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 2017. The report shows that the capital of the fund as of 30 September 2017 was $16.69 billion compared to $16.50 billion at the end of the previous quarter.

The report shows that the gross capital inflows during the quarter were $126.79 million, consisting of $40.85 million of contributions from taxpayers to the Fund, royalty contributions from the National Petroleum Authority of $79.53 million and annual pipeline fees $6.41 million.

The investment income of the Fund for the quarter was $375.39 million comprising dividends and interest received was $84.68 million, change in the market value of financial assets was $202.95 million, and FX was $87.75 million. This represented a portfolio return of the Fund for the quarter was 2.29% while the benchmark return for the period was 2.38%.

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 2 basis point or percent.

Highlights of the XLIX Quarterly Report, which covers the period from 1 July 2017 to 30 September 2017 include:

- The capital of the Fund at 30 September 2017 was $16.69 billion.
- Gross cash inflows to the fund from royalties and taxes were $126.79 million.
- Cash outflows were $318.50 million of which $315 million was transferred to the State Budget and $3.50 million was for management costs.
- Net cash inflows during the period were -$188.21 million.
- The portfolio return in the quarter was 2.29% compared with the benchmark return of 2.38%.

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 November 2017

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