

**Minutes of Meeting**  
**Petroleum Fund of Timor-Leste**  
**Investment Advisory Board**

*Held on 31st January 2011*

*At the Office of the World Bank*

Present:

Olgário de Castro (Chairman)  
Abraao de Vasconcelos  
Sara Lobo Brites  
Tørres Tørvik (via video conference)  
Kevin Bailey (via teleconference)

In attendance:

Simen Bjornerud, Fiscal Policy and Petroleum Fund Advisor, Ministry of Finance  
Venancio Alves Maria, Executive Director of PF Department, BPA  
Torgrim Roll, PF Advisor, BPA  
Filipe Nery Bernardo, National Adviser, Ministry of Finance  
Subodh Kumar Mathur, Treasury Advisor, Ministry of Finance

The Chairman declared the meeting open at 15:30 hours, and welcomed everyone in the first IAB meeting in 2011.

**1. Apologies**

None

**2. Approval of the agenda**

The agenda for the meeting was approved with inclusion of presentation from IAB Secretariat on possible new mandate and PF Performance for Q4 2010 Report as agenda item 5 and 6, respectively.

**3. Approval of the minutes of the meeting on 14 September 2010**

The minutes of the meeting held on 25 November 2010 was approved with minor amendment.

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

None

#### **5. Analysis of New Benchmark for the Petroleum Fund**

Following the Board's request at its previous meeting, the Secretariat presented an analysis on the potential restructuring the BIS mandate. The ensuing discussion considered a new strategic benchmark for the Petroleum Fund derived by restructuring the BIS mandate to remove the non qualifying instruments and increasing the Fund's investment in equities. The Board noted that this approach was consistent with a strategic roadmap for the Fund expected to be presented by Towers Watson in February 2011.

The Board agreed to restructure the BIS mandate and increase exposure to equities through a strictly passive mandate benchmarked to a broad market index. The Board requested the Secretariat to propose suitable benchmarks for the new equity manager and the BIS at its next meeting.

The Board also discussed the potential for a new benchmark for the BPA's internal mandate. The Board requested the BPA to present an analysis on a new benchmark for the BPA.

#### **6. Petroleum Fund performance for Quarter 4 of the 2010: Presentation by the BPA**

The presentation was postponed due to time restriction.

#### **7. Draft Work Plan, Budget and Meeting Schedule for 2011**

The Board agreed to postpone the agenda item for the next IAB meeting

#### **8. Other Business**

It was agreed that the next meeting would take place on 25<sup>th</sup> February 2011.

As there was no other business the Chairman declared the meeting closed at 18.00 hours.

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**Chairman**

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**Secretary**