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## INTERVIEW

**WE ARE LONG-TERM INVESTORS AND LONG-TERM INVESTORS ARE THERE WHEN PEOPLE RUN AWAY, AND ARE STILL THERE WHEN PEOPLE JUMP BACK INTO THE MARKET.**



**Sulaiman Alderbas**  
**Head of Alternative Investments**  
**The Public Institution for Social Security**

**How do you underwrite during conditions of inherent uncertainty such as what we face today?**

Times are always uncertain, whether because of COVID-19 or not. In today's situation the best way is to be agile and act fast - the more "information" you get, sometimes the worse your decision will be because you will prolong the diligence process and you will get trapped into an unwanted confirmation bias, which is human nature. COVID has made the need to make decisions fast with the information at hand now, as opposed to what might or might not happen in the future. So, for us, it is the same process. Who are the people you're investing with? Do they have the right process and infrastructure? And returns are a byproduct of that. The IC has not stopped at PIFSS. Business continues. We are long-term investors and long-term investors are there when people run away, and are still there when people jump back into the market.

**You work across a huge spectrum of asset classes within liquid and illiquid alternatives. How do you underwrite new opportunities?**

The biggest challenge is starting new relationships. You cannot do an onsite visit, but there are ways around it with video conferencing. With that, you can gauge the technology infrastructure, data storage, and accessibility in addition to team culture, in the midst of a crisis. There are more people with time to meet than ever before.

But, honestly, it boils down to our strongest relationships and with whom we feel most comfortable. Whether it is for referencing or investing purposes, existing relationships are more important and stronger than ever before. For the time being, we haven't yet invested with a new relationship that we've never physically visited, but if COVID-19 continues, then we will certainly have to adapt and adjust to the new norm.

**What did your institution do in order to continue working under the lockdown environment? Any tips for getting work done while working remotely?**

Staying in touch with your team is really so important. The biggest challenge is work/life balance, especially going into complete uncertainty, whether it's financial, career or well-being uncertainty. Connecting with your team on a personal level, as opposed to just weekly meetings. Face-to-face calls occasionally with every team member and really listening to them. Luckily for us, we had Microsoft systems, we had the Cloud so we were up and running

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day one. The message came from management that it's business as usual so let's open communication and go about it. Each team created an emergency plan and a progress tracker on a weekly basis. And then, it depended on each department head or manager to really understand the emotional state of each team member. If there's a change in work quality, there is usually an emotional component associated with it. That's honestly the biggest issue. For us, I think two things that really helped during the crisis is that management continued to think as long-term investors and to take the view that this situation is going to pass, and for us as managers, it's a way to get involved in career coaching.

**We are obliged because of our fiduciary responsibility to the pensioner, and the trust people have placed in us with their money.**

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## SPOTLIGHT

The Public Institution for Social Security (PIFSS) is an independent government agency in Kuwait established to ensure, through a social security system that is characterized by comprehensiveness, unity and considerable security benefits, the continued welfare of Kuwait. As the only pension in Kuwait, the social security system covers all citizens who are active within the community regardless of their occupation. It is required for all employed citizens and military personnel and has

over 605,000 subscribers. PIFSS is an institutional investor with a large exposure to global markets, as well as a significant exposure in Kuwait.

Founded: **1976**  
Headquarters: **Kuwait City, Kuwait**  
Total Headcount: **2,150**  
Investment Team: **87**

**One of the things that has been a special challenge in the U.S. is that Americans have never in their lifetimes experienced a major military or environmental disaster that could affect them simply by virtue of walking outside of their homes. Do you think Kuwait's preparedness is enhanced by the geopolitical challenges you have survived as an institution?**

It's the people more than the institution. It's the people that make the institution. The people are good law-abiding citizens. And if anything, we've gone through three experiences where we had to think about or wear face masks. We had the Iraq War, we had Saddam Hussein, and now COVID. The respect for law is part of everyone's DNA here. And what we saw through the crisis is commitment. No one was asked to work for a period of time, but my whole team was available right away, taking calls day and night. We are working around the clock. We are all obliged because of our fiduciary responsibility to the pensioner, and the trust the people have placed in us with their money.

We are here for the long term. We have to get away from this fixation on day to day, month to month, quarter to quarter basis. The more we can think long term, the wiser the decisions we will make as both investors and humans.

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### **Have you found any silver linings to this environment?**

One thing that stands out is the travel we used to do. We used to spend 80% of our time visiting existing relationships and 20% on new relationships, whereas COVID will flip this whole equation. I always had the challenge of managing a huge book and making sure I had face time with all the managers and making sure we had new relationships in the pipeline. We've learned through this experience that we can work with existing managers through Zoom, supplemented with occasional visits, and establish the new relationships in person. Now I feel our trips will be more focused and efficient.

### **Any new quarantine habits? Have you been reading or watching or listening to anything interesting? Any hobbies that you've picked up?**

Pre-COVID, I used to go to the gym a lot so eventually I resolved to have a healthier diet, less take-out, and incorporated daily runs or walks to unplug from work and find time to call a friend or listen to a podcast.

There's been a lot of emphasis on spirituality, especially with Ramadan. I will say though that at this point, I've watched every Spanish program, every Korean program, German is easy with the subtitles – I'm learning new languages through Netflix.