) standards in its decision-making.

The LIA exercises its shareholder rights in accordance with the Shareholder Rights Policy set forth in its Investment Policy, with a focus on achieving the optimal value of its investments. It implements strict controls to ensure compliance with ethical standards and investment principles, including the [Code of Conduct](#) governing the work of the Board of Directors and the Executive Management.

The LIA is committed to transparency in the exercise of ownership rights and has disclosed its methodology in this regard within its [Investment Policy Statement](#). Decisions concerning the exercise of voting rights are made in accordance with approved policies and procedures, balancing financial returns with ethical principles.

Principle 22

22. The SWF should have a framework that identifies, assesses, and manages the risks of its operations.

22.1. The risk management framework should include reliable information and timely reporting systems, which should enable the adequate monitoring and management of relevant risks within acceptable parameters and levels, control and incentive mechanisms, codes of conduct, business continuity planning, and an independent audit function.

22.2. The general approach to the SWF's risk management framework should be publicly disclosed.

The LIA operates within an integrated [risk management framework](#) that reflects international best practices and aims to ensure the efficiency and effectiveness of risk identification, assessment, and mitigation across its various activities. [This policy](#) relying on a clear methodology that integrates both strategic and operational aspects, thereby contributing to the enhancement of corporate governance and internal controls.

The LIA's risk management framework is based on the "[Three Lines of Defence](#)" model, which is disclosed on its website, and is structured as follows:

First Line: relates to the day-to-day business operations, including the implementation of control measures at the departmental level.

Second Line: Encompasses oversight functions, such as strategic management, policy and procedure development, and functional supervision.

Third Line: consists of the independent internal audit function, which is responsible for providing review, evaluation, and objective assurance.

22.1 The risk management framework encompasses a comprehensive set of guidelines and procedures designed to manage and monitor risk exposures in accordance with the standards set forth in the LIA's Risk Appetite Statement ([RAS](#)). In addition, a Business Continuity Plan ([BCP](#)) has been established, subject to regular monitoring and testing to ensure the LIA's resilience and preparedness to address any potential disruptions.

22.2 The overall risk management framework is publicly disclosed on the LIA's [official website](#).

Principle 23

23. The assets and investment performance (absolute and relative to benchmarks, if any) of the SWF should be measured and reported to the owner according to clearly defined principles or standards.

The LIA adopts clear policies for asset measurement and investment performance evaluation, both on an absolute basis and relative to benchmark indices. The measurement process is conducted regularly and accurately in accordance with fair value methodologies and international standards for investment performance measurement.

This framework is implemented through the following:

- Setting long-term performance targets for each asset class.

- Utilizing diverse performance metrics to compare the effectiveness of the investment strategy, both at the overall level and for specific asset classes.
- Valuing listed assets based on official market prices.
- Relying on valuations provided by asset managers and custodians for unlisted assets.
- Conducting an annual assessment of illiquid assets utilizing internal models or external appraisals, when available.

The LIA is committed to delivering timely, accurate, and comprehensive reports on its performance and activities, applying international standards for investment performance measurement to ensure fair disclosure. This enables the evaluation of its performance and informs stakeholders of its activities through periodic updates on the LIA's [official website](#) or via formal legal reporting documents.

Principle 24

24. A process of regular review of the implementation of the GAPP should be engaged in by or on behalf of the SWF.

This is the LIA's third self-assessment for the implementation of the Santiago Principles, which shall be conducted every three years.