

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

Held on 20 April 2017

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

Present:

Olgario de Castro (Chairman)

Kevin Bailey

Tørres Trovik (via Teleconference)

Venancio Maria Alves

Basilio R.D.C.Soares

Cosme da Costa Araujo (Acting Secretary)

In attendance:

Samuel V. Robinson, PF Department, Central Bank

Timoteo Pires, PF Department, Central Bank

Jonio Soares, PF Department, Central Bank

Agustinho Maia, PF Department, Central Bank

Filipe Nery Bernardo, PFAU, Ministry of Finance

Craig Callum, PFAU, Ministry of Finance

Celestina da C. Barros, PFAU, Ministry of Finance

The Chairman declared the meeting open at 14.10 pm.

1. Apologies

An apology was received from Gualdino da Silva.

2. Approval of the agenda

The Board agreed to the agenda of the meeting.

3. Approval of the minutes of the meeting on 5 April

Minutes of the meetings were discussed and approved.

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

The Board discussed and approved the revised cash mandate letter. The Board also discussed currency hedging and fi360.

5. Update on equity factors.

The Board discussed the BCTL's proposal on equity factors mandate. The Board agreed that further information is required before making its final recommendation. The Board requested the BCTL to do further analysis in light of the comments provided.

6. Review of the Fund's performance.

The BCTL distributed the Fund's performance report for 31 March 2017 in advance of the meeting. The Fund has a balance of \$16.2 billion as of March 2017. The allocation effect contributed 15bp to the total excess return. Venancio also informed the Board that the Fund generated a \$489m return for Q1 2017.

7. Update on the IAB succession search.

The Chairman informed the Board of the Prime Minister’s approval and appointment of Professor Michael Drew as the new Board member.

8. Determine the IAB projects for 2017

The Board discussed the IAB projects for 2017. Major projects planned for 2017 include internal review of the SAA, the analysis of potential new asset classes, implementation of equity factors and workshops for stakeholders.

9. Other business

The Chairman informed the Board the importance of the Petroleum Fund’s involvement in the IFSWF.

10. Schedule next meeting.

The Chairman will email Board members on their availability for the next IAB meeting. A date will be confirmed and announced later on.

The Chairman declared the meeting closed at 17:40.

Chairman

Acting Secretary