

Minutes of Meeting

Petroleum Fund of Timor-Leste

Investment Advisory Board

Held on 11 February 2013

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

Present:

Olgario de Castro (Chairman)
Gualdino da Silva
Kevin Bailey
Venancio Alves Maria
Torres Trovik (via videoconference)
Craig Callum (Acting Secretary)

In attendance:

Filipe Nery Bernardo, Petroleum Fund Analyst, Ministry of Finance
Shih-Yang Ang, Financial Risk Management Advisor, Ministry of Finance
Simen Bjornerud, Fiscal Policy and Petroleum Fund Advisor, Ministry of Finance
Cosme da Costa Araujo, Petroleum Fund Analyst, Ministry of Finance

The Chairman declared the meeting open at 4.45 PM.

1. Apologies

An apology was received from Mr Francisco Monteiro.

2. Approval of the agenda

The agenda for the meeting was agreed to.

3. Approval of the minutes of the meeting on 29 January 2013

The minutes of the previous meeting were approved.

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

Possible dates for the proposed IAB workshops were discussed.

5. Equity funding and duration

The IAB considered whether or not to continue funding the increase in equities from 1-3 year US Treasuries. This is resulting in a gradual increase in the bond portfolio's duration. A paper outlined the relevant considerations, including interest rate risk over the medium term; measures of rate risk; the possible costs of shortening duration early; and other matters relevant to the bond portfolio's future structure. The IAB explored a number of alternatives and agreed to continue with the current approach. The strategic composition of the Bond portfolio will continue to be reviewed.

6. Other business

The IAB discussed the possibility of fiduciary training.

7. Schedule next meeting

It was agreed that the next meeting would take place in Dili on 12 April 2013.

The Chairman declared the meeting closed at 7:40 PM.

Chairman

Secretary