



PETROLEUM FUND QUARTERLY REPORT

Quarter ended 31 December 2016

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 December 2016. The report shows that the capital of the fund as of 31 December 2016 was \$15.84 billion compared to \$16.60 billion at the end of the previous quarter.

The report shows that the gross capital inflows during the quarter were \$36.21 million, consisting of \$10.14 million of contributions from taxpayers to the Fund, and royalty contributions from the National Petroleum Authority of \$26.07 million.

The investment income of the Fund for the quarter was -\$197 million comprising dividends and interest received was \$76.93 million, change in the market value of financial assets was -\$27.91 million, and FX was -\$242.64 million. This represented a portfolio return of the Fund for the quarter was -1.14% while the benchmark return for the period was -1.41%.

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.

The Banco Central de Timor-Leste has managed the portfolio close to the benchmark over the period. The difference in return between the total portfolio and the benchmark since the inception of the fund is 8 basis point or 0.08 percent.

Highlights of the XLVI Quarterly Report, which covers the period from 1 October 2016 to 31 December 2016 include:

- The capital of the Fund at 31 December 2016 was \$15.84 billion.
- Gross cash inflows to the fund from royalties and taxes were \$36.21 million.
- Cash outflows were \$601.91 million of which \$600 million was transferred to the State Budget and \$1.91 million was for management costs.
- Net cash inflows during the period were -\$565.69 million.
- The portfolio return in the quarter was -1.14% compared with the benchmark return of -1.41%.

The Quarterly report, as well as the Petroleum Fund Law and Management Agreement, are available from the Banco Central's website <https://www.bancocentral.tl>

Dili, 01 February 2017

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Petroleum Fund Management

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