

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

*Held on 15<sup>th</sup> December 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 videoconference/teleconference)  
Kevin Bailey

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  
Epifanio Martins, Ministry of Finance  
Gastao de Sousa, Chief Economist, BPA (Secretary)

The Chairman declared the meeting open at 08:45 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. Approval of the minutes of the meetings on 20 November 2009**

The minutes from the meeting of 20 November 2009 were approved.

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

The Secretariat reported on the issue of confidentiality of Board documents that the Board discussed in the last meeting. As the Board deals with a number of different kind of documents, the Secretariat reported that it was in the process of drafting an amendment to the Rules of Procedure with confidentiality provisions appropriate to each type of document, for discussion at the next meeting.

The Secretariat proposed to submit to the Board a revised draft of the Rules of Procedure including guidelines for both confidentiality and conflict of interest for the Board's consideration at the next IAB meeting. The IAB decided to include this issue in the agenda for the next meeting.

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

The Board continued its discussion on its recommendations for amending Articles 14 and 15 of the Petroleum Fund Law that had been started in August 2009.

The Board reached agreement on its final recommendations to the Minister, including maximum and minimum overall allocations to equities and fixed interest respectively.

The Board adopted the document for submission to the Minister.

#### **6. Investment Philosophy**

The Board postponed this agenda item.

#### **7. Other Business**

The Chairman informed the Board that he had asked the Minister for a copy of the BPA's report on the investment proposal from Asian Champ Investments, but that the request had been declined. He noted that the Minister had responded to Lao Hamutuk's request for further information.

The Secretariat advised that Watson Wyatt had carried out the operational assessment of the BPA to manage a TIPS portfolio, and was waiting for the final report. The report will be circulated to the Board as soon as it is available. It was suggested that the Secretariat should seek Watson Wyatt's availability in the next meeting in order to be able to reply to any questions or comments the Board might have to the report.

Moreover, the Secretariat was requested to draft a document for discussion in the Board's next meeting addressing relevant aspects of managing a TIPS mandate, including a draft investment mandate.

It was resolved that the next meeting would be held on February 4, 2010.

As there was no other business the Chairman declared the meeting closed at 12.10 hours.

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**Chairman**

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**Secretary**