

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

*Held on 01 December 2016*

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

*Present:*

Olgario de Castro (Chairman)

Kevin Bailey

Tørres Trovik (by teleconference)

Basilio R.D.C. Soares

Cosme da Costa Araujo (Acting Secretary)

*In attendance:*

Bradley Grehan, PF Department, Central Bank

Tobias Ferreira, PF Department, Central Bank

Jonio Soares, PF Department, Central Bank

Nery Bernardo, PFAU, Ministry of Finance

Craig Callum, PFAU, Ministry of Finance

Olga Conceição, PFAU, Ministry of Finance

Celestina da C. Barros, PFAU, Ministry of Finance

The Chairman declared the meeting open at 14.10 PM.

**1. Apologies**

From Venancio Maria Alves and 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 13 October**

Minutes of the meetings were discussed and approved.

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

The Board discussed the progress of the fi360 and capacity building projects.

**5. Follow up on currency – FX hedging**

PFAU revisited previous materials on currency and presented suggestions for the Board to consider. The Board agreed to continue with the USD numeraire; and hedge the non-US bonds. The Board will provide its recommendation to the Minister of Finance in due course.

**6. Liquidity Management – Cash Mandate**

PFAU presented suggestions on a liquidity mandate. The Board agreed that the Cash held should represent the net shortfall after accounting for cash inflows from petroleum revenues and investments; the full amount should be liquidated early in the year; the Cash amount should be maintained separately from the SAA percentage weights; the Cash balance should be topped up as

part of the quarterly rebalance; and that a Cash mandate be created with a benchmark that reflects the underlying investments. The Board will advise the Minister accordingly.

#### **7. Review of the Fund's performance**

The BCTL reported the Fund's performance for the month of October 2016.

#### **8. Other business**

The Board discussed the updates on the equity factor manager search; the fi360 and capacity building projects; the International Forum of the Sovereign Wealth Funds meeting; and the search for new Board members.

#### **9. Schedule next meeting**

The Board agreed to hold its the next meeting on Thursday, 2 February 2017 at the ANPM Office in Dili at 3:30pm.

The Chairman declared the meeting closed at 6:15pm.

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**Chairman**

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**Acting Secretary**