



PETROLEUM FUND QUARTERLY REPORT

Quarter ended 30 September 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 30 September 2016. The report shows that the capital of the fund as of 30 September 2016 was \$16.60 billion compared to \$16.47 billion at the end of the previous quarter.

The report shows that the gross capital inflows during the quarter were \$35.58 million, consisting of \$16.20 million of contributions from taxpayers to the Fund, and royalty contributions from the National Petroleum Authority of \$19.38 million.

The investment income of the Fund for the quarter was \$308 million comprising dividends and interest received was \$81 million, change in the market value of financial assets was \$220 million, and FX was \$12 million. This represented a portfolio return of the Fund for the quarter was 1.89% while the benchmark return for the period was 1.89%.

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 5 basis point or 0.05 percent.

Highlights of the XLV Quarterly Report, which covers the period from 1 July 2016 to 30 September 2016 include:

- The capital of the Fund at 30 September 2016 was \$16.60 billion.
- Gross cash inflows to the fund from royalties and taxes were \$35.58 million.
- Cash outflows were \$209.03 million of which \$204.80 million was transferred to the State Budget and \$4.23 million was for management costs.
- Net cash inflows during the period were -\$169.22 million.
- The portfolio return in the quarter was 1.89% compared with the benchmark return of 1.89%.
- The MoF decided to expand the BCTL's operations to manage an in-house equity mandate. Therefore an Australia equity mandate been implemented successfully in early July 2016.

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 November 2016

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