



Fundo
Soberano
de Angola



Nurturing Our Future



“... oil reserves should be allocated to the creation of financial reserves of the State that can be used equally and fairly, for the sustainable and harmonious development of our country, in accordance with the public interest and for the benefit of present and future generations”

JOSÉ EDUARDO DOS SANTOS,
PRESIDENT OF THE REPUBLIC OF ANGOLA
(Excerpt from the Presidential Decree 48/11 of the 9th June, 2011)

Content

- 01 MESSAGE FROM THE CHAIRMAN Pg. 6/7
- 02 ABOUT THE FUNDO SOBERANO DE ANGOLA Pg. 8/9
- 03 CREATING PROSPERITY FOR ANGOLA'S FUTURE GENERATIONS Pg. 12/13
- 04 COMMITMENT TO TRANSPARENCY, ACCOUNTABILITY
AND GOVERNANCE Pg. 14/15
- 05 LEADERSHIP Pg. 18/19



01

Message from the Chairman

Angola is rich in natural resources, but we understand that these are finite; therefore it is imperative that the wealth they generate is used to support a more sustainable development of our country. This understanding defines the basis for the establishment of the FSDEA. It is set within the Government's continuous efforts to promote a business friendly environment for investments, allowing faster and easier business start-ups and management, whilst increasing access to a good standard of basic infrastructure.

The FSDEA has distant horizons and over the next 10 to 15 years, we envisage the Fund reaching a value in excess of its original endowment of \$5 bn. By then, the economy of Angola will have made significant progress; it will be much more diverse, and bear more skilled and sound citizens than at any time in our recent history. The Fund's investment will play a central role in moving the country forward in a very strategic way.

The FSDEA pursues long-term sustainable financial returns that will positively impact the lives of the people of Angola today and in the future. Although the Republic of Angola is the only shareholder, the FSDEA is managed autonomously, through its Board of Directors, in accordance with the investment policy and other regulations set by the Government.

We are entering a new era in Angola's history and I would be delighted to share more information on the FSDEA's development and investment activities, and to discuss potential opportunities. We anticipate 2014 to be an exciting year for the Republic of Angola and for the Fund.

Sincerely,

JOSÉ FILOMENO DE SOUSA DOS SANTOS
CHAIRMAN OF THE BOARD OF DIRECTORS
FUNDO SOBERANO DE ANGOLA



About the Fundo Soberano de Angola

02

Promoting Angola's Social And Economic Development

On 20 November 2008, the President of the Republic of Angola, José Eduardo dos Santos, announced the establishment of a special commission to set up the foundations for a new sovereign wealth fund (SWF) to promote growth, prosperity and socio-economic development across Angola. In 2011, the Fund was legally ratified and officially established in 2012 with an initial endowment of USD 5bn.

The FSDEA was established in accordance with the global governance standards and best practices stated in the Santiago Principles. In the future, the Fund will be rated by the Linaburg-Maduell Transparency Index.

The FSDEA's portfolio will gradually be diversified across a number of industries and asset classes including global private and public stocks; bonds; foreign currencies; financial derivatives; commodities; treasury bills; and real estate and infrastructure funds. While in the domestic market, the Fund will focus on investments in Infrastructure, Real Estate, Mining, Soft Commodities and Agriculture.

Angola urgently requires economic diversification, social development and wealth creation. While sustainable stabilization of the domestic economy is inherent in the establishment of the FSDEA, its investment focus will be in projects that generate long-term and sustainable financial returns while playing an important role in promoting Angola's socio-economic development by creating wealth for its people.

Values

The FSDEA is guided by a set of values that define its investment approach:

TRANSPARENCY

The Fund is committed to the highest level of transparency across all areas of business.

ACCOUNTABILITY

The Fund is fully accountable for all its actions and always acts in the best interest of the people of Angola and all other stakeholders.

COMMITMENT

The Fund is a responsible state entity and is committed to all stakeholders, in particular Angola's people and their communities.

INTEGRITY

The Fund's actions are founded on integrity and respect of the laws and regulations of Angola and the countries where it invests.

Santiago Principles

The FSDEA strongly complies with the Santiago Principles which are a voluntary set of principles and practices developed by the International Forum of Sovereign Wealth Funds (IFSWF) aimed to promote transparency in relation to institutional frameworks, governance and operations of SWFs.





Creating Prosperity for Angola's Future Generations

03

The FSDEA investment strategy is founded on its commitment to seek capital preservation, return maximization and to promote the social and economic development of Angola. The Fund has a strong focus on investing in the domestic market, building Angola's commercial infrastructure and creating opportunities for Angolans.

50 per cent of the Fund's investments will be fixed income instruments and cash, issued by sovereign agencies, supranational institutions, large firms with investment grade credit ratings, financial institutions and additionally, in equities issued within the G7. The remainder of the funds will be allocated to alternative investments in high growth markets.

The FSDEA will further diversify its investment portfolio across a number of industries and asset classes including global private and public stocks; bonds; foreign currencies; financial derivatives; commodities; treasury bills; and real estate and infrastructure funds.

The Fund is currently focusing on investments in the sub-Saharan Africa hospitality and infrastructure sector, with the aim to establish regional investment funds. The rationale behind creating such funds is that these sectors hold significant potential for job and wealth creation and create a local supply chain that positively impacts the economic growth of the continent.





Commitment
to Transparency,
Accountability
and Governance

04



Commitment to Transparency, Accountability and Governance

The FSDEA is a sovereign investment fund managed by an autonomous Board of Directors. The Fund's organizational structure ensures that adequate review mechanisms are in place through the adoption of global best practices, such as the appointment of independent auditors for the review of its annual financial accounts.

The Fund's organizational structure ensures that adequate review and supervisory mechanisms are in place including:

- › The Board of Directors implements the Fund's investment strategy and administers its activities and assets;
- › The Fiscal Council, appointed by the Ministry of Finance, ensures internal compliance with the laws and regulations applicable to the Fund. The Fund's financial accounts will also be subject to regular reviews by Fiscal Council. The financial accounts of the Fund are reviewed quarterly by the Ministry of Finance and included in the General State Accounts, which are assessed by the Parliament regularly;
- › The Advisory Council, consisting of the Minister of Finance, Minister of Economy, Minister of Planning and the Governor of the Central Bank, reviews investment proposals and strategy recommendations by the Board of Directors. The Council offers recommendations to the President of the Republic of Angola who ultimately approves the Fund's investment policies;
- › External Auditors and Advisors also offer their expertise on investment decisions, operations and risk management. Furthermore, the Fund is committed to regularly communicate about its investment strategy, portfolio and Fund performance. The Fund's audited accounts are in addition disclosed annually to the public.

The Fund's Social Charter Initiative

The Fund dedicates 7.5 per cent of its endowment to social development and socially responsible projects in the areas of education, income generation and off-the-grid access to clean water, healthcare and energy.

The Fund has already unveiled details of its first community initiative, which consists of an education program designed to empower school children in economically vulnerable areas of Angola. This multi-year project, called "Kamba Dyami", is part of the 'One Laptop per Child' international program. It encourages computer-based learning in traditional classrooms at an early age.

The FSDEA intends to extend this initiative to additional schools in sub-urban and rural areas of Angola to enable the next generation to fully embrace Angola's future opportunities. From 2013 to 2015, 1,200 additional laptops will be availed, which will allow 2,400 more children to benefit from computer based learning. Furthermore, the Fund will look to focus on a number of priority areas such as income generation, access to off the grid clean water, healthcare and energy, as well as professional training to ensure the sustainability of its investments.





Leadership

BOARD OF DIRECTORS

José Filomeno de Sousa dos Santos
Chairman of the Board of Directors

Artur Carlos Andrade Fortunato
Member of the Board of Directors

Hugo Miguel Évora Gonçalves
Member of the Board of Directors

ADVISORY COUNCIL

Armando Manuel
Minister of Finance

Abraão Pio dos Santos Gourgel
Minister of Economy

Job Graça
Minister of Planning and Territorial Development

José de Lima Massano
Governor of the National Bank of Angola



FUNDO SOBERANO DE ANGOLA

Metrópolis, Ground Floor-Mezzanine
217-221 Kwamne N'Krumah Road
P. O. Box 6869 - Luanda
Republic of Angola

info@fsdea.ao
www.fundosoberano.ao