

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

Held on 30th October 2009

At the Office of the World Bank

Present:

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

In attendance:

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

The Chairman declared the meeting open at 08:55 hours.

1. Apologies

Apologies were received from Mrs. Sara Lobo Brites and Mr. Abraao de Vasconcelos. Mrs. Sara nominated Mr. Subodh Kumar Mathur as her alternate, while Mr. Venancio was present as alternate for Mr. De Vasconcelos.

2. Approval of the agenda

The agenda for the meeting was approved without amendment.

3. Request from the Minister for advice on the PF's long term investment strategy and PF Law amendments

The Board continued its discussion of its draft response to the Minister. The Board discussed the issues relating to Article 15.

The Board deferred the discussion on the draft Article 15.6 to the next IAB meeting.

4. Investment Philosophy

The Board further postponed this agenda item to the next IAB meeting.

5. Update information on the PF performance for the quarter ended 30 of September 2009

Mr. Venancio Alves reported that the return on the PF portfolio in the quarter ended 30 September 2009 had been 1.35% while the return on the benchmark had been 1.34%. Cash received during the quarter was USD 332.30 million while the outflows to cover the BPA operational management cost were USD 0.352 million. The capital of the Fund therefore reached USD 5,301.57 million in the quarter, which 20.20% was under the BIS management. The annualized returns for the previous 12 months were 4.02% for the PF and 4.15% for the benchmark. The modified duration of the Petroleum Fund portfolio had been maintained within the mandate.

The Board received the performance report for the quarter ended 30 September 2009.

6. Other Business

It was resolved that the next meeting would be held on November 6, 2009.

As there was no other business the Chairman declared the meeting closed at 11.15 hours

Chairman

Secretary