



## PETROLEUM FUND QUARTERLY REPORT

Quarter ended 31 March 2014

### PRESS RELEASE

The Banco Central de Timor-Leste (BCTL) today released the Quarterly Report of the Petroleum Fund of Timor-Leste for the period ended 31 March 2014. The report shows that the capital of the fund as of 31 March 2014 was \$ 15.7 billion compared to \$ 14.9 billion at the end of the previous quarter.

The report shows that the gross capital inflows during the quarter were \$ 543.65 million, consisting of \$ 231.18 million as contributions of taxpayers to the Fund, and royalty contributions from the NPA (National Petroleum Authority) of \$ 312.47 million.

The gross investment income of the Fund was \$179.82 million of which the dividend and interest received was \$87.38 million and the change in the market valuation of its financial assets was \$92.44 million. This resulted in a portfolio return of the Fund for the quarter of 1.15%, while the benchmark return for the period was 1.16 %.

The Petroleum Fund law specifies that the Operational Manager (Banco Central de Timor-Leste) is the agent responsible for the operational management of the Fund. The Ministry of Finance is responsible for setting the overall investment strategy for the Fund.

Following Minister's decision to progressively increase the equity exposure to 40% by 30 June 2014, the existing equities managers' exposure had been increased to 38% by the end of March 2014.

The Banco Central de Timor-Leste has managed the portfolios close to the benchmark over the first 35 quarters. The difference in return between the total portfolio and the benchmark since the inception of the fund was 3 basis points (0.03%).

Highlights of the XXXV Quarterly Report, which covers the period from 1 January to 31 March 2014, include:

- The capital of the Fund grew from US\$ 14.9 billion to US\$ \$ 15.7 billion.
- Gross cash inflows to the fund from royalties and taxes were US\$ 543.65 million.
- Cash outflows were US\$ 3.13 million for direct external and internal management costs.
- Net cash inflows during the period were US\$ 540.52 million.
- The portfolio return in the quarter was 1.15 % compared with the benchmark return of 1.16%.

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- Investment income during the quarter was US\$ 179.82 million consisting of interest income US\$ 87.38 million and market revaluations US\$ 92.44 million.

The quarterly reports, as well as the Petroleum Fund Law and Management Agreement, are available from the Banco Central's website [www.bancocentral.tl](http://www.bancocentral.tl).

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Dili, 9 May 2014 .