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 2017. The report shows that the capital of the fund as of 31 December 2017 was $16.80 billion compared to $16.69 billion at the end of the previous quarter.

The report shows that the gross capital inflows during the quarter were $94.88 million, consisting of $44.92 million of contributions from taxpayers to the Fund, royalty contributions from the National Petroleum Authority of $49.96 million.

The investment income of the Fund for the quarter was $365.23 million comprising dividends and interest received was $77.04 million, change in the market value of financial assets was $269.47 million, and FX was $18.72 million. This represented a portfolio return of the Fund for the quarter was 2.17% while the benchmark return for the period was 2.04%.

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 3 basis point or percent.

Highlights of the Quarterly Report, which covers the period from 1 October 2017 to 31 December 2017 include:

- The capital of the Fund at 31 December 2017 was $16.80 billion.
- Gross cash inflows to the fund from royalties and taxes were $94.88 million.
- Cash outflows were $346.88 million of which $343.80 million was transferred to the State Budget and $3.08 million was for management costs.
- Net cash inflows during the period were -$252 million.
- The portfolio return in the quarter was 2.17% compared with the benchmark return of 2.04%.

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, 31 January 2018

Venancio Alves Maria
Deputy Governor