



PETROLEUM FUND QUARTERLY REPORT

Quarter ended 31 March 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 March 2018. The report shows that the capital of the fund as of 31 March 2018 was \$16.85 billion compared to \$16.80 billion at the end of the previous quarter.

The report shows that the gross capital inflows during the quarter were \$138.65 million, consisting of \$64.44 million of contributions from taxpayers to the Fund, royalty contributions from the National Petroleum Authority of \$74.21 million.

The investment income of the Fund for the quarter was -\$91.15 million comprising dividends and interest received was \$87.89 million, change in the market value of financial assets was -\$243.12 million, and FX was \$70.70 million. This represented a portfolio return of the Fund for the quarter was -0.47% while the benchmark return for the period was -.068%.

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 LI Quarterly Report, which covers the period from 1 January 2018 to 31 March 2018 include:

- The capital of the Fund at 31 March 2018 was \$16.85 billion.
- Gross cash inflows to the fund from royalties and taxes were \$138.65 million.
- Cash outflows were \$4.64 million for management costs. No transfer were made to the State Budget during this quarter.
- Net cash inflows during the period were \$134.01 million.
- The portfolio return in the quarter was -0.47% compared with the benchmark return of 0.68%.

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, 08 May 2018

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