

Petroleum Fund of Timor-Leste

Quarterly Report

30 September 2023

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INTRODUCTION

This report is produced in accordance with Article 13 of the Petroleum Fund Law which requires the Central Bank to report on the performance and activities of the Petroleum Fund of Timor-Leste, referred to in this report as the Fund unless the context suggests otherwise.

All monetary references in this report are to United States dollars as the official currency of Timor-Leste.

While every effort has been made to ensure accuracy, the information is based on management and custodial reports and has not been independently audited and is subject to change, in which case the changes will be incorporated into subsequent reports.

EXECUTIVE SUMMARY

The Petroleum Fund was formed by the enactment of the Petroleum Fund Law Promulgated on 3 August 2005 as amended on 28 September 2011. The law gives the Central Bank of Timor-Leste the responsibility for the operational management of the Fund.

This report covers the period from 01 July to 30 September 2023.

Key statistics for the quarter include:

- The capital of the Fund at the end of the Current quarter was \$17.521 billion while the previous quarter was \$18.076 billion.
- Gross cash inflows to the fund from royalties and taxes were \$57.054 million.
- Outflow for the quarter were \$304.225 million, being transfers to the state budget of \$300 million while \$4.225 million was for management costs.
- The profit and loss for the quarter was -\$312.250 million, representing a gross of fees return of -1.21%. The return on financial market investments was -1.30% compared with the benchmark return of -1.44%.

The Fund performance for the quarter, including the performance of the relative asset classes, was as follows:

Table 1

%	QTR	FYTD	1 Year	3 Years	5 years	Since Inc
Total Fund	-1.21	3.76	6.14	1.15	3.41	4.00
Benchmark	-1.33	3.74	7.19	1.09	3.33	3.94
<i>Excess</i>	<i>0.13</i>	<i>0.02</i>	<i>-1.05</i>	<i>0.07</i>	<i>0.08</i>	<i>0.06</i>
Financial Market Investments	-1.30	3.82	7.21	1.44	3.62	4.06
Benchmark	-1.44	3.73	7.06	0.81	3.20	3.90
<i>Excess</i>	<i>0.14</i>	<i>0.09</i>	<i>0.15</i>	<i>0.62</i>	<i>0.43</i>	<i>0.15</i>
Investment in Petroleum Operations	0.00	0.00	0.00	-6.45	n.a	-2.95
Benchmark	1.11	3.35	4.50	4.50	n.a	4.50
<i>Excess</i>	<i>-0.15</i>	<i>-2.07</i>	<i>-23.52</i>	<i>-10.95</i>	<i>n.a</i>	<i>-7.45</i>

Table 2

%	QTR	FYTD	1 Year	3 Years	5 years	Since Inc
Total Financial Market Investments	-1.30	3.82	7.21	1.44	3.62	4.06
Benchmark	-1.44	3.73	7.06	0.81	3.20	3.90
<i>Excess</i>	<i>0.14</i>	<i>0.09</i>	<i>0.15</i>	<i>0.62</i>	<i>0.43</i>	<i>0.15</i>
Liquidity Portfolios	1.19	3.11	4.00	n.a	n.a	0.96
Benchmark	1.18	3.17	3.97	n.a	n.a	1.02
<i>Excess</i>	<i>0.01</i>	<i>-0.06</i>	<i>0.03</i>	<i>n.a</i>	<i>n.a</i>	<i>-0.06</i>
Growth Portfolios	-1.87	4.04	7.94	n.a	n.a	-2.78
Benchmark	-1.93	4.01	8.34	n.a	n.a	-2.90
<i>Excess</i>	<i>0.06</i>	<i>0.03</i>	<i>-0.40</i>	<i>n.a</i>	<i>n.a</i>	<i>0.11</i>

1. INVESTMENT MANDATE

A revised Management Agreement between Ministry of Finance and the Central Bank was signed on 25 June 2009. The Annexes of the Management Agreement was subsequently amended to reflect the actual investments.

From 1 November 2020, the Private Debt Instrument is separated from the financial market investments portfolio. From 1 July 2021, the Financial Market Investment portfolio is segmented into the Liquidity Portfolio and the Growth Portfolio. The benchmarks of the Total Fund and Financial Market Investment as of September 2023 were as follows:

Table 3

Mandates	Jul-23	Aug-23	Sep-23
Total Fund	100%	100%	100%
Investment in Petroleum Operations	3.13%	3.14%	3.20%
Financial Market Investment	96.87%	96.86%	96.80%
Total Financial Market Investment	100%	100%	100%
Liquidity Portfolio	18.00%	18.28%	18.68%
Growth Portfolio	82.00%	81.72%	81.32%
Total Liquidity Portfolio	100%	100%	100%
USD Cash	76.29%	80.64%	80.72%
US Government Short-term Treasury Notes	23.71%	19.36%	19.28%
Total Growth Portfolio	100%	100%	100%
US Government Treasury Notes 3-5 Years	35.00%	35.00%	35%
US Government Treasury Notes 5-10 Years	10.00%	10.00%	10%
Global Developed Market Sovereign Bond, Hedged	10.00%	10.00%	10%
US Treasury Inflation Protected Securites 1 - 10 Years (FT)	5.00%	5.00%	5%
US Treasury Inflation Protected Securites 1 - 10 Years (BR)	5.00%	5.00%	5%
Developed Market Equities	35.00%	35.00%	35%

2. MARKET TRENDS DURING THE QUARTER

Global Macroeconomic Trends

1) Labour Market

- US: Economic activity remained robust with core retail sales and industrial production both growing by 1% (m/m) in July. However, the unemployment rate unexpectedly rose to 3.8% in August, indicating potential challenges in the labor market.
- Europe: The UK economy expanded by a modest 0.2% in the second quarter. However, the Composite PMI fell into “contraction” territory in August (47.9), while the euro area PMI contracted at a faster pace (47.0), suggesting softening business conditions.

2) Global Growth and Inflation

- US: Headline inflation moved higher in July, reaching 3.2% (y/y), but core inflation edged lower to 4.7%. This suggests that while overall prices are rising, the increase is less pronounced when excluding volatile items like food and energy.
- Europe: Inflation in the euro area mostly continued to ease with both headline and core inflation at 5.3% in August. The UK's headline inflation rate decreased sharply to 6.8% in July, while core inflation remained at 6.9%.
- Rest of the World: China's economic slowdown persisted with retail sales and industrial production decelerating in July. The headline inflation rate in China slipped into deflation in July, falling to -0.3%, though core inflation accelerated to 0.8%. In Japan, core inflation edged up to 4.3% in July.

3) Global Fiscal and Monetary Policy

- US: Fitch downgraded the US' long-term credit rating to AA+, citing a deterioration in fiscal conditions and governance standards. At the annual Jackson Hole Summit, the Federal Reserve emphasized a 'higher for longer' approach, not ruling out further rate hikes.

- Europe: The Bank of England increased its base rate by 25bps to 5.25%, indicating a more hawkish stance to control inflation. The European Central Bank is expected to make its next move, with an interest rate-setting meeting scheduled soon.
- Rest of the World: China's People's Bank of China (PBoC) cut its Medium-Term Lending Facility Rate by 15bps to 2.5%, marking its second cut in two months, in response to the economic slowdown.

Global Equity Market Trends

1) MSCI World Index

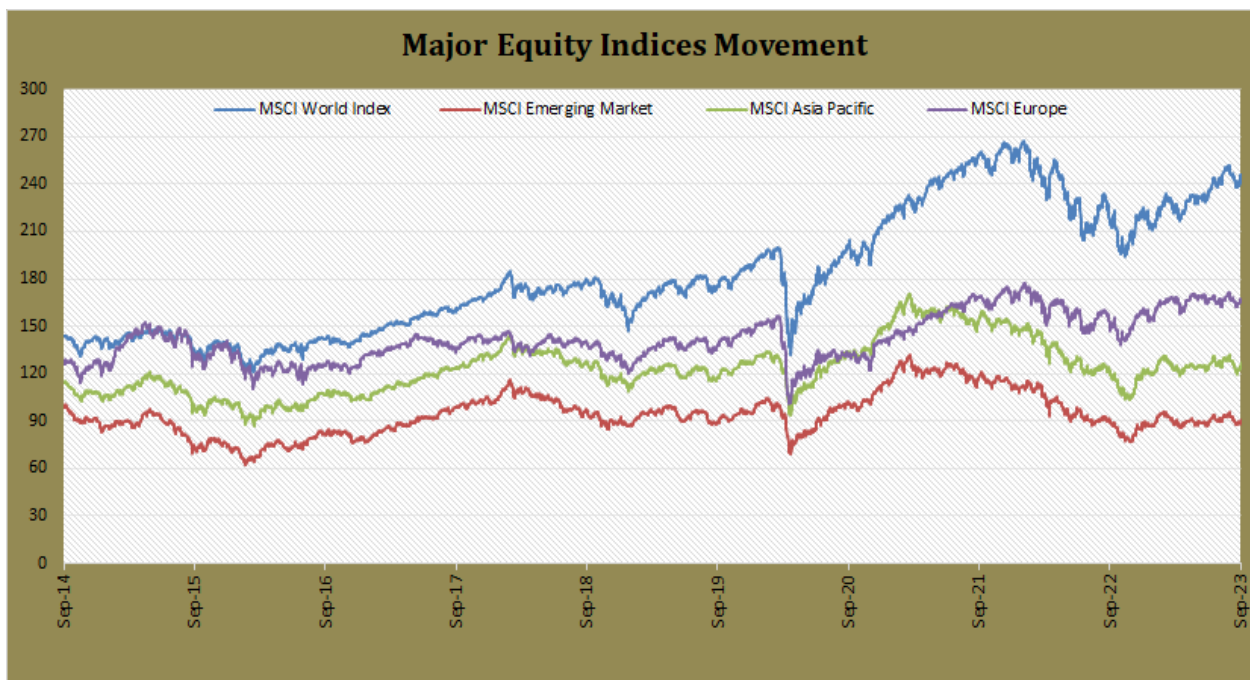
- The MSCI World Index faced headwinds during Q3, reflecting the broader challenges in global equities. The index, which tracks large and mid-cap stocks across 23 developed markets, experienced volatility driven by concerns over inflation, central bank policy shifts, and geopolitical tensions. Despite these challenges, certain sectors within the index showed resilience, benefiting from the ongoing global economic recovery.

2) Value stocks vs. Growth stocks

- Value stocks outperformed growth stocks in several major markets during the quarter. This trend was particularly evident in regions like Europe and Japan, where traditional industries and sectors saw a resurgence in investor interest. On the other hand, growth stocks, especially those in the tech sector, faced headwinds due to market corrections and valuation concerns.

3) Performance of Equity Factors

- Among the equity factors, Value and Quality factors showed strong performance during the quarter, benefiting from the rotation away from high-growth tech stocks. Momentum and Low Volatility factors faced challenges, reflecting the broader market's risk-off sentiment and increased volatility.

Graph 01 Major Equity Indices Movement (USD)**Global Treasury Bonds include U.S Treasuries****1) Global Sovereign Bonds – Developed Markets only**

- During the third quarter, global government bond yields, led by the US, peaked in September before slightly retreating at the quarter's end. The rise in yields was primarily driven by concerns over rising US debt issuance and the anticipation of a longer period of elevated rates. The US 10-year yield rose from 3.81% to 4.57%, while Germany's 10-year yield increased from 2.39% to 2.84%. Despite the rise in yields, corporate bond markets outperformed government bonds, with spreads narrowing across both investment grade (IG) and high yield (HY). European credit, in particular, outperformed the US, with Euro IG witnessing the slowest quarter for net issuance in a decade.

2) US Treasury Market including Treasury Inflation-Protected Securities

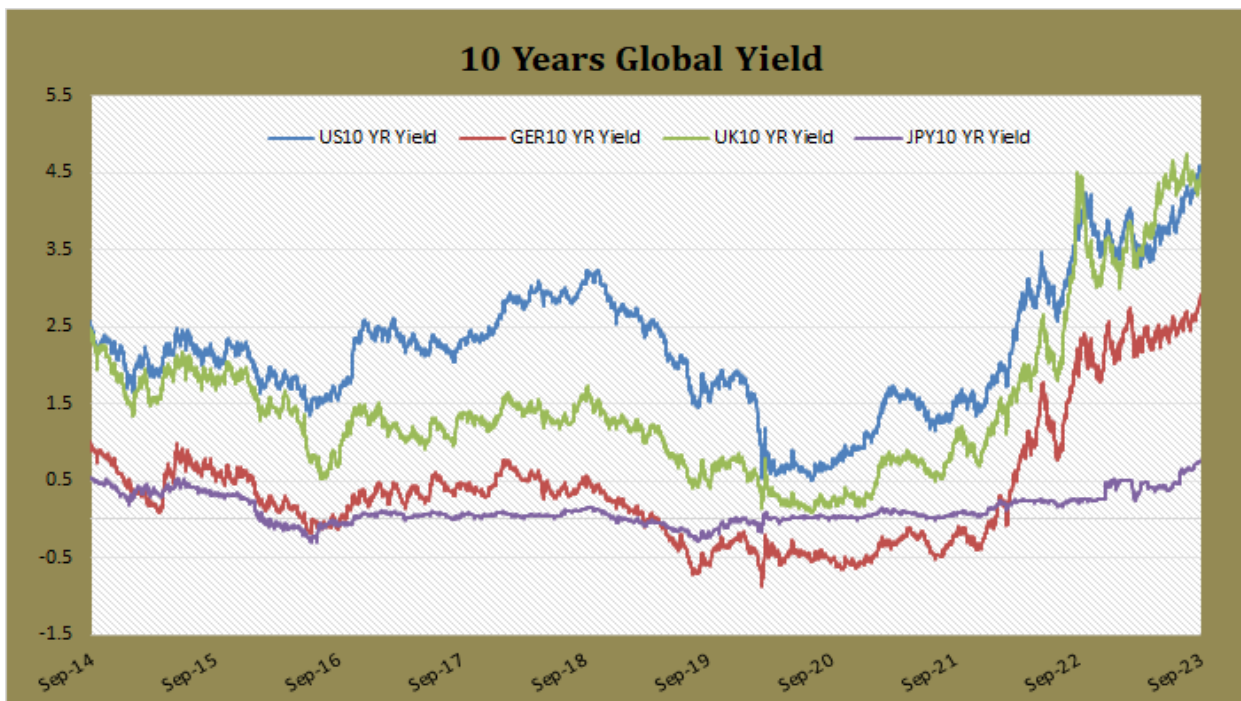
- US equities weakened in Q3, with investors initially optimistic about the Federal Reserve's approach to the economy. However, this optimism faded as the prospect of a sustained period of higher rates became more apparent. This was further emphasized by a revised Fed “dot plot” which illustrated a higher median rate for 2024 (5.1% vs 4.6%). Despite the Federal Reserve and the Bank of England keeping rates steady in September, the market anticipates a longer period of elevated rates. This anticipation was a key driver of higher yields over the quarter. The US 10-year yield rose significantly, and the two-year yield also saw an increase. The US dollar strengthened against major currencies, reflecting the positive growth momentum.

3) US Yield Curve

- The yield curve steepened during the quarter, indicating a shift from its previously inverted state. This means that the difference between short-term and long-term rates narrowed, reflecting the market's anticipation of higher interest rates in the future. The steepening of the yield curve can also be attributed to the Federal Reserve's stance on monetary policy, with indications of potential rate hikes in the near future. The yield curve's movement is crucial for investors as it provides insights into future economic conditions and potential shifts in monetary policy.

In summary, the third quarter saw significant movements in global sovereign bonds, particularly in the US Treasury market. The anticipation of higher interest rates, coupled with economic data and central bank policies, played a pivotal role in shaping the bond market's performance. Investors will be closely monitoring central bank decisions, inflation data, and other macroeconomic indicators in the coming months to gauge the future direction of interest rates and bond yields.

Graph 02. 10 Years Global Yield



3. MANAGEMENT DURING THE QUARTER

Objectives

The Central Bank, as operational manager of the Fund, has implemented the investment mandates through a combination of internal and external management.

The following table shows how the investment mandates have been implemented.

Table 4

Mandate	Management Style	Authorised Managers	Tracking Error	Outperformance Target	Commencement date
Liquidity Portfolio					
3 Month USD Treasury Bills/Cash	Passive	BCTL	n/a	Nil	August-18
BOA Merrill Lynch 1-3 Years US Treasury Bond Index					July-21
Growth Portfolio					
BOA Merrill Lynch 3-5 Years US Treasury Bond Index	Passive	BCTL	0.25%	Nil	January-12
BOA Merrill Lynch 5-10 Years US Treasury Bond Index			0.50%		May-20
Global Developed Market Sovereign Bond, Hedged	Enhanced Passive	BIS	0.50%	0.15%	April-20
US TIPS Treasury Bonds 1 - 10 Years	Enhanced Passive	Franklin Templeton	0.50%	0.20% to 0.25%	April-23
US TIPS Treasury Bonds 1 - 10 Years		Barings			April-23
MSCI World Index ex Australia Net Dividends Reinvested	Equity Factor	Schroders	3.0%	Nil	August-19
		SSgA			
MSCI World Index ex Australia Net Dividends Reinvested	Passive	SSgA	0.35%	Nil	January-12
		BlackRock			February-13
MSCI Australia	Passive	BCTL	0.50%	Nil	July-16
Alternative		BCTL	n/a		April-19

Operational Implementation

The actual allocation of the capital of the Fund to the various mandates as at the end of the quarter was as follows:

Table 5

Mandates	Actual weight in FMI		
	Jul-23	Aug-23	Sep-23
Total Financial Market Investment	100%	100%	100%
Total Liquidity Portfolio	18.00%	18.28%	18.68%
BCTL 3 Month US Treasury Bill Index	13.73%	14.74%	15.08%
BCTL 1-3 year US Treasury Bonds Index	4.27%	3.54%	3.60%
Total Growth Portfolio	82.00%	81.72%	81.32%
Total Fixed Income	51.07%	51.33%	51.64%
BCTL 3-5 year US Treasury Bonds	27.45%	27.63%	27.90%
BCTL5-10 year US Treasury Bonds	7.83%	7.84%	7.80%
BIS Global Developed Market Sovereign Bond, Hedged	7.89%	7.95%	7.97%
US TIPS Treasury Bonds 1 - 10 Years	7.90%	7.91%	7.97%
Total Global Equities	30.92%	30.40%	29.69%
SSGA Equity Factor	3.82%	3.75%	3.68%
Schroders Equity Factor	3.89%	3.85%	3.77%
SSGA International Equity Passive	9.32%	9.16%	8.93%
BlackRock International Equity Passive	13.20%	12.97%	12.64%
BCTL Australia Equities Passive	0.70%	0.67%	0.67%

4. PORTFOLIO PERFORMANCE

This section contains a number of tables and charts describing the performance of the Petroleum Fund.

The following notes are intended to assist in interpreting this information:

- The percentage figures show the return of the Fund, or a part of it, which is compared with the performance of the corresponding benchmark. The benchmark represents the investment strategy established by the Minister and is used as a goal against which the

performance of the actual investments is measured. The Minister's benchmarks for the Petroleum Fund are described earlier in this report.

- The excess is the difference (which may be negative) between the benchmark and the portfolio being measured. In general a portfolio and its benchmark will respond in a similar manner to movements in the financial markets. The excess occurs because the benchmark does not recognize transaction costs, and because the actual portfolio usually contains a different mix of financial instruments to the benchmark.

Global Portfolio

In the course of the quarter the Petroleum Fund balance was \$17.520 billion as follows, which has been adjusted with the D&P valuation reports of 2022:

Table 6	
Capital Account	\$'000
Opening book value (01 June 2023)	18,075,836
Receipts during the period	57,055
Transfer to General State Budget	-300,000
Investment Return	-312,250
Closing book value (30 September 2023)	17,520,642

The Fund was invested as follows:

Table 7	
Assets	\$'000
Cash and Cash Equivalents	4,523,976
Other Receivables	9,076
Financial assets held at fair value through profit or loss	14,737,794
Less:	
Payable for Securities Purchased	(1,746,361)
Accounts Payable	(3,843)
Total	17,520,642

The income for the quarter was as follows:

Table 8

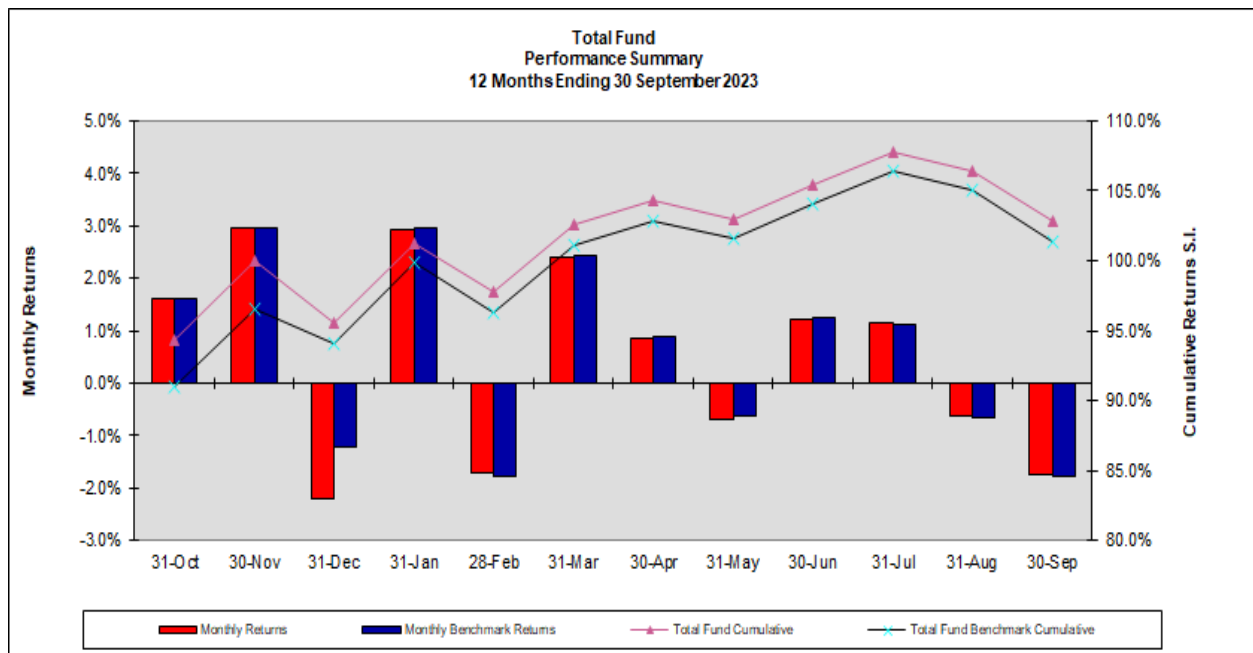
Income	\$'000
Interest income	90,320
Dividend income	24,155
Unit Trust distributions	839
Other Investment income	6,400
Net gains/(losses) on Financial Assets at fair value	-426,985
Net foreign exchange gains/(losses)	-1,879
Less:	
External manager, custody fees	-1,688
Central Bank management expenses	-2,449
IAB Expenses	-51
Other expenses	-36
Withholding taxes	-876
Total Investment Income	-312,250

The following notes are intended to assist in interpreting this information:

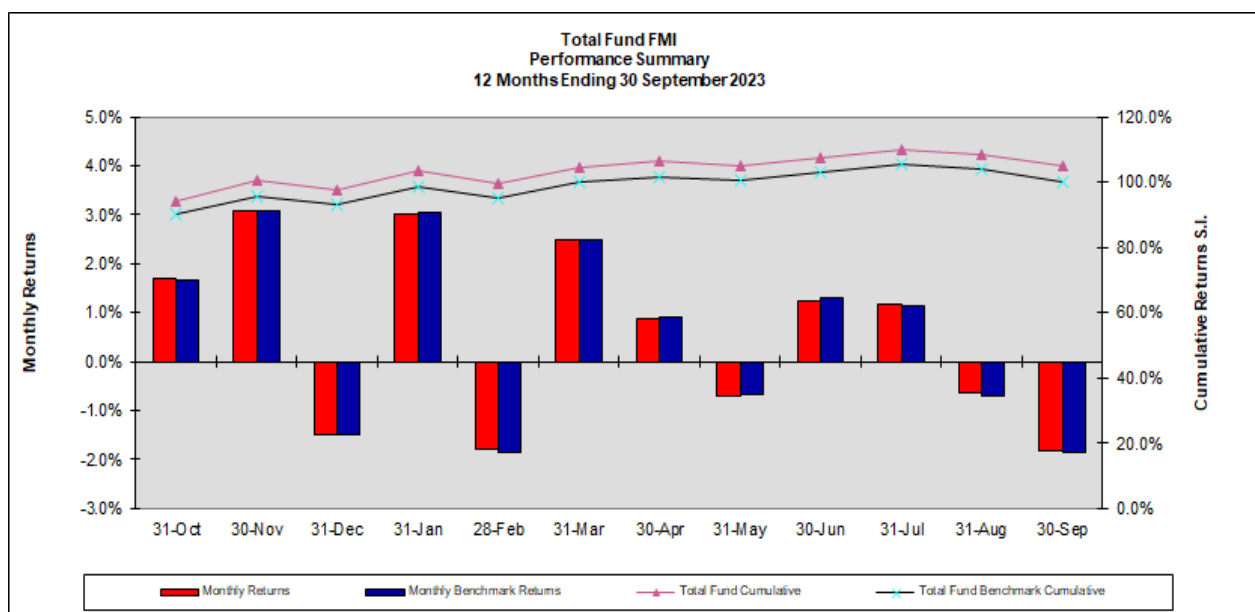
- Unit trust distribution is the income received from listed property investment entities.
- Other expenses relate to derivative trading costs which are deducted directly from the Fund.

The global Fund Performance of absolute and benchmark over the same period are shown in the following graph.

Graph 03 Total Fund Performances



Graph 04 Total Financial market Investments Performance



Liquidity Portfolio

The performance of the investments in the short-term liquidity portfolio for the quarter, including the performance of the managers responsible for those investments, was as follows:

Table 9

	%	Qtr	FYTD	1 Year	3 Years	5 Years	Since Inc
Liquidity Portfolio		1.19	3.11	4.00	n.a	n.a	0.96
Benchmark		1.18	3.17	3.97	n.a	n.a	1.02
<i>Excess</i>		0.01	-0.06	0.03	n.a	n.a	-0.06
BCTL Cash Management		1.33	3.58	4.63	1.36	1.42	1.39
ICE BoA ML 3 Month US Treasury Bill Index		1.31	3.60	4.47	1.70	1.74	1.53
<i>Excess</i>		0.01	-0.02	0.16	-0.34	-0.31	-0.14
BCTL ML 1-3 Year US Treasury Index		0.73	1.54	2.27	n.a	n.a	-0.90
BoA Merrill Lynch 1-3 Years US Treasury Note Index		0.74	1.72	2.47	n.a	n.a	-1.21
<i>Excess</i>		-0.01	-0.18	-0.20	n.a	n.a	0.31

Growth Portfolio

The performance of the investments in global developed market bonds and equities for the quarter, including the performance of the managers responsible for those investments was as follows:

Table 10

	Qtr	FYTD	1 Year	3 Years	5 Years	Since Inc
Growth Portfolio	-1.87	4.04	7.94	n.a	n.a	-2.78
Benchmark	-1.93	4.01	8.34	n.a	n.a	-2.90
<i>Excess</i>	0.06	0.03	-0.40	n.a	n.a	0.11
International Fixed Interest	-1.04	0.27	1.36	-3.78	0.11	1.75
Benchmark	-1.07	0.16	1.25	-3.82	0.20	1.76
<i>Excess</i>	0.03	0.11	0.11	0.04	-0.09	-0.01
BCTL 3-5 year US Treasury Bonds	-0.49	0.50	1.77	-3.19	0.67	0.79
BoA Merrill Lynch 3-5 Years US Treasury Passive	-0.55	0.33	1.62	-3.24	0.70	0.78
<i>Excess</i>	0.06	0.18	0.16	0.04	-0.02	0.01
BCTL 5-10 year US Treasury Bonds	-2.86	-1.29	0.09	-6.14	n.a	-5.47
BoA Merrill Lynch 5-10 Years US Treasury Passive	-3.06	-1.70	-0.54	-6.38	n.a	-5.64
<i>Excess</i>	0.21	0.41	0.63	0.24	n.a	0.17
BIS Global Treasury Developed Marked Hedged	-1.19	1.30	1.23	-4.41	n.a	-3.58
Global Treasury Developed Market - Hedged	-1.40	1.23	1.25	-4.65	n.a	-3.81
<i>Excess</i>	0.22	0.06	-0.02	0.24	n.a	0.23
Barings LLC 1-10 Years US TIPS	-1.00	n.a	n.a	n.a	n.a	-2.65
US 1-10 years Tips	-1.00	n.a	n.a	n.a	n.a	-2.60
<i>Excess</i>	0.00	n.a	n.a	n.a	n.a	-0.05
Franklin Templeton 1-10 years US TIPS	-1.03	n.a	n.a	n.a	n.a	-2.42
US 1-10 years Tips	-1.00	n.a	n.a	n.a	n.a	-2.60
<i>Excess</i>	-0.02	n.a	n.a	n.a	n.a	0.18
International Equities	-3.24	11.15	22.20	8.97	7.47	9.28
Benchmark	-3.46	11.10	21.95	8.08	7.26	8.86
<i>Excess</i>	0.22	0.04	0.25	0.89	0.22	0.43
SSgA Equity Factor	-3.22	9.02	21.63	9.68	n.a	8.15
MSCI ex. Australia Net Dividends Reinvested	-3.46	11.37	22.10	8.07	n.a	8.59
<i>Excess</i>	0.25	-2.35	-0.47	1.61	n.a	-0.44
Schroders Equity Factor	-2.61	13.10	22.49	11.71	n.a	10.11
MSCI ex. Australia Net Dividends Reinvested	-3.46	11.37	22.10	8.07	n.a	8.59
<i>Excess</i>	0.85	1.74	0.39	3.64	n.a	1.52
SSGA International Equity Passive	-3.33	11.59	22.45	8.38	7.44	9.81
MSCI ex. Australia Net Dividends Reinvested	-3.46	11.37	22.10	8.07	7.31	9.55
<i>Excess</i>	0.13	0.22	0.35	0.31	0.13	0.26
BlackRock International Equity Passive	-3.37	11.59	22.50	8.43	7.53	9.26
MSCI ex. Australia Net Dividends Reinvested	-3.46	11.37	22.10	8.07	7.31	8.98
<i>Excess</i>	0.09	0.22	0.40	0.35	0.22	0.28
BCTL Australia Equity Passive	-3.30	-0.37	15.18	8.17	4.13	6.05
MXAU Australia Net Dividends Reinvested	-3.34	-0.38	15.24	8.27	4.43	6.25
<i>Excess</i>	0.05	0.01	-0.06	-0.09	-0.30	-0.20

Private Debt Instrument for Petroleum Operations

The performance of the investment in Private debt instrument for Petroleum Operations for the quarter was as follows:

Table 11

	Qtr	FYTD	1 Year	3 Years	5 Years	Since Inc
Private debt instrument for Petroleum Operations	0.00	0.00	0.00	-6.45	n.a	-2.95
Benchmark	1.11	3.35	4.50	4.50	n.a	4.50
<i>Excess</i>	-1.11	-3.35	-4.50	-10.95	n.a	-7.45

The Private debt instrument is maintained at its independently verified fair value for December 2022 until the new valuation for December 2023 is undertaken.

5. MANAGEMENT COSTS

A management fee of \$4.225 million for operational management costs was charged to the fund during the quarter. The fee covered the following services (in thousands \$):

External Management and Custody expenses	1,688
Central Bank management expenses	2,449
IAB expenses	51
Other Expenses	36
Total Cost	4,225

6. TRANSFERS TO STATE BUDGET

According to Article 7.1 of the Petroleum Fund Law transfers from the Fund may only be made to the credit of a single State Budget account. An amount of -\$300 million was transferred to the State Budget account during the quarter.

	In Thousand (\$)
Transfer July 2023	-300,000
Transfer August 2023	0
Transfer September 2023	0
Transfer for this Quarter	-300,000
Total transfers this fiscal year to September 2023	-790,000

7. COMPLIANCE STATEMENT

Banco Central de Timor-Leste asserts the following statements relating to compliance with the mandates given by the Minister

Qualifying Instruments

The Fund was invested in instruments within the investment universes specified in the various mandates at all times during the quarter.

Modified Duration

The modified duration of the Fund's fixed interest investment portfolios remained within the mandate during the quarter.

Tracking Error

The tracking error of each mandate in the Fund's investment portfolio was within the specified range during the quarter.

External Managers

External managers' investments were within their mandates during the quarter.

Internal Audit

The provisions of Article 22 of the Petroleum Fund law no. 9/2005 require the Central Bank's Internal Auditor to perform an audit of the Fund every six months. The Internal Auditor has performed an audit up to quarter ended 30 June 2023.

8. FINANCIAL INFORMATION

The following financial information is presented for the purpose of assisting the Minister to review the quarterly performance of the Petroleum Fund as set out in this report. The figures have not been audited.

Table 14

BALANCE SHEET	September-23	September-22
In thousands of USD		
ASSETS		
Cash and Cash Equivalents	4,523,976	1,594,067
Receivables	9,076	8,654
Financial assets held at fair value through profit or loss (including PD)	14,737,794	15,319,139
TOTAL ASSETS	19,270,846	16,921,859
LIABILITIES		
Payables for securities purchased	-1,746,361	-1,976
Accounts payable	-3,843	-6,749
TOTAL LIABILITIES	-1,750,204	-8,725
NET ASSETS	17,520,642	16,913,134
CAPITAL		
Opening Balance (January)	17,273,002	17,844,816
PF Law Art. 6.1 (a) Revenue receipts	38,240	93,994
PF Law Art. 6.1 (b) DA receipts	366,788	0
PF Law Art. 6.1 (e) Other receipts	5,334	0
PF Law Art 7.1 Transfers to State Budget	-790,000	-404,000
Income for the period	627,278	-621,676
CAPITAL	17,520,642	16,913,134

Note: The Fair Value of Private Debt as of December 2022 was \$560.76 million, which is reflected in financial assets held at fair value for 2022 until a new valuation for 2023 is undertaken. The opening balance for 2023 is adjusted in this quarter's report to reflect the recently available Fair Value of the Private Debt as of December 2022 which will also affect the balance of the September Quarter 2023.

Table 15

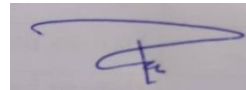
STATEMENT OF PROFIT OR LOSS In thousands of USD	QUARTER		YEAR TO DATE	
	Sep-23	Sep-22	Sep-23	Sep-22
INVESTMENT INCOME				
Interest income	90,320	51,901	259,922	133,572
Dividend income	24,155	24,609	84,201	86,787
Trust income	839	1,106	2,743	2,866
Other investment income	6,400	-3	7,231	237
Net gains/(losses) on Financial Assets at fair valu	-426,985	-686,213	276,042	-2,747,133
Net foreign exchange gains/(losses)	-1,879	-8,527	13,386	-19,554
Total Investment Income	-307,149	-617,126	643,524	-2,543,224
EXPENSES				
External management, fees	1,688	1,591	4,862	5,625
Internal operational management fees	2,449	1,974	5,388	5,121
IAB Expenses	51	23	258	170
Other expenses	36	69	260	343
Total expenses	4,225	3,658	10,768	11,259
Profit before tax	-311,374	-620,784	632,756	-2,554,483
Withholding taxes on investments	-876	892	-5,478	5,452
Profit/loss for the period	-312,250	-621,676	627,278	-2,559,935
Other comprehensive income	0	0	0	0
Total comprehensive income for the period	-312,250	-621,676	627,278	-2,559,935

Note: The accounting policies and method of computation used to prepare the above figures are the same as disclosed in the most recent annual financial statements of the Petroleum Fund.

Dili, 26 October 2023



Venancio Alves Maria
Deputy Governor



Rafael Borges
Act. Governor