



PETROLEUM FUND QUARTERLY REPORT

Quarter ended 31 December 2018

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 2018. The report shows that the capital of the fund as of 31 December 2018 was \$15.80 billion compared to \$17.16 billion at the end of the previous quarter.

The report shows that the gross capital inflows during the quarter were \$178.75 million, consisting of \$90.86 million of contributions from taxpayers to the Fund, royalty contributions from the National Petroleum Authority of \$87.89 million.

The investment income of the Fund for the quarter was -\$694.85 million comprising dividends and interest received was \$87.32 million, change in the market value of financial assets was -\$735.69 million, and FX was -\$42.96 million. This represented a portfolio return of the Fund for the quarter was -4.08% while the benchmark return for the period was -4.24%.

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 6 basis point or 0.06 percent.

Highlights of the LIV Quarterly Report, which covers the period from 01 October 2018 to 31 December 2018 include:

- The capital of the Fund at 31 December 2018 was \$15.80 billion.
- Gross cash inflows to the fund from royalties and taxes were \$178.75 million.
- Cash outflows were \$774.70 million of which \$772.5 million was transferred to the State Budget and \$2.20 million was for management costs.
- Net cash inflows during the period were -\$593.75 million.
- The portfolio return in the quarter was -4.08% compared with the benchmark return of -4.24%.

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, 04 February 2019

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