

Minutes of Meeting

Petroleum Fund of Timor-Leste

Investment Advisory Board

Held on 5 November 2014

At the Office of Autoridade Nacional do Petroleo (ANP), Dili, Timor-Leste

Present:

Olgario de Castro (Chairman)
Franciso Monteiro
Gualdino da Silva
Kevin Bailey
Torres Trovik (via videoconference)
Venancio Alves Maria
Basilio Soares
Sam Robinson (Acting Secretary)

In attendance:

Cosme da Costa Araujo, Petroleum Fund Analyst, Ministry of Finance
Craig Callum, Investment Strategy Advisor, MoF
Peter Ryan Kane, Towers Watson
Paul Colwell, Towers Watson

1. Apologies

Apologies were received from Francisco Monteiro.

2. Approval of the agenda

The agenda for the meeting was agreed upon.

3. Approval of the minutes of the meeting 7 August 2014

The minutes of the previous meeting were approved.

4. Business arising from the minutes not otherwise included in the agenda

None.

5. Review of the Fund's Performance

The Total Fund returned -1.35% for the September quarter, while its benchmark returned -1.4%. Fixed Interest returned -0.88% over that period, compared to its benchmark return of -0.92%. International Equities returned -2.06% for the quarter, while its benchmark returned -2.16%. Foreign exchange losses had a significant impact on returns.

For the financial year to date, the Fund's return was 2.45%, relative to the benchmark return of 2.47%. Since inception, the Fund's return was 4.26% pa, in line with the benchmark's return of 4.24% pa.

The Board reviewed the performance of each manager and no issues of concern arose.

6. Proposal for annual services by fi360

The Board agreed to appoint fi360. The IAB's Secretariat would manage the governance project and provide bi-monthly updates to the IAB.

7. Letter to the Minister on statement of Investment Beliefs and Principles

The Board noted the letter to the Minister.

8. Passive internal equity mandate

The BCTL discussed its progress with the new in-house passive equity mandate. The Board agreed to investment parameters for the new mandate to be proposed to the Minister of Finance.

9. Other business

Towers Watson presented a revised SAA Roadmap to the IAB. This included discussions of possible changes to the equity and bond portfolios.

10. Schedule next meeting

It was agreed that the next meeting would take place on 15 December 2014.

As there was no other business, the Chairman declared the meeting closed at 17.00 hours.

Chairman

Secretary