

## CHAIRMAN'S REPORT

2019 was an exciting year for the Fund, being the third full year of operation since its establishment in 2015. It is with great pleasure that I now take on the role of Chairman and Committee member representing the Government of Nauru. I would formally like to thank David Adeang, our previous Government of Nauru representative, for his work as Chairman and Committee member since incorporation and I now take up the challenge of continuing the momentum that David and the Committee has achieved so far.

With the continued support of the Fund's Committee and its development partners, the Fund's value is now in excess of \$110.8 million at 30 June 2019. The Fund is continuing to meet its investment objectives of achieving growth in the fund in the early years. I am pleased to report a \$26.4 million increase in the Fund from the 2018 financial year. With the Fund's continued growth, I am excited that the Fund has the ability to generate future investment earnings and a future source of revenue to the Republic of Nauru.



It was with great honour that the Fund welcomed the Government of New Zealand as a Committee representative during the 2019 year. As part of that process, the Fund Committee members enjoyed the hospitality of the Government of New Zealand while holding the recent quarterly meeting in Wellington to sign the Memorandum of Understanding between the Republic of Nauru and New Zealand.

On becoming a Committee member, the Government of New Zealand also provided further contributions to the Fund during the 2019 financial year. Other contributions received by the Fund were from the Government of Nauru (GON) and our additional development partners, being Government of Australia (GOA) and Government of China (Taiwan).

During the 2019 financial year, the GON contributed \$14.6 million to the Fund resulting in total contributions from establishment to 30 June 2019, of \$61.8 million. GOA contributed \$1.5 million resulting in \$13.5 million since establishment; GOC (Taiwan) contributed \$2.8 million resulting in \$13.4 million since establishment; and GONZ contributed \$0.9 million resulting in \$2.8 million since commencing contributions to the Fund during the 2018 year. We are also grateful to the Asian Development Bank for providing \$2.634m on initial setup of the Fund.

As part of the Stage 2 investment strategy achieved during the 2018 year, the Fund has been working with our investment advisor and independent consultant to invest in a more illiquid portfolio while increasing the growth of the assets through contributions and reinvestment of earnings. As part of this strategy, the Fund was able to commit to contributing to a Mercer private equity investment. The Committee is looking forward to seeing the results of this investment in due course.

I look forward to working with my fellow Committee members, development partners and the broader team responsible for the administration and investment of ongoing contributions. I am confident of the continued growth in the Fund and as a result, the ability of the Fund to provide a future revenue source for the GON and its people. I look forward to seeing the results of the Fund in future years.

Hon Martin Hunt MP

Chairman