



Trust Fund Committee Meeting
23 August 2018

Meeting Minutes Summary Outcome

The following members or their alternates were in attendance:

Hon David Adeang, MP - Chairman and Minister for Finance, Government of Nauru (GON)

Bruce Soar - Member and Director, Pacific Division, Department of Foreign Affairs and Trade, Government of Australia (GOA)

Joseph Chin-fa Chow - Ambassador to the Republic of Nauru and Alternate for Baushuan Ger, Director General, Department of East Asian and Pacific Affairs, Ministry of Foreign Affairs, Republic of China (Taiwan)

Others present:

John Petersen - Financial Adviser to the Minister for Finance, GON

Angela Tierney - Australian High Commissioner to the Republic of Nauru

Hon Lionel Aingimea, MP – Assistant Minister Public Service Justice & Border Control
Multicultural Affairs

Shau Ann Lee - Republic of China (Taiwan)

David Hutton - Review Consultant

Maree Griffin - Executive Administrator, Financial Management Consulting, BDO (Qld) Pty Ltd

Michael Maher - Principal, Mercer

Craig Hughes - Principal, Mercer (via dial in)

Meeting Opening

The meeting was the ninth official meeting of the Intergenerational Trust Fund for the People of the Republic of Nauru (the Trust Fund) and opened at 11.00am with a prayer by Hon Lionel Aingimea and welcome from the Chairman.

Chairman Adeang asked that the Committee address the items on the agenda.

Trust Fund Business

**1. Introduction of Taiwan's new representative – Ambassador Ger
Introduction of Review Consultant – Mr David Hutton**

Minister Adeang welcomed Ambassador Ger to the Committee and thanked Ambassador Chen for his contribution to the Fund since its inception. Minister Adeang also welcomed Mr Hutton as the Review Consultant for the Fund. Mr Hutton responded accordingly.

2. Approval of 22 May 2018 Meeting Minutes confirmed.

Mrs Griffin provided a summary of the previous meetings minutes.

Action arising: BDO to amend the error in the minutes for Committee Meeting held on 22 May 2018.

Decision: The Committee endorsed the minutes.

3. Financial Information

(a) Mrs Griffin provided a summary of the June 2018 quarterly financial information.

Action arising: BDO to determine if a refund of the Franking Credits was even possible and advise accordingly.

Decision: The Committee endorsed the financial information prepared by BDO.

(b) Mrs Griffin summarised the details within the final 2018 and draft 2019 cash flow statements.

Action arising: Mrs Griffin to remove the \$2.5m GOA contribution from June in the 2019 cash flow statement and insert \$361,000 in October. Mrs Griffin will provide a copy of the document to the Committee once updated.

(c) Mrs Griffin summarised the details within the draft 2018 Financial Statements.

Action arising: Mr Maher to provide Mrs Griffin details of the Mercer Fees for the 2018 Financial Year to include in the Financial Statements. Mr Soar to provide a marked-up copy to Mrs Griffin after the meeting.

Decision: The Committee endorsed the information within the Financial Statements and agreed for Mrs Griffin to provide a copy to the auditors, Hanrick Curran.

(d) Mrs Griffin summarised the details in the draft 2018 Annual Report and opened to the Committee for comment.

Action arising: Mr Petersen to provide appropriate photos for inclusion in the Annual Report.

Action arising: Mrs Griffin to provide a draft copy of relevant sections of the Report to Mr Petersen for comment.

Action arising: Mr Maher to provide investment information for the 2018 Financial Year for inclusion in the Annual Report.

Decision: The Committee agreed to keep the Santiago Principles in the 2018 Annual Report.

(e) Mrs Griffin provided an update on the progress of adding Mr Soar as a signatory for Mercer and asked Ambassador Chow to provide comment.

Action arising: Ambassador Chow to follow up with Ambassador Chen in Canada.

4. Mercer Investment Information

(a) Mr Maher opened up to the Committee for any questions in relation to the performance of the Fund for the June 2018 quarter based on the Quarterly Report provided and responded accordingly.

Decision: The Committee endorsed the information included in the Quarterly Report prepared by Mercer.

Decision: The Committee endorsed the information included in the Quarterly Investment update and strategic health check.

Action arising: Mr Maher to provide paperwork relating to Private Equity Fund to BDO for completion.

(b) Mr Maher provided an update on the Responsible Investment Policy for the Fund and summarised the information of the Mercer Sustainable Investment Policy. Mr Hughes advised the Responsible Investment contact from Mercer, Helga, would be available to dial in to the next Committee meeting for the Fund. The Committee continued a brief discussion around the Responsible Investment Policy.

Decision: The Committee agreed to start the process of creating a Responsible Investment Policy for the Fund.

Action arising: Mr Maher and Mr Hughes to arrange for Helga to dial in to the next Committee meeting in November to discuss the process going forward.

(c) Mr Hutton queried the agenda item around the comparison of the Fund's performance with other Pacific Island funds and questioned if the information would be beneficial as there aren't really any comparable funds.

Action arising: BDO to remove from the standing agenda items.

5. Independent Consultant

Mr Hutton provided additional information on the Fund Monitoring notes prepared and opened to the Committee for discussion and suggestions on what information the Committee would find beneficial

Action arising: Mr Soar to send through his suggestions and ideas upon return to Australia.

6. Future Input by New Zealand

Mr Petersen advised discussions have progressed and correspondence exchanged outlining the possibility of New Zealand contributing.

Decision: The Committee welcomed the continued support and addition of a New Zealand representative to the Fund Committee.

7. Future meetings

The next meeting is scheduled for 27 November 2018 and will be a dial in meeting to start at 11am Brisbane time.

Decision: The Committee confirmed the date and location of the next Committee meeting.

Action arising: BDO to send a date claimer appointment around confirming the dial in details.

8. Other business

There was no other business to discuss.

Meeting Closure

The Chairman thanked everyone for participating and the meeting closed at 1:00pm with a prayer by Hon Lionel Aingimea.

David Adeang, Chairman Date

Bruce Soar, Member Date

Joseph Chin-fa Chow, Alternate Member Date
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