

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

Held on 15 September 2016

At the Office of Autoridade Nacional do Petróleo e Mineral (ANPM), Dili, Timor-Leste

Present:

Olgario de Castro (Chairman)	Venancio Alves Maria
Kevin Bailey (by teleconference)	Basilio Soares
Tørres Trovik (by teleconference)	Cosme da Costa Araújo (Acting Secretary)

In attendance:

Tobias Ferreira, PF Department, Central Bank	Timoteo Gomes Pires, PF Department, Central Bank
Bradley Grehan, PF Department, Central Bank	Craig Callum, PFAU, Ministry of Finance
Sam Robinson, PF Department, Central Bank	

The Chairman declared the meeting open at 14.30 PM.

1. Apologies

Gualdinho da Silva

2. Approval of the agenda

The Board agreed to the agenda for the meeting.

3. Approval of the minutes of the meeting on 12 July and 26 August

Minutes of the two previous meetings were discussed and approved.

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

Other business matters were to be discussed in agenda item number 8 of other business.

5. Discussion of the letter to the Minister regarding the SAA review

The Board discussed a draft letter and agreed on amendments. The Secretariat will finalize the letter and send to the Board for approval.

6. Discussion of the equity factor mandate's parameters

The Board was updated on the progress of the equity factor project in light of a report submitted by the BCTL. The Board discussed the BCTL's recommendations for mandate parameters including the allocation to equity factors, the mandate's benchmark, the factor exposures, manager allocations and the tracking error for the mandate. The Board was comfortable with the recommendations and the instructions will be formally decided upon in the next IAB meeting.

7. Review of the Fund's performance

Total Fund Performance

Currency USD	Mkt Value	Monthly	QTR	(%) FYTD	1 Year	3 Years	5 Years	Since Inc
Total Fund	16,636,578,521	-0.25	2.74	5.51	6.02	4.51	3.82	4.09
Benchmark		-0.30	2.24	5.04	5.65	4.39	3.66	4.03
<i>Excess</i>		0.05	0.50	0.47	0.36	0.12	0.16	0.06
International Fixed Interest	10,051,831,302	-0.51	2.41	5.59	5.24	2.86	1.67	3.09
Benchmark		-0.56	1.51	4.73	4.46	2.59	1.46	3.02
<i>Excess</i>		0.05	0.90	0.86	0.78	0.27	0.20	0.07
International Equities	6,584,747,219	0.16	3.23	5.37	7.24	7.79	9.98	9.04
Benchmark		0.08	3.14	4.99	6.68	7.39	9.51	8.35
<i>Excess</i>		0.08	0.09	0.37	0.56	0.40	0.47	0.69

At the total portfolio level, the Fund made a loss of -0.25% for the month of August, dragged down by negative returns from bonds of -0.51%. Despite the loss the Fund experienced in the month, the Fund posted an overall positive return for the year-to-date of 5.5%. The Fund's balance currently stands at \$16.6 billion.

8. Other business

The Board approved the proposal for CPA study assistance. The Board will follow up with the progress on the fi360 project.

9. Schedule next meeting

The Board agreed to hold the next meeting on Thursday, 13 October 2016 in Dili, Timor-Leste.

The Chairman declared the meeting closed at 16.27.

Chairman

Acting Secretary