

CHAIRMAN'S REPORT

2023 was the seventh full year of operation since its establishment in 2015. I am proud to say that the Fund is still exceeding our overall objective since the inception of the Fund. The Committee is actively working with our investment advisors to ensure this continues, even with the market volatility.

Our respective Governments have continued to make the proposed annual contributions to the Fund. The Fund's investments are now at \$296.6 million at 30 June 2023. It is pleasing to see the investment objectives of achieving growth in the fund in the early years continue to be met. The Fund has increased by \$60.3 million from the 2022 financial year and has outperformed our overall performance objective of 7.5% pa since inception.




During the 2023 financial year, the GON contributed cash of \$24.6 million to the Fund resulting in total contributions from establishment to 30 June 2023, of \$169.9 million. Based on the ongoing commitment our government has in generating a future revenue source for the benefit of future generations, GON again contributed a prepaid amount which totalled \$6.8 million, relating to the 2024 financial year; GOA contributed \$2.5 million resulting in \$26.4 million since establishment. This also included a 2023 prepaid amount of \$1.8 million and a 2024 prepayment amount of \$1.5 million; ROC (Taiwan) contributed \$2.9 million resulting in \$24.7 million since establishment; and GONZ contributed \$904k, resulting in \$6.5 million since commencing contributions to the Fund during the 2018 year.

I am excited to report that we have also had our first income distribution resulting from our contributions to the initial tranche of Mercer private equity investments. It is promising to see the start of the income returns and we are continuing with our ongoing commitment to this type of investment. During the year we contributed a further \$14.4 million to our Mercer private equity investments. This also included the contributions to the additional tranche undertaken as part of our ongoing investment strategy. At the time of preparing this report, USD\$1.0m has been contributed after the end of the financial year and we have a further commitment of \$USD16.3 million over the remaining term of both tranches.

The continued growth of the Fund, all while enduring market volatility and significant global events, is a testament to the ongoing working relationship between the Committee, investment advisors and administrators of the Fund. I thank all involved for the work undertaken to ensure the ability of the Fund to meet the future needs of the GON and its people.

I would like to thank former GON Committee Member, Minister Hunt for his leadership over the past few years, and I look forward to working with the Committee, investment advisors and administrators of the Fund, and being part of something that is enabling a future revenue source for Nauru and its future generations.


H.E Hon. David W.R. Adeang, M.P.
Chairman

