

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

Held on 26 August 2016

At the ParkRoyal on Pickering Hotel, Singapore

Present:

Olgario de Castro (Chairman)
Kevin Bailey
Tørres Trovik
Dino da Silva

Venancio Alves Maria
Basilio Soares
Craig Callum (Acting Secretary)

In attendance:

Tobias Ferreira, PF Department, Central Bank
Bradley Grehan, PF Department, Central Bank
Sam Robinson, PF Department, Central Bank

Filipe Nery Bernardo, PFAU, Ministry of Finance
Cosme da Costa Araujo, PFAU, Ministry of Finance
Olga Conceição, PFAU, Ministry of Finance

The Chairman declared the meeting open at 2.10 PM.

1. Apologies

None.

2. Approval of the agenda

The Board agreed to the agenda for the meeting.

3. Recommendations on the Petroleum Fund's SAA

The Board had conducted a workshop during the previous two days to agree on an investment strategy to account for government withdrawals. The IAB recommended creating a cash portfolio to finance expected withdrawals over a 12 month period. The Petroleum Fund's expected investment horizon still warranted a significant equity allocation and the Board recommended that the remainder of the portfolio continue to be managed according to the current SAA. The Secretariat is to draft a letter advising the Minister of Finance. It will also address the impact of the low-return environment on expected returns.

The Secretariat will continue its analysis on the appropriate foreign exchange exposure of the Fund.

4. Other business

The IAB agreed on steps to resolve the governance project.

The Board requested the Secretariat to draft a proposal to document the history of the Petroleum Fund.

The Board agreed in principle to provide CPA study assistance to two staff involved in the Petroleum Fund.

The BCTL updated the Board on its equity factor manager selection project and will brief the Board again at the next IAB meeting.

5. Next meeting

It was agreed to hold the next meeting on Thursday 15 September in Dili at 3:30pm.

The Chairman declared the meeting closed at 2:45 p.m.

Chairman

Acting Secretary