Petroleum Fund Annual Report

Financial Year 2025

DEMOCRATIC REPUBLIC OF TIMOR-LESTE

MINISTRY OF FINANCE

TIMOR-LESTE PETROLEUM FUND

ANNUAL REPORT
2025

August 2026

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LIST OF ACRONYMS

ANP	National Petroleum Authority (Autoridade Nacional do Petróleo)
BCTL	Central Bank of Timor-Leste (Banco Central de Timor-Leste)
BIS	Bank for International Settlements
bn	Billion
BoE	Bank of England
BOE	Barrels of Oil Equivalent
BoJ	Bank of Japan
bp/bps	Basis points
CMATS	Certain Maritime Arrangements in Timor Sea
CPI	Consumer price index
DM	Developed Markets
DXY	US Dollar Index
E.P.	Empresa Pública (Public Enterprise)
ECB	European Central Bank
EITI	Extractive Industries Transparency Initiative
ESI	Estimated Sustainable Income
Ex-US	Excluding United States
EY	Ernst & Young (External Auditor)
FMI	Financial Market Investments
FT	Franklin Templeton
FTP	First Tranche Petroleum
G	Growth Portfolio
GAPP	Generally Accepted Principles and Practices
GDP	Gross Domestic Product
IAB	Investment Advisory Board
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IFSWF	International Forum of Sovereign Wealth Funds
JPDA	Joint Petroleum Development Area
LNG	Liquefied Natural Gas
MOF	Ministry of Finance
MSCI	Morgan Stanley Capital International
NGOs	Non-Governmental Organizations
NPV	Net Present Value
OMA	Operational Management Agreement
PF/TLPF	The Petroleum Fund of Timor-Leste
PFCC	Petroleum Fund Consultative Council
PFL	Petroleum Fund Law
PFPMO	Petroleum Fund Policy and Management Office - Ministry of Finance
PSC	Production Sharing Contract
SAA	Strategic Asset Allocation
SSIM	State Street Investment Management
SWF	Sovereign Wealth Fund
TF	Total Fund
TIPS	Treasury Inflation-Protected Securities
TL	Timor-Leste
TLEA	Timor-Leste Exclusive Area
UK	United Kingdom
US/USA	United States of America
USD	US Dollar
WTI	West Texas Intermediate

MESSAGE FROM THE MINISTER OF FINANCE

I am pleased to present the 2025 Annual Report of the Petroleum Fund of Timor-Leste.

At the close of 2025, the Fund's balance was $18,609 million, an increase of $335 million over the year. Investment income was $1,751 million after expenses, reflecting a total return of 9.9%. This was the third consecutive year of positive returns and shows the importance of allowing time for markets to recover from difficult periods, such as the falls experienced in 2022.

The Fund's low-risk Liquidity Portfolio returned 4.7%, supported by still-high short-term interest rates in the United States. The Growth Portfolio returned 11.9%, with equities delivering a strong return of 22.0% and fixed interest also contributing positively, returning 6.7%.

The Fund continued to finance a significant share of Government expenditure, with withdrawals totalling $1,451.9 million in 2025. Petroleum receipts were only $36.1 million, and production from the Bayu-Undan field ceased in June 2025. Timor-Leste has entered a new stage in the life of the Fund, with withdrawals for the budget now financed mainly from the Fund's existing balance and investment income until significant new petroleum inflows are secured.

Since its establishment, the Fund has financed $18,865 million of Government expenditure while still maintaining a significant balance. This is a major national achievement and was made possible because earlier petroleum revenues were saved in the Fund and invested for Timor-Leste's benefit, and also due to the change in the investment regime in 2011 that allowed for higher returns than would otherwise have been the case. However, petroleum inflows have ceased for the time being. It is therefore increasingly important that policy makers have long-term projections of the Fund, including the expected size and timing of future petroleum inflows, so that fiscal policy and the Fund's investment strategy can be considered together.

For this reason, the Ministry of Finance placed particular emphasis in 2025 on strengthening internal capacity for Petroleum Fund modelling. This work will help the Government and the Fund's institutions assess the Fund's expected horizon, the risks around different fiscal paths, and the most appropriate investment strategy. I thank the Investment Advisory Board for its support in providing training to staff from the Ministry of Finance and the BCTL. I am also pleased with the continued cooperation between the Ministry of Finance and the BCTL, including on this modelling work. In 2025, the Governance Policy for the Fund was agreed, helping to clarify the roles and responsibilities of the institutions involved and to support stronger coordination.

I invite you to explore the details of the Fund's performance and the work of its institutions in the pages that follow.

We are proud of our achievements at the Petroleum Fund, while also aware of the challenges ahead. It is vital to have a long-term plan for the next decade to secure Timor-Leste's future. I look forward to the continued support of the BCTL as operational manager, the Investment Advisory Board, and Ministry of Finance staff in managing and overseeing our Fund and providing essential guidance to our policy makers.

MINISTRA DAS FINANÇAS

Santina J.R.F. Viegas Cardoso
Minister of Finance

PETROLEUM FUND AT A GLANCE

Market Value of the Petroleum Fund

$18,609,108,117

As at 31 December 2025

$18,274,056,404

As at 31 December 2024

Receipts from Oil and Gas

$36.116 million

In 2025

$25.486 billion

Since inception, including initial transfer of $204.6m and net of tax refund

Transfers to the State Budget

$1.452 billion

In 2025

$18.865 billion

Since inception

Total Return on Investment

$1.751 billion

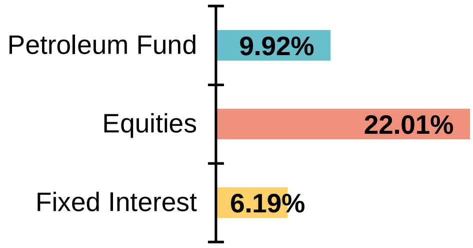
In 2025

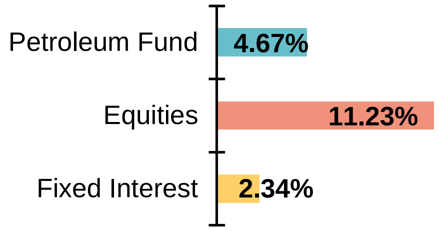
$11.987 billion

Since inception

INVESTMENT HIGHLIGHTS OF THE PETROLEUM FUND

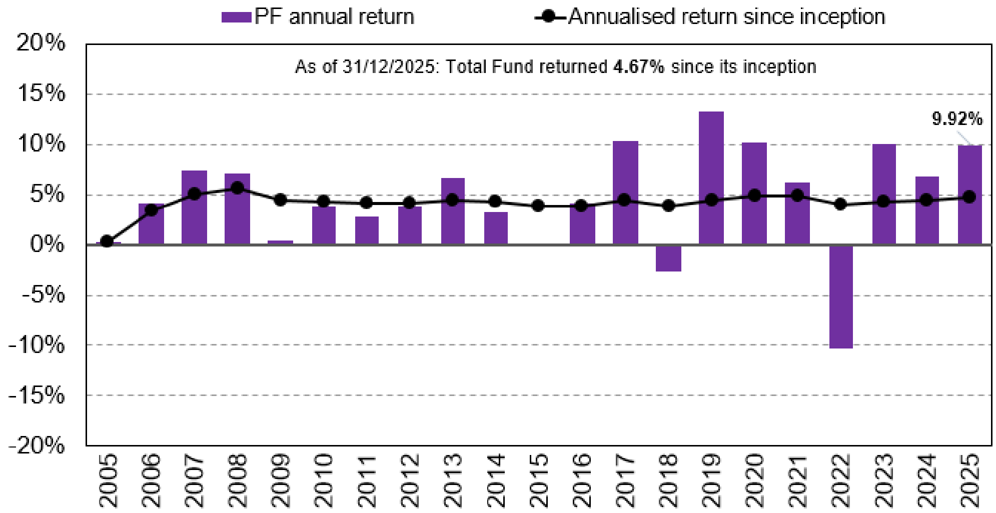
Investment return in 2025	Investment return since inception (annualised)



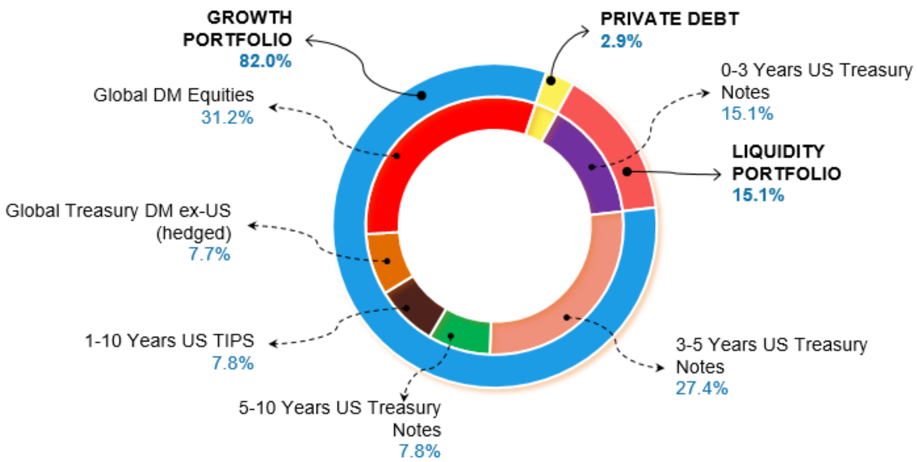


Note: Fixed Interest includes the liquidity portfolio and mandates in the growth portfolio.

The Fund's annual investment returns since 2005



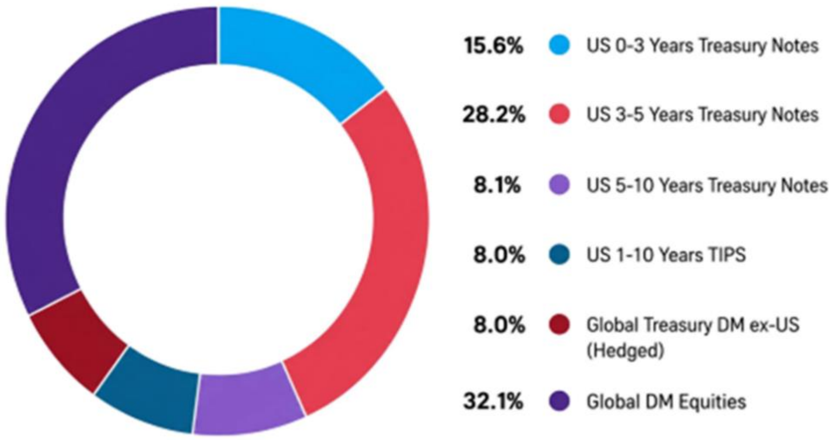
The total Fund's actual asset allocations as at 31 December 2025



Note: The outer ring shows the portfolios. The Growth and Liquidity Portfolios make up the Financial Market Investments. The inner ring shows the mandates. Percentages may not add due to rounding.

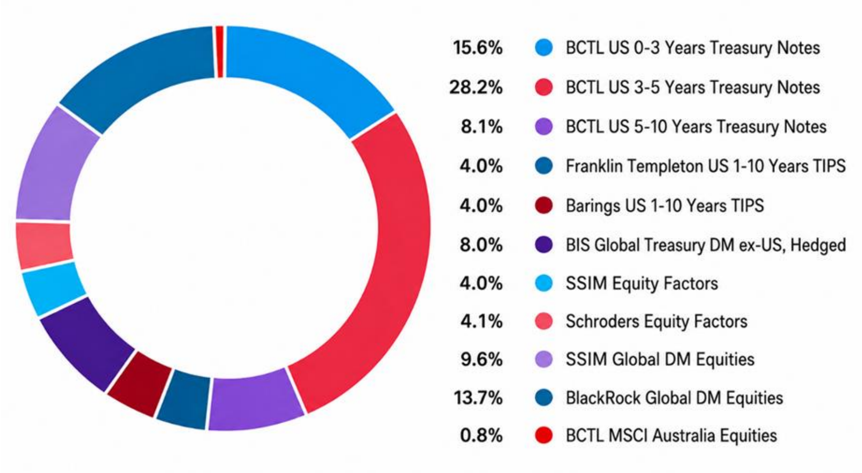
PETROLEUM FUND ASSET ALLOCATIONS

Financial Market Investments by Asset Classes
Liquidity and growth portfolios



Note: The private debt instrument is separate from the Financial Market Investments.

Financial Market Investments by Managers
Liquidity and growth portfolios



Note: The private debt instrument is separate from the Financial Market Investments and managed by the BCTL.

A. ABOUT THE PETROLEUM FUND

The Petroleum Fund Framework

Under Timor-Leste's Constitution, the country's natural resources belong to the State and must be used in a fair and equitable way. The Constitution mandates the establishment of a fund to manage petroleum income for the benefit of both current and future generations and the Petroleum Fund was established in 2005 to receive petroleum revenues from the Timor Sea.[1]

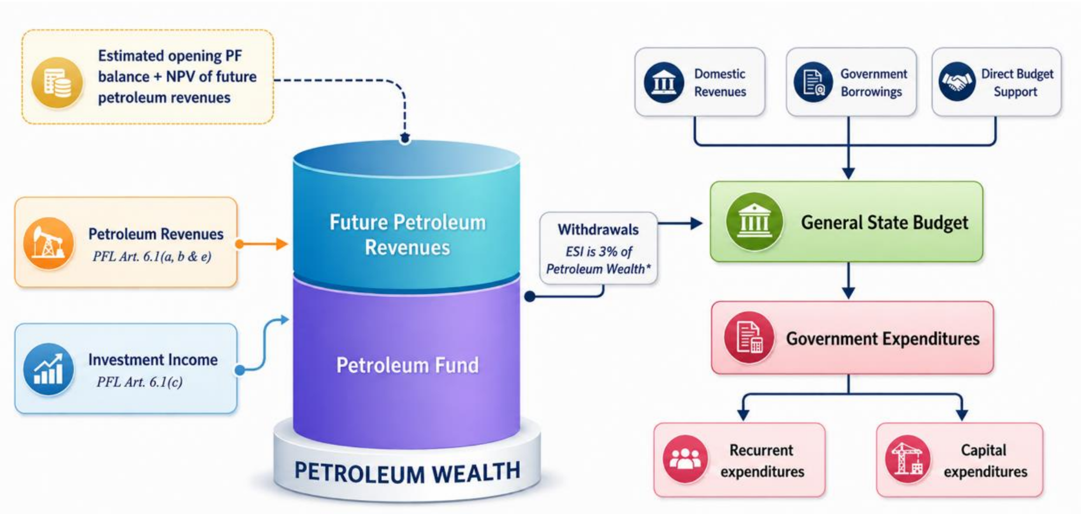
All of Timor-Leste's petroleum revenue flows into the Fund, while outflows are limited to transfers to the State Budget, which is approved by Parliament. The Fund supports sound fiscal policy by smoothing spending over time. The Petroleum Fund Law sets a sustainable withdrawal limit, known as the Estimated Sustainable Income (ESI). The ESI is equal to 3% of total Petroleum Wealth, which comprises the Fund's balance and the net present value of expected petroleum revenues from proven reserves with approved development plans (Figure 1). Under the permanent income framework, withdrawals are limited to the expected real return from the Fund's investments so as to preserve the real value of the Fund in perpetuity. This can be said to equally benefit current and future generations by providing for the same real value of withdrawals each year. To support a 3% real return target, the Fund was allowed to invest up to 50% in equities from 2011.

A 40% equity allocation was adopted in 2012, which, at that time, was expected to earn a 3% real return over the long-term.

The Petroleum Fund Law also requires that the Fund invest only in international financial assets, assessed purely on financial criteria. Domestic investments are to be made through the State Budget, which is passed by Parliament. The spending rule and the requirement for international investments were modelled on Norway's sovereign wealth fund with the aim of preserving the Fund's real value and ensuring intergenerational equity.

The original framework has been adjusted to Timor-Leste's priorities. Withdrawals have exceeded the ESI since 2009, justified by successive governments as necessary for national development in Timor-Leste's long-term interests. In 2021, the Fund's investment strategy was changed to better align with fiscal policy by segmenting investments into a low-risk liquidity portfolio to correspond with near-term withdrawals, with the remainder invested in a growth portfolio that includes equities. The Government also decided in 2019 that the Fund would invest in petroleum operations, implemented through amendments to the Petroleum Activities Law.[2] The investments are described in Section C.

Figure 1 – Petroleum Fund and the General State Budget



* ESI transfers in a fiscal year.

[1] Section 2 of Article 139 of the Constitution of the Democratic Republic of Timor-Leste. Petroleum Fund Law No.9/2005 as of 3 August 2005, which was amended by the Law No.12/2011 as of 28 September 2011. The fiscal regime that governs Timor-Leste's petroleum revenue is described in a section below.
[2] Law No.13/2005 as of 2 September, which was amended by the Law No.6/2019 as of 4 December.

The Petroleum Fund's Institutions and Governance Framework

The Petroleum Fund is structured as an account held by the Central Bank of Timor-Leste (Banco Central de Timor-Leste, BCTL), which is the appointed operational manager. The governance structure involves a number of institutions with distinct roles and responsibilities, as shown in Figure 2 and described below.

The National Parliament defines the Fund's legal framework through the Petroleum Fund Law, including the Fund's objectives, the roles of its institutions, eligible investments, asset allocation guidelines, and risk limits. In 2019, Parliament passed an amendment to the Petroleum Activities Law to allow the Fund to invest in petroleum operations to support national development.

The Minister of Finance is the executive authority responsible for the overall management of the Fund as the Government's representative. This includes setting investment policy, parameters for new investments, and overseeing governance. The Minister is supported by the Petroleum Fund Policy and Management Office (PFPMO) within the Ministry of Finance.

The BCTL implements the Fund's investment strategy under the Operational Management Agreement (OMA) with the Minister of Finance. Annex 1 of the OMA contains the details of the investment policy and individual mandates. The BCTL manages a portion of the portfolio internally, appoints and monitors external managers and reports regularly to the Ministry of Finance.

The Minister of Finance is required to seek non-binding, independent advice from the Investment Advisory Board (IAB) on investment and governance matters. The IAB includes experienced investment professionals. The Ministry of Finance and the BCTL have non-voting representatives on the Board and actively contribute to the discussions preceding the IAB's advice. The IAB is supported by a Secretary from the BCTL and secretariat members from both the BCTL and Ministry of Finance (PFPMO). It has its own budget and can procure external support when required. The Board's independent, impartial, and expert advice represents an important safeguard in the Fund's structure. The IAB's advice is published annually in Annex XII or earlier upon request from Parliament. The current members of the IAB are listed in Table 1 and biographies are in Annex IX.

Table 1 – Members of the Investment Advisory Board

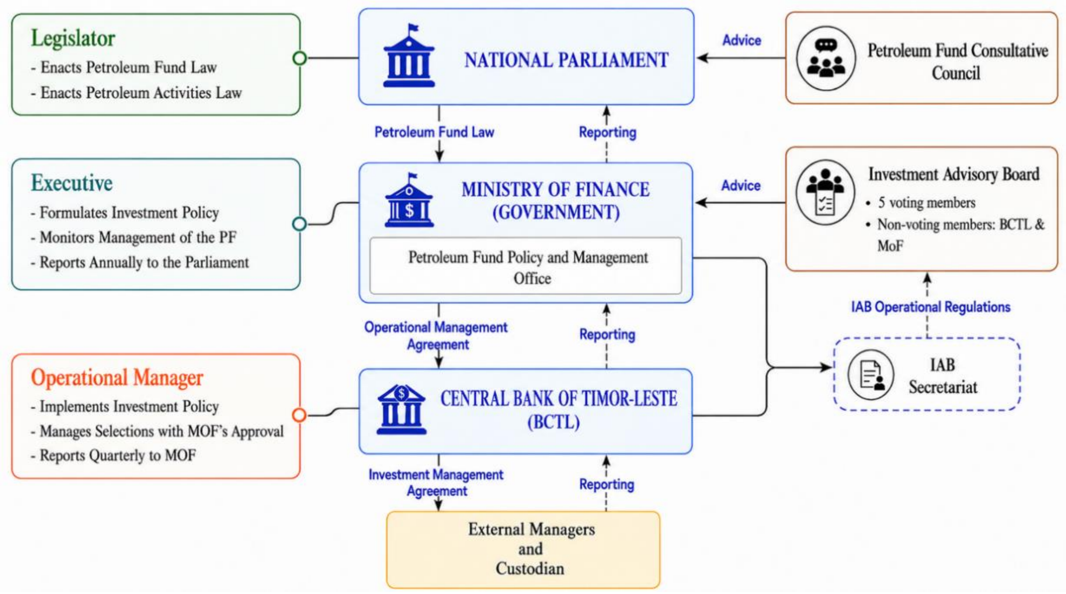
Names	Position and tenure
Mr. Olgario de Castro	Chairman. Voting member since 2008
Dr. Torres Trovik	Voting member since 2006
Mr. Gualdino da Silva	Voting member since 2012
Professor Michael Drew	Voting member since 2017
Mr. Venancio Alves Maria	BCTL's representative from 2012 - March 2025
Mr. Tobias Ferreira	BCTL's representative since April 2025
Mr. Filipe Nery Bernardo	MOF's alternate representative since 2022

The Petroleum Fund Consultative Council (PFCC) advises Parliament on the Fund's performance and operations, and whether withdrawals are benefiting both current and future generations. Members are listed in Table 2, with biographies in Annex IX.

Table 2 – Members of the Petroleum Fund Consultative Council

Names	Position and tenure
Mr. Juvinal Dias	President. Appointed in 2017 as civil society's representative.
Mr. Nuno Eugénio Goulart	Appointed in 2019 as Parliament's representative.
Mrs. Izilda Imanuela da Luz Pereira Soares	Appointed in 2017 as Parliament's representative.
Pe. Mouzinho Pereira Lopes	Appointed in September 2022 as religious organisations' representative.
Mr. Hernani Agostinho Soares	Appointed in 2019 as private business sector's representative.
Mrs. Martinha da Silva de Jesus Pinto	Appointed in 2019 as civil society's representative.

Figure 2 – Governance Structure of the Petroleum Fund



Transparency is central to the Fund's governance and the Petroleum Fund Law sets out the reporting requirements for each institution. The reports are outlined in Table 3.

The Ministry of Finance publishes the Annual Report, including audited financial statements prepared by the BCTL and approved by the Ministry's Director General of Treasury. [3] An internationally accredited external auditor compiles the annual Statement of Petroleum Fund Receipts. The auditor also certifies Estimated Sustainable Income (ESI) calculations, which the Government includes in the General State Budget.

The BCTL publishes quarterly performance reports and provides updates to the Ministry of Finance and IAB on internally managed mandates. The Annual Report and quarterly performance reports are publicly available on the Ministry and BCTL websites. [4]

Since 2009, the Fund has been a member of the International Forum of Sovereign Wealth Funds (IFSWF) and conducts an annual self-assessment against the Santiago Principles.

The latest assessment is in Annex XIII, and assessments are also published in the IFSWF's website.[5]

The Fund has consistently scored well on transparency indicators:

- 9/10 on the Linaburg-Maduell Transparency Index; [6]
- 91/100 on the Peterson Institute SWF Transparency Scorecard (2019); [7]
- 88/100 on the sovereign wealth fund subcomponent of the Resource Governance Index (2017).[8]

Public engagement remains a priority. The BCTL held press conferences on quarterly results with Ministry of Finance representatives, which were attended by local media and NGOs. In previous years, public workshops coordinated by the PFCC were held nationwide to increase awareness of the Fund's management and performance.

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[3] The Director General of Treasury's responsibility to maintain the Petroleum Fund's accounts in Article 21 of the Petroleum Fund Law is delegated by the Minister of Finance to the BCTL under the Operational Management Agreement 2009.
[4] The Ministry of Finance website: https://www.mof.gov.tl/. The Central Bank of Timor-Leste's website: https://www.bancocentral.tl/en
[5] https://www.ifswf.org/assessment/tlpf-2025
[6] https://www.swfinstitute.org/research/linaburg-maduell-transparency-index
[7] https://www.piie.com/publications/policy-briefs/sovereign-wealth-funds-are-growing-more-slowly-and-governance-issues
[8] The Resource Governance Index measures the quality of governance in the oil, gas and mining sector of 58 countries. Timor-Leste's composite score was 49/100. https://resourcegovernanceindex.org/country-profiles/TLS/oil-gas?years=2017

Table 3 – Petroleum Fund reports

Reports	Responsible institution	Support
Annual Report	Published by the Ministry of Finance along with the audited financial statements	Inputs from the BCTL on investment performance and holdings
Audited Annual Financial Statements	The BCTL compiles the accounts	Fund's custodian provides accounting services to the BCTL
	External auditor appointed by the Ministry of Finance	Currently Ernst & Young (EY)
	Approved by Director General of Treasury, Ministry of Finance	Treasury assisted by PFPMO
Certified ESI calculations in State Budget	Ministry of Finance	
	External auditor appointed by the Ministry of Finance	Currently Ernst & Young (EY)
Quarterly performance reports – investment performance and financials	Compiled and published by the BCTL	
Monthly reports – investment performance and financials	Compiled and published by the BCTL	
Quarterly market update and Fund's performance	Prepared by PFPMO for Minister of Finance	Inputs from the BCTL on investment performance and holdings

Timor-Leste's Petroleum Fiscal Regime

Under Timor-Leste's legal framework, all petroleum revenues must flow into the Petroleum Fund. These revenues have historically come from fields in the Timor Sea under Timor-Leste's jurisdiction. In 2025, Bayu-Undan officially ceased production on 4 June, as announced by the National Petroleum Authority (ANP).

The development of the Greater Sunrise field remains under negotiation and is discussed further below. While exploration activity continues, no other proven reserves had been confirmed in 2025.

Legal and Fiscal Framework

Timor-Leste's petroleum revenue entitlements are governed by international treaties and production sharing contracts (PSCs). Treaties define sovereign rights and ownership, while PSCs are agreements between the states and the oil company contractors on how to share revenue.

The Maritime Boundary Treaty between Timor-Leste and Australia came into effect on 30 August 2019, replacing the Timor Sea Treaty. The new treaty significantly improved Timor-Leste's ownership, transferring nearly all of the former Joint Petroleum Development Area (JPDA), including Bayu-Undan, into Timor-Leste's exclusive jurisdiction (Figure 3). As a result, Timor-Leste has received all upstream government revenue from Bayu-Undan since the Treaty entered into force, compared with a 90% share under the previous arrangements.[9]

For Greater Sunrise, the Maritime Boundary Treaty increases Timor-Leste's share of upstream government revenue from 50% under the Certain Maritime Arrangements in the Timor Sea (CMATS) 2006 to[10]:

- 70% if the pipeline goes to an LNG plant in Timor-Leste.
- 80% if the pipeline goes to a plant in Australia.

Negotiations between Timor-Leste, Australia, and the joint venture participants are ongoing. Table 4 shows the ownership structure of Greater Sunrise since 2019, after Timor Gap E.P. acquired a 56.56% interest, which was financed by the Petroleum Fund's investment in petroleum operations.

Table 4 – Greater Sunrise Joint Venture participating interests

Company	Participating interest
Timor Gap E.P.	56.56%
Woodside Energy Group	33.44%
Osaka Gas	10.00%

Fiscal Terms and Revenue Components

Bayu-Undan and Greater Sunrise are governed by Annex F of the Timor Sea Treaty, which preserved the fiscal regime that predated Timor-Leste's

[9] The percentages reflect Timor-Leste's State entitlement to upstream petroleum revenue under the applicable fiscal regime, rather than the share of the project's gross revenue or net cash flow.

[10] The percentages reflect the State's share of upstream petroleum revenue only. They do not capture potential downstream and broader economic benefits that may accrue to Timor-Leste if LNG processing is located in Timor-Leste.

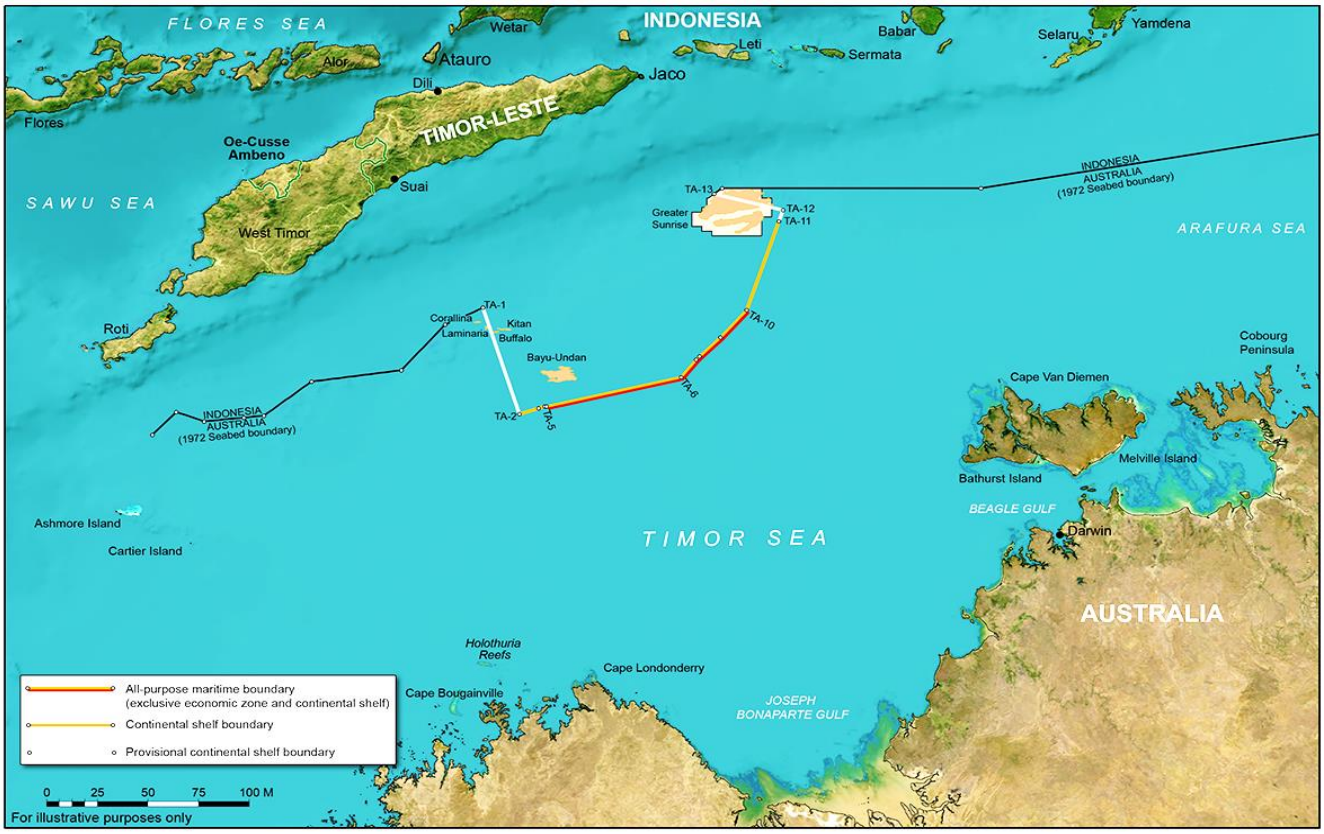
independence. Following the ratification of the Maritime Boundary Treaty, all PSCs and associated fiscal terms were transferred to Timor-Leste's legal regime, with the condition that oil contractors receive equivalent conditions to the prior regime.

The Timor-Leste government's petroleum revenues consist of the following components:

- Royalties: A fixed 5% of production, paid before cost recovery. This rate applies to contracts under Annex F, the new PSC regime, and the Timor-Leste Exclusive Area (TLEA). [11]
- Profit Oil: Under Annex F, Timor-Leste receives 40% of profit oil, or 50% for condensate, calculated as revenue minus royalties and exploration and development costs.
- Taxes, which include:
    - Corporate income tax at 30%.
    - Supplemental petroleum tax on profits exceeding a defined return threshold.
    - Wage income tax on employment in Timor-Leste.

Figure 4 outlines the components of petroleum revenue received from Timor-Leste's three producing fields: Kakatua (which ceased in 2007), Kitan (which ceased in 2015), and Bayu-Undan (which ceased in 2025). Bayu-Undan's gas-condensate field, operated by Santos Ltd since it acquired ConocoPhillips' interest in 2020, has been the dominant revenue source. Royalties and profit oil are collected by ANP as the Designated Authority. Taxes are paid directly into the Petroleum Fund by the contractors.

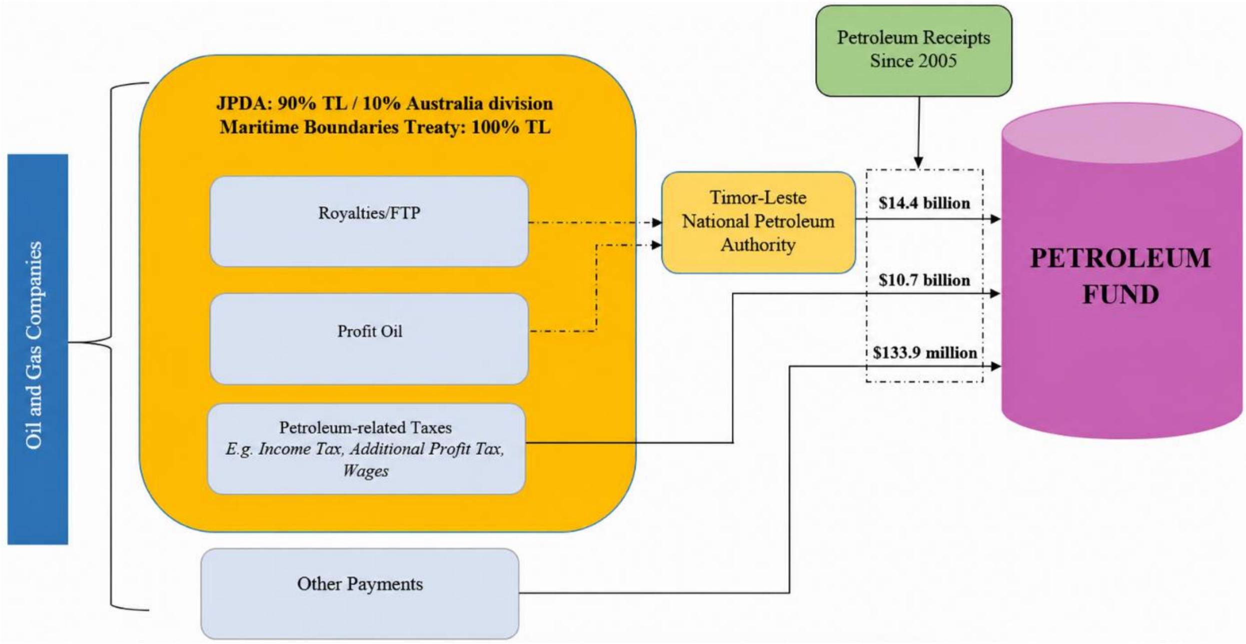
Figure 3 – Map of Timor-Leste Maritime Boundary Agreement



Source: Timor-Leste Maritime Boundary Office, https://www.gfm.tl/library/maps/

[11] For projects based on Annex F, "First Tranche Petroleum" is 10% of production, which is equally shared between the Government and contractors.

Figure 4 – Components of petroleum revenues from former JPDA since 2005

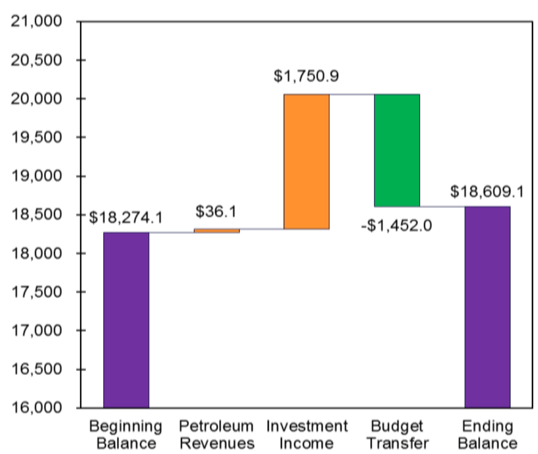


Note: Under the Timor Sea Treaty 2002, JPDA revenues were shared 90%/10% between Timor-Leste and Australia. Under the Maritime Boundary Treaty, Bayu-Undan is exclusively in Timor-Leste's jurisdiction. The categories shown do not include the initial transfer to the Fund of $205 million of revenues that were collected before the Fund was created and are net of tax refunds of $89.9 million.

B. BALANCE AND FLOWS

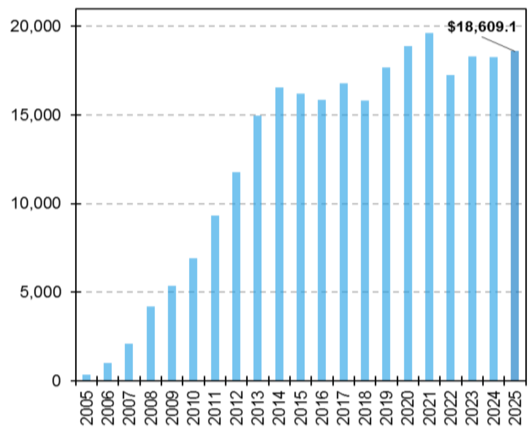
The Fund's balance is determined by inflows from petroleum revenues, investment income, and outflows from Government withdrawals. As Figure 5 illustrates, petroleum revenues contributed US$36.1 million to the Fund, while the annual investment income was US$1,750.9 million. A total of US$1,451.9 million was withdrawn to finance the Government's expenditure.

Figure 5 – Movement in net-assets during 2025



The Fund's balance increased by US$335 million in 2025 to end the year at US$18,609.1 million (Figure 6). The following sections provide more details on each component.

Figure 6 – Petroleum Fund balance ($m)



Petroleum revenue

Total petroleum revenues received during 2025 were only US$36.1 million. The revenues were comprised of US$16.5 million in petroleum taxes, US$4.4 million in royalties and profit from oil and gas, and US$15.2 million of other payments (Figure 7).[12] These collections were in accordance with Articles 6.1 (a), (b), and (e) of the Petroleum Fund Law respectively.

Petroleum revenue is a function of production and oil prices. Bayu-Undan was the only field in operation in 2025, and ceased production in June 2025. The PSCs were subsequently terminated and the decommissioning agreement became effective on 4 June 2025.

Production from January to April 2025 was 0.3 million barrels of oil equivalent (BOE), compared to 1.9 million BOE in 2024. Oil prices were also lower. The average annual Brent crude oil price in 2025 was US$69.10/barrel, around US$11/barrel lower than the previous year's average (US$80.53/barrel) (Figure 8). Timor-Leste's petroleum products have historically had a more stable relationship with Brent than with the WTI.

The Bayu-Undan gas field was discovered in March 1995. The first development drilling commenced in 2003 and production began in 2004 with gas exports to Darwin LNG in 2006. Bayu-Undan's production peaked in 2012. Infill drilling in 2018 and 2021 allowed production to be extended, but there has been a significant reduction in output since 2022 as shown in Figure 8. Including Kakatua and Kitan, the other smaller fields, total petroleum production since 2004 was 956 million BOE, and petroleum receipts totalled US$25.486 billion, which includes initial transfers of US$204.6 million and is net of the tax refund of US$89.9 million.

Figure 7 – Annual petroleum revenues ($m)

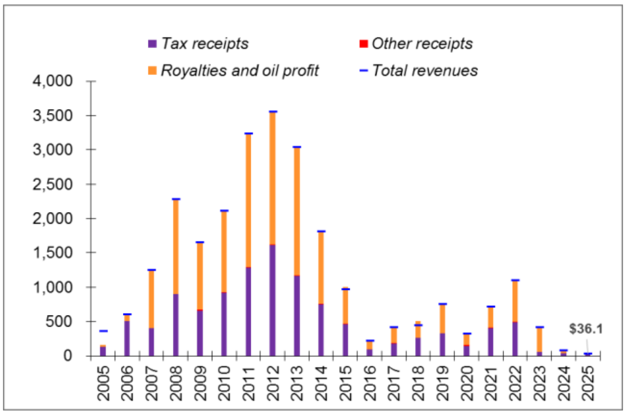
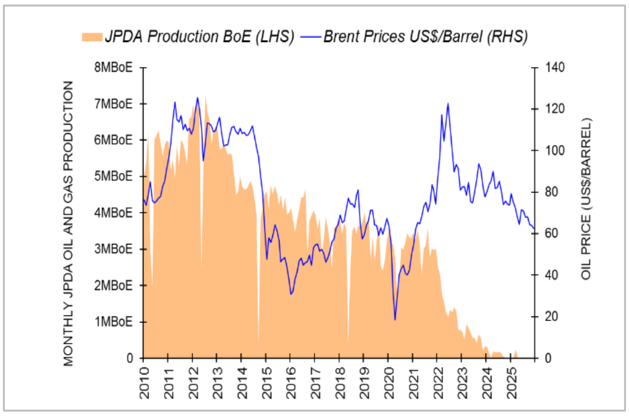


Figure 8 – JPDA production and oil prices



[12] Annex II - Note 16 of the Audited Financial Statements and Annex XI – Petroleum Fund receipts provide the details of petroleum revenues.

Withdrawals

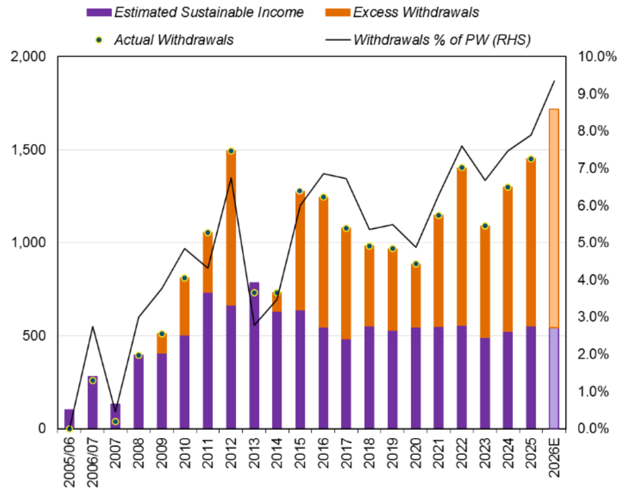
The Government's General State Budget is largely financed by withdrawals from the Petroleum Fund. The approved withdrawals from the Petroleum Fund in the 2025 State Budget were US$1,561.1 million. This was US$183.5 million higher than the previous year's budgeted withdrawal and about 8.5% of the estimated Petroleum Wealth.

The ESI for 2025 was US$551.9 million. The ESI is set at 3% of the Petroleum Wealth, which was estimated as US$18,398.3 million in the 2025 Budget Book. Petroleum Wealth consists of the projected Petroleum Fund balance at the beginning of the budget year (US$18,306.8 million) and the forecasted net present value of the future petroleum revenues (US$91.5 million). Future petroleum revenues only include estimates from fields with approved development plans, and therefore only included Bayu-Undan and excluded Greater Sunrise and other potential sources of revenues.

The actual withdrawals from the Fund totalled US$1,451.9 million during 2025, slightly less than the approved amount, but US$151.9 million more than withdrawals in 2024.

Excess withdrawals reflect the Government's policy to front-load expenditure to enable economic development. Since front-loading commenced in 2009, actual annual withdrawals have averaged 5.7% of estimated Petroleum Wealth, almost twice the 3% ESI (Figure 9). That average rises to 7.2% over the past five years.

Figure 9 – Transfers to the State Budget ($m)



Investment income and expenses

The Petroleum Fund's annual investment income for 2025 was US$1,750.9 million after expenses.

Investment income before expenses was US$1,771.5 million in 2025. Investment income can be categorised into cash receipts, such as coupons and dividends, and changes in market value. Interest, dividends, trust and other income totalled US$516.0 million. The gain on market valuations and foreign exchange was US$1,255.6 million in 2025. This reflects the positive returns from both fixed interest and equities and appreciating foreign currencies, although there was a US$63.5 million fair value loss on the investment in Timor Gap E.P. (Section D, Table 14).

Total expenses in 2025 were US$20.659 million, which includes withholding tax expenses of US$5.257 million. Table 5 shows that management expenses totalled US$15.4 million in 2025, which was broadly the same as the previous year's expenses. The BCTL claimed operating costs incurred of US$7.4 million, which was 4.1 basis points of the Fund's beginning of year balance. Custody and external manager fees amounted to US$7.5 million, and IAB expenses were US$347 thousand. Management expenses in 2025 were 8.4 basis points of the average size of the Fund in 2025, similar to 2024.

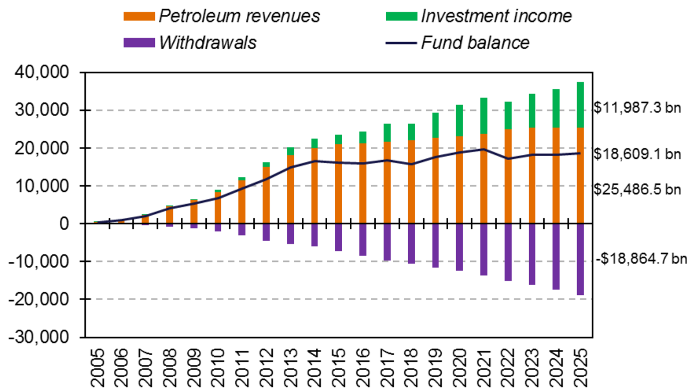
Table 5 – Management expenses ($m)

Category	2022	2023	2024	2025
External managers and custodian fees	6.820	5.856	7.663	7.521
BCTL Operational Management expenses	6.211	7.188	7.446	7.446
IAB expenses	0.287	0.677	0.271	0.347
Other expenses	0.008	1.581	0.000	0.089
Total management expenses	**13.326**	**15.302**	**15.380**	**15.402**
Management expenses relative to average Fund size	**7.2bps**	**8.6bps**	**8.4bps**	**8.4bps**

Flows since inception

Figure 10 shows the contributions to the Fund's value since its inception. Petroleum revenue totalled US$25,486.5 million, which includes the initial transfer of US$204.6 million of revenues collected in 2005 before the Fund was created and net of tax refund of US$89.9 million. Investment income added US$11,987.3 million to the Fund's balance. Government's withdrawals totalled US$18,864.7 million since the Fund commenced in 2005, which exceeds the cumulative ESI over that period by US$8,542.1 million. The Fund's balance was US$18,609.1 million at the end of 2025.

Figure 10 – Cumulative flows for the Fund ($m)



C. INVESTMENT STRATEGY

Financial market investments

The Petroleum Fund Law sets out the following rules for investments:

- The Fund only invests in offshore financial assets (Article 15.1).
- A minimum of 50% of the Petroleum Fund is invested in fixed interest securities, that is, cash and investment grade bonds (Article 15.2).
- A maximum of 50% of the Petroleum Fund is invested in listed equities (Article 15.3).
- A maximum of 5% of the Petroleum Fund is able to be invested in other eligible investments (Article 15.4).
- A maximum of 3% of the Petroleum Fund is able to be invested in any one issuer or company, other than sovereign issuers (Article 15.5).

As noted, under the original framework in the Petroleum Fund Law, the Fund can only invest in offshore financial assets. National investment decisions by the government are made through the State Budget, which is assessed and approved by Parliament, rather than made directly by the Fund.

The Petroleum Fund's investments are subject to rigorous due diligence by the Fund's institutions, including independent advice from the IAB, and assessed purely on financial grounds, rather than accounting for development objectives. This follows the Santiago Principles that seek to separate a sovereign wealth fund's investments from political influence.

The Petroleum Fund Law also provides guidelines for the investment strategy. The investments shall be diversified with the objective of maximising risk-adjusted financial returns, after taking into account the Fund's purposes, its operational constraints, and ability to bear risk (Article 14.1). There must also be sufficient liquidity to fund Government withdrawals (Article 14.2). The investments are assessed purely on these financial grounds and need to comply with sound portfolio management practices.

Investment in petroleum operations

Since 2019, the Fund has in effect been comprised of two parts: investments in financial markets and a loan financing investment in petroleum operations.

The investment in petroleum operations was made in April 2019 to finance Timor Gap E.P.'s acquisition of ConocoPhillips' and Shell's combined 56.56% ownership interest in Greater Sunrise. The Government's objective was to facilitate onshore processing in Timor-Leste so as to fully participate in the upside of development. The proposed financing through the 2019 State Budget did not proceed after the Budget was not promulgated on sustainability grounds. The Petroleum Activities Law was then amended to allow the 5% allocation for alternative assets in Article 15.4 of the Petroleum Fund Law to be applied to investments in petroleum operations in national territory or abroad.

The Petroleum Fund provided loans totaling US$650 million to four Timor Gap E.P.'s subsidiaries that hold the Production Sharing Contracts and Retention Leases (Figure 11). The agreed interest rate was 4.5% per annum and there was a grace period on repayments for the first eight years to allow time for development and production to commence. Interest would accrue during the grace period and the loan would then be repaid over the following 10 years, when petroleum inflows were expected.[13]

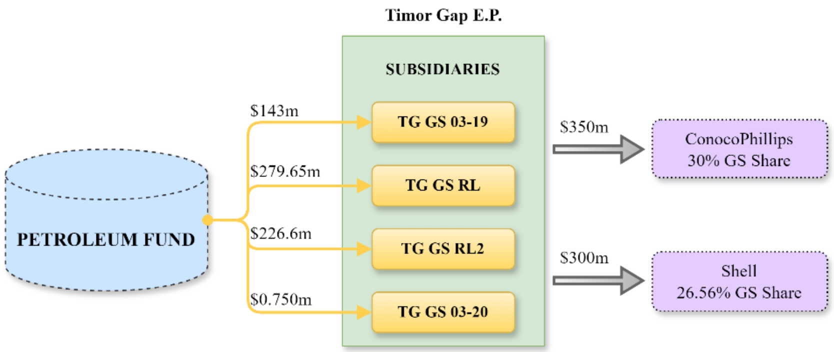
Once the Greater Sunrise field commences production, the Petroleum Fund will receive the State's usual share of petroleum revenue - namely, royalties, profit oil and petroleum-related taxes - as well as any dividends paid by Timor Gap E.P. from its participation in the joint venture.

The investment in Timor Gap E.P. is exceptional within the Petroleum Fund's framework. It was an investment decision by the Government and approved by the Council of Ministers rather than subject to the Fund's usual due diligence process. It was also intended to achieve national development objectives, rather than being assessed purely on financial criteria. The investment in petroleum operations has presented several challenges. The accounting and valuation process took time to establish, contributing to delays in 2020 and 2021, although these issues were resolved in the 2022 reports.

There are also potential breaches of exposure limits in the Petroleum Fund Law. The Petroleum Fund Law limits the investment to 5% of the Fund's balance. This limit will be breached if the Fund depletes as projected, subject to the valuation of the loans (Figure 13). In addition, Article 15.5 of the Petroleum Fund Law imposes a 3% investment limit to any one company or issuer. The Maritime Boundaries Treaty requires consolidating the existing PSCs into one contract, and Timor-Leste's ownership interests will also be consolidated into one entity. If the loans are transferred to that entity, then the 3% exposure limit is likely to be exceeded.

In addition, delays to the Greater Sunrise project have created a gap between the start of scheduled loan repayments in April 2028 and Timor Gap E.P.'s inflows from Sunrise. Developments relating to this liquidity gap and the proposed amendment of the loan terms are discussed in Section D.

Figure 11 – Petroleum Fund's investment in Timor Gap E.P



Segmentation into a Liquidity and Growth portfolio

The permanent fund framework outlined in Section A has not been applied in practice. Rather than follow the ESI guideline, governments have decided to front-load withdrawals to develop infrastructure and human resources, essential foundations of the country's economic development. The Fund is projected to deplete until there are significant new petroleum inflows or a significant change in fiscal policy.

The projected depletion poses a challenge to the longer holding period required to be confident of earning a higher return from equities. Consequently, it was decided in 2021 to segment the Fund's financial market investments into two portfolios. The Liquidity portfolio covers three years of projected withdrawals on a rolling basis and invests in low risk assets, namely cash and short maturity bonds. The Growth portfolio seeks higher returns over a longer

[13] The investment in petroleum operations is further discussed in section D, "Developments in the private debt instrument", and in Note 13 and Note 24 of the attached Financial Statements.

horizon and invests 35% in equity and 65% in fixed interest (Figure 12).

Segmentation was implemented to:

1) Reduce risk in the total portfolio, accounting for withdrawals;
2) Provide clear investment objectives for each portfolio;
3) Provide confidence to stakeholders that near-term withdrawals are covered by relatively safe assets; and
4) Reconnect the Fund's investment strategy with fiscal policy by encouraging multiple-year fiscal projections and consideration of fiscal sustainability.

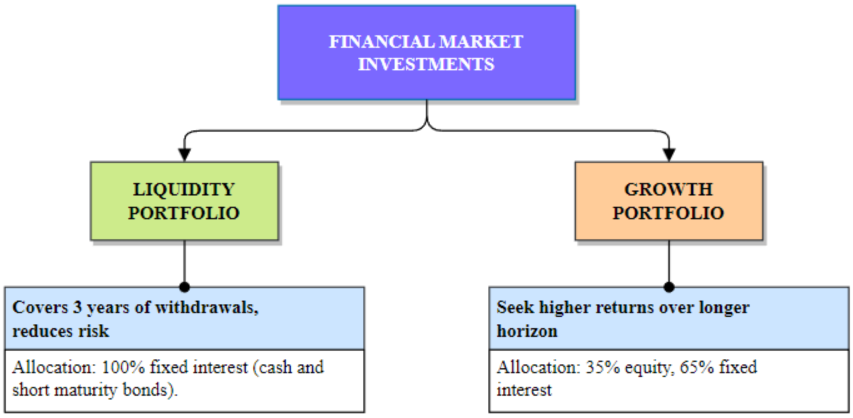
The structure adjusts the investment mix to new information about withdrawals.

The liquidity portfolio finances withdrawals and therefore depletes over the course of the year, subject to any petroleum inflows. At the beginning of the next year, investments in the growth portfolio are sold to top-up the shortfall between the liquidity portfolio's balance and the projected withdrawals for the next three years. A counter-cyclical rule applies. If the growth portfolio makes a loss in the prior year, then 50% of the shortfall is transferred; 100% of the shortfall is transferred if the growth portfolio posts a "normal" return of 0 to 6%; and 150% is transferred if the growth portfolio's return is greater than 6%. This rule is designed to limit the sale of investments after a loss and sell more after a strong return. The growth portfolio is rebalanced to its target weights of 35% in equities and 65% in fixed income as part of the transfer to the liquidity portfolio.

Applying this to 2025, projected withdrawals over the next three years were US$3,561.1 million, which consist of the approved withdrawal of US$1,561.1 million in the 2025 State Budget and estimates of US$1 billion for both 2026 and 2027. The balance in the liquidity portfolio was US$2,492.5 million at the time of instructions, meaning the shortfall was US$1,068.6 million. The growth portfolio's annual return of 7.78% for 2024 was greater than the 6% threshold, meaning that 150% of the shortfall, or US$1,602.8 million, was transferred from the growth portfolio to the liquidity portfolio by selling equities and bonds.

The liquidity portfolio has been restructured as a single mandate benchmarked to 0-3 Years US Treasury notes since April 2024. It was structured as two mandates – Cash and short-term US Treasury notes – when it was first introduced in July 2021.

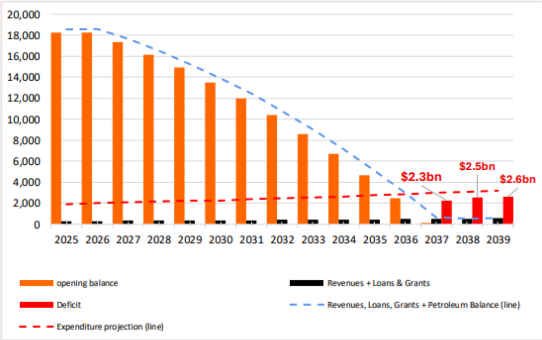
Figure 12 – Segmenting the Petroleum Fund into Liquidity and Growth portfolios



The fiscal sustainability analysis in the 2026 Budget Book projects that the Fund will be exhausted by 2037 (Figure 13). That projection incorporates the budget ceiling for Budget 2026 and the medium term expenditure outlook, and assumes no petroleum inflows and no new taxes. Spending cuts and new taxes could see the Fund's life extended to beyond 2040.

The fiscal sustainability analysis shown here does not account for potential inflows from Greater Sunrise. The Ministry of Finance reviews the fiscal framework and investment strategy regularly and has consulted with the Ministry of Petroleum and Mineral Resources on the amount and timing of the inflows from the Greater Sunrise project.

Figure 13 – Petroleum Fund forecasts from 2026 Budget Book – current spending trajectory (in US$ million)



Source: Budget Book 1 2026. National Directorate of Economic Policy, Ministry of Finance, 2025.

The projections in Figure 13 are point estimates. Actual Fund balances and the date of exhaustion may differ from those shown because investment income, petroleum revenues and withdrawals are uncertain. As explained in Box III, investment income can vary significantly from year to year. Modelling indicates that, under the current segmented investment strategy, variation in investment returns could change the Fund's projected life by around two to three years relative to the central estimate. Withdrawals may also differ from the projections, as they depend on government expenditure, domestic revenue and other sources of financing.

Portfolio and Holdings

The Petroleum Fund's asset allocation has evolved over time, as shown in Box I.

The current structure of the Fund's investments is illustrated in Figure 14. As noted earlier, the Investment in Petroleum Operations is separate from the Fund's Financial Market Investments. In turn, the Financial Market Investments (FMI) are segmented into the Liquidity and Growth Portfolios.

The Fund's investment strategy reflects the IAB's "Statement of Investment Beliefs and Principles", which is published on the Ministry of Finance's website.[14] The portfolio avoids unnecessary complexity and targets systematic return premia by investing in cash, government bonds and listed equities. Diversification is used to remove unrewarded risk; the equity portfolio is diversified across companies, countries, and industries, while the sovereign bond portfolio helps to mitigate equity risk.

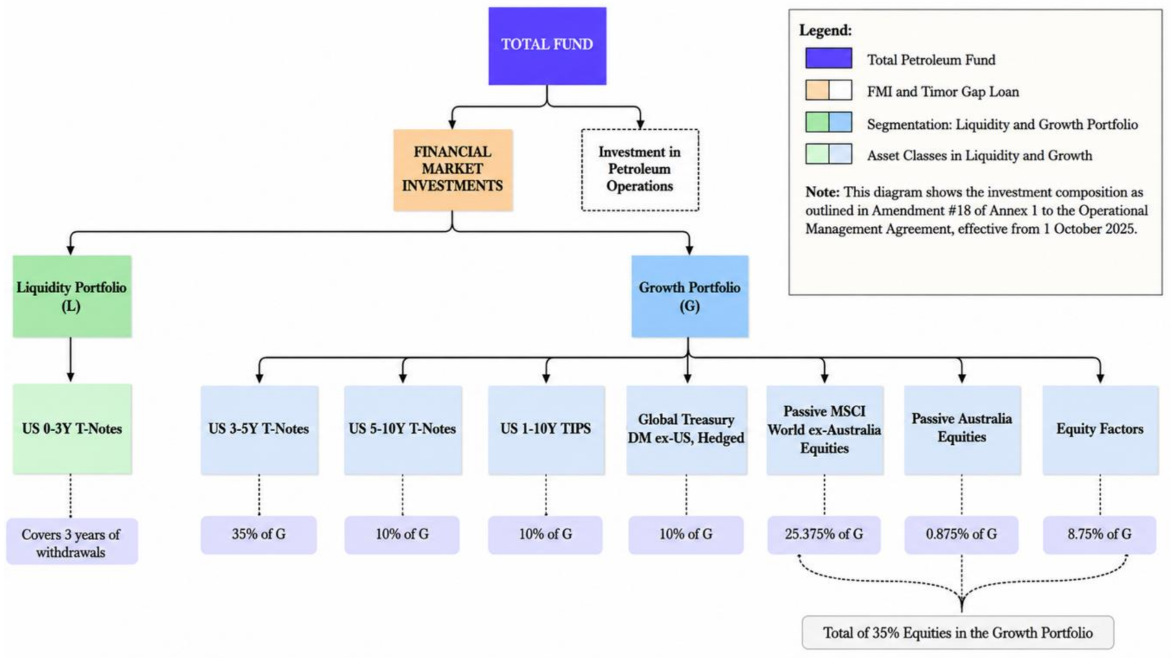
Passive management is the main investment style. A passive manager invests so that the weights of the individual securities in the portfolio reflect those in the benchmark index. As a result, the mandate's investment performance will correspond with the benchmark's performance. Passive management is usually preferred by the Petroleum Fund because financial markets are seen to be generally efficient and the bulk of returns come from systematic risk factors. Passive management provides cost effective and diversified exposure.

As noted, the liquidity portfolio finances the expected withdrawals from the Fund over the next three years. It is internally managed by the BCTL and expected to perform broadly in line with the benchmark.

The growth portfolio follows the 65% fixed interest and 35% equity allocation that was adopted prior to segmentation. There are currently six external managers. Fixed interest investments are limited to investment-grade government bonds, and the internal, passively managed US Treasury mandates constitute the bulk of the fixed interest holdings. The 3-5 year US Treasury portfolio has a 35% weight in the growth portfolio, while the 5-10 year US Treasury portfolio has a 10% weight. The US 1-10 year TIPS mandate was introduced in April 2023 with a 10% weight. US TIPS is externally managed by Barings and Franklin Templeton on an enhanced passive basis, which seeks to earn a moderate excess return relative to its benchmark. The Global Treasury ex-US mandate is externally managed by the Bank for International Settlements (BIS) on an enhanced passive basis. The currency exposure in the Global Treasury ex-US mandate has been hedged since BIS was appointed as its manager in April 2020.

[14] https://www.mof.gov.tl/pagedetails/petroleum-fund-of-timor-leste

Figure 14 – Overview of the Petroleum Fund's investments



Three quarters of the equity allocation is passively managed. SSIM and BlackRock's passive mandates are benchmarked to the MSCI World excluding Australia Index, a market-capitalisation index. The BCTL internally manages the allocation to Australian equities on a passive basis.

The equity factor mandate was introduced in August 2019 and amounts to one quarter of the total equity allocation. The allocation to equity factors departs from the market capitalization index by targeting companies that have higher exposures to systematically-rewarded factors, such as value, quality, low-volatility, momentum and size. The equity factor mandate was amended in October 2025 to include the momentum factor (Section E: IAB Advice). The characteristics of these factors are summarised in Table 6.

Table 6 – Characteristics of equity factors

Equity Factor	Company characteristics
Value	Low valuation ratios e.g. Book to Market value
Quality	Higher profit
Momentum	Strong recent performance
Low volatility	Less variable returns
Size	Smaller market capitalisation

The allocation consists of two managers; Schroders, which was held as an enhanced passive mandate prior to the factor allocation but then reclassified in 2019, and a new factor mandate with SSIM. Over the long-term, the equity factor mandate is expected to improve the risk-adjusted return relative to a portfolio invested in a market capitalization index.

The liquidity portfolio ended 2025 at US$2,819 million, which represents 15.6% of total financial market investments. The portfolio financed the US$1,451.9 million of withdrawals by the government, received US$36.1 million of petroleum inflows, and generated investment income.

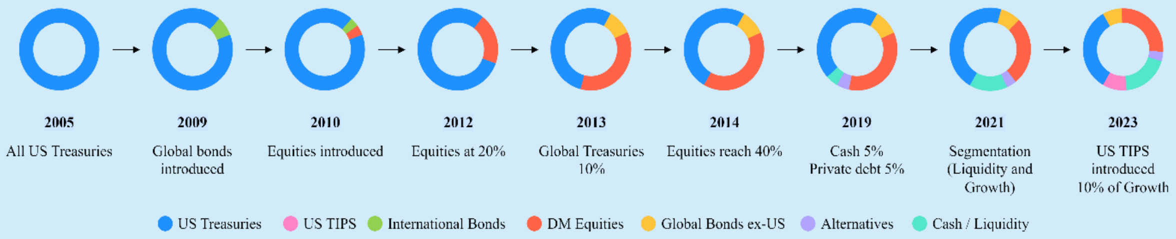
The growth portfolio was rebalanced to its SAA weights in the first quarter of 2025. Under annual rebalancing, the weights of fixed interest and equities will subsequently drift according to their relative performance during the year. The growth portfolio ended the year at US$15,254.9 million, representing 84.4% of the FMI.

As described in Section D, the returns from equities (22.0%) exceeded those of fixed interest in the growth portfolio (6.7%), which resulted in the equity allocation finishing the year 3.1% over the 35% SAA weight, with fixed interest being correspondingly underweight its 65% allocation (Table 7).

Box I: The evolution of the Petroleum Fund's investments

The Fund's asset allocation has evolved over time. Under the original Petroleum Fund Law in 2005, the Fund's investments were limited mainly to low-risk assets. The Fund was fully invested in US Treasuries before a global bond allocation was introduced in 2009. Equities were first introduced in 2010, when the upper limit in the 2005 Law was effectively 10% when combined with non-USD debt.

Figure 15 – Asset allocations since 2005



The amendments to the Petroleum Fund Law in 2011 increased the maximum equity allocation to 50% of the Fund. This was designed to meet the 3% real return objective implied by the ESI withdrawal rule. A 40% equity allocation was decided upon in 2012, which, at that time, was expected to meet the 3% real return objective with a reasonable probability. The long-term investment horizon that results if the permanent fund framework is followed would allow the Fund to withstand the short-term volatility inherent in equities. The equity allocation was initially increased to 20% in 2012, and was then increased incrementally each month to reach 40% by June 2014. During this time, a 10% allocation to unhedged Global Treasuries outside the US was introduced in 2013.

The implications of a declining Fund balance for the investment strategy have been considered for some time. In June 2016, a cash portfolio of US$800m was introduced to match expected net withdrawals for the remainder of that year. In 2017, the cash mandate was set to equal the 12-month expected net cash shortfall on a rolling quarterly basis. That allocation was treated as outside the SAA and is not shown in Figure 15. To simplify operational management, a 5% cash allocation was added to the SAA in 2019.

The Fund invested in petroleum operations through loans to Timor Gap E.P. in April 2019. Timor Gap E.P.'s interest repayments are to be financed from revenues derived from the Greater Sunrise petroleum development project, meaning that the risk of the Fund's investment is more comparable to the equity allocation than bonds. Consequently, the allocation was funded by reducing the equity allocation from 40% to 35%.

In July 2021, the Petroleum Fund was segmented into the liquidity portfolio and the growth portfolio. Figure 15 shows that for the total fund this involved a significant increase in the defensive allocation to cash and short-maturity US Treasuries, while the equity allocation decreased.

In April 2023, 10% of the total growth portfolio was allocated to US Treasury Inflation Protected Securities (TIPS) and funded from the US Treasury 3-5 year mandate, which declined in weight to 35%. The TIPS mandate is intended to hedge against rising inflation and its impacts on the Fund's portfolio.

In April 2024, the Liquidity portfolio's mandate was amended from a composite mandate of Cash and 1-3 Years US Treasury notes to a single mandate of 0-3 Years US Treasury notes.

Table 7 – Financial Market Investments' mandates of the Petroleum Fund as at 31 December 2025

Portfolio/Mandate	Manager	Style	US$ m	Allocation at year-end		
				% SAA weight	% of Growth	% of FMI
Financial Market Investments			**18,073.9**			**100.00%**
Liquidity Portfolio			2,819.0			15.60%
Growth Portfolio			15,254.9			84.40%
Liquidity Portfolio			**2,819.0**			**15.60%**
0-3 Year Treasury bonds	BCTL	Passive	2,819.0			15.60%
Growth Portfolio			**15,254.9**	**100.00%**	**100.00%**	**84.40%**
Total Fixed Interest			**9,449.6**	**65.00%**	**61.94%**	**52.28%**
US 3-5 Year Treasury bonds	BCTL	Passive	5,099.7	35.00%	33.43%	28.22%
US 5-10 Year Treasury bonds	BCTL	Passive	1,459.9	10.00%	9.57%	8.08%
Global DM ex-US Treasuries	BIS	Enhanced Passive	1,437.5	10.00%	9.42%	7.95%
US 1-10 Year TIPS	FT; Barings	Enhanced Passive	1,452.5	10.00%	9.52%	8.04%
Total Equities			**5,805.3**	**35.00%**	**38.06%**	**32.12%**
MSCI World Index ex -Australia Equities	SSIM; BlackRock	Passive	4,211.6	25.38%	27.61%	23.30%
MSCI World Australia Equities	BCTL	Passive	137.8	0.88%	0.90%	0.76%
MSCI World Index ex-Australia Equities	SSIM; Schroders	Equity Factors	1,455.9	8.75%	9.54%	8.06%

Note: Strategic Asset Allocation (SAA); Developed Market (DM); Timor-Leste Central Bank (BCTL); Bank for International Settlements (BIS); Franklin Templeton (FT); State Street Investment Management (SSIM).

Table 8 shows the Fund's allocations by country. Cash here is defined according to our accounting policy, namely, instruments with maturities of less than 90 days. It is comprised primarily of the cash component of the Liquidity portfolio, which includes overnight repurchase agreements with the Federal Reserve Bank of New York. In addition, cash includes the 10% required by BIS as collateral for the hedged global treasury mandate, as well as small cash balances held by managers in their bond and equity mandates for operations, which includes some currencies in addition to USD.

The composition of the Petroleum Fund's equity holdings largely corresponds with the benchmark index. The MSCI World Index is comprised of large and mid-size capitalisation companies that are listed in developed markets. The Petroleum Fund held 1,435 companies at the end of 2025 and the holdings are reported in Note 24 of Annex II. Table 8 shows that 71.7% of the equity portfolio is invested in companies listed in the US. Eurozone countries represent the next largest allocation at 8.9% of the equity portfolio, followed by Japan (5.4%) and the UK (3.6%). The allocation to Australian equities is internally managed by the BCTL as a separate mandate and represents 2.4% of total equities held by the Fund.

The US allocation represents almost 90% of the Fund's bond holdings. This measure includes US Treasuries held in the liquidity portfolio, along with the growth portfolio's 3-5 year Treasury, 5-10 year Treasury and 1-10 year TIPS mandates. The Non-US government bond allocation is benchmarked to a customised index of developed markets, which is designed to facilitate diversification by capping the Eurozone allocation at 30% of the index and individual country weights at 10%. The allocations in Table 8 are in line with the benchmark weights. The Eurozone represents 3.2% of the total fixed interest holdings, while the weights for Australia, Canada, Japan and the UK are consistent with the maximum country weight.

With respect to the Fund's exposure to foreign currency, cash is almost entirely in US dollars. The fixed interest holdings are effectively entirely in US dollars. In addition to the large allocations to US Treasury mandates, the global developed market sovereign bond mandate is hedged to the US dollar. The equity holdings are unhedged so the country weights for equities in Table 8 reflect the resulting currency exposures.

For the aggregate of financial market investments, 84% of the Fund is invested in US securities, with the Eurozone the next largest allocation at 5%. The USD dominates the currency exposure at 91% after accounting for hedging of the non-US fixed interest holdings. Small exposures to other currencies – mainly, the Euro, the Japanese Yen, the British Pound, the Canadian dollar and the Australian dollar – result from the unhedged equity allocation.

Table 8 – Petroleum Fund's allocation by countries

Country	Cash	Bonds	Equities	FMI
Australia	0.3%	1.1%	2.4%	1.5%
Canada	0.3%	1.1%	3.3%	1.8%
Denmark	0.1%	0.5%	0.4%	0.5%
Eurozone	0.7%	3.2%	8.9%	5.0%
Hong Kong	0.4%	0.1%	0.4%	0.2%
Israel	0.0%	0.0%	0.2%	0.1%
Japan	0.9%	0.9%	5.4%	2.3%
New Zealand	0.1%	0.6%	0.0%	0.4%
Norway	0.1%	0.3%	0.2%	0.3%
Singapore	0.3%	0.9%	0.4%	0.7%
Sweden	0.1%	0.4%	0.7%	0.5%
Switzerland	0.2%	0.7%	2.5%	1.3%
United Kingdom	0.4%	1.0%	3.6%	1.8%
United States of America	96.1%	89.3%	71.7%	83.8%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

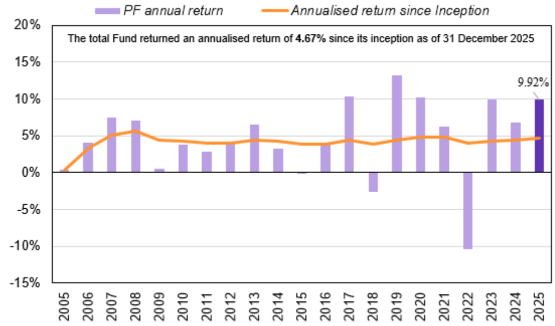
Note: Financial Market Investments (FMI) only. Cash includes cash at bank and US dollar repurchase agreements. Bonds includes holdings in the liquidity portfolio and the fixed interest mandates in the growth portfolios.

D. INVESTMENT PERFORMANCE IN 2025

The Petroleum Fund returned +9.92% in 2025 (Figure 16). The Financial market investments, which excludes the loan to Timor Gap, returned 10.41%. The liquidity portfolio returned 4.73%, supported by higher short-term interest rates. The growth portfolio posted a strong return of 11.90%, comprised of the fixed interest return of 6.67% and the equity return of 22.01%. The loan to Timor Gap E.P., returned -4.60% following the latest independent valuation, which is described below. Further details on investment performance are provided in Tables 16 to 19.

The following sections discuss developments in 2025 in financial markets and the Fund's loan, which is followed by performance relative to benchmark. The concluding section assesses long-term performance.

Figure 16 – PF annual investment returns



Source: BCTL and PFPMO calculations as at 31 December 2025

Developments in financial markets in 2025

US trade policy was a source of economic uncertainty in 2025. The US administration's initial measures in the first quarter focused on China, Canada, and Mexico, as well as tariffs on steel, aluminium and autos. The global "liberation day" tariffs announced on 2 April were broader and higher than expected. Markets reacted sharply but recovered after reciprocal tariffs were paused for 90 days. A more conciliatory approach in bilateral negotiations eased recession fears, although the effective US tariff rate increased considerably and acted as a drag on global trade and growth. Geopolitical risks, including the conflicts in Ukraine and the Middle East, also added to uncertainty.

Despite these headwinds, advanced economies expanded moderately in 2025. US economic growth continued to be resilient at 2.1% in 2025, driven by strong consumer spending and a surge in artificial intelligence related investments. However, an extended government shutdown weighed on US growth in quarter 4. The Eurozone economy grew by 1.4%, faster than expectations at the start of the year, supported by household consumption and government spending, as well as ECB easing. The

UK economy grew by 1.3% while Japan's economy grew at 1.1%, despite contracting in the third quarter on pressure from US tariffs (Table 9).

In 2025, major central banks, other than the Bank of Japan (BoJ), continued to cut interest rates, although there were differences in the timing of cuts and restrictiveness of policy settings at year end (Figure 18).

Inflation pressure reemerged in the US in late 2024, prompting the US Federal Reserve (the Fed) to caution against further rate cuts. Volatile US trade policy, including the tariffs announced in April, greatly increased economic uncertainty, presenting the challenging outlook of a slowdown combined with higher inflation. The labour market proved to be relatively stable, and the federal funds target range was left unchanged at 4.25-4.50% until late in quarter three, a restrictive level to address persistent price pressures (Figures 17&18). The Fed cut rates in September after weakness in the labour market led to a shift in the balance of risks, and rates were cut again in October and December despite inflationary pressure from businesses passing on tariff costs. The Fed rate ended the year 75 basis points lower at 3.50-3.75%, which is still restrictive but approaching a neutral level.

The European Central Bank (ECB) continued the easing cycle that started in June 2024. Policy rates were reduced by 100 basis points during the first half of 2025 to support growth and address the elevated uncertainty from US tariffs. The cuts in January, March, April, and June brought the deposit rate to 2.0%, close to estimates of the neutral level, and were enabled by inflation easing below the 2% medium-term target. The ECB held rates steady in its meetings in the second half of the year, with growth slightly higher than projections.

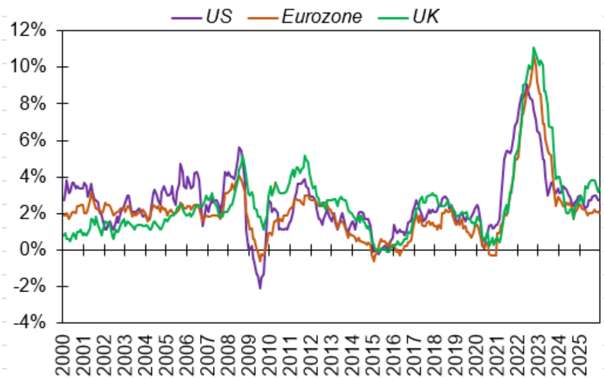
The Bank of England (BoE) also eased its monetary policy by 100 basis points with cuts in February, May, August and December in response to sluggish growth and a loosening labour market. However, stubborn core inflation acted as a constraint and the policy rate of 3.75% at year-end was still restrictive.

Table 9 – Central bank policy rates, inflation, and growth

	Policy rate in Dec 2025	Changes in rates in 2025	Change in rates in 2024	Inflation Dec 2025[2]	Inflation Dec 2024	Real GDP growth 2025[3]
United States	3.50 -3.75%	-75 bps	-100 bps	2.7%	2.9%	2.1%
ECB[1]	2.00%	-100 bps	-100 bps	1.9%	2.4%	1.4%
United Kingdom	3.75%	-100 bps	-50 bps	3.4%	2.5%	1.3%
Japan	0.75%	+50 bps	+35 bps	2.1%	3.6%	1.1%
Canada	2.25%	-100 bps	-175 bps	2.4%	1.8%	1.7%
Australia	3.60%	-75 bps	-	3.8%	2.4%	2.0%

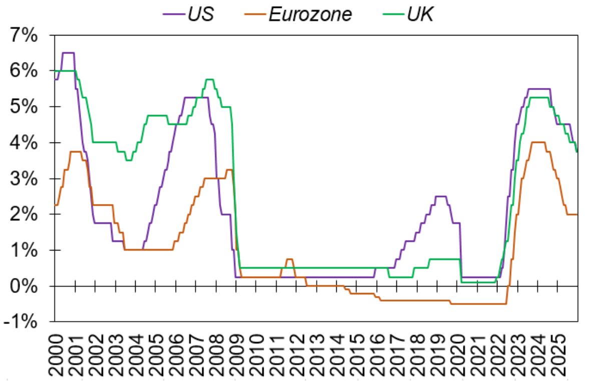
Note: 1) ECB deposit facility rate. 2) Headline inflation rate year on year for December. 3) GDP figures are based on the latest official estimates and may be revised in future releases. Source: Bloomberg and PFPMO calculations, as at 30 June 2026.

Figure 17 – Inflation rates



Source: Bloomberg, as at 31 December 2025

Figure 18 – Central bank policy rate



Source: Bloomberg, as at 31 December 2025

Yields on US Treasuries declined in 2025 (Table 10). The large falls in quarter 1 resulted from downward revisions to the growth outlook following the initial announcements on US tariffs and retaliatory measures by China.

The global tariffs announced by the US administration on 2 April included a 10% universal baseline tariff on imports and higher reciprocal tariffs on countries with significant trade deficits with the US. The announcement led to upward pressure on US Treasury yields and downward pressure on the dollar, signalling the market's concerns about US policies and challenging the usual safe-haven status. The administration subsequently suspended the higher tariffs for 90 days to allow time for trade talks. Trade fears eased somewhat as the US adopted a more conciliatory approach in its negotiations with China, and, subsequently, other key trade partners including the EU and Japan were able to cap reciprocal tariffs at lower rates.

While the weaker growth outlook drove US Treasury yields lower, the administration's volatile policies along with fiscal concerns placed some upward pressure on US government yields. In May, Moody's downgraded the US sovereign rating from Aaa to Aa1, citing persistent fiscal deficits, a rising debt burden and higher interest costs. The approval of the July fiscal legislation, commonly referred to as the "One Big Beautiful Bill", reinforced concerns about the US budget deficit and debt trajectory, as the tax cuts and other measures were expected to increase deficits over the coming decade.

By the end of the year, the 2-year US Treasury yield had fallen to 3.47%, 77 basis points lower than at the start of the year, a move in line with the Fed's three rate cuts in 2025. The 10-year yield was 40 basis points lower at 4.17% with most of the decline occurring in quarter one. The Fund's US Treasury benchmarks followed a similar pattern with yields for the short-maturity 0-3 year and 3-5 year index falling by more than that of the longer-term, 5-10 year index (Figure 19). However, the longer-maturity benchmark's performance was boosted by duration, returning 8.0%. The US 1-10 Year Treasury Inflation Protected Securities also performed strongly, returning 7.5% in 2025 (Table 10).

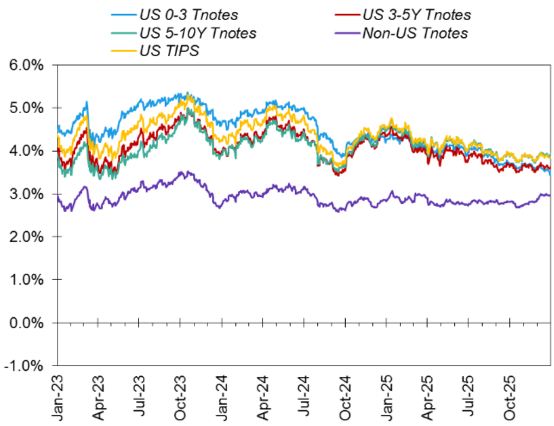
While US Treasury yields fell, the yield for the Fund's non-US Treasury index rose by 13 basis points over the course of the year, which contributed to non-US bonds underperforming US indices (Table 10). Yields of the major non-US developed markets remained elevated and generally increased due to fiscal sustainability concerns, inflation uncertainty, and supply pressures. That included Germany which announced significant expenditure on infrastructure and defence financed by debt, and also Japan where continued normalisation of rates is expected. The UK was an exception with short-term and long-term yields declining over the year, as investors priced in weaker growth and further BoE easing, along with some reduction in the fiscal risk premium after the November Budget.

Table 10 – Index bond yields and annual returns (%)

Index	End of year yield (%)	Changes in yields (%)					2025 return (%)
		Q1	Q2	Q3	Q4	2025	
US 0-3 Year Treasury Notes	**3.51**	-0.24	-0.09	-0.20	-0.19	**-0.73**	4.86
US 3-5 Year Treasury Notes	**3.64**	-0.43	-0.18	-0.05	-0.04	**-0.71**	6.72
US 5-10 Year Treasury Notes	**3.94**	-0.41	-0.09	-0.07	0.01	**-0.55**	8.00
US 1-10 Year TIPS (nominal equivalent)	**3.85**	-0.40	-0.14	-0.05	-0.09	**-0.68**	7.47
Global DM ex-US Treasuries	**2.96**	0.08	-0.16	0.06	0.15	**0.13**	3.37

Note: US 1-10 Year TIPS nominal-equivalent yield. Source: Bloomberg and PFPMO calculations, as at 31 December 2025

Figure 19 – Index bond yields

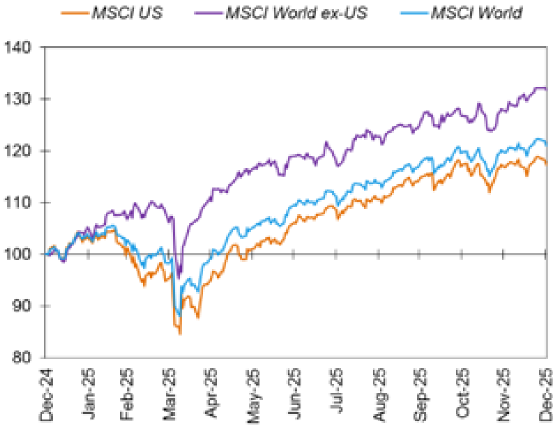


Source: Bloomberg, as at 31 December 2025

Developed market equities delivered strong gains in 2025, despite falls in February, March and early April associated with trade tensions (Figure 20). The MSCI World Index's annual return was 21.1% in USD terms. The sharp falls in early April followed the announcement of global tariffs, which raised concerns about a US and global slowdown and potential stagflation. However, as noted, recession fears eased as the higher tariffs were suspended for 90 days for bilateral negotiations, and the US subsequently adopted a more conciliatory approach with China. Equities quickly recovered after the sell-off, and with the improved growth outlook, solid corporate earnings, and buoyant risk sentiment, went on to post strong performance in the second and third quarter.

US equities had another strong year with the MSCI USA index returning 17.3% in 2025 (Table 11). However, unlike 2023 and 2024, the non-US component of the MSCI World outperformed the US in 2025. The divergence arose in quarter one, when US equities posted losses on concerns that the administration's trade policies would slow US consumption and growth. In addition, the arrival of DeepSeek's low-cost AI model saw the large US AI-related stocks come under pressure early in the year. In contrast, gains in European equities were supported by relatively attractive valuations, early rate cuts by the ECB, and Germany's announcement of fiscal stimulus.

Figure 20 – Equities total returns in US dollar (31/12/2024 = 100)



Source: Bloomberg and PFPMO calculations, as at 31 December 2025

US equities subsequently recovered, including a rally in AI-related companies as earnings remained strong and investors priced in the long-term impact of AI-related investments. Over the year, for the MSCI Indices, Europe ex UK (19.1%), Japan (24.3%) and the UK (25.8%) all outperformed the US in local currency terms, although Australia lagged (6.5%). Table 11 shows that US dollar weakness further boosted other markets' performance in USD terms, with MSCI UK and MSCI Europe ex UK returning over 35% in 2025.

Table 11 – MSCI index total returns in USD (%)

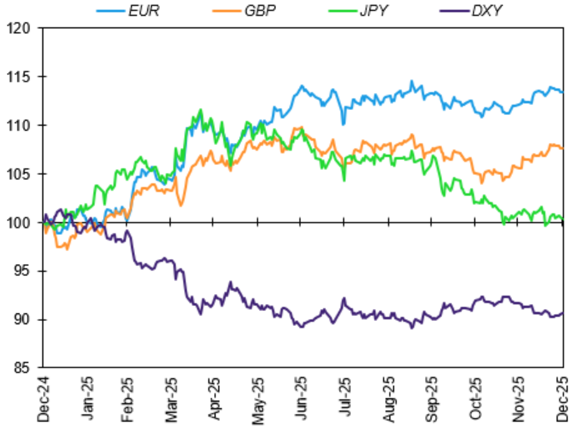
Index	Q1	Q2	Q3	Q4	2025
MSCI World	-1.79	11.47	7.27	3.12	**21.09**
MSCI US	-4.60	11.25	8.03	2.33	**17.31**
MSCI Europe ex-UK	10.72	12.16	2.97	5.98	**35.52**
MSCI UK	9.70	8.72	5.89	6.99	**35.11**
MSCI Japan	0.34	11.36	8.02	3.23	**24.60**
MSCI Australia	-2.62	15.06	3.46	-1.02	**14.74**

Source: Bloomberg and PFPMO calculations, as at 31 December 2025

The US dollar weakened in 2025, as captured in the 9.4% decline of the US dollar Index (DXY), which measures the dollar's value relative to six major currencies (Figure 21). Most of the decline occurred in the first half of the year as investors reassessed the outlook for US trade, fiscal and monetary policy.

The euro recorded the strongest appreciation, rising by around 13.4%, supported by improved sentiment towards Europe and expectations of higher infrastructure and defence spending. The British pound gained approximately 8%, helped by relatively high UK interest rates, although weak domestic growth limited further appreciation. The Japanese yen was more volatile, strengthening sharply early in the year before giving back most of its gains. Persistent interest-rate differentials between Japan and the US continued to weigh on the yen, leaving it broadly unchanged over the year.

Figure 21 – US dollar relative to other currencies (31/12/2024 = 100)



Source: Bloomberg and PFPMO calculations, as at 31 December 2025

Developments in the private debt instrument

The Petroleum Fund's investments are required to be reported at fair value. A publicly available market price is available for all of the Fund's financial market investments in listed equities and government bonds. The loans to Timor Gap E.P. are private instruments where fair value is determined by an annual independent valuation.

The BCTL, as operational manager, hires an independent expert to assist with estimating the fair value of the loan each year. The valuation firm determines a discount rate that incorporates a long-term US Treasury yield, and that also adjusts for the risk of the Fund's investment. The discount rate is then applied to the cash flows from the loan to calculate the fair value.

Prior to 2024, the discounted cash flows equalled the contracted interest repayments starting in 2028 and ending in 2037. Timor Gap E.P.'s inflows received from Sunrise will finance its repayment of the loan. However, there is now an interval between when Timor Gap expects to receive inflows from Greater Sunrise and when it is contracted to start paying the Petroleum Fund interest on the loans. For the 2024 valuation, the valuation firm required an adjustment to account for this "liquidity gap".

During 2025, the Ministry of Petroleum and Mineral Resources, the Ministry of Finance, Timor Gap E.P. and the BCTL discussed amending the loan's terms to address the gap. The proposed amendments are summarized in Table 12, which includes extending the moratorium on interest repayments and maturity date by five years. On this basis, the first interest payment date would move from April 2028 under the original contract, to April 2033, and the maturity date would move to April 2042. Accounting for 4.5% p.a. interest during the moratorium, the annual repayments increase from US$116.820 million to US$145.579 million. The 2025 valuation was based on the proposed amendments recommended by the Ministry of Finance to the Government. These amendments had not been formally finalised as at 31 December 2025 or by the date of publication of this report.

Table 12 – Cash flow assumptions for 2025 valuation of the loans to Timor Gap E.P.

Moratorium/grace period	• Extended from 8 years under the original contract to 13 years. Interest accrues at 4.5% during this period.
First interest payment date	• Extended from April 2028 under the original contract to April 2033.
Maturity date	• Extended from April 2037 under the original contract to 9 April 2042.
Cash flows	• 10 annual payments, the same number as the original contract. • The annual payment increases to account for interest accruing during the extended moratorium.

The loan was valued at US$535.223 million at the end of 2025. The valuation process was completed in January, which allowed the independent valuation to be incorporated in the Petroleum Fund's quarter four report published by the BCTL in February 2026. At year end, the private debt investment represented approximately 2.9% of the Fund's total assets, remaining below the 5% limit for Investments in Petroleum Operations under the Petroleum Fund Law.

The 2025 valuation is lower than the 2024 valuation of US$561.044 million, which results in an annual return of -4.60%. The negative return in 2025 follows a return of -5.99% posted in 2024, and the annualised return since inception is now -2.84%.

The annual loss in 2025 reflects the extension of the grace period where interest accrues at 4.5%, which is less than the estimated discount rate. Table 13 shows that the valuation firm's estimate of the discount rate fell fractionally in 2025. The base rate, the long-term US Treasury yield, increased by 0.06%, while the valuation firm slightly decreased the total risk premium by 0.14%. The country risk premium was adjusted downward, although a 0.25% asset-specific risk premium was introduced. The asset-specific risk reflects the liquidity and timing risk around the loan's cash flows, which depend on gas sales from the Greater Sunrise assets.

Table 13 – Fair value of the loans to Timor Gap E.P.

	2019	2020	2021	2022	2023	2024	2025
US Treasury Base Rate			1.91%	3.99%	4.05%	4.79%	4.85%
Country Risk Premium			1.46%	1.46%	1.60%	1.95%	1.56%
Asset-specific Risk Premium							0.25%
Liquidity Premium			1.50%	2.50%	2.50%	2.50%	2.50%
Discount rate for the loan	**4.50%**[2]	**5.62%**[3]	**4.87%**	**7.95%**	**8.15%**	**9.24%**	**9.16%**
Fair value of Petroleum Fund's asset ($m)	671.314[1]	615.700	701.353	560.758	596.795	561.044	535.223
Weight in Petroleum Fund	3.79%	3.26%	3.57%	3.25%	3.26%	3.07%	2.88%
Investment return	3.28%[2]	-8.28%	13.91%	-20.05%	6.43%	-5.99%	-4.60%

Notes: 1). The asset was reported at amortised cost in 2019 and the valuation policy changed to fair value in the 2020 financial statements. The external auditor assessed that the 2019 value was not materially different from fair value.
2). The investment was made in April 2019. On an annualised basis, the return for 2019 is 4.5%, consistent with the agreed interest rate.
3). A "build-up" methodology to determine the discount rate was introduced in 2021. A different approach was used in 2020, meaning the components are not comparable with 2021 to 2025, and therefore are not shown.
4). The valuation firm added an asset-specific risk to the methodology in 2025 to account for liquidity risk around the cash flows. The prolonged period of loan moratorium and uncertainty regarding inflows from the Greater Sunrise present an additional element of risk.

Three technical points are important to understand when interpreting the reported value of the loan. Firstly, interest continues to accrue on the contracted annual rate of 4.5% and is applied to the cumulative value of the loan at the start of the year, rather than the fair value. Table 14 shows the accounting for the loan reported in Note 13 in the accompanying financial statements in Annex II. The difference between the end of year independent valuation and the end of year book value – the beginning value plus accrued interest - is accounted for as a fair value gain/loss.

Table 14 – Accounting for the loans to Timor Gap ($m)

	2022	2023	2024	2025
Balance at beginning of year	701.353	560.758	596.795	561.044
Interest income[1]	32.985	34.470	36.019	37.646
Fair value gain/loss	-173.581	1.568	-71.770	-63.467
Fair value at end of year	**560.758**	**596.795**	**561.044**	**535.223**

Note: 1) Interest income is calculated as 4.5% of the contractual loan balance.

The second point is that the Petroleum Fund's asset value is different from the value of Timor Gap E.P.'s liability (Figure 22). Timor Gap E.P. is required to report the value of its liability to the Petroleum Fund at amortised cost. Timor Gap's liability is estimated to have increased from US$836.445 million at the end of 2024 to US$874.085 million at the end of 2025 (Table 15). This reflects the principal of

US$650 million, and interest accumulated at 4.5% from April 2019 until December 2025. By contrast, the estimated fair value of the Petroleum Fund's asset is materially lower at US$535.223 million. This is because the discount rate of 9.16% is much higher than the contracted rate of 4.5%.

Table 15 – Fair value of PF assets vs Timor Gap's liability ($m)

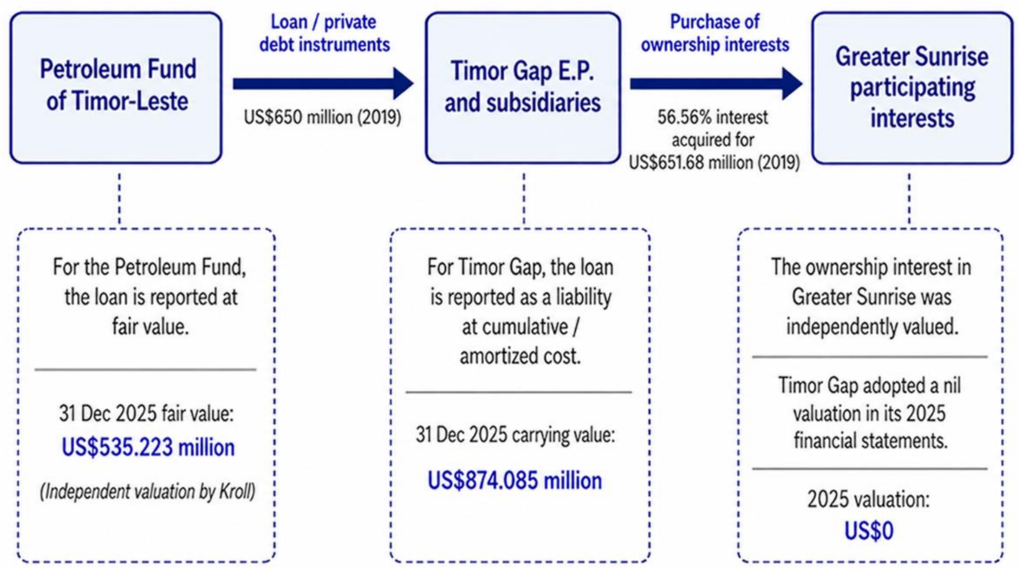
	2019	2020	2021	2022	2023	2024	2025
Fair value of Petroleum Fund's asset ($m)	**671.314**	**615.700**	**701.353**	**560.758**	**596.795**	**561.044**	**535.223**
Value of Timor Gap's liability ($m)	671.314	701.350	732.974	765.958	800.426	836.445	874.085

Third, the Petroleum Fund's loan is connected to but different from Timor Gap's participating interest in Greater Sunrise. The loan financed Timor Gap's purchase of participating interests in Sunrise, and Timor Gap's share of inflows from Sunrise will finance its loan repayments. However, the value of the Fund's asset – the present value of cash flows to repay the US$650 million borrowed - is different from the value of Timor Gap E.P.'s participating interest – the present value of Timor Gap's share of the expected net cash flows from Sunrise.

Timor Gap has reported the value of its participating interest in Greater Sunrise at zero since its 2020 financial statements.

Independent valuations by ERCE in 2020, 2021 and 2022 reported a negative value for the participating interests, reflecting uncertainty about the fiscal regime, development concept and timing of the project. Timor Gap also adopted this valuation in its 2023, 2024 and 2025 financial statements. These uncertainties are relevant to the valuation of the Petroleum Fund's loan because Timor Gap's repayments depend on future cash flows from Greater Sunrise. They contributed to the risk premia applied in the independent valuation, including the asset-specific risk premium introduced in 2025.

Figure 22 – Relationship between the Petroleum Fund's loan, Timor Gap's liability and participating interest in Greater Sunrise



Investment performance relative to benchmark

The majority of the Fund's investment mandates are passively managed, meaning performance is expected to generally follow that of their benchmark indices.

The Total Fund returned 9.92% in 2025, outperforming the aggregate benchmark return of 9.86% by 6 basis points (Table 16). This includes the return on the loan to Timor Gap, which posted a 4.60% loss compared to its benchmark return of 4.5%.

Financial Market Investments, which is composed of the liquidity and growth portfolios, outperformed the benchmark index by 38 bps over the year. The liquidity portfolio underperformed its benchmark by 13 bps, while the growth portfolio outperformed its benchmark by 18 bps (Table 17).

In the growth portfolio, the aggregate fixed interest portfolio outperformed its benchmark by 16 bps in 2025 (Table 18). The internally managed US Treasury portfolios outperformed (3-5 Year +10 bps, 5-10 Year +35 bps), while the combined performance of the two external TIPS managers was in line with the benchmark. The externally managed non-US government bond hedged mandate outperformed its benchmark by 38 bps.

The equity portfolio outperformed its benchmark by 92 bps in 2025. The passive developed market equity managers, SSIM and BlackRock, both outperformed their benchmark, with excess returns of 79 bps and 86 bps respectively (Table 19). The passive managers' outperformance largely results from the Petroleum Fund having some exemptions from withholding tax, while the benchmark index assumes no exemptions. The BCTL's internally managed Australian equity mandate posted a positive excess return of 55 bps relative to the benchmark.

The Fund's allocation to equity factors represents the main departure from market-capitalisation weights at the mandate level. The equity factor mandate tilts towards companies with higher exposures to certain characteristics such as Value and Quality, with the objective of improving the long-term risk-adjusted return relative to a market-weighted portfolio. The aggregate of the factor managers returned 143 bps above the market-cap benchmark in 2025, with excess returns of 87 bps for SSIM and 203 bps for Schroders. Amendments to SSIM's equity factor mandate in October, including changes to the portfolio construction process and replacing the low volatility factor with momentum, was followed by stronger performance.

Long-term performance and purchasing power

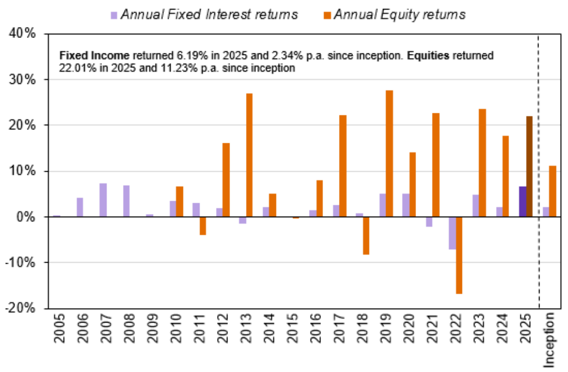
The 9.92% return for 2025 boosted the Fund's annualised since inception return to 4.67% per annum (p.a.).

Equities have been the driver of the Fund's returns. Since its introduction in 2010, the equity allocation has returned 11.23% p.a., while the corresponding return from fixed interest was 1.59% p.a. over the same period. The aggregate of fixed interest in the liquidity and growth portfolios has returned 2.34% p.a. since inception in 2005 (Figure 23).

It is also useful to consider the Fund's returns in real terms after accounting for inflation. The Fund's annualised real return since inception until 2025 is 2.12% p.a. after US inflation of 2.49% p.a.

The average real return peaked at 2.90% p.a. in 2020. However, the sharp spike in inflation in 2021-2022, and the consequent significant investment loss in 2022, detracted from average real returns (Figure 24).

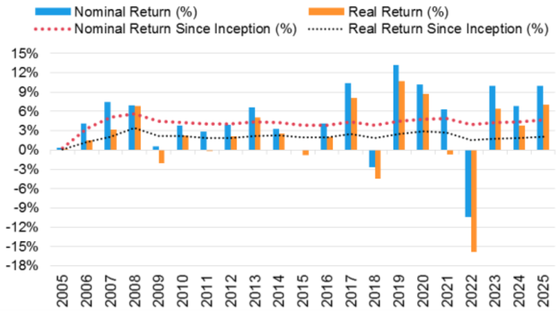
Figure 23 – Returns from bonds and equities



Note: Fixed Interest from July 2021 includes cash and bond mandates in both the liquidity and growth portfolios.

The since inception real return is below the permanent fund model's implied target of a 3% annual real return that would offset the ESI withdrawal. As noted, the permanent fund model is no longer being followed because high withdrawals and projected depletion required reducing investment risk through segmentation of the Fund.

Figure 24 – Real and nominal returns



As shown earlier, the Fund's balance in nominal terms has been relatively stable in recent years, despite projections for falls. The balance ended higher because of higher than projected petroleum inflows from Bayu-Undan, and also investment returns exceeding our central expectation. While the nominal balance has been maintained, the Fund's purchasing power has declined. Figure 25 shows that the real value of the Fund adjusted for US inflation declined following the sharp increase in inflation in 2022.

Figure 25 – Real and nominal value

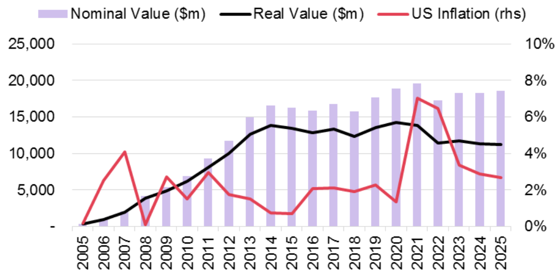


Table 16 – Petroleum Fund's investment performance in 2025 (%)

Asset Class	Inception	2023	2024	2025	5y p.a.	Since Inc. p.a.
A. Total Fund	September 2005	**9.99**	**6.80**	**9.92**	**4.22**	**4.67**
Benchmark		9.90	7.47	9.86	4.30	4.64
Excess		*0.10*	*-0.67*	*0.06*	*-0.07*	*0.03*
B. Total Financial Market Investments	November 2020	**10.11**	**7.26**	**10.41**	**4.47**	**4.77**
Benchmark		10.06	7.58	10.04	4.22	4.63
Excess		*0.05*	*-0.32*	*0.38*	*0.25*	*0.14*
B.1 Liquidity	July 2021	**4.25**	**5.16**	**4.73**	**n.a**	**2.91**
Benchmark		4.81	5.04	4.86	n.a	3.05
Excess		*-0.56*	*0.12*	*-0.13*	*n.a*	*-0.14*
B.2 Growth	July 2021	**11.37**	**7.78**	**11.90**	**n.a**	**4.36**
Benchmark		11.26	7.92	11.72	n.a	4.27
Excess		*0.11*	*-0.13*	*0.18*	*n.a*	*0.08*
B.2.1 International Fixed Interest[1]	September 2005	**4.91**	**2.17**	**6.67**	**0.33**	**2.21**
Benchmark		4.79	2.25	6.51	0.29	2.21
Excess		*0.13*	*-0.08*	*0.16*	*0.04*	*0.00*
B.2.2 International Equities[1]	October 2010	**23.67**	**17.79**	**22.01**	**12.65**	**11.23**
Benchmark		23.79	18.67	21.09	12.15	10.87
Excess		*-0.12*	*-0.88*	*0.92*	*0.50*	*0.36*
C. Private debt instrument	April 2019	**6.43**	**-5.99**	**-4.60**	**-2.76**	**-2.84**
Benchmark		4.50	4.50	4.50	4.50	4.50
Excess		*1.93*	*-10.49*	*-9.10*	*-7.26*	*-7.34*

Source: BCTL. Notes: 1) International Fixed Interest and International Equities include performance prior to the Fund's segmentation into Liquidity and Growth.

Table 17 – Liquidity portfolio's investment performance in 2025 (%)

Liquidity Portfolio Mandate	Inception	2023	2024	2025	5y p.a.	Since Inc. p.a.
Liquidity Portfolio[1]	July 2021	**4.25**	**5.16**	**4.73**	**n.a**	**2.91**
Benchmark		4.81	5.04	4.86	n.a	3.05
Excess return		*-0.56*	*0.12*	*-0.13*	*n.a*	*-0.14*

Source: BCTL. Notes: 1) Performance does not include returns from the Cash mandate prior to segmentation.

Table 18 – Fixed interest mandates' investment performance in 2025 (%)

Mandate	Inception	2023	2024	2025	5y p.a.	Since Inc. p.a.
International Fixed Interest Aggregate[1]	September 2005	**4.91**	**2.17**	**6.67**	**0.33**	**2.21**
Benchmark		4.79	2.25	6.51	0.29	2.21
Excess return		*0.13*	*-0.08*	*0.16*	*0.04*	*0.00*
3-5 Years US Treasury Bonds[1]	January 2012	**4.67**	**2.13**	**6.82**	**0.62**	**1.58**
Benchmark		4.35	2.40	6.72	0.60	1.58
Excess return		*0.32*	*-0.27*	*0.10*	*0.03*	*0.01*
5-10 Years US Treasury Bonds[1,2]	May 2020	**4.46**	**0.14**	**8.35**	**-0.87**	**-0.88**
Benchmark		3.93	0.42	8.00	-1.06	-1.01
Excess return		*0.53*	*-0.28*	*0.35*	*0.19*	*0.13*
1-10 Years US TIPS Composite[3]	May 2023	**n.a**	**3.02**	**7.46**	**n.a**	**4.36**
Benchmark		n.a	3.09	7.47	n.a	4.38
Excess return		*n.a*	*-0.07*	*-0.01*	*n.a*	*-0.02*
Global Treasury ex-US, Hedged[1,4]	May 2020	**7.64**	**3.49**	**3.75**	**-0.15**	**0.13**
Benchmark		7.51	3.38	3.37	-0.39	-0.11
Excess return		*0.13*	*0.11*	*0.38*	*0.24*	*0.24*

Source: BCTL. Notes: 1) Includes performance prior to segmentation. 2) Performance of BCTL managed 5-10 Years US Treasury Bonds. Performance of the BIS, the manager from December 2011 until April 2020, is not included. 3) The 1-10 Years US TIPS mandate is a composite of two managers, Barings and Franklin Templeton. 4) Performance when the Global Treasury Developed Markets ex US portfolio was managed on an unhedged basis from July 2014 until April 2020 is not included.

Table 19 – Equity mandates' investment performance in 2025 (%)

Growth Portfolio Mandates[1]	Inception	2023	2024	2025	5y p.a.	Since Inc. p.a.
International Equities Aggregate	October 2010	**23.67**	**17.79**	**22.01**	**12.65**	**11.23**
Benchmark		23.79	18.67	21.09	12.15	10.87
Excess return		*-0.12*	*-0.88*	*0.92*	*0.50*	*0.36*
SSIM International Equities	January 2012	**24.27**	**18.76**	**22.00**	**12.52**	**11.93**
Benchmark		24.00	19.03	21.20	12.25	11.67
Excess return		*0.28*	*-0.27*	*0.79*	*0.27*	*0.26*
BlackRock International Equities	February 2013	**24.30**	**19.05**	**22.07**	**12.62**	**11.67**
Benchmark		24.00	19.03	21.20	12.25	11.37
Excess return		*0.31*	*0.02*	*0.86*	*0.37*	*0.30*
Multi-Factor International Equity[2]	August 2019	**22.81**	**16.15**	**22.63**	**13.47**	**13.62**
Benchmark		24.00	19.03	21.20	12.25	13.58
Excess return		*-1.19*	*-2.88*	*1.43*	*1.22*	*0.04*
BCTL Australian Equity	July 2016	**14.68**	**1.19**	**15.29**	**6.72**	**7.88**
Benchmark		14.79	1.23	14.74	6.69	8.00
Excess return		*-0.11*	*-0.04*	*0.55*	*0.03*	*-0.12*

Source: BCTL. Notes: 1) Includes performance prior to segmentation in July 2021. 2) The Multi-Factor developed market equity mandate is a composite of two managers, Schroders and SSIM.

E. IAB ADVICE AND LOOKING AHEAD

The Investment Advisory Board (IAB) is established under Article 16 of the Petroleum Fund Law and advises the Minister of Finance on matters relating to the Petroleum Fund's investment strategy and management. The IAB's advice is required to be published in accordance with Article 24 of the Petroleum Fund Law. The IAB's advice to the Minister of Finance in 2025 is included in full in Annex XII and summarised below, along with the IAB's activities during the year.

IAB Advice

Petroleum Fund projections and modelling

The IAB wrote to the Minister on 12 March 2025 regarding projections of the Petroleum Fund. The letter noted that the projected annual withdrawals in the 2025 State Budget were 8.5% of the Fund's 2024 year-end balance, far higher than projected investment returns and the limited remaining petroleum inflows from Bayu-Undan. The Ministry of Finance's projections available at the time indicated that the Fund could be exhausted by around 2035 without new petroleum inflows.

The IAB explained that the high projected fiscal deficits and withdrawals would need petroleum inflows comparable to Bayu-Undan's peak for the Fund to grow rather than run to zero. If the Fund is depleted, then the government's annual spending will depend on volatile petroleum revenues. The IAB said it is wise to review the fiscal path early, balancing the need for spending on development with preserving savings. The fiscal path is central to the Fund's investment strategy because it determines cash flow needs and the resulting investment horizon.

The IAB requested Petroleum Fund modelling that incorporates the projections of inflows from the new fields, including Greater Sunrise, to assess the impact on the Fund's expected horizon and whether the current investment strategy remains suitable. The Board also offered to provide support in training Fund staff and briefing stakeholders.

Timor Gap E.P. subsequently provided the Ministry of Finance material from the Wood Group study showing projected inflows from Greater Sunrise, including the underlying data.

Equity factors

The IAB wrote to the Minister on 2 July 2025 regarding the equity factor mandate, which constitutes 8.75% of the growth portfolio and one quarter of equities. The letter noted the underperformance of one of the managers, State Street Investment Management, SSIM, and the Board's request to the BCTL for clarification. Following presentations from the two managers in 2024, the BCTL confirmed during the IAB's June 2025 workshop that SSIM remained a suitable factor manager subject to proposed changes to the mandate and implementation process.

The IAB's advice in July recommended continuing with factors noting that equity factors can be subject to long performance cycles. The IAB's letter recommended changes to the wording in the mandate's parameters to facilitate the changes advocated by the BCTL and to better reflect current exposures. The momentum factor was added, and equity factors were listed as examples rather than targets. The Board's letter also noted the BCTL is working on its reporting and monitoring of factor exposure and residual exposures to sectors and countries.

The Minister adopted the IAB's advice and Annex 1 of the Operational Management Agreement was amended to take effect in October. The BCTL then amended its agreement with SSIM, and the changes were implemented by the manager.

Investment beliefs

The IAB and its Secretariat reviewed the Petroleum Fund's Statement of Investment Beliefs and Principles in 2025. During the October workshop, the Board agreed on ten core beliefs that are consistent with the Petroleum Fund's current investment strategy and implementation. The beliefs were more focused than the previous detailed version that was last reviewed in 2014 and was intended as an educational guide for the Fund's institutions.

The IAB wrote to the Minister on 5 November 2025 after completing its review. The Minister adopted the IAB's advice and in November wrote to the Governor of the BCTL that the beliefs are to be applied across all aspects of the Fund's management. The list of ten beliefs is included in Box II.

Governance Policy

Completing the Ministry of Finance's draft Governance Policy was recommended by the independent review of the Petroleum Fund in 2023 to help provide clarity on the roles and responsibilities of the institutions involved in the Petroleum Fund and a framework facilitating coordination and collaboration. The Ministry of Finance and the BCTL worked through several issues raised by the BCTL in the version shared by the Ministry in June 2024 and agreed on the final version in the second half of 2025.

The IAB wrote to the Minister on 1 December 2025 endorsing the Ministry of Finance's proposed Governance Policy. The Minister wrote to the Governor in December regarding the formal adoption of the policy for Petroleum Fund-wide implementation.

IAB Activities in 2025

The IAB held 11 meetings in 2025 along with two workshops in June and October. A monthly meeting is usually held on the first Wednesday of each month. Mr. Olgario de Castro was re-elected as Chairman during the January meeting.

At the beginning of each year, the Board helps to determine the priorities for the Petroleum Fund, including areas for research by its Secretariat. The priorities for 2025 included completing the governance policy, reviewing the Fund's investment beliefs, addressing withholding tax on foreign investments, reviewing equity factors, setting capital market assumptions and undertaking modelling to review the strategic asset allocation, and addressing the liquidity gap issue with the loan to Timor Gap and potential for breach of exposure limits.

The IAB's regular meetings allow the Board to monitor the Fund's investments and management, as well as facilitate planning and cooperation among the Fund's institutions. Each quarter, the BCTL presents the Fund's investment performance to the Board. The meetings and workshops also addressed the Fund's priorities for 2025, as set out below.

Following the IAB's letter to the Minister about the need for robust Fund balance modelling with official projections for withdrawals and petroleum inflows, the Ministry of Finance's Petroleum Fund Policy and Management Office (PFPMO) requested IAB support for modelling investment returns, which Professor Drew agreed to provide. The IAB's workshop in June included presentations by Professor Drew on multiple path modelling of returns, and output from the model was applied by the Ministry of Finance in multiple-path Fund modelling and fiscal sustainability. The BCTL presented on withholding tax and equity factors, including the proposed changes to SSIM's mandate. The IAB also discussed the Fund's investment beliefs. In September, Alex Bacchus from the NZ Super Fund presented to the IAB on his fund's strategic tilting process.

The IAB's October workshop was held at Griffith University's Gold Coast campus, which was kindly arranged by Professor Robert Bianchi. External presenters included Suzanne Branton and Bryon David from CareSuper, Crystal Russell and Nick Guest from QIC, Frank Prostamo and Albert Oberholzer from Public Trustee Queensland, Dr. Adam Walk from REST Super, and Jack Sutherland from WTW.

The workshop covered a number of topics including undertaking a strategic asset allocation review and developing a dynamic asset allocation process (CareSuper), developing capital market assumptions (WTW), operational risk management (Dr Walk), private equity and venture capital (QIC), and managing investments for outcomes (Public Trustee Queensland). The IAB also agreed on revisions to the Fund's investment beliefs during the workshop.

Prior to the workshop, Professor Drew provided training to the IAB's Secretariat on setting capital market assumptions and economic scenarios, which was followed by training on stochastic modelling by Dr. Nirodha Jayawardana. The IAB agreed in its October meeting to establish a capital market assumptions and modelling group, a joint initiative between the Ministry of Finance and the BCTL under the umbrella of the IAB's Secretariat. The group presented updated capital market assumptions to the IAB at its December meeting. An overview of the investment return model and its output is included in Box III.

The Board was also regularly updated on other items relating to the Fund, including the audited financial statements and annual report for 2024. PFPMO also briefed the Board on fiscal developments, including a presentation on the 2026 State Budget.

As part of the Fund's engagement with the International Forum of Sovereign Wealth Funds (IFSWF), the IAB Chair attended the 2025 IFSWF Annual Meeting in October.

Looking ahead

In 2026, the Fund's institutions are using and building on the modelling tools and training developed in 2025 to assess the Fund's sustainability under updated withdrawal and petroleum inflow projections. The fiscal path and the scale and timing of inflows will be central in determining the Fund's liquidity needs, investment horizon, and strategic asset allocation. If projections show that the Fund is likely to be significantly depleted, the institutions may need to consider whether the Fund's statutory objective and investment strategy should shift from an intergenerational saving model toward preserving a sufficient balance to support fiscal stabilization during future petroleum revenue cycles.

Box II: Review of the Petroleum Fund's Investment Beliefs

The Statement of Investment Beliefs and Principles guides the Investment Advisory Board's (IAB) advice on the Fund's investment strategy and management. It provides a consistent framework supported by academic research and market practice. The first statement of investment beliefs was drafted and submitted to the Minister of Finance in September 2010. It was reviewed in November 2014, with the addition of a section on fixed interest, and is published on the Ministry of Finance's website.[1]

The original version of the Statement is very detailed, setting out both beliefs and principles. It covered key elements, including investment objectives, beliefs on financial markets, the investment process, and organisational capacity. Although it is longer than the investment beliefs published by many other institutions, this level of detail was initially useful for internal capacity development.

In September 2023, an independent review recommended regular reviews of the investment beliefs and other key documents, and that the investment beliefs to be adopted as a Fund-wide document. The Secretariat subsequently presented its review to the Board and benefited from the Board's input and comments during workshops held in 2024 and 2025.

The Board agreed that the revised Statement should be shorter and more focused, clearly identifying key beliefs that guide the Fund's investment strategy. Items in the Statement of Principles relating to what the Fund should do or to its practices will be included in an Investment Policy Statement (IPS). During its October 2025 workshop, the IAB agreed on ten core investment beliefs that are consistent with the Fund's current investment strategy and implementation.

In its letter to the Minister dated 5 November 2025, the Board recommended that these beliefs be adopted as the Fund-wide investment beliefs and applied across the Petroleum Fund's management. The Minister subsequently wrote to the Governor of the BCTL confirming the adoption of the revised Investment Beliefs for the application across the management of the Petroleum Fund.

The Petroleum Fund's revised investment beliefs are as follows:

1. **The objectives in the Petroleum Fund are paramount.**
   All other considerations are subordinate.
2. **Timeframes matter.**
   Investment strategy should account for expected time horizons.
3. **Risk and return are linked.**
   Higher systematic risks are rewarded with higher expected returns.
4. **Multiple risk premia exist.**
   Systematic factors beyond market beta can provide long-term returns.
5. **Financial markets are competitive.**
   Prices trend toward fair value, though inefficiencies and anomalies exist.
6. **Diversification is essential.**
   Broad exposure across and within asset groupings improves risk-adjusted returns.
7. **Strategic asset allocation is central.**
   Systematic returns are the key driver of outcomes.
8. **Risks are pervasive.**
   Risks cannot be avoided but must be identified, monitored, and managed.
9. **Good governance matters.**
   Clear governance supports efficient and effective implementation, which improves performance.
10. **Transparency and accountability build trust.**
    Openness and education support public confidence and ongoing discipline.

[1] https://www.mof.gov.tl/pagedetails/petroleum-fund-of-timor-leste

Box III: Timor-Leste Petroleum Fund Investment Return Model

Background

Modelling was a priority for the Petroleum Fund's institutions in 2025. Training was provided to the IAB's Secretariat on developing Capital Market Assumptions (CMA) and investment return modelling by Board member, Professor Michael Drew, and consultant Dr. Nirodha Jayawardana in October 2025. A Capital Market Group (CMG) was formed after the workshop to implement the training. The CMG includes representatives from the Ministry of Finance and the Central Bank of Timor-Leste (BCTL) and is responsible for adopting a one-team approach to setting assumptions and developing the modelling framework for the Petroleum Fund.

The CMG recommended adopting J.P. Morgan Asset Management's *2026 Long-Term Capital Market Assumptions* (LTCMA) 30th Annual Edition which was published in October 2025 as the basis for the Petroleum Fund's CMA in 2026 (Table 20). The annual LTCMA report is industry-recognized and provides assumptions over a 10- to 15-year horizon developed using a robust and transparent framework.

Table 20 – Petroleum Fund Asset Classes and CMA proxies

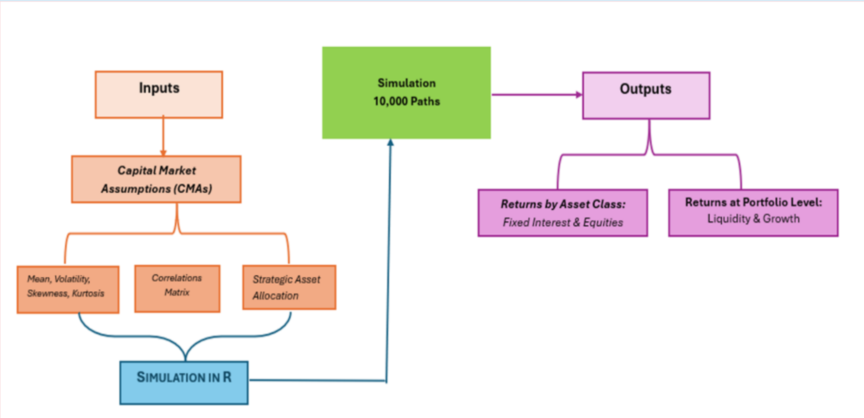
#	Portfolio	Petroleum Fund Asset Class/Mandates	Proxy from JPM 2026 LTCMA	Mean	Volatility
1	Liquidity	0-3 Years US Treasury Notes	US Cash	3.10%	0.67%
2	Growth	3-5 Years US Treasury Notes	US Intermediate Treasuries	4.06%	3.48%
3		5-10 Years US Treasury Notes	US Intermediate Treasuries	4.06%	3.48%
4		Global DM Sovereign Bonds (H)	World Ex-US Government Bonds Hedged	4.27%	3.95%
5		US TIPS	TIPS	4.47%	5.88%
6		SSIM Equity Factors, Schroders Equity Factors	US Equity Value Factor	9.11%	17.70%
7		SSIM Equity Factors, Schroders Equity Factors	US Equity Quality Factor	7.64%	15.11%
8		SSIM Equity Factors	US Equity Momentum Factor	8.91%	17.06%
9		SSIM Passive Equities MSCI World ex Australia	All Country World Equity (ACWI)	8.28%	16.78%
10		BlackRock Passive Equities MSCI World ex Australia	All Country World Equity (ACWI)	8.28%	16.78%
11		Passive Equities MSCI Australia	All Country World Equity (ACWI)	8.28%	16.78%

Source: JPM Asset Management 2026 Long-Term Capital Market Assumptions

Overview of the Investment Return Model

The training provided an investment return model that applies non-normal return assumptions to capture the complexity of the performance of financial markets. The means, standard deviations and correlations from the LTCMA are input into the model, along with long-term measures of skewness and kurtosis. The model employs 10,000 stochastic simulations to create the distribution of potential market outcomes, generating outputs at both the asset-class and the portfolio level (Figure 26).

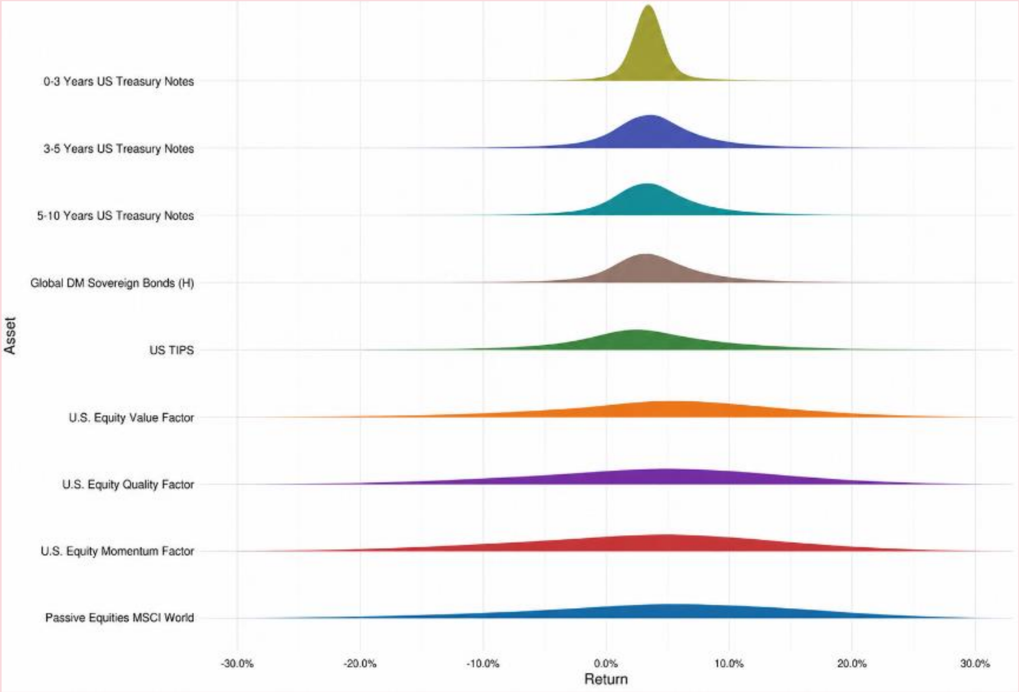
Figure 26 – Overview of Investment Return Model Process



Model Output

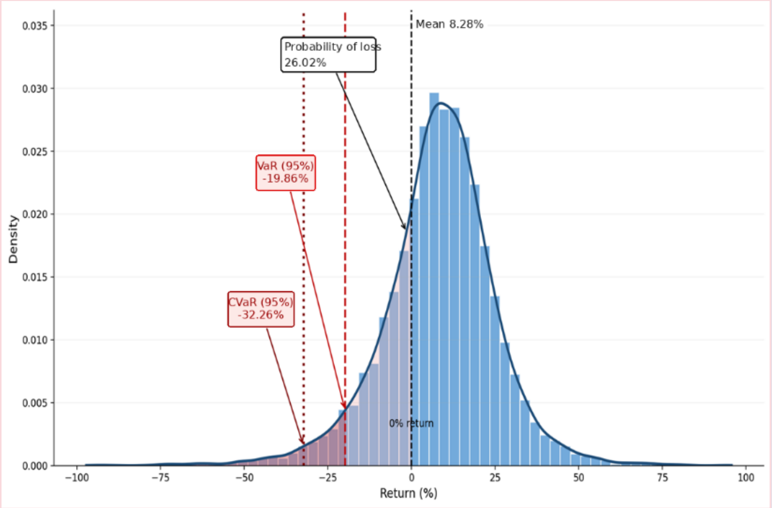
The model's distributions of asset class returns are shown below in Figure 27. The 0-3 Year US Treasury series, which is proxied by Cash, has a relatively low return with a narrow distribution, the fixed interest government series offer moderately higher expected returns with higher volatility than cash given duration risk, while the equity series provide higher returns along with higher risk.

Figure 27 – Asset class return characteristics and distribution



The distribution of the simulation of passive developed market equities in Figure 28 illustrates various risk measures. Equities' mean return of 8.28% comes with significant downside risk, including a 26.0% probability of a loss, which is roughly one in every four years. The 95% value at risk (VaR) of -19.86% means that losses may exceed approximately 20% in the worst 5% of scenarios. The 95% conditional value at risk (CVaR) of -32.26% shows the average loss within those tail scenarios.

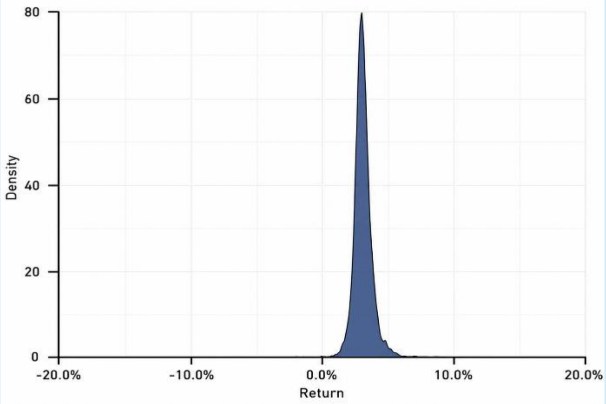
Figure 28 – Distribution of returns for Passive Equities MSCI World



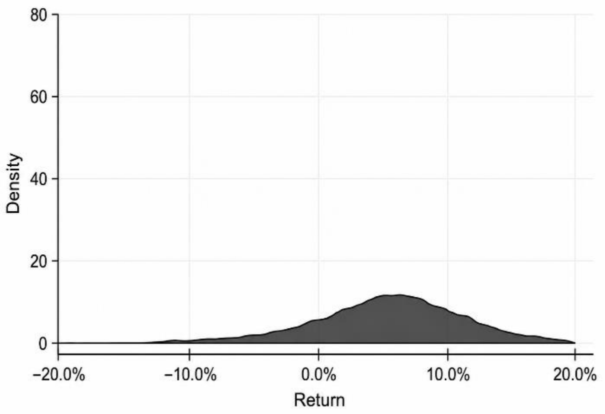
The distributions of returns for the liquidity and growth portfolios are shown in Figure 29 and clearly illustrate the risk-return trade-off. The liquidity portfolio's return distribution is concentrated around the mean of 3.1%, with little chance of loss. While the growth portfolio has a higher expected return of 5.6%, there is significantly higher risk. The growth portfolio has a much wider distribution; fatter tails, meaning that both strong positive returns and significant negative returns occur more frequently than a normal distribution; and slight negative skewness, implying that adverse outcomes tend to be somewhat larger than positive surprises. The growth portfolio has a probability of loss of 16.1%, roughly one in every six years, while in the worst 5% of scenarios annual losses may exceed -5.1% (VaR), and the average loss within those tail scenarios is -9.8% (CVaR).

Figure 29 – Distribution of returns for Liquidity and Growth Portfolios

Liquidity Portfolio



Growth Portfolio



The CMA and modelling framework represent a significant increase in internal capacity for which the Secretariat greatly appreciates the IAB's support.

ANNEXES

Annex I: Statement by Director General of Treasury

Minister of Finance	Santina J.R.F Viegas Cardoso
Director General of Treasury	Regina de Jesus de Sousa
Members of Investment Advisory Board	Olgario de Castro
	Gualdino da Silva
	Dr. Torres Trovik
	Prof. Michael Drew
Ex Officio (non-voting)	Tobias Ferreira
	Regina de Jesus de Sousa (alternate, Filipe Nery Bernardo)
Governor of Central Bank of Timor-Leste	Helder Lopes
Executive Director of the Petroleum Fund	Tobias Ferreira
Operational Manager	Banco Central de Timor-Leste
	Avenida Xavier do Amaral, no. 9
	Dili
	Timor-Leste
Investment Managers	Banco Central de Timor-Leste
	Bank for International Settlements (BIS)
	Barings LLC
	Franklin Resources Inc (Franklin Templeton)
	Schroders Investment Management Limited
	State Street Investment Management
	BlackRock Investment Management Australia Limited
Members of Petroleum Fund Consultative Council	Juvinal Dias
	Nuno Eugénio Goulart
	Izilda Imanuela da Luz Pereira Soares
	Pe. Mouzinho Pereira Lopes
	Hernani Agostinho Soares
	Martinha da Silva de Jesus Pinto
Custodian	J P Morgan Chase Bank N.A.
Independent Auditor	Ernst & Young

BACKGROUND

The Petroleum Fund Law No. 9/2005 promulgated on 3 August 2005, as amended by Law No. 12/2011, of the 28th September 2011, established the Petroleum Fund of Timor-Leste ("Petroleum Fund"). The Ministry of Finance is responsible for the overall management of the Petroleum Fund and the Banco Central de Timor-Leste ("BCTL") is responsible for the operational management. In accordance with a Management Agreement dated 12 October 2005 and amended on 25 June 2009 between the Ministry of Finance and the BCTL, BCTL is also responsible for maintaining the books of account for the Petroleum Fund on behalf of the Director General of Treasury.

FINANCIAL STATEMENTS

In accordance with Article 21 of the Petroleum Fund Law, the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The statements are:

- Statement of profit or loss and other comprehensive income,
- Statement of financial position,
- Statement of changes in capital,
- Statement of cash flows, and
- Notes to the financial statements

These financial statements cover the year ended 31 December 2025.

The Petroleum Fund's financial statements are complex. To improve the readability of the notes to a wide audience, the notes are structured to provide the reader with:

- a general introduction to the subject matter of the note,
- financial tables elaborating on the data in the primary statements,
- a description of the risks, important judgements or key assumptions that have been made in recording and presenting the data, and
- the related accounting policies.

The financial statements have been independently audited by Ernst & Young whose audit opinion is attached to the financial statements.

PETROLEUM FUND CAPITAL

The Petroleum Fund had capital of US$18.3 billion on 1 January 2025 (2024: US$18.3 billion). During the year, additional capital received from taxes and other petroleum revenue under Article 6 of the Petroleum Fund was US$36.1 million (2024: US$85.4 million). Additional capital or funds received from taxes and other petroleum revenue are not subject to tax and the Fund itself is not subject to tax, other than foreign withholding taxes on certain investment income. The Petroleum Fund recorded a profit of US$1.8 billion (2024: Profit US$1.2 billion) during the period. A summary of transactions for the income is given in the "Statement of profit or loss and other comprehensive income".

US$1.5 billion was transferred from the Petroleum Fund to the Consolidated Fund during the year (2024: US$1.3 billion). The capital of Petroleum Fund as at 31 December 2025 was US$18.6 billion (2024: US$18.3 billion). A summary of the transactions is given in the "Statement of changes in capital".

BENCHMARKS AND PERFORMANCE

The Investment Advisory Board reviews the investment strategy and asset allocation of the Petroleum Fund regularly, taking into account the expected returns and risk of investments along with the projected cash flows for the Fund, including the Government's withdrawals. In July 2021, the Petroleum Fund's financial market investments were segmented into a liquidity portfolio and a growth portfolio in order to account for the expected withdrawals of the Government from the Fund. The liquidity portfolio is intended to finance the next three years of government withdrawals and is invested in cash, short-maturity US Treasury bonds and other short-term liquid instruments. The remainder of the Fund is held in the growth portfolio, with an asset allocation of 65% fixed interest securities and 35% global equities. The allocation to private debt – the Investment in Petroleum Operations - is treated separately from financial market investments and is limited to 5% of the total value of the Fund under the Petroleum Fund Law. The Investment Advisory Board considers this to be an appropriate risk level given the investment horizon of the Petroleum Fund.

Summary of benchmarks	**As at**	**As at**
Total Fund :	**31 December 2025**	**31 December 2024**
1. Investment in Petroleum Operations	2.88%	3.07%
2. Financial Market Investments	97.12%	96.93%
Total Fund	**100.00%**	**100.00%**
Financial Market Instruments:		
1. Liquidity portfolio	15.60%	14.07%
2. Growth portfolio	84.40%	85.93%
Total for Financial Market Instruments	**100.00%**	**100.00%**

Actual weights as at the end of December 2025 and 2024 are shown. The benchmark weights for the Financial Market Investment portfolio are based on actual market values at the end of the prior month.

1. Liquidity portfolio		
ICE BofA 0-3 Year US Treasury	100.00%	100.00%
Total for Liquidity Portfolio	**100.00%**	**100.00%**

Actual weights as at the end of December 2025 and 2024 are shown. The benchmark weights for the liquidity portfolio are based on actual market values at the end of the prior month.

2. Growth portfolio		
Fixed interest		
ICE BofA 3-5 Years US Treasury	35.00%	35.00%
ICE BofA 5-10 Years US Treasury	10.00%	10.00%
US TIPS 1 - 10 Years	10.00%	10.00%
Developed Market Sovereigns - Custom	10.00%	10.00%
Total fixed interest	***65.00%***	***65.00%***
Global equities		
MSCI World	35.00%	35.00%
Total global equities	***35.00%***	***35.00%***
Total for Growth Portfolio	**100.00%**	**100.00%**

The benchmark weights for the growth portfolio are fixed weights

Performance

In accordance with the Article 24.1(a) of the Petroleum Fund Law and the provisions of the Management Agreement, the Petroleum Fund assets were invested in mandated instruments during the year. The list of instruments held as at 31 December 2025 is given at Note 24. The credit exposure by credit rating is given at Note 14 (b) (iii). The performance of the Petroleum Fund during the period has been in accordance with the mandate of the Management Agreements.

Net gains on financial assets at fair value through the profit or loss has been significant at US$1.25 billion in 2025 reflecting gains on both fixed interest and equity investments during the year. This does not include interest and dividend income from financial assets, which are presented separately.

During the period, the Ministry of Finance together with the BCTL have been able to accomplish the stewardship and fiduciary role for the Petroleum Fund.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Petroleum Fund during the year.

APPROVAL OF FINANCIAL STATEMENTS

In the Ministry of Finance's opinion, there are reasonable grounds to believe that the Petroleum Fund will be able to pay its debts as and when they become due and payable, and the attached financial statements and notes thereto are in accordance with the Petroleum Fund Law No. 9/2005, as amended by Law No. 12/2011 of the 28th September 2011, including compliance with International Financial Reporting Standards (IFRS) and giving a true and fair view of the financial position and performance of the Petroleum Fund. The accompanying financial statements for the year ended 31 December 2025 have been approved on behalf of the Ministry of Finance by:

Regina de Jesus de Sousa
Vice Minister of Finance
Acting Director General of Treasury
Ministry of Finance Government of Timor-Leste
25 May 2026

Annex II: Audited Financial Statements

EY
Shape the future
with confidence

Ernst & Young
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Independent auditor's report to The Ministry of Finance, Democratic Republic of Timor-Leste in respect of the Petroleum Fund of Timor-Leste financial report for the year ended 31 December 2025

Opinion

We have audited the financial report of Petroleum Fund of Timor-Leste (the "Petroleum Fund"), which comprises the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in capital and statement of cash flows for the year then ended, notes 1 to 23 to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial report present fairly, in all material respects, the financial position of the Petroleum Fund as at 31 December 2025 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities* for the audit of the financial report section of our report. We are independent of the Petroleum Fund in accordance with the ethical requirements of the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Australia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the Annex I - Statement by the Director General of Treasury, Annex III - Treasury Statement on Accounting Policies and Annex VIII - Treasury Statement on Borrowings by Government of Timor-Leste and PART VII: Schedule of Financial Assets: 24. Schedule of financial assets valued through profit or loss.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of management and those charged with governance for the financial report

Banco Central de Timor-Leste, the operational manager ("management") is responsible for the preparation and fair presentation of the financial report in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Petroleum Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Petroleum Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards of Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with International Standards of Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Petroleum Fund's internal control

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Petroleum Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Petroleum Fund to cease to continue as a going concern

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management and those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Ernst & Young
Perth
25 May 2026

Petroleum Fund of Timor-Leste
Statement of profit or loss and other comprehensive income
for the year ended 31 December 2025

	Note	*Year ended 31/12/2025 USD*	*Year ended 31/12/2024 USD*
Income			
Interest income	4	422,148,226	434,289,428
Dividend income	5	90,275,650	99,083,506
Trust income	5	3,523,246	3,655,459
Other investment income		46,265	167,126
Net gains on financial assets and liabilities at fair value through profit or loss	6	1,254,149,036	685,196,072
Net foreign exchange gains/(losses)	7	1,401,674	(934,988)
Total income		**1,771,544,097**	**1,221,456,603**
Expenses			
External management and custody fees	20	(7,521,379)	(7,662,957)
Investment Advisory Board expenses	20	(346,576)	(270,738)
BCTL operational management fees	20	(7,445,531)	(7,445,935)
Other expenses	20	(88,543)	–
Withholding tax expenses	9	(5,256,682)	(5,778,961)
Total expenses		**(20,658,711)**	**(21,158,591)**
Profit for the year		**1,750,885,386**	**1,200,298,012**
Other comprehensive income		–	–
Total comprehensive income for the year		**1,750,885,386**	**1,200,298,012**

The financial statements should be read in conjunction with the accompanying policies and notes.

Petroleum Fund of Timor-Leste
Statement of financial position
As at 31 December 2025

	Note	*As at 31/12/2025 USD*	*As at 31/12/2024 USD*
Assets			
Cash and cash equivalents	11	333,399,207	523,085,897
Other receivables	12	17,874,888	12,849,560
Financial assets at fair value through profit or loss	14	18,279,487,305	17,752,115,019
Total assets		**18,630,761,400**	**18,288,050,476**
Liabilities			
Payables for securities purchased		1,573,901	9,770,223
Accounts payable		1,711,962	1,833,658
Financial liabilities at fair value through profit or loss	14,15	18,367,420	2,390,191
Total liabilities		**21,653,283**	**13,994,072**
Net assets		**18,609,108,117**	**18,274,056,404**

The financial statements should be read in conjunction with the accompanying policies and notes.

Petroleum Fund of Timor-Leste
Statement of changes in capital
for the year ended 31 December 2025

	Note	*Year ended 31/12/2025 USD*	*Year ended 31/12/2024 USD*
Capital at the beginning of the year		**18,274,056,404**	**18,288,404,975**
Petroleum Fund gross receipts	16	36,116,041	85,353,417
(pursuant to Article 6 of the Petroleum Fund Law)		**18,310,172,445**	**18,373,758,392**
Transfers to the Consolidated Fund of Timor-Leste	16	(1,451,949,714)	(1,300,000,000)
(pursuant to Article 7 of the Petroleum Fund Law)			
Total comprehensive income for the year		1,750,885,386	1,200,298,012
Capital at the end of the year		**18,609,108,117**	**18,274,056,404**

The financial statements should be read in conjunction with the accompanying policies and notes.

Petroleum Fund of Timor-Leste
Statement of cash flows
for the year ended 31 December 2025

	Note	*Year ended 31/12/2025 USD*	*Year ended 31/12/2024 USD*
Cash flows from operating activities			
Proceeds from sale and maturities of financial assets at fair value through profit or loss	14	12,025,677,668	14,204,727,564
Purchases of financial assets at fair value through profit or loss	14	(11,298,189,072)	(15,050,849,937)
Interest received		422,951,114	434,171,120
Dividends received		84,704,024	93,148,933
Trust distributions received		3,423,998	3,756,517
Management and custody fees paid		(15,435,182)	(13,775,337)
Other operating receipts		187,319	–
Other operating payments		(88,543)	(478,759)
Net cash flow from/(utilized in) operating activities	**17**	**1,223,231,326**	**(329,299,899)**
Cash flows from financing activities			
Petroleum Fund gross receipts	16	36,116,041	85,353,417
Transfer payments to the Consolidated Fund of Timor-Leste	16	(1,451,949,714)	(1,300,000,000)
Net cash flows utilized in financing activities		**(1,415,833,673)**	**(1,214,646,583)**
Net decrease in cash and cash equivalents		(192,602,347)	(1,543,946,482)
Cash and cash equivalents at the beginning of the year		523,085,897	2,065,968,190
Effects of foreign currency exchange rate changes on cash and cash equivalents		2,915,657	1,064,189
Cash and cash equivalents at 31 December	**11**	**333,399,207**	**523,085,897**

The financial statements should be read in conjunction with the accompanying policies and notes.

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PART I: INTRODUCTION

1. Fund information

The Petroleum Fund of Timor-Leste ("Petroleum Fund") was established under the provisions of the Petroleum Fund Law No. 9/2005 as amended by Law No. 12/2011 on 28 September 2011.

The investment strategy and benchmarks of the Petroleum Fund are determined by the Ministry of Finance based on advice from the Investment Advisory Board (IAB).

The Banco Central de Timor-Leste (BCTL) having its office at Avenida Xavier do Amaral, no. 9, Dili, Timor-Leste, is responsible for the operational management of the Petroleum Fund and is the registered owner of all the assets of the Petroleum Fund. The management of the Petroleum Fund is undertaken according to a Management Agreement between the Ministry of Finance and the BCTL.
The Petroleum Fund's objective is to meet benchmark returns on its capital within the risk limit provided in mandates and within the limits established in Articles 14 and 15 of the Petroleum Fund Law relating to Investment Policy and Investment Rules.

The Petroleum Fund's investment portfolio of assets at fair value through profit or loss, assets at amortised costs and cash and cash equivalents complied with the legislative and contractual requirements throughout the period.
These financial statements were authorized for issue by the Director General of Treasury on 25 May 2026.

2. Statement of compliance with IFRS

In accordance with Article 21 of the Petroleum Fund Law, the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).
The Petroleum Fund has adopted all of the IFRS standards and amendments that were applicable during the year. Information about the impact of new and forthcoming IFRS on these financial statements is provided in Note 22.

3. Basis of preparation

Items included in the Petroleum Fund's financial statements are measured and presented in United States dollars, being the functional and official currency of the Democratic Republic of Timor-Leste.
The financial statements are prepared on the historical cost basis, except for certain financial investments that are measured at fair value through profit or loss, as explained in the accounting policies described herein.

The accounting policies have been consistently applied by the Petroleum Fund.

Estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values and assets and liabilities that are not readily apparent from other sources. Estimates use observable data to the extent practicable. However, areas such as potential market changes, credit risk, volatilities and correlations require management to make estimates that could affect the reported fair value of financial instruments. Actual results may therefore vary from these estimates. This process involves a high degree of judgement or complexity.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision, and future periods if the revision affects both current and future periods.

Assumptions and estimates that are significant to the financial statements are disclosed in the relevant notes, as are the judgements made by management which have a significant effect on the amounts recognized in the financial statements.

PART II: NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The statement of profit or loss and other comprehensive income, also known as the profit & loss account, is a report of income, expenses and the resulting profit or loss earned by the Petroleum Fund during the period from 1 January to 31 December each year.

The concept of income encompasses both revenue and gains. Revenue arises in the course of the normal activities of the Petroleum Fund and is referred to by a variety of names, including interest and dividends. Gains represent increases in economic benefits and include both realized and unrealized gains, including the revaluation of marketable securities and foreign exchange.

The concept of expenses encompasses losses as well as those expenses that arise in the course of the ordinary activities of the Petroleum Fund.

Other comprehensive income includes items of income or expense (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by IFRS.

4. Interest income

Interest income is derived from the Petroleum Fund's investments in fixed interest securities, cash balances and short-term cash investments.

	Year ended 31/12/2025 USD	*Year ended 31/12/2024 USD*
Interest from Fixed interest securities at fair value through profit or loss	415,768,448	425,088,834
Interest from cash at bank	6,379,778	9,200,594
	422,148,226	**434,289,428**

Accounting policy

Interest income from fixed interest securities at fair value through profit or loss is accrued based on contractual coupon rates. It is recognized in the statement of profit or loss and other comprehensive income and shown separately from other fair value movements.

5. Dividends and trust income

Dividends received are distributions from the Petroleum Fund's holding of equities and represent the Petroleum Fund's share of profits paid out to shareholders. Trust income is similar to dividends but is derived from the Petroleum Fund's investments in real estate entities that are incorporated as Real Estate Investment Trusts.

	Year ended 31/12/2025 USD	*Year ended 31/12/2024 USD*
Dividend income	90,275,650	99,083,506
Trust income	3,523,246	3,655,459
	93,798,896	**102,738,965**

Accounting policy

Dividend income from investments and unit trust distribution income are recognized when the shareholder's right to receive payment has been established. Dividend income and unit trust distributions are presented gross of any non-recoverable withholding taxes and are disclosed separately in the statement of profit or loss and other comprehensive income.

6. Gain or loss on financial assets and liabilities at fair value through profit or loss

This item includes changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as 'at fair value through profit or loss' and excludes interest and dividend income and expenses. These changes arise from changes in the market value of the financial investments (or liabilities) held by the Petroleum Fund.

	Year ended 31/12/2025 USD	*Year ended 31/12/2024 USD*
Net gains on financial assets and liabilities at fair value through profit or loss	**1,254,149,036**	**685,196,072**

Accounting policy, estimates, assumptions, judgements and risks

Note 14 provides details of:

- the accounting policies relating to financial assets and liabilities designated as 'at fair value through profit or loss',
- the significant judgements and estimates that have been made and may be material in determining the reported gain or loss on financial assets and liabilities,
- the risks associated with holding financial assets and liabilities that may impact on the reported profit or loss, and
- an analysis of the sensitivity to changes in future market conditions that may give rise to gains or losses on financial assets and liabilities.

7. Foreign exchange gains/(losses)

Foreign exchange gains and losses arise when the Petroleum Fund invests in assets (except for those arising on financial instruments measured at fair value through profit or loss in accordance with IFRS 9) denominated in a currency other than the US dollar, the Petroleum Fund's functional currency. When the US dollar strengthens relative to another currency in which the Petroleum Fund holds assets, the Petroleum Fund will report a foreign exchange loss. Conversely, if the Petroleum Fund holds an asset denominated in a currency other than US dollars, and that currency strengthens, the Petroleum Fund will report a foreign exchange gain.

Accounting policy

Foreign exchange gains and losses on financial instruments measured at fair value through profit or loss – namely, the Fund's investments in equities and fixed interest - are included in the gain or loss on those instruments reported in Note 6. Other foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary and other financial assets and liabilities denominated in foreign currencies are disclosed in the statement of profit or loss separately below.

	Year ended 31/12/2025 USD	*Year ended 31/12/2024 USD*
Net foreign exchange gains/(losses)	**1,401,674**	**(934,988)**

8. Expenses

In accordance with the provisions of the Petroleum Fund Law, BCTL is responsible for the operational management of the Petroleum Fund, including meeting all operational expenses of the Fund (other than external audit fees, which are funded from the State budget, and transaction costs recognized in the purchase or sale price of securities), with such expenses recovered through an annual management fee. These fees include External management and custody fees, Investment Advisory Board expenses and BCTL operational management fees. This management fee is legally a deduction from the gross receipts of the Petroleum Fund (Art 6.3 of Petroleum Fund Law), although it is recognized as an expense in the statement of profit or loss and other comprehensive income.

Expenses which are incidental to the acquisition of an investment at amortised cost are included in the cost of that investment while transactions costs of an investment at fair value through profit or loss that are directly attributable to the acquisition of the financial asset or financial liability are expensed as incurred.

Expenses that are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment.

9. Taxation

The Petroleum Fund is exempt from all forms of taxation in Timor-Leste under Timor-Leste law. Therefore, the Petroleum Fund has a statutory tax rate of 0%.

Investment income and capital gains are subject to withholding tax in certain foreign jurisdictions and are the only items subject to taxation.

In the current year, tax has been withheld from foreign dividend, unit trust income and interest received according to the applicable laws. Relief from withholding tax is available on application in some of these jurisdictions.

Accounting policy

Income of the Petroleum Fund earned in foreign jurisdictions subject to withholding taxes levied in those jurisdictions is recorded gross of withholding taxes in the statement of profit or loss and other comprehensive income. Withholding taxes, to the extent that they are not recoverable, are shown as a separate line item in the statement of profit or loss and other comprehensive income.

Critical accounting estimates, assumptions and judgements

Uncertainties exist with respect to the interpretation of complex tax regulations and changes in tax laws on income derived in foreign jurisdictions and the recoverability of amounts withheld. Given the wide range of international investments, differences arising between the actual investment income and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense already recorded. The Petroleum Fund establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it invests. The amounts of such provisions are based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective investment's domicile. As the Petroleum Fund assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognized.

PART III: NOTES TO THE STATEMENT OF FINANCIAL POSITION

The statement of financial position, also known as the balance sheet, presents the financial position of the Petroleum Fund as at the end of its financial year, 31 December. The statement of financial position comprises three main components: assets, liabilities and capital.
An asset is something that the Petroleum Fund owns or controls in order to get economic benefits from its use. The main assets of the Petroleum Fund are cash, bonds and equities (shares).

A liability is an obligation that the Petroleum Fund owes to another party which in normal circumstances is settled in cash or other financial resources.

The capital is the net wealth of the Petroleum Fund that belongs to its ultimate owner, the Democratic Republic of Timor-Leste.
The statement of financial position presents assets and liabilities in decreasing order of liquidity and does not distinguish between current and non-current items.

10. Risk management

The Petroleum Fund's overall risk management programme seeks to maximize the returns derived for the level of risk to which the Petroleum Fund is exposed and seeks to minimize potential adverse effects on the Petroleum Fund's performance. Specific risks are managed as follows:

10.1. Financial risk

The Petroleum Fund's activities expose it to a variety of financial risks, being market risk (including equity price risk, interest rate risk and currency risk), credit risk and liquidity risk.

The financial risks associated with the Petroleum Fund are monitored by the Risk Management Division of the Petroleum Fund Management Department at the BCTL which prepares daily management reports for senior management and quarterly reports for the Ministry of Finance. The Petroleum Fund is subject to periodic audit by the Internal Audit Office of the BCTL which has operational independence from the management of the Petroleum Fund. The Internal Audit Office provides formal monthly reports to the Governor and half yearly reports to the Governing Board of the BCTL.

10.2. Market risk

Market risk is the risk that movements in market factors, such as foreign exchange rates, interest rates, credit spreads, and equity prices, will reduce the Petroleum Fund's income or the value of its portfolios.

The objective of managing this risk is to manage and control market exposures, including for example the use of conservative benchmarks and tracking error in manager mandates, in order to achieve reasonable return on risk while ensuring liquidity.

10.3. Credit risk

Credit risk is the risk that the issuer of a debt instrument is not able to repay the principal and/or interest on the due dates.

The Petroleum Fund manages the credit risk associated with private debt instruments by requiring issuers to comply with covenants, including amongst other things requirements for the issuer to provide regular financial and cash flow statements, and to maintain accumulated cash flow projections well in excess of outstanding repayments of principal and interest.

10.4. Liquidity risk

Liquidity risk is the risk that the Petroleum Fund may not be able to generate sufficient cash resources to settle its obligations in full, which would primarily be to fund the State budget account, or can only do so on terms that are materially disadvantageous.

The Liquidity Portfolio of low-risk, highly liquid investments is designed to finance the next three years of government withdrawals. Consequently, liquidity risk is limited. In addition, to manage this risk, the Ministry of Finance has agreed in the Management Agreement to provide the Central Bank with a forecast of the future cash requirements of the government, including the projected timings and amounts to be transferred from the Petroleum Fund.

Liabilities at the year-end were US$21.7 million (2024: US$14.0 million) and consist of derivative liabilities, payables for securities purchased but not settled at the year end and management fees payable. These are expected to be settled within 30 days of the year end but are not considered to create a liquidity risk for the Petroleum Fund due to available cash which is sufficient to cover these liabilities. The Central Bank monitors the Petroleum Fund's liquidity position on a daily basis. Where there are potential shortfalls, financial assets will be sold to meet anticipated shortfall. The Petroleum Fund invests primarily in marketable securities and other financial instruments which, under normal market conditions are readily convertible to cash.

11. Cash and cash equivalents

The Petroleum Fund has a number of bank accounts in which it holds cash. Surplus cash is invested in overnight markets with banks or through reverse repurchase agreements which may be thought of as secured overnight deposits.

	As at 31/12/2025 *USD*	*As at 31/12/2024* *USD*
Cash at bank	196,599,207	203,385,897
Overnight reverse repurchase agreements	136,800,000	319,700,000
	333,399,207	**523,085,897**

Accounting policy

Cash comprises current deposits with banks which have maturities of less than 90 days. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Securities purchased under agreements to resell (reverse repurchase agreements) with a maturity period of greater than one financial day are reported not as purchases of securities but as receivables and are carried in the statement of financial position at amortised cost.

Interest earned on reverse repurchase agreements is recognized as interest income over the life of each agreement using the effective interest method.

Risks

Cash and cash equivalents are not subject to significant interest rate risk. Credit risk is managed by holding cash at financial institutions with a high reputation – the Federal Reserve Bank of New York with a Standard & Poor’s rating of AA+ (very strong capacity to meet its financial commitments), JPMorgan Chase Bank N.A. with a Standard & Poor’s short-term issuer rating of A-1 (strong capacity to meet its financial commitment but somewhat susceptible to economic conditions and changes in circumstances) and Bank for International Settlements (while not externally rated, it is assessed as having a very strong capacity to meet its financial commitments).

12. Other receivables

	As at 31/12/2025 *USD*	*As at 31/12/2024* *USD*
Dividends receivables	2,878,063	3,274,407
Withholding tax receivables	9,723,517	8,400,692
Trust distributions receivables	452,586	341,548
Due from brokers receivables	4,152,822	–
Interest receivables	162,589	187,020
Other receivables	505,311	645,893
	17,874,888	**12,849,560**

Accounting policy

Loans and receivables (other than those classified as held for trading) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue and subsequently measured at amortised cost.

Impairment of financial assets

The Petroleum Fund monitors all financial assets that are subject to the IFRS impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Petroleum Fund will measure the loss allowance based on lifetime rather than 12 month expected credit loss (ECL). The Petroleum Fund’s accounting policy is not to use the practical expedient that financial assets with ‘low’ credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result the Petroleum Fund monitors all financial assets that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Petroleum Fund compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Petroleum Fund considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort.

12. Other receivables (continued)

At 31 December 2025 and 31 December 2024, all other receivables, amounts due from brokers, cash and short-term deposits are held with counterparties with a credit rating of AA+ or A-1 and are due to be settled within 1 week. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Risks

Receivables, other than recoverable withholding taxes, are subject to minimal risk and are generally paid within a short timeframe in the normal course of business.

The recovery of withholding tax receivables is dependent on processing and approval by the relevant tax authorities.

13. Investment in private debt instruments

In 2019, the Petroleum Fund purchased certain private debt instruments issued by subsidiaries of Timor Gap Lda in relation to the purchase in April 2019 of participating interests and rights in the Greater Sunrise oil and gas field by the Democratic Republic of Timor-Leste.

The debt instruments carry a coupon rate of 4.5% and are repayable over a period of 18 years with a repayment grace period of 8 years. Terms of the loan assumed for the 2025 valuation were adjusted to account for the revised expected timing of the cash flows from the Greater Sunrise. The grace period is extended by another 5 years with a repayment over 10 years at the existing annual interest rate of 4.5%.

Accounting policy

At 31 December 2025, the Petroleum Fund, in consultation with a third party valuer, has estimated the fair value of the investment in the private debt instruments to be $535,223,143 (2024: $561,044,064), using a discounted cash flow model based on the expected cash flows under the debt instruments and an implied market interest rate of 9.16% (2024: 9.24%). The implied interest rate was estimated using comparable curves adjusted for differences in the instrument's terms. If the discount rate were to increase or decrease by 1%, the fair value of the investment would decrease by $51.19 million or increase by $57.55 million.

The movement in the fair value for the year ended 31 December 2025 and 31 December 2024 is summarised in the table below:

	31 December 2025 USD	***31 December 2024 USD***
Balance at beginning of the year	561,044,064	596,795,136
Interest income	37,646,209	36,019,167
Fair value loss	(63,467,130)	(71,770,239)
	535,223,143	**561,044,064**

Risks

The private debt instruments owned by the Petroleum Fund have been issued by subsidiaries of Timor Gap E.P. on the assumption that the cash flows from their investments in the Greater Sunrise oil and gas field will exceed the cost of the rights purchased and subsequent development costs. There are risks that:

- the cash flows from Timor Gap's share of oil and gas revenues may not be large enough to meet the contractual repayments of principal and/or interest; or
- the anticipated cash flows from oil and gas revenues may not materialize within the time frame assumed by the grace period; or
- other events may occur that impact the ability of the issuers to make the agreed repayments at the agreed times.

The Petroleum Fund has established procedures for regular reviews of the issuers' financial forecasts, covenants and other information that collectively provide an "early warning system" that the probability of one or more of these risks materializing may have increased.

The Timor Gap private debt instruments are denominated in US dollars. As a result, there is no exposure to foreign currency risk.

14. Financial assets and financial liabilities at fair value through profit or loss

The Petroleum Fund invests in a range of financial instruments to generate income. The investments include equities (shares), fixed interest (bonds), private debt instruments, and a limited number of derivative instruments.

Typically, derivative contracts serve as components of the Petroleum Fund's investment strategy and are utilized primarily to structure and hedge investments, to enhance performance and reduce risk to the Petroleum Fund. The Petroleum Fund does not designate any derivative as a hedging instrument for hedge accounting purposes.

14. Financial assets and financial liabilities at fair value through profit or loss (continued)

The Petroleum Fund uses derivative financial instruments to economically hedge its risks associated with foreign currency fluctuations. Additionally, derivative financial instruments may also be used for trading purposes where the investment manager believes this would be more efficient than investing directly in the underlying financial instruments. Derivatives often reflect, at their inception, only a mutual exchange of promises with little or no transfer of tangible consideration. However, these instruments frequently involve a high degree of leverage and are very volatile. A relatively small movement in the underlying asset of a derivative contract may have a significant impact on the profit or loss of the Petroleum Fund. Over the counter ("OTC") derivatives may expose the Petroleum Fund to the risks associated with the absence of an exchange market on which to close out an open position. Investment managers are instructed to closely monitor the Petroleum Fund’s exposure under derivative contracts as part of the overall management of the Petroleum Fund’s market risk.

The Minister of Finance has approved the use of equity index futures, bond and interest rate futures, bond and currency forward contracts, and US CPI Swaps under Annex 1, of the Management Agreement between the Minister and the BCTL. For the reporting period, Amendment Number 17 (from 1 April 2024) and Amendment Number 18 (from 1 October 2025) of the Management Agreement applied.

A summary of financial assets held at financial position date is as follows:

	As at 31/12/2025 USD		***As at 31/12/2024 USD***	
As at fair value through profit or loss	**Fair value**	**% of investment / asset allocation**	**Fair value**	**% of investment / asset allocation**
Fixed interest securities				
United States treasury notes	10,687,784,046	58	10,193,826,555	57
Australian government bonds	117,666,105	1	112,167,805	1
Japanese government bonds	103,546,026	1	133,569,541	1
United Kingdom government bonds	102,786,114	1	121,158,184	1
European government bonds	364,728,349	2	385,773,419	2
Investment in private debt instruments (note 13)	535,223,143	3	561,044,064	3
Other government bonds	501,770,250	2	478,012,895	3
Total fixed interest securities	**12,413,504,033**	**68**	**11,985,552,463**	**68**
Equity securities				
United States equities	4,139,912,846	23	4,176,754,268	24
Australian equities	136,956,409	1	130,025,947	1
Japanese equities	309,102,847	2	310,723,039	2
United Kingdom equities	206,204,455	1	185,611,703	1
European equities	511,358,870	3	436,931,309	2
Equities from other countries	466,737,867	2	434,779,535	2
Total equity securities	**5,770,273,294**	**32**	**5,674,825,801**	**32**
Money market securities				
Australian treasury bills	12,615,415	–	9,437,756	–
European treasury bills	18,429,673	–	6,787,052	–
Japanese treasury bills	–	–	–	–
United Kingdom treasury bills	15,076,162	–	3,994,687	–
Treasury bills from other countries	47,186,507	–	31,948,744	–
Total money market securities	**93,307,757**	**–**	**52,168,239**	**–**
Derivatives				
United States futures	20,476	–	–	–
Foreign currency forward contracts	2,381,745	–	39,568,516	–
Total derivatives	**2,402,221**	**–**	**39,568,516**	**–**
Total financial assets at fair value through profit or loss	**18,279,487,305**	**100**	**17,752,115,019**	**100**

As at fair value through profit or loss	*As at 31/12/2025 USD* Fair value	% of investment / asset allocation	*As at 31/12/2024 USD* Fair value	% of investment / asset allocation
Financial liabilities - at fair value through profit or loss				
Derivatives				
United States equity futures	19,922	–	–	–
Foreign currency forward contracts	18,347,498	100	2,390,191	100
Total derivatives	**18,367,420**	**100**	**2,390,191**	**100**
Total financial liabilities at fair value through profit or loss	**18,367,420**	**100**	**2,390,191**	**100**

Transactions in financial assets which arise either from the investment of new funds, the periodic rebalancing of the investment portfolio or sales to generate cash for budgetary transfers, are summarized as follows:

	As at 31/12/2025 USD	*As at 31/12/2024 USD*
Financial assets and financial liabilities at fair value through profit or loss		
Opening fair value	**17,752,115,019**	**16,220,795,477**
Purchases at cost	11,298,189,072	15,050,849,937
Proceeds from sales	(12,025,677,668)	(14,204,727,564)
Net unrealized gains on financial assets/financial liabilities at fair value through profit or loss	1,254,860,882	685,197,169
Closing fair value	**18,279,487,305**	**17,752,115,019**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable (see accounting policies below for definitions of the levels).

	As at 31/12/2025 USD			
	Quoted market price (Level 1)	**Valuation technique: market observable inputs (Level 2)**	**Valuation technique: non-market observable inputs (Level 3)**	**Total**
Financial assets				
Financial instruments at fair value through profit or loss				
Equity securities	5,769,557,349	–	715,945	5,770,273,294
Money market securities	93,307,757	–	–	93,307,757
Fixed interest securities	11,878,280,891	–	535,223,142	12,413,504,033
Derivatives	20,476	2,381,745	–	2,402,221
Total	**17,741,166,473**	**2,381,745**	**535,939,087**	**18,279,487,305**
Financial liabilities				
Financial instruments at fair value through profit or loss				
Derivatives	(19,922)	(18,347,498)	–	(18,367,420)
Total	**(19,922)**	**(18,347,498)**	**–**	**(18,367,420)**

	As at 31/12/2024 USD			
	Quoted market price (Level 1)	**Valuation technique: market observable inputs (Level 2)**	**Valuation technique: non-market observable inputs (Level 3)**	**Total**
Financial assets				
Financial instruments at fair value through profit or loss				
Equity securities	5,674,186,669	–	639,132	5,674,825,801
Money market securities	52,168,239	–	–	52,168,239
Fixed interest securities	11,424,508,399	–	561,044,064	11,985,552,463
Derivatives	–	39,568,516	–	39,568,516
Total	**17,150,863,307**	**39,568,516**	**561,683,196**	**17,752,115,019**
Financial liabilities				
Financial instruments at fair value through profit or loss				
Derivatives	–	(2,390,191)	–	(2,390,191)
Total	**–**	**(2,390,191)**	**–**	**(2,390,191)**

There were no transfers between levels during the year ended 31 December 2025 (31 December 2024: $639,132).

31 December 2024	**Level 1**	**Level 2**	**Level 3**
	$	**$**	**$**
Transfers between levels 1 and 3:			
Equity securities	(639,132)	-	639,132

A detailed schedule of financial assets at fair value through profit or loss is at Note 24.

The following table sets out the fair values and notional amounts of derivative assets and liabilities held by the Petroleum Fund as at the reporting date.

	As at 31/12/2025		*As at 31/12/2024*	
Derivative financial instruments	**Fair value USD**	**Notional value USD**	**Fair value USD**	**Notional value USD**
Futures	554	40,083,828	–	–
Foreign currency forward contracts	(15,965,753)	3,882,659,342	37,178,325	3,894,551,551
Total	**(15,965,199)**	**3,922,743,170**	**37,178,325**	**3,894,551,551**

Accounting policies

Recognition

The Petroleum Fund recognizes a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

As the Petroleum Fund's publicly traded financial assets are held within a business model whose objective is not to hold financial assets in order to collect contractual cash flows; or is achieved by both collecting contractual cash flows and selling the financial assets, all publicly traded financial assets are measured subsequently at fair value through profit or loss (FVTPL).

14. Financial assets and financial liabilities at fair value through profit or loss (continued)

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Petroleum Fund commits to purchase or sell the asset.

Financial assets and liabilities (initial measurement)

Financial assets and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognized directly in profit or loss.

Derivatives embedded in other financial instruments are treated as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contract and the host contract is not itself classified as held for trading or designated as at fair value through profit or loss. Embedded derivatives separated from the host are carried at fair value with changes in fair value recognized in profit or loss.

Subsequent measurement

Financial assets and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial instruments valued according to Level 1 is based on their quoted market prices at the statement of financial position date without any deduction for estimated future selling costs. Financial assets held or a liability to be issued are priced at current bid prices, while financial liabilities held and assets to be acquired are priced at current asking prices.

All changes to fair value, other than interest or dividend income, are recognized in the profit or loss as part of net gain from financial assets or liabilities at fair value through profit or loss. Interest and dividend income is presented separately from other fair value movements in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized when:

- Either the rights to receive cash flows from the asset have expired, or the Petroleum Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass through’ arrangement, and
- Either (a) the Petroleum Fund has transferred substantially all the risks and rewards of the asset or (b) the Petroleum Fund has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Petroleum Fund has transferred its rights to receive cash flows from an asset (or has entered into a pass through arrangement) and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Petroleum Fund’s continuing involvement in the asset. In that case, the Petroleum Fund also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Petroleum Fund has retained.

The Petroleum Fund derecognizes a financial liability when the obligation under the liability is discharged, cancelled or expired.

Offsetting

The Petroleum Fund offsets financial assets and financial liabilities if the Petroleum Fund has a legally enforceable right to set off the recognized amounts and interests and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS.

Critical accounting estimates

The manner in which assets are valued can have a material effect on the financial position and profit of the Petroleum Fund. In order to assess the reliability and objectivity of the valuation process, the Petroleum Fund categorizes the method of valuation into three levels, as follows:

Level 1 (Quoted market price) fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities. The Petroleum Fund does not adjust the quoted prices for these instruments.

Level 2 (Valuation technique: market observable inputs) fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). As level 2 investments include positions that are not traded in active markets and/or subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability which are generally based on available market information. Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. The level 2 instruments include over-the-counter derivatives.

Level 3 (Valuation technique: non-market observable inputs) fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

14. Financial assets and financial liabilities at fair value through profit or loss (continued)

Risks

(a) Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Petroleum Fund's income or fair value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The maximum risk resulting from financial instruments equals their fair value.

The Petroleum Fund's strategy for the management of market risks is driven by the Petroleum Fund's investment objectives, including diversification of its investment portfolio, and by specifying benchmarks in individual investment mandates with risk limits defined by maximum or target tracking errors.

The Petroleum Fund's market risk is thus managed on a regular basis by the investment managers in accordance with these investment mandates.

i. Equity price risk

Equity price risk is the risk of unfavourable changes in the fair values of equities or equity linked derivatives as the result of changes in the levels of equity indices and the value of individual shares. The equity price risk exposure arises from the Petroleum Fund's investments in equity securities and from equity linked derivatives. The Petroleum Fund manages this risk by investing in securities listed in a variety of stock exchanges and by limiting exposure to any one company or issuing entity, excluding sovereign states, to 3% of net assets (consistent with Article 15.5a of the Petroleum Fund Law). The Petroleum Fund Law limits equity investments to no more than 5% of the share capital of a particular issuer (consistent with Article 15.3b of the Petroleum Fund Law).

Management's best estimate of the effect on the profit or loss for a year due to a reasonably possible change in equity indices, with all other variables held constant is indicated in the table below. There is no effect on 'other comprehensive income' as the Petroleum Fund has no assets classified as 'Financial assets at fair value through other comprehensive income' or designated hedging instruments. In practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material. An equivalent decrease in each of the indices shown below would have resulted in an equivalent impact.

The Petroleum Fund manages its exposure to equity price risk by analysing the portfolio by industrial sector and country each month and benchmarking the performance of each sector/country to the MSCI World Index by considering the performance of the Petroleum Fund attributable to stock allocation, security selection and the interaction effect.

The following table summarizes the sensitivity of the Petroleum Fund's operating profit and net assets to price risk. The analysis is based on reasonably possible movements in the benchmark with all other variables held constant and the fair value of the Petroleum Fund's portfolio moving according to the movement in the benchmark. The reasonably possible movements in the risk variables have been determined based on the operational manager's best estimates having regard to a number of factors including historical levels of changes in market index, security prices and/or benchmark returns and interest rates. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities to which the variable is exposed. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables. The table below shows the impact on operating profit/net assets resulting from a 10% change in the price of equities.

Equity instruments	***Price risk Impact on profit/(loss) for the year/Net assets***	
	(-10.00%)	**(+10.00%)**
31 December 2025	**(577,027,329)**	**577,027,329**
31 December 2024	(567,418,667)	567,418,667

The Petroleum Fund has determined that a fluctuation in equity prices of 10% is reasonably possible within a one-year period based on historical movements in global equity markets.

ii. Interest rate risk

Interest rate risk arises from the possibility that an investment's fair value or associated future cash flows will change due to a change in the absolute level of interest rates, in the spread between two rates, in the shape of the yield curve or in any other interest rate relationship.

The majority of interest rate exposure arises on investments in fixed interest securities in the United States of America and, to a lesser extent, the rest of the developed world. Most of the Petroleum Fund's investments in fixed interest securities carry fixed interest rates and mature within ten years.

The Petroleum Fund manages this risk by investing according to benchmarks with specified tracking error limits. The assets and the Petroleum Fund will reprice or mature within the following periods:

14. Financial assets and financial liabilities at fair value through profit or loss (continued)

			As at 31/12/2025 USD					
FINANCIAL ASSETS	**Statement of financial position**	**Non-interest sensitive**	**6 months or less**	**6 to 12 months**	**1 to 2 years**	**2 to 5 years**	**5 to 10 years**	**Over 10 years**
Cash and cash equivalents	333,399,207	–	333,399,207	–	–	–	–	–
Other receivables	17,874,888	17,874,888	–	–	–	–	–	–
Financial assets at fair value through profit or loss	18,279,487,305	5,772,675,515	881,970,148	686,547,248	1,350,628,274	6,107,920,809	2,534,917,970	944,827,341
Total assets	**18,630,761,400**	**5,790,550,403**	**1,215,369,355**	**686,547,248**	**1,350,628,274**	**6,107,920,809**	**2,534,917,970**	**944,827,341**
FINANCIAL LIABILITIES								
Payables	1,711,962	1,711,962	–	–	–	–	–	–
Payable for securities purchased	1,573,901	1,573,901						–
Financial liabilities at fair value through profit or loss	18,367,420	18,367,420	–	–	–	–	–	–
Total liabilities	**21,653,283**	**21,653,283**	**–**	**–**	**–**	**–**	**–**	**–**

			As at 31/12/2024 USD					
FINANCIAL ASSETS	**Statement of financial position**	**Non-interest sensitive**	**6 months or less**	**6 to 12 months**	**1 to 2 years**	**2 to 5 years**	**5 to 10 years**	**Over 10 years**
Cash and cash equivalents	523,085,897	–	523,085,897	–	–	–	–	–
Other receivables	12,849,560	12,849,560	–	–	–	–	–	–
Financial assets at fair value through profit or loss	17,752,115,019	5,714,394,317	483,477,582	410,434,519	1,010,144,375	6,614,703,374	2,532,881,083	986,079,769
Total assets	**18,288,050,476**	**5,727,243,877**	**1,006,563,479**	**410,434,519**	**1,010,144,375**	**6,614,703,374**	**2,532,881,083**	**986,079,769**
FINANCIAL LIABILITIES								
Payables	1,833,658	1,833,658	–	–	–	–	–	–
Payable for securities purchased	9,770,223	9,770,223						–
Financial liabilities at fair value through profit or loss	2,390,191	2,390,191	–	–	–	–	–	–
Total liabilities	**13,994,072**	**13,994,072**	**–**	**–**	**–**	**–**	**–**	**–**

The following table summarizes the sensitivity of the Petroleum Fund's operating profit and net assets attributable to interest rate risk. The analysis is based on reasonably possible movements in the benchmark with all other variables held constant and the fair value of the Petroleum Fund's portfolio moving according to the movement in the benchmark. The reasonably possible movements in the risk variables have been determined based on the operational manager's best estimates, having regard to a number of factors, including historical levels of interest rates. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities to which the variable is exposed. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

	Interest rate risk Impact on profit/(loss) for the year/Net assets	
	(-1%)	**(+1%)**
31 December 2025	507,136,661	(507,136,661)
31 December 2024	501,930,014	(501,930,014)

The Petroleum Fund has determined that a fluctuation in interest rates of +1% / -1% is reasonably possible within a given one year time period, given the economic environment in which the Petroleum Fund operates.

In determining the impact of an increase/decrease in net assets arising from market risk, management of the Petroleum Fund has considered prior period and expected future movements of the portfolio based on market information.

iii. *Currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Petroleum Fund invests in fixed income and equity securities that are denominated in currencies other than the United States dollar. Accordingly, the Petroleum Fund's assets may be affected favourably or unfavourably by fluctuations in currency rates. Therefore, the Petroleum Fund is necessarily subject to foreign exchange risks. The Petroleum Fund's assets are 91% (2024: 92%) in US dollars after accounting for currency hedging, therefore exposure to currency movements are limited.

14. Financial assets and financial liabilities at fair value through profit or loss (continued)

The assets of the Petroleum Fund to which the Petroleum Fund had significant currency exposure at financial position date, reported in United States dollar equivalents, are set out in the following table:

				As at 31/12/2025 *USD*			
	USD	**EUR**	**AUD**	**GBP**	**JPY**	**Other Currencies**	**Total**
Cash and Cash Equivalents	320,416,106	2,291,459	870,786	1,271,363	3,000,341	5,549,152	333,399,207
Equity securities	4,139,912,846	511,358,870	136,956,409	206,204,455	309,102,847	466,737,867	5,770,273,294
Money market securities	–	18,429,673	12,615,415	15,076,162	–	47,186,507	93,307,757
Fixed interest securities at FVTPL	11,223,007,188	364,728,349	117,666,105	102,786,114	103,546,026	501,770,251	12,413,504,033
Receivables	2,856,248	553,196	155,249	4,307,333	284,395	9,718,467	17,874,888
Payables	(3,285,863)	–	–	–	–	–	(3,285,863)
Total physical exposure	**15,682,906,525**	**897,361,547**	**268,263,964**	**329,645,427**	**415,933,609**	**1,030,962,244**	**18,625,073,316**
Futures	**554**	**–**	**–**	**–**	**–**	**–**	**554**
Forward exchange contracts							
buy foreign currency	(1,302,361,267)	(771,348,376)	(262,695,432)	(243,852,766)	(210,575,718)	(1,107,791,537)	(3,898,625,096)
sell foreign currency	2,580,762,378	386,511,495	131,902,930	121,861,530	105,924,152	555,696,858	3,882,659,343
Total derivative exposure	**1,278,401,665**	**(384,836,881)**	**(130,792,502)**	**(121,991,236)**	**(104,651,566)**	**(552,094,679)**	**(15,965,199)**
Total net exposure	**16,961,308,190**	**512,524,666**	**137,471,462**	**207,654,191**	**311,282,043**	**478,867,565**	**18,609,108,117**
Exposure (% of net assets)	**91.15%**	**2.75%**	**0.74%**	**1.12%**	**1.67%**	**2.57%**	**100%**

				As at 31/12/2024 *USD*			
	USD	**EUR**	**AUD**	**GBP**	**JPY**	**Other Currencies**	**Total**
Cash and Cash Equivalents	508,960,737	2,498,174	863,901	1,041,403	2,634,425	7,087,257	523,085,897
Equity securities	4,176,754,268	436,931,309	130,025,947	185,611,703	310,723,039	434,779,535	5,674,825,801
Money market securities	–	–	9,437,755	3,994,687	–	38,735,797	52,168,239
Fixed interest securities at FVTPL	10,754,870,619	385,773,419	112,167,805	121,158,184	133,569,541	478,012,895	11,985,552,463
Receivables	–	4,540,778	986,692	1,647,967	548,323	5,125,800	12,849,560
Payables	(1,833,658)	–	–	(9,770,223)	–	–	(11,603,881)
Total physical exposure	**15,438,751,966**	**829,743,680**	**253,482,100**	**303,683,721**	**447,475,328**	**963,741,284**	**18,236,878,079**
Forward exchange contracts							
buy foreign currency	(1,289,167,655)	(777,444,343)	(244,755,549)	(234,918,260)	(268,148,034)	(1,042,939,385)	(3,857,373,226)
sell foreign currency	2,607,682,899	389,865,750	122,220,210	119,103,240	133,685,454	521,993,998	3,894,551,551
Total derivative exposure	**1,318,515,244**	**(387,578,593)**	**(122,535,339)**	**(115,815,020)**	**(134,462,580)**	**(520,945,387)**	**37,178,325**
Total net exposure	**16,757,267,210**	**442,165,087**	**130,946,761**	**187,868,701**	**313,012,748**	**442,795,897**	**18,274,056,404**
Exposure (% of net assets)	**91.70%**	**2.42%**	**0.72%**	**1.03%**	**1.71%**	**2.42%**	**100%**

The Petroleum Fund is primarily exposed to the Euro, Australian Dollar, Pound Sterling and Japanese Yen.

The following table details the Petroleum Fund's sensitivity to a 10% increase and decrease in the United States dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes cash and cash equivalents, interest receivable and qualifying instruments. A negative number below indicates a decrease in profit where the United States dollar strengthens 10% against the relevant currency. For a 10% weakening of the United States dollar against the relevant currency, there would be a comparable impact on the profit, and the balances below would be a positive. The analysis presumes that all other variables, in particular interest rates, remain constant.

	As at 31/12/2025 USD	***As at 31/12/2024 USD***
EUR impact	(51,252,467)	(44,216,509)
AUD impact	(13,747,146)	(13,094,675)
GBP impact	(20,765,419)	(18,786,870)
JPY impact	(31,128,204)	(31,301,275)
Other currencies impact	(47,886,757)	(44,279,590)
Total currencies impact	**(164,779,993)**	**(151,678,919)**

This is mainly attributable to the exposure outstanding on all relevant foreign currencies relating to cash and cash equivalents, interest receivable and qualifying instruments in the Petroleum Fund at the end of the reporting period.

(b) Credit risk

Credit risk is the risk of loss that arises from a counterparty failing to meet their contractual commitments in full and on time or from losses arising from the change in value of a traded financial instrument as a result of changes in the credit risk on that instrument. It arises principally from fixed interest securities held and also from derivative financial instruments, cash and cash equivalents, balances due from brokers and receivables from reverse repurchase agreements. For risk management reporting purposes, the Petroleum Fund considers and consolidates all elements of credit risk exposure reflecting the fact that the main concentration to which the Petroleum Fund is exposed arises from the Petroleum Fund's investments in fixed interest securities.

i. Credit risk management

Article 15 of the Petroleum Fund Law provides broad constraints on the extent of credit risk that can be taken by the Petroleum Fund. To qualify as an eligible investment, debt must have a credit quality of at least equal to investment grade, while deposits are only held with financial institutions with a credit rating of at least investment grade. The investment grade rating reflects the credit rating agencies' assessment of capacity by the issuer to pay. Higher ratings reflect lower credit risk associated with the bonds. Credit risk is also managed by limiting exposure to any one company or issuer (except for a sovereign state) to 3% of the total value of the Petroleum Fund. The limits are reflected in the underlying investment mandates with managers and are monitored by the BCTL. The Petroleum Fund's maximum exposure to credit risk at reporting date in relation to each class of financial asset is the carrying amount of those assets as indicated in the statement of financial position. The Petroleum Fund is segmented into a liquidity and growth portfolio. The liquidity portfolio is comprised of US dollar cash and cash equivalents, money market securities, short-maturity US Treasury bonds and other short-term liquid instruments. The target asset allocation weights for the growth portfolio were 65% fixed interest securities and 35% global equities at the end of December. The Fund's investment in private debt is separated from the financial market investments and is limited to 5% of the total value of the Fund under the Petroleum Fund Law. The IAB regularly monitors and reviews the Petroleum Fund's asset allocation at its meetings, with consideration to the desired risk profile of the Petroleum Fund. The Board considers the current asset allocation to be appropriate given the expected investment horizon of the Petroleum Fund.

The mandate in the Operational Management Agreement prescribes that the performance of the Petroleum Fund shall be measured against benchmark indexes for a series of mandates, restricts the permissible investment universe to highly rated financial instruments and establishes tracking error limits restricting the permissible deviation of the portfolio investments from the benchmark for each mandate. The maximum loss that the Petroleum Fund would suffer from the default of a single issuer is the amount disclosed below with respect to investments in treasury notes issued by the United States Government and other governments, and the investment in Timor Gap Lda.

ii. Concentration of credit exposure

Concentrations of credit risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or when a number of counterparties are engaged in similar business activities or activities in the same geographic regions, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The allocation to each sovereign issuer is constantly monitored and any actual or anticipated changes to the credit risk profile of each issuing country will be considered in the allocation. Securities issued by US Treasury were 58% (2024: 57%) of the Petroleum Fund's Investments measured at fair value through profit or loss. Diversification within the non-

US sovereign bond mandate is achieved through limiting each country to a maximum weight of 10% of the index and the Eurozone weight to 30%.

The Petroleum Fund's significant end of year concentrations of credit exposure by the industry or country of the issuer were as follows:

	As at 31/12/2025 USD	*As at 31/12/2024 USD*
Fixed interest securities and money market securities		
Financial assets at FVTPL - Sovereign issuers:		
United States Government	10,687,784,046	10,193,826,555
Australian Government	130,281,520	121,605,561
Japan Government	103,546,026	133,569,541
United Kingdom Government	117,862,276	125,152,871
European Governments	383,158,022	385,773,419
Timor-Leste Government (note 13)	535,223,142	561,044,064
Governments of other countries	548,956,758	516,748,691
	12,506,811,790	**12,037,720,702**

iii. Credit exposure by credit rating

The following table presents an analysis of the Petroleum Fund's debt securities classified according to credit ratings of the issuer as at each period end. Credit ratings from Standard & Poor's, Moody's Ratings and Fitch Ratings are assessed and the lower of the two highest ratings applies. If a rating is only available from one of the three agencies, this single rating applies. AAA/Aaa is the highest rating possible and indicates that the entity has an extremely strong capacity to pay interest and principal. AA/Aa2 is a high grade rating, indicating a very strong capacity, and A/A2 is an upper medium grade, indicating a strong capacity to pay interest and principal. BBB/Baa2 is the lowest investment grade rating, indicating a medium capacity to pay interest and principal. Ratings lower than AAA can be modified by + or – signs to indicate relative standing within the major categories. U.S Government securities remain classified as AA+/Aa+. As at 31 December 2025, S&P's credit rating is AA+, Moody's credit rating is Aa1, and Fitch's credit rating is AA+ (2024: AA+/Aaa/AA+).

	As at 31/12/2025 USD	*As at 31/12/2024 USD*
International fixed interest securities and money market securities		
Standard & Poor's / Moody's credit rating		
AAA/Aaa	629,250,409	449,718,180
AA/Aa2	10,693,771,981	10,507,296,850
A/A2	205,561,237	157,299,889
BBB/Baa2	114,676,984	167,548,074
Not-rated	863,551,179	755,857,709
Total	**12,506,811,790**	**12,037,720,702**

iv. Credit exposure by counterparty as a percentage of the Petroleum Fund's capital

No more than 3% (2024: 3%) of assets of the Petroleum Fund is exposed to a single sovereign issuer, other than the United States Government, all of which sovereigns are developed nations. The assets exposed to the United States Government amounted to 57% (2024: 56%) of the Petroleum Fund's capital. A change in the credit ratings of the Petroleum Fund's counterparties may have an impact on the future financial performance of the Petroleum Fund.

(c) Derivative financial instruments

The Petroleum Fund Law sets limits on the use of derivative financial instruments whereby derivatives may only be used to reduce the risk to the Petroleum Fund or to efficiently facilitate the desired exposure to an asset and whereby the risk arising from the use of the derivatives may not be higher than would result from direct exposure to the underlying assets. As such, the objective of using derivative instruments is to reduce financial risks and costs associated with implementing the investment strategy. The Petroleum Fund does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The individual investment mandates set by the Ministry of Finance include rules for the use of derivatives within these statutory requirements.

Forward and futures contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. Forwards are customized contracts transacted in the OTC market. Futures contracts are transacted in standardized amounts on regulated exchanges and are subject to daily cash margin requirements. The main differences in the risk associated with forward and futures contracts are credit risk and liquidity risk. The Petroleum Fund has credit exposure to the counterparties of forward contracts. The credit risk related to futures contracts is considered minimal because the exchange ensures that these contracts are always honoured. Forward contracts are settled gross and, therefore, considered to bear a higher liquidity risk than the futures contracts which are settled on a net basis. Both types of contracts result in market risk exposure.

15. Financial liabilities

Financial liabilities are amounts owed by the Petroleum Fund to third parties. One type of financial liability is the amount payable for securities purchased.

Another type of financial liabilities arises when derivative contracts are "out of the money", that is, an amount must be paid at the due date of the derivative contract. As a derivative is often used by the Petroleum Fund for hedging, an "out of the money" derivative may be indicative of a corresponding asset having risen in value.

There were financial instruments liabilities at fair value through profit or loss as at 31 December 2025 of $18,367,420 (2024: $2,390,191).

Accounting policy

Classification

The Petroleum Fund's financial liabilities are categorized as at fair value through profit or loss, unless otherwise noted.

Financial liabilities that are not at fair value through profit or loss include balances payable to financial intermediaries for the purchase of securities and other short-term payables.

PART IV: NOTES TO THE STATEMENT OF CHANGES IN CAPITAL

The statement of changes in capital details the change in the net wealth of the Petroleum Fund over the year. Typically, this includes contributions to the Petroleum Fund by participants in the petroleum sector, withdrawals by the government, refunds of taxation and the net profit or loss from the Petroleum Fund's investments.

16. Capital receipts and payments

Capital receipts and payments reflect moneys received by the Petroleum Fund pursuant to the Petroleum Fund Law and amounts transferred to the State budget pursuant to an appropriation of Parliament.

Capital receipts are classified in the Petroleum Fund Law as follows:

- Article 6.1(a) receipts are the gross revenues, including tax revenue, of Timor-Leste from any petroleum operations.
- Article 6.1(b) receipts are amounts received by the National Petroleum Authority pursuant to the Timor Sea Treaty.
- Article 6.1(c) receipts are amounts received from the investment of the capital of the Petroleum Fund.
- Article 6.1(e) include any other petroleum related receipts.

The following table shows the capital receipts and payments of the Petroleum Fund.

	Year ended 31/12/2025 USD				
Month	Article 6.1(a) receipts	Article 6.1(b) receipts	Article 6.1(e) other receipts	To Consolidated Fund	Total
January	1,567,033	–	1,445,937	–	3,012,970
February	1,437,260	–	–	(250,000,000)	(248,562,740)
March	1,335,611	–	470,000	–	1,805,611
April	1,512,511	1,168,011	996,429	–	3,676,951
May	1,461,273	–	202,217	(250,000,000)	(248,336,510)
June	1,631,663	–	5,149,225	–	6,780,888
July	1,094,413	–	157,214	(51,949,714)	(50,698,087)
August	1,204,735	1,856,090	713,196	(300,000,000)	(296,225,979)
September	1,339,806	–	–	–	1,339,806
October	1,078,653	–	161,250	(300,000,000)	(298,760,097)
November	1,557,138	1,384,268	–	–	2,941,406
December	1,325,524	–	5,866,584	(300,000,000)	(292,807,892)
Totals	16,545,620	4,408,369	15,162,052	(1,451,949,714)	(1,415,833,673)
Total Article 6.1			**36,116,041**		

16. Capital receipts and payments (continued)

	Year ended 31/12/2024 USD				
Month	**Article 6.1(a) receipts**	**Article 6.1(b) receipts**	**Article 6.1(e) other receipts**	**To Consolidated Fund**	**Total**
January	12,239,796	–	1,021,695	–	13,261,491
February	1,189,637	–	81,250	(300,000,000)	(298,729,113)
March	5,816,748	–	110,370	–	5,927,118
April	1,693,127	–	6,673,400	(200,000,000)	(191,633,473)
May	1,540,340	–	111,340	–	1,651,680
June	1,657,335	–	120,967	–	1,778,302
July	1,242,505	37,012,821	–	(150,000,000)	(111,744,674)
August	1,492,391	–	–	–	1,492,391
September	1,531,821	–	–	(200,000,000)	(198,468,179)
October	1,366,600	–	1,914,100	–	3,280,700
November	2,172,924	–	111,340	(200,000,000)	(197,715,736)
December	1,277,102	4,975,808	–	(250,000,000)	(243,747,090)
Totals	33,220,326	41,988,629	10,144,462	(1,300,000,000)	(1,214,646,583)
Total Article 6.1			**85,353,417**		

Accounting policies, estimates, assumptions, judgements and risks

Capital

Judgements have been made as to whether certain transactions should be recognized as capital or revenue.

Petroleum Fund gross receipts

The Petroleum Fund Law requires certain parties to deposit taxes and other petroleum related payments payable to the Government of Timor-Leste directly into the Petroleum Fund. The Petroleum Fund recognizes these and other transactions as follows:

- Payments made as Petroleum Fund receipts in accordance with Article 6.1(a) are recognized as increases in the statement of changes in capital of the Petroleum Fund.
- Payments made by the Designated Authority in accordance with Article 6.1(b) are recognized as increases in the statement of changes in capital of the Petroleum Fund.
- Income earned by the Petroleum Fund from the investment of its assets is recognized in the statement of profit or loss and other comprehensive income in accordance with Article 6.1(c).
- It is noted that the main source of capital receipts relates to the oil revenues generated from the Bayu - Undan Field. The field ceased operation in mid-2025 and remaining inflows are mostly related to the payment of taxes.
- On 6 March 2018, the governments of Timor-Leste and Australia signed a new Maritime Boundaries Treaty, and in the same year, negotiations between the governments of Timor-Leste, Australia and the Sunrise Joint Venture on the new Greater Sunrise Production Sharing Contract commenced.
- It is expected that the start date of production from Greater Sunrise will become clearer once the Production Sharing Contract and development plan are agreed. Payments received by Timor-Leste relating directly to Petroleum Fund resources not covered in Article 6.1 (a) to (d) of the Petroleum Fund Law are recognized as increases in the statement of changes in capital of the Petroleum Fund in accordance with Article 6.1(e).
- Management fees paid from the gross receipts of the Petroleum Fund pursuant to Article 6.2 are recognized in the statement of profit or loss and other comprehensive income.
- Contractors pay both Corporate Income Tax (CIT) and Supplemental Petroleum Tax (SPT) in advance based upon forecast financial information. Where the amount of tax based upon actual financial information is less than the amount paid based upon forecast, an overpayment of tax may occur. In order to verify and validate the overpayment of taxes claimed by contractors, the Directorate General of Tax Authority conducts an audit exercise to verify the amount of the overpayment claimed by a contractor. The overpayment amount of taxes to be refunded is determined after the audit inspection is completed. It is possible that future tax refunds might be paid out in the upcoming years from the Petroleum Fund. Refunds of taxation made pursuant to Article 10 are recognized as reductions in the statement of changes in capital of the Petroleum Fund.

16. Capital receipts and payments (continued)

Transfers to the Consolidated Fund

The National Government of República Democrática de Timor-Leste comprises:

- Central government ministries, and
- Autonomous agencies under the control of the respective ministries.

The Consolidated Fund is the Government's State Budget Account at the BCTL. Transfers to the Consolidated Fund are appropriations approved by the National Parliament of Timor-Leste. All transfers to the Consolidated Fund are authorized and recognized when paid to the Consolidated Fund.

Objectives of managing capital

The Petroleum Fund is a mandatory financial reserve established with the objective of allocating financial wealth obtained from natural resources fairly and equitably between current and future generations of Timor-Leste citizens. The Petroleum Fund's capital structure consists solely of paid in capital derived from petroleum receipts and other sources as described in Note 16. The Petroleum Fund Law requires the Government to annually calculate Estimated Sustainable Income (ESI) which is defined as the maximum amount that can be appropriated from the Petroleum Fund in a fiscal year and leave sufficient resources in the Petroleum Fund for an amount of equal real value to be appropriated in all later fiscal years. The ESI calculation is submitted with the annual budget to Parliament who are required to take the ESI into consideration when determining the amount of capital to be appropriated from the Petroleum Fund. Transfers in excess of the ESI are permitted subject to certain provisions in the Petroleum Fund Law being satisfied.

There has been no change during the year in these objectives and policies for managing capital and the Petroleum Fund has complied with all legislative requirements relating to the management of the Petroleum Fund's capital.

PART V: NOTES TO THE STATEMENT OF CASH FLOWS

The statement of cash flows, also known as the cash flow statement, presents the movement in cash flows over the period of 1 January to 31 December as classified under operating and financing activities.

Cash flow generally means cash movements in the Petroleum Fund's bank accounts and movements in short-term investments that are highly liquid and involve very low risk of change in value.

Cash flow from operating activities presents the movement in cash during the year relating to the revenue generating activities of the Petroleum Fund, namely investing in securities.

Cash flow from financing activities includes the movement in cash flow resulting from receipts into the Petroleum Fund deposited by participants in the exploitation of petroleum resources and transfers out of the Petroleum Fund to the Consolidated Fund or to refund tax.

For the purposes of the statement of cash flows, cash and cash equivalents comprise balances with an original maturity of less than 90 days.

17. Reconciliation of net cash flows

	Year ended 31/12/2025 USD	Year ended 31/12/2024 USD
Profit for the year	**1,750,885,386**	**1,200,298,012**
(Decrease) in financial assets at fair value through profit or loss	(511,395,057)	(1,569,761,698)
(Decrease)/increase in receivables	(7,940,985)	36,966,727
(Decrease)/increase in accounts payable	(121,696)	1,604,419
(Decrease)/increase in payables for securities purchased	(8,196,322)	1,592,641
Net cash provided by/(utilised in) operating activities	**1,223,231,326**	**(329,299,899)**

Accounting policy

Cash inflows from investments are presented net of withholding taxes, when applicable.

PART VI: NON FINANCIAL DISCLOSURES

18. Personnel

The Petroleum Fund did not employ any personnel during the year (2024: nil). The BCTL as operational manager of the Petroleum Fund employs personnel as does the Ministry of Finance, the executive of the Petroleum Fund.

19. Contingent assets, contingent liabilities and commitments

There were no contingent assets, contingent liabilities or commitments as at 31 December 2025 (2024: nil).

20. Related parties

The management framework of the Fund spreads the decision-making process across various stakeholders to ensure prudent management with checks and balances.

The Government, represented by the Minister of Finance, is responsible for the overall management and investment strategy of the Petroleum Fund. The Minister of Finance is considered key management personnel of the Fund. No remuneration was paid to the Ministry of Finance by Petroleum Fund.

The Central Bank of Timor-Leste (BCTL) is the operational manager responsible for operational management of the Petroleum Fund by implementing the investment policy determined by the Minister of Finance. In doing so, the Central Bank ensures that the management of the Petroleum Fund is in line with the legal framework. BCTL management is ultimately responsible for daily operations, however, they are not remunerated from the fund.

The Investment Advisory Board is responsible for developing performance benchmarks for the Minister of Finance and advises the Minister on investment policy and the management of the Fund (art 17 of the PF Law). Under article 17.1 the dispatch appointing the Members of the IAB shall determine their remuneration, in conformity with the applicable legislation. IAB expenses are disclosed in the table below.

The following parties are considered related parties of the Petroleum Fund:

The Government

The ultimate controlling party of the Petroleum Fund is the Democratic Republic of Timor-Leste ('the Government'). The Government, as stipulated in Article 11.1 of the Petroleum Fund Law, is the overall manager of the Petroleum Fund.

The Petroleum Fund receives receipts on behalf of the Government as disclosed in Note 16. The Government, through the State budget, meets the expenses of the Petroleum Fund, including the audit fee, not otherwise covered by the management fee.

The Petroleum Fund makes transfers to the Consolidated Fund of Timor-Leste (pursuant to Article 7 of the Petroleum Fund Law) as disclosed in the statement of changes in capital.

Banco Central de Timor-Leste (BCTL)

The BCTL is the operational manager of the Petroleum Fund, in accordance with Article 11.3 of the Petroleum Fund Law.

This means that the operational manager is, in particular, responsible for oversight of the investment managers and service providers, collection of dividends, interest and proceeds of matured securities, the exercise of options and, in general, for any other operation concerning the day to day administration of the securities and other assets and liabilities of the Petroleum Fund. In addition, the BCTL is also managing five (5) portfolios in-house consisting of three (3) fixed interest portfolios, one (1) Australia market equity and one (1) Private Debt.

The management fee covers the operational management of the Petroleum Fund which is undertaken by the BCTL in accordance with the provisions of Article 11.3 of the Petroleum Fund Law. The audit fee and expenses incurred within the Ministry of Finance relating to the overall management of the Petroleum Fund are met directly from the State budget. The management fee paid to the BCTL for the period was composed as follows:

	Year ended 31/12/2025 USD	Year ended 31/12/2024 USD
Custody and external management services	7,521,379	7,662,957
IAB expenses	346,576	270,738
BCTL operating expenses	7,445,531	7,445,935
Total management expenses	**15,313,486**	**15,379,630**
Other expenses	88,543	–
Total	**15,402,029**	**15,379,630**

Other investment expenses comprise transaction costs incurred in relation to derivative trading and are recognized in profit or loss as incurred.

20. Related parties (continued)

BCTL was entitled to receive a management fee for its respective services within the parameters of Annex 2 of the Operational Management Agreement Actualization dated 20 April 2015. In the current year, these fees amount to an aggregate of 0.08% (2024: 0.08%) per annum of the net assets of the Petroleum Fund as at 31 December 2025. Management fees are payable monthly in arrears. Total management fees for the year amounted to US$15,313,486 (2024: US$15,379,630). The management fees payable as at 31 December 2025 is US$1,711,962 (2024: US$1,833,658).

National Petroleum Authority

The National Petroleum Authority (ANP) manages the revenues from the production sharing contracts between Timor-Leste and Australia and transfers the Timor-Leste portion to the Petroleum Fund as Article 6.1(b) receipts as disclosed in Note 16.

Timor Gap E.P.

Timor Gap E.P. is the national petroleum company and has the mandate to conduct oil and gas business on behalf of the Timor-Leste Government. Timor Gap is building an integrated oil & gas company to cover upstream and downstream activities, as well as services to the sector.

During the year 2019 financial year, certain subsidiaries of Timor Gap E.P. issued debt instruments with a face value of $650,000,000 which were purchased by the Petroleum Fund. Further details of these transactions are set out in Note 13.

21. Encumbrances on the Petroleum Fund

Encumbrances on the assets of the Petroleum Fund

In accordance with Article 20 of the Petroleum Fund Law, burdens or encumbrances, in any of their forms, may be placed by way of contract or agreement on Petroleum Fund assets, up to a limit of 10% of the total value of the Petroleum Fund at the time the burden or encumbrances is put, provided that this is in compliance with the principles of general system for creating, issuing and managing public debt.

During the 2025 financial year and as at the financial position date, there were no encumbrances or burdens on the assets of the Petroleum Fund.

22. Application of new and revised IFRS

This note provides information about new IFRS that have been adopted and forthcoming standards that are not yet effective.

22.1 New and revised IFRS applied with no material effect on the financial statements

The Fund adopted all the new and revised IFRS that are relevant with no material impact.

22.2 Adoption of IFRS that are not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Petroleum Fund.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Fund is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

23. Subsequent events

No subsequent events have occurred after the reporting date but prior to the issuance of the financial statements that have a material effect on the financial statements and therefore require adjustment or disclosure in the statements.

PART VII: SCHEDULE OF FINANCIAL ASSETS

24. Schedule of financial assets valued through profit or loss

(a) Fixed interest securities – issued by sovereign states and supranationals

Security	Nominal	Fair Value
US 4.625% 04/29	1,717,900,000	1,787,809,444
US 3.875% 04/30	1,250,300,000	1,269,342,682
US 4.125% 10/29	1,186,500,000	1,215,924,366
US 3.625% 10/30	824,200,000	826,612,692
US 0.75% 04/26	322,400,000	319,859,640
US 3.875% 01/26	295,000,000	300,292,213
US 4.5% 04/27	265,200,000	271,030,848
US OF 4% 01/27	296,500,000	303,407,499
US 4.5% 07/26	219,700,000	225,393,955
US 4.125% 11/27	341,900,000	347,670,965
US 4.625% 10/26	265,200,000	269,966,496
US 4.25% 01/28	155,500,000	160,867,232
US 4.375% 07/27	149,100,000	154,105,284
BISUSD 0% 07/26	175,222,455	175,243,955
BISUSD 0% 03/26	153,063,872	153,084,082
US 1.25% 08/31	241,800,000	212,064,925
US 1.125% 02/31	337,900,000	299,249,819
US 1.875% 02/32	241,100,000	217,030,539
US 2.75% 08/32	155,700,000	146,971,757
US 4.25% 08/35	72,500,000	74,343,529
US 3.5% 02/33	88,000,000	86,822,432
US 3.875% 08/33	95,700,000	96,468,948
US 4.625% 02/35	108,800,000	115,065,424
US 3.875% 08/34	107,600,000	107,724,815
US 4% 02/34	102,700,000	104,119,277
US 0.375% 01/27	16,000,000	21,341,553
US 0.5% 01/28	15,900,000	20,675,564
US 0.75% 07/28	16,500,000	21,233,344
US 0.875% 01/29	15,500,000	19,772,144
US 0.125% 01/30	24,300,000	29,213,076
US 0.25% 07/29	17,100,000	21,013,863
US 0.125% 07/30	16,000,000	19,208,065
US 0.125% 10/26	5,000,000	5,904,756
US 1.25% 04/28	30,000,000	32,537,227
US 0.125% 01/31	22,766,000	26,590,645
US 0.125% 04/27	23,000,000	26,055,446
US 0.125% 07/31	27,300,000	30,786,443
US 0.625% 07/32	30,000,000	31,680,127
US 1.375% 07/33	25,000,000	26,332,818
US 1.625% 04/30	21,000,000	21,682,399
US 0.125% 01/32	28,700,000	30,863,175
US 1.125% 01/33	28,185,500	29,763,477
US 1.625% 10/27	10,141,900	11,274,100
US 2.375% 10/28	30,000,000	33,024,474
US 1.75% 01/34	30,000,000	31,900,443
US 2.125% 04/29	19,214,200	20,761,635
US 1.625% 10/29	22,229,500	23,330,279
US 2.125% 01/35	37,000,000	39,284,645
US 1.875% 07/35	25,000,000	25,543,840
US 2.375% 01/27	4,500,000	7,404,539
US 2.5% 01/29	6,650,000	10,532,774
US 0.375% 07/27	17,000,000	22,410,176
US 1.75% 01/28	6,000,000	9,472,614
US 3.875% 04/29	6,500,000	13,984,061
US 1.875% 07/34	29,500,000	31,044,879
US 3.625% 04/28	5,500,000	11,707,302
US 3.375% 04/32	2,400,000	4,897,186
US 0.375% 01/27	20,000,000	26,676,941
US 0.5% 01/28	24,400,000	31,728,538
US 0.125% 01/30	40,600,000	48,808,678
US 0.125% 07/30	41,800,000	50,181,071
US 0.125% 10/26	8,500,000	10,038,086
US 1.25% 04/28	66,000,000	71,581,899
US 0.125% 04/27	86,500,000	97,991,135
US 0.125% 07/31	20,000,000	22,554,171
US 0.625% 07/32	37,100,000	39,177,757
US 1.375% 07/33	32,800,000	34,548,658
US 1.625% 04/30	6,500,000	6,711,219
US 0.125% 01/32	33,400,000	35,917,424
US 1.125% 01/33	63,100,000	66,632,680
US 1.625% 10/27	4,100,000	4,557,707
US 2.375% 10/28	2,500,000	2,752,040
US 1.75% 01/34	53,300,000	56,676,454
US 2.125% 01/35	12,600,000	13,378,014
US 1.875% 07/35	35,000,000	35,761,376
US 0.375% 07/27	10,000,000	13,182,457
US 1.75% 01/28	18,200,000	28,733,597
US 1.875% 07/34	22,400,000	23,573,060
US 1.125% 10/30	15,000,000	14,921,197
United States of America		**10,687,784,046**
AU 2.75% 11/29	8,497,000	5,388,209
AU 3.3% 07/28	15,000,000	9,863,764
AU 1.25% 05/32	11,000,000	6,050,092
AU 1.0% 12/30	14,000,000	7,971,012
AU 1.75% 06/51	11,000,000	3,753,343
AU 3.0% 11/33	17,000,000	10,185,095
AU 1.75% 11/32	42,500,000	23,797,250
AU 4.75% 09/36	12,200,000	7,772,002
AU 4.5% 08/35	10,000,000	6,347,687
AU 5.75% 04/37	15,000,000	10,044,798
AU 3.0% 03/47	9,272,000	4,510,295
AU 3.45% 07/28	10,000,000	6,598,681
AU 3.25% 04/29	23,594,000	15,383,877
Australia		**117,666,105**
Japan 1.7% 06/33	714,500,000	4,524,825
Japan 0.5% 09/36	550,000,000	2,964,743
Japan 0.3% 06/46	656,000,000	2,481,469
Japan 0.8% 09/47	72,850,000	300,059
Japan 0.2% 06/36	453,350,000	2,375,039
Japan 0.4% 03/50	160,000,000	538,909
Japan 0.1% 12/29	1,500,000,000	9,077,015
Japan 0.4% 03/39	1,200,000,000	5,917,325
Japan 0.7% 12/51	400,000,000	1,380,242
Japan 0.1% 09/30	990,000,000	5,908,161
Japan 1.3% 06/52	250,000,000	1,018,600
Japan 0.4% 06/40	3,200,000,000	15,132,887
Japan 0.1% 12/30	700,000,000	4,157,877
Japan 0.7% 06/51	150,000,000	524,720
Japan 0.5% 03/33	2,200,000,000	12,831,776
Japan 1.3% 03/63	1,000,000,000	3,540,506

24. Schedule of financial assets valued through profit or loss (continued)

Security	Nominal	Fair Value
Japan 1.6% 03/44	660,000,000	3,483,158
Japan 0.4% 09/28	2,000,000,000	12,491,829
Japan 2.3% 03/39	438,900,000	2,774,570
Japan 2.2% 03/41	1,163,050,000	7,062,498
Japan 2.0% 09/40	43,550,000	259,702
Japan 2.3% 03/40	38,750,000	241,804
Japan 1.9% 09/42	164,350,000	936,705
Japan 1.6% 03/33	501,650,000	3,172,909
Japan 2.0% 03/52	91,750,000	448,698
Japan		**103,546,026**
UK 1.5% 07/47	8,961,000	6,447,129
UK 1.25% 07/27	6,400,000	8,343,719
UK 1.625% 10/71	2,500,000	1,387,960
UK 1.625% 10/54	1,000,000	635,349
UK 1.125% 01/39	10,000,000	8,782,458
UK 3.25% 01/33	1,500,000	1,977,803
UK 3.5% 01/45	6,091,000	6,724,815
UK 4.375% 07/54	11,000,000	13,244,368
UK 4.0% 10/31	12,000,000	16,188,874
UK 2.5% 07/65	1,024,000	784,203
UK 1.75% 09/37	4,800,000	4,807,069
UK 4.75% 12/38	700,000	943,092
UK 4.5% 12/42	4,000,000	5,083,655
UK 4.25% 12/46	3,881,000	4,644,937
UK 4.25% 09/39	2,106,000	2,705,508
UK 4.5% 09/34	5,000,000	6,867,902
UK 3.5% 07/68	1,900	1,889
UK 3.75% 07/52	6,766,500	7,372,461
UK 4.25% 12/40	2,372,300	2,975,514
UK 4.25% 06/32	734,000	999,164
UK 4.25% 03/36	1,407,120	1,868,245
United Kingdom		**102,786,114**
Austria 0.5% 02/29	2,764,000	3,079,620
Austria 0% 10/40	1,800,000	1,262,654
Austria 2.1% 09/17	124,000	84,463
Austria 0.5% 04/27	60,000	69,337
Austria 4.15% 03/37	1,624,000	2,128,421
Austria 4.85% 03/26	2,438,000	2,989,776
Austria 3.8% 01/62	153,000	184,322
Austria 2.4% 05/34	1,255,000	1,429,425
Austria 6.25% 07/27	195,000	249,848
Austria		**11,477,866**
Belgium 0.8% 06/27	2,640,000	3,056,038
Belgium 0.9% 06/29	770,000	862,066
Belgium 3.75% 06/45	892,000	1,031,678
Belgium 3% 06/34	5,100,000	5,999,820
Belgium 4.5% 03/26	1,034,000	1,263,081
Belgium 4.25% 03/41	3,622,400	4,596,318
Belgium 5.5% 03/28	559,000	729,987
Belgium		**17,538,988**
Estonia 3.25% 01/34	7,000,000	8,398,256
Estonia		**8,398,256**
Finland 0.50% 09/29	2,290,000	2,509,717
Finland 0.13% 09/31	7,000,000	7,103,533
Finland 2.63% 07/42	250,000	262,180
Finland		**9,875,430**

Security	Nominal	Fair Value
France 1.75% 06/39	4,970,000	4,606,985
France 1.75% 05/66	626,000	367,845
France 1.25% 05/36	5,809,000	5,483,675
France 1.25% 05/34	3,200,000	3,209,685
France 0.75% 05/52	6,000,000	3,109,175
France 0.5% 05/40	1,800,000	1,326,276
France 0% 05/32	7,000,000	6,780,188
France 3.5% 11/33	12,000,000	14,340,158
France 2% 05/48	165,000	133,089
France 4% 04/55	5,714,000	6,419,071
France 4% 10/38	798,124	961,522
France 3.25% 05/45	3,500,000	3,698,862
France 5.75% 10/32	1,126,000	1,549,268
France		**51,985,799**
Germany 2.5% 08/46	4,224,000	4,365,873
Germany 0.00% 08/30	5,100,000	5,370,909
Germany 0.00% 05/35	500,000	450,717
Germany 1.30% 10/27	2,000,000	2,323,743
Germany 0.00% 04/27	5,000,000	5,721,658
Germany 2.5% 07/44	4,080,039	4,305,928
Germany 4.75% 07/34	100	138
Germany		**22,538,966**
Ireland 1.5% 05/50	298,000	232,745
Ireland 1.1% 05/29	1,265,000	1,436,925
Ireland 0.4% 05/35	1,885,000	1,738,923
Ireland 1.7% 05/37	610,000	620,583
Ireland 1% 05/26	2,210,000	2,601,345
Ireland		**6,630,521**
Italy 2.05% 08/27	1,269,000	1,500,839
Italy 2.8% 03/67	1,500,000	1,269,352
Italy 3.35% 03/35	7,430,000	8,812,185
Italy 3.85% 09/49	339,000	383,350
Italy 3.85% 07/34	14,000,000	17,382,594
Italy 2.45% 09/50	9,260,000	8,013,642
Italy 3.1% 03/40	1,855,000	2,027,230
Italy 4.4% 05/33	5,000,000	6,386,668
Italy 0.95% 08/30	18,600,000	20,272,216
Italy 0.95% 09/27	7,000,000	8,082,355
Italy 0.25% 03/28	3,000,000	3,373,972
Italy 1.8% 03/41	18,000,000	16,156,051
Italy 3.45% 07/31	3,500,000	4,289,693
Italy 4.35% 11/33	7,000,000	8,906,086
Italy 2.45% 09/33	1,202,000	1,352,298
Italy 5% 09/40	1,610,000	2,160,970
Italy 4.75% 09/28	840,000	1,061,871
Italy 6.5% 11/27	872,000	1,113,246
Italy 6% 05/31	1,557,000	2,132,366
Italy		**114,676,984**
Luxemburg 0% 03/31	12,000,000	12,248,064
Luxemburg		**12,248,064**
Netherland 0.5% 01/40	2,871,000	2,335,963
Netherland 0.25% 07/29	645,000	704,476
Netherland 2.75% 01/47	205,000	221,007
Netherland 2.5% 01/33	3,327,000	3,942,892

24. Schedule of financial assets valued through profit or loss (continued)

Security	Nominal	Fair Value
Netherland 5.5% 01/28	2,444,000	3,210,990
Netherland		**10,415,328**
Slovak 3.625% 06/33	10,000,000	12,223,016
Slovak 3.625% 11/37	1,000,000	1,155,127
Slovak		**13,378,143**
Slovenia 3.125% 08/45	245,000	265,443
Slovenia		**265,443**
Spain 1.25% 10/30	21,609,000	23,849,616
Spain 3.45% 10/34	9,000,000	10,837,729
Spain 4% 10/54	5,400,000	6,258,344
Spain 3.45% 07/66	710,000	725,705
Spain 2.9% 10/46	703,000	714,660
Spain 4.9% 07/40	860,000	1,170,540
Spain 4.7% 07/41	2,164,000	2,884,978
Spain		**46,441,572**
IFP 3.25% 09/35	12,000,000	14,006,703
IFP 3.625% 02/30	20,000,000	24,850,286
IFP		**38,856,989**
European government bonds		**364,728,349**
Canada 2% 12/51	12,000,000	6,124,343
Canada 2.75% 12/64	2,545,000	1,451,593
Canada 4.45% 09/34	30,000,000	23,322,064
Canada 0.875% 08/27	10,000,000	7,116,210
Canada 1.5% 12/31	5,700,000	3,804,535
Canada 2.75% 12/55	3,800,000	2,238,183
Canada 4% 09/35	5,000,000	3,724,019
Canada 2.75% 12/48	2,825,000	1,735,117
Canada 5% 06/37	15,600,000	13,027,369
Canada 4% 06/41	9,655,000	7,357,151
Canada 3.5% 12/45	3,331,000	2,355,290
Canada 4.65% 06/41	10,000,000	7,555,221
Canada 4.15% 06/34	11,500,000	8,706,534
Canada 5.75% 06/33	6,447,000	5,497,898
Canada		**94,015,527**
Denmark 0.5% 11/29	70,000,000	10,349,476
Denmark 2.25% 11/33	23,600,000	3,635,197
Denmark 0.25% 11/52	30,000,000	2,292,899
Denmark 0% 11/31	150,500,000	20,656,478
Denmark 4.5% 11/39	114,817,200	21,343,486
Denmark		**58,277,536**
Hong Kong 1.25% 06/27	47,000,000	5,942,631
Hong Kong 2.49% 08/28	10,350,000	1,346,562
Hong Kong		**7,289,193**
NZ 2.75% 04/37	21,984,000	10,634,513
NZ 1.5% 05/31	23,935,000	12,196,701
NZ 4.5% 05/30	22,000,000	13,133,396
NZ 2% 05/32	20,000,000	10,206,032
NZ 2.75% 05/51	5,000,000	1,909,215
NZ 0.5% 05/26	15,000,000	8,572,254
NZ 4.5% 05/35	21,000,000	12,221,678
NZ 4.25% 05/36	1,700,000	961,096
NZ 3.5% 04/33	12,019,000	6,667,513
New Zealand		**76,502,398**
Norway 1.75% 09/29	90,890,000	8,405,489
Norway 1.375% 08/30	34,474,000	3,073,504
Norway 2% 04/28	51,900,000	5,002,124
Norway 2.125% 05/32	240,000,000	21,628,254
Norway 3.75% 06/35	8,300,000	814,076
Norway		**38,923,447**
Singapore 2.75% 03/46	8,000,000	6,838,432
Singapore 2.25% 08/36	15,000,000	11,800,482
Singapore 1.625% 07/31	23,500,000	18,152,349
Singapore 2.875% 07/29	31,500,000	25,805,173
Singapore 2.625% 08/32	6,000,000	4,898,884
Singapore 3% 08/72	3,000,000	2,765,765
Singapore 1.875% 10/51	10,000,000	7,365,416
Singapore 2.75% 04/42	7,924,000	6,641,612
Singapore 2.875% 09/30	18,137,000	14,882,484
Singapore 3.375% 09/33	9,020,000	7,737,160
Singapore		**106,887,757**
Sweden 0.75% 05/28	65,000,000	6,868,018
Sweden 0.5% 11/45	75,000,000	5,119,606
Sweden 2.25% 05/35	45,000,000	4,751,547
Sweden 0.75% 11/29	81,790,000	8,389,986
Sweden 3.5% 03/39	78,910,000	9,317,447
Sweden 2.25% 06/32	19,175,000	2,075,985
Sweden		**36,522,589**
Swiss 0% 06/29	14,575,000	18,388,048
Swiss 0.5% 06/45	13,000,000	16,404,451
Swiss 0% 07/39	21,000,000	24,992,346
Swiss 0% 06/34	17,000,000	20,988,547
Swiss 0.5% 05/58	2,000,000	2,578,411
Swiss		**83,351,803**
Other government bonds		**501,770,250**
TL Debt Ins1 4.5% 10Apr42	143,000,000	117,749,091
TL Debt Ins2 4.5% 10Apr42	279,650,000	230,269,464
TL Debt Ins3 4.5% 10Apr42	226,600,000	186,587,023
TL Debt Ins4 4.5% 10Apr42	750,000	617,565
Total Private Debt		**535,223,143**
Total fixed interest securities		**12,413,504,033**

24. Schedule of financial assets valued through profit or loss (continued)

(b) Equity securities

Security	Unit	Fair Value
United States of America		
3M Co	35,449	5,675,739
Abbott Laboratories	129,140	16,178,659
Abbvie Inc	121,299	27,716,822
Accenture Plc	36,998	9,929,523
Acuity Inc	1,160	418,076
Adobe Inc	43,565	15,240,780
Advanced Micro Devices	108,720	23,278,039
Aecom	7,218	687,731
Aercap Holdings Nv	27,040	3,885,107
Affirm Holdings Inc	14,040	1,044,857
Aflac Inc	31,428	3,465,880
Agilent Technologies Inc	17,074	2,323,430
Air Products And	11,236	2,776,191
Airbnb Inc	21,740	2,950,553
Alexandria Real Estate	7,192	352,048
Allegion Plc	14,587	2,322,980
Alliant Energy Corp	13,780	895,838
Alnylam Pharmaceuticals	7,059	2,807,011
Alphabet Inc	738,784	231,481,705
Altria Group Inc	232,444	13,407,370
Amazon.Com Inc	658,089	151,900,103
Amcor Plc	121,191	1,010,733
Ameren Corp	16,785	1,676,486
American Electric Power	27,609	3,183,042
American Express Co	33,660	12,457,229
American Financial Group	3,290	449,447
American Homes 4 Rent	18,287	587,013
American International	78,772	6,741,308
American Tower Corp	23,625	4,147,605
American Water Works Co	10,075	1,314,485
Ameriprise Financial Inc	5,392	2,643,967
Ametek Inc	11,594	2,380,944
Amgen Inc	44,199	14,465,891
Amphenol Corp	86,225	11,653,309
Amrize Ltd	15,397	832,824
Analog Devices Inc	35,809	9,708,894
Annaly Capital Management	86,648	1,936,583
Aon Plc	11,590	4,090,111
Apollo Global Management	21,085	3,052,686
Apple Inc	1,031,534	280,412,203
Applied Materials Inc	48,419	12,434,968
Applovin Corp	17,500	11,785,025
Aptiv Plc	30,543	2,323,711
Arch Capital Group Ltd	19,608	1,880,799
Archer-Daniels-Midland Co	23,280	1,338,367
Ares Management Corp	10,621	1,716,247
Arista Networks Inc	66,808	8,750,512
Armstrong World	4,717	902,315
Arthur J Gallagher & Co	12,790	3,310,436
Assurant Inc	1,908	459,542
Astera Labs Inc	6,650	1,106,028
At&T Inc	642,241	15,959,689
Ati Inc	10,671	1,224,817
Atlassian Corp	8,713	1,412,552
Atmos Energy Corp	13,941	2,337,069
Autodesk Inc	15,057	4,456,872
Automatic Data Processing	32,025	8,237,471

Security	Unit	Fair Value
Autonation Inc	975	201,260
Autozone Inc	1,087	3,688,202
Avalonbay Communities Inc	7,302	1,323,341
Avery Dennison Corp	4,586	834,423
Axis Capital Holdings Ltd	3,592	384,739
Axon Enterprise Inc	5,162	2,931,655
Baker Hughes Co	98,342	4,477,511
Ball Corp	14,585	772,567
Bank Of America Corp	437,860	24,077,921
Bank of NY Mellon	53,066	6,160,432
Baxter International Inc	27,320	521,812
Becton Dickinson & Co	14,649	2,843,810
Bentley Systems Inc	9,323	355,766
Berkshire Hathaway Inc	82,312	41,388,120
Best Buy Co Inc	27,495	1,839,965
Biogen Inc	7,522	1,323,797
Blackrock Inc	9,603	10,278,763
Blackstone Group Inc/The	56,521	8,713,843
Block Inc	31,505	2,050,660
Bloom Energy Corp	11,289	979,659
Boeing Co/The	39,135	8,494,643
Booking Holdings Inc	2,455	13,143,432
Booz Allen Hamilton	6,596	556,636
Boston Scientific Corp	117,533	11,207,947
Bristol-Myers Squibb Co	230,269	12,423,013
Broadcom Inc	310,824	107,545,104
Broadridge Financial	15,753	3,515,597
Brown & Brown Inc	13,466	1,073,106
Brown-Forman Corp	9,848	256,737
Builders Firstsource Inc	5,296	544,905
Bunge Global Sa	7,308	650,997
Burlington Stores Inc	3,663	1,058,241
Bxp Inc	8,968	605,161
Cadence Design Systems	16,417	5,130,477
Canadian Pacific Kansas	18,269	1,344,416
Capital One Financial	39,436	9,562,047
Cardinal Health Inc	23,186	4,765,187
Caretrust Inc	19,901	719,222
Cargurus Inc	5,583	214,108
Carlisle Cos Inc	2,239	715,808
Carlyle Group Inc/The	10,768	636,173
Carnival Corp	144,185	4,403,410
Carpenter Technology Corp	1,193	375,473
Carrier Global Corp	40,813	2,156,151
Carvana Co	7,823	3,302,792
Caterpillar Inc	33,356	19,105,316
Cboe Global Markets Inc	6,441	1,616,627
Cbre Group Inc	28,431	4,573,695
Cdw Corp/De	6,397	871,271
Cencora Inc	14,767	4,988,588
Centene Corp	25,322	1,042,254
Centerpoint Energy Inc	54,339	2,083,357
Cf Industries Holdings	22,744	1,759,021
Ch Robinson Worldwide Inc	13,423	2,157,076
Charles Schwab Corp/The	119,392	11,930,843
Charter Communications	4,644	969,249
Check Point Software	4,437	822,087
Cheniere Energy Inc	22,727	4,417,220

24. Schedule of financial assets valued through profit or loss (continued)

Security	Unit	Fair Value
Chevron Corp	119,755	18,248,267
Chipotle Mexican Grill	75,031	2,777,648
Chubb Ltd	23,392	7,302,281
Church & Dwight Co Inc	12,137	1,017,445
Ciena Corp	9,935	2,321,015
Cigna Group/The	15,722	4,327,795
Cincinnati Financial Corp	7,818	1,276,758
Cintas Corp	26,288	4,943,721
Cisco Systems Inc	295,304	22,750,220
Citigroup Inc	119,569	13,952,507
Citizens Financial Group	31,329	1,829,927
Clorox Co/The	5,856	590,519
Cloudflare Inc	19,623	3,868,478
Cme Group Inc	20,132	5,497,647
Cms Energy Corp	14,326	1,001,817
Cnh Industrial Nv	25,826	238,116
Coca-Cola Europacific	11,183	1,014,186
Cognizant Technology	66,716	5,536,761
Coherent Corp	2,517	463,959
Coinbase Global Inc	14,127	3,194,539
Colgate-Palmolive Company	55,647	4,397,226
Comcast Corp	314,827	9,410,179
Comfort Systems Usa Inc	3,981	3,712,880
Conocophillips	74,341	6,957,574
Consolidated Edison	28,734	2,853,286
Constellation Brands Inc	18,012	2,484,035
Constellation Energy Corp	20,721	7,320,108
Contra Abiomed Inc	1,900	66,500
Cooper Cos Inc/The	9,488	777,447
Copart Inc	48,302	1,891,023
Corebridge Financial Inc	4,344	130,972
Coreweave Inc	8,777	628,170
Corning Inc	71,594	6,269,487
Corteva Inc	91,901	6,161,043
Costar Group Inc	21,137	1,421,041
Costco Wholesale Corp	27,861	24,020,361
Coterra Energy Inc	37,155	977,920
Credo Technology Group	7,885	1,134,021
Crh Plc	52,374	6,536,275
Crowdstrike Holdings Inc	15,927	7,464,348
Crown Castle	21,736	1,931,678
Csx Corp	97,478	3,534,552
Cummins Inc	14,792	7,549,541
Curtiss-Wright Corp	1,333	734,843
Cvs Health Corp	98,870	7,845,335
Cyberark Software Ltd	2,540	1,132,865
Danaher Corp	39,252	8,987,530
Darden Restaurants Inc	5,903	1,086,624
Datadog Inc	19,045	2,589,739
Deckers Outdoor Corp	7,824	810,723
Deere & Co	15,926	7,417,853
Dell Technologies Inc	30,948	3,895,425
Delta Air Lines Inc	22,252	1,543,844
Devon Energy Corp	53,992	1,977,187
Dexcom Inc	19,053	1,264,548
Diamondback Energy Inc	9,652	1,450,213
Dick'S Sporting Goods Inc	8,271	1,637,823
Digital Realty Trust Inc	21,643	3,349,038
Docusign Inc	24,109	1,648,815
Dollar General Corp	30,259	4,016,580
Dollar Tree Inc	18,031	2,217,452
Dominion Energy Inc	44,217	2,590,674
Domino'S Pizza Inc	1,766	735,680
Doordash Inc	23,111	5,234,179
Dover Corp	7,053	1,377,098
Dow Inc	33,576	785,007
Dr Horton Inc	18,019	2,595,096
Draftkings Inc	22,775	784,827
Duke Energy Corp	40,168	4,708,091
Dupont De Nemours Inc	21,239	853,808
Dynatrace Inc	15,238	660,263
Eaton Corp Plc	26,307	8,379,832
Ebay Inc	52,497	4,571,964
Echostar Corp	7,034	764,596
Ecolab Inc	17,563	4,613,449
Edison International	19,122	1,147,894
Edwards Lifesciences Corp	39,234	3,344,306
Electronic Arts Inc	24,037	4,911,480
Elevance Health Inc	13,139	4,605,482
Eli Lilly And Company	53,997	58,056,494
Emcor Group Inc	3,198	1,957,304
Emerson Electric Co	37,198	4,937,663
Entegris Inc	7,673	646,143
Entergy Corp	23,105	2,136,288
Eog Resources Inc	32,149	3,374,359
Eqt Corp	28,645	1,535,372
Equifax Inc	6,906	1,498,602
Equinix Inc	6,167	4,721,517
Equitable Holdings Inc	15,678	746,900
Equity Lifestyle	10,247	621,173
Equity Residential	17,487	1,102,380
Erie Indemnity Co	1,250	358,300
Esco Technologies Inc	1,726	337,122
Essential Utilities Inc	11,930	457,516
Essex Property Trust Inc	3,437	899,429
Everest Group Ltd	2,034	690,421
Evergy Inc	10,777	781,225
Eversource Energy	19,010	1,279,943
Exelixis Inc	14,931	653,978
Exelon Corp	84,583	3,686,973
Expand Energy Corp	11,068	1,221,132
Expedia Group Inc	16,328	4,624,579
Expeditors International	18,730	2,792,643
Extra Space Storage Inc	10,410	1,356,111
Exxon Mobil	259,040	31,167,693
F&G Annuities	885	27,240
F5 Inc	2,891	737,783
Fair Isaac Corp	1,351	2,282,204
Fastenal Co	72,198	2,897,306
Fedex Corp	16,180	4,675,696
Ferguson Enterprises Inc	13,301	2,961,069
Fidelity National	72,222	4,624,780
Fifth Third Bancorp	44,784	2,094,996
First Citizens Bancshares	463	993,681
First Solar Inc	5,504	1,437,425
Firstenergy Corp	27,273	1,221,012
Fiserv Inc	30,975	2,080,591
Fleetcor Technologies Inc	3,510	1,056,686
Flex Ltd	49,452	2,986,901
Flutter Entertainment Plc	5,251	1,129,333

24. Schedule of financial assets valued through profit or loss (continued)

Security	Unit	Fair Value
Ford Motor Co	535,389	7,029,658
Fortinet Inc	35,166	2,791,829
Fortive Corp	17,171	948,011
Fox Corp	48,198	3,324,408
Freeport-Mcmoran Inc	72,194	3,666,011
Frontdoor Inc	3,361	193,862
Futu Holdings Ltd Adr Usd	5,532	908,354
Gaming And Leisure	13,864	619,444
Garmin Ltd	10,349	2,099,812
Gartner Inc	3,888	981,292
Ge Healthcare	23,341	1,914,662
Ge Vernova Inc	20,091	13,134,893
Gen Digital Inc	73,576	2,000,531
General Dynamics Corp	22,492	7,571,032
General Electric Co	74,842	23,054,330
General Mills Inc	27,453	1,276,839
General Motors Co	103,441	8,412,857
Genuine Parts Co	6,844	841,880
Gilead Sciences Inc	121,254	14,882,716
Global Payments Inc	14,981	1,159,230
Globe Life Inc	2,634	368,523
Godaddy Inc	9,747	1,209,213
Goldman Sachs Group	22,415	19,696,957
Grab Holdings Ltd	119,343	594,328
Graco Inc	9,674	793,075
Halliburton Co	90,209	2,548,404
Hartford Insurance Group	25,268	3,482,688
Hca Healthcare Inc	24,144	11,266,315
Healthpeak Properties Inc	34,661	557,002
Heico Corp	9,927	2,931,338
Hershey Co/The	7,661	1,395,528
Hewlett Packard	73,112	1,756,150
Hilton Worldwide Holdings	15,778	4,531,915
Hims & Hers Health Inc	6,586	213,716
Hologic Inc	11,204	834,698
Home Depot Inc/The	57,536	19,802,740
Honeywell International	33,375	6,511,129
Hongkong Land Holdings	49,800	345,612
Hormel Foods Corp	14,780	350,138
Howmet Aerospace Inc	44,758	9,178,075
Hp Inc	48,852	1,088,423
Hubbell Inc	2,941	1,306,627
Hubspot Inc	2,449	982,759
Humana Inc	5,943	1,523,013
Huntington Bancshares	100,418	1,740,244
Hyatt Hotels Corp	2,130	341,652
Idex Corp	4,311	766,884
Idexx Laboratories Inc	6,669	4,511,779
Illinois Tool Works Inc	18,460	4,547,621
Illumina Inc	19,894	2,607,507
Incyte Corp	16,037	1,583,974
Ingersoll Rand Inc	20,399	1,615,805
Insmed Inc	10,660	1,855,053
Insulet Corp	3,372	958,019
Intel Corp	290,124	10,708,477
Interactive Brokers Group	22,068	1,419,414
Intercontinental Exchange	35,819	5,802,320
International Business	61,888	18,329,369
International Flavors &	13,754	927,020
International Paper Co	25,097	988,571
Intuit Inc	17,892	11,851,482
Intuitive Surgical Inc	21,836	12,367,037
Invitation Homes Inc	28,391	789,270
Ionq Inc	15,085	677,015
Iqvia Holdings Inc	9,528	2,148,088
Iron Mountain Inc	14,337	1,188,681
J M Smucker Co/The	6,028	589,780
Jabil Inc	12,493	2,849,279
Jack Henry & Associates	3,497	637,888
Jacobs Solutions Inc	5,796	767,564
Jardine Matheson Holdings	6,000	408,840
Jb Hunt Transport	4,025	782,219
Johnson & Johnson	168,209	34,810,853
Johnson Controls	50,714	6,075,030
Jones Lang Lasalle Inc	1,095	368,051
Jpmorgan Chase & Co	190,641	61,451,220
Kenvue Inc	96,233	1,661,944
Keurig Dr Pepper Inc	82,981	2,324,298
Keycorp	70,209	1,448,412
Keysight Technologies Inc	10,311	2,095,917
Kimberly-Clark Corp	23,732	2,394,321
Kimco Realty Corp	30,876	625,857
Kinder Morgan Inc	99,908	2,745,472
Kkr & Co Inc	34,628	4,413,339
Kla Corp	11,972	14,542,269
Kraft Heinz Co/The	47,120	1,142,189
L3Harris Technologies Inc	14,315	4,203,457
Labcorp Holdings Inc	3,902	978,934
Lam Research Corp	100,560	17,202,799
Las Vegas Sands Corp	40,509	2,636,731
Leidos Holdings Inc	16,445	2,965,362
Lennar Corp	11,832	1,216,330
Lennox International Inc	1,647	800,146
Liberty Media	10,162	1,000,652
Linde Plc	28,236	12,038,419
Live Nation Entertainment	7,868	1,121,190
Lockheed Martin Corp	10,848	5,248,479
Loews Corp	9,554	1,006,323
Lowe'S Cos Inc	31,056	7,491,018
Lpl Financial Holdings	4,122	1,472,255
Lululemon Athletica Inc	5,573	1,157,679
Lyondellbasell Industries	13,200	571,428
M&T Bank Corp	10,859	2,187,763
Marathon Petroleum Corp	25,628	4,167,113
Markel Group Inc	658	1,414,470
Marriott International	12,335	3,826,687
Marsh & Mclennan Cos Inc	28,993	5,381,391
Martin Marietta Materials	3,105	1,933,359
Marvell Technology Inc	52,286	4,442,741
Masco Corp	22,973	1,457,637
Mastec Inc	3,328	723,407
Mastercard Inc	52,272	29,841,562
Mccormick & Co Inc/Md	12,250	834,225
Mcdonald'S Corp	43,652	13,342,234
Mckesson Corp	9,020	7,400,279
Medtronic Plc	141,070	13,555,416
Mercadolibre Inc	3,121	6,286,474
Merck & Co Inc	167,379	17,619,987
Meta Platforms Inc	150,208	99,111,745
Metlife Inc	35,746	2,822,147

24. Schedule of financial assets valued through profit or loss (continued)

Security	Unit	Fair Value
Mettler-Toledo	1,262	1,759,455
Microchip Technology Inc	26,378	1,680,279
Micron Technology Inc	82,441	23,521,242
Microsoft Corp	485,828	234,946,421
Mid-America Apartment	5,553	771,367
Monday.Com Ltd	2,204	325,112
Mondelez International	80,937	4,355,220
Mongodb Inc	4,370	1,834,002
Monolithic Power Systems	3,048	2,762,494
Monster Beverage Corp	78,535	6,022,064
Moody'S Corp	12,459	6,364,929
Morgan Stanley Dean	89,827	15,947,886
Motorola Solutions Inc	10,821	4,147,798
Msci Inc	5,186	2,976,453
Mueller Industries Inc	5,045	579,368
Natera Inc	6,105	1,397,496
Nebius Group Nv	10,882	910,715
Netapp Inc	27,306	2,923,926
Netflix Inc	296,801	27,825,094
Neurocrine Biosciences	5,087	721,286
Newmont Corp	107,275	10,711,409
News Corp	19,576	511,129
Nextera Energy Inc	126,003	10,115,521
Nike Inc	68,941	4,394,299
Nisource Inc	27,212	1,136,373
Nordson Corp	2,952	709,425
Norfolk Southern Corp	11,390	3,289,204
Northern Trust Corp	16,055	2,193,113
Northrop Grumman Corp	7,077	4,035,588
Nrg Energy Inc	22,485	3,582,535
Nucor Corp	14,943	2,437,203
Nutanix Inc	12,819	662,614
Nvent Electric Plc	5,663	577,456
Nvidia Corp	1,670,575	311,545,532
Nvr Inc	195	1,422,720
Nxp Semiconductors Nv	15,092	3,273,153
Occidental Petroleum Corp	33,980	1,396,918
Oklo Inc	5,631	404,249
Okta Inc	13,953	1,206,516
Old Dominion Freight Line	10,881	1,705,162
Omega Healthcare	23,685	1,049,956
Omnicom Group Inc	13,119	1,059,490
On Semiconductor Corp	22,315	1,208,357
Oneok Inc	31,983	2,351,390
Oracle Corp	114,115	22,246,719
O'Reilly Automotive Inc	54,271	4,949,515
Otis Worldwide Corp	20,307	1,774,020
Paccar Inc	26,537	2,905,271
Packaging Corp Of America	6,341	1,308,148
Palantir Technologies Inc	155,268	27,597,334
Palo Alto Networks Inc	42,337	7,798,052
Parker-Hannifin Corp	15,235	13,394,155
Paychex Inc	18,054	2,025,117
Paycom Software Inc	5,031	801,338
Paypal Holdings Inc	78,487	4,581,286
Pentair Plc	23,438	2,441,068
Pepsico Inc	84,815	12,170,104
Pfizer Inc	537,478	13,383,202
Pg&E Corp	113,139	1,820,407
Philip Morris	79,156	12,698,997
Phillips 66	20,831	2,688,449
Pinnacle Financial	4,526	432,233
Pinterest Inc	28,624	740,503
Pnc Financial Services	24,588	5,131,516
Popular Inc	1,936	241,051
Ppg Industries Inc	12,311	1,260,646
Ppl Corp	38,104	1,335,164
Principal Financial Group	11,740	1,035,585
Progressive Corp/The	34,979	7,967,517
Prologis Inc	56,251	7,182,128
Prudential Financial Inc	20,985	2,367,947
Ptc Inc	17,224	3,000,765
Public Service Enterprise	24,646	1,979,320
Public Storage	7,995	2,074,942
Pultegroup Inc	13,588	1,593,057
Pure Storage Inc	21,602	1,447,550
Qnity Electronics Inc	10,619	867,572
Qualcomm Inc	96,617	16,525,372
Quanta Services Inc	9,399	3,965,156
Quest Diagnostics Inc	10,627	1,843,147
Rambus Inc	2,625	241,106
Raymond James Financial	9,847	1,581,822
Realty Income Corp	45,280	2,552,886
Reddit Inc	8,090	1,857,464
Regency Centers Corp	8,554	590,483
Regeneron Pharmaceuticals	5,445	4,202,723
Regions Financial Corp	92,604	2,510,494
Reliance Inc	2,795	806,805
Republic Services Inc	15,196	3,219,577
Resmed Inc	14,036	3,382,395
Rivian Automotive Inc	45,120	889,766
Robinhood Markets Inc	53,890	6,093,342
Roblox Corp	29,046	2,352,726
Rocket Cos Inc	46,673	903,123
Rocket Lab Corp	22,355	1,558,591
Rockwell Automation Inc	10,079	3,922,243
Rollins Inc	35,946	2,157,119
Roper Technologies Inc	5,410	2,408,153
Ross Stores Inc	28,732	5,176,357
Royal Caribbean Cruises	23,345	6,511,387
Royalty Pharma Plc	50,421	1,948,267
Rpm International Inc	6,600	685,938
Rtx Corp	99,896	18,326,920
S&P Global Inc	25,585	13,372,512
Sabra Health Care	38,317	725,341
Salesforce.Com Inc.	74,361	19,698,229
Samsara Inc	16,420	581,925
Sba Communications Corp	5,464	1,056,792
Schlumberger Limited	73,933	2,836,809
Sea Ltd-Adr	27,872	3,553,401
Seagate Technology	18,036	4,964,589
Sempra 0	37,702	3,327,956
Servicenow Inc	63,970	9,797,006
Sharkninja Inc	4,379	489,835
Sherwin-Williams Co/The	13,724	4,448,223
Simon Property Group Inc	32,865	6,084,297
Smurfit Westrock Plc	12,355	477,768
Snap Inc	49,982	402,855
Snap-On Inc	4,854	1,672,640
Snowflake Inc	20,613	4,519,813

24. Schedule of financial assets valued through profit or loss (continued)

Security	Unit	Fair Value
Sofi Technologies Inc	58,294	1,526,137
Solventum Corp	8,074	639,542
Spotify Technology Sa	10,429	6,055,077
Ss&C Technologies	11,946	1,044,319
Starbucks Corp	67,771	5,707,674
State Street Corp	14,560	1,878,822
Steel Dynamics Inc	9,140	1,548,316
Steris Plc	13,416	3,402,163
Stifel Financial Corp	2,469	309,119
Strategy Inc	15,531	2,358,227
Stryker Corp	22,258	7,821,461
Sun Communities Inc	17,625	2,182,856
Super Micro Computer Inc	27,888	815,724
Synchrony Financial	58,572	4,887,248
Synopsys Inc	11,111	5,218,614
Sysco Corp	24,743	1,823,807
T Rowe Price Group Inc	30,472	3,119,723
Take-Two Interactive	9,397	2,405,820
Tapestry Inc	28,837	3,683,350
Targa Resources Corp	17,809	3,285,404
Target Corp	22,986	2,247,111
Te Connectivity Plc	26,573	6,049,078
Teledyne Technologies Inc	2,373	1,212,081
Teradyne Inc	7,810	1,510,298
Tesla Inc	191,649	86,155,808
Teva Pharmaceutical	53,096	1,657,126
Texas Instruments Inc	55,980	9,709,731
Texas Pacific Land Corp	2,931	842,281
Textron Inc	9,521	829,755
The Allstate Corporation	19,977	4,158,812
The Coca-Cola Company	253,395	17,717,378
The Detroit Edison	10,825	1,396,100
The Estee Lauder	11,818	1,237,463
The Kroger Co.	60,556	3,784,144
The Nasdaq Stock Market	21,934	2,130,449
The Procter & Gamble	145,390	20,834,387
The Southern Company	62,488	5,449,578
The Walt Disney Company	155,699	17,712,318
Thermo Fisher Scientific	23,073	13,369,881
Tjx Cos Inc/The	69,327	10,650,707
T-Mobile Us Inc	30,334	6,156,285
Toast Inc	24,396	866,302
Tractor Supply Co	28,075	1,403,469
Trade Desk Inc/The	28,905	1,096,945
Tradeweb Markets Inc	5,758	619,215
Trane Technologies Plc	21,365	8,322,736
Transdigm Group Inc	4,372	5,817,165
Transunion	13,957	1,196,673
Travelers Cos Inc/The	11,907	3,454,697
Trimble Inc	11,928	934,559
Truist Financial Corp	82,521	4,061,684
Twilio Inc	7,404	1,053,219
Tyler Technologies Inc	2,164	982,002
Tyson Foods Inc	13,698	802,840
Uber Technologies Inc	138,972	11,351,233
Udr Inc	16,760	614,924
Ulta Beauty Inc	2,732	1,652,887
Union Pacific Corp	42,441	9,819,574
United Airlines Holdings	10,245	1,145,493
United Parcel Service Inc	53,088	5,265,799
United Rentals Inc	5,117	4,142,109
United Therapeutics Corp	3,600	1,752,444
Unitedhealth Group Inc	55,951	18,476,699
Universal Health Services	7,905	1,722,816
Us Bancorp	107,417	5,731,771
Valero Energy Corp	23,016	3,746,314
Veeva Systems Inc	8,989	2,006,614
Ventas Inc	38,598	2,985,941
Veralto Corp	12,536	1,250,591
Verisign Inc	11,745	2,852,626
Verisk Analytics Inc	7,263	1,624,588
Verizon Communications	409,265	16,677,549
Vertex Pharmaceuticals	15,396	6,979,777
Vertiv Holdings Co	28,297	4,582,133
Vici Properties Inc	119,265	3,352,539
Visa Inc	112,047	39,313,931
Vistra Corp	21,846	3,524,415
Vulcan Materials Co	8,921	2,545,340
W R Berkley Corporation	16,516	1,158,102
Walmart Inc	310,680	34,606,645
Warner Bros Discovery Inc	142,701	4,114,070
Waste Connections Inc	13,150	2,305,195
Waste Management Inc	26,248	5,767,998
Waters Corp	2,954	1,122,018
Watsco Inc	1,746	588,873
Wec Energy Group Inc	15,980	1,685,091
Wells Fargo & Co	203,116	18,934,474
Welltower Inc	47,922	8,890,489
West Pharmaceutical	3,781	1,040,267
Western Digital Corp	33,424	5,756,281
Westinghouse Air Brake	8,821	1,881,872
Weyerhaeuser Co	36,915	874,886
Williams Cos Inc/The	84,571	5,082,717
Williams-Sonoma Inc	6,188	1,104,682
Willis Towers Watson Plc	5,204	1,709,982
Wix.Com Ltd	2,354	244,204
Workday Inc	10,742	2,307,059
Wp Carey Inc	10,687	687,922
Ww Grainger Inc	2,807	2,834,396
Xcel Energy Inc	29,336	2,166,757
Xylem Inc/Ny	12,809	1,743,817
Yum Brands Inc	14,002	2,118,223
Zebra Technologies Corp	3,824	928,544
Zillow Group Inc	7,966	543,441
Zimmer Biomet Holdings	10,490	943,471
Zoetis Inc	22,705	2,856,516
Zoom Communications Inc	27,268	2,352,943
Zscaler Inc	7,939	1,785,640
United States of America		**4,139,912,846**
Australia		
Anz Group Holdings Ltd	313,757	7,603,377
Apa Group Stapled	132,800	794,362
Aristocrat Leisure Ltd	58,029	2,241,696
Asx Ltd	19,884	682,076
Bhp Group Ltd	532,700	16,145,249
Brambles Ltd	141,825	2,170,519
Car Group Ltd	38,733	792,953
Cochlear Ltd	6,710	1,165,982
Coles Group Ltd	139,937	1,999,783

24. Schedule of financial assets valued through profit or loss (continued)

Security	Unit	Fair Value
CBA	175,828	18,823,460
Computershare Ltd	54,064	1,230,835
Csl Ltd	51,241	5,899,119
Evolution Mining Ltd	213,754	1,806,005
Fortescue Ltd	178,665	2,619,949
Goodman Group	214,710	4,431,401
Insurance Australia Group Ltd	242,565	1,290,801
Lottery Corp Ltd/The	228,257	785,420
Lynas Rare Earths Ltd	98,000	812,317
Macquarie Group Ltd	38,202	5,174,483
Medibank Pvt Ltd	282,429	902,138
National Australia Bank Ltd	322,079	9,087,273
Northern Star Resources Ltd	144,902	2,578,999
Origin Energy Ltd	176,671	1,347,781
Pro Medicus Ltd	5,894	868,071
Qantas Airways Ltd	76,039	523,799
Qbe Insurance Group Ltd	159,471	2,114,104
Rea Group Ltd	5,420	662,831
Rio Tinto Ltd	39,057	3,820,825
Santos Ltd	347,566	1,425,412
Scentre Group	554,950	1,554,287
Sgh Ltd	20,869	646,143
Sigma Healthcare Ltd	556,565	1,091,167
Sonic Healthcare Ltd	49,303	742,050
South32 Ltd	463,270	1,096,707
Stockland	244,809	935,428
Suncorp Group Ltd	111,050	1,307,048
Telstra Group Ltd	414,725	1,344,079
Transurban Group Stapled	330,116	3,119,353
Vicinity Ltd	396,818	677,422
Washington HS Pat. & Co Ltd	36,776	910,824
Wesfarmers Ltd	119,764	6,474,625
Westpac Banking Corp	359,520	9,254,192
Wisetech Global Ltd	21,692	989,572
Woodside Energy Group Ltd	199,684	3,135,901
Woolworths Group Ltd	129,243	2,527,826
Xero Ltd	17,742	1,348,765
Australia		**136,956,409**
Japan		
Advantest Corp	53,600	6,714,319
Aeon Co Ltd	114,300	1,805,524
Agc Inc	9,900	327,926
Aisin Corp	75,000	1,398,370
Ajinomoto Co Inc	76,500	1,618,387
Ana Holdings Inc	7,900	150,143
Asahi Group Holdings Ltd	75,400	788,659
Asahi Kasei Corp	65,800	582,879
Asics Corp	97,600	2,337,493
Astellas Pharma Inc	161,900	2,159,252
Bandai Namco Holdings Inc	73,900	1,966,486
Bridgestone Corp	55,800	1,250,601
Canon Inc	46,700	1,380,040
Capcom Co Ltd	31,200	726,530
Central Japan Railway Co	107,600	2,969,649
Chiba Bank Ltd/The	34,400	383,515
Chubu Electric Power Co Inc	36,100	555,393
Chugai Pharmaceutical Co Ltd	33,600	1,766,763
Dai Nippon Printing Co Ltd	18,500	317,785
Daifuku Co Ltd	14,000	439,976

Security	Unit	Fair Value
Dai-Ichi Life Holdings Inc	239,400	1,990,100
Daiichi Sankyo Co Ltd	87,700	1,871,553
Daikin Industries Ltd	13,600	1,741,810
Daito Trust Construct Co Ltd	13,500	257,176
Daiwa House Industry Co Ltd	29,700	984,347
Daiwa Securities Group Inc	116,900	1,021,742
Denso Corp	242,100	3,331,588
Disco Corp	5,200	1,597,703
East Japan Railway Co	42,000	1,106,906
Ebara Corp	55,700	1,308,770
Eisai Co Ltd	12,700	377,569
Eneos Holdings Inc	149,900	1,058,180
Fanuc Corp	47,000	1,823,988
Fast Retailing Co Ltd	9,900	3,595,062
Fuji Electric Co Ltd	8,600	647,970
Fujifilm Holdings Corp	55,000	1,173,020
Fujikura Ltd	29,200	3,248,895
Fujitsu Ltd	190,700	5,265,556
Furukawa Electric Co Ltd	5,500	351,239
Hankyu Hanshin Holdings Inc	9,900	248,976
Hikari Tsushin Inc	700	195,381
Hitachi Ltd	323,100	10,102,479
Honda Motor Co Ltd	225,600	2,209,295
Hoya Corp	22,600	3,409,212
Hulic Co Ltd	17,800	194,642
Idemitsu Kosan Co Ltd	37,830	285,514
Ihi Corp	55,300	971,794
Inpex Corp	161,500	3,220,830
Isuzu Motors Ltd	27,600	429,464
Itochu Corp	390,500	4,920,332
Japan Airlines Co Ltd	10,000	185,301
Japan Elevator Service Holdings Co Ltd	46,800	518,922
Japan Exchange Group Inc	56,600	605,016
Japan Post Bank Co Ltd	150,100	2,113,916
Japan Post Holdings Co Ltd	94,000	989,505
Japan Post Insurance Co Ltd	9,200	276,508
Japan Tobacco Inc	59,100	2,126,537
Jfe Holdings Inc	24,800	316,042
Jx Advanced Metals Corp	16,100	201,269
Kajima Corp	21,300	791,285
Kansai Elect Power Co Inc	97,000	1,518,942
Kao Corp	24,600	982,619
Kawasaki Heavy Indust Ltd	8,100	536,142
Kawasaki Kisen Kaisha Ltd	13,300	185,018
Kddi Corp	202,100	3,487,706
Keyence Corp	11,160	4,035,528
Kikkoman Corp	39,000	353,562
Kioxia Holdings Corp	6,700	445,826
Kirin Holdings Co Ltd	38,700	579,222
Kobe Bussan Co Ltd	10,300	249,048
Komatsu Ltd	93,900	2,994,712
Konami Group Corp	11,100	1,510,498
Kubota Corp	48,100	679,099
Kyocera Corp	64,800	907,642
Kyowa Kirin Co Ltd	12,000	193,040
Lasertec Corp	3,700	699,541
Ly Corp	149,600	398,087
M3 Inc	25,600	345,182
Makita Corp	30,700	926,416

24. Schedule of financial assets valued through profit or loss (continued)

Security	Unit	Fair Value
Marubeni Corp	89,100	2,473,847
Matsukiyococokara & Co	38,900	673,047
Meitec Group Holdings Inc	13,100	296,358
Minebea Mitsumi Inc	13,400	268,521
Mitsubishi Chemical Gr Corp	72,700	424,387
Mitsubishi Corp	204,100	4,668,082
Mitsubishi Electric Corp	133,600	3,907,978
Mitsubishi Estate Co Ltd	72,800	1,774,194
Mitsubishi Hc Capital Inc	38,000	317,828
Mitsubishi Heavy Indust Ltd	165,700	4,059,383
Mitsubishi Ufj Fin. Group Inc	730,800	11,618,575
Mitsui & Co Ltd	147,500	4,368,210
Mitsui Fudosan Co Ltd	131,000	1,486,803
Mitsui Kinzoku Co Ltd	3,500	393,665
Mitsui Osk Lines Ltd	18,700	561,793
Mizuho Financial Group Inc	167,790	6,093,085
Monotaro Co Ltd	10,700	170,693
Ms&Ad Ins Gro Holdings Inc	118,500	2,783,610
Murata Manufacturing Co Ltd	115,800	2,397,340
Nec Corp	165,700	5,612,309
Nexon Co Ltd	47,700	1,162,487
Nidec Corp	39,800	541,348
Nintendo Co Ltd	69,100	4,670,736
Nippon Building Fund Inc	403	367,147
Nippon Paint Holdings Co Ltd	45,600	304,301
Nippon Sanso Holdings Corp	9,500	282,918
Nippon Steel Corp	250,120	1,023,969
Nippon Yusen Kk	20,300	657,650
Nissan Motor Co Ltd	92,300	229,653
Niterra Co Ltd	8,400	369,237
Nitori Holdings Co Ltd 0	22,000	384,784
Nitto Denko Corp	94,300	2,230,183
Nomura Holdings Inc	263,100	2,182,918
Nomura Research Institute Ltd	19,021	730,648
Ntt Inc	1,792,200	1,801,976
Obayashi Corp	64,900	1,353,524
Obic Co Ltd	18,600	583,946
Olympus Corp	54,400	688,568
Oracle Corp Japan	2,900	243,848
Oriental Land Co Ltd/Japan	56,600	1,046,456
Orix Corp	57,000	1,656,053
Osaka Gas Co Ltd	48,900	1,691,198
Otsuka Corp	14,600	300,951
Otsuka Holdings Co Ltd	22,000	1,245,233
Pan Pacific Int. Holdings Corp	100,000	594,788
Panasonic Holdings Corp	116,600	1,505,248
Rakuten Group Inc	77,800	498,333
Recruit Holdings Co Ltd	131,900	7,443,857
Renesas Electronics Corp	84,500	1,153,388
Resona Holdings Inc	142,100	1,353,053
Ryohin Keikaku Co Ltd	27,600	489,773
Sanrio Co Ltd	18,000	564,650
Sbi Holdings Inc	35,560	765,443
Screen Holdings Co Ltd	12,400	1,204,045
Secom Co Ltd	21,100	749,259
Seibu Holdings Inc	5,400	148,242
Sekisui Chemical Co Ltd	17,200	289,090
Sekisui House Ltd	28,400	633,607
Seven & I Holdings Co Ltd	110,800	1,590,835
Sg Holdings Co Ltd	24,100	220,405

Security	Unit	Fair Value
Shimadzu Corp	12,200	324,332
Shimano Inc	4,100	432,508
Shin-Etsu Chemical Co Ltd	92,600	2,878,815
Shionogi & Co Ltd	43,500	786,494
Shiseido Co Ltd	20,800	302,157
Smc Corp	3,000	1,041,182
Softbank Corp	1,442,900	1,976,399
Softbank Group Corp	222,800	6,252,813
Sompo Holdings Inc	44,700	1,521,417
Sony Financial Group Inc	361,400	382,739
Sony Group Corp	412,000	10,569,090
Subaru Corp	78,600	1,700,422
Sumitomo Corp	75,600	2,610,273
Sumitomo Electric Ind. Ltd	105,400	4,249,756
Sumitomo Forestry Co Ltd	17,300	177,034
Sumitomo Met Mining Co Ltd	14,900	604,194
Sumitomo Mitsui Fin Gro Inc	243,200	7,821,437
Sumitomo Mitsui Trust Gr Inc	49,500	1,506,995
Sumitomo Realty & Dev Co L	33,400	837,850
Suntory Beverage & Food Ltd	7,200	217,040
Suzuki Motor Corp	149,100	2,211,602
Sysmex Corp	28,100	276,527
T&D Holdings Inc	52,400	1,207,829
Taisei Corp	12,600	1,192,517
Takeda Pharmaceutical Co L	81,838	2,523,876
Tdk Corp	103,400	1,457,871
Terumo Corp	65,500	948,579
Tis Inc	26,400	885,249
Toho Co Ltd/Tokyo	7,900	402,144
Tokio Marine Holdings Inc	147,800	5,484,097
Tokyo Electron Ltd	33,400	7,310,945
Tokyo Gas Co Ltd	30,200	1,192,240
Tokyo Metro Co Ltd	10,700	108,847
Tokyu Corp	17,000	198,150
Toppan Holdings Inc	11,900	353,102
Toray Industries Inc	129,200	840,754
Toyota Industries Corp	8,100	919,838
Toyota Motor Corp	614,200	13,146,454
Toyota Tsusho Corp	32,400	1,089,956
Trend Micro Inc/Japan	6,800	281,987
Tsuruha Holdings Inc	7,900	144,800
Unicharm Corp	53,400	304,841
West Japan Railway Co	23,400	466,522
Yamaha Motor Co Ltd	55,000	406,855
Yokogawa Electric Corp	47,100	1,502,440
Yokohama Fin. Group Inc	54,300	447,751
Zensho Holdings Co Ltd	6,900	394,864
Zozo Inc	21,000	172,893
Japan		**309,102,847**
United Kingdom		
3I Group Plc	49,107	2,154,596
Admiral Group Plc	34,819	1,487,425
Anglo American Plc	57,960	2,403,479
Antofagasta Plc	19,272	849,976
Ashtead Group Plc	20,662	1,413,472
Associated British Foods	17,344	496,198
Astrazeneca Plc	105,635	19,590,591
Autotrader Group Plc	46,769	368,633
Aviva Plc	144,712	1,332,150

24. Schedule of financial assets valued through profit or loss (continued)

Security	Unit	Fair Value
Bae Systems Plc	151,653	3,496,232
Barclays Plc	895,481	5,731,455
Barratt Redrow Plc	74,899	383,730
Bp Plc Gbp	944,098	5,495,315
British American Tobacco	107,030	6,060,746
Bt Group Plc	533,289	1,320,191
Bunzl Plc	18,059	503,780
Centrica Plc	226,921	517,501
Coca-Cola Hbc Ag	11,658	602,448
Compass Group Plc	85,234	2,710,184
Dcc Plc Gbp	4,115	256,265
Diageo Plc	111,518	2,405,206
Endeavour Mining Plc	26,622	1,385,767
Entain Plc	25,982	267,904
Experian Plc	45,407	2,053,331
Flutter Entertainment Plc	701	152,087
Fresnillo Plc	31,034	1,391,688
Glencore Plc	517,241	2,828,082
Gsk Plc Gbp	488,226	11,981,280
Haleon Plc	460,678	2,319,913
Halma Plc	17,608	836,980
Hikma Pharmaceuticals Plc	5,303	110,558
Hsbc Holdings Plc	1,066,747	16,827,663
Imi Plc Gbp	7,703	257,780
Imperial Brands Plc	107,387	4,503,667
Informa Plc	72,614	863,398
Intercontinental Hotels	11,973	1,684,508
Intertek Group Plc	12,212	759,855
J Sainsbury Plc	262,557	1,147,745
Jd Sports Fashion Plc	164,243	186,541
Kingfisher Plc	254,346	1,069,088
Land Securities Group Plc	33,754	282,166
Legal & General Group Plc	286,914	1,010,322
Lloyds Banking Group Plc	3,728,051	4,926,161
London Stock Exchange	26,798	3,225,275
M&G Plc Gbp	125,291	482,649
Magnum Ice Cream Co	21,452	339,756
Marks & Spencer Group Plc	87,339	387,081
Melrose Industries Plc	74,259	587,506
National Grid Plc	318,679	4,892,916
Natwest Group Plc	827,018	7,250,497
Next Plc Gbp	7,940	1,460,983
Nmc Health Plc	6,918	465
Pearson Plc	31,341	442,630
Phoenix Group Holdings	36,548	362,055
Prudential Plc	135,522	2,086,239
Reckitt Benckiser Group	94,484	7,627,684
Relx Plc Gbp	101,073	4,104,277
Rentokil Initial Plc	117,872	707,898
Rio Tinto Plc	69,282	5,584,742
Rolls-Royce Holdings Plc	526,924	8,146,956
Sage Group Plc/The	108,362	1,577,040
Schroders Plc	118,522	648,831
Segro Plc	64,446	624,292
Severn Trent Plc	14,068	527,739
Shell Plc	358,638	13,214,966
Smith & Nephew Plc	114,427	1,905,406
Smiths Group Plc	30,703	970,481
Smurfit Westrock Plc	14,358	552,909
Spirax Group Plc	3,424	313,862
Sse Plc Gbp	54,856	1,607,755
Standard Chartered Plc	140,713	3,446,534
Tesco Plc	880,903	5,234,705
Unilever Plc	119,836	7,831,999
United Utilities Group	63,939	1,026,854
Vodafone Group Plc	1,470,166	1,955,299
Whitbread Plc	7,655	262,351
Wise Plc	32,356	387,766
United Kingdom		**206,204,455**
European Union		
Abn Amro Bank Nv Dutch	37,613	1,314,194
Acciona Sa	1,673	364,874
Accor Sa	7,852	444,490
Acs Actividades De	21,792	2,167,779
Adidas Ag	8,504	1,693,384
Adyen Nv	1,329	2,145,224
Aegon Ltd	202,320	1,575,861
Aena Sme Sa	138,314	3,853,145
Aeroports De Paris Sa	2,332	303,187
Ageas Sa/Nv	6,122	429,242
Aib Group Plc	264,093	2,851,958
Air Liquide Sa	33,314	6,264,013
Airbus Se	36,071	8,393,921
Akzo Nobel Nv	8,817	611,988
Allianz Se	24,179	11,089,039
Alstom Sa	17,085	502,841
Amadeus It Group Sa	43,050	3,177,195
Amundi Sa	3,155	261,045
Anheuser-Busch Inbev	77,116	4,972,232
Arcelormittal Sa	22,800	1,046,731
Argenx Se	3,225	2,714,953
Asm International Nv	2,706	1,644,965
Asml Holding Nv	25,249	27,269,532
Asr Nederland Nv	16,317	1,161,308
Axa Sa	134,692	6,479,422
Banca Mediolanum Spa	19,320	441,555
Banca Monte Dei Paschi Di	90,304	968,199
Banco Bilbao Vizcaya	538,568	12,682,050
Banco Bpm Spa	72,376	1,106,726
Banco Comercial Portugues	789,666	830,044
Banco De Sabadell Sa	243,867	963,768
Banco Santander Sa	964,624	11,408,330
Bank Of Ireland Group Plc	47,605	911,328
Bankinter Sa	31,941	530,998
Basf Se	44,577	2,331,299
Bayer Ag	50,580	2,198,530
Bayerische Motoren Werke	17,779	1,942,731
Be Semiconductor	3,512	551,056
Beiersdorf Ag	5,244	575,480
Biomerieux	2,073	268,297
Bnp Paribas Sa	72,059	6,837,233
Bollore Se	32,698	181,642
Bouygues Sa	10,535	548,611
Bper Banca Spa	177,438	2,411,096
Brenntag Se	4,882	284,160
Bureau Veritas Sa	14,685	468,768
Caixabank Sa	337,234	4,136,893
Capgemini Se	21,351	3,562,001
Carrefour Sa	28,937	483,268

24. Schedule of financial assets valued through profit or loss (continued)

Security	Unit	Fair Value
Cellnex Telecom Sa	26,153	842,523
Cie De Saint-Gobain Sa	28,751	2,934,319
Cie Generale Des	33,761	1,116,165
Cnh Industrial Nv	28,038	261,458
Commerzbank Ag	62,887	2,670,692
Continental Ag	6,053	483,124
Covivio Sa/France	4,342	287,100
Credit Agricole Sa	56,258	1,159,567
Cts Eventim Ag & Co Kgaa	3,978	367,683
Cvc Capital Partners Plc	18,034	301,815
Daimler Truck Holding Ag	22,848	999,292
Danone Sa	32,515	2,932,016
Dassault Aviation Sa	986	316,136
Dassault Systemes Se	34,518	966,466
Davide Campari-Milano Nv	41,388	268,900
Delivery Hero Se	11,170	297,792
Deutsche Bank Ag	157,304	6,142,794
Deutsche Boerse Ag	10,946	2,887,352
Deutsche Lufthansa Ag	92,419	910,663
Deutsche Post Ag	63,104	3,474,394
Deutsche Telekom Ag	421,847	13,763,273
D'Ieteren Group	1,195	215,152
Dr Ing Hc F Porsche Ag	6,585	355,211
Dsm-Firmenich Ag	9,050	730,834
E.On Se	154,854	2,926,261
Edenred Se	35,258	779,313
Edp Renovaveis Sa	15,246	213,973
Edp Sa	160,252	736,834
Eiffage Sa	7,472	1,068,855
Elia Group Sa/Nv	3,062	394,499
Elisa Oyj	6,064	267,925
Endesa Sa	62,650	2,253,734
Enel Spa	1,019,658	10,622,156
Engie Sa	104,639	2,754,038
Eni Spa	274,203	5,197,689
Erste Group Bank Ag	18,926	2,282,779
Essilorluxottica Sa	19,181	6,089,763
Eurofins Scientific Se	15,491	1,135,268
Euronext Nv	4,282	642,706
Evonik Industries Ag	13,503	211,395
Exor Nv	5,112	434,974
Fdj United	3,742	103,453
Ferrari Nv Eur	8,115	3,036,469
Ferrovial Se	24,392	1,585,335
Financiere De Tubize Sa	723	177,468
Finecobank Banca Fineco	31,647	823,639
Flutter Entertainment Plc	3,037	648,980
Fortum Oyj	22,933	489,250
Fresenius Medical Care Ag	19,704	942,779
Fresenius Se & Co Kgaa	57,285	3,288,567
Galp Energia Sgps Sa	51,597	878,066
Gaztransport Et Technigaz	7,073	1,295,874
Gea Group Ag	8,608	582,822
Gecina Sa	2,339	221,137
Generali	72,378	3,038,905
Getlink Se	19,738	363,715
Grifols Sa	21,519	270,295
Groupe Bruxelles Lambert	4,460	396,258
Hannover Rueck Se	4,506	1,412,983
Heidelberg Materials Ag	10,804	2,835,937
Heineken Holding Nv	17,594	1,289,388
Heineken Nv	14,101	1,154,959
Henkel Ag & Co Kgaa	15,697	1,253,021
Hensoldt Ag	3,567	307,073
Hermes International Sca	1,962	4,889,663
Hochtief Ag	5,642	2,217,142
Iberdrola Sa	443,420	9,616,103
Imcd Nv	2,805	253,861
Industria De Diseno	66,254	4,383,929
Infineon Technologies Ag	65,777	2,902,350
Infrastrutture Wireless	15,385	142,473
Ing Groep Nv	220,530	6,216,035
Inpost Sa	7,057	85,948
International	196,080	1,093,399
Intesa Sanpaolo Spa	913,906	6,355,228
Ipsen Sa	2,217	308,545
Italgas Spa	160,097	1,788,127
Jde Peet'S Nv	3,695	138,259
Jeronimo Martins Sgps Sa	10,179	242,201
Kbc Group Nv	16,765	2,190,474
Kering Sa	3,910	1,382,222
Kerry Group Plc	7,144	651,924
Kesko Oyj	12,862	291,088
Kingspan Group Plc	7,313	636,856
Klepierre Sa	7,988	315,219
Knorr-Bremse Ag	2,950	330,352
Kone Oyj	18,259	1,301,239
Konecranes Oyj	5,912	650,939
Koninklijke Ahold	80,469	3,295,453
Koninklijke Kpn Nv	459,164	2,144,118
Koninklijke Philips Nv	43,749	1,193,581
Leg Immobilien Se	4,030	293,685
Legrand Sa	17,130	2,548,992
Leonardo Spa	24,476	1,412,858
L'Oreal Sa	14,048	6,048,414
Lotus Bakeries Nv	16	146,759
Lvmh Moet Hennessy Louis	15,506	11,667,802
Magnum Ice Cream Co	4,302	67,956
Mapfre Sa	80,571	405,191
Mediobanca Banca Di	16,013	333,627
Mercedes-Benz Group Ag	44,712	3,165,424
Merck Kgaa	6,206	891,400
Metso Oyj	30,262	533,118
Moncler Spa	11,467	739,361
Mtu Aero Engines Ag	2,703	1,126,009
Muenchener	8,590	5,687,911
Naturgy Energy Group Sa	21,058	641,042
Nemetschek Se	3,612	394,941
Neste Oyj	24,920	567,639
Nexans Sa	2,190	323,563
Nexi Spa	28,689	142,188
Nn Group Nv	20,761	1,600,484
Nokia Oyj	268,489	1,758,893
Nordea Bank Abp	156,519	2,965,077
Omv Ag	25,605	1,424,802
Orange Sa	94,821	1,581,348
Orion Oyj	25,017	1,873,052
Pernod Ricard Sa	10,635	912,789
Porsche Automobil Holding	6,876	321,244
Poste Italiane Spa	39,156	987,796

24. Schedule of financial assets valued through profit or loss (continued)

Security	Unit	Fair Value
Prosus Nv	92,335	5,731,204
Prysmian Spa	20,692	2,099,183
Publicis Groupe Sa	10,844	1,128,641
Qiagen Nv	10,694	487,311
Randstad Nv	6,814	257,687
Rational Ag	241	186,808
Recordati Industria	9,636	549,101
Redeia Corp Sa	20,321	362,047
Renault Sa	10,239	424,249
Repsol Sa	108,572	2,030,635
Rexel Sa	18,973	746,252
Rheinmetall Ag	2,799	5,101,867
Rwe Ag	31,135	1,655,000
Ryanair Holdings Plc	118,358	4,103,444
Safran Sa	21,666	7,552,264
Sampo Oyj	336,576	4,089,292
Sanofi Sa	63,879	6,205,877
Sap Se	66,627	16,389,479
Sartorius Ag Preference	1,162	337,766
Sartorius Stedim Biotech	1,870	458,351
Schneider Electric Se	36,209	9,989,278
Scout24 Se	3,339	336,660
Shell Plc	28,273	1,043,308
Siemens Ag	47,965	13,463,466
Siemens Energy Ag	51,932	7,346,431
Siemens Healthineers Ag	20,621	1,085,224
Snam Spa	110,752	735,431
Societe Generale Sa	46,217	3,730,091
Sodexo Sa	4,086	209,228
Sofina Sa	1,105	319,510
Stellantis Nv	97,657	1,082,096
Stmicroelectronics Nv	34,258	897,225
Stora Enso Oyj	28,377	356,769
Syensqo Sa	2,545	204,147
Symrise Ag	7,124	577,141
Talanx Ag	7,120	950,769
Telecom Italia Spa/Milano	596,121	359,719
Telefonica Sa	193,467	793,216
Tenaris Sa	40,529	784,198
Terna - Rete Elettrica	216,549	2,302,667
Thales Sa	4,703	1,264,867
Totalenergies Se	156,865	10,239,509
Ucb Sa	6,161	1,717,776
Unibail-Rodamco-Westfield	17,544	1,910,042
Unicredit Spa	109,865	9,149,585
Unilever Plc	19,120	1,250,546
Unipol Assicurazioni Spa	45,931	1,109,082
Universal Music Group Nv	57,089	1,481,765
Upm-Kymmene Oyj	29,078	850,010
Veolia Environnement Sa	37,674	1,314,113
Verbund Ag	7,959	577,672
Vinci Sa	31,523	4,444,514
Volkswagen Ag Preference	11,777	1,440,550
Vonovia Se	38,789	1,117,482
Wartsila Oyj Abp	39,354	1,405,991
Wolters Kluwer Nv	12,138	1,259,329
Zalando Se	11,236	333,070
European Union		**511,358,870**

Other countries

Security	Unit	Fair Value
Canada		
Agnico Eagle Mines Ltd	43,062	7,305,539
Alamos Gold Inc	37,690	1,451,783
Alimentation Couche-Tard	38,057	2,079,774
Altagas Ltd	12,540	381,392
Arc Resources Ltd	37,040	695,539
Atkinsrealis Group Inc	8,883	573,515
B2Gold Corp	86,175	388,518
Bank Of Montreal	44,767	5,819,792
Bank Of Nova Scotia/The	62,704	4,627,951
Barrick Mining Corp	170,350	7,424,190
Bce Inc	10,268	244,949
Bombardier Inc	4,639	787,657
Brookfield Asset	19,465	1,020,288
Brookfield Corp	106,234	4,875,565
Brookfield Renewable Corp	10,861	416,137
Cae Inc	15,289	464,777
Cameco Corp	31,697	2,902,042
Canadian Imperial Bank Of	48,302	4,380,039
Canadian National Railway	26,941	2,667,075
Canadian Natural	105,931	3,589,637
Canadian Pacific Kansas	32,772	2,414,955
Canadian Tire Corp Ltd	4,995	631,540
Canadian Utilities Ltd	5,438	168,882
Ccl Industries Inc	8,080	509,056
Celestica Inc	8,619	2,546,558
Cenovus Energy Inc	88,669	1,500,080
Cgi Inc	10,304	952,185
Constellation Software	1,172	2,804,635
Descartes Systems Group	3,658	320,233
Dollarama Inc	23,824	3,562,955
Element Fleet Management	21,729	568,608
Emera Inc	13,066	643,411
Empire Co Ltd	7,822	271,737
Enbridge Inc	145,060	6,936,847
Fairfax Financial	1,252	2,381,855
First Quantum Minerals	38,625	1,034,133
Firstservice Corp	1,841	285,172
Fortis Inc/Canada	27,345	1,422,359
Franco-Nevada Corp	13,293	2,744,424
George Weston Ltd	10,791	743,463
Gfl Environmental Inc	9,963	427,375
Gildan Activewear Inc	22,706	1,416,278
Great-West Lifeco Inc	25,934	1,278,017
Hydro One Ltd	55,169	2,191,064
Ia Financial Corp Inc	4,399	569,214
Igm Financial Inc	13,080	587,992
Imperial Oil Ltd	24,895	2,144,884
Intact Financial Corp	9,469	1,968,060
Ivanhoe Mines Ltd	34,111	388,205
Keyera Corp	13,144	420,953
Kinross Gold Corp	190,646	5,374,110
Loblaw Cos Ltd	67,744	3,065,098
Lundin Gold Inc	6,439	535,037
Lundin Mining Corp	69,023	1,480,413
Magna International Inc	39,989	2,128,176
Manulife Financial Corp	111,130	4,037,406
Mda Space Ltd	11,070	214,818
Metro Inc/Cn	21,319	1,534,906
National Bank Of Canada	27,390	3,445,855

24. Schedule of financial assets valued through profit or loss (continued)

Security	Unit	Fair Value
Nutrien Ltd	48,564	2,994,086
Open Text Corp	34,316	1,119,041
Pan American Silver Corp	56,290	2,917,676
Pembina Pipeline Corp	31,415	1,197,471
Power Corp Of Canada	27,441	1,456,380
Rb Global Inc	9,248	932,390
Restaurant Brands	15,865	1,079,850
Rogers Communications Inc	21,651	817,391
Royal Bank Of Canada	87,310	14,903,370
Saputo Inc	11,679	350,690
Shopify Inc	75,750	12,190,735
Stantec Inc	11,806	1,114,238
Sun Life Financial Inc	36,376	2,271,593
Suncor Energy Inc	93,114	4,132,135
Tc Energy Corp	53,917	2,959,879
Teck Resources Ltd	27,532	1,317,599
Telus Corp	6,360	83,795
Telus Corporation	17,431	229,149
Tfi International Inc	4,345	449,097
Thomson Reuters Corp	7,992	1,054,017
Tmx Group Ltd	14,635	553,263
Toromont Industries Ltd	3,663	441,591
Toronto-Dominion Bank/The	106,343	10,031,890
Tourmaline Oil Corp	16,322	732,897
Waste Connections Inc	4,428	768,823
Wheaton Precious Metals	22,878	2,670,421
Whitecap Resources Inc	36,693	307,303
Wsp Global Inc	6,485	1,172,339
Canada		**187,996,217**
Denmark		
Ap Moller - Maersk A/S	877	2,012,781
Carlsberg As	4,954	651,383
Coloplast A/S	6,984	600,047
Danske Bank A/S	45,733	2,286,075
Demant A/S	5,985	201,771
Dsv A/S	10,473	2,651,351
Genmab A/S	2,955	938,132
Novo Nordisk A/S	193,565	9,910,177
Novonesis Novozymes B	18,101	1,161,269
Orsted As	21,886	416,411
Pandora A/S	4,402	489,096
Rockwool A/S	7,429	262,368
Tryg A/S	18,135	475,361
Vestas Wind Systems A/S	49,616	1,352,043
Denmark		**23,408,265**
Hong Kong		
Aia Group Ltd	652,400	6,697,085
Boc Hong Kong Holdings	276,500	1,400,351
Ck Asset Holdings Ltd	96,556	487,525
Ck Hutchison Holdings Ltd	233,240	1,586,697
Clp Holdings Ltd	80,500	717,762
Galaxy Entertainment	201,000	987,504
Hang Seng Bank Ltd	37,900	746,947
Henderson Land	83,953	303,303
Hkt Trust & Hkt Ltd	150,040	221,875
Hong Kong & China Gas Co	572,197	515,334
Hong Kong Exc. & Clearing	79,875	4,180,777
Hsbc Holdings Plc	31,600	496,522

Security	Unit	Fair Value
Link Reit	131,385	586,071
Mtr Corp Ltd	70,866	270,590
Power Assets Holdings Ltd	72,500	513,699
Sands China Ltd	139,600	351,354
Sino Land Co Ltd	266,550	349,989
Sitc International	210,000	751,667
Sun Hung Kai Properties	83,500	1,012,706
Swire Pacific Ltd	12,000	96,589
Techtronic Industries Co	153,500	1,772,936
Wh Group Ltd	1,160,087	1,290,724
Wharf Holdings Ltd/The	43,000	120,103
Wharf Real Estate	119,000	375,186
Hong Kong		**25,833,296**
Israel		
Azrieli Group Ltd	2,335	264,410
Bank Hapoalim Bm	64,088	1,451,235
Bank Leumi Le-Israel Bm	142,126	3,111,334
Elbit Systems Ltd	1,475	850,814
Icl Group Ltd	52,468	298,303
Israel Discount Bank Ltd	63,935	679,852
Mizrahi Tefahot Bank Ltd	9,875	692,809
Nice Ltd	3,781	423,525
Nova Ltd	1,527	508,058
Phoenix Financial Ltd	11,204	457,356
Teva Pharma Industries Ltd	7,973	248,183
Israel		**8,985,879**
New Zealand		
Auckland Inter. Airport Ltd	90,254	425,585
Contact Energy Ltd	28,131	149,311
Fisher & Pay Healthcare Corp	27,003	579,197
Infratil Ltd	54,944	347,867
Meridian Energy Ltd	92,836	296,823
New Zealand		**1,798,783**
Norway		
Aker Bp Asa	15,008	382,236
Dnb Bank Asa	45,353	1,265,694
Equinor Asa	105,054	2,468,342
Gjensidige Forsikring Asa	13,034	388,945
Kongsberg Gruppen Asa	22,300	571,713
Mowi Asa	23,571	567,844
Norsk Hydro Asa	79,726	616,825
Orkla Asa	88,183	982,643
Salmar Asa	4,404	269,605
Telenor Asa	36,217	526,729
Yara International Asa	25,046	1,027,976
Norway		**9,068,552**
Singapore		
Capitaland Ascendas	241,964	532,471
Capitaland Integrated Comm.	700,778	1,296,930
Capitaland Investment Ltd	56,200	118,431
Dbs Group Holdings Ltd	144,870	6,349,046
Keppel Ltd	80,200	644,219
Oversea-Chinese Bank Corp	248,467	3,817,813
Sembcorp Industries Ltd	43,000	201,291
Singapore Airlines Ltd	77,750	386,936
Singapore Exchange Ltd	125,500	1,655,117
Singapore Tech. Eng. Ltd	77,800	509,390

24. Schedule of financial assets valued through profit or loss (continued)

Security	Unit	Fair Value
Singapore Telecom Ltd	747,500	2,644,732
United Overseas Bank Ltd	77,063	2,100,956
Wilmar International Ltd	136,500	326,921
Yangzijiang Shipbuild Hold	675,400	1,822,424
Singapore		**22,406,677**
Sweden		
Addtech Ab	15,070	534,548
Alfa Laval Ab	13,199	669,915
Assa Abloy Ab	51,437	2,009,763
Atlas Copco Ab	214,954	3,729,399
Beijer Ref Ab	26,080	422,794
Boliden Ab	12,833	718,296
Epiroc Ab	56,706	1,205,688
Eqt Ab	23,110	923,267
Essity Ab	30,091	867,595
Evolution Ab	7,563	517,501
Fastighets Ab Balder-B Shrs	35,472	261,573
H & M Hennes & Mauritz Ab	66,450	1,345,031
Hexagon Ab	103,224	1,230,004
Holmen Ab	1,116	42,854
Industrivarden Ab	12,963	584,395
Indutrade Ab	15,421	400,797
Investment Ab Latour	5,801	141,772
Investor Ab	91,583	3,294,238
L E Lundbergforetagen Ab	5,576	308,776
Lifco Ab	11,010	420,871
Nibe Industrier Ab	87,595	339,309
Saab Ab	21,865	1,279,577
Sagax Ab	11,987	255,765
Sandvik Ab	146,311	4,786,675
Securitas Ab	68,897	1,098,983
Skandinaviska E Banken Ab	80,201	1,701,231
Skanska Ab	13,992	384,147
Skf Ab	44,362	1,184,263
Svenska Cellulosa Ab Sca	28,918	386,303
Svenska Handelsbanken Ab	83,206	1,215,309
Swedbank Ab	41,841	1,460,995
Swedish Orphan Biovitrum	15,181	547,048
Tele2 Ab	29,683	499,074
Telefona Lm Ericsson	330,479	3,246,429
Telia Co Ab	349,391	1,499,696
Trelleborg Ab	11,305	480,341
Volvo Ab	80,405	2,588,646
Sweden		42,582,868
Swiss		
Abb Ltd	152,904	11,425,581
Alcon Ag	24,895	1,988,458
Amrize Ltd	23,202	1,275,707
Avolta Ag	6,591	392,174
Banque Cantonale Vaudoise	1,204	152,580
Barry Callebaut Ag	229	377,500
Belimo Holding Ag	510	502,436
Bkw Ag	1,426	303,109
Chocoladefabriken L&S Ag	59	1,524,595
Cie Financiere Richemont	39,200	8,512,919
Ck Infrastructure	16,500	122,104
Ems-Chemie Holding Ag	347	240,677
Galderma Group Ag	8,215	1,680,848
Geberit Ag	1,715	1,341,261

Security	Unit	Fair Value
ivaudan Sa	454	1,802,820
Helvetia Baloise Holding	3,970	1,048,311
Holcim Ag	84,060	8,248,437
Julius Baer Group Ltd	10,463	824,097
Kuehne + Nagel Int. Ag	2,311	499,538
Logitech International Sa	16,751	1,723,625
Lonza Group Ag	3,626	2,461,424
Nestle Sa	160,063	15,908,313
Novartis Ag	185,556	25,669,849
Partners Group Holding Ag	1,115	1,382,614
Roche Holding Ag	46,148	19,130,052
Sandoz Group Ag	20,569	1,501,686
Schindler Holding Ag	3,124	1,151,869
Sgs Sa	7,476	857,393
Sika Ag	7,546	1,548,728
Sonova Holding Ag	2,484	649,336
Straumann Holding Ag	5,884	693,974
Swatch Group Ag/The	1,626	345,313
Swiss Life Holding Ag	1,502	1,737,751
Swiss Prime Site Ag	3,664	569,313
Swiss Re Ag	43,703	7,328,424
Swisscom Ag	1,430	1,037,867
Swissquote Group Holding	311	191,173
Ubs Group Ag	233,973	10,912,341
Vat Group Ag	1,346	655,628
Zurich Insurance Group Ag	9,133	6,937,505
Swiss		**144,657,330**
Other Countries		**466,737,867**
Total equity securities		**5,770,273,294**

24. Schedule of financial assets valued through profit or loss (continued)

(c) Money market securities

Security	Unit holding	Fair Value
Money market securities		
Australian treasury bills	19,000,000	12,615,415
European treasury bills	15,700,000	18,429,673
UK treasury bills	11,300,000	15,076,162
Treasury bills from other countries	165,400,000	47,186,507
Total money market securities		**93,307,757**

(d) Derivatives

Sell foreign currency

Security	Unit	Fair value
Currency Contract - Eur	329,100,000	386,511,495
Currency Contract - Usd	384,662,936	384,662,936
Currency Contract - Usd	381,569,302	381,569,302
Currency Contract - Aud	197,800,000	131,902,930
Currency Contract - Usd	131,189,625	131,189,625
Currency Contract - Cad	178,800,000	130,439,540
Currency Contract - Usd	129,277,926	129,277,926
Currency Contract - Usd	129,057,614	129,057,614
Currency Contract - Usd	127,787,307	127,787,307
Currency Contract - Usd	121,996,879	121,996,879
Currency Contract - Gbp	90,600,000	121,861,530
Currency Contract - Usd	119,752,362	119,752,362
Currency Contract - Sgd	138,100,000	107,387,247
Currency Contract - Usd	106,860,099	106,860,099
Currency Contract - Usd	106,738,516	106,738,516
Currency Contract - Usd	106,725,692	106,725,692
Currency Contract - Jpy	16,600,000,000	105,924,152
Currency Contract - Usd	104,748,112	104,748,112
Currency Contract - Chf	67,500,000	85,200,379
Currency Contract - Usd	84,559,028	84,559,028
Currency Contract - Usd	84,135,267	84,135,267
Currency Contract - Nzd	134,500,000	77,344,225
Currency Contract - Usd	76,960,093	76,960,093
Currency Contract - Usd	76,013,211	76,013,211
Currency Contract - Dkk	376,000,000	59,123,215
Currency Contract - Usd	58,599,794	58,599,794
Currency Contract - Usd	58,374,286	58,374,286
Currency Contract - Usd	49,644,898	49,644,898
Currency Contract - Sek	456,000,000	49,464,139
Currency Contract - Usd	48,220,281	48,220,281
Currency Contract - Usd	39,177,536	39,177,536
Currency Contract - Nok	392,000,000	38,862,479
Currency Contract - Usd	38,579,951	38,579,951
Currency Contract - Usd	7,884,125	7,884,125
Currency Contract - Usd	7,882,632	7,882,632
Currency Contract - Hkd	61,300,000	7,875,634
Currency Contract - Usd	364,907	364,906
		3,882,659,343

Buy foreign currency

Security	Unit	Fair Value
Currency Contract - Usd	310,168	(364,277)
Currency Contract - Usd	61,300,000	(7,875,634)
Currency Contract - Hkd	7,876,059	(7,876,059)
Currency Contract - Usd	61,300,000	(7,884,282)
Currency Contract - Usd	392,000,000	(38,862,479)
Currency Contract - Nok	38,974,029	(38,974,029)
Currency Contract - Usd	394,000,000	(39,065,500)
Currency Contract - Usd	456,000,000	(49,464,139)
Currency Contract - Usd	456,000,000	(49,542,856)
Currency Contract - Sek	49,568,612	(49,568,612)
Currency Contract - Usd	372,000,000	(58,598,046)
Currency Contract - Usd	376,000,000	(59,123,215)
Currency Contract - Dkk	59,129,445	(59,129,445)
Currency Contract - Usd	133,000,000	(76,580,035)
Currency Contract - Nzd	76,785,109	(76,785,109)
Currency Contract - Usd	134,500,000	(77,344,225)
Currency Contract - Usd	66,800,000	(84,591,218)
Currency Contract - Chf	85,177,360	(85,177,360)
Currency Contract - Usd	67,500,000	(85,200,379)
Currency Contract - Usd	16,360,000,000	(104,651,566)
Currency Contract - Usd	16,600,000,000	(105,924,152)
Currency Contract - Jpy	106,032,956	(106,032,956)
Currency Contract - Usd	137,100,000	(106,823,448)
Currency Contract - Usd	138,100,000	(107,387,247)
Currency Contract - Sgd	107,431,523	(107,431,523)
Currency Contract - Usd	90,600,000	(121,861,530)
Currency Contract - Gbp	121,866,966	(121,866,966)
Currency Contract - Usd	90,700,000	(121,991,236)
Currency Contract - Usd	176,600,000	(129,009,293)
Currency Contract - Usd	178,800,000	(130,439,540)
Currency Contract - Cad	130,495,918	(130,495,918)
Currency Contract - Usd	196,100,000	(130,792,502)
Currency Contract - Usd	197,800,000	(131,902,930)
Currency Contract - Aud	132,304,464	(132,304,464)
Currency Contract - Usd	326,900,000	(384,472,605)
Currency Contract - Usd	329,100,000	(386,511,495)
Currency Contract - Eur	386,718,828	(386,718,826)
		(3,898,625,096)
Net Derivative position		**(15,965,753)**

Futures

Security	Unit	Fair Value
United States of America		
US 10YR ULTRA 03/20/2026	65	4,140
US 2YR NOTE 03/31/2026	130	16,336
		20,476
United States of America		
US 5YR NOTE 03/31/2026	50	**(19,922)**

Annex III: Statement on Accounting Policies of the Petroleum Fund for the Fiscal Year 2025

República Democrática de Timor-Leste
Ministério das Finanças

Direção Geral do Tesouro

REF NO: 157 /IX/DGT-MF/05/2026

25 May 2026

Treasury Statement on Accounting Policies of the Petroleum Fund for the Fiscal Year 2025

This statement on the Accounting Policies of the Petroleum Fund is made in accordance with the requirements of the Petroleum Fund Law No.9/2005 as of 3 August, which was amended by the Law No. 12/2011 as of 28 September.

In accordance with Article 21 of the Petroleum Fund Law, the Financial Statements of the Petroleum Fund for the Fiscal Year ended 31 December 2025 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) that remained in effect during the Fiscal Year ended 31 December 2025.

During the 2025 Fiscal Year, the Petroleum Fund has adopted all new and revised IFRS that were relevant. Adoption of these new and revised IFRS did not have a material impact.

Previously adopted accounting standards have continued to be applied.

GABINETE MINISTERIAL
Ministério Finanças

Regina de Jesus de Sousa
Vice Minister of Finance
Acting Director General of Treasury

Annex IV: Comparison of Income Derived from the Investment of the Petroleum Fund Assets with the Previous Three Fiscal Years

(As per Article 24.1 (e) of the Petroleum Fund Law No. 9/2005, of 3rd of August as amended by the Law No. 12/2011, of 28th of September) and Law No.2/2022, of 10 February).

Please refer to the Audited Financial Statements for details.

Table 21 – Petroleum Fund Annual Income by Financial Year

2025	2024	2023	2022
US$1,750,885,386	US$1,200,298,012	US$ 1,678,704,161	US$ (2,050,438,544)

Annex V: Comparison of Nominal Returns from the Investment of the Petroleum Fund Assets with the Real Returns after Adjusting for Inflation

(As per Article 24.1 (f) of the Petroleum Fund Law No.9/2005, of 3rd of August as amended by Law No. 12/2011 of 28 September, and Law No. 2/2022 of 10th of February)

Table 22 – Petroleum Fund's Nominal and Real Returns

Return	**2025**	**2024**	**2023**	**2022**
Nominal return	9.92%	6.80%	9.99%	-10.36%
Inflation[15]	2.68%	2.89%	3.35%	6.45%
Real return	**7.06%**	**3.80%**	**6.43%**	**-15.79%**

The Petroleum Fund's annual return for 2025 was 9.92%. The real return of the Fund for the year was 7.06% after adjusting for the US inflation of 2.68%.

[15] US Consumer Price Index for All items, CPI, was used in portfolio return calculation. Source: US Department of Labor – Bureau of Labor Statistics (www.bls.gov).

Annex VI: Comparison of Nominal Returns from the Investment of Petroleum Fund Assets with the Benchmark Index Performance

(As per Article 24.1 (g) of the Petroleum Fund Law No. 9/2005, of 3rd of August as amended by the Law No. 12/2011, of 28th of September) and Law No.2/2022, of 10 February).

Figure 30 – Petroleum Fund Nominal Monthly Returns

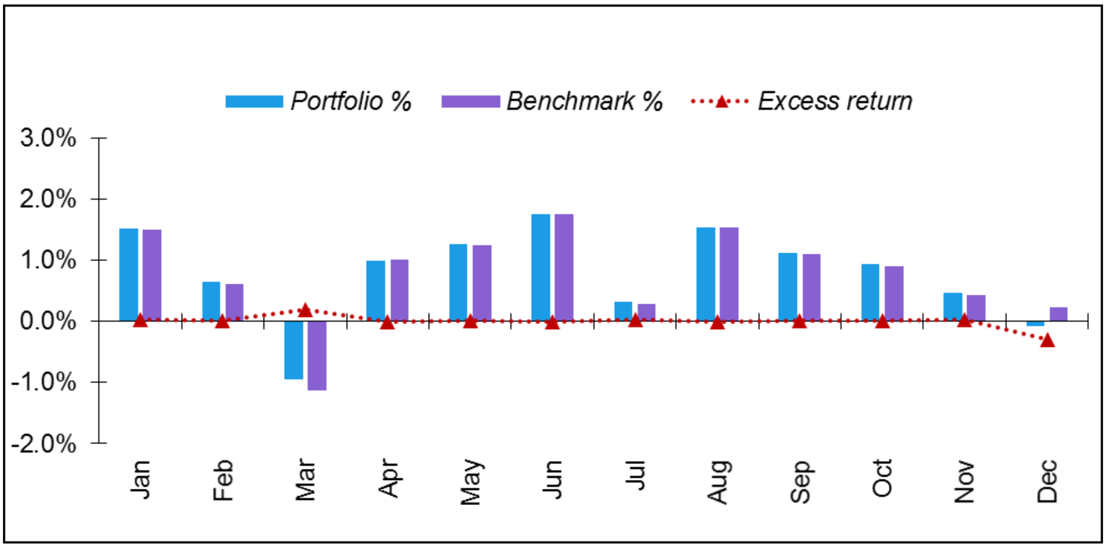


Table 23 – Petroleum Fund Nominal Monthly Return (Jan – Dec 2025)

Period	Portfolio	Benchmark	Excess
January	1.52%	1.50%	0.03%
February	0.64%	0.62%	0.02%
March	-0.94%	-1.14%	0.19%
April	0.99%	1.01%	-0.01%
May	1.26%	1.24%	0.02%
June	1.75%	1.76%	0.00%
July	0.33%	0.29%	0.04%
August	1.53%	1.54%	-0.01%
September	1.12%	1.11%	0.01%
October	0.93%	0.91%	0.02%
November	0.46%	0.42%	0.04%
December	-0.07%	0.23%	-0.29%
Fiscal Year 2025	**9.92%**	**9.86%**	0.06%

Note: Differences are due to rounding of the underlying returns.

Annex VII: Comparison of the Estimated Sustainable Income and Petroleum Fund Transfers in 2025 Fiscal Year

(As per Article 24.1 (h) of the Petroleum Fund Law No. 9/2005, of 3rd of August as amended by the Law No. 12/2011, of 28th of September, and Law No.2/2022 of 10 February).

The total withdrawals from the Petroleum Fund for the Fiscal Year of 2025 were US$1,451.9 million which was US$ 900.0 million higher than the Estimated Sustainable Income (ESI) amount of US$551.9 million projected for the year.

Please refer to Statement of Changes in Capital and Notes to the Financial Statements in Annex II for further details.

Annex VIII: Treasury Statement on Borrowings

República Democrática de Timor-Leste
Ministério das Finanças

Direção Geral do Tesouro

REF NO: 155 /IX/DGT-MF/05/2026

25 May 2026

Treasury Statement on Borrowings by Government of Timor-Leste for Fiscal Year 2025

This statement is made in accordance with the requirement under the Article 24.1 (i) of the Petroleum Fund Law No.9/2005 as of 3 August, as amended by the Law No. 12/2011 as of 28 September 2011, to declare if there have been any borrowings by the Government of Timor-Leste in which the Petroleum Fund's assets are being used as collateral as detailed in the Article 20.2.

The Government of Timor-Leste from time to time negotiates and enters into agreements with international financial institutions such as the World Bank, the Asian Development Bank, Japan International Co-operation Agency and the Australian Infrastructure Financing Facility for the Pacific. Timor–Leste's assets are used for payment of interest and repayment of principal on these loans. These loan agreements under their terms and conditions do not have any specific collateral requirements that encumber the Petroleum Fund's assets.

The Directorate General of Policy and External Resources Mobilization at the Ministry of Finance confirmed that the Government signed a new loan financing agreement with the ADB for US$75 million to finance the national road construction during the fiscal year ended 31st December 2025 and several loan agreements were cancelled. The total value of all loans committed or signed up to 31st December 2025 amounts to approximately US$935.55 million. The loans were denominated in US, Special Drawing Rights (SDRs) and the Yen and will vary according to ruling exchange rates.

Regina de Jesus de Sousa
Vice Minister of Finance
Acting Director General of Treasury

Annex IX: List of Persons Holding Relevant positions for the Operations and Performance of the Petroleum Fund

(As per Article 24.1 (j) of the Petroleum Fund Law No. 9/2005, of 3rd of August as amended by the Law No. 12/2011, of 28th of September) and Law No.2/2022, of 10 February).

The list of persons holding relevant positions for the operation and performance of the Petroleum Fund is given below:

A. Minister of Finance
Mrs. Santina J.R.F. Viegas Cardoso

Vice- Minister of Finance
Mrs. Felícia Claudinanda da Cruz Carvalho (from 15 September 2023)

B. Director General of Treasury
Mrs. Regina de Jesus de Sousa

C. The members of the Investment Advisory Board (IAB):

Name	Position and tenure
Mr. Olgario de Castro	Chairman. Voting member since 2008
Dr. Torres Trovik	Voting member since 2006
Mr. Gualdino da Silva	Voting member since 2012
Professor Michael Drew	Voting member since 2017
Mr. Venancio Alves Maria	BCTL's representative from 2012 - March 2025
Mr. Tobias Ferreira	BCTL's representative from April 2025
Mr. Filipe Nery Bernardo	MOF's representative since 2022

D. Operational Manager
Banco Central de Timor-Leste (BCTL) – from 12 October 2005.

E. External Investment Managers
- Bank for International Settlements (BIS) – from 3 June 2009.
- Schroders Investment Management Limited – from 8 October 2010.
- State Street Investment Management (SSIM) – from 14 September 2011 (implementation commenced in January 2012).
- BlackRock Investment Management Australia Limited – from April 2012 (implementation commenced in February 2013).
- Barings LLC – from April 2023.
- Franklin Resources Inc (Franklin Templeton) – from April 2023.

F. Custodian
- J P Morgan Chase Bank N.A.

G. Independent Auditor
- Ernst & Young (EY)

H. Governor of the Central Bank
Mr. Helder Lopes

I. Petroleum Fund Consultative Council (PFCC)

The PFCC was formally constituted on 6 November 2006. Members of the PFCC for financial year 2025 are as the following:

Mr. Juvinal Dias is the President of the PFCC. He joined the PFCC in December 2017, representing civil society organizations. He is one of the Commissioners of the Governance Council of Greater Sunrise. He also leads the Core Group Transparency Timor-Leste, Publish What You Pay Timor-Leste, and was one of the researchers at the NGO Lao Hamutuk.

Mr. Nuno Eugénio Goulart is the Vice-President of the PFCC. He joined the PFCC in October 2019, representing the National Parliament. He is the Education Coordinator at the international NGO PHD.

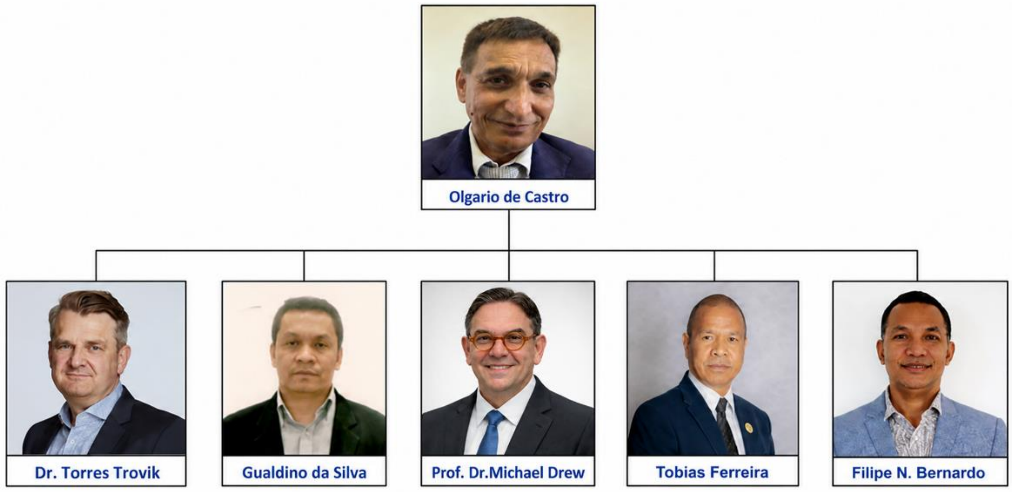
Mrs. Izilda Imanuela da Luz Pereira Soares is a former member of the National Parliament. She joined the PFCC in December 2017, representing the National Parliament. She holds an important position on the Legal and Audit Council of AEMTL**.**

Pe. Mouzinho Pereira Lopes is a Catholic priest and a lecturer at the Timor-Leste Catholic University (UCT) and at the Institute of Philosophy and Theology (ISFIT).

Mr. Hernani Agostinho Soares is a member of the PFCC representing the private sector since October 2019. He is the Vice-President of the Timor-Leste Chamber of Commerce and an advisor to the Minister of Tourism, Industry, and Trade.

Mrs. Martinha da Silva de Jesus Pinto joined the PFCC in October 2019, representing civil society organizations. She is the Director of the NGO Feto Hadomi Família (FHF).

Members of the Investment Advisory Board



Mr. Olgario de Castro is Chairman of the Investment Advisory Board. He has been with the Petroleum Fund since 2008. He is a Timorese national and chartered accountant and partner in De Castro Sullivan Lai Practice in Darwin, Australia. His areas of expertise include tax, financial and management accounting and auditing.

Dr. Torres Trovik is a long-serving member of the IAB. He is one of the architects in setting up the Petroleum Fund in 2005. He is a Norwegian national and an investment professional with international experience in financial markets, sovereign wealth funds and pension funds. He is currently a Senior Advisor and Developer at KLP, Oslo and a member of the Advisory Committee for the International Forum of Sovereign Wealth Funds (IFSWF).

Mr. Gualdino da Silva has been with the Petroleum Fund since 2012. He holds geological engineering qualification from RMIT and currently serves as the President of the National Petroleum Authority (ANP) from September 2023.

Prof. Dr. Michael Drew joined the Petroleum Fund in April 2017. He is a Professor Emeritus of Finance at Griffith University and co-founder of Drew, Walk & Co., a firm of consulting financial economists specializing in the areas of investment governance and pension plan design. He also serves as a Trustee Director of CareSuper and is Chair of the Investment Committee.

Mr. Tobias Ferreira joined the Banco Central de Timor-Leste in 2005. He currently serves as the Executive Director of the Asset Management Department at the BCTL. In April 2025, he was appointed by the Governor to represent the BCTL as the operational manager's non-voting member in the IAB.

Mr. Filipe Nery Bernardo joined the Petroleum Fund in September 2009 and has been leading and coordinating the works at the PFPMO at the Ministry of Finance since 2012. He is the representative of the Ministry of Finance on Timor-Leste's EITI Multi-stakeholders Working Group. He is a non-voting member of the IAB, as the appointed alternate to the Director General of Treasury from February 2022.

Annex X: Statement on Total Withdrawals Versus the Approved Appropriation Amount

(As per Article 7.2 of the Petroleum Fund Law No. 9/2005, of the 3rd of August as amended by the Law No. 12/2011, of the 28th of September and Law No.2/2022, of the 10th February).

In accordance with Article 7.2 of Law No.9/2005, of 3rd August as amended by the Law No.12/2011, of the 28th September, the Petroleum Fund Law and Law No.2/2022, of 10th February, the Framework for the General State Budget and Public Financial Management Law, the total amount transferred from the Petroleum Fund for a Fiscal year shall not exceed the appropriation amount approved by the Parliament for that Fiscal year.

In accordance with Article 4 of Law No.8/2024, of the 26th November, the General State Budget for 2025, the proposed transferred amount from the Petroleum Fund to the General State Budget for 2025 should not exceed US$1,561.1 million.
The actual total amount transferred from the Petroleum Fund to the Consolidated Fund of Timor-Leste for 2025 was US$1,451.9 million.

The actual total amount transferred from the Petroleum Fund in 2025 was in compliance with Article 7.2 of the Petroleum Fund Law, Law No.9/2005, of 3 August, as amended by Law No.12/2011, of 28 September and Law No.2/2022, of 10 February.

Annex XI: Article 35 Report on the Petroleum Fund Receipts from Ernst & Young

Ernst & Young
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Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

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ey.com/au

Shape the future
with confidence

Compilation report to the Ministry of Finance, Democratic Republic of Timor-Leste in respect of the Statement of Petroleum Fund Receipts for the year ended 31 December 2025

We have compiled the accompanying Statement of Petroleum Fund Receipts detailing the payments made to the Petroleum Fund of Timor-Leste ("the Petroleum Fund") for the year ended 31 December 2025 based on information provided to us by the Petroleum Fund's operational manager, Banco Central de Timor-Leste ("the operational manager").

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised) *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of the Statement of Petroleum Fund Receipts. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

The National Petroleum Authority and the National Directorate of Petroleum Tax Revenue are responsible for monitoring that all payments that should have been made under the Petroleum Fund Law No. 9/2005 dated 3 August 2005, as amended by Law No. 12/2011 dated 28 September 2011 (the "Petroleum Fund Law") have been made for the year ended 31 December 2025. This Statement of Petroleum Fund Receipts and the accuracy and completeness of the information used to compile it are the responsibility of the operational manager.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the Statement of Petroleum Fund Receipts. Accordingly, we do not express an audit opinion or a review conclusion on the Statement of Petroleum Fund Receipts.

As stated in Note 1, the Statement of Petroleum Fund Receipts is prepared and presented in accordance with the requirements under the Petroleum Fund Law. Accordingly, the Statement of Petroleum Fund Receipts is for use only in connection with that purpose and may not be suitable for any other purpose.

Our compilation report is intended solely for the use by the Ministry of Finance as required under the Petroleum Fund Law. We disclaim all responsibility to any other party for any loss or liability that the other party may suffer or incur arising from or relating to or in any way connected with the contents of our report, the provision of our report to the other party or the reliance upon our report by the other party.

Ernst & Young

Ernst & Young
Perth
25 May 2026

PETROLEUM FUND OF TIMOR-LESTE
STATEMENT OF PETROLEUM FUND RECEIPTS
FOR THE YEAR ENDED 31 DECEMBER 2025

Article 6.1(a) receipts	**US$**
Altus Oil and Agas Services, Unip.Lda	14,382
BGP Inc., China National Petroleum Corporation	7,844
Callidus Process Solutions Pty Ltd	5,653
Caltech Unipessoal Lda	1,143,890
Cameron Australasia Pty Ltd	1,468
Catterpillar of Australia Pty Ltd	14,211
Chandler Macleod Group Limited	20,263
Clough AMEC Pty Ltd	460,204
Clough Wood Pty Ltd	1,321,990
Compass Group (Australia) Pty Ltd	791,300
Conocophillips Timor Leste	59,430
Ding Feng Acc Adv Unip	80,904
Eni Jpd 06-105 Pty Ltd	289,929
Eni JPDA 11-106 B.V.	1,800
Eni Timor 22-23 B.V.	6,552
Eni Timor Leste S.p.A.	3,327
Finder Operations Pty Ltd	9,968
Go Offshore Pty Ltd	215,552
Haliburton Australia Pty Ltd	120,311
Hertel Modern Pty Ltd	133,604
Inpex Timor Sea Ltd	47,333
Konnekto Unip Lda	261,907
Laloran Marine Service Lda	484,315
Lloyd Helicopter Services Pty. Ltd.	23
Oceaneering Australia Pty Ltd	224,671
Offshore Service Australia Pty	266,902
Qantas Airways Limited	18,229
Santos Finance Limited	4,067,171
Santos Ltd	2,995,744
SANTOS NA (19-12) PTY LTD	1,546,944
Schulumberger Australia Pty Ltd	63,790
SGS Australia Pty Limited	106,677
Solar Tubirnes Int. Co	62,503
Sundagas Banda Unip Lda	313,987
TIDEWATER OFFSHORE OPERATIONS PTE LTD	5,761
TIMOR GAP Chuditch Unipessoal Lda	15,856
TIMOR GAP Drilling & Services, Unipessoal, Lda	23,611
TIMOR GAP GREATER SUNRISE 03-19	157
TIMOR GAP GREATER SUNRISE 03-20, Unipessoal Lda	157
TIMOR GAP Greater Sunrise RL, Unipessoal, Lda	73,503
Timor Gap Offshore Block Unip	70,546
TIMOR GAP ONSHORE BLOCK B, Unipessoal, Lda	2,681
TIMOR GAP ONSHORE BLOCK C, Unipessoal, Lda,	13,803
TIMOR GAP ONSHORE BLOCK, Unipessoal, Lda	15,689
Timor Gap PSC 11-106 Unip Ld	15,328
TIMOR GAP PSC TL-SO-22-23 Unipessoal, Limitada	28,411

PETROLEUM FUND OF TIMOR-LESTE
STATEMENT OF PETROLEUM FUND RECEIPTS
FOR THE YEAR ENDED 31 DECEMBER 2025

Article 6.1(a) receipts (cont'd)	**US$**
TIMOR GAP Pualaca Block, Unipessoal, Lda.	353,764
TIMOR GAP Rarahana Block, Unipessoal, Lda	96,279
Timor GAP, E.P.	90,688
Timor Resources Pty Ltd	64,232
Timor-Leste Petroleum Fund	1,270
Uni Graca Gloess Lda	5,968
Weststar-GAP Aviation	446,459
Wood Australia Pty Ltd	15,455
Woodside Energy Ltd	43,224
Total Article 6.1(a) receipts per the Petroleum Fund for the year	**16,545,620**

Article 6.1(b) receipts	**US$**
Article 6.1(b) receipts collected and paid per Autoridade Nacional do Petróleo (ANP)	4,408,369
Total Article 6.1(b) receipts per the Petroleum Fund for the year	**4,408,369**

Article 6.1(e) receipts	**US$**
Annual Surface Rental Fee	107,170
Timor Sea Annual Pipe Line	5,140,000
Annual Fee (ANPM)	5,760,000
HTS Exploration Ltd	50,667
Eni Jpd 06-105 Pty Ltd	325,636
Eni Timor 22-23 B.V.	120,960
Finder Operations Pty Ltd	80,000
Santos Finance Limited	653,250
SANTOS NA (19-12) PTY LTD	914,550
Santos Ltd	1,625,800
Searcher Seismic Pty Ltd	9,225
Spectrum Geo Ltd	157,214
Timor Gap Offshore Block Unip	110,370
TIMOR GAP Pualaca Block, Unipessoal, Lda.	47,264
Timor Resources Pty Ltd	59,946
Total Article 6.1(e) receipts per the Petroleum Fund for the year	**15,162,052**

PETROLEUM FUND OF TIMOR-LESTE
STATEMENT OF PETROLEUM FUND RECEIPTS
FOR THE YEAR ENDED 31 DECEMBER 2025

Summary of Receipts for the year ended 31 December 2025 per the Petroleum Fund	**US$**
Article 6.1(a) receipts	16,545,620
Article 6.1(b) receipts	4,408,369
Article 6.1(e) receipts	15,162,052
Total Article 6.1 receipts per the Petroleum Fund for the year	**36,116,041**

Note 1 Basis of Preparation

The Statement of Petroleum Fund Receipts details the payments made to the Petroleum Fund of Timor-Leste ("the Petroleum Fund") for the year ended 31 December 2025 as required under article 35 of the Petroleum Fund Law No. 9/2005 dated 3 August 2005, as amended by Law No. 12/2011 dated 28 September 2011 (the "Petroleum Fund Law").

The National Petroleum Authority and the National Directorate of Petroleum Tax Revenue are responsible for monitoring that all payments that should have been made under the Petroleum Fund Law have been made for the year ended 31 December 2025.

Banco Central de Timor-Leste, the operational manager of the Petroleum Fund of Timor-Leste is responsible for the accuracy and completeness of the information contained in the Statement of Petroleum Fund Receipts.

The petroleum receipts are received in US$ and the Statement of Petroleum Fund Receipts is presented in US$.

The petroleum receipts are recorded in the Statement of Petroleum Fund Receipts on a receipt basis. The Statement of Petroleum Fund Receipts include the following types of receipts for the financial year ended 31 December 2025:

- Article 6.1 (a) receipts - the gross revenue, including Tax Revenue, of Timor-Leste from any Petroleum Operations, including prospecting or exploration for, and development, exploitation, transportation, sale or export of petroleum, and other activities relating thereto
- Article 6.1 (b) receipts - any amount received by Timor-Leste from the Designated Authority pursuant to the Treaty
- Article 6.1 (d) - any amount received from direct or indirect participation of Timor-Leste in Petroleum Operations. There is no receipt under this category for the current financial year; and
- Article 6.1 (e) any amount received by Timor-Leste relating directly to petroleum resources not covered in paragraphs above.

Annex XII: Advice Provided by the Investment Advisory Board

Investment Advisory Board

12 March 2025

H.E. Mrs. Santina J.R.F. Viegas Cardoso
Minister of Finance
Dili, Timor-Leste

Subject: Petroleum Fund projections

Dear Minister,

The Petroleum Fund is central to Timor-Leste's fiscal policy. Ministry of Finance projections suggest the Fund could be exhausted by 2035 under current spending trends without new petroleum inflows. It is critical to plan now to safeguard Timor-Leste's future, accounting for the timing and scale of future inflows when planning Timor-Leste's fiscal path.

The Fund's investment strategy is interconnected with fiscal policy. The original 3% real return target for investments aimed to offset ESI withdrawals and preserve purchasing power. However, actual withdrawals were persistently higher than the 3% ESI and well above expected investment returns. In response, the investment strategy was adjusted in 2021, creating a low-risk liquidity portfolio for near-term withdrawals and a growth portfolio to allow for longer-term gains.

The 2025 State Budget projects withdrawals at 8.5% of the Fund's 2024 year-end balance, exceeding expected investment income and inflows from Bayu-Undan's extension. With limited domestic revenue, government spending is expected to erode the Petroleum Fund in the coming years. In effect, it will function more as a buffer fund than a savings vehicle for future generations.

Based on projected deficits, petroleum inflows to the Fund comparable to Bayu-Undan's peak will be needed for the Fund to grow rather than run to zero. To illustrate, the deficit is $1.8 billion in the 2025 State Budget and is projected to widen. If inflows aren't sufficient and the Fund balance runs to zero, the government's annual spending will depend on volatile petroleum revenues. If this is a possible scenario, it is wise to review the fiscal path now.

It follows that the Board recommends prioritizing comprehensive Petroleum Fund modelling in 2025. It is essential that this integrates official petroleum revenue forecasts. Robust projections are vital to the Government in balancing the need for spending on development with maintaining savings, as well as informing an investment strategy aligned with Timor-Leste's fiscal policy. The Board offers support in training Fund staff and briefing stakeholders.

Excellency, the Investment Advisory Board looks forward to collaborating on this critical initiative as part of our 2025 work plan. The next decade is pivotal, and long-term planning is essential.

Yours sincerely,

Olgario de Castro

Olgario de Castro
Chairman, Investment Advisory Board

Investment Advisory Board

2 July 2025

H.E. Mrs. Santina J.R.F. Viegas Cardoso
Minister of Finance
Dili, Timor-Leste

Subject: IAB advice on the equity factor mandate

Dear Minister,

The Board is writing regarding the equity factor mandate, which constitutes a quarter of the equity allocation in the growth portfolio. The mandate was introduced in August 2019, following Investment Advisory Board advice in January 2016, July 2017 and August 2018, and is implemented by two external managers, SSGA and Schroders.

The Board noted the underperformance of SSGA relative to the market capitalisation benchmark and Schroders in 2023 and Q1 2024 and sought clarification from the BCTL. Presentations by the BCTL, SSGA, and Schroders followed in 2024. The BCTL's presentation in June this year confirmed SSGA's continued suitability as an equity factor manager, subject to amendments to their process.

The IAB recommends continuing with the equity factor allocation. The Board believes that equity factors will provide higher risk-adjusted returns over the long term relative to only investing in a market-capitalisation-weighted index, although factors can be subject to long performance cycles. This is mitigated by obtaining exposure to a number of systematically rewarded factors.

To reflect the two managers' current exposures and to facilitate potential changes, the Board recommends amending the wording of the mandate's parameters in Annex 1 of the Operational Management Agreement. The parameters will list factors as examples rather than specific targets. In addition, Momentum, another well-researched factor, will be added. The investment objective will be reworded as, "to obtain exposure to a number of systematically rewarded equity factors, such as Value, Quality (which includes Profitability), Momentum, Low Volatility, and Size."

The recommended parameters are listed in the annex to this letter. The other wording remains unchanged. This includes the requirement for the mandate, and therefore the managers, to constrain residual exposures to sectors and countries, which is supervised by the BCTL as operational manager. The Board notes that the BCTL is working on its reporting and monitoring of factor exposures following changes to its previous monitoring tools.

Excellency, if you agree, please instruct the BCTL to implement the associated changes to Annex 1 of the Operational Management Agreement. Please contact the Board if any further information is required.

Investment Advisory Board

We thank Your Excellency for considering this matter.

Yours sincerely,

Olgario de Castro
Chairman, Investment Advisory Board

Annex – Proposed parameters for Equity Factors mandate

Changes are marked: Deleted ~~text~~; new <u>text</u>.

Growth Portfolio: MANDATE 7

Asset Class / Management Style	Equity Factors
Allocation	8.75% of the value of the Growth Portfolio.
Benchmark	MSCI World ex Australia Index Net Dividends Reinvested. (Bloomberg code "NDDUWXA Index"). This applies for each manager and also the mandate's aggregate benchmark.
Eligible Instruments	Developed market listed equities ex Australia, cash instruments, equity index futures and currency forwards.
Mandate Objective	The investment objective is to obtain exposure to a ~~combination of the following~~ <u>number of</u> systematically rewarded equity factors~~:~~, <u>such as</u> Value, Quality (which includes Profitability), <u>Momentum</u>, Low Volatility, and Size. The mandate's residual exposures to sectors and countries relative to the benchmark are to be constrained. The *ex-ante* tracking error for the aggregate equity factor mandate is expected to be less than 300 basis points.
Approved Managers	State Street Global Advisors Schroders Investment Management Limited
Internal reporting	The BCTL shall provide the Ministry of Finance and the Investment Advisory Board quarterly reports showing the performance of the managers and the aggregate mandate relative to the benchmark. The quarterly reports shall include the factor exposures of each manager and the aggregate mandate using agreed style analysis tools. Residual, non-factor exposures such as relative exposures to sector and countries are also to be reported.

Investment Advisory Board

5 November 2025

To
H.E. Mrs. Santina J.R.F. Viegas Cardoso
Minister of Finance
Dili, Timor-Leste

Subject: Review of the Statement of Investment Beliefs

Your Excellency,

The Investment Advisory Board has completed a review of the Petroleum Fund's *Statement of Investment Beliefs and Principles*. The previous version, last updated in 2014, was very detailed. The Board agreed that it is preferable to maintain a shorter and more focused statement that clearly identifies the key beliefs guiding the Fund's investment strategy.

During the October 2025 workshop, the IAB agreed on ten core investment beliefs, as set out in Annex 1, which are consistent with the Fund's current investment strategy and implementation.

While the beliefs have been developed by the IAB, the Board recommends that they be adopted as Fund-wide investment beliefs to be applied across the Petroleum Fund's management. We therefore suggest that they be reviewed and endorsed by Your Excellency. It is also essential that the beliefs be subject to regular review.

Thank you, Your Excellency, for considering this matter. Please do not hesitate to contact the Investment Advisory Board should further information be required.

Yours sincerely

Olgario de Castro
Chairman

Annex 1: Proposed Investment Beliefs for the Petroleum Fund

Annex 1: Proposed Investment Beliefs for the Petroleum Fund

1. The objectives in the Petroleum Fund Law are paramount.
All other considerations are subordinate.

2. Timeframes matter.
Investment strategy should account for expected time horizons.

3. Risk and return are linked.
Higher systematic risks are rewarded with higher expected returns.

4. Multiple risk premia exist.
Systematic factors beyond market beta can provide long-term returns.

5. Financial markets are competitive.
Prices trend toward fair value, though inefficiencies and anomalies exist.

6. Diversification is essential.
Broad exposure across and within asset groupings improves risk-adjusted returns.

7. Strategic asset allocation is central.
Systematic returns are the key driver of outcomes.

8. Risks are pervasive.
Risks cannot be avoided but must be identified, monitored, and managed.

9. Good governance matters.
Clear governance supports efficient and effective implementation, which improves performance.

10. Transparency and accountability build trust.
Openness and education support public confidence and ongoing discipline.

Investment Advisory Board

1 December 2025

H.E. Mrs. Santina J.R.F. Viegas Cardoso
Minister of Finance
Dili, Timor-Leste

Subject: Endorsement of the Governance Policy for the Petroleum Fund

Dear Minister,

I refer to your letter of 23 May 2024 attaching the draft Governance Policy for the Petroleum Fund. The Investment Advisory Board (IAB) discussed the policy during its workshop in June 2024, where the Central Bank of Timor-Leste's (BCTL) representative raised several issues for clarification. Following that discussion, the Board requested the Ministry of Finance and the BCTL to jointly resolve the outstanding matters before the Board determined its position.

That process was completed in August 2025, and the Ministry of Finance's representatives on the IAB subsequently submitted a revised version of the policy to the Board, together with a note explaining the issues and the changes made. The final version of the Governance Policy is attached.

At its meeting on 5 November 2025, the IAB confirmed the Governance Policy of the Ministry of Finance. The Board reiterates the findings of the independent review of the Petroleum Fund, which noted that the policy establishes clear institutional roles and responsibilities and strengthens coordination among the Fund's governing bodies.

The IAB commends the Ministry of Finance and the BCTL for their close collaboration in completing this important policy milestone for Timor-Leste's Petroleum Fund. The Board has already observed improved cooperation between institutions in the Fund's governance arrangements.

Yours sincerely,

Olgario de Castro
Chairman, Investment Advisory Board

Annex: Governance Policy for the Timor-Leste Petroleum Fund

GOVERNANCE POLICY FOR THE TIMOR-LESTE PETROLEUM FUND

CHAPTER I: GENERAL PROVISIONS

Article 1 Purpose of the Policy

1.1 The Minister of Finance is responsible for the overall management of the Petroleum Fund and has a statutory duty to ensure that the Petroleum Fund's governance framework is clear and that the Fund and its institutions are working effectively. The Governance Policy sets out the policy objectives of the Petroleum Fund and defines the roles and responsibilities of the institutions involved in the Fund's management. The policy includes extracts from articles in the Petroleum Fund Law and provides clarification and additional details for the effective carrying out of the Law.

1.2 The Ministry of Finance may enter into other agreements or develop policies to cover specific responsibilities in greater detail. For example, the Operational Management Agreement provides details on the BCTL's responsibilities as operational manager and the Ministry of Finance's responsibilities as Executive of the Petroleum Fund. Annex 1 of the Operational Management Agreement sets out the Fund's investment policy statement.

1.3 The Petroleum Fund's governance is to be guided by the principles of transparency, collaboration, professionalism, institutional checks and balances, and accountability. The Petroleum Fund Law identifies transparency as a fundamental principle for management of the Petroleum Fund. All of the parties identified in this policy – the Ministry of Finance, the BCTL, and the IAB - are required to meet the standards in Article 32 of the Petroleum Fund Law.

Article 2 The Petroleum Fund's Policy Objectives

2.1 The purpose of the Fund is to contribute to the wise management of petroleum resources for the benefit of both current and future generations (Preamble of the PF Law). The Petroleum Fund serves two policy objectives: 1) financing government expenditure, which includes the government's expenditure on national development; and 2) saving for future generations.

2.2 The Fund is a tool that contributes to sound fiscal policy, giving appropriate consideration to the long-term interests of Timor-Leste's citizens (Preamble of the PF Law). Sustainable withdrawals to finance the State Budget are defined in terms of the Estimated Sustainable Income (ESI) formula (PF Law §8 and Schedule 1).

2.3 The Fund is to be coherently integrated into the State Budget (Preamble of the PF Law). The Petroleum Fund Law distinguishes the Fund's investments from the expenditure in the State Budget. The Fund's investments are limited to international financial market investments that are to be assessed purely on financial criteria (PF Law §15.1 and §14). Domestic expenditure and investments are to be included in the State Budget process and assessed by Parliament.

2.4 The Petroleum Fund's investment in Petroleum Operations in April 2019 is an exception to the general framework in the Petroleum Fund Law. The decision that the Fund invest in Timor Gap E.P. was enabled by Parliament amending the Petroleum Activities Law in 2019 and followed Timor-Leste's investment in the Greater Sunrise development project. The decision to invest in Timor Gap E.P. accounted for national development objectives as well as financial returns.

CHAPTER II: ROLES AND RESPONSIBILITIES OF THE INSTITUTIONS

Article 3 National Parliament

3.1 Timor-Leste's Parliament enacted the Petroleum Fund Law, which sets out the key parameters for the operation and management of the Fund including the objectives of the Fund, rules on petroleum receipts and government withdrawals, the responsibilities of the Fund's institutions, and broad investment guidelines. The latter specify asset allocation limits that are designed to provide guidance on the Fund's risk and return objectives (PF Law §15).

3.2 The Minister of Finance shall notify Parliament of any proposed changes to the principal asset allocation before making a decision (PF Law §14.5). A change to the principal asset allocation involves a material change in the risk-return properties of the total Fund. Proposals relating to "other eligible investments" (i.e. asset classes other than fixed interest or listed equities) must be presented to Parliament (PF Law §15.4). Parliament shall be informed of the proposed changes but it does not approve the Fund's investments.

3.3 The Petroleum Fund Law provides that the operational manager means the BCTL or any other public entity approved by Parliament to manage and operate the Petroleum Fund. (PF Law §2.1(i)) It follows that Parliament needs to approve a proposal to change the operational manager.

3.4 Parliament approves the State's Budget, which is largely financed by withdrawals from the Petroleum Fund. The Government is required to provide to Parliament certified reports on the ESI and, when withdrawals exceed the ESI, the amount by which the future ESI will be reduced, along with justification as to the reasons why the excess withdrawal is in Timor-Leste's long-term interest (PF Law §8 and §9).

Article 4 The Petroleum Fund Consultative Council

4.1 The Petroleum Fund Consultative Council advises Parliament on withdrawals from the Petroleum Fund and, as part of the budgetary process, whether the withdrawals are being used effectively for the benefit of current and future generations (PF Law §25).

4.2 The Petroleum Fund Consultative Council provides advice to the Parliament on matters relating to the performance and operation of the Petroleum Fund (PF Law §25).

Article 5 The Ministry of Finance

5.1 The Government is responsible for the overall management of the Petroleum Fund on behalf of the citizens of Timor-Leste (PF Law §11.1). Decisions in relation to the Fund's investment strategy and management are made by the Minister of Finance as the Government's representative (PF Law §11.2).

5.2 The following functions are exercised by the Minister of Finance:

i. Establish the supplementary regulatory framework that provides for the effective governance and management of the Fund, in compliance with the Petroleum Fund Law.

ii. Decide on the Fund's investment objectives and corresponding investment policy (Annex 1 of the OMA), including the asset allocation strategy. (PF Law §14) This includes ensuring that selected asset classes are appropriately diversified and consistent with the Fund's time horizon and risk and return objectives, while accounting for the Fund's purposes and operating constraints.

iii. Present to Parliament a summary of the proposed investment policy before making any decisions involving changes to the principal asset allocation. (PF Law §14.5).

iv. Enter into the Operational Management Agreement with the BCTL that sets out the operational manager's and the Ministry of Finance's responsibilities. (PF Law §11.3).

v. Arrange for monitoring the performance of the BCTL as operational manager and portfolio manager of internal mandates.

vi. Decide on the individual investment mandates that specify benchmarks, performance targets and risk measures to convey the Minister's intentions to the BCTL for the investment and its anticipated return. (PF Law §16.1).

vii. Approve and publish the investment mandates for "other eligible investments". The parameters shall identify the asset class and include the rules and criteria for selecting, managing and valuing individual financial instruments within the asset class. (PF Law §15.4).

viii. Request the BCTL to undertake a search for a new investment manager or managers and provide sufficient guidance to clearly convey the objectives of the mandate. (PF Law §12.1) The IAB shall advise on the final mandate parameters after incorporating the information gained during the manager search.

ix. Approve the appointment and termination of investment managers, accounting for the recommendations of the operational manager. (PF Law §16.1(c)).

x. Appoint the independent auditor of the Fund and arrange for their remuneration from the State Budget (PF Law §34).

xi. Develop, along with the BCTL as operational manager, a framework and policies for identifying, monitoring and managing the Petroleum Fund's risks (PF Law §14.3).

xii. Develop other policies as required for the effective management of the Petroleum Fund.

xiii. Directing periodic operational and strategic reviews of the Petroleum Fund.

xiv. Advise on the sustainability of the Petroleum Fund after accounting for projected government expenditure and withdrawals.

xv. Instruct the BCTL in the first quarter of each year on the annual transfer and rebalance, namely, the projected withdrawals from the Fund over the next three years and the size of the liquidity portfolio, in accordance with Annex 1 of the OMA.

xvi. Arrange the selection process and subsequently nominate voting members of the IAB to the Prime Minister. (PF Law §17.1)

xvii. Determine the Petroleum Fund's priorities each year and review and approve the IAB's annual budget, subject to a maximum ceiling in Annex 2 of the Operational Management Agreement.

xviii. Notify the IAB of the representative of the Ministry of Finance on the Board and nominate the Ministry of Finance representatives on the secretariat of the IAB (PF Law §17.3).

xix. Decide on any other matters relating to the investment strategy and management of the Petroleum Fund in compliance with the Petroleum Fund Law not otherwise assigned in this Policy or the Operational Management Agreement.

xx. Correspond with the Governor of the BCTL and Chairman of the IAB on matters relating to these functions.

5.3 The Minister of Finance shall seek the advice of the IAB before making decisions relating to investments or management of the Fund, as required by the PF Law. (PF Law §11.2 and §16.2).

5.4 The Minister of Finance in executing the functions listed in Article 5.2 of the Policy is supported by the unit specified in the Organic Law of the Ministry of Finance. The unit from the Ministry of Finance (hereafter referred to as the "Ministry of Finance") is directly responsible for the matters listed in Article 5.5 of this Policy.

5.5 The Ministry of Finance is authorised to:

i) Participate in Investment Advisory Board meetings as the Ministry of Finance's non-voting member under Article 17.2 of the Petroleum Fund Law when nominated by the Minister of Finance.
ii) Raise matters that relate to the Fund's investments and management for the IAB's consideration in Board meetings.
iii) Make recommendations to the Board of the IAB on the Fund's asset allocation, and provide support to the IAB on asset allocation.
iv) Raise and confer with BCTL counterpart on matters relating to operational and investment management.
v) Monitor the performance of the BCTL as the Operational Manager and manager of internal investment mandates.
vi) Consult with BCTL counterpart on the BCTL's publications and disclosures relating to the Petroleum Fund, including the Petroleum Fund's monthly performance and quarterly report.
vii) Provide information as required by the Petroleum Fund Consultative Council. (PF Law §31.3).
viii) Write the Petroleum Fund's Annual Report, including requesting data from BCTL counterpart and soliciting input from the BCTL and IAB.
ix) Assist the Director of Treasury on determining the Petroleum Fund's accounting policies after consulting with BCTL counterpart and the Petroleum Fund's external auditor.
x) Assist the Director of Treasury in overseeing the annual financial statements, which are prepared by the BCTL and reviewed by the Petroleum Fund's external auditor.
xi) Contribute to the Government's fiscal policy and annual budget preparation by calculating the ESI and excess withdrawals and the impact on the future ESI.
xii) Contribute to the Ministry of Finance's projections on the Fund's sustainability and horizon based on estimated inflows, investment returns and outflows.

5.6 The Treasury Department from the Ministry of Finance shall:

i) Provide the forecasts of the government's cash requirements as set out in the Operational Management Agreement.
ii) Determine the Fund's accounting policies, in consultation with the BCTL and relevant counterparts; and
iii) Certify the financial statements on behalf of the Ministry of Finance. (PF Law §24.1(d)).

Article 6 The BCTL as Operational Manager

6.1 The Petroleum Fund is an account of the Ministry of Finance held in the name of the Operational Manager (PF Law §5.2).

6.2 The Operational Manager is set by Parliament to operate the Petroleum Fund (PF Law §2). The BCTL has been the Operational Manager since the Petroleum Fund's inception in 2005.

6.3 The Minister of Finance shall enter into an agreement with the Operational Manager (PF Law §11.3). The Operational Management Agreement sets out the details of the BCTL's responsibilities as operational manager and the Ministry of Finance's responsibilities as Executive of the Petroleum Fund. Annex 1 of the OMA describes the investment policy, including the parameters for the investment mandates. Annex 2 of the OMA describes the maximum ceiling of the operational management fees.

6.4 The BCTL shall be accountable for its operational management to the Minister of Finance, as the representative of the Government (PF Law §11).

Article 7 The Investment Advisory Board

7.1 The Investment Advisory Board advises the Minister of Finance on the investments and management of the Petroleum Fund. This includes advising on:

i. The Fund's investment objectives, including the alignment with the Fund's policy objectives.
ii. The beliefs and principles that underlie the Fund's investments. The investment beliefs shall be published.
iii. The Fund's asset allocation and investments.
iv. The parameters of the investment mandates including performance benchmarks. (PF Law §16.1(a) and (b)).
v. The approval of new external investment managers (PF Law §16.1(c)). This includes reviewing the BCTL's due diligence for external manager selection and advising the Minister of Finance on assessing whether the managers recommended by the BCTL are consistent with meeting the mandate's investment objectives and other parameters.
vi. The performance of external investment managers and their termination. (PF Law §16.1(c)) The IAB's advice on termination of managers accounts for analysis provided by the BCTL as operational manager.
vii. The suitability of internal management for new mandates. This may include recommending an operational review by an independent expert to assess capability prior to a decision or implementation.
viii. The performance of existing internal mandates and any changes to those mandates. The IAB's advice on internal management accounts for analysis provided by the Ministry of Finance, which monitors the performance of the internal mandates.
ix. The performance of the BCTL as the Operational Manager and the performance of the Ministry of Finance.
x. The performance of the Secretariat.
xi. Other matters relating to the investment strategy and management of the Petroleum Fund not otherwise specified in this article in compliance with the Petroleum Fund Law.

7.2 The Minister of Finance shall seek the advice of the IAB prior to making a decision on any matter relating to the investment strategy or management of the Petroleum Fund. (PF Law §16.2) The exceptions are when an immediate decision is required such that there is insufficient time to seek advice, or when the IAB is unable to provide advice within a time period specified by the Minister. There is deemed to be insufficient time to seek the IAB's advice when the Minister's decision is required within 2 business days. In that event, or when the IAB fails to respond within a specified time-frame, the Minister shall make the decision and then follow the process in Articles 18.3 and 18.4 of the Petroleum Fund Law, namely, immediately report the decision to the Board and re-examine the decision having regard to any subsequent advice.

7.3 The IAB may also provide advice to the Minister of Finance on the initiative of the Board, including the need for changes in the investment policy or management of the Petroleum Fund (PF Law §16.1(d)).

7.4 The IAB's expert advice shall be independent from political influence and impartial in relation to the Petroleum Fund's institutions.

7.5 The IAB's advice on the investments and management of the Petroleum Fund shall take into account:

i. The overall objective of the Petroleum Fund to benefit current and future generations. (PF Law §16.3(a))

ii. The current conditions, opportunities and constraints in financial markets. (PF Law §16.3(b))

iii. The constraints under which the Operational Manager, the Ministry of Finance, and other relevant agencies in Timor-Leste operate. (PF Law §16.3(b))

iv. The need to ensure adequate liquid assets to finance withdrawals. (PF Law §16.3(c))

v. The Petroleum Fund's investment horizon as indicated by the Ministry of Finance.

7.6 The IAB will respond to the Minister's request for advice in a timely manner.

7.7 The IAB's advice is an essential consideration in the Minister of Finance's decision although the advice is not binding.

7.8 The advice provided by the IAB to the Minister of Finance in a calendar year shall be included in the Petroleum Fund's corresponding Annual Report. (PF Law §24.1(b)) When required by the Parliament earlier, the Ministry of Finance shall provide the IAB's advice to Parliament on behalf of the Government, subject to measures to prevent the disclosure of confidential information. (PF Law §19.1)

7.9 The IAB shall consist of 5 or more voting members appointed by the Prime Minister on the advice of the Minister of Finance. At least 3 of the voting members shall possess significant experience in investment management. (PF Law §17.1) The Minister of Finance shall determine the selection process, which may involve input from the existing IAB members.

7.10 The IAB voting members shall be remunerated according to the dispatch when they were appointed. (PF Law §17.4)

7.11 Before taking office, the IAB voting members shall submit a written declaration to the Minister of Finance that their appointment presents no conflict in terms of their interests or duties. The IAB voting members shall provide a written statement of their work duties and assets. (PF Law §17.5) The IAB voting members shall notify the Minister of Finance in writing when there is a material change in their duties.

7.12 The IAB voting members of the IAB shall serve 7-year, renewable tenures.

7.13 A nominated representative from both the Ministry of Finance and the BCTL shall participate in the IAB's meetings as non-voting Board members (PF Law §17.2). The BCTL and the Ministry of Finance are also represented in the IAB's Secretariat (Article 8). The IAB may request a briefing from the representatives of the BCTL and the Ministry of Finance on matters relating to the Fund's investments and management.

7.14 The minimum quorum for an IAB meeting shall be 3 voting members. Voting and non-voting Board members or their delegates are required to regularly attend IAB meetings unless a period of absence is agreed with the IAB's Chairperson. The Minister of Finance will recommend to the Prime Minister changes to membership if a voting Board member is unable to meet his or her responsibilities.

7.15 The IAB shall be provided with the resources it needs to advise the Minister of Finance. The IAB's budget is subject to a maximum ceiling specified in Annex 2 of the Operational Management Agreement. The IAB shall provide its annual budget to the Minister of Finance with a copy to the BCTL at the beginning of each year, after identifying the Petroleum Fund's priorities including any major projects. The Board shall provide a breakdown of its projected expenditure and its actual expenditure for the prior year. The Board may write to the Minister requesting approval for additional budget in the event of unplanned expenditure.

7.16 The IAB shall develop its own operational regulations to cover its internal operations (PF Law §16.4), subject to compliance with the Petroleum Fund Law, this Governance Policy, and other policies approved by the Minister of Finance.

Article 8 The Investment Advisory Board's Secretariat

8.1 The Secretariat shall provide the administrative and analytical support required by the Board to carry out its functions.

8.2 The BCTL, as Operational Manager, shall nominate the Secretary of the IAB. The Secretary shall support the IAB's administration, which includes: scheduling IAB meetings and workshops and arranging facilities; notifying members of the Board of meetings and distributing materials; preparing the Board's minutes; maintaining the Board's documents and correspondence; publishing minutes and other board documents; assisting with procurement undertaken on behalf of the Board; and processing payments, including remuneration of the members.

8.3 The IAB's Operational Regulations shall govern its Secretariat with respect to their work for the IAB. The Secretariat shall be comprised of staff members from the BCTL and the Ministry of Finance nominated by each institution.

8.4 The Secretariat shall provide analytical support to the IAB on the Fund's investments and management through the preparation of reports, recommendations and background papers submitted to Board meetings. The representatives from the BCTL and Ministry of Finance shall work together on the Secretariat's investment research, including developing or amending the parameters for individual investment mandates, and other projects as agreed.

8.5 The Board may procure external support to undertake research or provide other analytical support as required to carry out its role. Staff from the Secretariat shall be actively involved in these external research projects.

8.6 The BCTL is responsible for procuring the resources that the IAB needs to fulfil its role, subject to Article 8.7 (PF Law §17.3). The Board will determine the terms of reference for procurement. The BCTL will undertake the procurement process applying its procurement policies on behalf of the Board and report its recommendations to the IAB. The Board members shall then decide whether or not to accept the BCTL's recommendations and then inform the BCTL on whether to proceed. Records of the IAB's procurement decisions and contracts will be maintained by the Secretary.

8.7 Where the Minister of Finance determines it is appropriate for an IAB funded project to be independent of operational management, the Minister of Finance may instruct for procurement to be undertaken by the Ministry of Finance and financed from the IAB's budget where the IAB formally agrees. The Ministry of Finance shall follow its procurement policies, and the IAB shall decide on whether to accept the Ministry of Finance's recommendations and then inform the Ministry.

8.8 The IAB may write to the Minister of Finance with any questions or concerns regarding procurement.

Article 9 Collaboration

9.1 Collaboration on investments between the Fund's institutions –the Ministry of Finance, the BCTL, and the IAB – is essential for the governance framework to be efficient and effective. Investment policies and the Operational Management Agreement shall set out processes to ensure sharing of relevant information and fostering a collaborative approach, while also taking into account the checks and balances in the Petroleum Fund Law.

Article 10 Capacity Development

10.1 Capacity development of staff in the Petroleum Fund's institutions is a critical objective of the Ministry of Finance.

10.2 Access to external managers allows the Fund's institutions to fulfil their roles and develop capacity. The BCTL shall arrange for regular presentations by the Fund's external managers to the Ministry of Finance and the IAB where possible. The BCTL shall also extend opportunities for training on investments by external managers to the Ministry of Finance staff and those representatives on the IAB who do not have extensive investment expertise.

10.3 Other joint training between the BCTL and Ministry of Finance will be arranged where appropriate.

10.4 The IAB may include capacity development in its annual plan and budget for members of its Secretariat and also for Board members who do not have extensive investment expertise.

Article 11 Independent reviews

11.1 The Ministry of Finance will coordinate periodic independent reviews of the Petroleum Fund. The report shall be to the Minister of Finance and shared with the BCTL and IAB.

Annex XIII: TLPF Implementation of the Santiago Principles

TIMOR-LESTE PETROLEUM FUND
IMPLEMENTATION OF THE GENERALLY ACCEPTED PRINCIPLES AND PRACTICES - "SANTIAGO PRINCIPLES"

Timor-Leste Petroleum Fund is an active member of the International Forum of Sovereign Wealth Funds (IFSWF) since 2009. The cornerstone of the IFSWF is the "Santiago Principles", 24 Generally Accepted Principles and Practices for sovereign wealth funds. The Santiago Principles are designed to promote good governance, accountability, transparency and prudent investment practices whilst encouraging a more open dialogue and deeper understanding of sovereign wealth fund activities.

All members of the IFSWF voluntarily endorse the Santiago Principles and seek to implement them in their governance and investment practices. The IFSWF's members regularly undertake a self-assessment of their adherence to the Santiago Principles. Timor-Leste Petroleum Fund has decided to conduct an annual review of the Santiago Principles' implementation, which is published in the Petroleum Fund Annual Report and on the IFSWF's website. The Ministry of Finance, the executive responsible for the overall management of the Petroleum Fund, has completed the fifteenth self-assessment of the Fund's adherence to the Santiago Principles and its results are presented in the table below. Key sources are identified for each principle. Reference is made throughout the document to the following formative documents, which are available on the Ministry of Finance's website https://www.mof.gov.tl/pagedetails/petroleum-fund-of-timor-leste.

The Petroleum Fund Law: Petroleum Fund Law No. 9/2005 of the 3rd of August as amended by the Law No. 12/2011 of the 28th of September.

The Petroleum Fund Operational Management Agreement (OMA) signed on 12 October 2005 and amended on 25 June 2009 between the Ministry of Finance and Timor-Leste's Central Bank ("BCTL" - Banco Central de Timor-Leste), the appointed Operational Manager of the Petroleum Fund.

The Petroleum Fund Law has been supplemented by amendments to the Petroleum Activities Law No. 13/2005 of the 2nd of September amended by the Law No. 6/2019 of the 4th of December.

The BCTL's website also provides a general overview of the Petroleum Fund and publishes the Petroleum Fund Monthly and Quarterly Reports along with the Annual Report, including audited financial statements.

https://www.bancocentral.tl/en/go/about-petroleum-fund

https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report

https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports

Information on the Petroleum Fund's Investment Advisory Board (IAB) and its advice are published in the Petroleum Fund Annual Reports that are available on both the Ministry of Finance and BCTL websites:

https://www.mof.gov.tl/pagedetails/petroleum-fund-of-timor-leste

https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports

https://www.bancocentral.tl/en/go/investment-advisory-board3

Principle	Implementation
I. Legal framework, objectives, and coordination with macroeconomic policies	
1. The legal framework for the SWF should be sound and support its effective operation and the achievement of its stated objective(s). 1.1. The legal framework for the SWF should ensure legal soundness of the SWF and its transactions. 1.2. The key features of the SWF's legal basis and structure, as well as the legal relationship between the SWF and other state bodies, should be publicly disclosed.	Timor-Leste Petroleum Fund ("the Fund") was established in 2005 to fulfil the requirement set by Article 139 of the Constitution of the Republic that mandates a fair and equitable use of the natural resources in accordance with national interests and the establishment of a mandatory financial reserve from the exploitation of these resources. Timor-Leste's National Parliament through the enactment of the Petroleum Fund Law established the legal framework for the Petroleum Fund. This was supplemented by amendments made to the Petroleum Activities Law. The Fund is formed as an account of the Ministry of Finance held in Timor-Leste's Central Bank ("BCTL" - Banco Central de Timor-Leste), rather than as a separate legal entity. The Petroleum Fund Law: – provides mechanisms that assist Timor-Leste to sustainably manage its petroleum revenues, – details the parameters for operating and managing the Petroleum Fund, – defines the asset allocation guidelines and risk limits, – governs the collection and management of the petroleum receipts, – regulates transfers to the State Budget, – defines the roles and responsibilities of the entities involved in the management of the Fund, and – provides for accountability and oversight of these activities. The Petroleum Fund Law requires the Ministry of Finance to enter into an agreement with the Operational Manager. The Operational Management Agreement (OMA) was signed between the Ministry of Finance and BCTL, the Operational Manager, on 12 October 2005 with the subsequent amendments to account for key changes made to the Fund's investment strategies. The agreement specifies key functions and competencies of the Ministry of Finance, the government's entity that is responsible for the overall management of the Fund, and the BCTL, which is responsible for the operational management of the Fund. *Sources: Petroleum Fund Law* *https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf* *https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf* *http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf* *Petroleum Activities Law* *https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/13_2005.pdf* *https://mj.gov.tl/jornal/public/docs/2019/serie_1/SERIE_I_NO_2_A.pdf* *Operational Management Agreement* *https://www.bancocentral.tl/en/go/other-regulatory-instruments*
2. The policy purpose of the SWF should be clearly defined and publicly disclosed.	The Petroleum Fund accumulates petroleum revenues from the extraction of natural resources. The preamble of the Petroleum Fund Law decrees that the purpose of establishing the Fund is to contribute to a prudent management of the petroleum resources for the benefit of both current and future generations. The Petroleum Fund is a tool that contributes to sound fiscal policy, where appropriate consideration and weight is given to the long-term interest of Timor-Leste's citizens. The Petroleum Fund finances the Government's expenditure and acts as a saving vehicle for future generations. Detailed information on the purpose of creating the Petroleum Fund is provided by the Ministry of Finance in the Fund's Annual Reports and regular public consultations. *Sources: Petroleum Fund Law* *https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf* *https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf* *http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf* *Petroleum Fund Annual Reports* *https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports* *https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report*
3. Where the SWF's activities have significant direct domestic macroeconomic implications, those activities should be closely	The Petroleum Fund is integrated into the State Budget. Transfers are made from the Petroleum Fund to the State Budget to finance the Government's budget deficit. Transfers are guided by the Estimated Sustainable Income (ESI), which is 3% of the sum of the value of the Fund's holdings and the net present value of expected petroleum revenue from proven reserves and approved development fields. The rationale for adopting the ESI

coordinated with the domestic fiscal and monetary authorities, so as to ensure consistency with the overall macroeconomic policies.	is to smooth the spending of temporarily high petroleum income, shield against the volatility of petroleum inflows, and safeguard the sustainable use of public finances. The Petroleum Fund's assets are invested primarily overseas in financial market instruments. Following amendments to the Petroleum Activities Law in 2019, the Fund can also be invested in petroleum operations in the national territory or abroad, subject to a 5% exposure limit. The Ministry of Finance is responsible for the overall management of the Petroleum Fund and also coordinates the preparation, discussion and execution of the Government's budget. *Sources: Petroleum Fund Law* *https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf* *https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf* *http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf* *Petroleum Activities Law* *https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/13_2005.pdf* *https://mj.gov.tl/jornal/public/docs/2019/serie_1/SERIE_I_NO_2_A.pdf* *Ministry of Finance Budget Books* *https://www.mof.gov.tl/pagedetails/budget-and-spending-documents*
4. There should be clear and publicly disclosed policies, rules, procedures, or arrangements in relation to the SWF's general approach to funding, withdrawal, and spending operations. 4.1. The source of SWF funding should be publicly disclosed. 4.2. The general approach to withdrawals from the SWF and spending on behalf of the Government should be publicly disclosed.	The Petroleum Fund Law clearly defines the methods of funding and withdrawals. All petroleum revenues initially enter the Fund before any transfers are made to the State Budget. The Petroleum Fund Law defines what constitutes Petroleum Fund receipts and sets out the mechanisms for handling these receipts. The returns on the Petroleum Fund's investments also contribute to the accumulation of the Fund's capital. The Petroleum Fund Law also sets out the requirements for withdrawals. The only permissible transfers out of the Petroleum Fund is to the State Budget, which requires Parliament's approval. The State Budget identifies the contribution made by the Fund to the Government's expenditure. Withdrawals are guided by the ESI (see GAPP 3). The National Parliament may approve an excess transfer above the ESI where justification is provided that it is in the long-term interest of Timor-Leste. Detailed information on petroleum receipts and transfers made to finance the Government's budget are publicly disclosed in the Petroleum Fund Annual Reports, Budget Reports prepared by the Ministry of Finance, and the Petroleum Fund quarterly and monthly reports from the BCTL. A complete list of all entities making payments to the Petroleum Fund is compiled by an external auditor and published annually both in the Petroleum Fund Annual Report (Annex XI – Compilation Report of Petroleum Receipts) and Timor-Leste's EITI (Extractive Industries Transparency Initiative) reports. Timor-Leste was accepted as an EITI compliant country on 1 July 2010. *Sources: Petroleum Fund Law* *https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf* *https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf* *http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf* *Petroleum Fund Annual and Quarterly Reports* *https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports* *https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report* *Ministry of Finance Budget Books* *https://www.mof.gov.tl/pagedetails/budget-and-spending-documents* *TL-EITI reports and website - www.eiti.gov.tl* *https://eiti.org/documents/timor-leste-2021-eiti-report*
5. The relevant statistical data pertaining to the SWF should be reported on a timely basis to the owner, or as otherwise required, for inclusion where appropriate in macroeconomic data sets.	Transparency is a fundamental principle of the Petroleum Fund Law. The Law sets out the requirements for all entities involved in the management of the Fund to provide and publish the reports pertaining to the activities of the Fund. The Ministry of Finance prepares and publishes the Petroleum Fund Annual Report along with the Petroleum Fund financial statements. The Law requires an international accredited auditor to issue and publish an annual

	audit report on the Fund's financial statements. The audited financial statements are submitted with the Government's national accounts to the National Parliament. The Ministry of Finance also prepares the State Budget for the National Parliament. The Budget reports the Estimated Sustainable Income (ESI), withdrawals in excess of the ESI, and other matters relevant to the Petroleum Fund. The BCTL, on a quarterly basis, provides reports to the Ministry of Finance on the Fund's performance and also publishes a monthly report on the Fund's performance on its own website. All information is publicly available on the MOF and BCTL websites. *Sources: Petroleum Fund Law* *https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf* *https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf* *http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf* *Petroleum Fund Annual, Quarterly and Monthly Reports* *https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports* *https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report* *Ministry of Finance Budget Books* *https://www.mof.gov.tl/pagedetails/budget-and-spending-documents*
II. Institutional Framework and Governance Structure	
6. The governance framework for the SWF should be sound and establish a clear and effective division of roles and responsibilities in order to facilitate accountability and operational independence in the management of the SWF to pursue its objectives.	The National Parliament of Timor-Leste established the Petroleum Fund Law, which defines the roles and responsibilities of the entities involved in the management of the Fund. The Minister of Finance is the executive of the Fund and responsible for the overall management of the Petroleum Fund. The Ministry of Finance sets the investment policy, enters into a management agreement with the Operational Manager, and monitors the Fund's performance. The Investment Advisory Board (IAB) provides independent advice to the Minister of Finance on the Fund's investment policy and management, including the investment mandates for the Fund. The BCTL, as Operational Manager, is responsible for the Fund's operations, including implementing the investment mandates set by the Ministry of Finance. The BCTL manages some of the portfolio internally and also contracts with external managers to manage and invest the Fund's assets and monitors their performance. The Ministry of Finance with support from the IAB undertook an independent review of the Petroleum Fund's governance structure, resources and investments in 2023. The review found that the Fund's governance, investment, operation and people models are robust, while identifying some areas for improvement. An overview of the review is provided in Box 1 of the Petroleum Fund Annual Report for 2023. The Ministry of Finance, in a collaboration with the BCTL and with the support from the IAB, completed the Governance Policy for the Fund in 2025. The policy defines the roles and responsibilities of the institutions involved in the Fund's management. It includes extracts from articles in the Petroleum Fund Law and provides clarification and additional details for the effective carrying out of the Law. The policy was endorsed by the IAB and approved by the Minister for the Fund-wide adoption and implementation. *Sources: Petroleum Fund Law, Operational Management Agreement* *https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf* *https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf* *http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf* *https://www.bancocentral.tl/en/go/other-regulatory-instruments*
7. The owner should set the objectives of the SWF, appoint the members of its governing body(ies) in accordance with clearly defined procedures, and exercise oversight over the SWF's operations.	The National Parliament, representing the people of Timor-Leste, sets the objectives of the Fund as outlined in the Petroleum Fund Law (see GAPP 1). The Law defines the broad asset allocation and risk limits. The Petroleum Fund Consultative Council (PFCC), a statutory body with broad representation, is appointed to advise the Parliament on matters relating to the Petroleum Fund's performance, operations, and withdrawals. The Ministry of Finance is responsible for the overall management of the Fund, which includes determining the investment policy in accordance with the provisions in the Law. The Ministry of Finance is required to present to the National Parliament the Fund's investment policy and any changes to its principal asset allocation that will materially impact on the overall level of risk. The Ministry of Finance sets the investment mandates, which reflect the acceptable level of risk, and also exercises oversight of the overall management of the Fund.

	The Minister of Finance receives independent advice from the Investment Advisory Board (IAB) on the investment strategy and management of the Fund. The Prime Minister appoints members of the IAB on the advice of the Ministry of Finance. The Timor-Leste Central Bank (BCTL) is the Operational Manager of the Fund. The BCTL's specific responsibilities are set out in an Operational Management Agreement with the Minister of Finance. This includes reporting requirements that allow the Ministry of Finance to exercise its oversight role. *Sources: Petroleum Fund Law, Operational Management Agreement* https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf https://www.bancocentral.tl/en/go/other-regulatory-instruments
8. The governing body(ies) should act in the best interests of the SWF, and have a clear mandate and adequate authority and competency to carry out its functions.	The National Parliament through the Petroleum Fund law sets the objective of the Fund, the broad asset allocation guidelines and the risk limits. It is assisted by the Petroleum Fund Consultative Council (PFCC). The Petroleum Fund Consultative Council (PFCC) seeks to safeguard the proper management of the Petroleum Fund. The Ministry of Finance has the authority to determine the strategy and policies to achieve the Petroleum Fund's objectives. The Minister of Finance is supported by the Petroleum Fund Policy and Management Office (PFPMO) at the Ministry of Finance. In carrying out his/her functions, the Minister of Finance is required to seek advice from the IAB. The Law requires that at least three of the IAB members have significant knowledge and experience in financial investment management. Further to the discussion in Principle 7, the Minister of Finance is accountable to the Parliament and is required to provide relevant reporting annually and whenever required. The BCTL, through the Operational Management Agreement, has been delegated the responsibility for operational management of the Fund. The agreement seeks to ensure that the BCTL acts in the best interests of the Fund and sets out the Operational Manager's responsibilities. *Sources: Petroleum Fund Law, Operational Management Agreement* https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf https://www.bancocentral.tl/en/go/other-regulatory-instruments *Petroleum Fund Annual Reports* https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report
9. The operational management of the SWF should implement the SWF's strategies in an independent manner and in accordance with clearly defined responsibilities.	The Petroleum Fund Law defines the roles and responsibilities of the Operational Manager, the BCTL. The BCTL's specific responsibilities are clearly set out in the Operational Management Agreement (OMA) with the Minister of Finance. The BCTL is delegated with authority to make decisions relating to the operational management of the Fund as set out in the OMA. The Operational Manager is able to deduct reasonable management expenses, in accordance with the OMA. *Sources: Petroleum Fund Law, Operational Management Agreement* https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf https://www.bancocentral.tl/en/go/other-regulatory-instruments
10. The accountability framework for the SWF's operations should be clearly defined in the relevant legislation, charter, other constitutive documents, or management agreement.	Accountability arrangements are detailed in the Petroleum Fund Law, the Operational Management Agreement, and the Governance Policy. The Ministry of Finance, on behalf of the Government, is accountable to the National Parliament and the general public. It reports to the Parliament on the performance of the Fund on an annual basis and is required to publish all advice received from the IAB in the Petroleum Fund Annual Report (Annex XII), or earlier upon request.

	The Operational Manager, the BCTL, is appointed by the Minister of Finance and is accountable to the Minister of Finance for operational management of the Petroleum Fund. The BCTL may appoint external investment managers subject to the Minister's consent. The BCTL reports to the Minister on the Fund's performance on a quarterly basis. These reports are published and available on the Central Bank's website. *Sources: Petroleum Fund Law, Operational Management Agreement* https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf https://www.bancocentral.tl/en/go/other-regulatory-instruments *Petroleum Fund Annual and Quarterly Reports* https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report
11. An annual report and accompanying financial statements on the SWF's operations and performance should be prepared in a timely fashion and in accordance with recognized international or national accounting standards in a consistent manner.	The Petroleum Fund Law requires the Government to prepare and submit to the Parliament an annual report of the Fund's operations and performance for the fiscal year, including financial statements prepared according to International Financial Reporting Standards (IFRS) and audited by an internationally recognized auditor, at the same time as the Government's annual financial accounts of that year. The Law identifies the minimum information that need to be disclosed in the Petroleum Fund Annual Report. The Petroleum Fund Law provides that the Director of Treasury of the Ministry of Finance is responsible for maintaining the Petroleum Fund accounts and records, and preparing financial statements, in accordance with the IFRS. Accounting and preparation of the financial statements is delegated to the BCTL as the Fund's Operational Manager. *Sources: Petroleum Fund Law, Operational Management Agreement* https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf https://www.bancocentral.tl/en/go/other-regulatory-instruments *Petroleum Fund Annual Reports and Financial Statements* https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report
12. The SWF's operations and financial statements should be audited annually in accordance with recognized international or national auditing standards in a consistent manner.	The Petroleum Fund Law requires the Fund's annual financial statements to be audited by an internationally recognized accounting firm. The international auditor is appointed by the Ministry of Finance and is subject to strict qualification criteria and a transparent selection process. The audited financial statements are submitted to the Parliament together with the Petroleum Fund Annual Report and the Government's financial accounts. The Petroleum Fund Law also requires the accounts, records and other documents relating to the Petroleum Fund to be internally audited every six months. This is undertaken by the BCTL's Internal Audit, which is independent of the investment management area. *Sources: Petroleum Fund Law, Operational Management Agreement* https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf https://www.bancocentral.tl/en/go/other-regulatory-instruments *Petroleum Fund Annual Reports and Financial Statements* https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report
13. Professional and ethical standards should be clearly defined and made known to the	Each of the institutions involved in the management of the Petroleum Fund has its own professional and ethical standards to ensure the soundness and integrity of the Fund's operations.

members of the SWF's governing body(ies), management, and staff.	The professional and ethical standards for the Ministry of Finance's staff are defined by the Public Service Law No. 8/2004, 16th of June, as amended by Law No.5/2009, 15th of July. All the staff of the Operational Manager are bound by the BCTL's Code of Conduct. The Petroleum Fund Law also requires members of the IAB before taking office to declare in writing that their appointment has no conflict with any personal or family interests. The IAB has established its own standards of conduct in its Operational Regulations, which include the requirement to disclose potential conflicts of interest. The Operational Regulations are published on the Ministry of Finance website. *Sources: Petroleum Fund Law, BCTL, MoF and Ministry of Justice websites* *Petroleum Fund Law* https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf *Civil Service Act* https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/8_2004.pdf https://mj.gov.tl/jornal/public/docs/2009/serie_1/serie1_no25.pdf *BCTL's Code of Conduct* https://www.bancocentral.tl/en/go/code-of-conduct *IAB Rules and Procedures* https://www.bancocentral.tl/en/go/rules
14. Dealing with third parties for the purpose of the SWF's operational management should be based on economic and financial grounds, and follow clear rules and procedures.	The BCTL's dealings with third parties as Operational Manager are based purely on economic and financial grounds and follow a clear established procedure. The Operational Management Agreement provides that the BCTL is responsible for the tendering and selection of external investment managers. The selection is based on the parameters for the investment mandate set by the Ministry of Finance. The Petroleum Fund Law also specifies the minimum requirements for the engagement of external managers. The Minister of Finance must be satisfied that each external investment manager has sufficient equity, guarantees and insurance; a sound record of operational and financial performance; and has business references and a reputation of the highest standard. The IAB advises the Minister on whether the BCTL's recommended managers are consistent with the objectives of the mandate. The BCTL is also responsible for tendering for other services, including the Petroleum Fund's custodian and procurement for the IAB. The BCTL's selection procedure is rigorous, fair and transparent and in compliance with the substantive provisions of Timor-Leste's laws. *Sources: Petroleum Fund Law, Operational Management Agreement* https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf https://www.bancocentral.tl/en/go/other-regulatory-instruments
15. SWF operations and activities in host countries should be conducted in compliance with all applicable regulatory and disclosure requirements of the countries in which they operate.	The Petroleum Fund Law requires the management of the Petroleum Fund to be conducted in compliance with all applicable regulatory and disclosure requirements of the countries in which the investments are made. *Source: Petroleum Fund Law* https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf *Petroleum Fund Annual Reports and Financial Statements* https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report
16. The governance framework and objectives, as well as the manner in which the SWF's	The Petroleum Fund's governance framework and objectives are established by the Parliament in the Petroleum Fund Law. The Operational Management Agreement and the Governance Policy provide details of the division of responsibilities between the Ministry of Finance and the BCTL, along with accountability arrangements.

management is operationally independent from the owner, should be publicly disclosed.	The Minister of Finance is required to seek advice from the IAB, an independent Board staffed by investment experts, before making any decision relating to the Fund's investment strategy and management. Information on the governance framework and objectives is detailed in the Petroleum Fund Law, the Governance Policy and published in the Petroleum Fund Annual Report. *Sources: Petroleum Fund Law, Operational Management Agreement* https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf https://www.bancocentral.tl/en/go/other-regulatory-instruments *Petroleum Fund Annual Reports* https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report
17. Relevant financial information regarding the SWF should be publicly disclosed to demonstrate its economic and financial orientation, so as to contribute to stability in international financial markets and enhance trust in recipient countries.	Information regarding the Petroleum Fund's asset allocation, its investment mandates and benchmarks and investment performance are published in the BCTL's quarterly performance reports and the Petroleum Fund's Annual Report and audited financial statements. A full list of the Petroleum Fund's holdings is provided in the Petroleum Fund financial statements, which are annexed to the Petroleum Fund Annual Report (Annex II – Audited Financial Statements). The reports are available on the Ministry of Finance and BCTL's websites. *Sources: Petroleum Fund Law, Operational Management Agreement Annex 1* https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf https://www.bancocentral.tl/en/go/other-regulatory-instruments *Petroleum Fund Annual and Quarterly Reports, Petroleum Fund Financial Statements* https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report
III. Investment and Risk Management Framework	
18. The SWF's investment policy should be clear and consistent with its defined objectives, risk tolerance, and investment strategy, as set by the owner or the governing body(ies), and be based on sound portfolio management principles. 18.1. The investment policy should guide the SWF's financial risk exposures and the possible use of leverage. 18.2. The investment policy should address the extent to which internal and/or external investment managers are used, the range of their activities and authority, and the process by which they are selected and their performance monitored. 18.3. A description of the investment policy of the SWF should be publicly disclosed.	The Fund's investment policy is directed by the provisions in the Petroleum Fund Law that define the asset allocation guidelines, eligible investments, concentration limits and investment principles, which include diversification and maximizing the risk-adjusted financial return. The Ministry of Finance, on behalf of the Government, determines the investment policy, which is designed to meet the investment objectives of the Fund after taking into account the risk preference of the Timor-Leste people and any constraints under which the Fund operates. The IAB advises the Minister of Finance on the investment strategy. The advice of the IAB is guided by its publicly disclosed Investment Beliefs and Principles. The investment policy is described in the Petroleum Fund Annual Report. Annex 1 of the Operational Management Agreement specifies the Fund's strategic asset allocation and benchmark portfolio, the parameters for each of the investment mandates and where derivatives are permissible. The Minister of Finance, with advice from the IAB, determines whether a mandate will be internally or externally managed. The Ministry of Finance monitors the internally managed mandates. The selection process for external investment managers is undertaken by the BCTL as Operational Manager and is based on professional and commercial criteria. The external managers are given clearly defined mandates, including expected performance, risk and fees. Their performance is monitored by the BCTL. *Sources: Petroleum Fund Law, Operational Management Agreement* https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf https://www.bancocentral.tl/en/go/other-regulatory-instruments *Petroleum Fund Quarterly and Annual Reports*

	https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report
19. The SWF's investment decisions should aim to maximize risk-adjusted financial returns in a manner consistent with its investment policy, and based on economic and financial grounds. 19.1. If investment decisions are subject to other than economic and financial considerations, these should be clearly set out in the investment policy and be publicly disclosed. 19.2. The management of an SWF's assets should be consistent with what is generally accepted as sound asset management principles.	The Petroleum Fund Law provides that the investment policy shall apply the principles of diversification with the objective of maximizing risk-adjusted financial returns after taking into account the Fund's purposes, its operational constraints and ability to bear risk. The Petroleum Fund's investments in offshore financial market instruments are assessed purely on these financial grounds and comply with sound portfolio management practices. The Petroleum Fund Law requires the Fund's assets to be invested in deposits with highly-rated institutions, investment grade bonds, and listed equities. The Petroleum Activities Law allows for the Petroleum Fund to invest in petroleum operations in national territory or overseas, subject to a 5% exposure limit. The investment in petroleum operations in 2019 followed the Petroleum Activities Law, and represents an exception to the general rules in the Petroleum Fund Law. In addition to financial considerations, national economic development objectives and social benefits were accounted for in the investment decision. The rules and criteria governing the investment are published and the Minister was required to present the proposed allocation to National Parliament. Since 2021, the Fund's financial market investments have been segmented into a Liquidity and Growth Portfolio to manage investment risk during the Fund's decumulation phase. The Liquidity Portfolio is intended to finance the State Budget over a three year period and is invested in low risk and highly liquid assets. The Growth Portfolio is the longer-term segment of the Fund and seeks to earn higher returns through an allocation to equities, with the remainder in fixed interest. The Ministry of Finance is required to present to the Parliament a summary of the new investment policy prior to making changes to the Fund's principal asset allocation. *Sources: Petroleum Fund Law* https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf *Petroleum Activities Law* https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/13_2005.pdf https://mj.gov.tl/jornal/public/docs/2019/serie_1/SERIE_I_NO_2_A.pdf *Petroleum Fund Annual Reports* https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report
20. The SWF should not seek or take advantage of privileged information or inappropriate influence by the broader Government in competing with private entities.	Most of the Fund's assets are invested in offshore financial markets that are regulated and transparent. The Fund does not have access to privileged information nor is there influence exerted from the Government in competing with private entities. The objective of the Petroleum Fund's investment in petroleum operations in 2019 is to facilitate the development of a national petroleum industry. It is expected that its contribution to national economic development will in turn encourage private investment in Timor-Leste.
21. SWFs view shareholder ownership rights as a fundamental element of their equity investments' value. If an SWF chooses to exercise its ownership rights, it should do so in a manner that is consistent with its investment policy and protects the financial value of its investments. The SWF should publicly disclose its general approach to voting securities of listed entities, including the key factors guiding its exercise of ownership rights.	The BCTL, as Operational Manager, exercises the Petroleum Fund's shareholder ownership rights by engaging the Institutional Shareholder Services (ISS) proxy voting service.
22. The SWF should have a framework that identifies, assesses, and manages the risks of its operations.	The Petroleum Fund Law requires the Ministry of Finance and the Operational Manager to develop and maintain policies, systems and procedures to ensure that the risks associated with the implementation of the investment strategy are identified, monitored and managed.

22.1. The risk management framework should include reliable information and timely reporting systems, which should enable the adequate monitoring and management of relevant risks within acceptable parameters and levels, control and incentive mechanisms, codes of conduct, business continuity planning, and an independent audit function. 22.2. The general approach to the SWF's risk management framework should be publicly disclosed.	The BCTL has developed an operational risk management framework for the Petroleum Fund. This includes a risk register that identifies the responsible section for each risk and the associated internal controls. The BCTL's Internal Audit area, which is independent from its investment management area, monitors and ensures that procedures are being followed and there is an effective framework in place. All the staff of the BCTL are bound by its Code of Conduct. The financial risk in the Petroleum Fund's strategy is embedded in the Fund's investment policy that is set by the Ministry of Finance, specifically the parameters for the global mandate and the investment mandates included in Annex 1 of the Operational Management Agreement. The appropriate level of financial risk is assessed during regular asset allocation reviews. The Ministry of Finance is required to present the investment policy to the Parliament on an annual basis as part of the Petroleum Fund Annual Report or prior to making any changes to the Fund's principal asset allocation. The BCTL manages the global mandate, which is comprised of individual mandates with specific allocations. There is periodic rebalancing of the Growth Portfolio and transfers from the Growth Portfolio to the Liquidity Portfolio. The BCTL also monitors the compliance of the external managers with their risk targets. The BCTL reports on compliance to the Ministry of Finance in the quarterly performance report. The Ministry of Finance monitors the Fund's performance including its risk exposure through the BCTL's quarterly performance reports. The Ministry of Finance reports to the Parliament on an annual basis through the Petroleum Fund Annual Reports. *Sources: Petroleum Fund Law, Operational Management Agreement* https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf https://www.bancocentral.tl/en/go/other-regulatory-instruments https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf *Petroleum Fund Annual and Quarterly Reports* https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report
23. The assets and investment performance (absolute and relative to benchmarks, if any) of the SWF should be measured and reported to the owner according to clearly defined principles or standards.	The Petroleum Fund Law requires the Operational Manager, the BCTL, to report to the Ministry of Finance on a quarterly basis the performance and activities of the Petroleum Fund relative to the benchmarks. Performance reporting is prepared by the Fund's custodian, JP Morgan, in compliance with the Global Investment Performance Standards (GIPS) methodology. The quarterly report is published within 40 days after the end of every quarter. Both BCTL and MOF take further initiative to have a face-to-face press conference with relevant stakeholders to coincide with the release of the Petroleum Fund quarterly report. *Sources: Petroleum Fund Law* https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf *Petroleum Fund Annual and Quarterly Reports* https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report https://www.mof.gov.tl/eventdetails/petroleum-fund-performance-in-the-first-quarter-2023
24. A process of regular review of the implementation of the GAPP should be engaged in by or on behalf of the SWF.	The Ministry of Finance intends to review the Petroleum Fund's implementation of the Santiago Principles annually and publish the results of the self-assessment in the Petroleum Fund Annual Report. This is the fifteenth review. The Petroleum Fund conducted its first review in 2010. *Source: Petroleum Fund Annual Reports* https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report

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