

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

Held on 14th September 2010

At the Office of the World Bank

Present:

Olgário de Castro (Chairman)
Sara Lobo Brites
Venancio Alves Maria, as alternate for Mr. Abraao de Vasconcelos
Tørres Trovik (via teleconference)
Kevin Bailey (via teleconference)

In attendance:

Vidar Ovesen, Fiscal Policy and Petroleum Fund Advisor, Ministry of Finance
Torgrim Roll, Advisor for PF Department, BPA
Sam Robinson, Advisor for BPA
Filipe Nery Bernardo, National Adviser, Ministry of Finance
Subodh Kumar Mathur, Treasury Advisor, Ministry of Finance
Gastao de Sousa, (Secretary)

The Chairman declared the meeting open at 15:20 hours.

1. Apologies

Apologies were received from Mr. Abraao de Vasconcelos

2. Approval of the agenda

The agenda for the meeting was approved.

3. Approval of the minutes of the meeting on 26 August 2010

The minutes of the meeting held on 26 August 2010 were approved.

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

Mr. Venancio informed the Board that the Investment Management Agreement between BPA and Schrodgers had been signed on 7 September 2010.

The Board noted this information and the Chairman congratulated all parties involved on their collective effort in reaching this milestone.

5. Statement of Investment Beliefs and Principles

The Board reviewed the latest draft of the Statement of Investment Beliefs and Principles. Mr. Venancio requested Board members to note that the BPA and key stakeholders may face operational complexity in implementing factor benchmark as this may be an advanced and costly benchmark relative to conventional benchmark but operationalised by factor tilts and requested the Board to note that close collaboration would be required with the operational manager in order to implement the factor approach. The Board noted the issue and assured the BPA that operational matters would be considered as an integral part of any future mandate development.

The Board unanimously adopted the Statement of Investment Beliefs and Principles and resolved to forward it to the Minister under a covering letter.

6. Other Business

The Secretariat advised the meeting that two issues should be considered for the next meeting; a framework for monitoring the performance of external managers, and to continue the Board's earlier review of its Rules of Procedure.

The Board requested the Secretariat to commence work on the performance monitoring framework, and requested the BPA to briefly outline at the next meeting how it monitored the Fund's external managers.

The Board requested the Secretariat to determine the date for the next meeting after coordinating those issues.

As there was no other business the Chairman declared the meeting closed at 16.00 hours.

Chairman

Secretary