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SUMMARY

President of the Republic

Presidential Decree n. ° 212/19:

Approves the Organic Statute of the Sovereign Fund of Angola. - Repeals Presidential Decree No. 89/13, of 19 June, and all legislation contrary to the provisions of this Diploma.

Presidential Decree No. 213/19

Approves the Angolan Sovereign Fund Investment Policy for the period 2019 - 2023. Repeals Presidential Decree No. 107/13, of 28 June, approving the Angolan Sovereign Fund Investment Policy for the 2013/2014 Biennium, and all legislation contrary to the provisions of this Diploma.

Presidential Order No. 214/19

Approves Angola Sovereign Fund Management Regulations - Repeals Presidential Decree No. 108/13 of 28 June, which approves Angola Sovereign Fund Management Regulations, and all legislation contrary to the provisions of this Diploma.

PRESIDENT OF THE REPUBLIC

Presidential Decree No. 213/19 of 15th of June

Considering that the Investment Policy of the Sovereign Wealth Fund of Angola (FSDEA) is the instrument that defines the guidelines that guide the management and strategic application of assets of the Fund, to achieve its objectives;

With the need to approve the Investment Policy of the Sovereign Fund of Angola for the next five years 2019 - 2023.

The President of the Republic hereby decrees, pursuant to Article 120 (d) and 125 (2), both of the Constitution of the Republic of Angola, the following:

ARTICLE 1.º (Approval)

The Investment Policy of the Sovereign Fund of Angola for the period 2019 - 2023, annexed to this diploma and which is an integral part of it, is hereby approved.

ARTICLE 2.º
(Repeal)

Presidential Decree No. 107/13, of 28 June, which approves the Investment Policy of the Sovereign Fund for the 2013/2014 biennium, and all legislation contrary to the provisions of this law, is hereby repealed.

ARTICLE 3.º
(Subsequent endowments)

The Sovereign Wealth Fund is capitalized in accordance with the rules defined in the Law approving the General State Budget for each financial year.

ARTICLE 4.º
(Doubts and omissions)

Doubts and omissions about the interpretation and application of this Presidential Decree are resolved by the President of the Republic.

ARTICLE 5.º
(Date of entry into effect)

This Presidential Decree shall enter into force on the day of its publication.

Appreciated by the Economic Commission of the Council of Ministers, in Luanda on June 26th, 2019.

Publish it

Luanda, June 12th, 2019

The President of the Republic, JOÃO MANUEL GONÇALVES LOURENÇO

ANGOLAN SOVEREIGN WEALTH FUND INVESTMENT POLICY

ARTICLE 1.º
(Investment Policy Objective)

The Investment Policy of the Sovereign Wealth Fund of Angola, FSDEA or Fund, aims to define the general lines of action of the Fund, setting the maximum percentages to be allocated by different asset classes.

ARTICLE 2.º
(Mandate)

As a strategic organ of the Angolan Executive's act, with a view to the constitution of financial reserves, for the benefit of present and future generations, FSDEA's activity is limited to the purposes for which it was created, being governed by the following mandates:

- a. Savings and wealth transfer to Future Generations (Preservation of Capital);
- b. Maximization of results;

- c. Tax stabilization with respect to revenue allocated for this purpose.

ARTICLE 3.º
(Guiding principles)

1. FSDEA, as a long-term public asset management entity, in the execution of its investment policy, must operate with full autonomy and independence from the direct and indirect state administration bodies.
2. Given its nature, its activities must always be subordinated to the principles of financial return and the protection of allocated capital, and the investments it makes reflect the following objectives:
 - a. Increase national wealth through strategic and responsible management of sovereign resources, allocating them to investments in Angola and abroad, whose risk / return prudence criteria allow maximizing returns and minimizing risks;
 - b. Contribute to the creation and maintenance of alternative sources of wealth for the country, considering the long-term interests of Angolan citizens, favouring the function of saving and generational transfer of wealth;
 - c. Set up a fund for fiscal stabilization.

ARTICLE 4.º
(Determination of Activities)

The activities inherent in the implementation of the Investment Policy are determined and implemented by the FSDEA Board of Directors, in accordance with the provisions of this Policy and the Presidential Decree approving it.

ARTICLE 5.º
(Asset Allocation)

1. Asset allocation, and hence the constitution of the FSDEA investment portfolio, should be as follows:
 - a. A minimum of 20% limited to a maximum of 50% of the capital is invested in fixed income assets issued by supranational agencies or institutions from mainly G7 countries, or from other investment grade rated economies, corporations and financial institutions, issued by one of the top 5 rating and rating agencies;
 - b. A maximum of 50% of capital is allocated to equity securities, including stock market quotations in advanced economies, emerging market assets, as well as markets and frontier economies;
 - c. A maximum of 50% of the capital is intended for alternative investments.
2. The strategic allocation of investments within the limits established in the previous paragraph is determined by the Board of Directors.
3. The capital of the Fund, attached to the savings component, shall be invested solely and exclusively for the fulfilment of its long-term mandate, as set forth in article 2 of this Investment Policy.

4. The FSDEA may resort to the use of financial hedge instruments, including derivatives, solely to hedge the investments of the Fund.
5. Returns on investments are primarily used for reinvestment and to cover operating expenses and may be used for other expenses, including but not limited to social responsibility and development support projects, as set out in the annual or multi-annual development plans investments.
6. FSDEA is prohibited from directly or indirectly granting loans or providing guarantees.
7. The FSDEA may, in duly justified circumstances and considered by the Board of Directors, use leverage mechanisms for the realization of its investments, up to a limit of 5% of the Fund's capital.
8. Since the Fund's main source of funding is the oil sector, investments related to the sector should not exceed 5% of the Fund's assets under management.
9. Resources for fiscal stabilization may only be invested in easily convertible liquid assets.

ARTICLE 6.º
(Currency Portfolio Composition)

The Fund's principal investment operating currency is the United States dollar; however, it may invest in other currencies and exposure shall be defined in the asset allocation strategy, taking into consideration the risk / return and equity ratio the macroeconomic environment.

ARTICLE 7.º
(Risk Management)

The risk management procedures to which the Fund is subject are defined in its own regulations approved by the Fund's Board of Directors.

ARTICLE 8.º
(External Managers)

1. The Fund may engage third parties for asset managers as part of the implementation of its investment strategy.
2. The Board of Directors shall, subject to compliance with Law No. 9/16 of 16 June, Public Procurement Law, determine the conditions, criteria and requirements for hiring investment managers.
3. The hiring of managers should be driven by criteria of competence, quality, credibility, suitability, reputation and proven experience in the area of specialization in question, or other requirements defined by the Board of Directors, in particular:
 - a. be qualified and pursued in accordance with the law of the country of incorporation, and have more than 10 years of experience in at least one G7 country;
 - b. be subject to the supervision of a regulatory body for the activity carried out;
 - c. not been or being the subject of a criminal investigation;
 - d. not been convicted of a crime of an economic and financial nature, or sanctioned by a financial market regulatory and supervisory body;

- e. have in its portfolio a portfolio of assets of not less than USD 3 000 000 0000.00 (three billion US dollars).
4. No more than 30% of the Fund's assets may be allocated at any time to a single external manager.
5. All fund managers must be licensed by their regulator to carry on the activity.
6. The purposes, activities and authority of the Fund's external managers are limited to those strictly necessary for the fulfilment of the Fund's mandate.

The President of the Republic, JOÃO MANUEL GONÇALVES LOURENÇO