

Minutes of Meeting

Petroleum Fund of Timor-Leste

Investment Advisory Board

Held on 19 December 2012

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

Present:

Gualdino da Silva (Chairman)
Kevin Bailey
Torres Trovik (via videoconference)
Olgario de Castro
Gastão de Sousa (Secretary)

In attendance:

Samuel V. Robinson, Advisor, BCTL
Craig Callum, Advisor, BCTL
Shih-Yang Ang, Financial Risk Management Advisor, MoF

1. Election of acting Chairman

The Board elected Gualdino da Silva to chair the meeting.

2. Apologies

Apologies were received from Mr Francisco Monteiro and Venancio Alves Maria.

3. Approval of the agenda

The agenda for the meeting was agreed upon.

4. Approval of the minutes of the meeting on 16 November 2012

The minutes of the previous meeting were approved.

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

None.

6. Petroleum Fund Performance

The Total Fund returned 0.67% for the month of November, while its benchmark returned 0.65%. Fixed Interest returned 0.46% over that period, compared to its benchmark return of 0.44%. International Equities returned 1.25% for the month, while its benchmark returned 1.28%.

For the financial year to date, the Fund's return was 3.59%, relative to the benchmark return of 3.44%. Since inception, the Fund's return was 4.06% pa, matching its benchmark return.

7. Currency Numeraire

Prior to the meeting, the Secretariat conducted a workshop on the currency numeraire for the Fund. The current approach of using the USD was outlined, along with two other options. The Board reviewed the alternatives and decided that the USD would be the best available numeraire based on current information and decided to advise the Minister accordingly.

8. Fixed interest beliefs

The Board discussed the workshop on fixed interest and identified matters to be addressed in a workshop to be held in January 2013.

9. Approval of the Operational Regulations

The Board approved its Operational Regulations, and agreed that they be published on the Central Bank website.

10. IAB Work Plan for 2013

The Secretariat presented a draft work plan for 2013. The Board agreed on the major projects.

11. Other business

None.

12. Schedule next meeting

It was agreed that the next meeting would take place on 29 January 2013, following the fixed interest workshop.

As there was no other business, the Chairman declared the meeting closed at 19.00 hours.

Chairman

Secretary