

Minutes of Meeting

Petroleum Fund of Timor-Leste

Investment Advisory Board

Held on 24 June 2014

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

Present:

Mr. Olgario de Castro (Chairman – via teleconference)
Mr. Gualdino da Silva
Mr. Kevin Bailey (via teleconference)
Mr. Torres Trovik (via teleconference)
Mr. Venancio Alves Maria
Mr. Basilio Soares
Mr. Cosme da Costa Araujo (Acting Secretary)

In attendance:

Shih-Yang Ang, Financial Investment Adviser, Ministry of Finance
Tobias Ferreira, Investment Officer, BCTL

The Chairman declared the meeting open at 4.15 PM.

1. Apologies

An apology was received from Mr. Monteiro.

2. Approval of the agenda

The agenda for the meeting was agreed to.

3. Approval of the minutes of the meeting on 09 May 2014

The minutes of the previous meeting were approved.

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

- Progress of the implementation of the 40% equity allocation. Mr. Alves informed the Board that the equity phasing-in has been completed reaching its 40% targeted allocation as of June 2014.

- Progress of the BCTL's internal equity project. Mr. Alves also updated the Board on the progress of the BCTL's internal equity mandate preparation. The BCTL is currently in the process of finalising the installation of the trading system. The BCTL is also preparing a draft proposal on equity mandate and will be presented in due course.

5. Review of the Fund's performance

Mr. Alves informed the Board that for quarter ended 31 May 2014, the Fund returned 1.77%, albeit underperforming the benchmark return of 1.78%, by 0.01%. Both fixed incomes and equities were positive for the quarter, returning 0.86% and 3.26% respectively. At sub-mandate level, both fixed incomes and equities returned positive for the quarter.

6. Update on Fi360

Mr. Ang informed the Board that the Fi360 will send a draft report on the review of the governance of the Fund in due course and once received; it will be circulated to the Board for comments. The final report is expected to be finalized by the end July 2014.

7. Workshop program

Topics for the next IAB workshop and meeting are to include (1) revisiting the bond and equity mandate, (2) fixed income beliefs and (3) Fi360 preliminary report.

8. Other business

No.

9. Schedule next meeting

Due to logistical reason and the Board's availability, the next IAB workshop and meeting are scheduled to take place on 6 -7 August 2014 in Singapore.

The Chairman declared the meeting closed at 5:10 PM.

Chairman

Secretary