

Minutes of Meeting

Petroleum Fund of Timor-Leste

Investment Advisory Board

Held on 7 August 2014

At Grand Hyatt Singapore

Present:

Mr. Olgario de Castro (Chairman)

Mr. Gualdino da Silva

Mr. Kevin Bailey

Mr. Torres Trovik

Mr. Francisco Monteiro

Mr. Basilio Soares

Mr. Gastao de Sousa (Secretary)

In attendance:

Cosme da Costa Araujo, Petroleum Fund Analyst, Ministry of Finance

Jonio Julio da Costa Soares, Petroleum Fund Analyst, Ministry of Finance

Joao Brito, BCTL

Tobias Ferreira, Investment Officer, BCTL

The Chairman declared the meeting open at 4.20 PM.

1. Apologies

An apology was received from Mr. Alves Maria

2. Approval of the agenda

The agenda for the meeting was agreed to.

3. Approval of the minutes of the meeting on 24 June 2014

The minutes of the previous meeting was approved.

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

None.

5. Review of the Fund's performance

The Total Fund return for the quarter ended 30 June 2014 underperformed the Benchmark return of 2.73% by -0.07%. The bond portfolio's return was 1.32% while equities return was 4.84% for the quarter, both underperforming the benchmark returns of 1.38% and 4.86% respectively. The equity exposure reached 40% at the end of June 2014 in accordance with the Minister's decision.

The Board noted the report.

6. Update on Fi360 report

A decision was made for the secretariat to review the Fi360 future engagement and provide a brief to the Board in the next IAB meeting.

7. Rebalancing Policy

The Board, noting that the Fund had reached 40% equities at the end of June, requested the Secretariat to investigate an optimal rebalancing strategy and prepare a paper before the end of the year, and agreed the Central Bank could maintain its current rebalancing approach in the meantime.

8. The Fixed income beliefs and principle

The Board approved the Statement of Investment beliefs and principles.

9. Other business

The Board discussed about the need for a logo for the Investment Advisory Board and decided no logo is warranted.

10. Schedule next meeting

The next IAB meeting was proposed for early October.

The Chairman declared the meeting closed at 5:00 PM.

Chairman

Secretary