

### ANGOLA'S SOVEREIGN WEALTH FUND EXPANDS ITS HORIZONS

Alternative assets are the name of the game for Angola's sovereign wealth fund, as it steps in where local banks fear to tread. In an interview with *The Banker*, Jose Filomeno dos Santos discusses Fundo Soberano de Angola's investment plans.

### JOSE FILOMENO DOS SANTOS URGES INVESTING IN AFRICA

In an exclusive interview, the FSDEA Chairman discusses investment in new industries and promotes investment opportunities in Angola and attract Korean investors.



### FSDEA AWARDED "AI SOVEREIGN WEALTH FUND INFRASTRUCTURE INVESTMENT INITIATIVE OF THE YEAR"

FSDEA was pleased to accept the "Ai Sovereign Wealth Fund Infrastructure Investment Initiative of the Year" for the establishment of the Africa Hotel Fund at the prestigious 8th "Ai Infrastructure Investment Awards held in Cape Town, South Africa.

### FSDEA LAUNCHES FIVE OPEN-END INVESTMENT FUNDS, TARGETING ECONOMIC AND SOCIAL DEVELOPMENT IN ANGOLA AND SUB-SAHARAN AFRICA

FSDEA announced the launch of five dedicated investment funds that will target high growth industries while promoting economic and social development in Angola and the Sub-Saharan region. With an initial investment volume totaling USD \$1.4 billion over the next three- to-five years, these vehicles will be dedicated to making investments in venture capitals in the sectors of mining, timber, agriculture, healthcare and structured capital through a separate mezzanine fund.



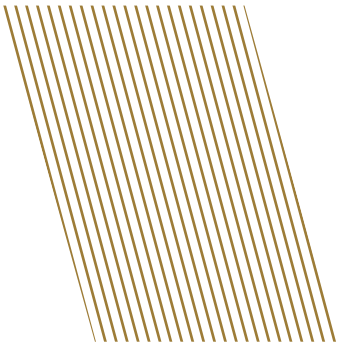
### INVESTMENT IN AFRICA

Africa's economy is growing steadily. Last year average growth was 3.9% and it is set to accelerate this year, according to a report by the African Development Bank. Foreign direct investment (FDI) is helping to spur growth. It is expected to reach \$55 billion in 2015, 20% higher than in 2010.

### MOODY'S: BROADLY STABLE OUTLOOK FOR SUB-SAHARAN AFRICAN SOVEREIGN CREDIT QUALITY

The credit quality of sovereigns in Sub-Saharan Africa (SSA) over the next 12-18 months will be supported by strong infrastructure investment, structural reforms and competitiveness gains from currency depreciation, says Moody's Investors Service in its latest sovereign outlook for the region.





## MESSAGE FROM THE CHAIRMAN

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Dear Stakeholders

I am delighted to introduce the second newsletter of 2015; which is reflective of the maturity of the Fundo Soberano de Angola's (FSDEA) evolution as a successful organisation committed to the economic development of the people of Angolan people.

As we continue to make investments, our agenda for growth is directed by an ambitious but prudent approach: making investments that are strategic, long term, sustainable, generate solid return on investments and more importantly – positively impact the lives of ordinary Angolans.

Keeping this overarching objective in mind, in April this year, we launched five dedicated investment funds that target high growth industries while promoting economic and social development in Angola and the Sub-Saharan region.

With an initial investment volume totaling USD \$1.4 billion over the next three-to-five years, these vehicles will be dedicated to making investments in venture capital in the sectors of mining, timber, agriculture, healthcare and structured capital through a separate mezzanine fund.

We believe that these sectors, beyond generating high return on investments, also offer several non-financial benefits, such as additional employment and vocational training that will ultimately act as a catalyst for economic progress.

Another significant factor in the long term success of the African continent will be to support the next generation of innovators and entrepreneurs; as they are the key to economic growth.

We recognise the importance of developing enterprise and accordingly we established a commercial entity that is focused on setting up micro-business incubators for Angolan

entrepreneurs. Investment decisions such as these deeply reaffirm our commitment to foster innovation in Africa along with fueling the region's economic growth and competitiveness.

The rapid strides we have been making in our activity has not gone unnoticed by the international community. We are pleased to announce that we received the "Ai Sovereign Wealth Fund Infrastructure Investment Initiative of the Year" award for the establishment of the Hotel Fund for Africa at the prestigious 8th "Ai Infrastructure Investment Awards" held in Cape Town, South Africa in June 2015.

The FSDEA established this dedicated Hotel Fund for Africa with an initial equity capital of \$500 million. Hospitality is a rapidly growing industry because it is a basic requirement of the solid economic development that African democracies are experiencing today.

This industry has considerable potential for employment and the development of new supply chains of goods and services that enhance the overall economic growth of the region's economies.

I wish to take this opportunity to thank our stakeholders, including our shareholders who have expressed their confidence and are supporting our investment philosophy and strategies.

We extend a warm welcome to all those who share our vision of a sound future for Africa where development is sustainable and growth is achieved.

Sincerely,

**José Filomeno Dos Santos**

**Chairman of the Board of Directors**

## FSDEA ANNOUNCEMENTS

### FUNDO SOBERANO DE ANGOLA AWARDED “AI SOVEREIGN WEALTH FUND INFRASTRUCTURE INVESTMENT INITIATIVE OF THE YEAR”

Luanda, 4th June 2015 – The Fundo Soberano de Angola (FSDEA) is pleased to accept the “Ai Sovereign Wealth Fund Infrastructure Investment Initiative of the Year” for the establishment of the Africa Hotel Fund at the prestigious 8th “Ai Infrastructure Investment Awards” held in Cape Town, South Africa.

[Read more](#)

### FUNDO SOBERANO DE ANGOLA LAUNCHES FIVE OPEN-END INVESTMENT FUNDS, TARGETING ECONOMIC AND SOCIAL DEVELOPMENT IN ANGOLA AND SUB-SAHARAN AFRICA

Luanda, 13 April 2015 – The Fundo Soberano de Angola (FSDEA) today announced the launch of five dedicated investment funds that will target high growth industries while promoting economic and social development in Angola and the Sub-Saharan region.

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## FSDEA IN THE NEWS

### ANGOLA'S SOVEREIGN WEALTH FUND EXPANDS ITS HORIZONS

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[Click to read the interview](#)

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[Click to view the interview](#)



## INTERNATIONAL AND DOMESTIC MACRO-ECONOMIC REVIEW

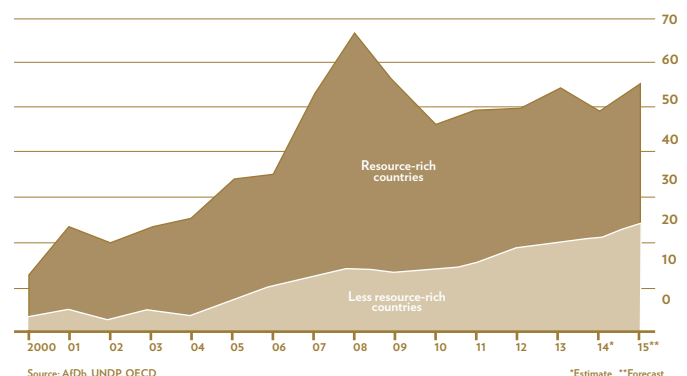
### INVESTMENT IN AFRICA

Africa's economy is growing steadily. Last year average growth was 3.9% and it is set to accelerate this year, according to a report by the African Development Bank. Foreign direct investment (FDI) is helping to spur growth. It is expected to reach \$55 billion in 2015, 20% higher than in 2010. Inflows of capital are increasingly focused on less resource-rich countries, as investors target the continent's booming middle classes. The amount of investment into technology, retail and business services increased by 17 percentage points between 2007 and 2013. Foreign investment is also becoming more of a two-way affair. Last year Africa's outward investment hit \$11.4 billion, up by nearly two-fifths since 2011-12

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### INVESTMENT IN AFRICA

Foreign direct investment, \$bn





## INVESTMENT IN AFRICA

Africa needs to create opportunities for its growing youthful population through investment in education, United Nations Family Planning Agency (UNFPA) executive director Babtunde Osotimhein has said. Contributing to debate on “harnessing Africa’s biggest resource” at the World Economic Forum (WEF) in Cape Town, Osotimhein said countries needed to make sufficient investments in quality education to ensure people can make choices.

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## UNPACKING AFRICA AND ENTREPRENEURSHIP AT WEF

From the talks in the World Economic Forum (WEF) Africa, it is clear that external investors are attracted to the African continent and it is indeed open for business, but should Africans keep looking outside for help or should the focus be on the development of its inhabitants to sustain the continent?

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## FOREIGN INVESTMENT KEY TO GROWTH

African leaders are determined to take the continent on a new path, one not likened to the development of any other country or continent. This was the consensus after the 2015 World Economic Forum (WEF) Africa in Cape Town, South Africa.

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## PROVING IT IS RESILIENT, AFRICA'S ECONOMY TO STRENGTHEN IN 2015 DESPITE EBOLA, OIL PRICE

Africa’s overall economy should advance in 2015, expanding by 4.5%, showing resilience despite weak commodity prices and the devastating Ebola epidemic, according to an annual report co-authored by the Organisation for Economic Co-operation and Development (OECD), the African Development Bank (AfDB) and the UN Development Programme (UNDP).

And future growth could be spurred by the continent’s population doubling to two billion over the next 35 years, repeating in Africa the economic boom seen in Asia’s biggest countries.

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## ANGOLA: PRESIDENT DOS SANTOS INVITES UAE ENTREPRENEURS TO INVEST IN ANGOLA

The Angolan President, José Eduardo dos Santos, expressed on Sunday in Abu Dhabi, the receptivity of country at the crossroads of interests between the private entrepreneurs of Angola and of the United Arab Emirates, for the development of both countries and improving the quality of life of their peoples.

[Read more](#)

## ANGOLA PRESIDENT SEEKS MORE NON-OIL DEALS IN HIS VISIT TO CHINA

On a six-day trip to China that ends tomorrow, Angola's President Jose Eduardo Dos Santos has pushed to broaden his nation's relationship with China beyond a dependence on oil. Earlier this week, Dos Santos and President Xi Jinping concluded pacts covering trade, transport, electricity and finance, according to China's Foreign Ministry. Among the deals, Industrial & Commercial Bank of China Ltd will provide 840\$ million of lending for a power station in Angola.

[Read more](#)

## MOODY'S: BROADLY STABLE OUTLOOK FOR SUB-SAHARAN AFRICAN SOVEREIGN CREDIT QUALITY DESPITE GLOBAL HEADWINDS

The credit quality of sovereigns in Sub-Saharan Africa (SSA) over the next 12-18 months will be supported by strong infrastructure investment, structural reforms and competitiveness gains from currency depreciation, says Moody's Investors Service in its latest sovereign outlook for the region. However, lower oil and commodity prices, uneven global growth, latent political risk and tighter external financing conditions pose challenges of different magnitudes to the region's economies.

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## SWF INDUSTRY UPDATES

### SOVEREIGN WEALTH FUNDS INCREASE APPETITE FOR LONGER TERM INVESTMENTS

Historically government fixed income has been an asset allocation staple of sovereign wealth funds (SWF). However, these unprecedented, low bond yields have pushed them to reassess their weightings and readjust their portfolios. Patrick Thomson, global head of Sovereigns, JP Morgan Asset Management, looks at the changing asset preferences of SWFs.

[Read more](#)

### QATAR'S SECRETIVE SOVEREIGN FUND TO RESTRUCTURE, SAY SOURCES

Qatar Investment Authority, one of the world's most aggressive sovereign wealth funds, will set asset allocation targets for the first time and restructure internal decision-making, sources say, in response to a drop in oil prices that has crimped available funds as competition for assets grows.

[Read more](#)

### GIC FRONT-RUNNER TO CLINCH RED FORT CAPITAL'S STAKE IN BANGALORE BUSINESS PARK EXORA

Singapore's sovereign wealth fund GIC is the front runner to buy 60 per cent stake that the Indian real estate company Red Fort Capital holds in Exora Business Park, a report said.

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### NORWAY'S \$900 BLN SOVEREIGN FUND TOLD TO REDUCE COAL ASSETS

Norway's \$900 billion sovereign wealth fund, the world's largest, should cut its exposure to the global coal industry and sell stakes in firms that focus on the sector, a key parliamentary committee said on Wednesday. The finance committee agreed in a bipartisan motion that the fund, which owns about 1.3 percent of all listed companies globally, should sell stakes in firms that generate more than 30 percent of their output or revenues from coal-related activities. Already under pressure from Norway's political establishment, the fund has been selling down its coal portfolio in recent quarters and said its holdings were already small.

[Read more](#)



**NIGERIA'S WEALTH FUND HAS 'GOOD YEAR' TAPPING DOLLAR INVESTMENTS**

Nigeria's \$1.55 billion sovereign wealth fund had a "good year" after weighting its investments toward dollar assets, according to Chief Executive Officer Uche Orji.

**Read more**

**BAHRAIN'S MUMTALAKAT SOVEREIGN WEALTH FUND TARGETS FOREIGN ACQUISITIONS TO FUEL EXPANSION**

Bahrain's sovereign wealth fund is targeting more acquisitions this year as it seeks to double its assets in the next five years.

Mumtalakat, which posted net profit growth of 11 per cent last year to 91.6 million Bahraini dinars (Dh892.5m), plans to grow its assets, which reached US\$7.2 billion at the end of June.

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**SWF TOPIC OF INTEREST**

**THE SANTIAGO PRINCIPLES**

For this issue, we will explore the GAPP Principle 20 which states that The SWF should not seek or take advantage of privileged information or inappropriate influence by the broader government in competing with private entities. Keeping in view the objectives of the GAPP Principle 20, the Fund adheres to the following guidelines for the companies in which it has invested in:

- Complying with all corporate ethics mechanisms
- Complying with the relevant legislation & regulations
- Effectively managing relationships with civil servants and regulatory entities and overall approach to the risks, business challenges and opportunities of the company

**Click to read the GAAP and Santiago Principles**



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