



# Petroleum Fund Annual Report

## Financial Year 2024







DEMOCRATIC REPUBLIC OF TIMOR-LESTE  
MINISTRY OF FINANCE



# TIMOR-LESTE PETROLEUM FUND

## ANNUAL REPORT 2024

August 2025

## Acknowledgement

We extend our sincere thanks to Mr. Ferderick Nelson Mandela Lopes for his permission to use his photo for the cover of the Petroleum Fund Annual Report for 2024.

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## LIST OF ACRONYMS

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|         |                                                                    |
|---------|--------------------------------------------------------------------|
| ANP     | National Authority for Petroleum (Autoridade Nacional do Petróleo) |
| BCTL    | Central Bank of Timor-Leste (Banco Central de Timor-Leste)         |
| BIS     | Bank for International Settlements                                 |
| bn      | Billion                                                            |
| BoE     | Bank of England                                                    |
| BOE     | Barrels of Oil Equivalent                                          |
| BoJ     | Bank of Japan                                                      |
| Bp/bps  | Basis points                                                       |
| CMATS   | Certain Maritime Arrangements in Timor Sea                         |
| COVID   | Coronavirus disease                                                |
| CPI     | Consumer price index                                               |
| DM      | Developed Markets                                                  |
| DXY     | US Dollar Index                                                    |
| E.P.    | Empresa Pública (Public Enterprise)                                |
| ECB     | European Central Bank                                              |
| EITI    | Extractive Industry Transparency Initiative                        |
| ESI     | Estimated Sustainable Income                                       |
| Ex-US   | Excluding United States                                            |
| EY      | Ernst & Young (External Auditor)                                   |
| EZ      | Euro-zone                                                          |
| FMI     | Financial Market Investments                                       |
| FT      | Franklin Templeton                                                 |
| FTP     | First Tranche Petroleum                                            |
| G       | Growth Portfolio                                                   |
| GAPP    | Generally Accepted Principles and Practices                        |
| GDP     | Gross Domestic Product                                             |
| GIPS    | Global Investment Performance Standards                            |
| IAB     | Investment Advisory Board                                          |
| IAS     | International Accounting Standards                                 |
| IFRS    | International Financial Reporting Standards                        |
| IFSWF   | International Forum of Sovereign Wealth Funds                      |
| JKM     | Platts Japan-Korea-Marker                                          |
| JPDA    | Joint Petroleum Development Area                                   |
| L       | Liquidity Portfolio                                                |
| LNG     | Liquefied Natural Gas                                              |
| LPG     | Liquefied Petroleum Gas                                            |
| MOF     | Ministry of Finance                                                |
| MSCI    | Morgan Stanley Capital International                               |
| NGOs    | Non-Governmental Organizations                                     |
| NPV     | Net Present Value                                                  |
| OMA     | Operational Management Agreement                                   |
| PF/TLPF | The Petroleum Fund of Timor-Leste                                  |
| PFCC    | Petroleum Fund Consultative Council                                |
| PFL     | Petroleum Fund Law                                                 |
| PFPMO   | Petroleum Fund Policy and Management Office - Ministry of Finance  |
| PSC     | Production Sharing Contract                                        |
| PWC     | Power and Water Corporation                                        |
| SAA     | Strategic Asset Allocations                                        |
| SSGA    | State Street Global Advisors                                       |
| SWF     | Sovereign Wealth Fund                                              |
| TF      | Total Fund                                                         |
| TIPS    | Treasury Inflation-Protected Securities                            |
| TL      | Timor-Leste                                                        |
| TLEA    | Timor-Leste Exclusive Area                                         |
| UK      | United Kingdom                                                     |
| US/USA  | United States of America                                           |
| USD     | US Dollar                                                          |
| WTI     | West Texas Intermediate                                            |

## MESSAGE FROM THE MINISTER OF FINANCE

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I am pleased to present the 2024 Annual Report of the Petroleum Fund of Timor-Leste.

At the close of 2024, the Fund's balance was little changed at \$18.3 billion. Investment income for the year was \$1,200 million after expenses, driven by a total return of 6.80% on the Fund's assets. This follows a strong return of 9.99% in 2023 and reflects the benefit of a long-term approach to investment management.

The Fund's low-risk liquidity portfolio earned a solid 5.2%, supported by higher short-term interest rates in the United States. In the growth portfolio, equities again delivered strong performance, returning 17.8%, while fixed interest returned 2.2%. The Fund financed withdrawals of \$1,300 million, slightly below the approved amount of \$1,377.5 million.

Petroleum revenue declined sharply in 2024 to just \$85 million, as production from the Bayu-Undan field wound down. ANP has since confirmed that production at Bayu-Undan ceased in June 2025. With new petroleum inflows still several years away, this represents a significant transition for the Fund and presents a challenge for Timor-Leste. In the coming year, our priority is to strengthen the integration of the Fund's financial modelling, including projections for petroleum inflows, with fiscal policy

planning to support informed decision-making.

I invite you to explore the details of the Fund's performance in the pages that follow.

The Petroleum Fund remains one of Timor-Leste's most significant national achievements. I wish to express my sincere appreciation to the members of the Investment Advisory Board, the Banco Central de Timor-Leste as operational manager, and the dedicated staff of the Ministry of Finance for their expertise and commitment. Their continued efforts underpin the Fund's success.



*Santina*  
**Santina J.R.F. Viegas Cardoso**  
Minister of Finance

## PETROLEUM FUND AT A GLANCE

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### Market Value of the Petroleum Fund

**\$18,274,056,404**

As at 31 December 2024

**\$18,288,404,975**

As at 31 December 2023

### Receipts from Oil and Gas

**\$85.4 million**

In 2024

**\$25.450 billion**

Since inception, including initial transfer of \$204.6m

### Transfers to the State Budget

**\$1.300 billion**

In 2024

**\$17.413 billion**

Since inception

### Total Return on Investment

**\$1.200 billion**

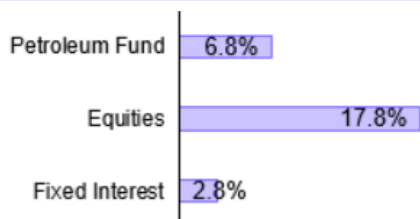
In 2024

**\$10.236 billion**

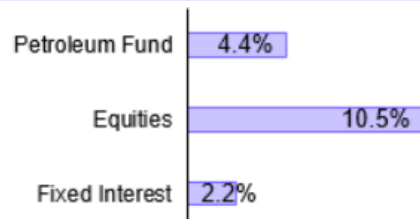
Since inception

# INVESTMENT HIGHLIGHTS OF THE PETROLEUM FUND

## Investment return in 2024

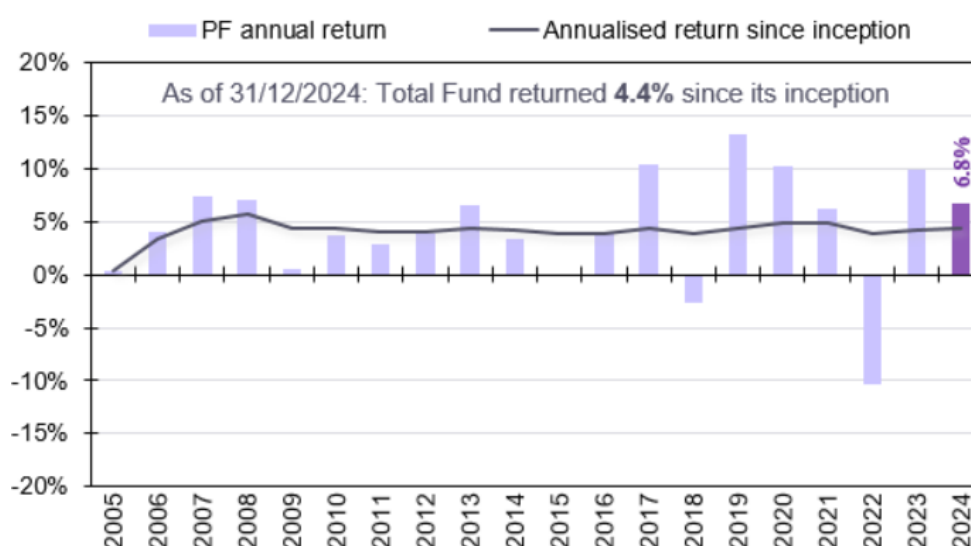


## Investment return since inception (annualised)

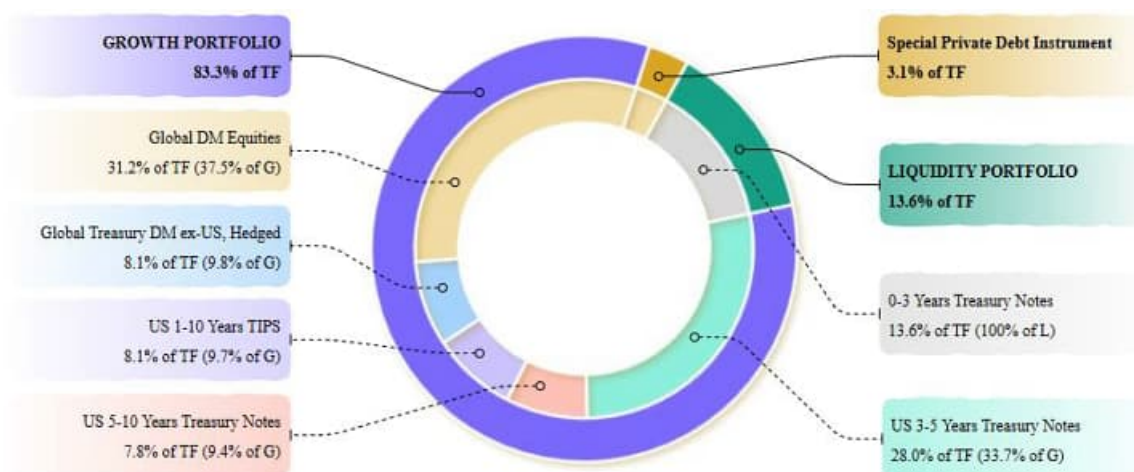


Note: Fixed Interest includes liquidity and growth portfolio.

## The Fund's annual investment returns since 2005



## The total Fund's actual asset allocations as at 31 December 2024

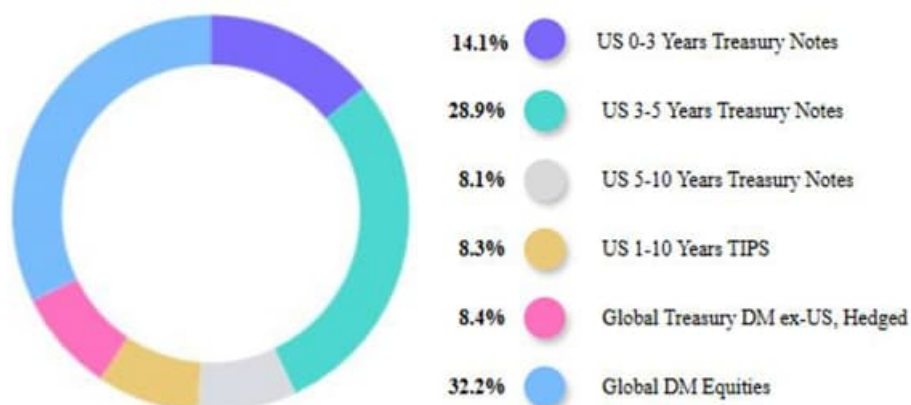


TF - Total Fund; G - Growth Portfolio; L - Liquidity Portfolio; DM - Developed Markets. Note that the inner ring shows the mandates. Growth and Liquidity Portfolio make up the Financial Market Investments. Percentages may not add due to rounding.

# PETROLEUM FUND ASSET ALLOCATIONS

## Financial Market Investments by asset classes

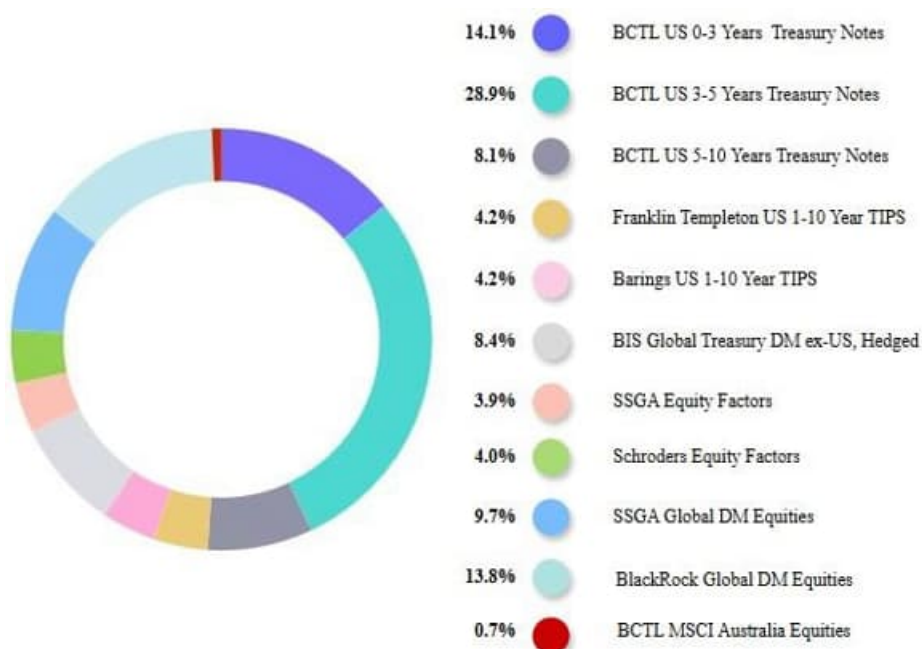
Liquidity and growth portfolios



Note: The private debt instrument is separate from the Financial Market Investments and limited to 5% of the total value of the Fund under the Petroleum Fund Law.

## Financial Market Investments by managers

Liquidity and growth portfolios



Note: The private debt instrument is separate from the Financial Market Investments and managed by the BCTL. It is limited to 5% of the total value of the Fund under the Petroleum Fund Law.

## A. ABOUT THE PETROLEUM FUND

### The Petroleum Fund Framework

Under Timor-Leste's Constitution, the country's natural resources belong to the State and must be used in a fair and equitable way. The Constitution mandates the establishment of a fund to manage petroleum income for the benefit of both current and future generations and the Petroleum Fund was established in 2005 to receive petroleum revenues from the Timor Sea.<sup>1</sup>

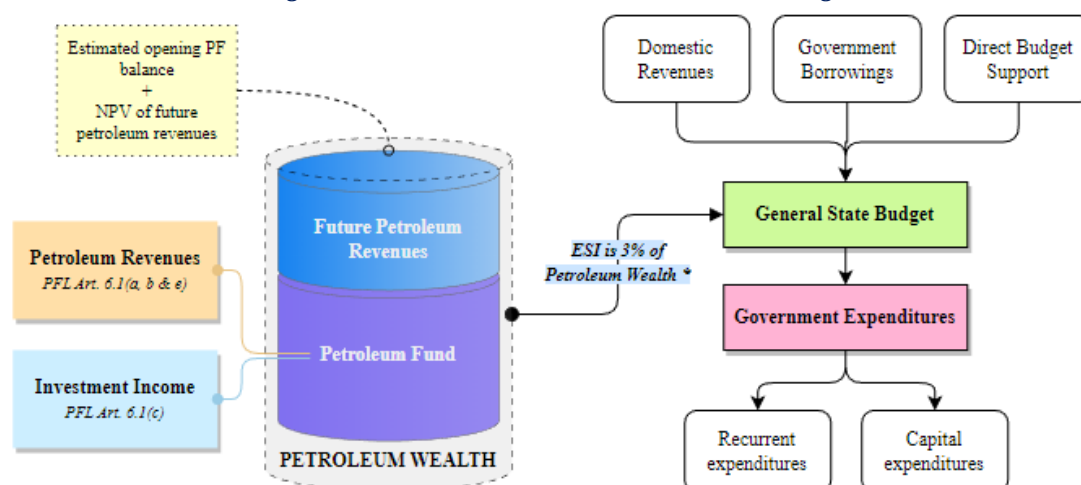
All of Timor-Leste's petroleum revenue flows into the Fund, while outflows are limited to transfers to the State Budget, which is approved by Parliament. The Fund supports sound fiscal policy by smoothing spending over time. The Petroleum Fund Law sets a sustainable withdrawal limit, known as the Estimated Sustainable Income (ESI). The ESI is equal to 3% of total Petroleum Wealth, which comprises the Fund's balance and the net present value of expected petroleum revenues from proven reserves with approved development plans (see Figure 1). Under the permanent income framework, withdrawals are limited to the expected real return from the Fund's investments so as to preserve the real value of the Fund in perpetuity. This can be said to equally benefit current and future generations by providing for the same real value of withdrawals each year. To support a 3% real return target, the Fund was allowed to invest up to 50% in equities from 2011. A 40% equity

allocation was adopted in 2012, which, at that time, was expected to earn a 3% real return over the long-term.

The Petroleum Fund Law also requires that the Fund invest only in international financial assets, assessed purely on financial criteria. Domestic investments are to be made through the State Budget, which is passed by Parliament. The spending rule and the requirement for international investments were modelled on Norway's sovereign wealth fund with the aim of preserving the Fund's real value and ensuring intergenerational equity.

Key features of the original framework have not been followed in practice. Withdrawals have exceeded the ESI since 2009, justified by successive governments as necessary for national development in Timor-Leste's long-term interests. In 2021, the Fund's investment strategy was changed to better align with fiscal policy by segmenting investments into a low-risk liquidity portfolio to correspond with three years of withdrawals, with the remainder invested in a growth portfolio that includes equities. The Government also decided in 2019 that the Fund would invest in petroleum operations, implemented through amendments to the Petroleum Activities Law.<sup>2</sup> The investments are described in Section C.

Figure 1 – Petroleum Fund and the General State Budget



\* ESI transfers in a fiscal year. ESI is calculated as 3% of Petroleum Wealth.

<sup>1</sup> Section 2 of Article 139 of the Constitution of the Democratic Republic of Timor-Leste. Petroleum Fund Law No.9/2005 as of 3 August 2005, which was amended by the Law No.12/2011 as of 28 September 2011 and Law No.2/2022 as of 10 February. The fiscal regime that governs Timor-Leste's petroleum revenue is described in a section below.

<sup>2</sup> Law No.13/2005 as of 2 September, which was amended by the Law No.6/2019 as of 4 December.

## The Petroleum Fund's Institutions and Governance Framework

The Petroleum Fund is structured as an account held by the Central Bank of Timor-Leste (Banco Central de Timor-Leste, BCTL), which is the appointed operational manager. The governance structure involves a number of institutions with distinct roles and responsibilities, as shown in Figure 2 and described below.

The National Parliament defines the Fund's legal framework through the Petroleum Fund Law, including the Fund's objectives, the roles of its institutions, eligible investments, asset allocation guidelines, and risk limits. In 2019, Parliament passed an amendment to the Petroleum Activities Law to allow the Fund to invest in petroleum operations to support national development.

The Minister of Finance is the executive authority responsible for the overall management of the Fund as the Government's representative. This includes setting investment policy, parameters for new investments, and overseeing governance. The Minister is supported by the Petroleum Fund Policy and Management Office (PFPMO) within the Ministry of Finance.

The BCTL implements the Fund's investment strategy under the Operational Management Agreement (OMA) with the Minister of Finance. Annex 1 of the OMA contains the details of the investment policy and individual mandates. The BCTL manages a portion of the portfolio internally, appoints and monitors external managers and reports regularly to the Ministry of Finance.

The Minister of Finance is required to seek non-binding, independent advice from the Investment Advisory Board (IAB) on investment and governance matters. The IAB includes experienced investment professionals. The Ministry of Finance and the BCTL have non-voting representatives on the Board and actively contribute to the discussions preceding the IAB's advice. The IAB is supported by a Secretary from the BCTL and secretariat members from both the BCTL and Ministry of Finance (PFPMO). It has its own budget and can procure external support when required. The Board's independent, impartial, and expert advice represents an important safeguard in the Fund's structure. The IAB's advice is published annually in Annex XII or earlier upon request from Parliament. The current members of the IAB are listed in Table 1 and biographies are in Annex IX.

**Table 1 – Members of the Investment Advisory Board**

| <b>Names</b>             | <b>Position and tenure</b>         |
|--------------------------|------------------------------------|
| Mr. Olgario de Castro    | Chairman. Voting member since 2008 |
| Dr. Torres Trovik        | Voting member since 2006           |
| Mr. Gualdino da Silva    | Voting member since 2012           |
| Professor Michael Drew   | Voting member since 2017           |
| Mr. Venancio Alves Maria | BCTL's representative since 2012   |
| Mr. Filipe Nery Bernardo | MoF's representative since 2022    |

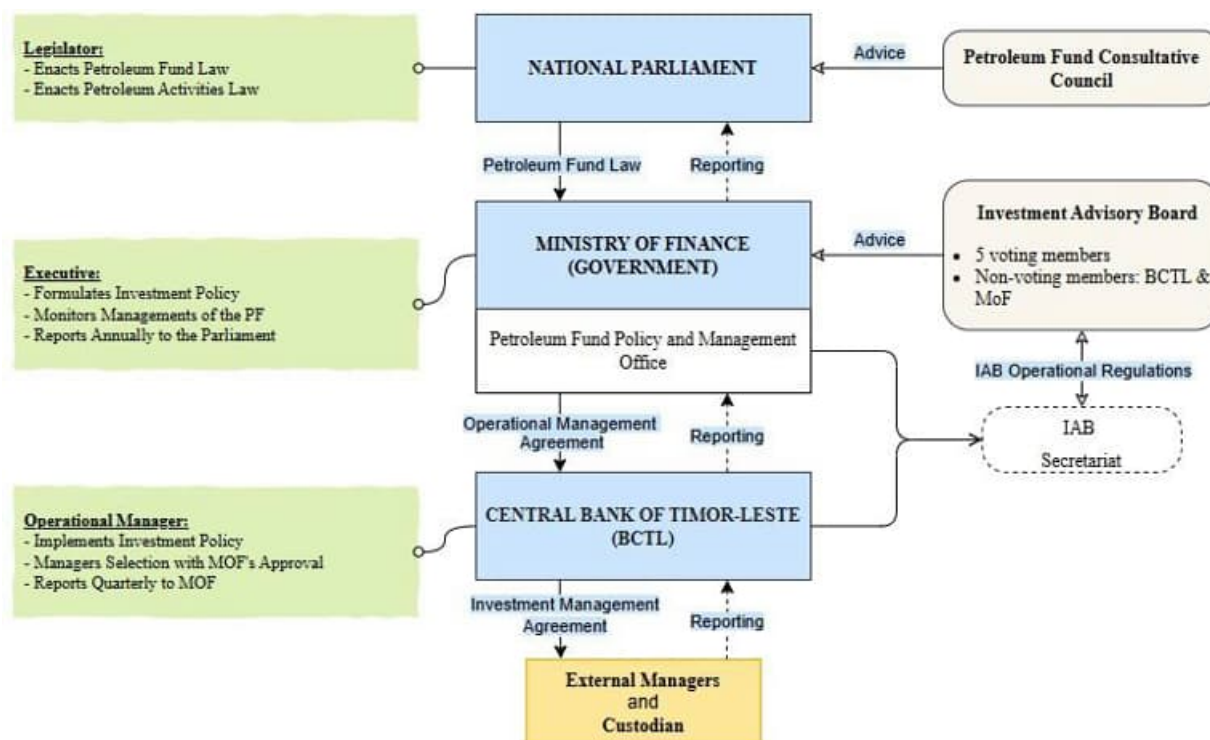
The Petroleum Fund Consultative Council (PFCC) advises Parliament on the Fund's performance and operations, and whether withdrawals are benefiting

both current and future generations. Members are listed in Table 2, with biographies in Annex IX.

**Table 2 – Members of the Petroleum Fund Consultative Council**

| <b>Names</b>                               | <b>Position and tenure</b>                                              |
|--------------------------------------------|-------------------------------------------------------------------------|
| Mr. Juvinal Dias                           | President. Appointed in 2018 as civil society's representative.         |
| Mr. Nuno Eugénio Goulart                   | Appointed in 2019 as Parliament's representative.                       |
| Mrs. Izilda Imanuela da Luz Pereira Soares | Appointed in 2018 as Parliament's representative.                       |
| Pe. Mouzinho Pereira Lopes                 | Appointed in September 2022 as religious organisations' representative. |
| Mr. Hernani Agostinho Soares               | Appointed in 2019 as private business sector's representative.          |
| Mrs. Martinha da Silva de Jesus Pinto      | Appointed in 2019 as civil society's representative.                    |

Figure 2 – Governance Structure of the Petroleum Fund



Transparency is central to the Fund's governance and the Petroleum Fund Law sets out the reporting requirements for each institution. The reports are outlined in Table 3.

The Ministry of Finance publishes the Annual Report, including audited financial statements prepared by the BCTL and approved by the Ministry's Director General of Treasury.<sup>3</sup> An internationally accredited auditor also certifies the Fund's receipts and Estimated Sustainable Income (ESI) calculations, which are included in the General State Budget.

The BCTL publishes quarterly performance reports and provides updates to the Ministry of Finance and IAB on internally managed mandates. The Annual Report and quarterly performance reports are publicly available on the Ministry and BCTL websites.<sup>4</sup>

Since 2009, the Fund has been a member of the International Forum of Sovereign Wealth Funds

(IFSFW) and conducts an annual self-assessment against the Santiago Principles. The latest assessment is in Annex XIII, and assessments are also published in the IFSWF's website.<sup>5</sup>

The Fund has consistently scored well on transparency indicators:

- 9/10 on the Linaburg-Maduell Transparency Index;<sup>6</sup>
- 91/100 on the Peterson Institute SWF Transparency Scorecard (2019);<sup>7</sup>
- 88/100 on the sovereign wealth fund subcomponent of the Resource Governance Index (2017).<sup>8</sup>

Public engagement remains a priority. The BCTL held press conferences on quarterly results in 2024 with Ministry of Finance representatives, which were attended by local media, NGOs, and students. In previous years, public workshops coordinated by the PFCC were held nationwide to increase awareness of the Fund's management and performance.

3 The Director General of Treasury's responsibility to maintain the Petroleum Fund's accounts in Article 21 of the Petroleum Fund Law is delegated by the Minister of Finance to the BCTL under the Operational Management Agreement 2009.

4 The Ministry of Finance website: <https://www.mof.gov.tl/>. The Central Bank of Timor-Leste's website: <https://www.bancocentral.tl/en>

5 <https://www.ifswwf.org/assessment/tlpf-2022>

6 <https://www.swfinstitute.org/research/linaburg-maduell-transparency-index>

7 <https://www.piie.com/publications/policy-briefs/sovereign-wealth-funds-are-growing-more-slowly-and-governance-issues>

8 The Resource Governance Index measures the quality of governance in the oil, gas and mining sector of 58 countries. Timor-Leste's composite score was 49/100. <https://resourcegovernanceindex.org/country-profiles/TLS/oil-gas?years=2017>

**Table 3 – Petroleum Fund reports**

| Report                                                                | Responsible institution                                                          |                                                             |
|-----------------------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------|
| Annual Report                                                         | Published by the Ministry of Finance along with the audited financial statements | Inputs from the BCTL on investment performance and holdings |
| Audited Annual Financial Statements                                   | The BCTL compiles the accounts                                                   | Fund's custodian provides accounting services to the BCTL   |
|                                                                       | External auditor appointed by the Ministry of Finance                            | Currently Ernst & Young (EY)                                |
|                                                                       | Approved as true and fair by Director General of Treasury, Ministry of Finance   | Treasury assisted by PFPMO                                  |
| Certified ESI calculations in State Budget                            | Ministry of Finance                                                              |                                                             |
|                                                                       | External auditor appointed by the Ministry of Finance                            | Currently Ernst & Young (EY)                                |
| Quarterly performance reports – investment performance and financials | Compiled and published by the BCTL                                               |                                                             |
| Monthly reports – investment performance and financials               | Compiled and published by the BCTL                                               |                                                             |
| Quarterly market update and Fund's performance                        | Prepared by PFPMO for Minister of Finance                                        | Inputs from the BCTL on investment performance and holdings |

### Independent Review

Periodic reviews are part of good governance. In 2022, the Ministry of Finance and IAB commissioned an independent review of the Fund's governance, operations, and resources. The review was undertaken by the investment consulting firm Mercer whose final report was submitted to the Minister of Finance in September 2023. The report found that the Fund's governance, investment, operation and people models were robust, while also identifying some opportunities for improvement. The Ministry of Finance worked on the report's key recommendations in 2024, including:

- The Fund's Governance Policy and updating the OMA.
- Developing a detailed Investment Policy Statement (IPS) that expands on Annex 1 of the OMA.
- Empowering and better resourcing the PFPMO.
- Establishing a three-year review cycle for Strategic Asset Allocation (SAA).
- Reviewing the IAB's investment beliefs.

These projects are expected to be completed in 2025 and have further enhanced the Fund's effectiveness, transparency and accountability.

## Timor-Leste's Petroleum Fiscal Regime

Under Timor-Leste's legal framework, all petroleum revenues must flow into the Petroleum Fund. These revenues have historically come from fields in the Timor Sea under Timor-Leste's jurisdiction. In 2024, Bayu-Undan was the only producing field. Production continued to decline and, as confirmed by the National Petroleum Authority (ANP), operation ceased on 4 June 2025.

The development of the Greater Sunrise field remains under negotiation and is discussed further below. While exploration activity continues, no other proven reserves have been confirmed at this stage.

### Legal and Fiscal Framework

Timor-Leste's petroleum revenue entitlements are governed by international treaties and production sharing contracts (PSCs). Treaties define sovereign rights and ownership, while PSCs are agreements between the states and the oil company contractors on how to share revenue.

The Maritime Boundary Treaty between Timor-Leste and Australia came into effect on 30 August 2019, replacing the Timor Sea Treaty. The new treaty significantly improved Timor-Leste's ownership, transferring nearly all of the former Joint Petroleum Development Area (JPDA), including Bayu-Undan, into Timor-Leste's exclusive jurisdiction (see Figure 3). As a result, Timor-Leste has received 100% of the revenues from Bayu-Undan since September 2019, compared to 90% previously.

For Greater Sunrise, the Maritime Boundary Treaty increases Timor-Leste's 50% upstream revenue share under the Certain Maritime Arrangements in the Timor Sea (CMATS) 2006 to:

- 70% if the pipeline goes to an LNG plant in Timor-Leste.
- 80% if the pipeline goes to a plant in Australia.

Negotiations between Timor-Leste, Australia, and the joint venture participants are ongoing.

Table 4 shows the ownership structure since 2019, after Timor Gap E.P. acquired a 56.56% interest, which was financed by the Petroleum Fund's investment in petroleum operations.

**Table 4 – Ownership of Greater Sunrise field**

| Company               | Participating interest |
|-----------------------|------------------------|
| Timor Gap E.P.        | 56.56%                 |
| Woodside Energy Group | 33.44%                 |
| Osaka Gas             | 10.00%                 |

### Fiscal Terms and Revenue Components

Bayu-Undan and Greater Sunrise are governed by Annex F of the Timor Sea Treaty, which preserved the fiscal regime that predated Timor-Leste's independence. Following the ratification of the Maritime Boundary Treaty, all PSCs and associated fiscal terms were transferred to Timor-Leste's legal regime, with the condition that oil contractors receive equivalent conditions to the prior regime.

Timor-Leste's petroleum revenues consist of the following components:

- Royalties: A fixed 5% of production, paid before cost recovery. This rate applies to contracts under Annex F, the new PSC regime, and the Timor-Leste Exclusive Area (TLEA).<sup>9</sup>
- Profit Oil: Under Annex F, Timor-Leste receives 40% of profit oil, or 50% for condensate, calculated as revenue minus royalties and exploration and development costs.
- Taxes, which include:
  - Corporate income tax at 30%
  - Supplemental petroleum tax on profits exceeding a defined return threshold
  - Wage income tax on employment in Timor-Leste

Figure 4 outlines the components of petroleum revenue received from Timor-Leste's three producing fields: Kakatua (which ceased in 2007), Kitan (which ceased in 2015), and Bayu-Undan. Bayu-Undan's gas-condensate field, operated by Santos Ltd since it acquired ConocoPhillips' interest in 2020, has been the dominant revenue source.

Royalties and profit oil are collected by ANP as the Designated Authority. Taxes are paid directly into the Petroleum Fund by the contractors.

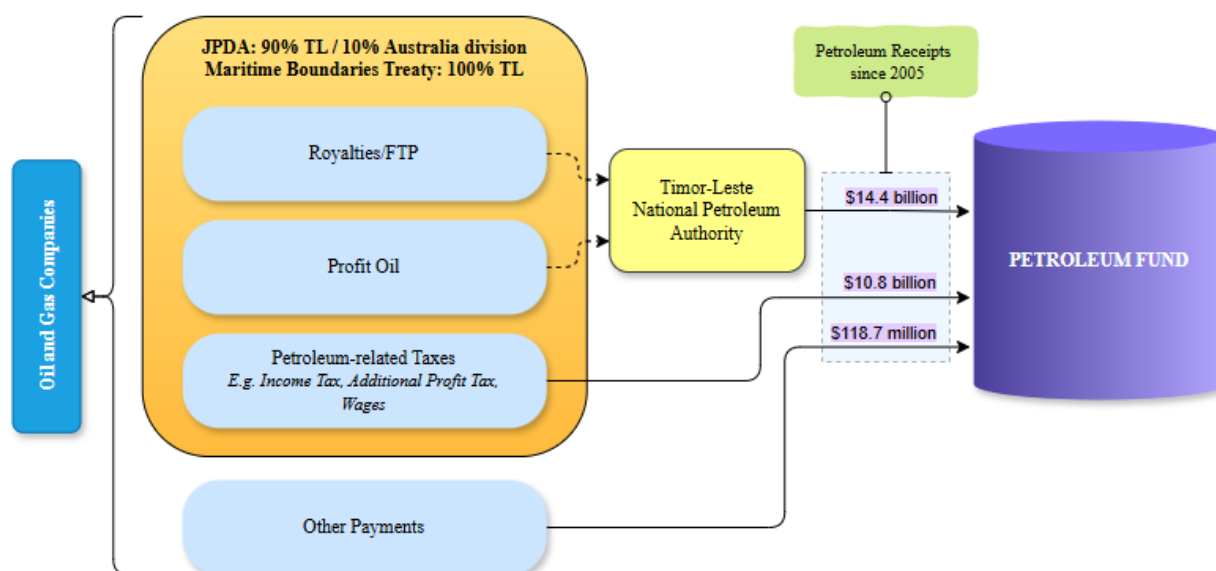
**Figure 3 – Map of Timor-Leste Maritime Boundary Agreement**



Source: Timor-Leste Maritime Boundary Office, <https://www.gfm.tl/library/maps/>

<sup>9</sup> For projects based on Annex F, "First Tranche Petroleum" is 10% of production, which is equally shared between the Government and contractors.

Figure 4 – Components of petroleum revenues from former – JPDA since 2005

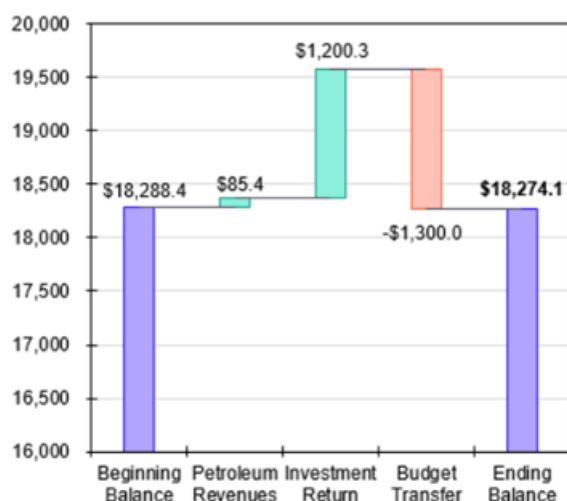


Note: Under the Timor Sea Treaty 2002, JPDA revenues were shared 90%/10% between Timor-Leste and Australia. Under the Maritime Boundaries Treaty, Bayu-Undan is exclusively in Timor-Leste's jurisdiction. The categories shown do not include the initial transfer to the Fund of \$205 million of revenues that were collected before the Fund was created and are gross of tax refunds of \$89.9 million.

## B. BALANCE AND FLOWS

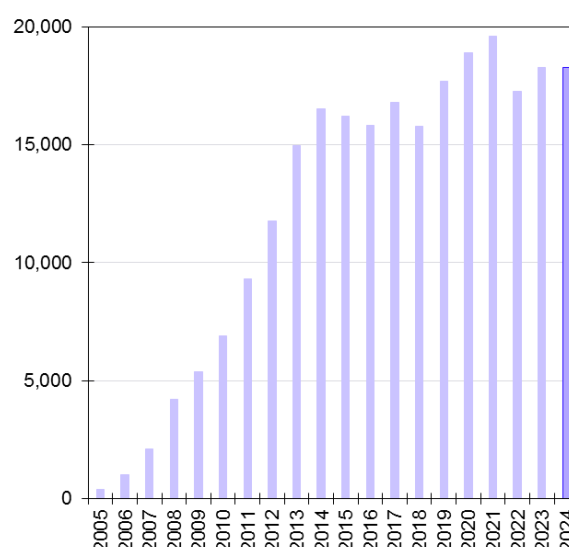
The Fund's balance is determined by inflows from petroleum revenues, investment income and outflows from Government withdrawals. As Figure 5 illustrates, petroleum revenues contributed \$85.4 million to the Fund, while the annual investment return was \$1,200.3 million. A total of \$1,300 million was withdrawn to finance the Government's expenditure.

Figure 5 – Movement in net-assets during 2024



The Fund's balance decreased slightly by \$14.3 million in 2024 to end the year at \$18,274.1 million (Figure 6). The following sections provide more details on each component.

Figure 6 – Petroleum Fund balance (\$m)

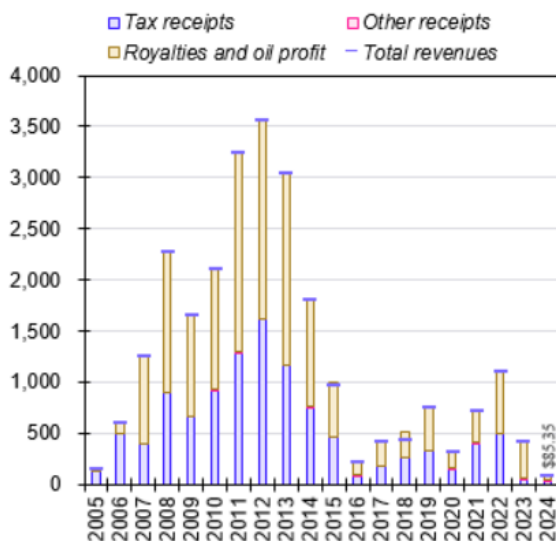


## Petroleum revenue

Total petroleum revenues received during 2024 were only \$85.4 million. The revenues were comprised of \$33.2 million in petroleum taxes, \$42.0 million in royalties and profit from oil and gas, and \$10.1 million of other payments (Figure 7).<sup>10</sup> These collections were in accordance with Articles 6.1 (a), (b), and (e) of the Petroleum Fund Law respectively.

Petroleum revenue is a function of production and oil prices. Bayu-Undan was the only field in operation in 2024. Its production peaked in 2012. Infill drilling in 2018 and 2021 allowed production to be extended, but there has been a marked reduction in output since 2022 as shown in Figure 8.

**Figure 7 – Annual petroleum revenues (\$m)**

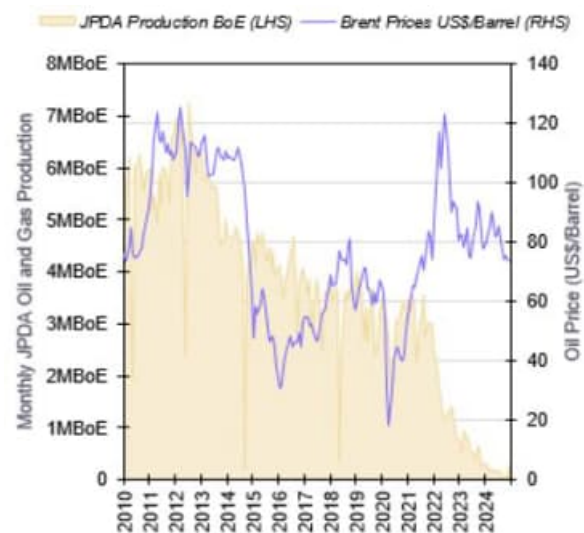


Production in 2024 was 1.9 million barrels of oil equivalent (BOE), compared to 7.0 million BOE in 2023. Monthly production declined during the year. Only one condensate cargo was sold, and there were no LPG and LNG sales in 2024, which was significantly lower than in 2023.

Falling demand and over-supply resulted in slightly lower oil prices in 2024. Prices received from Timor's petroleum products have historically had a more stable relationship with Brent than with the WTI. The average annual Brent crude oil price in 2024 was \$80.53/barrel, around \$2/barrel lower than previous year's average (\$82.47/barrel) (Figure 8).

Gas supply to Darwin LNG ceased in mid-November 2023. Since then, gas produced from Bayu-Undan was sold and delivered to Power and Water Corporation (PWC) in Darwin according to terms and conditions in the approved Gas Sales Agreement. The gas price negotiated under GSA in mid-2023 and early 2024 were in-line with the LNG benchmark prices, namely the Platts Japan-Korea-Marker ("JKM"). The JKM's future prices averaged \$12.14/MMBtu in 2024, lower than 2023.

**Figure 8 – JPDA production and oil prices**



Santos is the operator of the Bayu-Undan Joint Venture. In September 2024, it was announced that Timor Gap E.P. received a 16% interest in the Bayu-Undan upstream project and that the Production Sharing Contract was extended until June 2026. In June 2025, Santos notified Timor-Leste about its intention to shut down the Bayu-Undan project. The PSCs were subsequently terminated.

Including, the other smaller fields, Kakatua and Kitan, total petroleum production since 2004 was 956 million BOE, and petroleum receipts totalled \$25.450 billion, which include initial transfers of \$204.6 million and net of tax refund of \$89.9 million.

<sup>10</sup> Annex II - Note 16 of the Audited Financial Statements and Annex XI – Petroleum Fund receipts provide the details of petroleum revenues.

## Withdrawals

The Government's General State Budget is largely financed by withdrawals from the Petroleum Fund. The approved withdrawals from the Petroleum Fund in the 2024 State Budget were \$1,377.5 million. This was \$169.3 million higher than the previous year's rectification budget and about 8% of the estimated Petroleum Wealth.

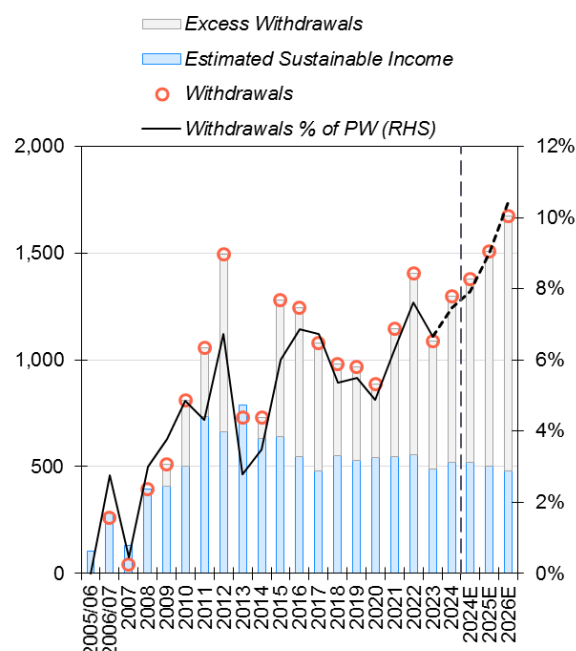
The ESI for 2024 was \$522.1 million. The ESI is set at 3% of the Petroleum Wealth, which was estimated as \$17,403.1 million in the 2024 Budget Book. Petroleum Wealth consists of the projected Petroleum Fund balance at the beginning of the budget year (\$17,351.3 million) and the forecasted net present value of the future petroleum revenues (\$51.8 million). Future petroleum revenues only include estimates from fields with approved development plans, and therefore only included Bayu-Undan and excluded Greater Sunrise and other potential sources of revenues.

The actual withdrawals from the Fund totalled \$1,300.0 million during 2024, slightly less than the approved amount. Withdrawals in 2024 were \$210 million more than withdrawals in 2023.

Excess withdrawals reflect the Government's policy to front-load expenditure to enable economic

development. Since 2009, annual withdrawals have averaged about 5.6% of estimated Petroleum Wealth, compared to the 3% ESI (see Figure 9). Actual withdrawals have averaged 7% of Petroleum Wealth the past 4 years and are projected to grow.

**Figure 9 – Transfers to the State Budget (\$m)**



## Investment income and expenses

The Petroleum Fund's annual investment income for 2024 was \$1,200.3 million after expenses.

Total investment income before expenses was \$1,221.5 million in 2024. Investment income can be categorised into cash receipts, such as coupons and dividends, and changes in market value. Interest, dividends and trust income totalled \$537.0 million. The gain on market valuations and foreign exchange was \$684.3 million in 2024. This reflects the positive returns from both fixed interest and equities. There was a fair value loss on the investment in Timor Gap E.P. (Table 14), and the appreciation in the USD over the year also detracted from income. Section D

describes the details. Table 5 shows that the expenses incurred in managing the Petroleum Fund totalled \$15.4 million in 2024, which was slightly higher than the previous year's expenses of \$15.3 million. The BCTL claimed operating costs incurred of \$7.4 million, which was 4.1 basis points of the Fund's beginning of year balance. The Other Expenses comprised custody and external manager fees of \$7.7 million, and Investment Advisory Board (IAB) expenses of \$271 thousand. IAB expenses were substantially lower than in 2023, which included the cost of the independent review. Total expenses in 2024 were 8.4 basis points of the average size of the Fund in 2024, slightly less than in 2023.

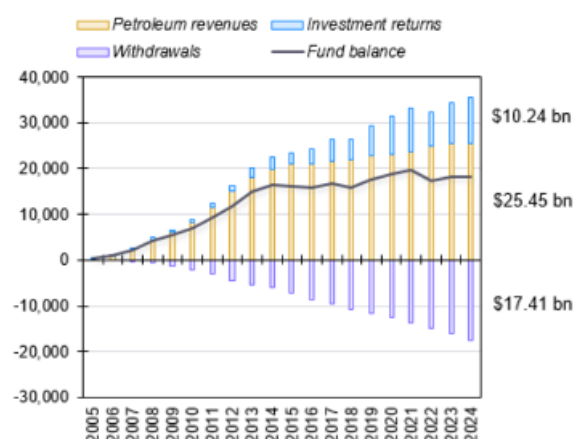
**Table 5 – Management expenses (\$m)**

| Category                                            | 2021          | 2022          | 2023          | 2024          |
|-----------------------------------------------------|---------------|---------------|---------------|---------------|
| External managers and custodian fees                | 8.139         | 6.820         | 5.856         | 7.663         |
| BCTL Operational Management expenses                | 7.712         | 6.211         | 7.188         | 7.446         |
| IAB expenses                                        | 0.140         | 0.287         | 0.677         | 0.271         |
| Other expenses                                      | 0.967         | 0.008         | 1.581         | 0.000         |
| <b>Total expenses</b>                               | <b>16.957</b> | <b>13.326</b> | <b>15.302</b> | <b>15.380</b> |
| <b>Total expenses relative to average Fund size</b> | <b>8.8bps</b> | <b>7.2bps</b> | <b>8.6bps</b> | <b>8.4bps</b> |

## Flows since inception

Figure 10 shows the contributions to the Fund's value since its inception. Petroleum revenue receipts total \$25,450 million, which includes the initial transfer of \$204.6 million of revenues collected in 2005 before the Fund was created. Investment returns have added \$10,236 million to the Fund's balance. Government withdrawals have totalled \$17,413 million since the Fund commenced in 2005, which exceeds the cumulative ESI over that period by \$7,642 million.

**Figure 10 – Cumulative flows for the Fund (\$m)**



## C. INVESTMENT STRATEGY

### Financial market investments

The Petroleum Fund Law sets out the following rules for investments:

- The Fund only invests in offshore financial assets (Article 15.1).
- A minimum of 50% of the Petroleum Fund is invested in fixed interest securities, that is, cash and investment grade bonds (Article 15.2).
- A maximum of 50% of the Petroleum Fund is invested in listed equities (Article 15.3).
- A maximum of 5% of the Petroleum Fund is able to be invested in other eligible investments (Article 15.4).
- A maximum of 3% of the Petroleum Fund is able to be invested in any one issuer or company, other than sovereign issuers (Article 15.5).

As noted, under the original framework in the Petroleum Fund Law, the Fund can only invest in offshore financial assets. National investment decisions by the government are required to be made

through the State Budget, which is assessed and approved by Parliament, rather than made directly by the Fund. The Petroleum Fund's investments are subject to rigorous due diligence by the Fund's institutions, including independent advice from the IAB, and assessed purely on financial grounds, rather than accounting for development objectives. This follows the Santiago Principles that seek to separate a sovereign wealth fund's investments from political influence.

The Petroleum Fund Law also provides guidelines for the investment strategy. The investments shall be diversified with the objective of maximizing risk-adjusted financial returns, after taking into account the Fund's purposes, its operational constraints, and ability to bear risk (Article 14.1). There must also be sufficient liquidity to fund Government withdrawals (Article 14.2). The investments are assessed purely on these financial grounds and need to comply with sound portfolio management practices.

### Investment in petroleum operations

Since 2019, the Fund has in effect been divided into investments in financial markets and the investment in petroleum operations.

The investment in petroleum operations was executed in April 2019 by means of loans to Timor Gap E.P.'s subsidiaries. The investment is an exception to the Petroleum Fund Law's framework and rules that was enabled by amending the Petroleum Activities Law. An overview of the investment is presented below. Further details are

available in the Petroleum Fund's Annual Report for 2019.

The Government agreed to purchase ConocoPhillips' and Shell's participating interests in the Greater Sunrise joint venture in September and November 2018. The objective was to facilitate onshore processing in Timor-Leste so as to fully participate in the upside of development. The aggregate 56.56% ownership interest cost Timor-Leste \$650 million, which needed to be financed. The Ministry of

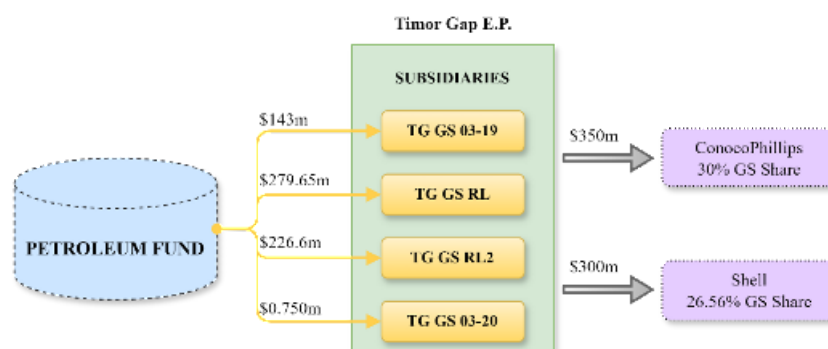
Finance's guidance was to follow the framework in the Petroleum Fund Law and include the government's domestic-orientated investments in the State Budget. However, the resulting \$2.1 billion Budget for 2019 was not promulgated on sustainability concerns. The Government then chose to finance the acquisition through an amendment to the Petroleum Activities Law. The amendment allowed the 5% allocation for alternative assets in Article 15.4 of the Petroleum Fund Law to be applied to investments in petroleum operations in national territory or abroad.

The Petroleum Fund's \$650 million investment was structured as a loan to the national oil company, Timor Gap E.P., which would use the proceeds to acquire the interests in the Greater Sunrise joint venture.<sup>11</sup> Loans were made to four subsidiaries of

Timor Gap E.P. that held the related Production Sharing Contracts and Retention Leases (see Figure 11). The interest rate was 4.5% per annum and there was a grace period on repayments for the first eight years to allow time for development and production to commence. Interest would accrue during the grace period and the loan would then be repaid over the following 10 years, when petroleum inflows were expected.<sup>12</sup>

In addition, once the Greater Sunrise field commences production, the Petroleum Fund will receive the State's usual share of petroleum revenue - namely, royalties, profit oil and petroleum-related taxes. The Petroleum Fund will also receive any dividends paid by the owner, Timor Gap E.P., from its participation in the joint venture.

**Figure 11 – Petroleum Fund's investment in Timor Gap E.P**



The Petroleum Fund's investment in Timor Gap E.P. is exceptional in two respects:

- It was an investment decision by the Government, approved by the Council of Ministers. The Petroleum Fund's Investment Advisory Board's advice was limited to how to implement the government's investment decision, rather than due diligence on the investment because the Board did not have the supporting analysis.
- It was an investment in Timor-Leste motivated by national development objectives rather than purely financial criteria.

The investment in petroleum operations has presented challenges. The accounting and valuation process took some time to establish and resulted in delays to the 2020 and 2021 financial statements. That was resolved in 2022 and subsequent reports.

An unresolved issue is that the exposure limits in the Petroleum Fund Law may be breached in future. The

Petroleum Fund Law limits the investment to 5% of the Fund's balance. This limit will be breached if the Fund depletes as projected, subject to the valuation of the loans. In addition, Article 15.5 of the Petroleum Fund Law imposes a 3% investment limit to any one company or issuer. The Maritime Boundaries Treaty requires consolidating the existing PSCs into one contract, and Timor-Leste's ownership interests will also be consolidated into one entity. If the loans are also transferred to that entity, then the 3% exposure limit is likely to be exceeded.

The timing of inflows from Greater Sunrise now presents a complication. When the loan was entered into in 2019, the 8-year grace period on repayments was expected to allow sufficient time for Greater Sunrise to commence production. However, the first interest payment is due in April 2028 and the development plan is yet to be agreed. Therefore, there is likely to be a gap between when Timor Gap E.P.'s

11 The Petroleum Fund's 2019 Annual Report explains why the investment was structured as a loan rather than an equity interest.

12 The investment in petroleum operations is further discussed in section D, "Developments in the private debt instrument", and in Note 13 and Note 24 of the attached Financial Statements.

contracted loan repayments are due and when it will receive revenue from Greater Sunrise.

The Minister of Finance has raised these issues with the Minister of Petroleum and Mineral Resources,

along with the parties to the loan, Timor Gap and the BCTL. The Ministry of Finance intends for the terms of the loan to be amended to reflect the expected timing of Sunrise.

## Segmentation into a Liquidity and Growth portfolio

The permanent fund framework outlined in Section A has not been applied in practice. Rather than follow the ESI guideline, governments have decided to front-load withdrawals. The Fund is projected to deplete until there are significant new petroleum inflows or a significant change in fiscal policy. The projected depletion of the Fund poses a challenge to the longer holding period required to be confident of earning a higher return from equities. (Figure 13).

Consequently, it was decided to match near-term withdrawals with low risk investments and segment the Fund's financial market investments into two portfolios. The Liquidity portfolio covers three years of projected withdrawals on a rolling basis and invests in low risk assets, namely cash and short maturity bonds. The Growth portfolio seeks higher returns over a longer horizon and invests 35% in equity and 65% in fixed interest (Figure 12).

Segmentation was implemented to:

- 1) Reduce risk in the total portfolio, accounting for withdrawals;
- 2) Provide clear investment objectives for each portfolio;
- 3) Provide confidence to stakeholders that near-term withdrawals are covered by relatively safe assets; and
- 4) Reconnect the Fund's investment strategy with fiscal policy by encouraging multiple-year fiscal projections and consideration of fiscal sustainability.

The structure adjusts the investment mix to new information about withdrawals.

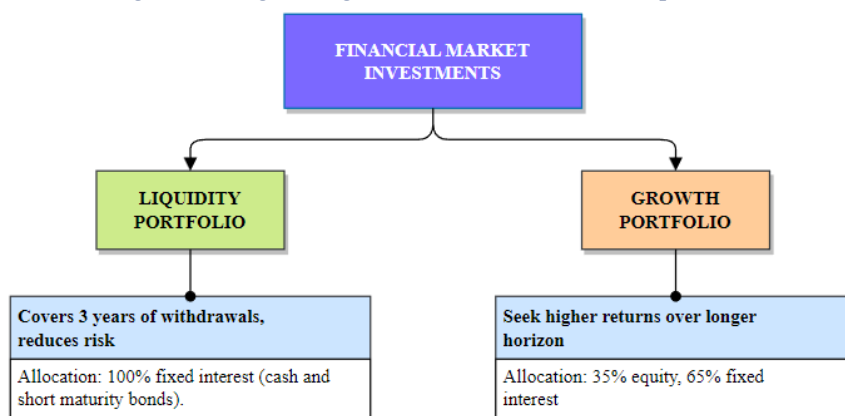
The liquidity portfolio finances withdrawals and therefore depletes over the course of the year, subject to any petroleum inflows. At the beginning of the next year, investments in the growth portfolio are sold to top-up the shortfall between the liquidity portfolio's balance and the projected withdrawals for the next three years. A counter-cyclical rule applies.

If the growth portfolio makes a loss in the prior year, then 50% of the shortfall is transferred; 100% of the shortfall is transferred if the growth portfolio posts a "normal" return of 0 to 6%; and 150% is transferred if the growth portfolio's return is greater than 6%. This rule is designed to limit the sale of investments after a loss and sell more after a strong return. The growth portfolio is rebalanced to its target weights (35% in equities and 65% in fixed income) as part of the transfer to the liquidity portfolio.

Applying this to 2024, projected withdrawals over the next three years were \$3,377.5 million, which consisted of the approved withdrawal of \$1,377.5 million for 2024 in the 2024 State Budget and estimates of \$1 billion for both 2025 and 2026. At the end of 2023, the balance in the liquidity portfolio was \$3,012.6 million, which included petroleum inflows, meaning the shortfall was \$364.97 million at year-end. The growth portfolio's annual return of 11.4% for 2023 was greater than 6%, meaning that 150% of the shortfall, \$547 million, was transferred from the growth portfolio to the liquidity portfolio by selling equities and bonds.

The liquidity portfolio was structured as two mandates when it was introduced in July 2021, Cash and short-term maturity US Treasury notes. The Cash mandate is used to finance the withdrawals in the current year's budget. It included instruments with less than 12 months maturity and was benchmarked to 3-month US Treasury bills. The balance in the short-term maturity US Treasury mandate was to correspond with projected withdrawals in year two and year three and was benchmarked to a corresponding 1-3 year US Treasury Notes index. After consultation with the BCTL as internal manager and presentations to the IAB on allocations and performance of the two mandates, the liquidity portfolio was restructured in April 2024 to a single mandate benchmarked to 0-3 Years US Treasury notes.

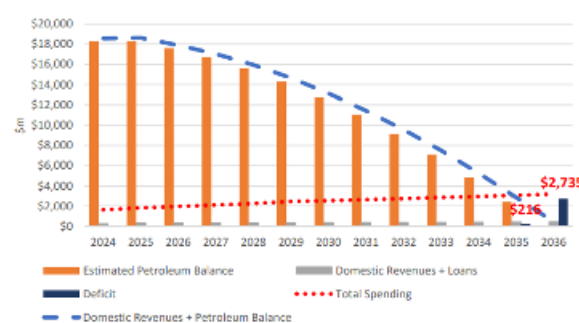
**Figure 12 – Segmenting the Petroleum Fund into two portfolios**



The fiscal sustainability analysis in the 2025 Budget Book projects that the Fund will be exhausted by 2035 under the spending trajectory required to meet the government’s 5% growth target for 2026-2029 (Figure 13). However, spending cuts and new taxes could see the Fund’s life extended to beyond 2040.

The fiscal sustainability analysis shown here does not account for potential inflows from Greater Sunrise. The Ministry of Finance reviews the fiscal framework and investment strategy regularly and has consulted with the Ministry for Petroleum and Mineral Resources on the amount and timing of the inflows from the Greater Sunrise project.

**Figure 13 – Petroleum Fund forecasts from 2025 Budget Book – current spending trajectory**



Source: Budget Book 1 2025. National Directorate of Economic Policy, Ministry of Finance, 2024.

## Portfolio and Holdings

The Petroleum Fund’s asset allocation has evolved over time, as shown in Box I.

The current structure of the Fund’s investments is illustrated in Figure 14. As noted earlier, the Investment in Petroleum Operations is separate from the Fund’s Financial Market Investments. In turn, the Financial Market Investments are segmented into the Liquidity and Growth Portfolios.

The Fund’s investment strategy reflects the IAB’s “Statement of Investment Beliefs and Principles”, which is published on the Ministry of Finance’s website.<sup>13</sup> The portfolio avoids unnecessary complexity and targets systematic return premia by investing in cash, government bonds and listed equities. Diversification is used to remove unrewarded risk; the equity portfolio is diversified across companies, countries, and industries, while the sovereign bond portfolio helps to mitigate equity risk.

Passive management is the main investment style. A passive manager invests so that the weights of the

individual securities in the portfolio reflect those in the benchmark index. As a result, the mandate’s investment performance will correspond with the benchmark’s performance. Passive management is usually preferred by the Petroleum Fund because financial markets are seen to be generally efficient and the bulk of returns come from systematic risk factors. Passive management provides cost effective and diversified exposure.

As noted, the liquidity portfolio finances the expected withdrawals from the Fund over the next three years, and was restructured as a single mandate of 0-3 Year US Treasury notes in April 2024. It is internally managed by the BCTL and expected to perform broadly in line with the benchmark.

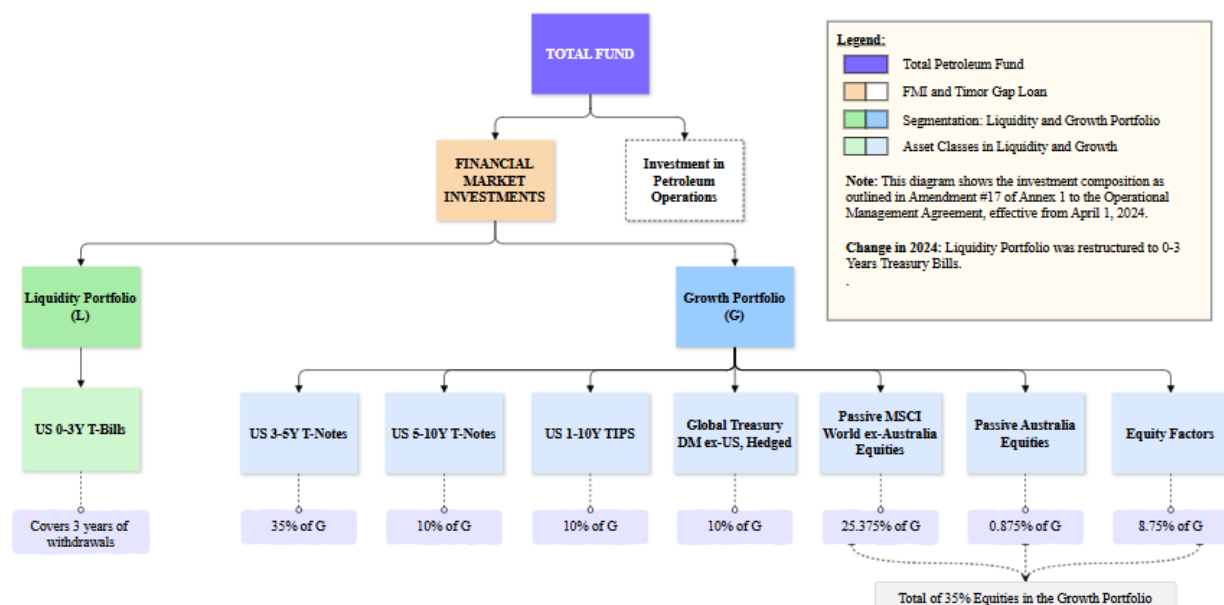
The growth portfolio follows the 65% fixed interest and 35% equity allocation that was adopted prior to segmentation. Fixed interest investments are limited to investment-grade government bonds. The internal, passively managed US Treasury mandates constitute

<sup>13</sup> <https://www.mof.gov.tl/pagedetails/petroleum-fund-of-timor-leste>

the bulk of the fixed interest holdings. The 3-5 year US Treasury portfolio has a 35% weight in the growth portfolio, while the 5-10 year US Treasury portfolio has a 10% weight. The US 1-10 year TIPS mandate was introduced in April 2023 with a 10% weight. US TIPS is externally managed by Barings and Franklin Templeton on an enhanced passive

basis. The Global Treasury ex-US mandate is externally managed by the Bank for International Settlements (BIS) on an enhanced passive basis, which seeks to earn a moderate excess return relative to its benchmark. The currency exposure in the Global Treasury ex-US mandate has been hedged since BIS was appointed as its manager in April 2020.

**Figure 14 – Overview of the Petroleum Fund's investments**



Three quarters of the equity allocation is also passively managed. SSgA and BlackRock's passive mandates are benchmarked to the MSCI World excluding Australia Index, a market-capitalisation index. The BCTL internally manages the allocation to Australian equities on a passive basis.

The equity factor mandate was introduced in August 2019 and amounts to one quarter of the total equity allocation. The allocation to equity factors departs from the market capitalization index by targeting companies that have higher exposures to value, quality, low-volatility, and, to a lesser extent, size.

**Table 6 – Characteristics of equity factors**

| Equity Factor  | Company characteristics                        |
|----------------|------------------------------------------------|
| Value          | Low valuation ratios e.g. Book to Market value |
| Quality        | Higher profit                                  |
| Low volatility | Less variable returns                          |
| Size           | Smaller market capitalisation                  |

The characteristics of these factors are summarised in Table 6. The allocation consists of two managers; Schrodgers, which was held as an enhanced passive mandate prior to the factor allocation but then

reclassified, and a new factor mandate with SSgA. Over the long-term, the equity factor mandate is expected to improve the risk-adjusted return relative to a portfolio invested in a market capitalization index.

The liquidity portfolio ended 2024 at \$2,493 million, which represents 14% of total financial market investments. The portfolio financed the \$1,300 million of withdrawals by the government, received \$85.4 million of petroleum inflows, and generated investment income.

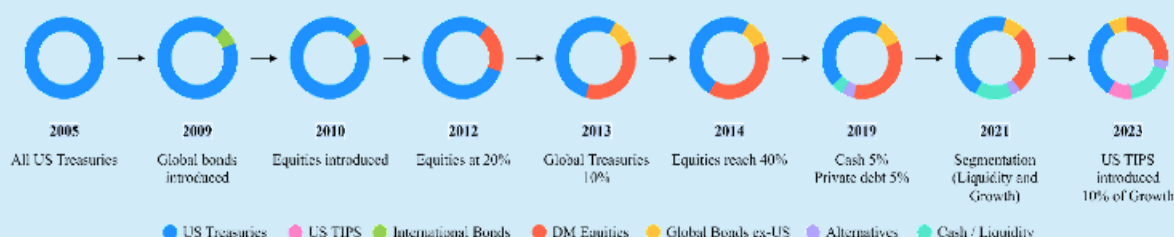
The growth portfolio was rebalanced to its SAA weights in the first quarter of 2024. Under annual rebalancing, the weights of fixed interest and equities will subsequently drift according to their relative performance during the year.

As described in Section D, the returns from equities (17.8%) exceeded those of fixed interest (2.2%), which resulted in the equity allocation finishing the year 2.5% over the 35% SAA weight, with fixed interest being correspondingly underweight its 65% allocation (Table 7).

## Box I: The evolution of the Petroleum Fund's investments

The Fund's asset allocation has evolved over time. Under the original Petroleum Fund Law in 2005, the Fund's investments were limited mainly to low-risk assets. The Fund was fully invested in US Treasuries before a global bond allocation was introduced in 2009. Equities were first introduced in 2010, when the upper limit in the 2005 Law was effectively 10% when combined with non-USD debt.

Figure 15 – Asset allocations since 2005



The amendments to the Petroleum Fund Law in 2011 increased the maximum equity allocation to 50% of the Fund. This was designed to meet the 3% real return objective implied by the ESI withdrawal rule. A 40% equity allocation was decided upon in 2012, which, at that time, was expected to meet the 3% real return objective with a reasonable probability. The long-term investment horizon that results if the permanent fund framework is followed would allow the Fund to withstand the short-term volatility inherent in equities. The equity allocation was initially increased to 20% in 2012, and was then increased incrementally each month to reach 40% by June 2014. During this time, a 10% allocation to unhedged Global Treasuries outside the US was introduced in 2013.

The implications of a declining Fund balance for the investment strategy have been considered for some time. In June 2016, a cash portfolio of \$800m was introduced to match expected net withdrawals for the remainder of that year. In 2017, the cash mandate was set to equal the 12-month expected net cash shortfall on a rolling quarterly basis. That cash allocation was treated as outside the SAA and is not shown in Figure 11. To simplify operational management, a 5% cash allocation was added to the SAA in 2019.

The Fund invested in petroleum operations through loans to Timor Gap E.P. in April 2019. Timor Gap E.P.'s interest repayments are to be financed from revenues derived from the Greater Sunrise petroleum development project, meaning that the risk of the Fund's investment is more comparable to the equity allocation than bonds. Consequently, the allocation was funded by reducing the equity allocation from 40% to 35%.

In July 2021, the Petroleum Fund was segmented into the liquidity portfolio and the growth portfolio. Figure 15 shows that for the total fund this involved a significant increase in the defensive allocation to cash and short-maturity US Treasuries, while the equity allocation decreased.

In April 2023, 10% of the total growth portfolio was allocated to US Treasury Inflation Protected Securities (TIPS) and funded from the US Treasury 3-5 year mandate, which declined in weight to 35%. The mandate is intended to hedge against rising inflation and its impacts on the Fund's portfolio.

In April 2024, the Liquidity portfolio's mandate was amended from a composite mandate of Cash and 1-3 Years US Treasury notes to a single mandate of 0-3 Years US Treasury notes.

**Table 7 – Financial Market Investments’ mandates of the Petroleum Fund as at 31 December 2024**

| Portfolio/Mandate                      | Manager         | Style            | Allocations at year-end |                |                |               |
|----------------------------------------|-----------------|------------------|-------------------------|----------------|----------------|---------------|
|                                        |                 |                  | US\$ m                  | SAA weight     | % of Growth    | % of FMI      |
| <b>Financial Market Investments</b>    |                 |                  | <b>17,713.0</b>         |                |                | <b>100.0%</b> |
| Liquidity Portfolio                    |                 |                  | 2,492.5                 |                |                | 14.1%         |
| Growth Portfolio                       |                 |                  | 15,220.5                |                |                | 85.9%         |
| <b>Liquidity Portfolio</b>             |                 |                  | <b>2,492.5</b>          |                |                | <b>14.1%</b>  |
| US 0-3 Year Treasury notes             | BCTL            | Passive          | 2,492.5                 |                |                | 14.1%         |
| <b>Growth Portfolio</b>                |                 |                  | <b>15,220.5</b>         | <b>100.00%</b> | <b>100.00%</b> | <b>85.9%</b>  |
| <b>Total Fixed Interest</b>            |                 |                  | <b>9,514.2</b>          | <b>65.00%</b>  | <b>62.5%</b>   | <b>53.7%</b>  |
| US 3-5 Year Treasury bonds             | BCTL            | Passive          | 5,123.6                 | 35.00%         | 33.7%          | 28.9%         |
| US 5-10 Year Treasury bonds            | BCTL            | Passive          | 1,428.3                 | 10.00%         | 9.4%           | 8.1%          |
| Global DM ex-US Treasury (Hedged)      | BIS             | Enhanced Passive | 1,486.3                 | 10.00%         | 9.8%           | 8.4%          |
| US 1-10 Year Government TIPS           | FT; Barings     | Enhanced Passive | 1,476.1                 | 10.00%         | 9.7%           | 8.3%          |
| <b>Total Equities</b>                  |                 |                  | <b>5,706.3</b>          | <b>35.00%</b>  | <b>37.5%</b>   | <b>32.2%</b>  |
| MSCI World Index ex-Australia Equities | SSgA; Blackrock | Passive          | 4,175.7                 | 25.375%        | 27.4%          | 23.6%         |
| MSCI Australia Equities                | BCTL            | Passive          | 130.8                   | 0.875%         | 0.9%           | 0.7%          |
| MSCI World Index ex-Australia Equities | SSgA; Schroders | Equity Factors   | 1,399.7                 | 8.75%          | 9.2%           | 7.9%          |

Note: SAA (Strategic Asset Allocation); DM (Developed Market); Ex (Excluding); BCTL (Timor-Leste Central Bank); BIS (Bank for International Settlement); FT (Franklin Templeton); SSgA (State Street Global Advisors).

Table 8 shows the Fund’s allocations by country. Cash here is defined according to our accounting policy, namely, instruments with maturities of less than 90 days. It is comprised primarily of the USD Cash mandate, which includes overnight repurchase agreements with the Federal Reserve Bank of New York. In addition, cash includes the 10% collateral required for the hedged global treasury mandate, as well as small cash balances held by managers in their bond and equity mandates for operations, which includes some currencies in addition to USD.

The composition of the Petroleum Fund’s equity holdings largely corresponds with the benchmark index. The MSCI World Index is comprised of large and mid-size capitalisation companies that are listed in developed markets. The Petroleum Fund held 1,436 companies at the end of 2024 and the holdings are reported in Note 24 of Annex II. Table 8 shows that over 73% of the equity portfolio is invested in companies listed in the US. Eurozone countries represent the next largest allocation at 7.7% of the equity portfolio, followed by Japan (5.5%) and the UK (3.3%). The allocation to Australian equities is internally managed by the BCTL and represents 2.3% of total equities held by the Fund.

The US allocation represents 88.8% of the Fund’s bond holdings. It consists of US Treasuries held in the liquidity portfolio, along with the growth portfolio’s 3-5 year Treasury, 5-10 year Treasury and

1-10 year TIPS mandates. The Non-US government bond allocation is benchmarked to a customised index of developed markets, which is designed to facilitate diversification by capping the Eurozone allocation at 30% of the index and individual country weights at 10%. The allocations in Table 8 are in line with the benchmark weights. The Eurozone represents 3.4% of the total fixed interest holdings, while the weights for Australia, Canada, Japan and the UK are consistent with the maximum country weight.

With respect to the Fund’s exposure to foreign currency, cash is almost entirely in US dollars. The fixed interest holdings are effectively entirely in US dollars. There are large allocations to US Treasury mandates, while the global developed market sovereign bond mandate is hedged to the US dollar. The equity holdings are unhedged so the country weights for equities in Table 8 reflect the resulting currency exposures. For the aggregate of financial market investments, 84% of the Fund is invested in US securities, with the Eurozone the next largest allocation at almost 5%. The USD dominates the currency exposure at over 91% after accounting for hedging of the non-US fixed interest holdings. There are small exposures to the other major currencies – namely, the Euro, the Japanese Yen, the British Pound, the Canadian dollar and the Australian dollar and other small non-USD currencies – resulting from the unhedged equity allocation.

**Table 8 – Petroleum Fund’s allocation by countries**

| Country                  | Cash          | Bonds         | Equities      | FMI           |
|--------------------------|---------------|---------------|---------------|---------------|
| Australia                | 0.2%          | 1.1%          | 2.3%          | 1.4%          |
| Canada                   | 0.2%          | 1.1%          | 3.0%          | 1.7%          |
| Denmark                  | 0.0%          | 0.6%          | 0.7%          | 0.6%          |
| Eurozone                 | 0.5%          | 3.4%          | 7.7%          | 4.7%          |
| Hong Kong                | 0.2%          | 0.1%          | 0.4%          | 0.2%          |
| Israel                   | 0.1%          | 0.0%          | 0.1%          | 0.0%          |
| Japan                    | 0.5%          | 1.2%          | 5.5%          | 2.5%          |
| New Zealand              | 0.4%          | 0.5%          | 0.1%          | 0.4%          |
| Norway                   | 0.1%          | 0.3%          | 0.1%          | 0.2%          |
| Singapore                | 0.2%          | 0.9%          | 0.3%          | 0.7%          |
| Sweden                   | 0.1%          | 0.4%          | 0.7%          | 0.5%          |
| Switzerland              | 0.1%          | 0.7%          | 2.2%          | 1.2%          |
| United Kingdom           | 0.2%          | 1.1%          | 3.3%          | 1.8%          |
| United States of America | 97.3%         | 88.8%         | 73.6%         | 84.2%         |
| <b>Total</b>             | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

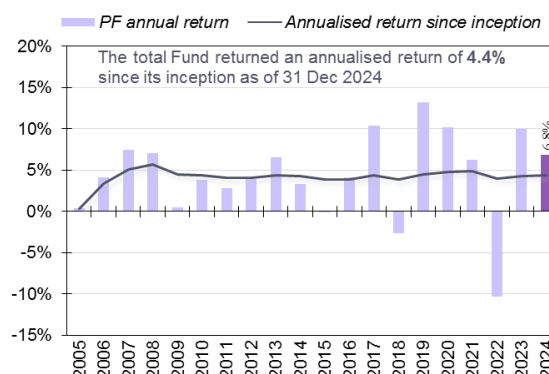
Note: Financial Market Investments only. Cash includes cash at bank and US dollar repurchase agreements.  
Bonds includes holdings in the liquidity portfolio and the fixed interest mandates in the growth portfolios.

## D. INVESTMENT PERFORMANCE IN 2024

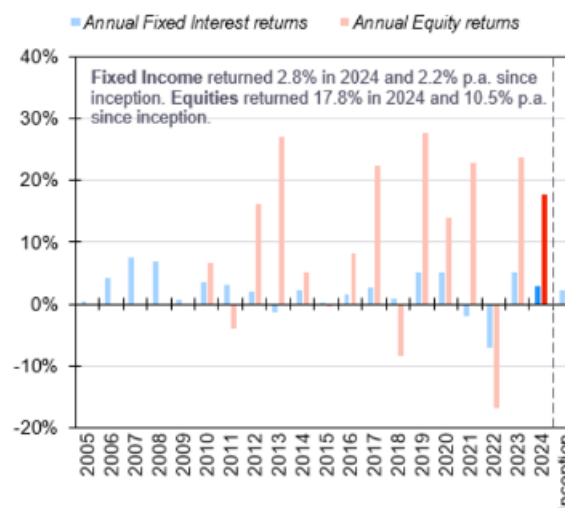
The Petroleum Fund’s total return in 2024 was +6.80%, which followed the 9.99% return in 2023. Financial market investments, which excludes the loan to Timor Gap E.P., returned 7.26%. The liquidity portfolio returned a healthy 5.16%, which reflects elevated short-term interest rates. The growth portfolio returned 7.78%, comprised of the fixed interest return of 2.17% and the equity return of 17.79%. The Petroleum Fund’s loan to Timor Gap E.P. returned -5.99% following the latest independent valuation, which is described below.

The strong annual returns over the last two years have more than offset the fall in 2022. The annualised return since inception for the Fund rose to 4.40%, compared to 4.27% at the end of 2023. The allocation to fixed interest, including mandates in both the liquidity and growth portfolios, has returned 2.15% per annum since 2005, while the equity allocation’s annualized return is 10.51% per annum since the first investment in 2010. The corresponding return from fixed interest since equities were introduced in October 2010 is 1.50% per annum. The Fund’s annualized real return since inception is 1.88% per annum after deducting US inflation. This is below the permanent fund model’s implied target of a 3% annual real return to offset the ESI withdrawal. As noted, the permanent fund model is no longer being followed because high withdrawals required reducing investment risk through segmentation of the fund.

**Figure 16 – PF annual investment returns**



**Figure 17 – Returns from bonds and equities**



Note: Fixed Interest from July 2021 includes cash and bond mandates in both the liquidity and growth portfolios.

## Developments in financial markets in 2024

Economic activity in developed markets presented a mixed picture in 2024. The US economy continued to be resilient, driven by strong consumer spending and a robust labour market. In contrast, the Eurozone experienced modest growth that was uneven across its member states. The UK economy, after an initial recovery from a shallow 2023 recession, stalled in the latter half of 2024. Meanwhile, Japan's economy grew moderately after a first quarter contraction. Across developed markets, inflation generally eased during the year, but still remained above central bank targets by year-end (see Table 9).

Projections for central bank policy evolved with economic conditions. At the beginning of the year, the major central banks were expected to ease rates as inflation receded. In December 2023, the Federal Reserve (the Fed) had pivoted to project rate cuts in 2024. However, the Fed held interest rates steady in the first half of the year due to inflationary pressures and persistent economic strength. Other central banks also cautiously kept rates on hold, seeking higher confidence that inflation was trending sustainably toward target.

The European Central Bank (ECB) was the first to ease, cutting rates in June by 25 basis points to stimulate stalled growth. Inflation continued to decline and three 25 basis points rate cuts followed to bring the deposit rate to 3.00% at year end. The ECB signalled its commitment to gradual rate cuts, while returning inflation to the 2% target.

The Fed cut rates by 50 basis points in September after inflation had moderated. The decision also followed concerns about a possible US recession that arose from disappointing jobs data in August. This was the first cut since the COVID stimulus in March 2020. Two 25 basis points rate cuts followed in November and December, bringing the Fed rate to 4.25-4.50%. In December, the Fed scaled back projections for future rate cuts as a result of sticky inflation readings and projections.

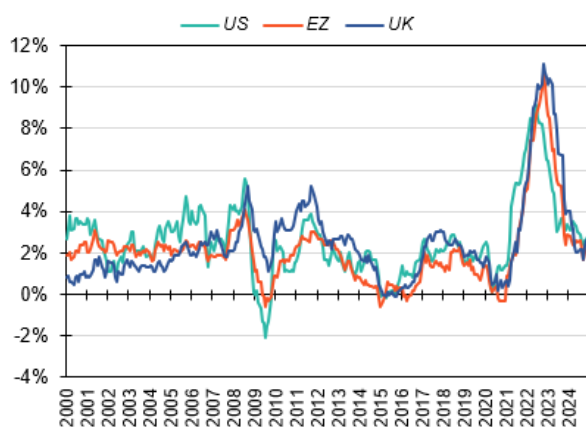
The Bank of England (BoE) maintained its policy rate at 5.25% in the first half of 2024 as inflation, particularly in the services sector, remained elevated. Inflationary pressures subsequently moderated, allowing rate cuts in August and November. The policy rate was then held steady at 4.75% in response to higher inflation readings.

**Table 9 – Central bank policy and inflation**

|                  | Policy rate in<br>Dec 2024 | Change in<br>rates in 2024 | Change in<br>rates in 2023 | Inflation<br>Dec 2024 | Inflation<br>Dec 2023 | Real GDP<br>growth (yoy) |
|------------------|----------------------------|----------------------------|----------------------------|-----------------------|-----------------------|--------------------------|
| United States    | 4.25-4.50%                 | -1.00%                     | 1.00%                      | 2.9%                  | 3.4%                  | 2.8%                     |
| ECB <sup>1</sup> | 3.00%                      | -1.00%                     | 2.00%                      | 2.4%                  | 2.9%                  | 0.9%                     |
| United Kingdom   | 4.75%                      | -0.50%                     | 1.75%                      | 2.5%                  | 4.0%                  | 1.1%                     |
| Japan            | 0.25%                      | -0.35%                     | 0.00%                      | 3.6%                  | 2.6%                  | 0.2%                     |
| Canada           | 3.25%                      | -1.75%                     | 0.75%                      | 1.8%                  | 3.4%                  | 1.6%                     |
| Australia        | 4.35%                      | -                          | 1.25%                      | 2.4%                  | 4.1%                  | 1.1%                     |

Note: 1) ECB deposit facility rate. Source: Bloomberg, PFPMO calculations.

**Figure 18 – Inflation rates**

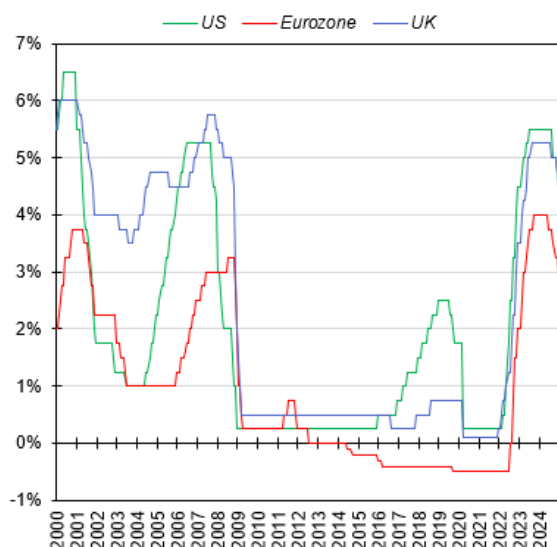


Note: Headline CPI year on year inflation

Source: Bloomberg

In contrast to the other major economies that had tightened monetary policy in 2022 and 2023 in response to inflation, the Bank of Japan (BoJ) had maintained highly accommodative monetary policy to ensure the country emerged from deflation. With inflation consistently above the 2% target and robust wages growth, the BoJ abandoned its negative interest rate and yield curve control policies in March. The policy rate increased to 0.0-0.1%, the first positive setting since January 2016. The rate was subsequently increased to 0.25% in the second quarter and unchanged in the latter half of the year.

**Figure 19 – Central bank policy rates**



Source: Bloomberg

Bond yields generally moved with the market's expectations of policy rates during the year. At the start of the year, the market was projecting six to seven rate cuts in the US, having magnified the Fed's year-end pivot to lower rates. However, persistent inflation and stronger than expected data saw those projections revised lower in the first four months of 2024, which resulted in rising bond yields and negative returns for US Treasuries.

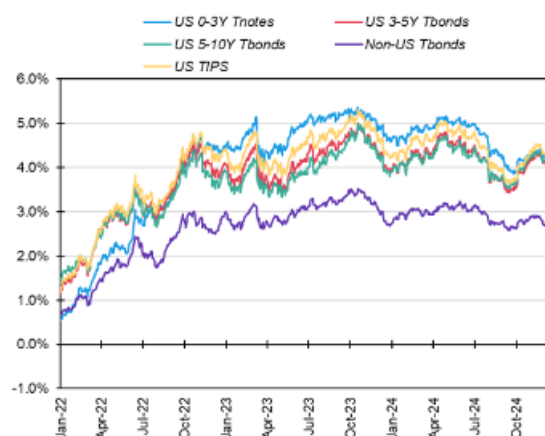
US Treasury yields then declined in May and June due to encouraging inflation reports, and continued to fall through the third quarter as the Fed cut rates and investors factored in further cuts. However, yields increased in the fourth quarter notwithstanding the policy cuts in November and December. The market pared back its expectations for rate cuts as inflationary pressure reemerged.

At the end of the year, the 2 year US Treasury yield was little changed at 4.24%, while the US Treasury 10 year yield increased by 69 basis points to 4.57%. The US Treasury 2-10 year yield curve normalised in quarter three, ending an extended period of inversion.

An inverted curve usually precedes a recession, although in this case the Fed had seemingly engineered a soft landing.

Bond yields in the Eurozone and the UK broadly followed a similar pattern to those in the US. Yields in the Eurozone did not rise as much as US yields in 2024 given the weaker growth outlook, while UK yields rose more reflecting persistent inflation and fiscal pressure.

**Figure 20 – Index Bond yields**



Source: Bloomberg

Over the year, yields on the liquidity portfolio benchmark, the US Treasury 0-3 year index, decreased by 33 basis points, while yields for the other benchmarks rose. For US Treasuries, the 5-10 year benchmark yield increased the most, up 60 basis points, while the US Treasury 3-5 year yield was 43 basis points higher. The yield on the non-US government bond benchmark increased by 12 basis points. The relative performance of the bond benchmarks over the year reflected the changes in yields and durations. The 0-3 Year US Treasury mandate outperformed, while the US Treasury 5-10 Year mandate underperformed. US TIPS and hedged non-US Treasury bonds returned 3.1% and 3.4%, respectively.

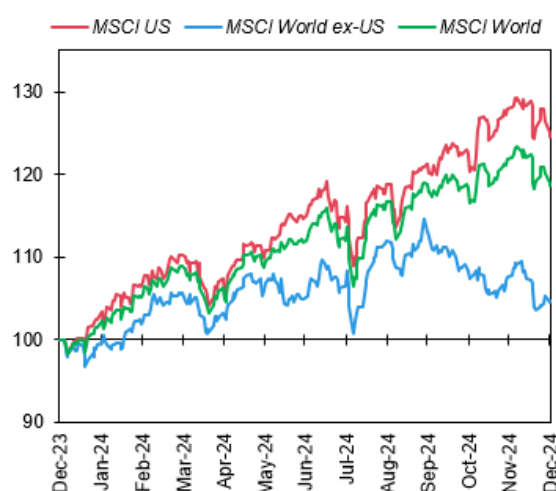
**Table 10 – Index bond yields and benchmark's annual return (%)**

| Index                          | End of year yield (%) | Change in yields (%) |      |       |      |       | 2024 return (%) |
|--------------------------------|-----------------------|----------------------|------|-------|------|-------|-----------------|
|                                |                       | Q1                   | Q2   | Q3    | Q4   | 2024  |                 |
| US 0-3Y T-Note                 | 4.26                  | 0.29                 | 0.08 | -1.04 | 0.34 | -0.33 | 4.46            |
| US 3-5Y T-Note                 | 4.35                  | 0.39                 | 0.11 | -0.86 | 0.78 | 0.43  | 2.40            |
| US 5-10Y T-Note                | 4.49                  | 0.33                 | 0.14 | -0.69 | 0.82 | 0.60  | 0.43            |
| US 1-10Y TIPS (nominal yields) | 4.53                  | 0.38                 | 0.16 | -0.99 | 0.77 | 0.31  | 3.09            |
| Global DM ex-US Treasuries     | 2.83                  | 0.22                 | 0.16 | -0.45 | 0.19 | 0.12  | 3.37            |

Source: Bloomberg, PFPMO calculations.

Equities registered another good year following 20% plus returns in 2023. The MSCI World Index, which is comprised of companies in developed markets weighted by their market size, returned 18.7% in USD terms in 2024. The index posted gains in the first three quarters and a small loss in quarter 4. Generally, equities lost ground when US policy rate expectations were revised higher, such as in April and parts of quarter 4, and posted gains when inflation eased and more policy cuts were expected, such as in May to June and quarter 3. There was a fall in late July and early August when weak payroll data raised concerns about a hard landing in the US, but markets rebounded strongly.

**Figure 21 – Equities total returns in US dollar  
(31/12/2023 = 100)**

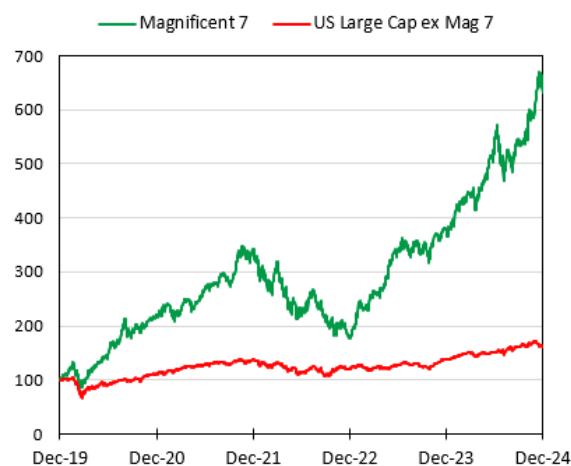


Source: Bloomberg, PFPMO calculations.

US equities outperformed, returning 24.6% in 2024, and posted gains for all four quarters. US outperformance was again driven by the mega-cap technological stocks that are heavily involved in Artificial Intelligence (AI). The Magnificent 7 - NVIDIA, Meta (Facebook), Alphabet (Google), Microsoft, Amazon, Apple and Tesla – again outperformed the rest of the market. The mega caps also contributed to growth stocks outperforming value stocks.

Japanese equities were the standout performer in the first half of the year in local currency terms. The BoJ's highly accommodative monetary policy helped support local activity, while the associated weakness in the Yen helped to increase exports and corporate profitability. Foreign investor demand for Japanese equities was also boosted by signs of positive shifts in the macro economy, including moving beyond deflation, and corporate governance reforms.

**Figure 22 – Magnificent 7 stocks vs US Large Cap ex  
Magnificent 7 (31/12/2019 = 100)**



Source: Bloomberg, PFPMO calculations.

However, the Nikkei 225 index fell by more than 12% on 5 August, the largest single day drop since 1987. While other equity markets also fell on concerns about a US hard landing, the pronounced selloff in Japan was attributed to an unwinding of the yen carry trade. The BoJ's second interest rate hike on July 31 came earlier than the market expected and official commentary suggested further tightening. The increase in Japanese rates, imminent rate cuts in the US, and the resulting appreciation in the Yen threatened the profitability of the carry trade.

A significant portion of the fall was recovered during the rest of August and Japanese equities returned 20.7% in Yen terms over the year. The annual return falls to 8.3% when expressed in US dollar terms.

**Table 11 – MSCI index total returns in USD (%)**

| Index           | Q1    | Q2    | Q3    | Q4     | 2024  |
|-----------------|-------|-------|-------|--------|-------|
| MSCI World      | 8.88  | 2.63  | 6.36  | -0.16  | 18.67 |
| MSCI US         | 10.30 | 3.94  | 5.82  | 2.69   | 24.58 |
| MSCI Euro ex-UK | 5.86  | -0.35 | 6.18  | -10.59 | 0.15  |
| MSCI UK         | 3.10  | 3.69  | 7.94  | -6.82  | 7.54  |
| MSCI Japan      | 11.01 | -4.27 | 5.72  | -3.60  | 8.31  |
| MSCI Australia  | 0.80  | 1.62  | 11.52 | -11.39 | 1.23  |
| MSCI EM         | 2.37  | 5.00  | 8.72  | -8.01  | 7.50  |

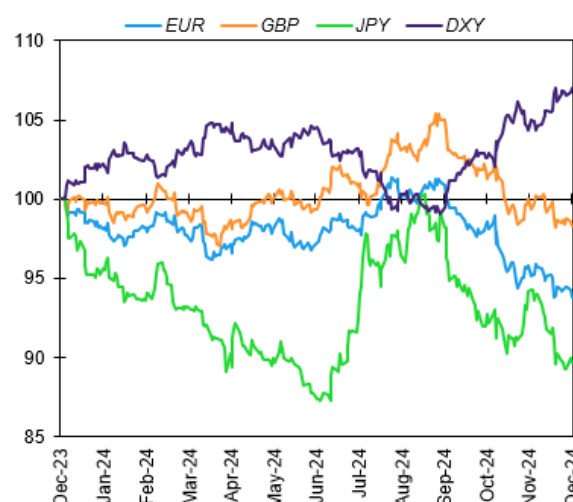
Source: Bloomberg, PFPMO calculations.

The US dollar fluctuated with expected interest rates during the year. The US dollar Index, a measure of the dollar relative to the currencies of the United States' major trading partners, finished the year 7.1% higher (Figure 23, DXY series). The increase came in the last quarter as markets priced in expectations that the Fed will need to maintain higher rates.

The major currencies depreciated against the US dollar in 2024: -1.7% for the British Pound, -6.2% for the Euro, and -10.3% for the Japanese Yen.

The Yen had rebounded in quarter 3 after the BOJ raised rates in July but fell again in quarter 4. Yen weakness reflected the wide interest rate differential with the US and the expectation that the BoJ would keep policy rates low.

**Figure 23 – US dollar relative to other currencies  
(31/12/2023 = 100)**



Source: Bloomberg, PFPMO calculations.

## Developments in the private debt instrument

The Petroleum Fund's investments are required to be reported at fair value. Unlike the financial market investments in listed equities and government bonds, a publicly available market price is not available for the loans to Timor Gap E.P. Instead, fair value is determined by an annual independent valuation.<sup>14</sup> The BCTL, as operational manager, hires an independent expert to determine the loan's value each year. The valuation firm determines a discount rate that incorporates the end of year yield on a US Treasury bond with a maturity corresponding to that of the loan, and that also adjusts for the risk of the Fund's investment. The discount rate is then applied to the cash flows from the loan to calculate the fair value.

Prior to 2024, the discounted cash flows equalled the contracted repayments starting in 2028. However, for the 2024 valuation, the valuation firm required an adjustment to account for the gap between when the first interest payment of the loan is due in April 2028 and when the inflows from the Greater Sunrise projected are expected to start (the "liquidity gap"). The inflows from Sunrise will finance Timor Gap E.P.'s repayment of the loan.

Table 12 presents the cash flow assumptions for the 2024 valuation. The valuation firm assumed that the first repayment will be made in April 2031, and maintained the termination date as April 2037. The assumptions were based on the previous ERCE

valuation reports provided to Timor Gap and other publicly available information, including Timor Gap's reports, as well as accounting for input from the BCTL and Ministry of Finance. The valuation was made on the basis that Timor Gap E.P., the BCTL and relevant stakeholders will agree to amend the loan so that the first payment date aligns with the start of expected cash flows from Sunrise. This reflects correspondence between the Ministry of Finance and the Ministry for Petroleum and Mineral Resources along with the parties to the loan, the BCTL and Timor Gap E.P.

**Table 12 – Cash flow assumptions for 2024 valuation of the loans to Timor Gap E.P.**

|                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>The grace period is extended from 8 years in the original contract to 11 years.</li> </ul>                                                                                                                                 |
| <ul style="list-style-type: none"> <li>The first interest payment is extended from April 2028 to April 2031. This was based on ERCE's reports in 2023 that the first gas sales would be in Q4 2030.</li> </ul>                                                    |
| <ul style="list-style-type: none"> <li>The termination date is maintained as April 2037, as in the original contract. As a result, the number of annual interest payments are reduced from 10 to 7 payments. The annual payment increases accordingly.</li> </ul> |

The loan was valued at \$561.044 million at the end of 2024. This is lower than the 2023 valuation of

<sup>14</sup> If the loan was valued at amortized cost, a valuation firm would also need to be engaged to determine the expected credit loss. Under accounting standards, the resulting valuation should, in theory, be similar to fair value.

\$569.795 million, and results in an annual return of -5.99%.

The annual loss reflects the changes to the assumed cash flows and the increase in the discount rate. Table 13 shows that the discount rate rose in 2024 because the fixed rate, the government bond yield, increased by 0.74%. The valuation firm also slightly increased the risk premium by 0.35%.

The negative return in 2024 follows a +6.4% return posted in 2023. The annualised return since inception is -2.53%.

The valuation process in 2024 was very timely, which allowed the independent valuation to be incorporated in the Petroleum Fund's quarter four report that was published by the BCTL in February 2025.

**Table 13 – Fair value of the loans to Timor Gap E.P.**

|                                                   | 2019                     | 2020                     | 2021         | 2022         | 2023         | 2024         |
|---------------------------------------------------|--------------------------|--------------------------|--------------|--------------|--------------|--------------|
| <b>Fixed Rate</b>                                 |                          |                          | 1.91%        | 3.99%        | 4.05%        | 4.79%        |
| <b>Country Risk Premium</b>                       |                          |                          | 1.46%        | 1.46%        | 1.60%        | 1.95%        |
| <b>Liquidity Premium</b>                          |                          |                          | 1.50%        | 2.50%        | 2.50%        | 2.50%        |
| <b>Discount rate for the loan</b>                 | <b>4.50%<sup>3</sup></b> | <b>5.62%<sup>3</sup></b> | <b>4.87%</b> | <b>7.95%</b> | <b>8.15%</b> | <b>9.24%</b> |
| <b>Fair value of Petroleum Fund's asset (\$m)</b> | 671.314 <sup>1</sup>     | 615.700                  | 701.353      | 560.758      | 596.795      | 561.044      |
| <b>Investment return</b>                          | 3.3% <sup>2</sup>        | -8.3%                    | 13.9%        | -20.0%       | 6.4%         | -6.0%        |

Notes: 1). The asset was reported at amortized cost in 2019 and the valuation policy changed to fair value in the 2020 financial statements. The external auditor assessed that the 2019 value was not materially different from fair value.

2). The investment was made in April 2019. On an annualised basis, the return for 2019 is 4.5%, consistent with the agreed interest rate.

3). A “build-up” methodology of determining the discount rate was introduced in 2021. The valuation firm used a different approach in 2020, meaning the components are not comparable with 2021 to 2024, and therefore are not shown.

It is important that other technical details of the loan are understood.

Firstly, for accounting purposes, interest continues to accrue on the loan based on the contracted annual rate of 4.5%. Interest is based on the cumulative value of the loan at the start of the year, rather than the fair

value. Note 13 in the accompanying financial statements in Annex II show the accounting for the loan, and is extracted in Table 14. The difference between the end of year independent valuation and the end of year book value – the beginning value plus accrued interest - is accounted for as a fair value gain/loss.

**Table 14 – Accounting for the loans to Timor Gap (\$m)**

|                                  | 2022           | 2023           | 2024           |
|----------------------------------|----------------|----------------|----------------|
| Balance at beginning of year     | 701.353        | 560.758        | 596.795        |
| Interest income <sup>1</sup>     | 32.985         | 34.470         | 36.019         |
| FV gain/loss                     | -173.581       | 1.568          | -71.770        |
| <b>Fair value at end of year</b> | <b>560.758</b> | <b>596.795</b> | <b>561.044</b> |

Note: 1) Interest income is calculated as 4.5% of the cumulative value of the loan at the beginning of the year.

Secondly, the fair value of the Petroleum Fund's asset differs from the value of Timor Gap E.P.'s liability. Timor Gap E.P. is required to report the value of its liability to the Petroleum Fund at amortized cost. The value of Timor Gap's liability as of December 2024 is estimated to be \$836.455 million. This reflects the principal of \$650 million and interest accumulated at 4.5% from April 2019 until December 2024. Table 15 shows that the contracted amount owed by Timor Gap is considerably higher than the estimated fair value of the Petroleum Fund's asset. The estimate of fair value varies with changes in government bond yields and the estimated risk premium as shown in Table 13.

This discount rate is now much higher than the agreed rate of 4.5%. In addition, the 2024 fair valuation adjusted the assumed cash flows to account for the liquidity gap.

Thirdly, the value of the Fund's loan to Timor Gap is closely connected to the Greater Sunrise project but is different from the value of Timor Gap's participating interest in Sunrise. The loan is connected to Greater Sunrise in that it financed Timor Gap's purchase of participating interests in Sunrise. In addition, Timor Gap's share of inflows from Sunrise will finance the loan repayments. However, the value of the Fund's loan – the present value of cash flows to repay the \$650 million borrowed - is

different from the value of Timor Gap E.P.'s participating interest – the present value of Timor Gap's share of the expected net cash flows from Sunrise.

Timor Gap has valued its participating interest in Greater Sunrise at zero starting in its 2020 annual financial statements. Timor Gap hired an independent firm, ERCE, to assess the value of its investment in the project in 2020, 2021 and 2022. The independent valuation reported a negative value of the owner's participating interests in Sunrise after taking into account the uncertainty about the fiscal regime and agreement on development. Timor Gap also adopted this valuation in its 2023 annual financial statements.

The viability of Sunrise is relevant to the valuation of the Petroleum Fund's investment in Timor Gap. The independent valuation of the Petroleum Fund's loan in 2024 and previous years accounted for the

information in Timor Gap's reports and previous ERCE reports. This contributed to an increase in the risk premium.

Lastly, there is an interval between when Timor Gap E.P. expects to receive inflows from Greater Sunrise and when it is contracted to start paying the Petroleum Fund interest on the loans, namely \$117 million in April 2028. This so-called "liquidity gap" was addressed by the valuation firm in 2024 by assuming that the first repayment occurs in April 2031. The terms of the loan need to be formally amended to reflect the expected start date of inflows from Sunrise. The Ministry of Finance has raised this issue with the Ministry for Petroleum and Mineral Resources along with the parties to the loan, the BCTL and Timor Gap. The Ministry of Finance expects the terms to be amended to reflect the latest available information.

**Table 15 – Fair value of PF assets vs Timor Gap's liability (\$m)**

|                                                   | 2019           | 2020           | 2021           | 2022           | 2023           | 2024           |
|---------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Fair value of Petroleum Fund's asset (\$m)</b> | <b>671.314</b> | <b>615.700</b> | <b>701.353</b> | <b>560.758</b> | <b>596.795</b> | <b>561.044</b> |
| <b>Value of Timor Gap's liability (\$m)</b>       | 671.314        | 701.350        | 732.974        | 765.958        | 800.426        | 836.455        |

## Investment performance relative to benchmark

The majority of the Fund's investment mandates are passively managed, and therefore performance is expected to generally follow that of their benchmark indices.

The Total Fund underperformed the aggregate benchmark's annual return of +6.80% by 67 bps in 2024 (Table 16). This includes the performance of the loan to Timor Gap, which, following the latest valuation, posted a 5.99% loss relative to the agreed interest rate of 4.5%.

Financial Market Investments, which is comprised of the liquidity and growth portfolios, underperformed the benchmark index by 32 bps over the year. The liquidity portfolio outperformed its benchmark by 12 bps, while the growth portfolio underperformed its benchmark by 13 basis points.

In the growth portfolio, the aggregate fixed interest portfolio underperformed its benchmark by 8 bps in 2024. The internally managed US Treasury portfolios underperformed (3-5 Year -27bps, 5-10 Year -28bps) along with the externally managed US TIPS mandate (-7bp). The externally managed non-US government bond hedged mandate outperformed its benchmark by 11bps. The equity portfolio underperformed its benchmark by 88 bps in 2024. The allocation to equity factors represents the main departure from market-capitalisation weights. The equity factor mandate tilts towards companies with higher exposures to Value, Quality and Low Volatility factors, with the objective of improving the long-term risk-adjusted return relative to a portfolio invested according to market-capitalization weights.

Table 16 – Petroleum Fund’s investment performance in 2024 (%)

| Asset Class                                              | Q1           | Q2          | Q3          | Q4            | 2024         | 2023         | 2022          | 5y           | Since Inc.   |
|----------------------------------------------------------|--------------|-------------|-------------|---------------|--------------|--------------|---------------|--------------|--------------|
| <b>A. Total Fund<sup>1</sup></b>                         | <b>2.52</b>  | <b>1.21</b> | <b>4.31</b> | <b>-1.34</b>  | <b>6.80</b>  | <b>9.99</b>  | <b>-10.36</b> | <b>4.27</b>  | <b>4.40</b>  |
| Benchmark                                                | 2.62         | 1.31        | 4.42        | -0.97         | 7.47         | 9.90         | -9.90         | 4.31         | 4.38         |
| Excess                                                   | -0.10        | -0.11       | -0.12       | -0.37         | -0.67        | 0.10         | -0.46         | -0.03        | 0.03         |
| <b>B. Total Financial Market Investments<sup>2</sup></b> | <b>2.57</b>  | <b>1.21</b> | <b>4.40</b> | <b>-1.03</b>  | <b>7.26</b>  | <b>10.11</b> | <b>-9.98</b>  | <b>4.56</b>  | <b>4.48</b>  |
| Benchmark                                                | 2.67         | 1.32        | 4.54        | -1.04         | 7.58         | 10.06        | -10.61        | 4.22         | 4.36         |
| Excess                                                   | -0.10        | -0.11       | -0.13       | 0.01          | -0.32        | 0.05         | 0.62          | 0.34         | 0.13         |
| <b>B.1 Liquidity<sup>3</sup></b>                         | <b>1.16</b>  | <b>1.24</b> | <b>2.01</b> | <b>0.70</b>   | <b>5.16</b>  | <b>4.25</b>  | <b>-0.65</b>  | <b>n.a</b>   | <b>2.39</b>  |
| Benchmark                                                | 1.09         | 1.32        | 2.46        | 0.30          | 5.04         | 4.81         | -0.50         | n.a          | 2.54         |
| Excess                                                   | 0.07         | -0.08       | -0.45       | 0.40          | 0.12         | -0.56        | -0.15         | n.a          | -0.15        |
| <b>B.2 Growth<sup>3</sup></b>                            | <b>2.90</b>  | <b>1.19</b> | <b>4.91</b> | <b>-1.34</b>  | <b>7.78</b>  | <b>11.37</b> | <b>-11.81</b> | <b>n.a</b>   | <b>2.30</b>  |
| Benchmark                                                | 2.77         | 1.29        | 5.01        | -1.27         | 7.92         | 11.26        | -11.94        | n.a          | 2.24         |
| Excess                                                   | 0.13         | -0.10       | -0.10       | -0.07         | -0.13        | 0.11         | 0.13          | n.a          | 0.06         |
| <b>B.2.1 International Fixed Interest<sup>4</sup></b>    | <b>-0.40</b> | <b>0.38</b> | <b>4.15</b> | <b>-1.88</b>  | <b>2.17</b>  | <b>4.91</b>  | <b>-9.05</b>  | <b>0.02</b>  | <b>1.99</b>  |
| Benchmark                                                | -0.51        | 0.47        | 4.26        | -1.88         | 2.25         | 4.79         | -9.14         | 0.05         | 2.00         |
| Excess                                                   | 0.11         | -0.08       | -0.11       | 0.00          | -0.08        | 0.13         | 0.09          | -0.03        | -0.01        |
| <b>B.2.2 International Equities<sup>4</sup></b>          | <b>8.51</b>  | <b>2.63</b> | <b>6.23</b> | <b>-0.43</b>  | <b>17.79</b> | <b>23.67</b> | <b>-16.84</b> | <b>11.13</b> | <b>10.51</b> |
| Benchmark                                                | 8.88         | 2.63        | 6.36        | -0.16         | 18.67        | 23.79        | -18.14        | 11.17        | 10.19        |
| Excess                                                   | -0.37        | 0.00        | -0.14       | -0.27         | -0.88        | -0.12        | 1.30          | -0.03        | 0.33         |
| <b>C. Private debt instrument<sup>5</sup></b>            | <b>1.12</b>  | <b>1.11</b> | <b>1.47</b> | <b>-10.06</b> | <b>-5.99</b> | <b>6.43</b>  | <b>-20.05</b> | <b>-3.52</b> | <b>-2.53</b> |
| Benchmark                                                | 1.12         | 1.10        | 1.11        | 1.11          | 4.50         | 4.50         | 4.50          | 4.50         | 4.50         |
| Excess                                                   | 0.00         | 0.01        | 0.36        | -11.17        | -10.49       | 1.93         | -24.55        | -8.02        | -7.03        |

Source: BCTL. Notes: 1) The benchmark for the Total Fund after segmentation was introduced in July 2021 uses floating monthly weights for FMI and the private debt investment. 2) The Financial Market Investment portfolio was introduced in November 2020 and separated from the private debt. 3) The Financial Market Investment portfolio was segmented into the Liquidity and Growth portfolios in July 2021. 4) International Fixed Interest and International Equities includes performance prior to segmentation. 5) The loans to Timor Gap E.P. were issued on April 2019. Since 2020, an independent valuer has been engaged to determine the fair value of the instruments as at the end of year. The benchmark return shown is the agreed interest rate of 4.5% p.a.

The aggregate of the factor managers returned 2.88% below the market-cap benchmark in 2024. The two managers take quite different approaches, which is reflected in their performance – SSGA’s excess return was -7.34%, while Schroders was +1.61%. Since the allocation to factors was introduced in 2019, the aggregate has underperformed the market by 19bp per annum. Factors can experience long cycles, and value and low volatility have underperformed the

market cap benchmark over the period, mainly as a result of the outperformance of mega cap tech companies. The external fund managers of the passive equity mandates, SSGA and BlackRock, had mixed performance, with SSGA underperforming the benchmark by 27 bps, while BlackRock posted positive excess returns of 2 bp in 2024. The BCTL’s internally managed Australian equity mandate posted a small negative excess return of 4 bp relative to the benchmark.

Table 17 – Liquidity portfolio’s fixed interest mandates investment performance in 2024 (%)

| Liquidity Portfolio Mandate                    | Q1          | Q2          | Q3          | Q4          | 2024        | 2023        | 2022         | 5y          | Since inception |
|------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|-----------------|
| <b>Liquidity Portfolio<sup>1</sup></b>         | <b>1.16</b> | <b>1.24</b> | <b>2.01</b> | <b>0.70</b> | <b>5.16</b> | <b>4.25</b> | <b>-0.65</b> | <b>n.a</b>  | <b>2.39</b>     |
| Benchmark                                      | 1.09        | 1.32        | 2.46        | 0.30        | 5.04        | 4.81        | -0.50        | n.a         | 2.54            |
| Excess return                                  | 0.07        | -0.08       | -0.45       | 0.40        | 0.12        | -0.56       | -0.15        | n.a         | -0.15           |
| <b>Cash<sup>2</sup></b>                        | <b>1.52</b> | <b>1.24</b> | <b>2.01</b> | <b>0.70</b> | <b>5.58</b> | <b>4.05</b> | <b>0.52</b>  | <b>2.07</b> | <b>1.89</b>     |
| Benchmark                                      | 1.29        | 1.32        | 2.46        | 0.30        | 5.30        | 5.01        | 1.44         | 2.47        | 2.09            |
| Excess return                                  | 0.23        | -0.08       | -0.45       | 0.40        | 0.28        | -0.97       | -0.92        | -0.40       | -0.20           |
| <b>1-3 Years US Treasury Bonds<sup>3</sup></b> | <b>0.08</b> | <b>n.a</b>  | <b>n.a</b>  | <b>n.a</b>  | <b>n.a</b>  | <b>4.05</b> | <b>-3.08</b> | <b>n.a</b>  | <b>n.a</b>      |
| Benchmark                                      | 0.30        | n.a         | n.a         | n.a         | n.a         | 5.01        | -3.35        | n.a         | n.a             |
| Excess return                                  | -0.21       | n.a         | n.a         | n.a         | n.a         | 0.21        | 0.77         | n.a         | n.a             |

Source: BCTL. Notes: 1) The Liquidity portfolio was an aggregate of two mandates, the Cash mandate and 1-3 Years US Treasury Bonds mandate, when segmentation was implemented in July 2021. In April 2024, it was restructured to become a single mandate benchmarked to 0-3 Years US Treasury Bonds. 2) The Cash mandate commenced in August 2018 as part of fixed interest. In July 2021, the Cash mandate was classified as part of the Liquidity portfolio. In April 2024, the Cash mandate became the only mandate in the liquidity portfolio and was benchmarked to 0-3 Years US Treasury Bonds. 3) The 1-3 Years US Treasury Bonds mandate commenced in July 2021 and ceased in April 2024.

**Table 18 – Growth portfolio's fixed interest mandates investment performance in 2024 (%)**

| <b>Growth Portfolio Mandate<sup>1</sup></b>               | <b>Q1</b>    | <b>Q2</b>    | <b>Q3</b>    | <b>Q4</b>    | <b>2024</b>  | <b>2023</b> | <b>2022</b>   | <b>5y</b>    | <b>Since inception</b> |
|-----------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|-------------|---------------|--------------|------------------------|
| <b>International Fixed Interest Aggregate<sup>2</sup></b> | <b>-0.40</b> | <b>0.38</b>  | <b>4.15</b>  | <b>-1.88</b> | <b>2.17</b>  | <b>4.91</b> | <b>-9.05</b>  | <b>0.02</b>  | <b>1.99</b>            |
| Benchmark                                                 | -0.51        | 0.47         | 4.26         | -1.88        | 2.25         | 4.79        | -9.14         | 0.05         | 2.00                   |
| <i>Excess return</i>                                      | <i>0.11</i>  | <i>-0.08</i> | <i>-0.11</i> | <i>0.00</i>  | <i>-0.08</i> | <i>0.13</i> | <i>0.09</i>   | <i>-0.03</i> | <i>-0.01</i>           |
| <b>3-5 Years US Treasury Bonds<sup>3</sup></b>            | <b>-0.48</b> | <b>0.44</b>  | <b>4.06</b>  | <b>-1.81</b> | <b>2.13</b>  | <b>4.67</b> | <b>-7.74</b>  | <b>0.46</b>  | <b>1.19</b>            |
| Benchmark                                                 | -0.49        | 0.64         | 4.14         | -1.82        | 2.40         | 4.35        | -7.85         | 0.47         | 1.19                   |
| <i>Excess return</i>                                      | <i>0.01</i>  | <i>-0.20</i> | <i>-0.08</i> | <i>0.01</i>  | <i>-0.27</i> | <i>0.32</i> | <i>0.11</i>   | <i>-0.01</i> | <i>0.00</i>            |
| <b>5-10 Years US Treasury Bonds<sup>4</sup></b>           | <b>-1.18</b> | <b>0.05</b>  | <b>5.39</b>  | <b>-3.89</b> | <b>0.14</b>  | <b>4.46</b> | <b>-12.69</b> | <b>n.a</b>   | <b>-2.79</b>           |
| Benchmark                                                 | -1.03        | 0.18         | 5.34         | -3.85        | 0.42         | 3.93        | -13.30        | n.a          | -2.87                  |
| <i>Excess return</i>                                      | <i>-0.16</i> | <i>-0.12</i> | <i>0.05</i>  | <i>-0.04</i> | <i>-0.28</i> | <i>0.53</i> | <i>0.60</i>   | <i>n.a</i>   | <i>0.09</i>            |
| <b>1-10 Years US TIPS<sup>5</sup></b>                     | <b>0.23</b>  | <b>1.03</b>  | <b>3.61</b>  | <b>-1.81</b> | <b>3.02</b>  | <b>n.a</b>  | <b>n.a</b>    | <b>n.a</b>   | <b>2.54</b>            |
| Benchmark                                                 | 0.26         | 1.12         | 3.50         | -1.75        | 3.09         | n.a         | n.a           | n.a          | 2.57                   |
| <i>Excess return</i>                                      | <i>-0.03</i> | <i>-0.09</i> | <i>0.11</i>  | <i>-0.06</i> | <i>-0.07</i> | <i>n.a</i>  | <i>n.a</i>    | <i>n.a</i>   | <i>-0.03</i>           |
| <b>Global Treasury ex-US, Hedged<sup>6</sup></b>          | <b>0.00</b>  | <b>-0.10</b> | <b>3.76</b>  | <b>-0.17</b> | <b>3.49</b>  | <b>7.64</b> | <b>-11.52</b> | <b>n.a</b>   | <b>-0.63</b>           |
| Benchmark                                                 | -0.11        | -0.04        | 3.69         | -0.16        | 3.38         | 7.51        | -12.23        | n.a          | -0.84                  |
| <i>Excess return</i>                                      | <i>0.11</i>  | <i>-0.06</i> | <i>0.07</i>  | <i>-0.01</i> | <i>0.11</i>  | <i>0.13</i> | <i>0.71</i>   | <i>n.a</i>   | <i>0.21</i>            |

Source: BCTL.

Notes: 1) Includes performance prior to segmentation in July 2021 for the fixed interest aggregate and the mandates.

2) The International Fixed Interest Aggregate became part of the Growth portfolio from July 2021.

3) The 3-5 Years US Treasury Bonds mandate commenced in January 2012.

4) The performance of 5-10 Year US Treasury Bonds is for the BCTL's management from May 2020. The performance of the BIS, the previous manager, from December 2011 until April 2020 is not included.

5) The 1-10 Years US TIPS was implemented in April 2023. It is a composite of two managers, Barings & Franklin Templeton.

6) The currency exposure of the Global Treasury Developed Markets ex US portfolio was hedged starting in May 2020 and is managed by the BIS. From July 2014 until April 2020, the portfolio was managed on an unhedged basis. Unhedged performance is not shown.

**Table 19 – Growth portfolio's equity mandates investment performance in 2024 (%)**

| <b>Growth Portfolio Mandates<sup>1</sup></b>         | <b>Q1</b>    | <b>Q2</b>    | <b>Q3</b>    | <b>Q4</b>     | <b>2024</b>  | <b>2023</b>  | <b>2022</b>   | <b>5y</b>    | <b>Since inception</b> |
|------------------------------------------------------|--------------|--------------|--------------|---------------|--------------|--------------|---------------|--------------|------------------------|
| <b>International Equities Aggregate</b>              | <b>8.51</b>  | <b>2.63</b>  | <b>6.23</b>  | <b>-0.43</b>  | <b>17.79</b> | <b>23.67</b> | <b>-16.84</b> | <b>11.13</b> | <b>10.51</b>           |
| Benchmark                                            | 8.88         | 2.63         | 6.36         | -0.16         | 18.67        | 23.79        | -18.14        | 11.17        | 10.19                  |
| <i>Excess return</i>                                 | <i>-0.37</i> | <i>0.00</i>  | <i>-0.14</i> | <i>-0.27</i>  | <i>-0.88</i> | <i>-0.12</i> | <i>1.30</i>   | <i>-0.03</i> | <i>0.33</i>            |
| <b>SSgA International Equities<sup>2</sup></b>       | <b>8.65</b>  | <b>2.72</b>  | <b>6.30</b>  | <b>0.10</b>   | <b>18.76</b> | <b>24.27</b> | <b>-17.92</b> | <b>11.22</b> | <b>11.20</b>           |
| Benchmark                                            | 9.05         | 2.65         | 6.27         | 0.06          | 19.03        | 24.00        | -18.40        | 11.28        | 10.97                  |
| <i>Excess return</i>                                 | <i>-0.40</i> | <i>0.07</i>  | <i>0.03</i>  | <i>0.04</i>   | <i>-0.27</i> | <i>0.28</i>  | <i>0.48</i>   | <i>-0.06</i> | <i>0.22</i>            |
| <b>BlackRock International Equities<sup>3</sup></b>  | <b>8.83</b>  | <b>2.75</b>  | <b>6.32</b>  | <b>0.14</b>   | <b>19.05</b> | <b>24.30</b> | <b>-17.88</b> | <b>11.40</b> | <b>10.84</b>           |
| Benchmark                                            | 9.05         | 2.65         | 6.27         | 0.06          | 19.03        | 24.00        | -18.40        | 11.28        | 10.58                  |
| <i>Excess return</i>                                 | <i>-0.22</i> | <i>0.10</i>  | <i>0.05</i>  | <i>0.08</i>   | <i>0.02</i>  | <i>0.31</i>  | <i>0.52</i>   | <i>0.12</i>  | <i>0.26</i>            |
| <b>Multi-Factor International Equity<sup>4</sup></b> | <b>8.52</b>  | <b>2.41</b>  | <b>5.47</b>  | <b>-0.91</b>  | <b>16.15</b> | <b>22.81</b> | <b>-14.80</b> | <b>11.14</b> | <b>12.04</b>           |
| Benchmark                                            | 9.05         | 2.65         | 6.27         | 0.06          | 19.03        | 24.00        | -18.40        | 11.28        | 12.23                  |
| <i>Excess return</i>                                 | <i>-0.53</i> | <i>-0.24</i> | <i>-0.80</i> | <i>-0.97</i>  | <i>-2.88</i> | <i>-1.19</i> | <i>3.61</i>   | <i>-0.14</i> | <i>-0.19</i>           |
| <b>BCTL Australian Equity<sup>5</sup></b>            | <b>0.71</b>  | <b>1.67</b>  | <b>11.44</b> | <b>-11.33</b> | <b>1.19</b>  | <b>14.68</b> | <b>-5.19</b>  | <b>5.21</b>  | <b>7.04</b>            |
| Benchmark                                            | 0.80         | 1.62         | 11.52        | -11.39        | 1.23         | 14.79        | -5.25         | 5.54         | 7.23                   |
| <i>Excess return</i>                                 | <i>-0.08</i> | <i>0.05</i>  | <i>-0.08</i> | <i>0.06</i>   | <i>-0.04</i> | <i>-0.11</i> | <i>0.07</i>   | <i>-0.34</i> | <i>-0.19</i>           |

Source: BCTL.

Notes: 1) Includes performance prior to segmentation in July 2021 for the international equities aggregate and the mandates.

2) SSgA's passive developed market mandate commenced in January 2012.

3) BlackRock's passive developed market mandate commenced in February 2013.

4) The Multi-Factor developed market equity mandate commenced in August 2019. The composite is for two managers, Schroders and SSgA.

5) The BCTL's Australian equity mandate commenced in July 2016.

## E. IAB ADVICE AND LOOKING AHEAD

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The Investment Advisory Board (IAB) advises the Minister of Finance on matters relating to the investment strategy and management of the Petroleum Fund as enacted by Article 16 of the Petroleum Fund Law. The IAB's advice is required to be published according to Article 24 of the Petroleum Fund Law. The IAB's advice to the Minister of Finance in 2024 is included in full in Annex XII and summarised below, along with the IAB's activities during the year.

### IAB Advice

#### Restructuring the Liquidity mandate

The IAB wrote to the Minister on 21 February 2024, advising on restructuring the Liquidity mandate. The Board agreed with the PFPMO's recommendation to adopt a proposal by the BCTL to amend the liquidity portfolio's structure from two mandates - Cash (0-12 month securities) and Short-term US Government Notes (benchmarked to 1-3 Year US Government Notes) - to a single mandate benchmarked to 0-3 Year US Government Notes. The BCTL believes that the change provides more flexibility, which helps to preserve capital. The Board also advised the Minister on specific reporting to be provided by the BCTL to the Ministry of Finance, in addition to the current quarterly reports, in order for the Ministry to properly monitor and understand the holdings and performance of the mandate.

#### Work by the IAB in 2024

The IAB held 11 meetings in 2024 along with two workshops in June and October. A monthly meeting is usually held on the first Wednesday of each month, starting in February. Mr. Olgario de Castro was re-elected as Chairman during the February meeting.

At the beginning of each year, the Board helps to determine the priorities for the Petroleum Fund, including areas for research by its Secretariat. The priorities for 2024 included addressing the recommendations from the independent review, namely, formalizing the governance policy, updating the Operational Management Agreement (OMA), and creating an Investment Policy Statement (IPS). Other projects included IAB support for modelling the Petroleum Fund, reviewing withholding tax,

The Minister agreed with the Board's advice and instructed the BCTL to implement the restructured mandate through an amendment to Annex 1 of the operational Management Agreement. The mandate was implemented in April 2024.

#### Withholding tax on the Fund's investments

The IAB wrote to the Minister on 10 September 2024 regarding withholding tax on the Petroleum Fund's investments. Investment income may be subject to withholding tax in the foreign jurisdictions where the Fund invests, and some countries offer exemptions for foreign sovereign investors.

The IAB's letter noted that the BCTL had briefed the Board on the withholding tax paid by the Fund, which illustrated the significant sums involved. The BCTL agreed to work with the Fund's custodian to compile a detailed summary of the Fund's tax status by country, the potential for future exemptions, the methods to achieve these exemptions, and the amounts involved. The BCTL will share the data with the Ministry of Finance to allow the Ministry to assess whether there is potential to secure additional exemptions. The IAB's letter explained that exemptions may require negotiating double tax agreements with investee countries, and that it is essential that the Fund's institutions have sufficient resources to manage this project effectively, including support from other Ministries.

The Minister wrote to the Governor on 26 September 2024 sharing the IAB's letter and requesting the specified data.

assessing equity factors, and reviewing the strategic asset allocation (SAA).

The IAB's regular meetings allow the Board to monitor the Fund's investments and management, as well as facilitate planning and cooperation among the Fund's institutions. Each quarter, the BCTL presents the Fund's investment performance to the Board. The meetings and workshops also addressed the Fund's priorities for 2024, as set out below.

PFPMO discussed the draft governance policy in the June 2024 workshop. The BCTL and PFPMO subsequently worked through a number of matters that were raised by the BCTL, and the governance policy will be completed in 2025. PFPMO also shared its draft Investment Policy Statement with the IAB during the mid-year workshop.

Completion of the IPS was put on hold as it overlapped with matters in the governance policy that were raised by the BCTL. The IPS is being prioritised in 2025.

The meetings and workshops also covered the two matters where the IAB provided advice to the Minister. The IAB was briefed by PFP MO on restructuring the liquidity mandate in February 2024, while the BCTL presented on withholding tax in the May meeting and the October workshop.

Equity factors was also covered in the meetings and workshops. In the June workshop, Schrodgers presented an overview of the Petroleum Fund's QEP strategy and its performance. The BCTL also presented a review of the equity factor mandate, including proposed changes to SSGA's mandate. In the October workshop, SSGA presented to the IAB on its performance and compared the Fund's current mandate with its new flagship strategy.

## Looking ahead

The Petroleum Fund's institutions will continue to address the recommendations in the recent independent review. This includes finalising the Fund's governance policy, agreeing on the Investment Policy Statement, and reviewing the Fund's investment beliefs to ensure that they account for the evolution of investments, governance and investment horizon. A review of withholding tax arrangements and potential exemptions is also underway.

The top priority for 2025 is to develop robust projections for the Fund. These projections are a critical tool for informing long-term fiscal policy that balances the objectives of supporting national development and preserving savings for future generations. The investment strategy of the Fund should be closely aligned with the expected fiscal path.

There are three key components to Fund projections: petroleum revenue, government withdrawals, and investment income. Bayu-Undan production has ceased as of June 2025, and new petroleum inflows are not expected for a number of years. At the same time, withdrawals are projected to exceed investment income by a wide margin, resulting in a steady depletion of the Fund. Based on the current fiscal trend, the Petroleum Fund is projected to be fully

The IAB's workshop in Baucau from 7 to 9 October 2024 also included presentations by Board member Professor Michael Drew on investment beliefs. Professor Robert Bianchi from Griffith University also presented an overview of the implementation of Environmental, Social and Governance (ESG) policies. PFP MO presented on the possibility of excluding oil and gas from the Petroleum Fund's equity holdings. After the workshop, Board member Dr. Torres Trovik provided training to members of the Secretariat on equity factors and modelling.

The Board were also regularly updated on other items relating to the Fund, including the audited financial statements and annual report for 2023. PFP MO also briefed the Board on fiscal developments, including a presentation on the 2025 State Budget.

As a member of the International Forum of Sovereign Wealth Funds (IFSWF), two representatives from the IAB attended the 16<sup>th</sup> IFSWF's annual meeting in November.

drawn down in around ten years. Investment performance potentially shifts that horizon by a couple of years in either direction. Even with domestic revenue reforms, drastic cuts in government expenditure will be required when the Fund runs out.

It is essential that any proven reserves, including those from the Sunrise field, be incorporated into fiscal planning. The Ministry of Finance will prioritise this work in 2025, including reflecting these projections in the Fund's expected life. Planning now is crucial. If new petroleum inflows begin only after the Fund has already been significantly depleted, there is a very high risk the Fund will still run to zero shortly afterwards. In that case, petroleum revenues would be used to finance annual government expenditure, resulting in volatile, cyclical spending. Prudent fiscal planning today can help extend the Fund's life or, at a minimum, preserve a stabilisation balance for when petroleum inflows are expected.

A clear and sustainable long-term fiscal strategy will also guide how we manage the Fund's investments. As part of the modelling work, we will review the appropriate allocation between the liquidity and growth portfolios, as well as the asset mix within the growth portfolio, to ensure the Fund's investments remains aligned with future cash flow needs and the overall investment horizon.

## ANNEXES

## **Annex I: Statement by Director General of Treasury**

**Petroleum Fund of Timor-Leste**  
**General Information**  
**31 December 2024**

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|                                                       |                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Minister of Finance</b>                            | Santina J.R.F Viegas Cardoso                                                                                                                                                                                                                                            |
| <b>Director General of Treasury</b>                   | Regina de Jesus de Sousa                                                                                                                                                                                                                                                |
| <b>Members of Investment Advisory Board</b>           | Olgario de Castro<br>Gualdino da Silva<br>Dr Torres Trovik<br>Prof. Michael Drew                                                                                                                                                                                        |
| <b>Ex Officio (non-voting)</b>                        | Venancio Alves Maria<br>Regina de Jesus de Sousa (alternate, Filipe Nery Bernardo)                                                                                                                                                                                      |
| <b>Governor of Central Bank of Timor-Leste</b>        | Helder Lopes                                                                                                                                                                                                                                                            |
| <b>Executive Director of the Petroleum Fund</b>       | Venancio Alves Maria (until 31 January 2024)<br>Tobias Ferreira (from 1 February 2024)                                                                                                                                                                                  |
| <b>Operational Manager</b>                            | Banco Central de Timor-Leste<br>Avenida Xavier do Amaral, no. 9<br>Dili<br>Timor-Leste                                                                                                                                                                                  |
| <b>Investment Managers</b>                            | Banco Central de Timor-Leste<br>Bank for International Settlements (BIS)<br>Barings LLC<br>Franklin Resources Inc. (Franklin Templeton)<br>Schroders Investment Management Limited<br>State Street Global Advisors<br>BlackRock Investment Management Australia Limited |
| <b>Members of Petroleum Fund Consultative Council</b> | Juvinal Dias<br>Nuno Eugénio Goulart<br>Izilda Imanuela da Luz Pereira Soares<br>Pe. Mouzinho Pereira Lopes<br>Hernani Agostinho Soares<br>Martinha da Silva de Jesus Pinto                                                                                             |
| <b>Custodian</b>                                      | J P Morgan Chase Bank N.A.                                                                                                                                                                                                                                              |
| <b>Independent Auditor</b>                            | Ernst & Young                                                                                                                                                                                                                                                           |

**Petroleum Fund of Timor-Leste**  
**Statement by the Director General of Treasury**  
**31 December 2024**

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## **BACKGROUND**

The Petroleum Fund Law No. 9/2005 promulgated on 3 August 2005, as amended by Law No. 12/2011, of the 28th September 2011 and Law No. 2/2022, of 10th February 2022, established the Petroleum Fund of Timor Leste (“Petroleum Fund”). The Ministry of Finance is responsible for the overall management of the Petroleum Fund and the Banco Central de Timor Leste (“BCTL”) is responsible for the operational management. In accordance with a Management Agreement dated 12 October 2005 and amended on 25 June 2009 between the Ministry of Finance and the BCTL, BCTL is also responsible for maintaining the books of account for the Petroleum Fund on behalf of the Director General of Treasury.

## **FINANCIAL STATEMENTS**

In accordance with Article 21 of the Petroleum Fund Law, the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The statements are:

- Statement of profit or loss and other comprehensive income,
- Statement of financial position,
- Statement of changes in capital,
- Statement of cash flows, and
- Notes to the financial statements

These financial statements cover the year ended 31 December 2024.

The Petroleum Fund’s financial statements are complex. To help the readability of the notes to a wide audience, the notes are structured to provide the reader with:

- a general introduction to the subject matter of the note,
- financial tables elaborating on the data in the primary statements,
- a description of the risks, important judgements or key assumptions that have been made in recording and presenting the data, and
- the related accounting policies.

The financial statements have been independently audited by Ernst & Young whose audit opinion is attached to the financial statements.

## **PETROLEUM FUND CAPITAL**

The Petroleum Fund had capital of US\$18.3 billion on 1 January 2024 (2023: US\$17.3 billion). During the year, additional capital received from taxes and other petroleum revenue under Article 6 of the Petroleum Fund were US\$85.4 million (2023: US\$426.7 million). Additional capital or fund received from taxes and other petroleum revenue is not subjected to tax and the Fund itself does not have taxes (other than withholding tax) on petroleum revenue. The Petroleum Fund recorded a profit of US\$1.2 billion (2023: Profit US\$1.7 billion) during the period. A summary of transactions for the income is given in the “Statement of profit or loss and other comprehensive income”.

US\$1.3 billion was transferred from the Petroleum Fund to the Consolidated Fund during the year (2023: US\$1.1 billion). The capital of Petroleum Fund as at 31 December 2024 was US\$18.3 billion (2023: US\$18.3 billion). A summary of the transactions is given in the “Statement of changes in capital”.

## **BENCHMARKS AND PERFORMANCE**

The Investment Advisory Board reviews the investment strategy and asset allocation of the Petroleum Fund regularly, taking into account the expected returns and risk of investments along with the projected cash flows for the Fund, including the Government’s withdrawals. In July 2021, the Petroleum Fund’s financial market investments were segmented into a liquidity portfolio and a growth portfolio in order to account for the expected withdrawals of the Government from the Fund. The liquidity portfolio is intended to finance the next three years of government withdrawals and is invested in cash, short-maturity US Treasury bonds and other short term liquid instruments. The remainder of the Fund is held in the growth portfolio, with an asset allocation of 65% fixed interest securities and 35% global equities. The allocation to private debt – the Investment in Petroleum Operations - is treated separately from financial market investments and is limited to 5% of the total value of the Fund under the Petroleum Fund Law. The Investment Advisory Board considers this to be an appropriate risk level given the investment horizon of the Petroleum Fund.

With respect to changes in asset allocations during the reporting period, in April 2024, the Fund’s liquidity portfolio was restructured from Cash and 1-3 year US Treasury bonds to 0-3 year US Treasury bonds. Annual transfers from the growth portfolio to top-up the liquidity portfolio and rebalancing of the growth portfolio to its strategic target were implemented in the first quarter of 2024.

**Petroleum Fund of Timor-Leste**  
**Statement by the Director General of Treasury**  
**31 December 2024**

| <b>Summary of benchmarks</b>          | As at<br>31 December 2024 | As at<br>31 December 2023 |
|---------------------------------------|---------------------------|---------------------------|
| <b>Total Fund:</b>                    |                           |                           |
| 1. Investment in Petroleum Operations | 3.07%                     | 3.26%                     |
| 2. Financial Market Investments       | 96.93%                    | 96.74%                    |
| <b>Total Fund</b>                     | <b>100.00%</b>            | <b>100.00%</b>            |

**Financial Market Instruments:**

|                                               |                |                |
|-----------------------------------------------|----------------|----------------|
| 1. Liquidity portfolio                        | 14.07%         | 17.03%         |
| 2. Growth portfolio                           | 85.93%         | 82.97%         |
| <b>Total for Financial Market Instruments</b> | <b>100.00%</b> | <b>100.00%</b> |

Actual weights as at the end of December 2024 and 2023 are shown. The benchmark weight for the Financial Market Investment portfolio are based on actual market values at the end of the prior month.

**1. Liquidity portfolio**

|                                               |                |                |
|-----------------------------------------------|----------------|----------------|
| ICE BOA Merrill Lynch US Government 0-3 Years | 100.00%        | -              |
| 3 Months US Treasury Bills                    | n.a            | 84.87%         |
| ICE BOA Merrill Lynch US Government 1-3 Years | n.a            | 15.13%         |
| <b>Total for Liquidity Portfolio</b>          | <b>100.00%</b> | <b>100.00%</b> |

Actual weights as at the end of December 2024 and 2023 are shown. The benchmark weights for the liquidity portfolio are based on actual market values at the end of the prior month.

**2. Growth portfolio**

**Fixed interest**

|                                                |               |               |
|------------------------------------------------|---------------|---------------|
| ICE BOA Merrill Lynch US Government 3-5 Years  | 35.00%        | 35.00%        |
| ICE BOA Merrill Lynch US Government 5-10 Years | 10.00%        | 10.00%        |
| US TIPS 1 - 10 Years                           | 10.00%        | 10.00%        |
| Developed Market Sovereigns - Custom           | 10.00%        | 10.00%        |
| <b>Total fixed interest</b>                    | <b>65.00%</b> | <b>65.00%</b> |

**Global equities**

|                              |               |               |
|------------------------------|---------------|---------------|
| MSCI World                   | 35.00%        | 35.00%        |
| <b>Total global equities</b> | <b>35.00%</b> | <b>35.00%</b> |

|                                   |                |                |
|-----------------------------------|----------------|----------------|
| <b>Total for Growth Portfolio</b> | <b>100.00%</b> | <b>100.00%</b> |
|-----------------------------------|----------------|----------------|

The benchmark weights for the growth portfolio are fixed weights

**Performance**

In accordance with the Article 24.1(a) of the Petroleum Fund Law and the provisions of the Management Agreement, the Petroleum Fund assets were invested in mandated instruments during the year. The list of instruments held as at 31 December 2024 is given at Note 24. The credit exposure by credit rating is given at Note 14(b)(iii). The performance of the Petroleum Fund during the period has been in accordance with the mandate of the Management Agreements.

Net profit on financial assets at fair value through the profit or loss has been significant at US\$685.2 million in 2024 reflecting gains on both fixed interest and equity investments during the year. This does not include interest and dividend income from financial assets, which are presented separately.

During the period, the Ministry of Finance together with the BCTL have been able to accomplish the stewardship and fiduciary role for the Petroleum Fund.

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

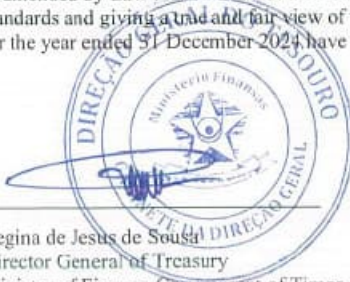
There were no significant changes in the state of affairs of the Petroleum Fund during the year.

**Petroleum Fund of Timor-Leste**  
**Statement by the Director General of Treasury**  
**31 December 2024**

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**APPROVAL OF FINANCIAL STATEMENTS**

In the Ministry of Finance's opinion, there are reasonable grounds to believe that the Petroleum Fund will be able to pay its debts as and when they become due and payable, and the attached financial statements and notes thereto are in accordance with the Petroleum Fund Law No. 9/2005, as amended by Law No. 12/2011 of the 28th September 2011 and Law No. 2/2022, of 10th February 2022, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Petroleum Fund. The accompanying financial statements for the year ended 31 December 2024 have been approved on behalf of the Ministry of Finance by:



Regina de Jesus de Sousa  
Director General of Treasury  
Ministry of Finance Government of Timor-Leste  
5 June 2025

## **Annex II: Audited Financial Statements**

## Independent auditor's report to The Ministry of Finance, Democratic Republic of Timor-Leste in respect of the Petroleum Fund of Timor-Leste financial report for the year ended 31 December 2024

### Opinion

We have audited the financial report of Petroleum Fund of Timor-Leste (the "Petroleum Fund"), which comprises the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in capital and statement of cash flows for the year then ended, notes 1 to 23 to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial report present fairly, in all material respects, the financial position of the Petroleum Fund as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities* for the audit of the financial report section of our report. We are independent of the Petroleum Fund in accordance with the ethical requirements of the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Australia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information other than the financial report and auditor's report thereon

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the Annex I - Statement by the Director General of Treasury, Annex III - Treasury Statement on Accounting Policies and Annex VIII - Treasury Statement on Borrowings by Government of Timor-Leste and PART VII: Schedule of Financial Assets: 24. Schedule of financial assets valued through profit or loss.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of management and those charged with governance for the financial report**

Banco Central de Timor-Leste, the operational manager ("management") is responsible for the preparation and fair presentation of the financial report in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Petroleum Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Petroleum Fund or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards of Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with International Standards of Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Petroleum Fund's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Petroleum Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Petroleum Fund to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management and those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Ernst & Young*

Ernst & Young  
Perth  
5 June 2025

**Petroleum Fund of Timor-Leste**  
**Statement of profit or loss and other comprehensive income**  
**for the year ended 31 December 2024**

|                                                                                    | Note | Year ended<br>31/12/2024<br>USD | Year ended<br>31/12/2023<br>USD |
|------------------------------------------------------------------------------------|------|---------------------------------|---------------------------------|
| <b>Income</b>                                                                      |      |                                 |                                 |
| Interest income                                                                    | 4    | 434,289,428                     | 368,052,608                     |
| Dividend income                                                                    | 5    | 99,083,506                      | 104,735,279                     |
| Trust income                                                                       | 5    | 3,655,459                       | 3,976,789                       |
| Other investment income                                                            |      | 167,126                         | 4,207                           |
| Net gains on financial assets and liabilities at fair value through profit or loss | 6    | 685,196,072                     | 1,222,698,767                   |
| Net foreign exchange (loss)/gain                                                   | 7    | (934,988)                       | 611,114                         |
| <b>Total income</b>                                                                |      | <b>1,221,456,603</b>            | <b>1,700,078,764</b>            |
| <b>Expenses</b>                                                                    |      |                                 |                                 |
| External management and custody fees                                               | 20   | (7,662,957)                     | (5,855,910)                     |
| Investment Advisory Board expenses                                                 | 20   | (270,738)                       | (677,455)                       |
| BCTL operational management fees                                                   | 20   | (7,445,935)                     | (7,188,017)                     |
| Other expenses                                                                     |      | –                               | (1,580,593)                     |
| Withholding taxes expenses                                                         | 9    | (5,778,961)                     | (6,072,628)                     |
| <b>Total expenses</b>                                                              |      | <b>(21,158,591)</b>             | <b>(21,374,603)</b>             |
| <b>Profit for the year</b>                                                         |      | <b>1,200,298,012</b>            | <b>1,678,704,161</b>            |
| Other comprehensive income                                                         |      | -                               | -                               |
| <b>Total comprehensive income for the year</b>                                     |      | <b>1,200,298,012</b>            | <b>1,678,704,161</b>            |

The financial statements should be read in conjunction with the accompanying policies and notes.

**Petroleum Fund of Timor-Leste**  
**Statement of financial position**  
**for the year ended 31 December 2024**

|                                                            | Note   | As at<br>31/12/2024<br>USD | As at<br>31/12/2023<br>USD |
|------------------------------------------------------------|--------|----------------------------|----------------------------|
| <b>Assets</b>                                              |        |                            |                            |
| Cash and cash equivalents                                  | 11     | 523,085,897                | 2,065,968,190              |
| Other receivables                                          | 12     | 12,849,560                 | 43,011,253                 |
| Financial assets at fair value through profit or loss      | 14     | 17,752,115,019             | 16,220,795,477             |
| Total assets                                               |        | 18,288,050,476             | 18,329,774,920             |
| <b>Liabilities</b>                                         |        |                            |                            |
| Financial liabilities at fair value through profit or loss | 14, 15 | 2,390,191                  | 32,963,125                 |
| Payables for securities purchased                          |        | 9,770,223                  | 8,177,581                  |
| Accounts payable                                           |        | 1,833,658                  | 229,239                    |
| Total liabilities                                          |        | 13,994,072                 | 41,369,945                 |
| <b>Net assets</b>                                          |        | <b>18,274,056,404</b>      | <b>18,288,404,975</b>      |

The financial statements should be read in conjunction with the accompanying policies and notes.

**Petroleum Fund of Timor-Leste**  
**Statement of changes in capital**  
**for the year ended 31 December 2024**

|                                                                                                        | Note | Year ended<br>31/12/2024<br>USD | Year ended<br>31/12/2023<br>USD |
|--------------------------------------------------------------------------------------------------------|------|---------------------------------|---------------------------------|
| <b>Capital at the beginning of the year</b>                                                            |      | <b>18,288,404,975</b>           | <b>17,273,001,722</b>           |
| Petroleum Fund gross receipts<br>(pursuant to Article 6 of the Petroleum Fund Law)                     | 16   | 85,353,417                      | 426,699,092                     |
|                                                                                                        |      | <b>18,373,758,392</b>           | <b>17,699,700,814</b>           |
| Transfers to the Consolidated Fund of Timor-Leste<br>(pursuant to Article 7 of the Petroleum Fund Law) | 16   | (1,300,000,000)                 | (1,090,000,000)                 |
| Transfers for refunds of taxation<br>(pursuant to Article 10 of the Petroleum Fund Law)                | 16   | -                               | -                               |
| Total comprehensive income for the year                                                                |      | 1,200,298,012                   | 1,678,704,161                   |
| <b>Capital at the end of the year</b>                                                                  |      | <b>18,274,056,404</b>           | <b>18,288,404,975</b>           |

The financial statements should be read in conjunction with the accompanying policies and notes.

**Petroleum Fund of Timor-Leste**  
**Statement of cash flows**  
**for the year ended 31 December 2024**

|                                                                                            | Note | Year ended<br>31/12/2024<br>USD | Year ended<br>31/12/2023<br>USD |
|--------------------------------------------------------------------------------------------|------|---------------------------------|---------------------------------|
| <b>Cash flows from operating activities</b>                                                |      |                                 |                                 |
| Proceeds from sale and maturities of financial assets at fair value through profit or loss | 14   | 14,204,727,564                  | 13,948,433,913                  |
| Purchases of financial assets at fair value through profit or loss                         | 14   | (15,050,849,937)                | (12,946,352,314)                |
| Interest received                                                                          |      | 434,171,120                     | 368,245,017                     |
| Dividends received                                                                         |      | 93,148,933                      | 95,898,439                      |
| Trust distributions received                                                               |      | 3,756,517                       | 3,969,866                       |
| Management and custody fees paid                                                           |      | (13,775,337)                    | (15,235,568)                    |
| Other operating receipts                                                                   |      | –                               | 4,207                           |
| Other operating payments                                                                   |      | (478,759)                       | (1,580,593)                     |
| <b>Net cash flow from operating activities</b>                                             | 17   | <b>(329,299,899)</b>            | <b>1,453,382,967</b>            |
| <b>Cash flows from financing activities</b>                                                |      |                                 |                                 |
| Petroleum Fund gross receipts                                                              | 16   | 85,353,417                      | 427,017,209                     |
| Transfer payments to the Consolidated Fund of Timor-Leste                                  | 16   | (1,300,000,000)                 | (1,090,000,000)                 |
| <b>Net cash flows utilised in financing activities</b>                                     |      | <b>(1,214,646,583)</b>          | <b>(662,982,791)</b>            |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                                |      | <b>(1,543,946,482)</b>          | <b>790,400,176</b>              |
| Cash and cash equivalents at the beginning of the year                                     |      | 2,065,968,190                   | 1,275,184,933                   |
| Effects of foreign currency exchange rate changes on cash and cash equivalents             |      | 1,064,189                       | 383,081                         |
| <b>Cash and cash equivalents at 31 December</b>                                            | 11   | <b>523,085,897</b>              | <b>2,065,968,190</b>            |

The financial statements should be read in conjunction with the accompanying policies and notes.

**Petroleum Fund of Timor-Leste**  
**Notes to the financial statements**  
**for the year ended 31 December 2024**

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**Petroleum Fund of Timor-Leste**  
**Notes to the financial statements**  
**for the year ended 31 December 2024**

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## **PART I: INTRODUCTION**

### **1. Fund information**

The Petroleum Fund of Timor-Leste ("Petroleum Fund") was established under the provisions of the Petroleum Fund Law No. 9/2005 as amended by Law No. 12/2011 on 28 September 2011 and Law No. 2/2022, of 10th February 2022.

The investment strategy and benchmarks of the Petroleum Fund are determined by the Ministry of Finance based on advice from the Investment Advisory Board (IAB).

The Banco Central de Timor-Leste (BCTL) having its office at Avenida Xavier do Amaral, no. 9, Dili, Timor-Leste, is responsible for the operational management of the Petroleum Fund and is the registered owner of all the assets of the Petroleum Fund. The management of the Petroleum Fund is undertaken according to a Management Agreement between the Ministry of Finance and the BCTL.

The Petroleum Fund's objective is to meet benchmark returns on its capital within the risk limit provided in mandates and within the limits established in Articles 14 and 15 of the Petroleum Fund Law relating to Investment Policy and Investment Rules.

The Petroleum Fund's investment portfolio of assets at fair value through profit or loss, assets at amortised costs and cash and cash equivalents complied with the legislative and contractual requirements throughout the period.

These financial statements were authorized for issue by the Director General of Treasury on 5 June 2025.

### **2. Statement of compliance with IFRS**

In accordance with Article 21 of the Petroleum Fund Law, the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The Petroleum Fund has adopted all of the IFRS standards and amendments that were applicable during the year.

Information about the impact of new and forthcoming IFRS on these financial statements is provided in Note 22.

### **3. Basis of preparation**

Items included in the Petroleum Fund's financial statements are measured and presented in United States dollars, being the functional and official currency of the Democratic Republic of Timor-Leste.

The financial statements are prepared on the historical cost basis, except for certain financial investments that are measured at fair value through profit or loss, as explained in the accounting policies described herein.

The accounting policies have been consistently applied by the Petroleum Fund.

#### **Estimates and judgements**

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expense. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values and assets and liabilities that are not readily apparent from other sources. Estimates use observable data to the extent practicable. However, areas such as potential market changes, credit risk, volatilities and correlations require management to make estimates that could affect the reported fair value of financial instruments. Actual results may therefore vary from these estimates. This process involves a high degree of judgement or complexity.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision, and future periods if the revision affects both current and future periods.

Assumptions and estimates that are significant to the financial statements are disclosed in the relevant notes, as are the judgements made by management which have a significant effect on the amounts recognized in the financial statements.

## **PART II: NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

The statement of profit or loss and other comprehensive income, also known as the profit & loss account, is a report of income, expenses and the resulting profit or loss earned by the Petroleum Fund during the period from 1 January to 31 December each year.

The concept of income encompasses both revenue and gains. Revenue arises in the course of the normal activities of the Petroleum Fund and is referred to by a variety of names, including interest and dividends. Gains represent increases in economic benefits and include both realized and unrealized gains, including the revaluation of marketable securities and foreign exchange.

The concept of expenses encompasses losses as well as those expenses that arise in the course of the ordinary activities of the Petroleum Fund. Other comprehensive income includes items of income or expense (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by IFRS.

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**Notes to the financial statements**  
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#### **4. Interest income**

Interest income is derived from the Petroleum Fund's investments in fixed interest securities, cash balances and short term cash investments.

|                                                                              | <b>Year ended<br/>31/12/2024<br/>USD</b> | <b>Year ended<br/>31/12/2023<br/>USD</b> |
|------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| Interest from Fixed interest securities at fair value through profit or loss | 425,088,834                              | 358,610,939                              |
| Interest from cash at bank                                                   | 9,200,594                                | 9,441,669                                |
|                                                                              | <b>434,289,428</b>                       | <b>368,052,608</b>                       |

##### **Accounting policy**

Interest income from fixed interest securities at fair value through profit loss is accrued based on contractual coupon rates. It is recognized in the statement of profit or loss and other comprehensive income and shown separately from other fair value movements.

#### **5. Dividends and trust income**

Dividends received are distributions from the Petroleum Fund's holding of equities and represent the Petroleum Fund's share of profits paid out to shareholders. Trust income is similar to dividends but is derived from the Petroleum Fund's investments in real estate entities that are incorporated as Real Estate Investment Trusts.

|                 | <b>Year ended<br/>31/12/2024<br/>USD</b> | <b>Year ended<br/>31/12/2023<br/>USD</b> |
|-----------------|------------------------------------------|------------------------------------------|
| Dividend income | 99,083,506                               | 104,735,279                              |
| Trust income    | 3,655,459                                | 3,976,789                                |
|                 | <b>102,738,965</b>                       | <b>108,712,068</b>                       |

##### **Accounting policy**

Dividend income from investments and unit trust distribution income are recognized when the shareholder's right to receive payment has been established. Dividend income and unit trust distributions are presented gross of any non-recoverable withholding taxes and are disclosed separately in the statement of profit or loss and other comprehensive income.

#### **6. Gain or loss on financial assets and liabilities at fair value through profit or loss**

This item includes changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as 'at fair value through profit or loss' and excludes interest and dividend income and expenses. These changes arise from changes in the market value of the financial investments (or liabilities) held by the Petroleum Fund.

|                                                                                    | <b>Year ended<br/>31/12/2024<br/>USD</b> | <b>Year ended<br/>31/12/2023<br/>USD</b> |
|------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| Net gains on financial assets and liabilities at fair value through profit or loss | 685,196,072                              | 1,222,698,767                            |

##### **Accounting policy, estimates, assumptions, judgements and risks**

- details of the accounting policies relating to financial assets and liabilities designated as 'at fair value through profit or loss,
- the significant judgements and estimates that have been made and may be material in determining the reported gain or loss on financial assets and liabilities,
- the risks associated with holding financial assets and liabilities that may impact on the reported profit or loss, and
- an analysis of the sensitivity to changes in future market conditions that may give rise to gains or losses on financial assets and liabilities.

**Petroleum Fund of Timor-Leste**  
**Notes to the financial statements**  
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## **7. Foreign exchange (loss)/ gain**

Foreign exchange gains and losses arise when the Petroleum Fund invests in assets (except for those arising on financial instruments measured at fair value through profit or loss in accordance with IFRS 9) denominated in a currency other than the US dollar (the Petroleum Fund's functional currency). When the US dollar strengthens relative to another currency in which the Petroleum Fund holds assets, the Petroleum Fund will report a foreign exchange loss. Conversely, if the Petroleum Fund holds an asset denominated in a currency other than US dollars, and that currency strengthens, the Petroleum Fund will report a foreign exchange gain.

### **Accounting policy**

Foreign exchange gains and losses on financial instruments measured at fair value through profit or loss – namely, the Fund's investments in equities and fixed interest - are included in the gain or loss on those instruments reported in Note 6. Other foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year end exchange rates of monetary and other financial assets and liabilities denominated in foreign currencies are disclosed in the statement of profit or loss separately below.

|                                  | <i>Year ended</i><br><i>31/12/2024</i><br><i>USD</i> | <i>Year ended</i><br><i>31/12/2023</i><br><i>USD</i> |
|----------------------------------|------------------------------------------------------|------------------------------------------------------|
| Net foreign exchange (loss)/gain | (934,988)                                            | 611,114                                              |

## **8. Expenses**

In accordance with the provisions of the Petroleum Fund Law, all expenses of the Petroleum Fund other than the external audit fee (which is met from the state budget), not relating to the purchase or sale of securities and recognized in the sale or purchase price, are met by the BCTL and are covered by a management fee. This management fee is legally a deduction from the gross receipts of the Petroleum Fund (Art 6.3 of Petroleum Fund Law), although it is recognized as an expense in the statement of profit or loss and other comprehensive income.

Expenses which are incidental to the acquisition of an investment at amortised cost are included in the cost of that investment while transactions costs of an investment at fair value through profit or loss that are directly attributable to the acquisition of the financial asset or financial liability are expensed off.

Expenses that are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment.

## **9. Taxation**

The Petroleum Fund is exempt from all forms of taxation in Timor-Leste under Timor-Leste law. Therefore, the Petroleum Fund has a statutory tax rate of 0%.

Investment income and capital gains are subject to withholding tax in certain foreign jurisdictions and are the only items subject to taxation.

In the current year tax has been withheld from foreign dividend, unit trust income and interest received according to the applicable laws. Relief from withholding tax is available on application in some of these jurisdictions.

### **Accounting policy**

Income of the Petroleum Fund earned in foreign jurisdictions subject to withholding taxes levied in those jurisdictions is recorded gross of withholding taxes in the statement of profit or loss and other comprehensive income. Withholding taxes, to the extent that they are not recoverable, are shown as a separate line item in the statement of profit or loss and other comprehensive income.

### **Critical accounting estimates, assumptions and judgements**

Uncertainties exist with respect to the interpretation of complex tax regulations and changes in tax laws on income derived in foreign jurisdictions and the recoverability of amounts withheld. Given the wide range of international investments, differences arising between the actual investment income and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense already recorded. The Petroleum Fund establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it invests. The amounts of such provisions are based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective investment's domicile. As the Petroleum Fund assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognized.

**Petroleum Fund of Timor-Leste**  
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## **PART III: NOTES TO THE STATEMENT OF FINANCIAL POSITION**

The statement of financial position, also known as the balance sheet, presents the financial position of the Petroleum Fund as at the end of its financial year, 31 December. The statement of financial position comprises three main components: assets, liabilities and capital.

An asset is something that the Petroleum Fund owns or controls in order to get economic benefits from its use. The main assets of the Petroleum Fund are cash, bonds and equities (shares).

A liability is an obligation that the Petroleum Fund owes to another party which in normal circumstances is settled in cash or other financial resources.

The capital is the net wealth of the Petroleum Fund that belongs to its ultimate owner, the Democratic Republic of Timor-Leste.

The statement of financial position presents assets and liabilities in decreasing order of liquidity and does not distinguish between current and non-current items.

### **10. Risk management**

The Petroleum Fund's overall risk management programme seeks to maximize the returns derived for the level of risk to which the Petroleum Fund is exposed and seeks to minimize potential adverse effects on the Petroleum Fund's performance. Specific risks are managed as follows:

#### **10.1 Financial risk**

The Petroleum Fund's activities expose it to a variety of financial risks, being market risk (including equity price risk, interest rate risk and currency risk), credit risk and liquidity risk.

The financial risks associated with the Petroleum Fund are monitored by the Risk Management Division of the Petroleum Fund Management Department at the BCTL which prepares daily management reports for senior management and quarterly reports for the Ministry of Finance. The Petroleum Fund is subject to periodic audit by the Internal Audit Office of the BCTL which has operational independence from the management of the Petroleum Fund. The Internal Audit Office provides formal monthly reports to the Governor and half yearly reports to the Governing Board of the BCTL.

#### **10.2 Market risk**

Market risk is the risk that movements in market factors, such as foreign exchange rates, interest rates, credit spreads, and equity prices, will reduce the Petroleum Fund's income or the value of its portfolios.

The objective of managing this risk is to manage and control market exposures, including for example the use of conservative benchmarks and tracking error in manager mandates, in order to achieve reasonable return on risk while ensuring liquidity.

#### **10.3 Credit risk**

Credit risk is the risk that the issuer of a debt instrument is not able to repay the principal and/or interest on the due dates.

The Petroleum Fund manages the credit risk associated with private debt instruments by requiring issuers to comply with covenants, including amongst other things requirements for the issuer to provide regular financial and cash flow statements, and to maintain accumulated cash flow projections well in excess of outstanding repayments of principal and interest.

#### **10.4 Liquidity risk**

Liquidity risk is the risk that the Petroleum Fund may not be able to generate sufficient cash resources to settle its obligations which would primarily be to fund the State budget account, in full, or can only do so on terms that are materially disadvantageous.

The Liquidity Portfolio of low-risk, highly liquid investments is designed to finance the next three years of government withdrawals. Consequently, liquidity risk is limited. In addition, to manage this risk, the Ministry of Finance has agreed in the Management Agreement to provide the Central Bank with a forecast of the future cash requirements of the government, including the projected timings and amounts to be transferred from the Petroleum Fund.

Liabilities at the year-end were US\$14.0 million (2023: US\$41.4 million) and consists of derivative liabilities, payables for securities purchased but not settled at the year end and management fees payable. These are expected to be settled within 30 days of the year end but are not considered to create a liquidity risk for the Petroleum Fund due to available cash which is sufficient to cover these liabilities. The Central Bank monitors the Petroleum Fund's liquidity position on a daily basis. Where there are potential shortfalls, financial assets will be sold to meet anticipated shortfall. The Petroleum Fund invests primarily in marketable securities and other financial instruments which, under normal market conditions are readily convertible to cash.

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## 11. Cash and cash equivalents

The Petroleum Fund has a number of bank accounts in which it holds cash. Surplus cash is invested in overnight markets with banks or through reverse repurchase agreements which may be thought of as secured overnight deposits.

|                                         | As at<br>31/12/2024<br>USD | As at<br>31/12/2023<br>USD |
|-----------------------------------------|----------------------------|----------------------------|
| Cash at bank                            | 203,385,897                | 159,768,190                |
| Overnight reverse repurchase agreements | 319,700,000                | 1,906,200,000              |
|                                         | <b>523,085,897</b>         | <b>2,065,968,190</b>       |

### Accounting policy

Cash comprises current deposits with banks which have maturities of less than 90 days. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes.

Securities purchased under agreements to resell (reverse repurchase agreements) with a maturity period of greater than one financial day are reported not as purchases of securities but as receivables and are carried in the statement of financial position at amortized cost.

Interest earned on reverse repurchase agreements is recognized as interest income over the life of each agreement using the effective interest method.

### Risks

Cash and cash equivalents are not subject to significant interest rate risk. Credit risk is managed by holding cash at financial institutions with a high reputation – the Federal Reserve Bank of New York with a Standard & Poor's rating of AA+ (very strong capacity to meet its financial commitments), JPMorgan Chase Bank N.V. with a Standard & Poor's short term issuer rating of A-1 (strong capacity to meet its financial commitment but somewhat susceptible to economic conditions and changes in circumstances) and Bank for International Settlements.

## 12. Other receivables

|                                 | As at<br>31/12/2024<br>USD | As at<br>31/12/2023<br>USD |
|---------------------------------|----------------------------|----------------------------|
| Dividends receivables           | 3,274,407                  | 4,561,509                  |
| Withholding tax receivables     | 8,400,692                  | 7,812,324                  |
| Trust distributions receivables | 341,548                    | 451,672                    |
| Due from brokers receivables    | –                          | 30,036,450                 |
| Interest receivables            | 187,020                    | 149,289                    |
| Other receivables               | 645,893                    | 9                          |
|                                 | <b>12,849,560</b>          | <b>43,011,253</b>          |

### Accounting policy

Loans and receivables (other than those classified as held for trading) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue and subsequently measured at amortized cost.

#### *Impairment of financial assets*

The Petroleum Fund monitors all financial assets that are subject to the IFRS impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Petroleum Fund will measure the loss allowance based on lifetime rather than 12 month ECL. The Petroleum Fund's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result the Petroleum Fund monitors all financial assets that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Petroleum Fund compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Petroleum Fund considers both quantitative and qualitative

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## 12. Other receivables (continued)

information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort.

At 31 December 2024 and 31 December 2023, all other receivables, amounts due from brokers, cash and short term deposits are held with counterparties with a credit rating of AA/Aa or higher and are due to be settled within 1 week. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Fund.

### Risks

Receivables, other than recoverable withholding taxes, are subject to minimal risk and are generally paid within a short time frame in the normal course of business.

The recovery of withholding tax receivables is dependent on processing and approval by the relevant tax authorities.

## 13. Investment in private debt instruments

In 2019, the Petroleum Fund purchased certain private debt instruments issued by subsidiaries of Timor Gap Lda in relation to the purchase in April 2019 of participating interests and rights in the Greater Sunrise oil and gas field by the Democratic Republic of Timor-Leste.

The debt instruments carry a coupon rate of 4.5% and are repayable over a period of 18 years with a repayment grace period of 8 years.

### Accounting policy

At 31 December 2024, the Petroleum Fund, in consultation with a third party valuer has estimated the fair value of the investment in the private debt instruments to be \$561,044,064 (2023: \$596,795,136) using a discounted cash flow model based on the expected cashflows under the debt instruments and an implied market interest rate of 9.24% (2023: 8.15%). The implied interest rate was estimated using comparable curves adjusted for differences in the instrument's terms. If the discount rate increased/decreased by 1%, the fair value of the investment would decrease and increase by \$43.71 million and \$48.06 million respectively.

The movement in the fair value for the year ended 31 December 2024 and 31 December 2023 is summarised in the table below. The significant decrease in the fair value is attributed to the increase in the discount rate and also the expected delays in the petroleum receipts from the Greater Sunrise project.

|                                  | 31 December 2024<br>USD | 31 December 2023<br>USD |
|----------------------------------|-------------------------|-------------------------|
| Balance at beginning of the year | 596,795,136             | 560,757,917             |
| Interest income                  | 36,019,167              | 34,469,646              |
| Fair value (loss)/gain           | (71,770,239)            | 1,567,573               |
|                                  | <b>561,044,064</b>      | <b>596,795,136</b>      |

### Risks

The private debt instruments owned by the Petroleum Fund have been issued by subsidiaries of Timor Gap Lda on the assumption that the cash flows from their investments in the Greater Sunrise oil and gas field will exceed the cost of the rights purchased and subsequent development costs. There are risks that:

- the cash flows from Timor Gap's share of oil and gas revenues may not be large enough to meet the contractual repayments of principal and/or interest; or
- the anticipated cash flows from oil and gas revenues may not materialize within the time frame assumed by the grace period; or
- other events may occur that impact the ability of the issuers to make the agreed repayments at the agreed times.

The Petroleum Fund has established procedures for regular reviews of the issuers' financial forecasts, covenants and other information that collectively provide an "early warning system" that the probability of one or more of these risks materializing may have increased.

The Timor Gap private debt instruments are denominated in US dollars. As a result, there is no exposure to foreign currency risk.

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## 14. Financial assets and financial liabilities at fair value through profit or loss

The Petroleum Fund invests in a range of financial instruments in order to generate income. The investments include equities (shares) and fixed interest (bonds) and a limited number of derivative instruments.

Typically, derivative contracts serve as components of the Petroleum Fund's investment strategy and are utilized primarily to structure and hedge investments, to enhance performance and reduce risk to the Petroleum Fund (the Petroleum Fund does not designate any derivative as a hedging instrument for hedge accounting purposes).

The Petroleum Fund uses derivative financial instruments to economically hedge its risks associated with foreign currency fluctuations. Additionally, derivative financial instruments may also be used for trading purposes where the investment manager believes this would be more efficient than investing directly in the underlying financial instruments. Derivatives often reflect, at their inception, only a mutual exchange of promises with little or no transfer of tangible consideration. However, these instruments frequently involve a high degree of leverage and are very volatile. A relatively small movement in the underlying of a derivative contract may have a significant impact on the profit or loss of the Petroleum Fund. Over the counter ("OTC") derivatives may expose the Petroleum Fund to the risks associated with the absence of an exchange market on which to close out an open position. Investment managers are instructed to closely monitor the Petroleum Fund's exposure under derivative contracts as part of the overall management of the Petroleum Fund's market risk.

The Minister of Finance has approved the use of equity index futures, bond and interest rate futures, bond and currency forward contracts, and US CPI Swaps under Annex 1 of the Management Agreement between the Minister and the BCTL. For the reporting period, Amendment Number 16 (from 1 April 2023) and Amendment Number 17 (from 1 April 2024) of the Management Agreement applied.

A summary of financial assets held at financial position date is as follows:

|                                                  | As at 31/12/2024      |                                    | As at 31/12/2023      |                                    |
|--------------------------------------------------|-----------------------|------------------------------------|-----------------------|------------------------------------|
|                                                  | USD                   |                                    | USD                   |                                    |
| As at fair value through profit or loss          | Fair value            | % of investment / asset allocation | Fair value            | % of investment / asset allocation |
| <b>Fixed interest securities</b>                 |                       |                                    |                       |                                    |
| United States treasury notes                     | 10,193,826,555        | 57                                 | 8,744,300,187         | 54                                 |
| Australian government bonds                      | 112,167,805           | 1                                  | 131,675,682           | 1                                  |
| Japanese government bonds                        | 133,569,541           | 1                                  | 119,377,215           | 1                                  |
| United Kingdom government bonds                  | 121,158,184           | 1                                  | 128,796,599           | 1                                  |
| European government bonds                        | 385,773,419           | 2                                  | 356,318,218           | 2                                  |
| Investment in private debt instruments (note 13) | 561,044,064           | 3                                  | 596,795,136           | 4                                  |
| Other government bonds                           | 478,012,895           | 3                                  | 522,600,976           | 3                                  |
| <b>Total fixed interest securities</b>           | <b>11,985,552,463</b> | <b>68</b>                          | <b>10,599,864,013</b> | <b>66</b>                          |
| <b>Equity securities</b>                         |                       |                                    |                       |                                    |
| United States equities                           | 4,176,754,268         | 24                                 | 3,866,368,460         | 24                                 |
| Australian equities                              | 130,025,947           | 1                                  | 129,161,365           | 1                                  |
| Japanese equities                                | 310,723,039           | 2                                  | 352,058,244           | 2                                  |
| United Kingdom equities                          | 185,611,703           | 1                                  | 216,609,151           | 1                                  |
| European equities                                | 436,931,309           | 2                                  | 500,839,074           | 3                                  |
| Equities from other countries                    | 434,779,535           | 2                                  | 500,079,033           | 3                                  |
| <b>Total equity securities</b>                   | <b>5,674,825,801</b>  | <b>32</b>                          | <b>5,565,115,327</b>  | <b>34</b>                          |

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**Notes to the financial statements**  
**for the year ended 31 December 2024**

**14. Financial assets and financial liabilities at fair value through profit or loss (continued)**

|                                                                         | As at 31/12/2024      |                                    | As at 31/12/2023      |                                    |
|-------------------------------------------------------------------------|-----------------------|------------------------------------|-----------------------|------------------------------------|
|                                                                         | USD                   |                                    | USD                   |                                    |
| As at fair value through profit or loss                                 | Fair value            | % of investment / asset allocation | Fair value            | % of investment / asset allocation |
| <b>Money market securities</b>                                          |                       |                                    |                       |                                    |
| Australian treasury bills                                               | 9,437,756             | –                                  | –                     | –                                  |
| European treasury bills                                                 | 6,787,052             | –                                  | 21,148,191            | –                                  |
| Japanese treasury bills                                                 | -                     | –                                  | 22,707,033            | –                                  |
| United Kingdom treasury bills                                           | 3,994,687             | –                                  | –                     | –                                  |
| Treasury bills from other countries                                     | 31,948,744            | –                                  | 8,717,488             | –                                  |
| <b>Total money market securities</b>                                    | <b>52,168,239</b>     | <b>–</b>                           | <b>52,572,712</b>     | <b>–</b>                           |
| <b>Derivatives</b>                                                      |                       |                                    |                       |                                    |
| United States equity futures                                            | –                     | –                                  | 31,920                | –                                  |
| Foreign currency forward contracts                                      | 39,568,516            | –                                  | 3,211,505             | –                                  |
| <b>Total derivatives</b>                                                | <b>39,568,516</b>     | <b>–</b>                           | <b>3,243,425</b>      | <b>–</b>                           |
| <b>Total financial assets at fair value through profit or loss</b>      | <b>17,752,115,019</b> | <b>100</b>                         | <b>16,220,795,477</b> | <b>100</b>                         |
| <b>Financial liabilities - at fair value through profit or loss</b>     |                       |                                    |                       |                                    |
| <b>Derivatives</b>                                                      |                       |                                    |                       |                                    |
| Foreign currency forward contracts                                      | 2,390,191             | 100                                | 32,963,125            | 100                                |
| <b>Total derivatives</b>                                                | <b>2,390,191</b>      | <b>100</b>                         | <b>32,963,125</b>     | <b>100</b>                         |
| <b>Total financial liabilities at fair value through profit or loss</b> | <b>2,390,191</b>      | <b>100</b>                         | <b>32,963,125</b>     | <b>100</b>                         |

Transactions in financial assets which arise either from the investment of new funds, the periodic rebalancing of the investment portfolio or sales to generate cash for budgetary transfers, are summarized as follows:

|                                                                                                     | As at 31/12/2024      | As at 31/12/2023      |
|-----------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
|                                                                                                     | USD                   | USD                   |
| <b>Financial assets and financial liabilities at fair value through profit or loss</b>              |                       |                       |
| Opening fair value                                                                                  | 16,220,795,477        | 16,016,472,342        |
| Purchases at cost                                                                                   | 15,050,849,937        | 12,946,352,314        |
| Proceeds from sales                                                                                 | (14,204,727,564)      | (13,948,433,913)      |
| Net unrealized gains on financial assets/financial liabilities at fair value through profit or loss | 685,197,169           | 1,206,404,734         |
| <b>Closing fair value</b>                                                                           | <b>17,752,115,019</b> | <b>16,220,795,477</b> |

**Petroleum Fund of Timor-Leste**  
**Notes to the financial statements**  
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**14. Financial assets and financial liabilities at fair value through profit or loss (continued)**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 (see accounting policies below for definitions of the levels) based on the degree to which the fair value is observable.

| As at 31/12/2024                                           |                       |                                              |                                                    |                       |
|------------------------------------------------------------|-----------------------|----------------------------------------------|----------------------------------------------------|-----------------------|
| USD                                                        |                       |                                              |                                                    |                       |
|                                                            | Quoted market price   | Valuation technique market observable inputs | Valuation technique non - market observable inputs | Total                 |
|                                                            | Level 1               | Level 2                                      | Level 3                                            | Total                 |
| <b>Financial assets</b>                                    |                       |                                              |                                                    |                       |
| Financial instruments at fair value through profit or loss |                       |                                              |                                                    |                       |
| Equity securities                                          | 5,674,186,669         |                                              | 639,132                                            | 5,674,825,801         |
| Money market securities                                    | 52,168,239            | —                                            | —                                                  | 52,168,239            |
| Fixed interest securities                                  | 11,424,508,399        | —                                            | 561,044,064                                        | 11,985,552,463        |
| Derivatives                                                | —                     | 39,568,516                                   | —                                                  | 39,568,516            |
| <b>Total</b>                                               | <b>17,150,863,307</b> | <b>39,568,516</b>                            | <b>561,683,196</b>                                 | <b>17,752,115,019</b> |
| <b>Financial liabilities</b>                               |                       |                                              |                                                    |                       |
| Financial instruments at fair value through profit or loss | —                     |                                              |                                                    |                       |
| Derivatives                                                | —                     | (2,390,191)                                  | —                                                  | (2,390,191)           |
| <b>Total</b>                                               | <b>—</b>              | <b>(2,390,191)</b>                           | <b>—</b>                                           | <b>(2,390,191)</b>    |

| As at 31/12/2023                                           |                       |                                              |                                                    |                       |
|------------------------------------------------------------|-----------------------|----------------------------------------------|----------------------------------------------------|-----------------------|
| USD                                                        |                       |                                              |                                                    |                       |
|                                                            | Quoted market price   | Valuation technique market observable inputs | Valuation technique non - market observable inputs | Total                 |
|                                                            | Level 1               | Level 2                                      | Level 3                                            | Total                 |
| <b>Financial assets</b>                                    |                       |                                              |                                                    |                       |
| Financial instruments at fair value through profit or loss |                       |                                              |                                                    |                       |
| Equity securities                                          | 5,565,115,327         | —                                            | —                                                  | 5,565,115,327         |
| Money market securities                                    | 52,572,712            | —                                            | —                                                  | 52,572,712            |
| Fixed interest securities                                  | 10,003,068,877        | —                                            | 596,795,136                                        | 10,599,864,013        |
| Derivatives                                                | 31,920                | 3,211,505                                    | —                                                  | 3,243,425             |
| <b>Total</b>                                               | <b>15,620,788,836</b> | <b>3,211,505</b>                             | <b>596,795,136</b>                                 | <b>16,220,795,477</b> |
| <b>Financial liabilities</b>                               |                       |                                              |                                                    |                       |
| Financial instruments at fair value through profit or loss |                       |                                              |                                                    |                       |
| Derivatives                                                | —                     | (32,963,125)                                 | —                                                  | (32,963,125)          |
| <b>Total</b>                                               | <b>—</b>              | <b>(32,963,125)</b>                          | <b>—</b>                                           | <b>(32,963,125)</b>   |

**Petroleum Fund of Timor-Leste**  
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## 14. Financial assets and financial liabilities at fair value through profit or loss (continued)

The following table presents the transfer between levels during the year ended 31 December 2024 (December 2023: Nil)

| 31 December 2024                  | Level 1          | Level 2  | Level 3        |
|-----------------------------------|------------------|----------|----------------|
|                                   | \$               | \$       | \$             |
| Transfers between levels 1 and 3: | -                | -        | -              |
| Equity securities                 | (639,132)        | -        | 639,132        |
| <b>Total</b>                      | <b>(639,132)</b> | <b>-</b> | <b>639,132</b> |

A detailed schedule of financial assets at fair value through profit or loss is at Note 24.

The following table sets out the fair values and notional amounts of derivative assets and liabilities held by the Petroleum Fund as at the reporting date.

|                                    | As at 31/12/2024  |                       | As at 31/12/2023    |                       |
|------------------------------------|-------------------|-----------------------|---------------------|-----------------------|
|                                    | Fair value<br>USD | Notional value<br>USD | Fair value<br>USD   | Notional Value<br>USD |
| Derivative financial instruments   |                   |                       |                     |                       |
| Equity futures                     | -                 | -                     | 31,920              | 964,000               |
| Foreign currency forward contracts | 37,178,325        | 3,894,551,551         | (29,751,620)        | 3,924,201,531         |
| <b>Total</b>                       | <b>37,178,325</b> | <b>3,894,551,551</b>  | <b>(29,719,700)</b> | <b>3,925,165,531</b>  |

### Accounting policies

#### Recognition

The Petroleum Fund recognizes a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

As the Petroleum Fund's publicly traded financial assets are held within a business model whose objective is not to hold financial assets in order to collect contractual cash flows; or is achieved by both collecting contractual cash flows and selling the financial assets, all publicly traded financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Petroleum Fund commits to purchase or sell the asset.

#### Financial assets and liabilities (initial measurement)

Financial assets and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognized directly in profit or loss.

Derivatives embedded in other financial instruments are treated as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contract and the host contract is not itself classified as held for trading or designated as at fair value through profit or loss. Embedded derivatives separated from the host are carried at fair value with changes in fair value recognized in profit or loss.

#### Subsequent measurement

Financial assets and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial instruments valued according to Level 1 is based on their quoted market prices at the statement of financial position date without any deduction for estimated future selling costs. Financial assets held or a liability to be issued are priced at current bid prices, while financial liabilities held and assets to be acquired are priced at current asking prices.

All changes to fair value, other than interest or dividend income, are recognized in the profit or loss as part of net gain from financial assets or liabilities at fair value through profit or loss. Interest and dividend income is presented separately from other fair value movements in the statement of profit or loss.

**Petroleum Fund of Timor-Leste**  
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## **14. Financial assets and financial liabilities at fair value through profit or loss (continued)**

### *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized when:

- Either the rights to receive cash flows from the asset have expired, or the Petroleum Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement, and
- Either (a) the Petroleum Fund has transferred substantially all the risks and rewards of the asset or (b) the Petroleum Fund has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Petroleum Fund has transferred its rights to receive cash flows from an asset (or has entered into a pass through arrangement) and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Petroleum Fund's continuing involvement in the asset. In that case, the Petroleum Fund also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Petroleum Fund has retained.

The Petroleum Fund derecognizes a financial liability when the obligation under the liability is discharged, cancelled or expired.

### *Offsetting*

The Petroleum Fund offsets financial assets and financial liabilities if the Petroleum Fund has a legally enforceable right to set off the recognized amounts and interests and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS.

### **Critical accounting estimates**

The manner in which assets are valued can have a material effect on the financial position and profit of the Petroleum Fund. In order to assess the reliability and objectivity of the valuation process, the Petroleum Fund categorizes the method of valuation into three levels, as follows: Level 1 (Quoted market price) fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities. The Petroleum Fund does not adjust the quoted prices for these instruments.

Level 2 (Valuation technique: market observable inputs) fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). As level 2 investments include positions that are not traded in active markets and/or subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non transferability which are generally based on available market information. Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. The level 2 instruments include over-the-counter derivatives.

Level 3 (Valuation technique: non market observable inputs) fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### *Risks*

#### **(a) Market risk**

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Petroleum Fund's income or fair value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The maximum risk resulting from financial instruments equals their fair value.

The Petroleum Fund's strategy for the management of market risks is driven by the Petroleum Fund's investment objectives, including diversification of its investment portfolio, by specifying benchmarks in individual investment mandates with risk limits defined by maximum or target tracking errors.

The Petroleum Fund's market risk is thus managed on a regular basis by the investment managers in accordance with these investment mandates.

**Petroleum Fund of Timor-Leste**  
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## **14. Financial assets and financial liabilities at fair value through profit or loss (continued)**

### **(i) Equity price risk**

Equity price risk is the risk of unfavorable changes in the fair values of equities or equity linked derivatives as the result of changes in the levels of equity indices and the value of individual shares. The equity price risk exposure arises from the Petroleum Fund's investments in equity securities and from equity linked derivatives. The Petroleum Fund manages this risk by investing in a variety of stock exchanges and by limiting exposure to any one company or issuing entity, excluding sovereign states, to 3% of net assets (consistent with Article 15.5a of the Petroleum Fund Law). The Petroleum Fund Law limits equity investments to no more than 5% of the share capital of a particular issuer (consistent with Article 15.3b of the Petroleum Fund Law).

Management's best estimate of the effect on the profit or loss for a year due to a reasonably possible change in equity indices, with all other variables held constant is indicated in the table below. There is no effect on 'other comprehensive income' as the Petroleum Fund has no assets classified as 'Financial assets at fair value through other comprehensive income' or designated hedging instruments. In practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material. An equivalent decrease in each of the indices shown below would have resulted in an equivalent impact.

The Petroleum Fund manages its exposure to equity price risk by analyzing the portfolio by industrial sector and country each month and benchmarking the performance of each sector/country to the MSCI World Index by considering the performance of the Petroleum Fund attributable to stock allocation, security selection and the interaction effect.

The following table summarizes the sensitivity of the Petroleum Fund's operating profit and net assets to price risk. The analysis is based on reasonably possible movements in the benchmark with all other variables held constant and the fair value of the Petroleum Fund's portfolio moving according to the movement in the benchmark. The reasonably possible movements in the risk variables have been determined based on the operational manager's best estimates having regard to a number of factors including historical levels of changes in market index, security prices and/or benchmark returns and interest rates. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities to which the variable is exposed. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables. The table below shows the impact on operating profit/net assets resulting from a 10% change in the price of equities.

| <b>Equity instruments</b> | <b>Price risk</b>                                     |                    |
|---------------------------|-------------------------------------------------------|--------------------|
|                           | <b>Impact on profit/(loss for the year/Net assets</b> |                    |
|                           | <b>(-10.00%)</b>                                      | <b>(+10.00%)</b>   |
| <b>31 December 2024</b>   | <b>(567,418,667)</b>                                  | <b>567,418,667</b> |
| 31 December 2023          | (556,511,533)                                         | 556,511,533        |

The Petroleum Fund has determined that a fluctuation in equity prices of 10% is reasonably possible within a one year period based on historical movements in global equity markets.

### **(ii) Interest rate risk**

Interest rate risk arises from the possibility that an investment's fair value or associated future cash flows will change due to a change in the absolute level of interest rates, in the spread between two rates, in the shape of the yield curve or in any other interest rate relationship.

The majority of interest rate exposure arises on investments in fixed interest securities in the United States of America and, to a lesser extent, the rest of the developed world. Most of the Petroleum Fund's investments in fixed interest securities carry fixed interest rates and mature within ten years.

**Petroleum Fund of Timor-Leste**  
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#### 14. Financial assets and financial liabilities at fair value through profit or loss (continued)

The Petroleum Fund manages this risk by investing according to benchmarks with specified tracking error limits. The assets and the Petroleum Fund will reprice or mature within the following periods:

| As at 31/12/2024<br>USD                                       |                                       |                           |                      |                    |                      |                      |                      |                    |
|---------------------------------------------------------------|---------------------------------------|---------------------------|----------------------|--------------------|----------------------|----------------------|----------------------|--------------------|
|                                                               | Statement of<br>financial<br>position | Non-interest<br>sensitive | 6 months or<br>less  | 6-12 months        | 1 to 2 years         | 2 to 5 years         | 5 to 10 years        | Over 10 years      |
| <b>FINANCIAL ASSETS</b>                                       |                                       |                           |                      |                    |                      |                      |                      |                    |
| Cash and cash equivalents                                     | 523,085,897                           | -                         | 523,085,897          | -                  | -                    | -                    | -                    | -                  |
| Other receivables                                             | 12,849,560                            | 12,849,560                | -                    | -                  | -                    | -                    | -                    | -                  |
| Financial assets at fair value<br>through profit or loss      | 17,752,115,019                        | 5,714,394,317             | 483,477,582          | 410,434,519        | 1,010,144,375        | 6,614,703,374        | 2,532,881,083        | 986,079,769        |
| <b>Total assets</b>                                           | <b>18,288,050,476</b>                 | <b>5,727,243,877</b>      | <b>1,006,563,479</b> | <b>410,434,519</b> | <b>1,010,144,375</b> | <b>6,614,703,374</b> | <b>2,532,881,083</b> | <b>986,079,769</b> |
| <b>FINANCIAL LIABILITIES</b>                                  |                                       |                           |                      |                    |                      |                      |                      |                    |
| Payables                                                      | 1,833,658                             | 1,833,658                 | -                    | -                  | -                    | -                    | -                    | -                  |
| Financial liabilities at fair value<br>through profit or loss | 2,390,191                             | 2,390,191                 | -                    | -                  | -                    | -                    | -                    | -                  |
| <b>Total liabilities</b>                                      | <b>4,223,849</b>                      | <b>4,223,849</b>          | <b>-</b>             | <b>-</b>           | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>-</b>           |

| As at 31/12/2023<br>USD                                       |                                       |                           |                      |                    |                    |                      |                      |                      |
|---------------------------------------------------------------|---------------------------------------|---------------------------|----------------------|--------------------|--------------------|----------------------|----------------------|----------------------|
|                                                               | Statement of<br>financial<br>position | Non-interest<br>sensitive | 6 months or<br>less  | 6-12 months        | 1 to 2 years       | 2 to 5 years         | 5 to 10 years        | Over 10 years        |
| <b>FINANCIAL ASSETS</b>                                       |                                       |                           |                      |                    |                    |                      |                      |                      |
| Cash and cash equivalents                                     | 2,065,968,190                         | -                         | 2,065,968,190        | -                  | -                  | -                    | -                    | -                    |
| Other receivables                                             | 43,011,253                            | 43,011,253                | -                    | -                  | -                  | -                    | -                    | -                    |
| Financial assets at fair value<br>through profit or loss      | 16,220,795,477                        | 5,568,358,752             | 482,745,152          | 345,701,673        | 484,231,180        | 5,855,942,614        | 2,443,250,794        | 1,040,565,312        |
| <b>Total assets</b>                                           | <b>18,329,774,920</b>                 | <b>5,611,370,005</b>      | <b>2,548,713,342</b> | <b>345,701,673</b> | <b>484,231,180</b> | <b>5,855,942,614</b> | <b>2,443,250,794</b> | <b>1,040,565,312</b> |
| <b>FINANCIAL LIABILITIES</b>                                  |                                       |                           |                      |                    |                    |                      |                      |                      |
| Payables                                                      | 8,406,820                             | 8,406,820                 | -                    | -                  | -                  | -                    | -                    | -                    |
| Financial liabilities at fair value<br>through profit or loss | 32,963,125                            | 32,963,125                | -                    | -                  | -                  | -                    | -                    | -                    |
| <b>Total liabilities</b>                                      | <b>41,369,945</b>                     | <b>41,369,945</b>         | <b>-</b>             | <b>-</b>           | <b>-</b>           | <b>-</b>             | <b>-</b>             | <b>-</b>             |

**Petroleum Fund of Timor-Leste**  
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#### 14. Financial assets and financial liabilities at fair value through profit or loss (continued)

The following table summarizes the sensitivity of the Petroleum Fund's operating profit and net assets attributable to interest rate risk. The analysis is based on reasonably possible movements in the benchmark with all other variables held constant and the fair value of the Petroleum Fund's portfolio moving according to the movement in the benchmark. The reasonably possible movements in the risk variables have been determined based on the operational manager's best estimates, having regard to a number of factors, including historical levels of interest rates. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities to which the variable is exposed. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

|                         | <b>Interest rate risk</b>                              |                      |
|-------------------------|--------------------------------------------------------|----------------------|
|                         | <b>Impact on profit/(loss) for the year/Net assets</b> |                      |
|                         | <b>(-1%)</b>                                           | <b>(+1%)</b>         |
| <b>31 December 2024</b> | <b>419,567,273</b>                                     | <b>(419,567,273)</b> |
| 31 December 2023        | 498,998,290                                            | (498,998,290)        |

The Petroleum Fund has determined that a fluctuation in interest rates of +1% / 1% is reasonably possible within a given one year time period, given the economic environment in which the Petroleum Fund operates.

In determining the impact of an increase/decrease in net assets arising from market risk, management of the Petroleum Fund has considered prior period and expected future movements of the portfolio based on market information.

##### (iii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Petroleum Fund invests in fixed income and equity securities that are denominated in currencies other than the United States dollar. Accordingly, the Petroleum Fund's assets may be affected favourably or unfavourably by fluctuations in currency rates. Therefore, the Petroleum Fund is necessarily subject to foreign exchange risks. The Petroleum Fund's assets are 92% (2023: 90%) in US dollars after accounting for currency hedging, therefore exposure to currency movements are limited.

The assets of the Petroleum Fund to which the Petroleum Fund had significant currency exposure at financial position date, reported in United States dollar equivalents, are set out in the following table:

|                                    | <b>As at 31/12/2024</b> |                      |                      |                      |                      |                         |                       |
|------------------------------------|-------------------------|----------------------|----------------------|----------------------|----------------------|-------------------------|-----------------------|
|                                    | <b>USD</b>              | <b>EUR</b>           | <b>AUD</b>           | <b>GBP</b>           | <b>JPY</b>           | <b>Other Currencies</b> | <b>Total</b>          |
| Cash and Cash Equivalents          | 508,960,737             | 2,498,174            | 863,901              | 1,041,403            | 2,634,425            | 7,087,257               | 523,085,897           |
| Equity securities                  | 4,176,754,268           | 436,931,309          | 130,025,947          | 185,611,703          | 310,723,039          | 434,779,535             | 5,674,825,801         |
| Money market securities            | –                       | –                    | 9,437,755            | 3,994,687            | –                    | 38,735,797              | 52,168,239            |
| Fixed interest securities at FVTPL | 10,754,870,619          | 385,773,419          | 112,167,805          | 121,158,184          | 133,569,541          | 478,012,895             | 11,985,552,463        |
| Receivables                        | –                       | 4,540,778            | 986,692              | 1,647,967            | 548,323              | 5,125,800               | 12,849,560            |
| Payables                           | (1,833,658)             | –                    | –                    | (9,770,223)          | –                    | –                       | (11,603,881)          |
| <b>Total physical exposure</b>     | <b>15,438,751,966</b>   | <b>829,743,680</b>   | <b>253,482,100</b>   | <b>303,683,721</b>   | <b>447,475,328</b>   | <b>963,741,284</b>      | <b>18,236,878,079</b> |
| Forward exchange contracts         |                         |                      |                      |                      |                      |                         | –                     |
| - buy foreign currency             | (1,289,167,655)         | (777,444,343)        | (244,755,549)        | (234,918,260)        | (268,148,034)        | (1,042,939,385)         | (3,857,373,226)       |
| - sell foreign currency            | 2,607,682,899           | 389,865,750          | 122,220,210          | 119,103,240          | 133,685,454          | 521,993,998             | 3,894,551,551         |
| <b>Total derivative exposure</b>   | <b>1,318,515,244</b>    | <b>(387,578,593)</b> | <b>(122,535,339)</b> | <b>(115,815,020)</b> | <b>(134,462,580)</b> | <b>(520,945,387)</b>    | <b>37,178,325</b>     |
| <b>Total net exposure</b>          | <b>16,757,267,210</b>   | <b>442,165,087</b>   | <b>130,946,761</b>   | <b>187,868,701</b>   | <b>313,012,748</b>   | <b>442,795,897</b>      | <b>18,274,056,404</b> |
| <b>Exposure (% of net assets)</b>  | <b>91.70%</b>           | <b>2.42%</b>         | <b>0.72%</b>         | <b>1.03%</b>         | <b>1.71%</b>         | <b>2.42%</b>            | <b>100%</b>           |

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**14. Financial assets and financial liabilities at fair value through profit or loss (continued)**

|                                    | As at 31/12/2023      |                      |                      |                      |                      |                      |                       |
|------------------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
|                                    | USD                   |                      |                      |                      |                      |                      |                       |
|                                    | USD                   | EUR                  | AUD                  | GBP                  | JPY                  | Other Currencies     | Total                 |
| Cash and Cash Equivalents          | 2,042,894,243         | 2,107,479            | 2,528,439            | 4,206,189            | 2,934,246            | 11,297,594           | 2,065,968,190         |
| Equity securities                  | 3,866,368,460         | 500,839,074          | 129,161,365          | 216,609,151          | 352,058,244          | 500,079,033          | 5,565,115,327         |
| Money market securities            | –                     | 21,148,191           | –                    | –                    | 22,707,033           | 8,717,488            | 52,572,712            |
| Fixed interest securities at FVTPL | 9,341,095,323         | 356,318,218          | 131,675,682          | 128,796,599          | 119,377,215          | 522,600,976          | 10,599,864,013        |
| Receivables                        | 4,269,571             | 30,404,647           | 191,226              | 485,040              | 490,925              | 7,169,844            | 43,011,253            |
| Payables                           | (8,403,227)           | –                    | –                    | –                    | –                    | (3,593)              | (8,406,820)           |
| <b>Total physical exposure</b>     | <b>15,246,224,370</b> | <b>910,817,609</b>   | <b>263,556,712</b>   | <b>350,096,979</b>   | <b>497,567,663</b>   | <b>1,049,861,342</b> | <b>18,318,124,675</b> |
| Futures                            | 31,920                | –                    | –                    | –                    | –                    | –                    | 31,920                |
| Forward exchange contracts         |                       |                      |                      |                      |                      |                      | –                     |
| - buy foreign currency             | (1,314,558,224)       | (793,871,415)        | (260,797,321)        | (250,010,820)        | (284,380,179)        | (1,050,335,190)      | (3,953,953,149)       |
| - sell foreign currency            | 2,607,791,700         | 396,348,420          | 130,328,850          | 125,057,880          | 141,575,374          | 523,099,305          | 3,924,201,529         |
| <b>Total derivative exposure</b>   | <b>1,293,265,396</b>  | <b>(397,522,995)</b> | <b>(130,468,471)</b> | <b>(124,952,940)</b> | <b>(142,804,805)</b> | <b>(527,235,885)</b> | <b>(29,719,700)</b>   |
| <b>Total net exposure</b>          | <b>16,539,489,766</b> | <b>513,294,614</b>   | <b>133,088,241</b>   | <b>225,144,039</b>   | <b>354,762,858</b>   | <b>522,625,457</b>   | <b>18,288,404,975</b> |
| <b>Exposure (% of net assets)</b>  | <b>90.44%</b>         | <b>2.81%</b>         | <b>0.73%</b>         | <b>1.23%</b>         | <b>1.94%</b>         | <b>2.85%</b>         | <b>100%</b>           |

The Petroleum Fund is primarily exposed to the Euro, Australian Dollar, Pound Sterling and Japanese Yen.

The following table details the Petroleum Fund's sensitivity to a 10% increase and decrease in the United States dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes cash and cash equivalents, interest receivable and qualifying instruments. A negative number below indicates a decrease in profit where the United States dollar strengthens 10% against the relevant currency. For a 10% weakening of the United States dollar against the relevant currency, there would be a comparable impact on the profit, and the balances below would be a positive. The analysis presumes that all other variables, in particular interest rates, remain constant.

|                                | As at 31/12/2024     | As at 31/12/2023     |
|--------------------------------|----------------------|----------------------|
|                                | USD                  | USD                  |
| EUR impact                     | (44,216,509)         | (51,329,461)         |
| AUD impact                     | (13,094,675)         | (13,308,824)         |
| GBP impact                     | (18,786,870)         | (22,514,404)         |
| JPY impact                     | (31,301,275)         | (35,476,286)         |
| Other currencies               | (44,279,590)         | (52,262,545)         |
| <b>Total currencies impact</b> | <b>(151,678,919)</b> | <b>(174,891,520)</b> |

This is mainly attributable to the exposure outstanding on all relevant foreign currencies relating to cash and cash equivalents, interest receivable and qualifying instruments in the Petroleum Fund at the end of the reporting period.

*(b) Credit risk*

Credit risk is the risk of loss that arises from a counterparty failing to meet their contractual commitments in full and on time or from losses arising from the change in value of a traded financial instrument as a result of changes in the credit risk on that instrument. It arises principally from fixed interest securities held and also from derivative financial instruments, cash and cash equivalents, balances due from brokers and receivables from reverse repurchase agreements. For risk management reporting purposes the Petroleum Fund considers and consolidates all elements of credit risk exposure reflecting the fact that the main concentration to which the Petroleum Fund is exposed arises from the Petroleum Fund's investments in fixed interest securities.

**Petroleum Fund of Timor-Leste**  
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## **14. Financial assets and financial liabilities at fair value through profit or loss (continued)**

### *(i) Credit risk management*

Article 15 of the Petroleum Fund Law provides broad constraints on the extent of credit risk that can be taken by the Petroleum Fund. To qualify as an eligible investment, debt must have a credit quality of at least equal to investment grade, while deposits are only held with financial institutions with a credit rating of at least investment grade. The investment grade rating reflects the credit rating agencies' assessment of capacity by the issuer to pay. Higher ratings reflect lower credit risk associated with the bonds. Credit risk is also managed by limiting exposure to any one company or issuer (except for a sovereign state) to 3% of the total value of the Petroleum Fund. The limits are reflected in the underlying investment mandates with managers and are monitored by the BCTL. The Petroleum Fund's maximum exposure to credit risk at reporting date in relation to each class of financial asset is the carrying amount of those assets as indicated in the statement of financial position. The Petroleum Fund is segmented into a liquidity and growth portfolio. The liquidity portfolio is comprised of US dollar cash and cash equivalents, money market securities, short-maturity US Treasury bonds and other short term liquid instruments. The target asset allocation weights for the growth portfolio were 65% fixed interest securities and 35% global equities at the end of December. The Fund's investment in private debt is separated from the financial market investments and is limited to 5% of the total value of the Fund under the Petroleum Fund Law. The IAB regularly monitors and reviews the Petroleum Fund's asset allocation at its meetings, with consideration to the desired risk profile of the Petroleum Fund. The Board considers the current asset allocation to be appropriate given the expected investment horizon of the Petroleum Fund.

The mandate in the Operational Management Agreement prescribes that the performance of the Petroleum Fund shall be measured against benchmark indexes for a series of mandates, restricts the permissible investment universe to highly rated financial instruments and establishes tracking error limits restricting the permissible deviation of the portfolio investments from the benchmark for each mandate. The maximum loss that the Petroleum Fund would suffer from the default of a single issuer is the amount disclosed below with respect to investments in treasury notes issued by the United States Government and other governments, and the investment in Timor Gap Ltd.

### *(ii) Concentration of credit exposure*

Concentrations of credit risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or when a number of counterparties are engaged in similar business activities or activities in the same geographic regions, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The allocation to each sovereign issuer is constantly monitored and any actual or anticipated changes to the credit risk profile of each issuing country will be considered in the allocation. Securities issued by US Treasury was 57% (2023: 54%) of the Petroleum Fund's Investments measured at fair value through profit or loss. Diversification within the non US sovereign bond mandate is achieved through limiting each country to a maximum weight of 10% of the index and the Eurozone weight to 30%.

The Petroleum Fund's significant end of year concentrations of credit exposure by the industry or country of the issuer were as follows:

|                                                                                  | As at 31/12/2024      | As at 31/12/2023      |
|----------------------------------------------------------------------------------|-----------------------|-----------------------|
|                                                                                  | USD                   | USD                   |
| <b>Fixed interest securities and money market securities Financial assets at</b> |                       |                       |
| <b>FVTPL - Sovereign issuers:</b>                                                |                       |                       |
| United States Government                                                         | 10,193,826,555        | 8,744,300,187         |
| Australian Government                                                            | 121,605,561           | 131,675,682           |
| Japan Government                                                                 | 133,569,541           | 142,084,248           |
| United Kingdom Government                                                        | 125,152,871           | 128,796,599           |
| European Governments                                                             | 385,773,419           | 377,466,409           |
| Timor-Leste Government (note 13)                                                 | 561,044,064           | 596,795,136           |
| Governments of other countries                                                   | 516,748,691           | 531,318,464           |
|                                                                                  | <b>12,037,720,702</b> | <b>10,652,436,725</b> |

**Petroleum Fund of Timor-Leste**  
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## 14. Financial assets and financial liabilities at fair value through profit or loss (continued)

### (iii) Credit exposure by credit rating

The following table presents an analysis of the Petroleum Fund's debt securities classified according to credit ratings of the issuer as at each period end. Credit ratings from Standard & Poor's, Moody's Investors Services and Fitch Ratings are assessed and the lower of the two highest ratings applies. If a rating is only available from one of the three agencies, this single rating applies. AAA/Aaa is the highest rating possible and indicates that the entity has an extremely strong capacity to pay interest and principal. AA/Aa2 is a high grade rating, indicating a very strong capacity, and A/A2 is an upper medium grade, indicating a strong capacity to pay interest and principal. BBB/Baa2 is the lowest investment grade rating, indicating a medium capacity to pay interest and principal. Ratings lower than AAA can be modified by + or – signs to indicate relative standing within the major categories. U.S Government securities are classified as AA+/Aa+. As at 31 December 2024, S&P's credit rating is AA+ and Moody's credit rating is Aaa and Fitch's credit rating is AA+ (2023: AA+/Aaa).

|                                                                            | As at 31/12/2024<br>USD | As at 31/12/2023<br>USD |
|----------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>International fixed interest securities and money market securities</b> |                         |                         |
| <b>Standard &amp; Poor's / Moody's credit rating</b>                       |                         |                         |
| AAA/Aaa                                                                    | 449,718,180             | 716,703,363             |
| AA/Aa2                                                                     | 10,507,296,850          | 8,861,651,408           |
| A/A2                                                                       | 157,299,889             | 144,197,953             |
| BBB/Baa2                                                                   | 167,548,074             | 158,869,823             |
| Not-rated                                                                  | 755,857,709             | 771,014,178             |
| <b>Total</b>                                                               | <b>12,037,720,702</b>   | <b>10,652,436,725</b>   |

### (iv) Credit exposure by counterparty as a percentage of the Petroleum Fund's capital

No more than 1% (2023: 1%) of assets of the Petroleum Fund is exposed to a single sovereign issuer, other than the United States Government, all of which sovereigns are developed nations. The assets exposed to the United States Government amounted to 56% (2023: 48%) of the Petroleum Fund's capital. A change in the credit ratings of the Petroleum Fund's counterparties may have an impact on the future financial performance of the Petroleum Fund.

### (c) Derivative financial instruments

The Petroleum Fund Law sets limits on the use of derivative financial instruments whereby derivatives may only be used to reduce the risk to the Petroleum Fund or to efficiently facilitate the desired exposure to an asset and whereby the risk arising from the use of the derivatives may not be higher than would result from direct exposure to the underlying assets. As such, the objective of using derivative instruments is to reduce financial risks and costs associated with implementing the investment strategy. The Petroleum Fund does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The individual investment mandates set by the Ministry of Finance include rules for the use of derivatives within these statutory requirements.

Forward and futures contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. Forwards are customized contracts transacted in the OTC market. Futures contracts are transacted in standardized amounts on regulated exchanges and are subject to daily cash margin requirements. The main differences in the risk associated with forward and futures contracts are credit risk and liquidity risk. The Petroleum Fund has credit exposure to the counterparties of forward contracts. The credit risk related to futures contracts is considered minimal because the exchange ensures that these contracts are always honored. Forward contracts are settled gross and, therefore, considered to bear a higher liquidity risk than the futures contracts which are settled on a net basis. Both types of contracts result in market risk exposure.

**Petroleum Fund of Timor-Leste**  
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## 15. Financial liabilities

Financial liabilities are amounts owed by the Petroleum Fund to third parties. One type of financial liability is the amount payable for securities purchased.

Another type of financial liabilities arises when derivative contracts are “out of the money”, that is, an amount must be paid at the due date of the derivative contract. As a derivative is often used by the Petroleum Fund for hedging, an “out of the money” derivative may be indicative of a corresponding asset having risen in value.

There were financial instruments liabilities at fair value through profit or loss as at 31 December 2024 of \$2,390,191 (2023: \$32,963,125).

### Accounting policy

#### Classification

The Petroleum Fund's financial liabilities are categorized as at fair value through profit or loss, unless otherwise noted.

Financial liabilities that are not at fair value through profit or loss include balances payable to financial intermediaries for the purchase of securities and other short term payables.

## PART IV: NOTES TO THE STATEMENT OF CHANGES IN CAPITAL

The statement of changes in capital details the change in the net wealth of the Petroleum Fund over the year. Typically, this includes contributions to the Petroleum Fund by participants in the petroleum sector, withdrawals by the government, refunds of taxation and the net profit or loss from the Petroleum Fund's investments.

## 16. Capital receipts and payments

Capital receipts and payments reflect moneys received by the Petroleum Fund pursuant to the Petroleum Fund Law and amounts transferred to the State budget pursuant to an appropriation of Parliament.

Capital receipts are classified in the Petroleum Fund Law as follows:

- Article 6.1(a) receipts are the gross revenues, including tax revenue, of Timor-Leste from any petroleum operations.
- Article 6.1(b) receipts are amounts received by the National Petroleum Authority pursuant to the Timor Sea Treaty.
- Article 6.1(c) receipts are amounts received from the investment of the capital of the Petroleum Fund.
- Article 6.1(e) include any other petroleum related receipts.

The following table shows the capital receipts and payments of the Petroleum Fund.

| Month                    | As at 31/12/2024           |                            |                                  |                         | Total                  |
|--------------------------|----------------------------|----------------------------|----------------------------------|-------------------------|------------------------|
|                          | Article 6.1(a)<br>receipts | Article 6.1(b)<br>receipts | Article 6.1(e)<br>other receipts | To Consolidated<br>Fund |                        |
| January                  | 12,239,796                 | —                          | 1,021,695                        | —                       | 13,261,491             |
| February                 | 1,189,637                  | —                          | 81,250                           | (300,000,000)           | (298,729,113)          |
| March                    | 5,816,748                  | —                          | 110,370                          | —                       | 5,927,118              |
| April                    | 1,693,127                  | —                          | 6,673,400                        | (200,000,000)           | (191,633,473)          |
| May                      | 1,540,340                  | —                          | 111,340                          | —                       | 1,651,680              |
| June                     | 1,657,335                  | —                          | 120,967                          | —                       | 1,778,302              |
| July                     | 1,242,505                  | 37,012,821                 | —                                | (150,000,000)           | (111,744,674)          |
| August                   | 1,492,391                  | —                          | —                                | —                       | 1,492,391              |
| September                | 1,531,821                  | —                          | —                                | (200,000,000)           | (198,468,179)          |
| October                  | 1,366,600                  | —                          | 1,914,100                        | —                       | 3,280,700              |
| November                 | 2,172,924                  | —                          | 111,340                          | (200,000,000)           | (197,715,736)          |
| December                 | 1,277,102                  | 4,975,808                  | —                                | (250,000,000)           | (243,747,090)          |
| <b>Totals</b>            | <b>33,220,326</b>          | <b>41,988,629</b>          | <b>10,144,462</b>                | <b>(1,300,000,000)</b>  | <b>(1,214,646,583)</b> |
| <b>Total Article 6.1</b> |                            |                            | <b>85,353,417</b>                |                         |                        |

**Petroleum Fund of Timor-Leste**  
**Notes to the financial statements**  
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**16. Capital receipts and payments (continued)**

|                          | As at 31/12/2023           |                            |                                  |                         | Total                |
|--------------------------|----------------------------|----------------------------|----------------------------------|-------------------------|----------------------|
|                          | Article 6.1(a)<br>receipts | Article 6.1(b)<br>receipts | Article 6.1(e)<br>other receipts | To Consolidated<br>Fund |                      |
| Month                    |                            |                            |                                  |                         |                      |
| January                  | 15,042,718                 | —                          | —                                | —                       | 15,042,718           |
| February                 | 1,884,252                  | —                          | —                                | (300,000,000)           | (298,115,748)        |
| March                    | 4,235,487                  | —                          | —                                | —                       | 4,235,487            |
| April                    | 1,798,334                  | 308,297,276                | —                                | —                       | 310,095,610          |
| May                      | 4,494,688                  | —                          | 5,333,600                        | (190,000,000)           | (180,171,712)        |
| June                     | 2,303,321                  | 9,986,667                  | —                                | —                       | 12,289,988           |
| July                     | 5,444,934                  | 36,357,759                 | —                                | (300,000,000)           | (258,197,307)        |
| August                   | 1,629,594                  | 12,145,998                 | —                                | —                       | 13,775,592           |
| September                | 1,407,107                  | —                          | —                                | —                       | 1,407,107            |
| October                  | 1,831,225                  | —                          | —                                | —                       | 1,831,225            |
| November                 | 2,872,656                  | —                          | —                                | (200,000,000)           | (197,127,344)        |
| December                 | 11,633,476                 | —                          | —                                | (100,000,000)           | (88,366,524)         |
| <b>Totals</b>            | <b>54,577,792</b>          | <b>366,787,700</b>         | <b>5,333,600</b>                 | <b>(1,090,000,000)</b>  | <b>(663,300,908)</b> |
| <b>Total Article 6.1</b> |                            |                            | <b>426,699,092</b>               |                         |                      |

**Accounting policies, estimates, assumptions, judgements and risks**

*Capital*

Judgments have been made as to whether certain transactions should be recognized as capital or revenue.

*Petroleum Fund gross receipts*

The Petroleum Fund Law requires certain parties to deposit taxes and other petroleum related payments payable to the Government of Timor-Leste directly into the Petroleum Fund. The Petroleum Fund recognizes these and other transactions as follows:

- Payments made as Petroleum Fund receipts in accordance with Article 6.1(a) are recognized as increases in the statement of changes in capital of the Petroleum Fund.
- Payments made by the Designated Authority in accordance with Article 6.1(b) are recognized as increases in the statement of changes in capital of the Petroleum Fund.
- Income earned by the Petroleum Fund from the investment of its assets is recognized in the statement of profit or loss and other comprehensive income in accordance with Article 6.1(c).
- It is noted that the main source of capital receipts currently relates to the oil revenues generated from the Bayu Undan Field, a mature field with a declining production profile. The Bayu-Undan' Joint Venture PSC was extended until mid-2026, although expected inflows are small relative to prior years.
- On 6 March 2018, the governments of Timor-Leste and Australia signed a new Maritime Boundaries Treaty, and in the same year, negotiations between the governments of Timor-Leste, Australia and the Sunrise Joint Venture on the new Greater Sunrise Production Sharing Contract commenced.
- It is expected that the start date of production from Greater Sunrise will become clearer once the Production Sharing Contract and development plan are agreed. Payments received by Timor-Leste relating directly to Petroleum Fund resources not covered in Article 6.1 (a) to (d) of the Petroleum Fund Law are recognized as increases in the statement of changes in capital of the Petroleum Fund in accordance with Article 6.1(e).
- Management fees paid from the gross receipts of the Petroleum Fund pursuant to Article 6.2 are recognized in the statement of profit or loss and other comprehensive income.

**Petroleum Fund of Timor-Leste**  
**Notes to the financial statements**  
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## **16. Capital receipts and payments (continued)**

- Contractors pay both Corporate Income Tax (CIT) and Supplemental Petroleum Tax (SPT) in advance based upon forecast financial information. Where the amount of tax based upon actual financial information is less than the amount paid based upon forecast, an overpayment of tax may occur. In order to verify and validate the overpayment of taxes claimed by contractors, the Directorate General of Tax Authority conducts an audit exercise to verify the amount of the overpayment claimed by a contractor. The overpayment amount of taxes to be refunded is determined after the audit inspection is completed. It is possible that future tax refunds might be paid out in the upcoming years from the Petroleum Fund. Refunds of taxation made pursuant to Article 10 are recognized as reductions in the statement of changes in capital of the Petroleum Fund.

### *Transfers to the Consolidated Fund*

The National Government of República Democrática de Timor-Leste comprises:

- Central government ministries, and
- Autonomous agencies under significant control of Ministry of Finance.

The Consolidated Fund is the Government's State Budget Account at the BCTL. Transfers to the Consolidated Fund are appropriations approved by the National Parliament of Timor-Leste. All transfers to the Consolidated Fund are authorized and recognized when paid to the Consolidated Fund.

### *Objectives of managing capital*

The Petroleum Fund is a mandatory financial reserve established with the objective of allocating financial wealth obtained from natural resources fairly and equitably between current and future generations of Timor-Leste citizens. The Petroleum Fund's capital structure consists solely of paid in capital derived from petroleum receipts and other sources as described in Note 16. The Petroleum Fund Law requires the Government to annually calculate Estimated Sustainable Income (ESI) which is defined as the maximum amount that can be appropriated from the Petroleum Fund in a fiscal year and leave sufficient resources in the Petroleum Fund for an amount of equal real value to be appropriated in all later fiscal years. The ESI calculation is submitted with the annual budget to Parliament who are required to take the ESI into consideration when determining the amount of capital to be appropriated from the Petroleum Fund. Transfers in excess of the ESI are permitted subject to certain provisions in the Petroleum Fund Law being satisfied.

There has been no change during the year in these objectives and policies for managing capital and the Petroleum Fund has complied with all legislative requirements relating to the management of the Petroleum Fund's capital.

## **PART V: NOTES TO THE STATEMENT OF CASH FLOWS**

The statement of cash flows, also known as the cash flow statement, presents the movement in cash flows over the period of 1 January to 31 December as classified under operating and financing activities.

Cash flow generally means cash movements in the Petroleum Fund's bank accounts and movements in short term investments that are highly liquid and involve very low risk of change in value.

Cash flow from operating activities presents the movement in cash during the year relating to the Petroleum Fund's revenue generating activities of the Petroleum Fund, namely investing in securities.

Cash flow from financing activities includes the movement in cash flow resulting from receipts into the Petroleum Fund deposited by participants in the exploitation of petroleum resources and transfers out of the Petroleum Fund to the Consolidated Fund or to refund tax.

For the purposes of the statement of cash flows, cash and cash equivalents comprise balances with an original maturity of less than 90 days.

**Petroleum Fund of Timor-Leste**  
**Notes to the financial statements**  
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## 17. Reconciliation of net cash flows

|                                                                   | Year ended<br>31/12/2024 | Year ended<br>31/12/2023 |
|-------------------------------------------------------------------|--------------------------|--------------------------|
|                                                                   | USD                      | USD                      |
| Profit for the year                                               | 1,200,298,012            | 1,678,704,161            |
| Decrease in financial assets at fair value through profit or loss | (1,569,761,698)          | (198,757,551)            |
| Increase/(decrease) in receivables                                | 36,966,727               | (33,226,287)             |
| Increase/(decrease) in accounts payable                           | 1,604,419                | (1,514,187)              |
| Increase in payables for securities purchased                     | 1,592,641                | 8,176,831                |
| <b>Net cash provided by operating activities</b>                  | <b>(329,299,899)</b>     | <b>1,453,382,967</b>     |

### Accounting policy

Cash inflows from investments are presented net of withholding taxes, when applicable.

## PART VI: NON FINANCIAL DISCLOSURES

### 18. Personnel

The Petroleum Fund did not employ any personnel during the year (2023: nil). The BCTL as operational manager of the Petroleum Fund employs personnel as does the Ministry of Finance, the executive of the Petroleum Fund.

### 19. Contingent assets, contingent liabilities and commitments

There were no contingent assets, contingent liabilities or commitments as at 31 December 2024 (2023: nil).

### 20. Related parties

The management of the fund spreads the decision making process across various stakeholders to ensure prudent management with checks and balances.

The Government, represented by the Minister of Finance, is responsible for the overall management and investment strategy of the Petroleum Fund. Minister of Finance is considered Key Management Personnel of the Fund. No remuneration was paid to the Ministry of Finance by Petroleum Fund.

The Central Bank of Timor-Leste (BCTL) is the operational manager responsible for operational management of the Petroleum Fund by implementing the investment policy determined by the Minister of Finance. In doing so, the Central Bank ensures that the management of the Petroleum Fund is in line with the legal framework. BCTL management is ultimately responsible for daily operations, however, they are not remunerated from the fund.

The Investment Advisory Board is responsible for developing performance benchmarks for the Minister of Finance and advises the Minister on investment policy and the management of the Fund (art 17 of the PF Law). Under article 17.1 the dispatch appointing the Members of the IAB shall determine their remuneration, in conformity with the applicable legislation. Please see IAB expenses in the table under BCTL.

The following parties are considered related parties of the Petroleum Fund:

#### The Government

The ultimate controlling party of the Petroleum Fund is the Democratic Republic of Timor-Leste ('the Government'). The Government, as stipulated in Article 11.1 of the Petroleum Fund Law, is the overall manager of the Petroleum Fund.

The Petroleum Fund receives receipts on behalf of the Government as disclosed in Note 16. The Government, through the State budget, meets the expenses of the Petroleum Fund, including the audit fee, not otherwise covered by the management fee.

The Petroleum Fund makes transfers to the Consolidated Fund of Timor-Leste (pursuant to Article 7 of the Petroleum Fund Law) as disclosed in the statement of changes in capital.

**Petroleum Fund of Timor-Leste**  
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## **20. Related parties (continued)**

### **Banco Central de Timor-Leste (BCTL)**

The BCTL is the operational manager of the Petroleum Fund, in accordance with Article 11.3 of the Petroleum Fund Law.

This means that the operational manager is, in particular, responsible for oversight of the investment managers and service providers, collection of dividends, interest and proceeds of matured securities, the exercise of options and, in general, for any other operation concerning the day to day administration of the securities and other assets and liabilities of the Petroleum Fund.

In addition, the BCTL is also managing five (5) portfolios in-house consisting of three (3) fixed interest portfolios, one (1) Australia market equity and one (1) Private Debt.

The management fee covers the operational management of the Petroleum Fund which is undertaken by the BCTL in accordance with the provisions of Article 11.3 of the Petroleum Fund Law. The audit fee and expenses incurred within the Ministry of Finance relating to the overall management of the Petroleum Fund are met directly from the State budget. The management fee paid to the BCTL for the period was composed as follows:

|                                          | Year ended<br>31/12/2024 | Year ended<br>31/12/2023 |
|------------------------------------------|--------------------------|--------------------------|
|                                          | USD                      | USD                      |
| Custody and external management services | 7,662,957                | 5,855,910                |
| IAB expenses                             | 270,738                  | 677,455                  |
| BCTL operating expenses                  | 7,445,935                | 7,188,017                |
| <b>Total management expenses</b>         | <b>15,379,630</b>        | <b>13,721,382</b>        |
| Other expenses                           | –                        | 1,580,593                |
| <b>Total</b>                             | <b>15,379,630</b>        | <b>15,301,975</b>        |

BCTL were entitled to receive a management fee for its respective services within the parameters of Annex 2 of the Operational Management Agreement Actualization dated 20 April 2015. In the current year, these fees amount to an aggregate of 0.08% (2023: 0.08%) per annum of the net assets of the Petroleum Fund as at 31 December 2024. Management fees are payable monthly in arrears. Total management fees for the year amounted to US\$15,379,630 (2023: US\$13,721,382).

The management fees payable as at 31 December 2024 is US\$1,833,659 (2023: US\$229,240).

### **National Petroleum and Minerals Authority**

The National Petroleum and Minerals Authority manages the revenues from the production sharing contracts between Timor-Leste and Australia and transfers the Timor-Leste portion to the Petroleum Fund as Article 6.1(b) receipts as disclosed in Note 16.

### **Timor Gap E.P.**

Timor Gap E.P. is the national petroleum company and has the mandate to conduct oil and gas business on behalf of the Timor-Leste Government. Timor Gap is building an integrated oil & gas company to cover upstream and downstream activities, as well as services to the sector.

During the year 2019 financial year certain subsidiaries of Timor Gap E.P. issued debt instruments with a face value of \$650,000,000 which were bought by the Petroleum Fund. Further details of these transactions are set out in Note 13.

## **21. Encumbrances on the Petroleum Fund**

### **Encumbrances on the assets of the Petroleum Fund**

In accordance with Article 20 of the Petroleum Fund Law, burdens or encumbrances, in any of their forms, may be put by way of contract or agreement on Petroleum Fund assets, up to a limit of 10% of the total value of the Petroleum Fund at the time the burden or encumbrances is put, provided that this is in compliance with the principles of general system for creating, issuing and managing public debt.

During the 2024 financial year and as at the financial position date, there were no encumbrances or burdens on the assets of the Petroleum Fund.

## **22. Application of new and revised IFRS**

This note provides information about new IFRS that have been adopted and forthcoming standards that are not yet effective.

### **22.1 New and revised IFRS applied with no material effect on the financial statements**

The Fund adopted all the new and revised IFRS that are relevant with no material impact.

### **22.2 Adoption of IFRS that are not yet effective**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Petroleum Fund. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

#### ***IFRS 18 Presentation and Disclosure in Financial Statements***

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Fund is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

## **23. Subsequent events**

No subsequent events have occurred after the reporting date but prior to the issuance of the financial statements that have a material effect on the financial statements and therefore require adjustment or disclosure in the statements.

**Petroleum Fund of Timor-Leste**  
**Notes to the financial statements**  
**for the year ended 31 December 2024**

**PART VII: SCHEDULE OF FINANCIAL ASSETS**

**24. Schedule of financial assets valued through profit or loss**

**(a) Fixed interest securities – issued by sovereign states and supranationals**

| <b>Security</b> | <b>Nominal</b> | <b>Fair Value</b> | <b>Security</b>                 | <b>Nominal</b> | <b>Fair Value</b>     |
|-----------------|----------------|-------------------|---------------------------------|----------------|-----------------------|
| US 0.0% 01/25   | 169,690,000    | 169,054,070       | US 3.875% 08/34                 | 79,700,000     | 76,545,299            |
| US 3.0% 07/25   | 364,900,000    | 367,602,290       | US 4.0 % 02/34                  | 113,300,000    | 110,200,991           |
| US 1.5% 02/25   | 194,100,000    | 194,519,869       | US 1.75% 01/34                  | 50,300,000     | 49,947,934            |
| US 0.0% 07/25   | 5,946,000      | 5,994,029         | US 1.875% 07/34                 | 64,500,000     | 63,451,707            |
| US 0.75% 04/26  | 233,300,000    | 223,128,520       | <b>United States of America</b> |                | <b>10,193,826,555</b> |
| US 3.875% 01/26 | 452,300,000    | 458,880,629       |                                 |                |                       |
| US 4.5% 07/26   | 148,600,000    | 152,217,330       | Australia 3.7% 06/25            | 12,500,000     | 7,725,403             |
| US 0.125% 07/26 | 36,160,000     | 46,529,712        | Australia 3.3% 07/28            | 15,000,000     | 9,113,534             |
| US 0.125% 10/26 | 67,400,000     | 75,710,095        | Australia 3.45% 07/28           | 10,000,000     | 6,114,106             |
| US 0.125% 04/26 | 20,000,000     | 23,500,798        | Australia 2.75% 11/29           | 8,497,000      | 4,999,632             |
| US 4.625% 06/26 | 3,000,000      | 3,016,321         | Australia 3.25% 04/29           | 23,594,000     | 14,328,603            |
| US 4.5% 04/27   | 174,600,000    | 177,143,003       | Australia 1.0% 12/30            | 14,000,000     | 7,274,809             |
| US 4% 01/27     | 293,500,000    | 297,455,870       | Australia 1.25% 05/32           | 11,000,000     | 5,546,019             |
| US 4.125% 11/27 | 133,100,000    | 133,209,730       | Australia 1.75% 11/32           | 37,500,000     | 18,723,936            |
| US 0.375% 01/27 | 54,440,000     | 69,096,464        | Australia 4.5% 04/33            | 12,640,000     | 8,010,134             |
| US 0.125% 04/27 | 140,100,000    | 150,160,359       | Australia 3.75% 05/34           | 4,900,000      | 2,907,528             |
| US 2.375% 01/27 | 7,000,000      | 11,180,549        | Australia 4.5% 08/35            | 10,000,000     | 5,948,244             |
| US 0.375% 07/27 | 29,000,000     | 36,175,997        | Australia 4.75% 09/36           | 11,000,000     | 6,549,198             |
| US 1.625% 10/27 | 4,100,000      | 4,357,632         | Australia 2.75% 05/41           | 10,000,000     | 4,851,131             |
| US 3.5% 04/28   | 1,592,700,000  | 1,561,869,973     | Australia 3.0% 03/47            | 19,272,000     | 9,075,832             |
| US 4.875% 10/28 | 1,259,900,000  | 1,292,910,650     | Australia 1.75% 06/51           | 3,000,000      | 999,696               |
| US 0.5% 01/28   | 47,900,000     | 58,736,109        | <b>Australia</b>                |                | <b>112,167,805</b>    |
| US 0.75% 07/28  | 22,500,000     | 27,272,704        |                                 |                |                       |
| US 1.25% 04/28  | 96,450,000     | 99,159,646        | Japan 0.5% 11/26                | 3,000,000,000  | 19,075,763            |
| US 2.375% 10/28 | 42,600,000     | 44,804,708        | Japan 0.1% 12/26                | 314,500,000    | 1,982,821             |
| US 1.75% 01/28  | 25,200,000     | 37,996,237        | Japan 2.1% 03/27                | 99,100,000     | 655,479               |
| US 3.625% 04/28 | 5,500,000      | 11,347,225        | Japan 0.4% 09/28                | 2,000,000,000  | 12,618,845            |
| US 4.625% 04/29 | 1,315,100,000  | 1,337,949,062     | Japan 0.1% 12/29                | 1,500,000,000  | 9,250,378             |
| US 4.125% 10/29 | 935,100,000    | 930,821,260       | Japan 0.1% 09/30                | 990,000,000    | 6,070,410             |
| US 0.875% 01/29 | 16,500,000     | 20,422,321        | Japan 0.1% 12/30                | 700,000,000    | 4,282,145             |
| US 0.25% 07/29  | 19,100,000     | 21,856,602        | Japan 0.1% 09/31                | 1,000,000,000  | 6,069,052             |
| US 2.125% 04/29 | 45,100,000     | 46,291,311        | Japan 0.2% 03/32                | 890,000,000    | 5,407,470             |
| US 1.625% 10/29 | 13,500,000     | 13,363,001        | Japan 1.7% 06/33                | 714,500,000    | 4,824,007             |
| US 2.5% 01/29   | 6,650,000      | 10,061,111        | Japan 0.5% 03/33                | 2,200,000,000  | 13,541,995            |
| US 3.875% 04/29 | 6,500,000      | 13,489,304        | Japan 1.6% 03/33                | 501,650,000    | 3,374,215             |
| US 1.5% 02/30   | 294,900,000    | 257,703,933       | Japan 0.9% 09/34                | 1,000,000,000  | 6,270,995             |
| US 0.625% 08/30 | 243,400,000    | 198,213,502       | Japan 0.5% 09/36                | 550,000,000    | 3,210,903             |
| US 0.125% 01/30 | 71,300,000     | 79,499,892        | Japan 0.2% 06/36                | 453,350,000    | 2,562,730             |
| US 0.125% 07/30 | 74,000,000     | 82,171,869        | Japan 2.3% 03/39                | 438,900,000    | 3,098,637             |
| US 1.25% 08/31  | 196,200,000    | 161,028,617       | Japan 0.4% 06/40                | 1,600,000,000  | 8,517,094             |
| US 1.125% 02/31 | 278,800,000    | 231,238,274       | Japan 2.0% 09/40                | 43,550,000     | 293,370               |
| US 0.125% 01/31 | 20,000,000     | 21,539,206        | Japan 2.3% 03/40                | 38,750,000     | 272,236               |
| US 0.125% 07/31 | 51,300,000     | 53,222,813        | Japan 2.2% 03/41                | 1,163,050,000  | 8,021,376             |
| US 1.875% 02/32 | 123,600,000    | 104,829,720       | Japan 1.9% 09/42                | 164,350,000    | 1,074,060             |
| US 2.75% 08/32  | 106,200,000    | 95,285,101        | Japan 1.6% 03/44                | 660,000,000    | 4,052,747             |
| US 0.625% 07/32 | 72,700,000     | 70,825,619        | Japan 0.3% 06/46                | 656,000,000    | 2,966,520             |
| US 0.125% 01/32 | 62,100,000     | 61,345,088        | Japan 0.8% 09/47                | 72,850,000     | 363,080               |
| US 3.375% 04/32 | 2,400,000      | 4,650,832         | Japan 0.4% 03/50                | 160,000,000    | 683,053               |
| US 3.5% 02/33   | 96,700,000     | 91,243,381        | Japan 0.7% 12/51                | 400,000,000    | 1,784,119             |
| US 3.875% 08/33 | 105,500,000    | 101,962,848       | Japan 0.7% 06/51                | 150,000,000    | 675,812               |
| US 1.375% 07/33 | 56,100,000     | 54,925,591        | Japan 1.3% 06/52                | 250,000,000    | 1,299,484             |
| US 1.125% 01/33 | 98,650,000     | 96,709,847        | Japan 2.0% 03/52                | 91,750,000     | 565,436               |

**Petroleum Fund of Timor-Leste**  
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**for the year ended 31 December 2024**

**24. Schedule of financial assets valued through profit or loss (continued)**

| <b>Security</b>       | <b>Nominal</b> | <b>Fair Value</b>  | <b>Security</b>     | <b>Nominal</b> | <b>Fair Value</b> |
|-----------------------|----------------|--------------------|---------------------|----------------|-------------------|
| Japan 0.4% 03/56      | 189,300,000    | 705,309            | France 5.75% 10/32  | 1,126,000      | 1,401,315         |
| <b>Japan</b>          |                | <b>133,569,541</b> | France 3.5% 11/33   | 12,000,000     | 12,827,583        |
| UK 0.625% 06/25       | 10,000,000     | 12,324,218         | France 1.25% 05/34  | 3,200,000      | 2,834,349         |
| UK 0.25% 01/25        | 5,000,000      | 6,245,749          | France 1.25% 05/36  | 809,000        | 684,667           |
| UK 1.25% 07/27        | 6,400,000      | 7,495,341          | France 4.0% 10/38   | 798,124        | 887,915           |
| UK 4.00% 10/31        | 8,000,000      | 9,764,111          | France 1.75% 06/39  | 8,970,000      | 7,660,077         |
| UK 4.25% 06/32        | 734,000        | 914,317            | France 0.5% 05/40   | 1,800,000      | 1,217,308         |
| UK 3.25% 01/33        | 3,500,000      | 4,075,301          | France 3.25% 05/45  | 8,000,000      | 8,099,913         |
| UK 4.50% 09/34        | 5,000,000      | 6,323,439          | France 2.0% 05/48   | 165,000        | 130,335           |
| UK 4.25% 03/36        | 1,407,120      | 1,722,109          | France 0.75% 05/52  | 6,000,000      | 3,181,374         |
| UK 1.75% 09/37        | 9,800,000      | 8,878,194          | France 4.0% 04/55   | 7,214,000      | 8,059,614         |
| UK 4.75% 12/38        | 700,000        | 873,132            | France 1.75% 05/66  | 626,000        | 401,390           |
| UK 1.13% 01/39        | 10,000,000     | 7,911,994          | <b>France</b>       |                | <b>53,228,638</b> |
| UK 4.25% 09/39        | 2,106,000      | 2,498,837          | Germany 1.3% 10/27  | 2,000,000      | 2,038,522         |
| UK 4.25% 12/40        | 2,372,300      | 2,753,916          | Germany 0% 04/27    | 5,000,000      | 4,946,170         |
| UK 4.50% 12/42        | 4,000,000      | 4,725,467          | Germany 0% 08/30    | 5,100,000      | 4,701,402         |
| UK 3.50% 01/45        | 6,091,000      | 6,242,523          | Germany 1.7% 08/32  | 5,400,000      | 5,426,320         |
| UK 4.25% 12/46        | 3,881,000      | 4,328,872          | Germany 4.75% 07/34 | 100            | 127               |
| UK 1.50% 07/47        | 8,961,000      | 5,971,613          | Germany 0% 05/35    | 500,000        | 404,270           |
| UK 3.75% 07/52        | 12,766,500     | 13,028,390         | Germany 1% 05/38    | 4,000,000      | 3,447,257         |
| UK 1.63% 10/54        | 1,000,000      | 599,851            | Germany 2.5% 07/44  | 4,080,039      | 4,218,362         |
| UK 4.38% 07/54        | 11,000,000     | 12,442,278         | Germany 2.5% 08/46  | 4,224,000      | 4,355,846         |
| UK 2.50% 07/65        | 1,024,000      | 743,139            | Germany 0% 08/52    | 6,500,000      | 3,357,635         |
| UK 3.50% 07/68        | 1,900          | 1,786              | <b>Germany</b>      |                | <b>32,895,911</b> |
| UK 1.63% 10/71        | 2,500,000      | 1,293,607          | Ireland 1% 05/26    | 2,210,000      | 2,268,954         |
| <b>United Kingdom</b> |                | <b>121,158,184</b> | Ireland 1.1% 05/29  | 1,265,000      | 1,257,998         |
| Austria 2.10% 09/17   | 124,000        | 98,125             | Ireland 0.4% 05/35  | 1,885,000      | 1,559,195         |
| Austria 4.85% 03/26   | 2,438,000      | 2,696,846          | Ireland 1.7% 05/37  | 610,000        | 568,325           |
| Austria 0.50% 04/27   | 60,000         | 59,903             | Ireland 1.5% 05/50  | 298,000        | 236,576           |
| Austria 6.25% 07/27   | 195,000        | 227,264            | <b>Ireland</b>      |                | <b>5,891,048</b>  |
| Austria 0.50% 02/29   | 2,764,000      | 2,661,588          | Italy 0.35% 02/25   | 5,698,000      | 5,897,654         |
| Austria 2.40% 05/34   | 1,255,000      | 1,279,547          | Italy 5% 03/25      | 18,500,000     | 19,546,606        |
| Austria 4.15% 03/37   | 1,624,000      | 1,944,995          | Italy 2.5% 11/25    | 7,665,000      | 7,977,951         |
| Austria 0.00% 10/40   | 1,800,000      | 1,168,693          | Italy 0.85% 01/27   | 800,000        | 807,215           |
| Austria 3.80% 01/62   | 153,000        | 190,145            | Italy 2.95% 02/27   | 12,000,000     | 12,692,689        |
| <b>Austria</b>        |                | <b>10,327,106</b>  | Italy 2.2% 06/27    | 11,410,000     | 11,783,670        |
| Belgium 4.5% 03/26    | 1,034,000      | 1,136,584          | Italy 2.05% 08/27   | 1,269,000      | 1,312,661         |
| Belgium 0.8% 06/27    | 2,640,000      | 2,651,818          | Italy 0.95% 09/27   | 7,000,000      | 6,984,469         |
| Belgium 5.5% 03/28    | 559,000        | 659,327            | Italy 6.5% 11/27    | 872,000        | 1,010,320         |
| Belgium 0.9% 06/29    | 770,000        | 749,318            | Italy 0.25% 03/28   | 3,000,000      | 2,890,150         |
| Belgium 3.0% 06/34    | 5,100,000      | 5,403,111          | Italy 4.75% 09/28   | 840,000        | 947,867           |
| Belgium 4.3% 03/41    | 3,622,400      | 4,312,430          | Italy 1.35% 04/30   | 9,150,000      | 8,803,932         |
| Belgium 3.8% 06/45    | 892,000        | 990,002            | Italy 6% 05/31      | 1,557,000      | 1,906,289         |
| <b>Belgium</b>        |                | <b>15,902,590</b>  | Italy 3.45% 07/31   | 3,500,000      | 3,750,618         |
| Estonia 3.25% 01/34   | 7,000,000      | 7,549,481          | Italy 4.4% 05/33    | 5,000,000      | 5,631,358         |
| <b>Estonia</b>        |                | <b>7,549,481</b>   | Italy 2.45% 09/33   | 1,202,000      | 1,176,559         |
| Finland 0.50% 09/29   | 2,290,000      | 2,173,836          | Italy 4.35% 11/33   | 7,000,000      | 7,847,010         |
| Finland 0.13% 09/31   | 7,000,000      | 6,163,181          | Italy 3.85% 07/34   | 14,000,000     | 15,254,903        |
| Finland 2.63% 07/42   | 250,000        | 248,368            | Italy 3.35% 03/35   | 7,430,000      | 7,712,230         |
| <b>Finland</b>        |                | <b>8,585,385</b>   | Italy 3.1% 03/40    | 1,855,000      | 1,782,930         |
| France 0.0% 05/32     | 7,000,000      | 5,842,798          | Italy 5% 09/40      | 1,610,000      | 1,917,296         |
|                       |                |                    | Italy 1.8% 03/41    | 18,000,000     | 14,208,441        |
|                       |                |                    | Italy 3.85% 09/49   | 339,000        | 347,488           |
|                       |                |                    | Italy 2.45% 09/50   | 4,260,000      | 3,384,679         |

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**24. Schedule of financial assets valued through profit or loss (continued)**

| <b>Security</b>         | <b>Nominal</b> | <b>Fair Value</b>  | <b>Security</b>                        | <b>Nominal</b> | <b>Fair Value</b>     |
|-------------------------|----------------|--------------------|----------------------------------------|----------------|-----------------------|
| Italy 2.8% 03/67        | 1,500,000      | 1,205,068          | Hong Kong 2.49% 08/28                  | 10,350,000     | 1,305,161             |
| <b>Italy</b>            |                | <b>146,780,053</b> | <b>Hong Kong</b>                       |                | <b>7,056,273</b>      |
| Luxemburg 0% 03/31      | 12,000,000     | 10,602,686         | NZ 4.5% 05/30                          | 22,000,000     | 12,743,982            |
| <b>Luxemburg</b>        |                | <b>10,602,686</b>  | NZ 1.5% 05/31                          | 21,935,000     | 10,543,020            |
| Netherlands 5.5% 01/28  | 2,444,000      | 2,909,710          | NZ 2% 05/32                            | 20,000,000     | 9,657,440             |
| Netherlands 0.25% 07/29 | 645,000        | 611,283            | NZ 3.5% 04/33                          | 12,019,000     | 6,389,161             |
| Netherlands 2.5% 01/33  | 3,327,000      | 3,532,558          | NZ 4.5% 05/35                          | 15,000,000     | 8,438,815             |
| Netherlands 0.5% 01/40  | 2,871,000      | 2,181,555          | NZ 2.75% 04/37                         | 21,984,000     | 10,159,590            |
| Netherlands 2.75% 01/47 | 205,000        | 219,358            | NZ 2.75% 05/51                         | 5,000,000      | 1,861,740             |
| <b>The Netherlands</b>  |                | <b>9,454,464</b>   | <b>New Zealand</b>                     |                | <b>59,793,748</b>     |
| Slovak 3.625% 06/33     | 10,000,000     | 10,854,009         | Norway 1.75% 03/25                     | 51,060,000     | 4,535,806             |
| <b>Slovakia</b>         |                | <b>10,854,009</b>  | Norway 1.75% 09/29                     | 34,390,000     | 2,780,412             |
| Slovenia 3.125% 08/45   | 245,000        | 245,169            | Norway 1.375% 08/30                    | 34,474,000     | 2,678,993             |
| <b>Slovenia</b>         |                | <b>245,169</b>     | Norway 2.125% 05/32                    | 240,000,000    | 19,096,158            |
| Spain 1.25% 10/30       | 21,609,000     | 20,768,021         | <b>Norway</b>                          |                | <b>29,091,369</b>     |
| Spain 3.45% 10/34       | 9,000,000      | 9,656,434          | Singapore 3.5% 03/27                   | 24,701,000     | 18,607,460            |
| Spain 3.25% 04/34       | 11,500,000     | 12,372,745         | Singapore 2.875% 09/30                 | 18,137,000     | 13,456,896            |
| Spain 4.0% 10/54        | 3,400,000      | 3,730,397          | Singapore 1.625% 07/31                 | 23,500,000     | 16,113,133            |
| Spain 3.45% 07/66       | 710,000        | 702,900            | Singapore 3.375% 09/33                 | 9,020,000      | 6,941,334             |
| Spain 2.9% 10/46        | 703,000        | 664,520            | Singapore 2.25% 08/36                  | 15,000,000     | 10,433,532            |
| Spain 4.9% 07/40        | 860,000        | 1,069,204          | Singapore 2.75% 04/42                  | 7,924,000      | 5,784,185             |
| Spain 4.7% 07/41        | 2,164,000      | 2,645,063          | Singapore 2.75% 03/46                  | 13,582,000     | 9,906,317             |
| <b>Spain</b>            |                | <b>51,609,284</b>  | Singapore 1.875% 10/51                 | 10,000,000     | 6,078,717             |
| IFD 3.625% 02/30        | 20,000,000     | 21,847,595         | Singapore 3% 08/72                     | 3,000,000      | 2,332,171             |
| <b>IFD</b>              |                | <b>21,847,595</b>  | <b>Singapore</b>                       |                | <b>89,653,745</b>     |
| Canada 0.625% 09/25     | 20,000,000     | 13,692,424         | Sweden 2.5% 05/25                      | 124,610,000    | 11,459,968            |
| Canada 0.875% 08/27     | 10,000,000     | 6,588,128          | Sweden 0.75% 05/28                     | 65,000,000     | 5,653,095             |
| Canada 1.5% 12/31       | 4,000,000      | 2,508,841          | Sweden 0.75% 11/29                     | 81,790,000     | 6,924,870             |
| Canada 5.75% 06/33      | 6,447,000      | 5,340,240          | Sweden 2.25% 06/32                     | 19,175,000     | 1,752,048             |
| Canada 4.15% 06/34      | 11,500,000     | 8,243,193          | Sweden 2.25% 05/35                     | 25,000,000     | 2,259,756             |
| Canada 4.45% 09/34      | 30,000,000     | 22,168,209         | Sweden 3.5% 03/39                      | 58,910,000     | 6,057,463             |
| Canada 5% 06/37         | 21,600,000     | 17,727,357         | Sweden 0.5% 11/45                      | 75,000,000     | 4,475,965             |
| Canada 4% 06/41         | 19,655,000     | 14,913,272         | <b>Sweden</b>                          |                | <b>38,583,165</b>     |
| Canada 3.5% 12/45       | 3,331,000      | 2,383,031          | Swiss 0.0% 06/29                       | 14,575,000     | 16,033,385            |
| Canada 2.75% 12/48      | 2,825,000      | 1,781,085          | Swiss 0.0% 06/34                       | 17,000,000     | 18,302,186            |
| Canada 2% 12/51         | 12,000,000     | 6,385,053          | Swiss 0% 07/39                         | 21,000,000     | 21,870,124            |
| Canada 2.75% 12/64      | 2,545,000      | 1,586,220          | Swiss 0.5% 06/45                       | 17,000,000     | 19,119,107            |
| <b>Canada</b>           |                | <b>103,317,053</b> | Swiss 0.5% 05/58                       | 2,000,000      | 2,316,634             |
| Denmark 1.75% 11/25     | 109,158,000    | 15,167,824         | <b>Switzerland</b>                     |                | <b>77,641,436</b>     |
| Denmark 0.5% 11/27      | 81,174,000     | 10,878,873         | TL Debt Ins 1 4.5% 4/37                | 143,000,000    | 123,429,694           |
| Denmark 0.5% 11/29      | 70,000,000     | 9,098,359          | TL Debt Ins 2 4.5% 4/37                | 279,650,000    | 241,378,419           |
| Denmark 0% 11/31        | 51,500,000     | 6,263,280          | TL Debt Ins 3 4.5% 4/37                | 226,600,000    | 195,588,592           |
| Denmark 2.25% 11/33     | 23,600,000     | 3,327,088          | TL Debt Ins 4 4.5% 4/37                | 750,000        | 647,359               |
| Denmark 4.5% 11/39      | 144,817,200    | 25,707,821         | <b>Timor-Leste</b>                     |                | <b>561,044,064</b>    |
| Denmark 0.25% 11/52     | 30,000,000     | 2,432,861          | <b>Total fixed interest securities</b> |                | <b>11,985,552,463</b> |
| <b>Denmark</b>          |                | <b>72,876,106</b>  |                                        |                |                       |
| Hong Kong 1.25% 06/27   | 47,000,000     | 5,751,112          |                                        |                |                       |

**Petroleum Fund of Timor-Leste**  
**Notes to the financial statements**  
**for the year ended 31 December 2024**

**24. Schedule of financial assets valued through profit or loss (continued)**

**(b) Equity securities**

| <b>Security</b>                 | <b>Unit</b> | <b>Fair Value</b> | <b>Security</b>              | <b>Unit</b> | <b>Fair Value</b> |
|---------------------------------|-------------|-------------------|------------------------------|-------------|-------------------|
| <b>United States of America</b> |             |                   |                              |             |                   |
| 3M Co.                          | 41,139      | 5,311,045         | Axon Enterprise              | 6,890       | 4,092,453         |
| A O Smith                       | 10,169      | 693,322           | Baker Hughes Co.             | 60,916      | 2,498,774         |
| Abbott Laboratories             | 147,280     | 16,663,259        | Ball                         | 22,397      | 1,234,523         |
| Abbvie                          | 138,510     | 24,625,693        | Bank Of America              | 584,115     | 25,683,537        |
| Abiomed                         | 1,900       | 66,500            | Bank of NY Mellon            | 72,659      | 5,585,297         |
| Accenture Plc                   | 54,011      | 19,016,733        | Baxter International         | 37,314      | 1,088,449         |
| Acuity Brands                   | 1,196       | 349,543           | Becton Dickinson & Co.       | 19,677      | 4,462,350         |
| Adobe                           | 36,090      | 16,047,779        | Bentley Systems              | 11,795      | 550,827           |
| Advanced Micro Devices          | 115,743     | 3,979,440         | Berkshire Hathaway           | 126,063     | 57,184,698        |
| Aecom                           | 8,565       | 914,828           | Best Buy Co.                 | 14,321      | 1,229,601         |
| Aercap Holdings Nv              | 19,675      | 1,883,291         | Biogen                       | 8,240       | 1,259,731         |
| Aes                             | 59,225      | 762,226           | Biomarin Pharmaceutical      | 11,776      | 773,565           |
| Aflac                           | 43,492      | 4,500,117         | Bio-Rad Laboratories         | 1,876       | 616,285           |
| Agilent Technologies            | 25,018      | 3,361,919         | Bio-Techne                   | 12,860      | 926,306           |
| Air Products And Chemicals      | 15,038      | 4,361,622         | Blackrock                    | 13,742      | 14,101,766        |
| Airbnb                          | 26,849      | 3,527,959         | Blackstone                   | 50,150      | 8,640,344         |
| Akamai Technologies             | 9,562       | 914,605           | Block                        | 48,400      | 4,117,388         |
| Albemarle                       | 11,401      | 980,942           | Boeing Co.                   | 44,084      | 7,802,427         |
| Albertsons Cos.                 | 28,831      | 565,953           | Booking Hold.,               | 2,510       | 12,477,034        |
| Alexandria RE Equities          | 11,003      | 1,072,572         | Booz Allen Hamilton Hold.    | 8,156       | 1,049,433         |
| Align Technology                | 5,549       | 1,156,578         | Boston Scientific            | 149,192     | 13,327,321        |
| Allegion Plc                    | 5,921       | 773,993           | Bristol-Myers Squibb Co.     | 158,143     | 8,949,312         |
| Alliant Energy                  | 16,045      | 949,062           | Broadcom                     | 315,619     | 73,154,172        |
| Allstate                        | 17,880      | 3,447,085         | Broadridge Fin. Solutions    | 8,631       | 1,952,073         |
| Ally Financial                  | 25,557      | 920,308           | Brown & Brown                | 18,286      | 1,865,172         |
| Alnylam Pharmaceuticals         | 7,435       | 1,749,381         | Brown-Forman                 | 20,848      | 792,016           |
| Alphabet                        | 1,010,444   | 191,821,441       | Builders Firstsource         | 10,432      | 1,491,046         |
| Altria Group                    | 130,824     | 6,844,712         | Bunge Global Sa              | 12,124      | 942,156           |
| Amazon.Com                      | 670,730     | 147,117,918       | Burlington Stores            | 3,663       | 1,043,589         |
| Amcor Plc                       | 107,590     | 1,011,346         | BXP                          | 13,068      | 972,521           |
| Ameren                          | 17,794      | 1,586,691         | Cadence Design Systems       | 22,405      | 6,731,806         |
| American Electric Power Co.     | 35,474      | 3,271,767         | Camden Property Trust        | 7,311       | 848,295           |
| American Express Co.            | 48,556      | 14,411,906        | Canadian Pacific Kansas City | 20,864      | 1,510,345         |
| American Financial Group        | 4,807       | 658,463           | Capital One Financial        | 26,548      | 4,735,632         |
| American Homes 4 Rent           | 21,076      | 788,242           | Cardinal Health              | 17,055      | 2,017,436         |
| American Inter. Group           | 55,680      | 4,053,504         | Carlisle Cos.                | 5,683       | 2,095,095         |
| American Tower                  | 33,274      | 6,098,791         | Carlyle Group                | 16,807      | 848,585           |
| American Water Works Co.        | 13,869      | 1,726,274         | Carmax                       | 13,874      | 1,133,783         |
| Ameriprise Financial            | 9,553       | 5,088,405         | Carnival                     | 61,465      | 1,531,708         |
| Ametek                          | 16,462      | 2,968,099         | Carrier Global               | 57,109      | 3,900,545         |
| Amgen                           | 42,183      | 10,994,155        | Carvana Co.                  | 6,752       | 1,371,399         |
| Amphenol                        | 113,481     | 7,885,795         | Caterpillar                  | 41,250      | 14,970,863        |
| Analog Devices                  | 43,090      | 9,154,901         | Cboe Global Markets          | 7,652       | 1,495,048         |
| Annaly Capital Mgmt.            | 36,102      | 659,945           | Cbre Group                   | 38,664      | 5,075,423         |
| Ansys                           | 5,392       | 1,818,506         | Cdw                          | 8,911       | 1,550,781         |
| Aon Plc                         | 15,131      | 5,431,121         | Celanese                     | 10,766      | 745,007           |
| Apa                             | 29,248      | 675,044           | Celsius Hold.                | 14,923      | 393,072           |
| Apollo Global Mgmt.             | 23,747      | 3,923,954         | Cencora                      | 19,820      | 4,453,158         |
| Apple                           | 1,210,171   | 303,014,718       | Centene                      | 37,977      | 2,300,647         |
| Applied Materials               | 73,486      | 11,951,028        | Centerpoint Energy           | 53,017      | 1,681,699         |
| Applovin                        | 14,782      | 4,787,594         | Cf Industries Hold.          | 13,795      | 1,177,541         |
| Aptiv Plc                       | 17,409      | 1,052,374         | Ch Robinson Worldwide        | 7,963       | 822,817           |
| Arch Capital Group Ltd.         | 33,983      | 3,137,990         | Charles River Lab Int.       | 5,002       | 922,619           |
| Archer-Daniels-Midland Co.      | 41,671      | 2,104,802         | Charles Schwab               | 105,843     | 7,831,324         |
| Ares Mgmt.                      | 11,381      | 2,013,527         | Charter Communications       | 6,988       | 2,395,486         |
| Arista Networks                 | 102,252     | 11,307,026        | Check Point Sware Tech Ltd.  | 5,184       | 967,853           |
| Armstrong World Industries      | 5,283       | 746,646           | Cheniere Energy              | 13,944      | 2,996,984         |
| Arthur J Gallagher & Co.        | 15,771      | 4,476,441         | Chevron                      | 156,381     | 22,656,480        |
| Aspen Technology                | 2,056       | 513,219           | Chipotle Mexican Grill       | 90,901      | 5,482,239         |
| Assurant                        | 7,745       | 1,651,466         | Chubb Ltd.                   | 31,046      | 8,580,492         |
| Assured Guaranty Ltd.           | 2,713       | 244,116           | Church & Dwight Co.          | 31,072      | 3,254,171         |
| At&T                            | 586,336     | 13,356,734        | Cigna Group                  | 23,181      | 6,404,447         |
| Ati,                            | 12,361      | 680,473           | Cincinnati Financial         | 11,161      | 1,603,947         |
| Atlassian                       | 9,808       | 2,385,600         | Cintas                       | 35,841      | 6,543,850         |
| Atmos Energy                    | 22,326      | 3,109,565         | Cisco Systems                | 349,905     | 20,703,879        |
| Autodesk                        | 15,445      | 4,565,079         | Citigroup                    | 155,068     | 10,918,338        |
| Automatic Data Processing       | 34,637      | 10,135,825        | Citizens Financial Group     | 51,859      | 2,269,868         |
| Autozone                        | 1,449       | 4,641,799         | Clorox Co.                   | 9,511       | 1,545,538         |
| AvalonBay Communities           | 9,325       | 2,051,220         | Cloudflare                   | 28,400      | 3,060,668         |
| Avantor                         | 38,554      | 812,718           | Cme Group                    | 25,157      | 5,842,210         |
| Avery Dennison                  | 4,583       | 857,204           | Cms Energy                   | 18,802      | 1,253,153         |
|                                 |             |                   | Coca-Cola Co.                | 367,016     | 22,857,756        |

**Petroleum Fund of Timor-Leste**  
**Notes to the financial statements**  
**for the year ended 31 December 2024**

**24. Schedule of financial assets valued through profit or loss (continued)**

| <b>Security</b>                | <b>Unit</b> | <b>Fair Value</b> | <b>Security</b>               | <b>Unit</b> | <b>Fair Value</b> |
|--------------------------------|-------------|-------------------|-------------------------------|-------------|-------------------|
| Coca-Cola Europac Partners Plc | 17,028      | 1,307,750         | Equitable Hold.               | 20,864      | 984,364           |
| Cognizant Tech. Solutions      | 29,784      | 2,289,794         | Equity LifeStyle Properties   | 10,247      | 681,938           |
| Coinbase Global                | 15,869      | 3,936,940         | Equity Residential            | 21,968      | 1,576,863         |
| Colgate-Palmolive Co.          | 67,582      | 6,145,231         | Erie Indemnity Co.            | 1,846       | 760,792           |
| Comcast                        | 333,410     | 12,512,877        | Essential Utilities           | 16,650      | 604,728           |
| Conagra Brands                 | 34,179      | 948,467           | Essex Property Trust          | 4,327       | 1,235,791         |
| Conocophillips                 | 105,461     | 10,457,513        | Estee Lauder Cos.             | 17,009      | 1,274,825         |
| Consolidated Edison            | 40,077      | 3,575,269         | Evercore,                     | 1,658       | 459,399           |
| Constellation Brands           | 11,241      | 2,484,261         | Everest Group Ltd.            | 2,686       | 973,245           |
| Constellation Energy           | 28,458      | 6,366,339         | Eversource Energy             | 12,990      | 799,535           |
| Cooper Cos.                    | 16,708      | 1,535,966         | Exact Sciences                | 27,910      | 1,602,592         |
| Copart,                        | 81,399      | 4,671,489         | Exelixis                      | 11,552      | 648,876           |
| Corebridge Financial           | 15,844      | 474,211           | Exelon                        | 19,894      | 662,470           |
| Corning                        | 52,868      | 2,512,287         | Expand Energy                 | 110,487     | 4,159,836         |
| Corpay                         | 4,991       | 1,690,003         | Expedia Group                 | 10,289      | 1,023,653         |
| Corteva                        | 47,753      | 2,718,578         | Expeditors Int. of Washington | 8,580       | 1,598,711         |
| Costar Group                   | 29,350      | 2,099,699         | Extra Space Storage           | 7,790       | 862,665           |
| Costco Wholesale               | 37,570      | 34,425,390        | Exxon Mobil                   | 14,360      | 2,148,256         |
| Coterra Energy                 | 51,407      | 1,312,935         | F5                            | 353,233     | 38,018,468        |
| Crh Plc                        | 68,170      | 6,308,452         | Fabrinet                      | 5,238       | 1,316,728         |
| Crowdstrike Hold.              | 21,238      | 7,264,033         | Factset Research Systems      | 1,493       | 328,072           |
| Crown Castle                   | 29,838      | 2,707,799         | Fair Isaac                    | 2,979       | 1,431,231         |
| Crown Hold.                    | 9,546       | 788,977           | Fastenal Co.                  | 2,108       | 4,194,035         |
| Csx                            | 148,829     | 4,802,712         | Fedex                         | 44,614      | 3,208,639         |
| Cummins                        | 15,019      | 5,235,623         | Ferguson Enterprises          | 16,593      | 4,670,930         |
| Cvs Health                     | 90,161      | 4,047,327         | Fidelity Nat. Financial       | 12,183      | 2,113,507         |
| Cyberark Software Ltd.         | 2,558       | 852,198           | Fidelity Nat. Info Services   | 19,651      | 1,102,814         |
| Danaher                        | 55,778      | 12,807,187        | Fifth Third Bancorp           | 40,715      | 3,289,365         |
| Darden Restaurants             | 6,615       | 1,234,359         | First Citizens Bancshares     | 63,712      | 2,693,743         |
| Datadog                        | 26,363      | 3,764,109         | First Horizon                 | 984         | 2,075,758         |
| Davita                         | 6,455       | 964,506           | First Solar                   | 17,778      | 358,049           |
| Dayforce                       | 9,897       | 718,522           | Firstenergy                   | 12,592      | 2,219,214         |
| Deckers Outdoor                | 11,088      | 2,253,082         | Fiserv                        | 39,291      | 1,562,996         |
| Deere & Co.                    | 19,220      | 8,142,745         | Flutter Entertainment Plc     | 47,365      | 9,736,823         |
| Dell Technologies              | 30,824      | 3,551,233         | Ford Motor Co.                | 7,082       | 1,826,235         |
| Delta Air Lines                | 21,189      | 1,282,782         | Fortinet                      | 276,726     | 2,736,820         |
| Devon Energy                   | 43,077      | 1,410,341         | Fortive                       | 39,158      | 3,699,648         |
| Dexcom                         | 24,387      | 1,895,845         | Fortune Brands Innovations    | 25,484      | 1,911,300         |
| Diamondback Energy             | 13,043      | 2,136,704         | Fox                           | 9,215       | 629,385           |
| Dick's Sporting Goods          | 5,272       | 1,207,077         | Franklin Resources            | 25,148      | 1,176,411         |
| Digital Realty Trust           | 34,016      | 6,031,037         | Freeport-Mcmoran              | 26,391      | 535,209           |
| Discover Financial Services    | 20,867      | 3,619,381         | Futu Hold. Ltd.               | 102,331     | 3,898,811         |
| Docusign                       | 12,347      | 1,109,995         | Gaming and Leisure Prop.      | 14,462      | 1,156,815         |
| Dollar General                 | 14,527      | 1,101,001         | Garmin Ltd.                   | 15,903      | 765,888           |
| Dollar Tree                    | 12,186      | 913,219           | Gartner                       | 10,236      | 2,112,199         |
| Dominion Energy                | 54,819      | 2,950,907         | Ge Healthcare Tech.           | 4,643       | 2,250,276         |
| Domino's Pizza                 | 2,377       | 996,914           | Ge Vernova                    | 30,759      | 2,404,123         |
| Doordash                       | 18,956      | 3,178,163         | Gen Digital                   | 16,261      | 5,352,471         |
| Dover                          | 10,951      | 2,056,050         | General Dynamics              | 37,944      | 1,038,907         |
| Dow,                           | 48,878      | 1,960,985         | General Electric Co.          | 19,210      | 5,059,338         |
| Dr Horton                      | 24,498      | 3,424,330         | General Mills                 | 65,743      | 10,966,590        |
| Draftkings                     | 26,175      | 973,187           | General Motors Co.            | 36,929      | 2,354,224         |
| Dte Energy Co.                 | 12,257      | 1,480,155         | Genuine Parts Co.             | 88,998      | 4,740,923         |
| Duke Energy                    | 52,455      | 5,650,453         | Gilead Sciences               | 8,871       | 1,036,310         |
| Dupont De Nemours              | 35,314      | 2,693,046         | Global Payments               | 92,902      | 8,579,500         |
| Dynatrace                      | 17,081      | 929,036           | Global-E Online Ltd.          | 17,880      | 2,004,169         |
| Eastman Chemical Co.           | 8,612       | 786,103           | Godaddy                       | 7,504       | 408,518           |
| Eaton Plc                      | 34,242      | 11,368,002        | Goldman Sachs Group           | 8,837       | 1,743,010         |
| Ebay                           | 32,303      | 2,001,494         | Grab Hold. Ltd.               | 25,959      | 14,867,758        |
| Ecolab                         | 24,779      | 5,808,198         | Graco                         | 113,243     | 533,375           |
| Edison International           | 48,934      | 3,905,423         | Halliburton Co.               | 9,674       | 815,421           |
| Edwards Lifesciences           | 42,064      | 3,115,260         | Hartford Fin Services Group   | 75,062      | 2,040,936         |
| Electronic Arts                | 21,003      | 3,072,739         | Hca Healthcare                | 31,213      | 3,415,326         |
| Elevance Health                | 19,058      | 7,028,400         | Healthpeak Properties         | 17,657      | 5,302,574         |
| Eli Lilly & Co.                | 65,981      | 50,975,601        | Heico                         | 40,805      | 827,525           |
| Emcor Group                    | 2,961       | 1,343,850         | Henry Schein                  | 14,293      | 3,053,779         |
| Emerson Electric Co.           | 53,961      | 6,690,085         | Hershey Co.                   | 10,133      | 701,102           |
| Enphase Energy                 | 8,562       | 588,038           | Hess                          | 10,094      | 1,709,419         |
| Entegris                       | 8,706       | 861,981           | Hewlett Packard Enterp. Co.   | 15,965      | 2,123,345         |
| Entergy                        | 29,066      | 2,204,365         | Hf Sinclair                   | 113,714     | 2,427,794         |
| Eog Resources                  | 40,899      | 5,014,217         | Hilton Worldwide Hold.        | 11,773      | 412,408           |
| Epam Systems                   | 4,223       | 986,619           | Hims & Hers Health            | 21,190      | 5,238,168         |
| Eq                             | 41,812      | 1,928,369         | Hologic                       | 34,057      | 823,498           |
| Equifax                        | 7,546       | 1,923,249         | Home Depot                    | 16,820      | 1,212,386         |
| Equinix                        | 8,700       | 8,200,882         |                               | 91,035      | 35,431,732        |

**Petroleum Fund of Timor-Leste**  
**Notes to the financial statements**  
**for the year ended 31 December 2024**

**24. Schedule of financial assets valued through profit or loss (continued)**

| Security                      | Unit    | Fair Value | Security                   | Unit      | Fair Value  |
|-------------------------------|---------|------------|----------------------------|-----------|-------------|
| Honeywell International       | 46,914  | 10,597,403 | Marketaxess Hold.          | 2,890     | 652,707     |
| Hongkong Land Hold. Ltd.      | 84,100  | 374,245    | Marriott International     | 14,928    | 4,163,718   |
| Hormel Foods                  | 27,093  | 849,907    | Marsh & McLennan Cos.      | 41,045    | 8,719,189   |
| Host Hotels & Resorts         | 41,567  | 727,423    | Martin Marietta Materials  | 5,243     | 2,705,912   |
| Howmet Aerospace              | 54,139  | 5,921,724  | Marvell Technology         | 64,645    | 7,140,040   |
| Hp                            | 82,058  | 2,675,091  | Masco                      | 26,445    | 1,919,114   |
| Hubbell                       | 5,383   | 2,254,777  | Mastercard                 | 67,154    | 35,401,574  |
| Hubspot                       | 3,025   | 2,105,945  | Match Group                | 17,653    | 577,606     |
| Humana                        | 8,283   | 2,100,155  | Mccormick & Co.            | 20,005    | 1,525,381   |
| Huntington Bancshares         | 116,388 | 1,894,797  | Mcdonald'S                 | 69,187    | 20,056,619  |
| Huntington Ingalls Industries | 4,415   | 833,773    | Mckesson                   | 11,727    | 6,678,878   |
| Hyatt Hotels                  | 3,130   | 491,160    | Medtronic Plc              | 105,397   | 8,420,166   |
| Ilex                          | 4,311   | 902,767    | Mercadolibre               | 4,005     | 6,810,022   |
| Idexx Laboratories            | 6,269   | 2,591,981  | Merck & Co.                | 201,638   | 20,060,965  |
| Illinois Tool Works           | 23,107  | 5,860,628  | Meta Platforms             | 175,854   | 102,969,551 |
| Illumina                      | 9,690   | 1,294,778  | Metlife                    | 49,163    | 4,025,958   |
| Incyte                        | 13,457  | 929,610    | Mettler-Toledo Inter.      | 2,039     | 2,496,511   |
| Ingersoll Rand                | 24,419  | 2,209,187  | Mgic Investment            | 14,812    | 351,193     |
| Insulet                       | 4,526   | 1,181,105  | Mgm Resorts Inter.         | 15,860    | 549,390     |
| Intel                         | 318,926 | 6,397,656  | Microchip Technology       | 31,793    | 1,823,011   |
| Intercontinental Exchange     | 48,599  | 7,242,223  | Micron Technology          | 78,462    | 6,603,362   |
| IBM                           | 71,661  | 15,763,987 | Microsoft                  | 621,712   | 261,914,831 |
| Int. Flavors & Fragrances     | 18,234  | 1,541,867  | Microstrategy              | 11,007    | 3,188,067   |
| International Paper Co.       | 32,714  | 1,759,686  | Mid-America Apart Com.     | 7,472     | 1,154,723   |
| Interpublic Group of Cos.     | 26,488  | 742,194    | Moderna                    | 23,600    | 981,052     |
| Intuit                        | 22,266  | 13,994,181 | Molina Healthcare          | 4,422     | 1,287,510   |
| Intuitive Surgical            | 29,769  | 15,537,632 | Molson Coors Beverage Co.  | 13,818    | 792,048     |
| Invitation Homes              | 44,435  | 1,420,143  | Monday.Com Ltd.            | 2,208     | 519,498     |
| Iqvia Hold.                   | 10,518  | 2,067,944  | Mondelez Inter.            | 104,615   | 6,248,654   |
| Iron Mountain                 | 26,343  | 2,769,176  | Mongoddb                   | 4,527     | 1,053,252   |
| J M Smucker Co.               | 6,428   | 707,594    | Monolithic Power Systems,  | 5,585     | 3,304,645   |
| Jabil                         | 11,106  | 1,598,153  | Monster Beverage           | 62,492    | 3,284,580   |
| Jack Henry & Associates       | 4,297   | 753,135    | Moody'S                    | 14,040    | 6,647,659   |
| Jacobs Solutions              | 9,424   | 1,259,235  | Morgan Stanley             | 100,854   | 12,685,416  |
| Jardine Matheson Hold. Ltd.   | 12,200  | 499,834    | Mosaic Co.                 | 26,708    | 656,216     |
| Jb Hunt Transport Services    | 5,970   | 1,018,661  | Motorola Solutions         | 14,466    | 6,685,028   |
| Johnson & Johnson             | 206,587 | 29,878,678 | Msci                       | 6,981     | 4,188,321   |
| Johnson Controls Inter. Plc   | 42,328  | 3,341,372  | Mueller Industries         | 6,064     | 481,421     |
| Jpmorgan Chase & Co.          | 232,534 | 55,801,185 | Nasdaq                     | 32,594    | 2,518,864   |
| Juniper Networks              | 21,124  | 791,094    | Netapp                     | 26,180    | 3,037,142   |
| Kellanova                     | 18,598  | 1,506,624  | Netflix                    | 31,859    | 28,393,378  |
| Kenvue                        | 137,079 | 2,928,007  | Neurocrine Biosciences     | 10,487    | 1,431,580   |
| Keurig Dr Pepper              | 95,687  | 3,073,466  | Newmont                    | 67,203    | 2,500,624   |
| Keycorp                       | 109,693 | 1,880,138  | News                       | 40,976    | 1,128,889   |
| Keysight Technologies         | 11,817  | 1,899,110  | Nextera Energy             | 165,402   | 11,859,323  |
| Kimberly-Clark                | 28,522  | 3,736,382  | Nike                       | 94,471    | 7,150,510   |
| Kimco Realty                  | 85,710  | 2,008,185  | Nisource,                  | 53,990    | 1,984,672   |
| Kinder Morgan                 | 115,891 | 3,176,572  | Nordson                    | 3,844     | 804,357     |
| Kkr & Co.                     | 37,766  | 5,591,256  | Norfolk Southern           | 15,605    | 3,666,551   |
| Kla                           | 9,591   | 6,042,426  | Northern Trust             | 14,779    | 1,513,517   |
| Knight-Swift Transp. Hold.    | 11,072  | 587,259    | Northrop Grumman           | 9,419     | 4,414,403   |
| Kraft Heinz Co.               | 63,606  | 1,953,340  | Nrg Energy                 | 21,246    | 1,916,177   |
| Kroger Co.                    | 52,689  | 3,222,986  | Nucor                      | 19,212    | 2,243,962   |
| L3Harris Technologies         | 13,811  | 2,903,072  | Nutanix                    | 31,602    | 1,933,094   |
| Labcorp Hold.                 | 6,240   | 1,430,957  | Nvidia                     | 1,870,780 | 251,002,553 |
| Lam Research                  | 92,957  | 6,711,495  | Nvr                        | 285       | 2,334,275   |
| Lamb Weston Hold.             | 8,784   | 587,298    | Nxp Semiconductors Nv      | 18,667    | 3,879,936   |
| Las Vegas Sands               | 22,056  | 1,133,678  | Occidental Petroleum       | 45,602    | 2,253,195   |
| Leidos Hold.                  | 9,753   | 1,404,432  | Okta                       | 15,692    | 1,236,530   |
| Lennar                        | 22,034  | 3,004,556  | Old Dominion Freight Line  | 16,002    | 2,822,593   |
| Lennox International          | 4,074   | 2,482,288  | Omega Healthcare Investors | 16,991    | 643,279     |
| Liberty Media Corp-Lib. F1    | 14,003  | 1,297,518  | Omnicom Group              | 19,385    | 1,667,885   |
| Linde Plc                     | 42,326  | 17,717,240 | On Semiconductor           | 41,437    | 2,612,603   |
| Live Nation Entertainment     | 9,787   | 1,267,025  | Oneok                      | 39,901    | 4,006,459   |
| Lkq                           | 16,794  | 617,012    | Oracle                     | 139,357   | 23,229,418  |
| Lockheed Martin               | 15,675  | 7,616,639  | O'Reilly Automotive        | 5,546     | 6,575,670   |
| Loews                         | 12,448  | 1,054,470  | Otis Worldwide             | 32,884    | 3,045,058   |
| Lowe'S Cos.                   | 42,027  | 10,380,249 | Ovintiv                    | 23,036    | 932,497     |
| Lpl Financial Hold.           | 4,725   | 1,542,713  | Owens Corning              | 12,319    | 2,099,897   |
| Lululemon Athletica           | 8,200   | 3,135,598  | Paccar                     | 53,156    | 5,526,629   |
| Lyondellbasell Industries Nv  | 16,482  | 1,224,613  | Packaging Of America       | 8,337     | 1,876,158   |
| M&T Bank                      | 16,435  | 3,091,259  | Palantir Technologies      | 151,214   | 11,437,827  |
| Manhattan Associates          | 5,181   | 1,399,440  | Palo Alto Networks         | 47,668    | 8,674,146   |
| Marathon Petroleum            | 26,436  | 3,688,351  | Parker-Hannifin            | 11,597    | 7,368,734   |
| Markel Group                  | 953     | 1,648,061  | Paychex                    | 24,051    | 3,372,912   |

**Petroleum Fund of Timor-Leste**  
**Notes to the financial statements**  
**for the year ended 31 December 2024**

**24. Schedule of financial assets valued through profit or loss (continued)**

| Security                     | Unit    | Fair Value | Security                      | Unit    | Fair Value |
|------------------------------|---------|------------|-------------------------------|---------|------------|
| Paycom Software              | 3,899   | 798,164    | Stanley Black & Decker        | 9,565   | 768,165    |
| Paypal Hold.                 | 81,879  | 6,987,554  | Starbucks                     | 94,726  | 8,643,748  |
| Pentair Plc                  | 29,218  | 2,940,207  | State Street                  | 18,551  | 1,821,708  |
| Pepsico                      | 117,761 | 17,904,382 | Steel Dynamics                | 12,530  | 1,428,671  |
| Pfizer                       | 431,677 | 11,456,708 | Steris Plc                    | 8,726   | 1,792,233  |
| Pg&E                         | 149,227 | 3,014,385  | Stifel Financial              | 3,215   | 340,951    |
| Philip Morris Inter.         | 125,783 | 15,132,953 | Stryker                       | 30,279  | 10,903,165 |
| Phillips 66                  | 30,354  | 3,457,321  | Sun Communities               | 8,519   | 1,047,070  |
| Pinterest                    | 37,138  | 1,076,631  | Super Micro Computer          | 31,380  | 956,776    |
| Pnc Financial Services Group | 33,921  | 6,547,431  | Synchrony Financial           | 33,301  | 2,164,898  |
| Pool                         | 3,601   | 1,228,121  | Synopsys                      | 11,935  | 5,787,401  |
| Popular                      | 3,639   | 342,248    | Sysco                         | 37,319  | 2,853,411  |
| Ppg Industries               | 16,026  | 1,913,825  | T Rowe Price Group            | 17,188  | 1,943,619  |
| Ppl                          | 52,688  | 1,711,306  | Take-Two Interactive Software | 10,490  | 1,930,999  |
| Primerica                    | 1,499   | 407,143    | Targa Resources               | 11,611  | 2,071,751  |
| Principal Financial Group    | 16,266  | 1,259,151  | Target                        | 38,952  | 5,266,700  |
| Procter & Gamble Co.         | 205,374 | 34,435,058 | Te Connectivity Plc           | 21,375  | 3,056,839  |
| Progress Software            | 5,386   | 350,898    | Teledyne Technologies         | 3,179   | 1,474,579  |
| Progressive                  | 50,124  | 12,019,735 | Teleflex                      | 3,336   | 593,474    |
| Prologis                     | 75,528  | 7,984,065  | Teradyne                      | 23,540  | 2,964,157  |
| Prudential Financial         | 30,802  | 3,652,193  | Tesla                         | 206,334 | 83,282,592 |
| Ptc                          | 6,941   | 1,276,172  | Teva Pharmaceutical Ind. Ltd. | 77,737  | 1,712,546  |
| Public Service Enterprise    | 29,938  | 2,530,659  | Texas Instruments             | 85,152  | 15,966,852 |
| Public Storage               | 10,522  | 3,148,288  | Texas Pacific Land            | 1,535   | 1,698,247  |
| Pultegroup                   | 21,210  | 2,310,193  | Textron                       | 19,268  | 1,473,039  |
| Pure Storage                 | 28,994  | 1,781,101  | The Campbell'S Co.            | 16,495  | 690,811    |
| Qorvo                        | 6,396   | 447,272    | Thermo Fisher Scientific      | 31,062  | 16,155,967 |
| Qualcomm                     | 92,414  | 14,196,639 | Tjx Cos.                      | 97,011  | 11,716,989 |
| Quanta Services              | 13,801  | 4,365,532  | T-Mobile Us                   | 37,944  | 8,375,379  |
| Quest Diagnostics            | 7,048   | 1,063,825  | Toast                         | 21,315  | 776,719    |
| Radian Group                 | 10,599  | 336,094    | Toll Brothers                 | 1,154   | 145,289    |
| Raymond James Financial      | 14,081  | 2,186,357  | Toro Co.                      | 6,695   | 536,270    |
| Realty Income                | 51,007  | 2,725,304  | Tractor Supply Co.            | 35,165  | 1,866,207  |
| Regency Centers              | 11,084  | 819,218    | Trade Desk                    | 45,900  | 5,392,332  |
| Regeneron Pharmaceuticals    | 8,149   | 5,804,777  | Tradeweb Markets              | 13,536  | 1,772,133  |
| Regions Financial            | 102,253 | 2,403,968  | Trane Technologies Plc        | 20,659  | 7,634,327  |
| Reinsurance Group of America | 2,934   | 626,790    | Transdigm Group               | 5,190   | 6,571,526  |
| Reliance                     | 3,495   | 941,903    | Transmedics Group             | 8,510   | 530,343    |
| Republic Services            | 17,012  | 3,422,814  | Transunion                    | 12,572  | 1,165,047  |
| Resmed                       | 12,264  | 2,806,984  | Travelers Cos.                | 16,261  | 3,916,137  |
| Revvity                      | 9,591   | 1,070,835  | Trimble                       | 15,512  | 1,095,923  |
| Rivian Automotive            | 45,120  | 600,547    | Truist Financial              | 116,533 | 5,056,367  |
| Robinhood Markets            | 34,536  | 1,286,466  | Twilio                        | 11,079  | 1,198,194  |
| Roblox                       | 27,510  | 1,591,454  | Tyler Technologies            | 2,706   | 1,561,876  |
| Rockwell Automation          | 6,660   | 1,904,427  | Tyson Foods                   | 23,476  | 1,348,227  |
| Roku                         | 7,581   | 563,268    | Uber Technologies             | 150,740 | 9,094,144  |
| Rollins                      | 48,564  | 2,252,398  | UDR                           | 22,092  | 958,572    |
| Roper Technologies           | 6,343   | 3,296,457  | U-Haul Holding Co.            | 5,853   | 375,236    |
| Ross Stores                  | 22,430  | 3,392,986  | Ultra Beauty                  | 3,374   | 1,467,218  |
| Royal Caribbean Cruises Ltd. | 14,759  | 3,406,968  | Union Pacific                 | 48,662  | 11,096,882 |
| Royalty Pharma Plc           | 22,368  | 570,160    | United Parcel Service         | 51,628  | 6,509,258  |
| Rpm International            | 14,258  | 1,754,589  | United Rentals                | 5,127   | 3,608,690  |
| Rtx                          | 94,919  | 10,984,976 | United Therapeutics           | 6,057   | 2,134,911  |
| S&P Global                   | 28,267  | 14,093,078 | Unitedhealth Group            | 79,864  | 40,446,324 |
| Salesforce                   | 72,961  | 24,405,455 | Universal Health Services     | 4,791   | 860,176    |
| Samsara                      | 13,606  | 594,174    | Unum Group                    | 5,245   | 383,147    |
| SBA Communications           | 8,247   | 1,680,574  | Us Bancorp                    | 123,462 | 5,908,891  |
| Schlumberger Nv              | 86,206  | 3,306,862  | Valero Energy                 | 23,838  | 2,921,585  |
| Sea Ltd.                     | 39,009  | 4,136,124  | Veeva Systems                 | 11,861  | 2,493,419  |
| Seagate Technology Hold.     | 21,470  | 1,853,076  | Ventas                        | 25,403  | 1,495,983  |
| Sei Investments Co.          | 8,723   | 719,473    | Veralto                       | 15,976  | 1,626,676  |
| Sempra                       | 53,203  | 4,666,967  | Verisign                      | 5,409   | 1,119,393  |
| Servicenow                   | 15,172  | 16,075,948 | Verisk Analytics              | 11,438  | 3,150,368  |
| Sherwin-Williams Co.         | 20,549  | 6,983,783  | Verizon Communications        | 361,926 | 14,484,279 |
| Simon Property Group         | 25,022  | 4,308,288  | Vertex Pharmaceuticals        | 21,376  | 8,608,115  |
| Skyworks Solutions           | 16,432  | 1,457,025  | Vertiv Hold. Co.              | 31,428  | 3,572,106  |
| Smurfit Westrock Plc         | 18,214  | 981,370    | Viatis                        | 101,980 | 1,269,651  |
| Snap                         | 64,882  | 698,130    | VICI Properties               | 66,213  | 1,933,420  |
| Snap-On                      | 4,536   | 1,540,017  | Visa                          | 142,285 | 45,006,168 |
| Snowflake                    | 24,531  | 3,789,794  | Vistra                        | 34,732  | 4,790,585  |
| Solventum                    | 10,824  | 715,033    | Vulcan Materials Co.          | 10,808  | 2,781,871  |
| Southern Co.                 | 81,610  | 6,718,951  | W R Berkley                   | 23,995  | 1,403,468  |
| Southwest Airlines Co.       | 8,066   | 271,260    | Walgreens Boots Alliance      | 52,444  | 489,303    |
| Spotify Technology Sa        | 12,874  | 5,755,837  | Walmart                       | 393,680 | 35,592,610 |
| Ss&C Technologies Hold.      | 13,635  | 1,033,260  | Walt Disney Co.               | 130,166 | 14,501,794 |

**Petroleum Fund of Timor-Leste**  
**Notes to the financial statements**  
**for the year ended 31 December 2024**

**24. Schedule of financial assets valued through profit or loss (continued)**

| <b>Security</b>                | <b>Unit</b> | <b>Fair Value</b>    | <b>Security</b>            | <b>Unit</b> | <b>Fair Value</b>  |
|--------------------------------|-------------|----------------------|----------------------------|-------------|--------------------|
| Warner Bros Discovery          | 166,462     | 1,759,503            | Telstra Group Ltd.         | 430,999     | 1,070,081          |
| Waste Connections              | 19,662      | 3,372,033            | Transurban Group           | 343,641     | 2,848,927          |
| Waste Mgmt.                    | 33,842      | 6,825,593            | Treasury Wine Estates Ltd. | 87,285      | 612,302            |
| Waters                         | 5,150       | 1,908,178            | Vicinity Ltd.              | 424,739     | 552,252            |
| Watsco                         | 3,264       | 1,547,364            | Washington HSP & Co. Ltd.  | 25,713      | 544,789            |
| Wec Energy Group               | 17,575      | 1,652,577            | Wesfarmers Ltd.            | 124,411     | 5,068,513          |
| Wells Fargo & Co.              | 286,965     | 20,167,900           | Westpac Banking            | 380,936     | 7,622,883          |
| Welltower                      | 61,919      | 7,794,364            | WiseTech Global Ltd.       | 20,128      | 1,408,484          |
| West Pharmaceutical Services   | 5,232       | 1,714,683            | Woodside Energy Group Ltd. | 209,383     | 3,073,752          |
| Western Digital                | 19,952      | 1,189,339            | Woolworths Group Ltd.      | 133,917     | 2,396,235          |
| Westinghouse Air Brake Tech    | 13,123      | 2,488,514            | Xero Ltd.                  | 16,002      | 1,657,845          |
| Westlake                       | 2,408       | 275,981              |                            |             | <b>130,025,947</b> |
| Weyerhaeuser Co.               | 48,395      | 1,361,351            | <b>Japan</b>               |             |                    |
| Williams Cos.                  | 71,631      | 3,876,670            | Advantest Corp             | 82,400      | 4,822,571          |
| Williams-Sonoma                | 11,505      | 2,130,841            | Aeon Co Ltd                | 54,200      | 1,273,610          |
| Willis Towers Watson Plc       | 6,264       | 1,960,820            | Agc Inc                    | 14,300      | 420,374            |
| Wix.Com Ltd.                   | 2,968       | 636,250              | Aisin Corp                 | 42,600      | 480,321            |
| Workday                        | 12,553      | 3,238,548            | Ajinomoto Co Inc           | 43,500      | 1,785,283          |
| WP Carey                       | 12,796      | 697,126              | Ana Hold. Inc              | 7,900       | 143,915            |
| Ww Grainger                    | 4,186       | 4,417,151            | Asahi Group Hold. Ltd      | 108,600     | 1,142,940          |
| Wynn Resorts Ltd.              | 5,775       | 497,574              | Asahi Kasei Corp           | 65,800      | 456,363            |
| Xcel Energy                    | 38,701      | 2,613,866            | Asics Corp                 | 83,500      | 1,652,361          |
| Xylem                          | 15,684      | 1,819,972            | Astellas Pharma Inc        | 112,700     | 1,100,037          |
| Yum! Brands                    | 16,476      | 2,210,256            | Bandai Namco Hold. Inc     | 33,700      | 809,906            |
| Zebra Technologies             | 3,495       | 1,349,840            | Bridgestone Corp           | 44,300      | 1,505,230          |
| Zillow Group                   | 11,721      | 867,823              | Brother Industries Ltd     | 19,600      | 336,166            |
| Zimmer Biomet Hold.            | 13,456      | 1,420,954            | Canon Inc                  | 76,500      | 2,511,221          |
| Zoetis                         | 36,733      | 5,988,948            | Capcom Co Ltd              | 49,000      | 1,082,826          |
| Zoom Communications            | 15,522      | 1,266,285            | Central Japan Railway Co   | 49,700      | 937,488            |
| Zscaler                        | 8,358       | 1,507,867            | Chiba Bank Ltd/The         | 43,200      | 335,902            |
|                                |             | <b>4,176,754,268</b> | Chubu Electric Power Co    | 39,500      | 415,961            |
| <b>Australia</b>               |             |                      | Chugai Pharmaceutical Co   | 55,700      | 2,475,595          |
| ANZ Group Hold. Ltd.           | 329,798     | 5,827,709            | Concordia Financial Group  | 71,400      | 395,708            |
| APA Group                      | 136,731     | 590,059              | Dai Nippon Printing Co     | 28,000      | 395,342            |
| Aristocrat Leisure Ltd.        | 61,796      | 2,615,522            | Daifuku Co Ltd             | 21,600      | 452,588            |
| ASX Ltd.                       | 20,688      | 833,608              | Dai-ichi Life Hold.        | 84,600      | 2,279,721          |
| BHP Group Ltd.                 | 560,187     | 13,700,171           | Daiichi Sankyo Co Ltd      | 147,200     | 4,064,953          |
| BlueScope Steel Ltd.           | 50,439      | 583,363              | Daikin Industries Ltd      | 16,800      | 1,993,637          |
| Brambles Ltd.                  | 154,132     | 1,836,089            | Daito Trust Construction   | 3,700       | 412,354            |
| CAR Group Ltd.                 | 40,264      | 898,208              | Daiwa House Industry Co    | 32,800      | 1,013,469          |
| CBA                            | 184,532     | 17,509,270           | Daiwa Securities Group     | 119,500     | 796,869            |
| Cochlear Ltd.                  | 7,242       | 1,299,788            | Denso Corp                 | 132,300     | 1,862,100          |
| Coles Group Ltd.               | 148,485     | 1,736,642            | Dentsu Group Inc           | 18,000      | 435,912            |
| Computershare Ltd.             | 60,295      | 1,267,409            | Dexerials Corp             | 24,300      | 382,065            |
| CSL Ltd.                       | 53,753      | 9,371,312            | Disco Corp                 | 7,800       | 2,120,234          |
| Endeavour Group Ltd.           | 162,463     | 422,474              | East Japan Railway Co      | 54,000      | 958,984            |
| Fortescue Ltd.                 | 185,780     | 2,099,219            | Ebara Corp                 | 34,400      | 538,458            |
| Goodman Group                  | 191,574     | 4,220,252            | Eisai Co Ltd               | 18,700      | 514,976            |
| GPT Group                      | 216,039     | 584,534              | Eneos Hold. Inc            | 258,600     | 1,359,641          |
| Insurance Australia Group Ltd. | 266,060     | 1,393,625            | Fanuc Corp                 | 64,400      | 1,710,804          |
| James Hardie Industries plc    | 47,502      | 1,455,838            | Fast Retailing Co Ltd      | 14,200      | 4,861,937          |
| Lottery Ltd.                   | 246,411     | 753,673              | Fuji Electric Co Ltd       | 21,100      | 1,147,907          |
| Macquarie Group Ltd.           | 39,901      | 5,475,798            | Fujifilm Hold. Corp        | 91,800      | 1,932,263          |
| Medibank Pvt Ltd.              | 305,781     | 717,539              | Fujikura Ltd               | 33,900      | 1,411,781          |
| Mineral Resources Ltd.         | 21,365      | 453,064              | Fujitsu Ltd                | 103,000     | 1,832,451          |
| Mirvac Group                   | 440,108     | 510,924              | Furukawa Electric Co Ltd   | 8,200       | 348,589            |
| National Australia Bank Ltd.   | 340,194     | 7,814,414            | Hankyu Hanshin Hold.       | 15,300      | 399,050            |
| Northern Star Resources Ltd.   | 125,295     | 1,197,780            | Hikari Tsushin Inc         | 1,500       | 328,900            |
| Orica Ltd.                     | 56,567      | 580,689              | Hitachi Construction       | 4,500       | 100,674            |
| Origin Energy Ltd.             | 184,424     | 1,243,487            | Hitachi Ltd                | 391,500     | 9,799,955          |
| Pro Medicus Ltd.               | 6,435       | 996,536              | Honda Motor Co Ltd         | 336,100     | 3,280,589          |
| Qantas Airways Ltd.            | 92,410      | 513,224              | Hoshizaki Corp             | 8,800       | 350,130            |
| QBE Insurance Group Ltd.       | 167,800     | 1,994,753            | Hoya Corp                  | 33,700      | 4,238,232          |
| Ramsay Health Care Ltd.        | 20,597      | 440,476              | Hulic Co Ltd               | 23,300      | 202,741            |
| REA Group Ltd.                 | 5,703       | 823,821              | Idemitsu Kosan Co Ltd      | 84,430      | 556,295            |
| Reece Ltd.                     | 22,342      | 309,584              | Inpex Corp                 | 145,700     | 1,826,349          |
| Rio Tinto Ltd.                 | 41,127      | 2,990,976            | Isuzu Motors Ltd           | 63,900      | 877,426            |
| Santos Ltd.                    | 352,881     | 1,459,488            | Itochu Corp                | 105,700     | 5,266,168          |
| Scentre Group                  | 553,013     | 1,174,425            | Japan Airlines Co Ltd      | 10,000      | 158,565            |
| SEEK Ltd.                      | 38,893      | 543,499              | Japan Exchange Group Inc   | 97,200      | 1,094,397          |
| SGH Ltd.                       | 21,354      | 609,635              | Japan Post Bank Co Ltd     | 85,200      | 809,931            |
| Sonic Healthcare Ltd.          | 49,012      | 819,640              | Japan Post Hold. Co        | 120,800     | 1,145,279          |
| South32 Ltd.                   | 487,649     | 1,026,555            | Japan Post Insurance Co    | 14,300      | 264,463            |
| Stockland                      | 267,299     | 794,391              | Japan Real Estate          | 525         | 360,111            |
| Suncorp Group Ltd.             | 142,771     | 1,680,421            | Japan Tobacco Inc          | 99,300      | 2,577,276          |

**Petroleum Fund of Timor-Leste**  
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**24. Schedule of financial assets valued through profit or loss (continued)**

| <b>Security</b>              | <b>Unit</b> | <b>Fair Value</b> | <b>Security</b>              | <b>Unit</b> | <b>Fair Value</b>  |
|------------------------------|-------------|-------------------|------------------------------|-------------|--------------------|
| Jfe Holdings Inc             | 41,200      | 466,371           | Rakuten Group Inc            | 131,000     | 715,932            |
| Kajima Corp                  | 40,100      | 734,843           | Recruit Hold. Co Ltd         | 124,500     | 8,828,916          |
| Kansai Electric Power Co     | 63,600      | 709,410           | Renesas Electronics Corp     | 152,700     | 1,986,480          |
| Kao Corp                     | 30,100      | 1,222,501         | Resona Hold. Inc             | 145,300     | 1,057,669          |
| Kawasaki Kisen Kaisha Ltd    | 41,200      | 590,893           | Resonac Hold. Corp           | 26,800      | 683,813            |
| Kddi Corp                    | 146,700     | 4,705,489         | Ricoh Co Ltd                 | 26,400      | 304,047            |
| Keyence Corp                 | 15,560      | 6,395,877         | Sanrio Co Ltd                | 11,300      | 398,189            |
| Kikkoman Corp                | 68,400      | 766,867           | Sanwa Hold. Corp             | 24,500      | 682,807            |
| Kirin Holdings Co Ltd        | 96,500      | 1,257,214         | Sbi Holdings Inc             | 20,280      | 513,839            |
| Kobe Bussan Co Ltd           | 13,300      | 290,694           | Screen Holdings Co Ltd       | 11,200      | 676,162            |
| Kokusai Electric Corp        | 5,000       | 68,243            | Sesk Corp                    | 6,100       | 129,134            |
| Komatsu Ltd                  | 80,500      | 2,226,094         | Secom Co Ltd                 | 24,000      | 817,613            |
| Konami Group Corp            | 13,100      | 1,233,230         | Seiko Epson Corp             | 17,900      | 327,396            |
| Kubota Corp                  | 59,700      | 698,197           | Sekisui Chemical Co Ltd      | 25,500      | 440,522            |
| Kyocera Corp                 | 78,900      | 790,707           | Sekisui House Ltd            | 54,000      | 1,299,491          |
| Kyowa Kirin Co Ltd           | 22,400      | 338,366           | Seven & I Holdings Co Ltd    | 172,400     | 2,727,070          |
| Lasertec Corp                | 7,900       | 763,308           | Sg Holdings Co Ltd           | 24,100      | 230,097            |
| Ly Corp                      | 140,600     | 374,939           | Shimadzu Corp                | 16,600      | 469,714            |
| M3 Inc                       | 25,600      | 227,396           | Shimano Inc                  | 4,900       | 665,503            |
| Makita Corp                  | 18,500      | 569,856           | Shin-Etsu Chemical Co Ltd    | 161,400     | 5,437,853          |
| Marubeni Corp                | 99,000      | 1,506,481         | Shionogi & Co Ltd            | 57,600      | 813,092            |
| Matsukiyococokara & Co       | 26,100      | 381,967           | Shiseido Co Ltd              | 30,100      | 533,587            |
| Mcdonald'S Holdings Co       | 4,500       | 176,953           | Shizuoka Financial Group     | 25,600      | 209,234            |
| Meiji Holdings Co Ltd        | 24,300      | 494,009           | Smc Corp                     | 4,100       | 1,619,286          |
| Meitec Group Holdings Inc    | 15,800      | 298,085           | Softbank Corp                | 2,336,000   | 2,954,930          |
| Minebea Mitsumi Inc          | 26,000      | 424,014           | Softbank Group Corp          | 73,500      | 4,295,606          |
| Mitsubishi Chemical Group    | 103,300     | 525,505           | Sompo Holdings Inc           | 74,400      | 1,948,526          |
| Mitsubishi Corp              | 292,000     | 4,836,320         | Sony Group Corp              | 503,500     | 10,790,201         |
| Mitsubishi Electric Corp     | 148,200     | 2,530,037         | Subaru Corp                  | 48,300      | 865,595            |
| Mitsubishi Estate Co Ltd     | 86,200      | 1,204,749         | Sumitomo Corp                | 99,900      | 2,177,128          |
| Mitsubishi Gas Chemical      | 7,800       | 140,282           | Sumitomo Electric            | 82,800      | 1,500,473          |
| Mitsubishi Hc Capital Inc    | 38,000      | 251,947           | Sumitomo Forestry Co Ltd     | 10,300      | 346,960            |
| Mitsubishi Heavy             | 270,200     | 3,821,071         | Sumitomo Metal Mining Co     | 14,900      | 342,541            |
| Mitsubishi Ufj Financial     | 924,500     | 10,853,286        | Sumitomo Mitsui Financial    | 325,800     | 7,800,874          |
| Mitsui & Co Ltd              | 218,200     | 4,592,807         | Sumitomo Mitsui Trust        | 41,800      | 981,965            |
| Mitsui Chemicals Inc         | 12,000      | 264,647           | Sumitomo Realty &            | 19,500      | 611,826            |
| Mitsui Fudosan Co Ltd        | 188,400     | 1,520,051         | Suntory Beverage & Food      | 10,500      | 334,522            |
| Mitsui Mining & Smelting     | 10,600      | 314,641           | Suzuki Motor Corp            | 121,600     | 1,384,597          |
| Mitsui Osk Lines Ltd         | 18,700      | 655,262           | Sysmex Corp                  | 41,700      | 772,655            |
| Mizuho Financial Group       | 231,690     | 5,708,219         | T&D Holdings Inc             | 67,600      | 1,249,543          |
| Monotaro Co Ltd              | 31,900      | 541,037           | Taisei Corp                  | 14,900      | 628,576            |
| Ms&Ad Insurance Group        | 132,300     | 2,900,902         | Takeda Pharmaceutical Co     | 95,538      | 2,539,210          |
| Murata Manufacturing Co      | 115,300     | 1,877,403         | Tdk Corp                     | 139,000     | 1,833,020          |
| Nec Corp                     | 14,200      | 1,239,202         | Terumo Corp                  | 103,400     | 2,014,576          |
| Nexon Co Ltd                 | 17,700      | 267,313           | Tis Inc                      | 8,000       | 189,056            |
| Ngk Insulators Ltd           | 14,100      | 180,153           | Toho Co Ltd/Tokyo            | 9,900       | 387,408            |
| Nidec Corp                   | 63,000      | 1,144,270         | Tokio Marine Holdings Inc    | 180,000     | 6,551,285          |
| Nintendo Co Ltd              | 102,400     | 6,036,101         | Tokyo Electric Power Co      | 106,200     | 320,843            |
| Nippon Building Fund Inc     | 575         | 447,458           | Tokyo Electron Ltd           | 38,800      | 5,969,611          |
| Nippon Paint Hold. Co        | 58,500      | 379,677           | Tokyo Gas Co Ltd             | 41,400      | 1,149,590          |
| Nippon Sanso Hold.           | 16,600      | 466,122           | Tokyu Corp                   | 25,600      | 274,879            |
| Nippon Steel Corp            | 52,524      | 1,060,774         | Toppan Holdings Inc          | 15,200      | 406,017            |
| Nippon Telegraph & Telephone | 2,303,300   | 2,315,611         | Toray Industries Inc         | 160,400     | 1,019,595          |
| Nippon Yusen Kk              | 29,100      | 976,172           | Toto Ltd                     | 10,000      | 241,474            |
| Nissan Motor Co Ltd          | 169,100     | 515,499           | Toyota Industries Corp       | 12,200      | 998,683            |
| Nissin Foods Hold. Co        | 16,500      | 400,741           | Toyota Motor Corp            | 871,500     | 17,439,982         |
| Niterra Co Ltd               | 9,700       | 313,479           | Toyota Tsusho Corp           | 48,300      | 868,976            |
| Nitori Holdings Co Ltd       | 5,600       | 663,833           | Trend Micro Inc/Japan        | 8,700       | 474,027            |
| Nitto Denko Corp             | 51,500      | 877,558           | Unicharm Corp                | 66,600      | 551,752            |
| Nomura Holdings Inc          | 208,200     | 1,233,488         | West Japan Railway Co        | 22,600      | 402,144            |
| Nomura Research Institute    | 36,921      | 1,091,702         | Yakult Honsha Co Ltd         | 17,400      | 330,540            |
| Ntt Data Group Corp          | 33,500      | 645,657           | Yamaha Motor Co Ltd          | 108,200     | 966,268            |
| Obayashi Corp                | 72,700      | 967,730           | Yaskawa Electric Corp        | 12,200      | 315,635            |
| Obic Co Ltd                  | 24,500      | 729,887           | Yokogawa Electric Corp       | 31,300      | 674,954            |
| Olympus Corp                 | 76,000      | 1,145,851         | Zensho Holdings Co Ltd       | 6,900       | 393,295            |
| Omron Corp                   | 12,200      | 415,387           | Zozo Inc                     | 16,500      | 512,344            |
| Ono Pharmaceutical Co Ltd    | 28,300      | 293,876           |                              |             | <b>310,723,039</b> |
| Oracle Corp Japan            | 2,900       | 279,464           | <b>United Kingdom</b>        |             |                    |
| Oriental Land Co             | 62,500      | 1,360,079         | 3i Group Plc                 | 85,465      | 3,814,776          |
| Orix Corp                    | 72,100      | 1,563,023         | Admiral Group Plc            | 15,399      | 509,721            |
| Osaka Gas Co Ltd             | 45,500      | 1,001,139         | Anglo American Plc           | 82,101      | 2,430,743          |
| Otsuka Corp                  | 17,800      | 407,737           | Antofagasta Plc              | 29,878      | 594,591            |
| Otsuka Holdings Co Ltd       | 32,600      | 1,781,840         | Ashtead Group Plc            | 25,519      | 1,585,216          |
| Pan Pacific Inter.           | 28,900      | 793,481           | Associated British Foods Plc | 38,353      | 981,320            |
| Panasonic Holdings Corp      | 148,600     | 1,552,093         | Astrazeneca Plc              | 126,866     | 16,625,933         |

**Petroleum Fund of Timor-Leste**  
**Notes to the financial statements**  
**for the year ended 31 December 2024**

**24. Schedule of financial assets valued through profit or loss (continued)**

| Security                     | Unit      | Fair Value | Security                       | Unit      | Fair Value         |
|------------------------------|-----------|------------|--------------------------------|-----------|--------------------|
| Auto Trader Group Plc        | 70,150    | 693,534    | EU                             |           | <b>185,611,703</b> |
| Aviva Plc                    | 176,108   | 1,033,754  | ABN AMRO Bank NV               | 34,324    | 529,228            |
| Bae Systems Plc              | 245,876   | 3,535,095  | Acciona SA                     | 1,673     | 187,098            |
| Barclays Plc                 | 1,057,135 | 3,550,188  | Accor SA                       | 9,912     | 480,349            |
| Barratt Redrow Plc           | 106,332   | 586,082    | ACS SA                         | 24,292    | 1,218,477          |
| Berkeley Group Hold. Plc     | 6,323     | 308,838    | adidas AG                      | 11,324    | 2,762,646          |
| Bp Plc                       | 1,324,413 | 6,517,841  | Adyen NV                       | 1,584     | 2,345,860          |
| British American Tobacco Plc | 140,715   | 5,073,704  | Aegon Ltd.                     | 111,780   | 661,848            |
| Bt Group Plc                 | 415,955   | 750,417    | Aena SME SA                    | 4,670     | 954,584            |
| Bunzl Plc                    | 21,901    | 904,054    | Aeroports de Paris SA          | 2,332     | 269,732            |
| Centrica Plc                 | 512,518   | 857,548    | Ageas SA/NV                    | 6,122     | 296,047            |
| Coca-Cola Hbc Ag             | 17,414    | 595,830    | AIB Group plc                  | 110,615   | 608,217            |
| Compass Group Plc            | 103,558   | 3,448,618  | Air Liquide SA                 | 54,532    | 8,836,095          |
| Croda Inter. Plc             | 11,054    | 468,482    | Airbus SE                      | 35,797    | 5,731,422          |
| Dcc Plc                      | 8,054     | 518,463    | Akzo Nobel NV                  | 8,817     | 529,175            |
| Diageo Plc                   | 153,666   | 4,882,489  | Allianz SE (Registered)        | 33,576    | 10,277,405         |
| Endeavour Mining Plc         | 11,324    | 201,954    | Alstom SA                      | 29,349    | 654,924            |
| Entain Plc                   | 36,948    | 317,900    | Amadeus IT Group SA            | 25,654    | 1,779,836          |
| Experian Plc                 | 65,760    | 2,837,227  | Amplifon SpA                   | 9,294     | 238,770            |
| Flutter Entertainment Plc    | 1,599     | 414,936    | Amundi SA                      | 3,155     | 209,742            |
| Glencore Plc                 | 682,801   | 3,022,065  | Anheuser-Busch InBev SA/NV     | 60,265    | 3,003,524          |
| Gsk Plc                      | 358,802   | 6,048,434  | ArcelorMittal SA               | 32,858    | 759,426            |
| Haleon Plc                   | 535,544   | 2,531,280  | Argenx SE                      | 3,649     | 2,263,345          |
| Halma Plc                    | 28,965    | 975,455    | Arkema SA                      | 3,622     | 273,980            |
| Hargreaves Lansdown Plc      | 24,574    | 337,926    | ASM Inter. NV                  | 4,754     | 2,750,842          |
| Hikma Pharmaceuticals Plc    | 16,622    | 414,891    | ASML Holding NV                | 32,832    | 23,050,329         |
| Hsbc Holdings Plc            | 1,498,349 | 14,736,408 | ASR Nederland NV               | 19,689    | 930,914            |
| Imi Plc                      | 9,255     | 211,071    | AXA SA                         | 155,942   | 5,535,464          |
| Imperial Brands Plc          | 55,799    | 1,784,105  | Banco Bilbao Viz. Arg. SA      | 522,175   | 5,110,812          |
| Informa Plc                  | 82,348    | 822,998    | Banco BPM SpA                  | 115,028   | 930,499            |
| Int. Hotels Group Plc        | 21,415    | 2,669,677  | Banco de Sabadell SA           | 333,848   | 643,001            |
| Intertek Group Plc           | 13,768    | 810,768    | Banco Santander SA             | 1,123,902 | 5,155,636          |
| J Sainsbury Plc              | 206,709   | 708,302    | Bank of Ireland Group plc      | 75,980    | 687,167            |
| Jd Sports Fashion Plc        | 164,243   | 196,976    | BASF SE                        | 63,345    | 2,788,062          |
| Kingfisher Plc               | 123,713   | 385,176    | Bayer AG (Registered)          | 63,944    | 1,277,930          |
| Land Securities Group plc    | 66,439    | 485,936    | Bayerische Motoren Werke AG    | 26,924    | 2,173,188          |
| Legal & General Group Plc    | 457,086   | 1,315,500  | BE Semiconductor Industries NV | 4,836     | 662,516            |
| Lloyds Banking Group Plc     | 4,432,665 | 3,041,095  | Bechtle AG                     | 6,318     | 203,858            |
| London SE Group Plc          | 32,198    | 4,550,651  | Beiersdorf AG                  | 6,925     | 885,957            |
| M&G Plc                      | 145,181   | 359,377    | BioMerieux                     | 2,693     | 287,505            |
| Marks & Spencer Group Plc    | 73,144    | 343,979    | BNP Paribas SA                 | 85,842    | 5,261,363          |
| Melrose Industries Plc       | 74,259    | 514,487    | Bolloré SE                     | 35,844    | 219,358            |
| Mondi Plc                    | 39,279    | 586,135    | Bouygues SA                    | 10,535    | 311,343            |
| National Grid Plc            | 393,778   | 4,681,147  | BPER Banca SpA                 | 35,436    | 224,714            |
| Natwest Group Plc            | 451,891   | 2,275,678  | Brenntag SE                    | 10,914    | 656,162            |
| Next Plc                     | 14,691    | 1,747,538  | Bureau Veritas SA              | 48,060    | 1,451,180          |
| Nmc Health Plc               | 6,918     | 433        | CaixaBank SA                   | 364,017   | 1,964,609          |
| Pearson Plc                  | 31,341    | 503,203    | Capgemini SE                   | 10,573    | 1,721,627          |
| Persimmon Plc                | 20,680    | 309,760    | Carl Zeiss Meditec AG          | 3,099     | 147,037            |
| Phoenix Group Hold. Plc      | 59,626    | 380,099    | Carrefour SA                   | 39,641    | 561,130            |
| Prudential Plc               | 152,741   | 1,218,153  | Cellnex Telecom SA             | 34,609    | 1,093,406          |
| Reckitt Benckiser Group Plc  | 49,406    | 2,989,852  | Cie de Saint-Gobain SA         | 45,596    | 4,046,296          |
| Relx Plc                     | 156,541   | 7,112,765  | Cie GE Michelin SCA            | 53,163    | 1,750,599          |
| Rentokil Initial Plc         | 171,622   | 858,038    | CNH Industrial NV              | 70,108    | 778,964            |
| Rio Tinto Plc                | 93,260    | 5,516,408  | Commerzbank AG                 | 75,839    | 1,230,193          |
| Rolls-Royce Hold. Plc        | 521,750   | 3,715,458  | Continental AG                 | 7,657     | 513,471            |
| Sage Group Plc               | 59,060    | 941,227    | Covestro AG                    | 11,817    | 703,599            |
| Schroders Plc                | 64,569    | 260,874    | Covivio SA                     | 5,158     | 260,432            |
| Segro plc                    | 90,515    | 794,434    | Credit Agricole SA             | 74,049    | 1,019,047          |
| Severn Trent Plc             | 18,550    | 582,659    | CTS Eventim AG & Co. KGaA      | 3,978     | 337,158            |
| Shell Plc                    | 557,690   | 17,293,646 | Daimler Truck Holding AG       | 40,773    | 1,554,557          |
| Smith & Nephew Plc           | 53,908    | 669,068    | Danone SA                      | 49,263    | 3,302,506          |
| Smiths Group Plc             | 17,876    | 383,953    | Dassault Aviation SA           | 1,881     | 384,101            |
| Smurfit Westrock Plc         | 26,153    | 1,413,663  | Dassault Systemes SE           | 37,924    | 1,313,199          |
| Spirax Group Plc             | 5,758     | 494,336    | Davide Campari-Milano NV       | 44,461    | 276,512            |
| Sse Plc                      | 89,942    | 1,806,800  | Delivery Hero SE               | 11,170    | 311,602            |
| Standard Chartered Plc       | 141,354   | 1,750,136  | Deutsche Bank AG               | 131,941   | 2,275,898          |
| Taylor Wimpey Plc            | 258,059   | 394,619    | Deutsche Boerse AG             | 14,626    | 3,372,841          |
| Tesco Plc                    | 598,860   | 2,762,295  | Deutsche Lufthansa AG          | 52,378    | 335,621            |
| Unilever Plc                 | 181,142   | 10,315,426 | Deutsche Post AG               | 62,080    | 2,181,794          |
| United Utilities Group Plc   | 34,496    | 454,277    | Deutsche Telekom AG            | 341,325   | 10,182,665         |
| Vodafone Group Plc           | 1,549,295 | 1,324,862  | DiaSorin SpA                   | 987       | 101,734            |
| Whitbread Plc                | 12,112    | 446,881    | D'ieteren Group                | 2,521     | 419,507            |
| Wise Plc                     | 44,207    | 588,528    | Dr Ing hc F Porsche AG         | 8,851     | 533,965            |
| Wpp Plc                      | 70,789    | 733,541    |                                |           |                    |

**Petroleum Fund of Timor-Leste**  
**Notes to the financial statements**  
**for the year ended 31 December 2024**

**24. Schedule of financial assets valued through profit or loss (continued)**

| <b>Security</b>                   | <b>Unit</b> | <b>Fair Value</b> | <b>Security</b>                  | <b>Unit</b> | <b>Fair Value</b> |
|-----------------------------------|-------------|-------------------|----------------------------------|-------------|-------------------|
| DSM-Firmenich AG                  | 11,734      | 1,182,006         | MTU Aero Engines AG              | 3,120       | 1,037,720         |
| E.ON SE                           | 170,237     | 1,986,680         | Muenchener R. Gesellschaft AG    | 13,217      | 6,662,444         |
| Edenred SE                        | 14,531      | 477,738           | Nemetschek SE                    | 5,298       | 512,948           |
| EDP Renovaveis SA                 | 18,020      | 182,865           | Neste OYJ                        | 24,920      | 311,333           |
| EDP SA                            | 272,170     | 871,143           | Nexans SA                        | 3,301       | 354,466           |
| Eiffage SA                        | 7,277       | 638,393           | Nexi SpA                         | 28,689      | 159,232           |
| Elia Group SA/NV                  | 3,178       | 244,837           | NN Group NV                      | 29,690      | 1,293,400         |
| Elisa OYJ                         | 8,188       | 353,730           | Nokia OYJ                        | 329,789     | 1,455,970         |
| Endesa SA                         | 24,270      | 520,978           | Nordea Bank Abp                  | 74,360      | 807,343           |
| Enel SpA                          | 558,589     | 3,982,993         | OMV AG                           | 17,095      | 659,218           |
| Engie SA                          | 135,258     | 2,142,913         | Orange SA                        | 117,537     | 1,170,116         |
| Eni SpA                           | 243,565     | 3,297,414         | Orion OYJ                        | 9,432       | 417,630           |
| Erste Group Bank AG               | 22,592      | 1,388,201         | Pernod Ricard SA                 | 13,994      | 1,577,322         |
| EssilorLuxottica SA               | 21,217      | 4,561,309         | Porsche Automobil Holding SE     | 11,508      | 434,358           |
| Eurazeo SE                        | 2,870       | 213,233           | Poste Italiane SpA               | 30,687      | 432,794           |
| Eurofins Scientific SE            | 9,870       | 503,967           | Prosus NV                        | 100,944     | 4,005,494         |
| Euronext NV                       | 3,598       | 400,888           | Prysmian SpA                     | 26,641      | 1,699,896         |
| Evonik Industries AG              | 13,503      | 233,995           | Publicis Groupe SA               | 18,137      | 1,923,160         |
| EXOR NV                           | 6,583       | 603,618           | Puma SE                          | 7,031       | 322,312           |
| Ferrari NV                        | 12,743      | 5,439,134         | QIAGEN NV                        | 11,001      | 488,526           |
| Ferrovial SE                      | 29,395      | 1,219,976         | Randstad NV                      | 7,700       | 324,595           |
| FinecoBank Banca Fineco SpA       | 31,647      | 550,216           | Rational AG                      | 399         | 340,034           |
| Flutter Entertainment plc         | 3,037       | 572,199           | Recordati Ind. Chimica e Farma   | 23,510      | 1,231,837         |
| Fortum OYJ                        | 31,917      | 447,663           | Redeia SA                        | 63,345      | 1,082,297         |
| Fresenius Medical Care AG         | 15,022      | 685,210           | Renault SA                       | 17,088      | 832,532           |
| Fresenius SE & Co. KGaA           | 28,168      | 976,543           | Repsol SA                        | 138,123     | 1,669,118         |
| Galp Energia SGPS SA              | 64,921      | 1,070,905         | Rexel SA                         | 42,505      | 1,082,743         |
| Gaztransport Et Technigaz SA      | 7,926       | 1,055,468         | Rheinmetall AG                   | 2,763       | 1,762,429         |
| GEA Group AG                      | 9,430       | 467,732           | RWE AG                           | 45,632      | 1,350,933         |
| Gecina SA                         | 2,339       | 219,073           | Safran SA                        | 21,232      | 4,645,586         |
| Generali                          | 92,747      | 2,618,037         | Saipem SpA                       | 131,981     | 342,759           |
| Getlink SE                        | 19,738      | 314,858           | Sampo OYJ                        | 25,472      | 1,036,059         |
| Grifols SA                        | 27,417      | 259,715           | Sanofi SA                        | 93,095      | 8,999,892         |
| Groupe Bruxelles Lambert NV       | 6,552       | 446,087           | SAP SE                           | 85,302      | 20,859,182        |
| Hannover Rueck SE                 | 4,612       | 1,152,383         | Sartorius AG                     | 1,594       | 352,400           |
| Heidelberg Materials AG           | 11,989      | 1,479,201         | Sartorius Stedim Biotech         | 1,870       | 362,394           |
| Heineken Holding NV               | 6,394       | 382,031           | Schneider Electric SE            | 52,433      | 13,079,514        |
| Heineken NV                       | 17,248      | 1,223,074         | Scout24 SE                       | 5,415       | 476,615           |
| Henkel AG & Co. KGaA              | 37,917      | 3,234,472         | SEB SA                           | 2,118       | 191,904           |
| Hermes Inter. SCA                 | 2,680       | 6,441,100         | Shell plc                        | 44,142      | 1,376,528         |
| HOCHTIEF AG                       | 6,888       | 920,809           | Siemens AG (Registered)          | 65,820      | 12,866,605        |
| Iberdrola SA                      | 633,168     | 8,720,085         | Siemens Energy AG                | 47,623      | 2,473,571         |
| IMCD NV                           | 5,406       | 795,184           | Siemens Healthineers AG          | 20,272      | 1,075,193         |
| Industria de Diseno Textil SA     | 112,249     | 5,769,848         | Snam SpA                         | 178,596     | 790,972           |
| Infineon Technologies AG          | 108,310     | 3,546,341         | Societe Generale SA              | 60,287      | 1,690,216         |
| Infrastrut. Wireless Italiane SpA | 26,813      | 271,540           | Sodexo SA                        | 5,383       | 443,419           |
| ING Groep NV                      | 252,668     | 3,958,579         | Sofina SA                        | 1,293       | 291,613           |
| InPost SA                         | 27,899      | 470,320           | Stellantis NV                    | 161,589     | 2,111,610         |
| Intesa Sanpaolo SpA               | 1,090,400   | 4,361,184         | STMicroelectronics NV            | 58,942      | 1,481,611         |
| Ipsen SA                          | 3,319       | 380,456           | Stora Enso OYJ                   | 40,737      | 410,442           |
| JDE Peet's NV                     | 3,695       | 63,247            | Syensqo SA                       | 4,553       | 329,553           |
| Jeronimo Martins SGPS SA          | 37,542      | 713,740           | Symrise AG                       | 10,714      | 1,133,842         |
| KBC Group NV                      | 23,091      | 1,781,828         | Talanx AG                        | 8,782       | 743,415           |
| Kering SA                         | 4,868       | 1,199,714         | Telecom Italia SpA               | 879,829     | 224,304           |
| Kerry Group plc                   | 17,681      | 1,699,045         | Telefonica SA                    | 311,843     | 1,271,310         |
| Kesko OYJ                         | 19,677      | 371,752           | Teleperformance SE               | 3,959       | 340,262           |
| Kingspan Group plc                | 12,890      | 939,671           | Tenaris SA                       | 67,658      | 1,265,982         |
| Klepierre SA                      | 21,730      | 625,539           | Terna - Rete Elettrica Nazionale | 313,247     | 2,471,030         |
| Knorr-Bremse AG                   | 6,845       | 496,514           | Thales SA                        | 7,430       | 1,066,741         |
| Kone OYJ                          | 20,786      | 1,010,978         | TotalEnergies SE                 | 177,898     | 9,827,784         |
| Koninklijke Ahold Delhaize NV     | 66,546      | 2,169,925         | UCB SA                           | 10,414      | 2,072,627         |
| Koninklijke KPN NV                | 682,245     | 2,476,159         | Unibail-Rodamco-Westfield        | 11,917      | 897,369           |
| Koninklijke Philips NV            | 53,564      | 1,353,359         | UniCredit SpA                    | 139,918     | 5,580,974         |
| La Francaise des Jeux SACA        | 3,742       | 144,144           | Unilever plc                     | 34,906      | 1,979,309         |
| LEG Immobilien SE                 | 5,270       | 445,735           | Universal Music Group NV         | 58,526      | 1,488,426         |
| Legrand SA                        | 30,383      | 2,948,581         | UPM-Kymmene OYJ                  | 29,762      | 818,849           |
| Leonardo SpA                      | 42,955      | 1,150,250         | Veolia Environnement SA          | 62,263      | 1,747,872         |
| L'Oreal SA                        | 21,125      | 7,464,822         | Verbund AG                       | 7,144       | 523,011           |
| Lotus Bakeries NV                 | 57          | 633,912           | Vinci SA                         | 39,107      | 4,035,761         |
| LVMH SE                           | 21,861      | 14,385,855        | Volkswagen AG                    | 14,169      | 1,307,569         |
| Mediobanca B. di Credito Fin. SpA | 58,723      | 855,868           | Vonovia SE                       | 51,303      | 1,562,384         |
| Mercedes-Benz Group AG            | 55,914      | 3,102,805         | Warehouses De Pauw CVA           | 11,252      | 221,261           |
| Merck KGaA                        | 10,347      | 1,490,362         | Wartsila OYJ Abp                 | 49,921      | 885,504           |
| Metso OYJ                         | 30,262      | 281,964           | Wolters Kluwer NV                | 19,361      | 3,208,733         |
| Moncler SpA                       | 15,454      | 815,493           | Zalando SE                       | 16,776      | 565,966           |

**Petroleum Fund of Timor-Leste**  
**Notes to the financial statements**  
**for the year ended 31 December 2024**

**24. Schedule of financial assets valued through profit or loss (continued)**

| Security                          | Unit    | Fair Value         | Security                        | Unit      | Fair Value         |
|-----------------------------------|---------|--------------------|---------------------------------|-----------|--------------------|
|                                   |         | <b>436,931,309</b> |                                 |           |                    |
| <b>Canada</b>                     |         |                    |                                 |           |                    |
| Agnico Eagle Mines Ltd.           | 33,974  | 2,654,470          | TC Energy                       | 64,514    | 2,998,721          |
| Air Canada                        | 18,010  | 278,503            | Teck Resources Ltd.             | 33,081    | 1,338,697          |
| Alimentation Couche-Tard,         | 68,551  | 3,795,519          | TELUS                           | 41,467    | 563,388            |
| AltaGas Ltd.                      | 51,678  | 1,200,502          | TFI International,              | 5,945     | 799,032            |
| ARC Resources Ltd.                | 53,240  | 962,851            | Thomson Reuters                 | 9,839     | 1,560,476          |
| Bank of Montreal                  | 52,101  | 5,045,632          | TMX Group Ltd.                  | 21,135    | 649,392            |
| Bank of Nova Scotia               | 87,011  | 4,667,570          | Toromont Industries Ltd.        | 8,912     | 701,397            |
| Barrick Gold                      | 123,813 | 1,912,034          | Toronto-Dominion Bank           | 141,119   | 7,509,273          |
| BCE,                              | 11,766  | 272,429            | Tourmaline Oil                  | 24,122    | 1,112,175          |
| Brookfield Asset Mgmt Ltd.        | 36,114  | 1,952,346          | Waste Connections,              | 4,656     | 793,093            |
| Brookfield                        | 105,772 | 6,051,994          | West Fraser Timber Co. Ltd.     | 4,465     | 375,095            |
| Brookfield Renewable              | 13,061  | 360,535            | Wheaton Precious Metals         | 32,091    | 1,800,683          |
| CAE,                              | 15,289  | 383,979            | WSP Global,                     | 7,937     | 1,393,583          |
| Cameco                            | 27,328  | 1,400,793          |                                 |           | <b>170,556,527</b> |
| Canadian Apartment Properties     | 6,140   | 181,826            | <b>Denmark</b>                  |           |                    |
| Canadian Imp. Bank of Commerce    | 72,476  | 4,571,199          | Ap Moller - Maersk A/S          | 516       | 838,726            |
| Canadian National Railway Co.     | 45,718  | 4,622,026          | Carlsberg As                    | 8,511     | 814,747            |
| Canadian Natural Resources Ltd.   | 155,450 | 4,788,232          | Coloplast A/S                   | 10,565    | 1,152,209          |
| Canadian Pacific Kansas City Ltd. | 48,491  | 3,506,511          | Danske Bank A/S                 | 64,767    | 1,824,765          |
| Canadian Tire Ltd.                | 4,132   | 433,397            | Demant A/S                      | 11,635    | 425,876            |
| Canadian Utilities Ltd.           | 5,438   | 131,356            | Dsv A/S                         | 11,439    | 2,421,511          |
| CCL Industries,                   | 10,116  | 518,602            | Genmab A/S                      | 4,880     | 1,010,342          |
| Celestica,                        | 13,615  | 1,249,604          | Novo Nordisk A/S                | 279,512   | 24,075,385         |
| Cenovus Energy,                   | 101,730 | 1,541,299          | Novonesis (Novozymes) B         | 27,485    | 1,551,031          |
| CGI,                              | 13,046  | 1,424,157          | Orsted As                       | 14,946    | 671,798            |
| Constellation Software,           | 1,784   | 5,500,158          | Pandora A/S                     | 7,966     | 1,459,003          |
| Descartes Systems Group,          | 4,592   | 515,395            | Rockwool A/S                    | 638       | 225,731            |
| Dollarama,                        | 39,872  | 3,881,296          | Tryg A/S                        | 27,161    | 571,763            |
| Element Fleet Mgmt.               | 27,026  | 544,955            | Vestas Wind Systems A/S         | 57,033    | 781,495            |
| Emera,                            | 16,351  | 609,951            | Zealand Pharma A/S              | 4,047     | 402,081            |
| Empire Co. Ltd.                   | 9,522   | 289,659            |                                 |           | <b>38,226,463</b>  |
| Enbridge,                         | 186,853 | 7,918,711          | <b>Hong Kong</b>                |           |                    |
| Fairfax Financial Hold. Ltd.      | 2,130   | 2,957,593          | AIA Group Ltd.                  | 905,000   | 6,559,195          |
| First Quantum Minerals Ltd.       | 38,625  | 496,845            | BOC Hong Kong Hold. Ltd.        | 238,000   | 762,904            |
| FirstService                      | 2,421   | 420,839            | CK Asset Hold. Ltd.             | 96,556    | 395,897            |
| Fortis,                           | 30,908  | 1,282,138          | CK Hutchison Hold. Ltd.         | 150,240   | 802,652            |
| Franco-Nevada                     | 12,849  | 1,491,992          | CK Infrastructure Hold. Ltd.    | 78,000    | 579,381            |
| George Weston Ltd.                | 8,397   | 1,301,004          | CLP Holdings Ltd.               | 125,000   | 1,049,987          |
| GFL Environmental,                | 12,470  | 546,245            | Galaxy Entertainment Group Ltd. | 142,000   | 602,334            |
| Gildan Activewear,                | 12,138  | 565,461            | Hang Seng Bank Ltd.             | 50,600    | 622,407            |
| Great-West Lifeco,                | 35,810  | 1,182,960          | Henderson Land Development      | 83,953    | 255,060            |
| Hydro One Ltd.                    | 68,767  | 2,111,494          | Hong Kong & China Gas Co. Ltd.  | 1,245,119 | 995,396            |
| iA Financial ,                    | 7,162   | 661,920            | HK Exchanges & Clearing Ltd.    | 99,475    | 3,775,157          |
| IGM Financial,                    | 7,580   | 241,282            | HSBC Holdings plc               | 38,000    | 370,806            |
| Imperial Oil Ltd.                 | 13,095  | 806,259            | HKT Trust & HKT Ltd.            | 259,040   | 320,134            |
| Intact Financial                  | 11,971  | 2,173,958          | Link REIT                       | 190,888   | 807,249            |
| Ivanhoe Mines Ltd.                | 34,111  | 402,729            | MTR Ltd.                        | 101,866   | 354,068            |
| Keyera                            | 18,987  | 578,112            | Power Assets Holdings Ltd.      | 128,000   | 893,106            |
| Kinross Gold                      | 83,344  | 771,317            | Sands China Ltd.                | 139,600   | 374,701            |
| Loblaw Cos. Ltd.                  | 32,820  | 4,309,137          | Sino Land Co. Ltd.              | 260,806   | 263,561            |
| Lundin Mining                     | 57,323  | 491,841            | SITC Int. Holdings Co. Ltd.     | 93,000    | 247,826            |
| Magna Inter.,                     | 23,189  | 966,128            | Sun Hung Kai Properties Ltd.    | 83,500    | 801,898            |
| Manulife Financial                | 171,520 | 5,261,759          | Swire Pacific Ltd.              | 41,000    | 371,842            |
| MEG Energy                        | 36,590  | 599,657            | Techtronic Industries Co. Ltd.  | 114,000   | 1,502,790          |
| Metro,                            | 23,492  | 1,469,924          | WH Group Ltd.                   | 1,089,087 | 842,618            |
| National Bank of Canada           | 34,672  | 3,153,074          | Wharf Holdings Ltd.             | 43,000    | 119,568            |
| Nutrien Ltd.                      | 29,607  | 1,321,631          | Wharf Real Estate               | 138,000   | 352,818            |
| Onex                              | 7,137   | 555,844            |                                 |           | <b>24,023,355</b>  |
| Open Text                         | 14,216  | 401,314            | <b>Israel</b>                   |           |                    |
| Pan American Silver               | 20,996  | 424,387            | Azrieli Group Ltd.              | 2,335     | 192,765            |
| Parkland                          | 13,890  | 313,592            | Bank Hapoalim BM                | 94,528    | 1,142,020          |
| Pembina Pipeline                  | 35,666  | 1,317,078          | Bank Leumi Le-Israel BM         | 126,611   | 1,505,996          |
| Power of Canada                   | 48,507  | 1,509,309          | Elbit Systems Ltd.              | 2,462     | 640,763            |
| Quebecor,                         | 16,622  | 362,906            | ICL Group Ltd.                  | 52,468    | 258,045            |
| RB Global,                        | 11,908  | 1,056,502          | Israel Discount Bank Ltd.       | 63,935    | 434,814            |
| Restaurant Brands Int.            | 21,800  | 1,417,258          | Mizrahi Tefahot Bank Ltd.       | 12,952    | 560,217            |
| Rogers Communications,            | 38,839  | 1,188,773          | Nice Ltd.                       | 4,463     | 760,767            |
| Royal Bank of Canada              | 125,185 | 15,081,911         | Teva Pharma. Industries Ltd.    | 20,189    | 448,866            |
| Saputo,                           | 18,479  | 319,676            |                                 |           | <b>5,944,253</b>   |
| Shopify,                          | 88,266  | 9,359,314          | <b>New Zealand</b>              |           |                    |
| Stantec,                          | 9,554   | 744,019            | Auckland Inter.                 | 107,966   | 519,591            |
| Sun Life Financial,               | 48,687  | 2,884,591          | Fisher & Paykel                 | 51,318    | 1,096,847          |
| Suncor Energy,                    | 92,479  | 3,292,258          | Infratil Ltd                    | 32,374    | 228,533            |

**Petroleum Fund of Timor-Leste**  
**Notes to the financial statements**  
**for the year ended 31 December 2024**

**24. Schedule of financial assets valued through profit or loss (continued)**

| <b>Security</b>            | <b>Unit</b> | <b>Fair Value</b> | <b>Security</b>                  | <b>Unit</b> | <b>Fair Value</b>    |
|----------------------------|-------------|-------------------|----------------------------------|-------------|----------------------|
| Mercury Nz Ltd             | 142,191     | 466,026           | Skandinaviska Enskilda Banken AB | 150,209     | 2,057,527            |
| Meridian Energy Ltd        | 246,553     | 816,356           | Skanska AB                       | 24,507      | 514,349              |
|                            |             | <b>3,127,353</b>  | SKF AB                           | 19,116      | 357,952              |
| <b>Norway</b>              |             |                   | Svenska Cellulosa AB SCA         | 34,044      | 431,664              |
| Aker Bp Asa                | 22,766      | 444,200           | Svenska Handelsbanken AB         | 91,649      | 945,583              |
| Dnb Bank Asa               | 56,587      | 1,130,509         | Swedbank AB                      | 61,253      | 1,207,404            |
| Equinor Asa                | 53,185      | 1,241,663         | Swedish Orphan Biovitrum         | 15,161      | 434,965              |
| Gjensidige Forsikring Asa  | 13,034      | 230,673           | Tele2 AB                         | 43,173      | 425,508              |
| Kongsberg Gruppen Asa      | 10,278      | 1,158,355         | Tel. LM Ericsson                 | 208,669     | 1,692,505            |
| Mowi Asa                   | 47,319      | 811,402           | Telia Co. AB                     | 213,755     | 591,397              |
| Norsk Hydro Asa            | 96,981      | 534,032           | Trelleborg AB                    | 13,943      | 476,239              |
| Orkla Asa                  | 62,559      | 541,460           | Volvo AB                         | 129,843     | 3,146,599            |
| Salmar Asa                 | 10,591      | 504,029           | Zalando SE                       | 2,614       | 88,323               |
| Telenor Asa                | 36,217      | 404,666           |                                  |             | <b>39,748,017</b>    |
| Yara Inter. Asa            | 10,739      | 284,234           | <b>Swiss</b>                     |             |                      |
|                            |             | <b>7,285,223</b>  | ABB Ltd.                         | 167,539     | 9,069,753            |
| <b>Singapore</b>           |             |                   | Adecco Group AG                  | 11,700      | 288,417              |
| CapitaLand Investment Ltd. | 108,900     | 209,147           | Alcon AG                         | 35,928      | 3,047,884            |
| CapitaLand Integrated Com  | 437,627     | 619,132           | Avolta AG                        | 6,591       | 264,149              |
| CapitaLand Ascendas REIT   | 339,695     | 637,457           | Bachem Holding AG                | 2,968       | 189,624              |
| DBS Group Holdings Ltd.    | 174,123     | 5,580,309         | Baloise Holding AG               | 2,735       | 495,242              |
| Genting Singapore Ltd.     | 372,900     | 209,110           | Banque Cantonale Vaudoise        | 1,204       | 110,868              |
| Keppel Ltd.                | 128,200     | 640,906           | Barry Callebaut AG               | 287         | 380,978              |
| OC Banking                 | 281,867     | 3,446,373         | BKW AG                           | 1,426       | 236,342              |
| Sembcorp Industries Ltd.   | 135,100     | 545,669           | Chocoladefabriken Lindt & Spg    | 121         | 1,339,178            |
| Singapore Airlines Ltd.    | 97,750      | 461,450           | Chocoladefabriken Lindt & Spg    | 7           | 764,690              |
| Singapore Exchange Ltd.    | 75,100      | 699,693           | Cie Financiere Richemont SA      | 37,158      | 5,654,166            |
| Singapore Tech. Eng. Ltd.  | 235,000     | 801,019           | Clariant AG                      | 14,841      | 165,073              |
| Singapore Tel Ltd.         | 534,000     | 1,205,630         | EMS-Chemie Holding AG            | 417         | 281,144              |
| United Overseas Bank Ltd.  | 99,063      | 2,637,420         | Galderma Group AG                | 1,689       | 187,565              |
| Wilmar Inter. Ltd.         | 214,800     | 486,536           | Geberit AG                       | 2,338       | 1,327,081            |
| Yangzijiang S Holdings     | 488,100     | 1,066,221         | Givaudan SA                      | 690         | 3,018,869            |
|                            |             | <b>19,246,072</b> | Helvetia Holding AG              | 1,089       | 179,407              |
| <b>Sweden</b>              |             |                   | Holcim AG                        | 45,456      | 4,381,833            |
| AddTech AB                 | 20,358      | 553,849           | Julius Baer Group Ltd.           | 14,714      | 952,087              |
| Alfa Laval AB              | 19,162      | 799,309           | Kuehne + Nagel Inter. AG         | 3,394       | 778,233              |
| Assa Abloy AB              | 89,339      | 2,630,222         | Logitech Inter. SA               | 14,524      | 1,202,627            |
| Atlas Copco AB             | 357,861     | 5,199,781         | Lonza Group AG                   | 5,059       | 2,989,904            |
| Beijer Ref AB              | 26,080      | 382,493           | Nestle SA                        | 219,874     | 18,157,650           |
| Boliden AB                 | 22,725      | 638,194           | Novartis AG                      | 166,026     | 16,246,274           |
| Epiroc AB                  | 79,965      | 1,325,021         | Partners Group Holding AG        | 1,962       | 2,661,825            |
| EQT AB                     | 19,620      | 542,650           | Roche Holding AG                 | 65,049      | 18,360,649           |
| Essity AB                  | 44,190      | 1,180,613         | Sandoz Group AG                  | 33,867      | 1,388,313            |
| Evolution AB               | 13,201      | 1,018,637         | Schindler Holding AG             | 3,724       | 1,028,132            |
| Fastighets AB Balder       | 57,683      | 399,684           | Schindler Holding AG             | 1,229       | 334,966              |
| Getinge AB                 | 17,722      | 291,350           | SGS SA                           | 10,089      | 1,011,294            |
| H & M Hennes & Mauritz AB  | 50,618      | 679,839           | SIG Group AG                     | 22,096      | 435,459              |
| Hexagon AB                 | 152,178     | 1,450,954         | Sika AG                          | 10,725      | 2,552,698            |
| Holmen AB                  | 3,681       | 134,857           | Sonova Holding AG                | 4,277       | 1,396,957            |
| Industrivarden AB          | 23,992      | 756,791           | Straumann Holding AG             | 8,653       | 1,090,397            |
| Indutrade AB               | 26,041      | 648,595           | Swatch Group AG                  | 2,205       | 401,462              |
| Investment AB Latour       | 10,696      | 266,595           | Swiss Life Holding AG            | 2,251       | 1,737,710            |
| Investor AB                | 125,436     | 3,314,914         | Swiss Prime Site AG              | 4,525       | 493,069              |
| L E Lundbergforetagen AB   | 6,467       | 292,644           | Swiss Re AG                      | 19,720      | 2,853,824            |
| Lifco AB                   | 22,253      | 643,669           | Swisscom AG                      | 1,448       | 805,288              |
| Nibe Industrier AB         | 87,595      | 344,854           | Swissquote Group Holding         | 845         | 324,294              |
| Nordea Bank Abp            | 127,674     | 1,390,066         | Temenos AG                       | 4,427       | 312,882              |
| Saab AB                    | 22,888      | 481,716           | UBS Group AG                     | 276,676     | 8,462,851            |
| Sagax AB                   | 11,987      | 244,747           | VAT Group AG                     | 2,523       | 953,798              |
| Sandvik AB                 | 74,126      | 1,324,966         | Zurich Insurance Group Ag        | 13,978      | 8,307,366            |
| Securitas AB               | 35,710      | 440,992           |                                  |             | <b>126,622,272</b>   |
|                            |             |                   | <b>Total equity securities</b>   |             | <b>5,674,825,801</b> |

**Petroleum Fund of Timor-Leste**  
**Notes to the financial statements**  
**for the year ended 31 December 2024**

**24. Schedule of financial assets valued through profit or loss (continued)**

**(c) Money market securities**

| Security                            | Unit holding | Fair Value        | Security                   | Unit holding | Fair Value |
|-------------------------------------|--------------|-------------------|----------------------------|--------------|------------|
| <b>Money market securities</b>      |              |                   | Buy_SGD;Sell_USD 3/01/2025 | 139,700,000  | (82,639)   |
| Australian treasury bills           | 15,300,000   | 9,437,756         | Buy_NOK;Sell_USD 3/01/2025 | 386,000,000  | (65,001)   |
| European treasury bills             | 76,800,000   | 6,787,052         | Buy_GBP;Sell_USD 3/01/2025 | 95,100,000   | (63,717)   |
| United Kingdom treasury bills       | 3,200,000    | 3,994,687         | Buy_USD;Sell_CAD 4/02/2025 | 123,177,598  | (43,742)   |
| Treasury bills from other countries | 45,300,000   | 31,948,744        | Buy_CHF;Sell_USD 3/01/2025 | 70,800,000   | (20,108)   |
|                                     |              | <b>52,168,239</b> | Buy_USD;Sell_HKD 3/01/2025 | 7,582,420    | (12,892)   |
|                                     |              |                   | Buy_HKD;Sell_USD 3/01/2025 | 59,000,000   | (1,985)    |

**(d) Derivatives**

| Security                    | Unit holding   | Fair Value        |                          |                   |
|-----------------------------|----------------|-------------------|--------------------------|-------------------|
| Sell_HKD;Buy_USD 04/02/2025 | 7,599,367      | 1,712             | <b>Total derivatives</b> | <b>37,178,324</b> |
| Sell_CHF;Buy_USD 04/02/2025 | 78,537,096     | 12,053            |                          |                   |
| Sell_USD;Buy_CAD 03/01/2025 | 176,800,000    | 34,557            |                          |                   |
| Sell_GBP;Buy_USD 04/02/2025 | 115,877,127    | 62,108            |                          |                   |
| Buy_NOK;Buy_USD 04/02/2025  | 33,608,204     | 64,032            |                          |                   |
| Sell_SGD;Buy_USD 04/02/2025 | 102,473,934    | 75,097            |                          |                   |
| Sell_AUD;Buy_USD 04/02/2025 | 122,626,914    | 91,575            |                          |                   |
| Sell_SEK;Buy_USD 04/02/2025 | 41,304,548     | 98,647            |                          |                   |
| Sell_NZD;Buy_USD 04/02/2025 | 61,446,337     | 141,998           |                          |                   |
| Buy_JPY;Buy_USD 04/02/2025  | 134,613,662    | 151,082           |                          |                   |
| Sell_DKK;Buy_USD 04/02/2025 | 73,388,568     | 240,470           |                          |                   |
| Sell_SEK;Buy_USD 03/01/2025 | 42,624,901     | 585,848           |                          |                   |
| Sell_NOK;Buy_USD 03/01/2025 | 34,869,510     | 882,708           |                          |                   |
| Sell_EUR;Buy_USD 04/02/2025 | 388,898,866    | 1,320,273         |                          |                   |
| Buy_GBP;Buy_USD 03/01/2025  | 120,710,906    | 1,607,665         |                          |                   |
| Sell_DKK;Buy_USD 03/01/2025 | 75,359,550     | 1,625,935         |                          |                   |
| Sell_SGD;Buy_USD 03/01/2025 | 104,362,611    | 1,958,272         |                          |                   |
| Sell_CHF;Buy_USD 03/01/2025 | 80,628,263     | 2,504,125         |                          |                   |
| Sell_NZD;Buy_USD 03/01/2025 | 64,524,402     | 3,345,102         |                          |                   |
| Sell_CAD;Buy_USD 3/01/2025  | 126,338,054    | 3,406,612         |                          |                   |
| Sell_AUD;Buy_USD 3/01/2025  | 128,350,309    | 6,130,099         |                          |                   |
| Sell_JPY;Buy_USD 07/01/2025 | 140,541,318    | 6,855,864         |                          |                   |
| Sell_EUR;Buy_USD 03/01/2025 | 398,238,432    | 8,372,682         |                          |                   |
|                             |                | <b>39,568,516</b> |                          |                   |
| Buy_EUR;Sell_USD 3/01/2025  | 376,500,000    | (1,347,870)       |                          |                   |
| Buy_DKK;Sell_USD 3/01/2025  | 531,000,000    | (246,958)         |                          |                   |
| Buy_JPY;Sell_USD 07/01/2025 | 21,000,000,000 | (163,730)         |                          |                   |
| Buy_NZD;Sell_USD 3/01/2025  | 109,200,000    | (145,564)         |                          |                   |
| Buy_SEK;Sell_USD 03/01/2025 | 464,500,000    | (103,208)         |                          |                   |
| Buy_AUD;Sell_USD 3/01/2025  | 197,400,000    | (92,778)          |                          |                   |

## **Annex III: Statements on accounting policies of the Petroleum Fund for the fiscal year 2024**



REF NO: 471 /IX/DGT-MF/6/2025

5/June/2025

**Treasury Statement on Accounting Policies of the Petroleum Fund for the Fiscal Year 2024**

This statement on the Accounting Policies of the Petroleum Fund Law No.9/2005 as of 3 August, which was amended by the Law No. 12/2011 as of 28 September and Law No 2/2022 of 10 February 2022. It may be retained for Petroleum Fund records.

In accordance with Article 21 of the Petroleum Fund Law, the Financial Statements of the Petroleum Fund for the Fiscal Year ended 31st December 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) that remained in effect during the Fiscal Year ended 31 December 2024.

During the 2024 Fiscal Year, the Petroleum Fund has adopted all new and revised IFRS that were relevant. Adoption of these new and revised IFRS did not have a material impact.

Previously adopted accounting standards have continued to be applied.



**Regina de Jesus de Sousa**  
Director General of Treasury

## Annex IV: Comparison of income derived from the investment of the Petroleum Fund assets with the previous three fiscal years

*(As per Article 24.1 (e) of the Petroleum Fund Law No. 9/2005 of 3<sup>rd</sup> of August as amended by the Law No. 12/2011 of 28<sup>th</sup> of September, and Law No.2/2022 of 10<sup>th</sup> of February).*

Please refer to the Audited Financial Statements for details.

**Table 20 – Petroleum Fund Annual Income by Financial Year**

| <b>2024</b>        | <b>2023</b>        | <b>2022</b>          | <b>2021</b>        |
|--------------------|--------------------|----------------------|--------------------|
| US\$ 1,200,298,012 | US\$ 1,678,704,161 | US\$ (2,050,438,544) | US\$ 1,144,334,490 |

## Annex V: Comparison of nominal income on the investment of the Petroleum Fund assets with the real returns after adjusting for inflation

(As per Article 24.1 (f) of the Petroleum Fund Law No. 9/2005 of 3<sup>rd</sup> of August as amended by the Law No. 12/2011 of 28<sup>th</sup> of September, and Law No.2/2022 of 10<sup>th</sup> of February)

**Table 21 – Petroleum Fund’s nominal and real returns**

| <b>Return</b>           | <b>2024</b>  | <b>2023</b>  | <b>2022</b>    | <b>2021</b>   |
|-------------------------|--------------|--------------|----------------|---------------|
| Nominal return          | 6.80%        | 9.99%        | -10.36%        | 6.25%         |
| Inflation <sup>15</sup> | 2.89%        | 3.35%        | 6.45%          | 7.04%         |
| Real return             | <b>3.80%</b> | <b>6.43%</b> | <b>-15.79%</b> | <b>-0.74%</b> |

The Petroleum Fund’s nominal return for 2024 was 6.80%. The real return of the Fund for the year was 3.80%, after adjusting for the US inflation of 2.89% based on the CPI.

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15 US Consumer Price Index for All Items, CPI, was used in portfolio real return calculation. Source: US Department of Labor – Bureau of Labor Statistics ([www.bls.gov](http://www.bls.gov)).

## Annex VI: Comparison of nominal income on the investment of the Petroleum Fund assets with the benchmark index performance

(As per Article 24.1 (g) of the Petroleum Fund Law No. 9/2005 of 3<sup>rd</sup> of August as amended by the Law No. 12/2011 of 28<sup>th</sup> of September, and Law No.2/2022 of 10<sup>th</sup> of February).

Figure 24 – Petroleum Fund Monthly Returns (Jan - Dec 2024)

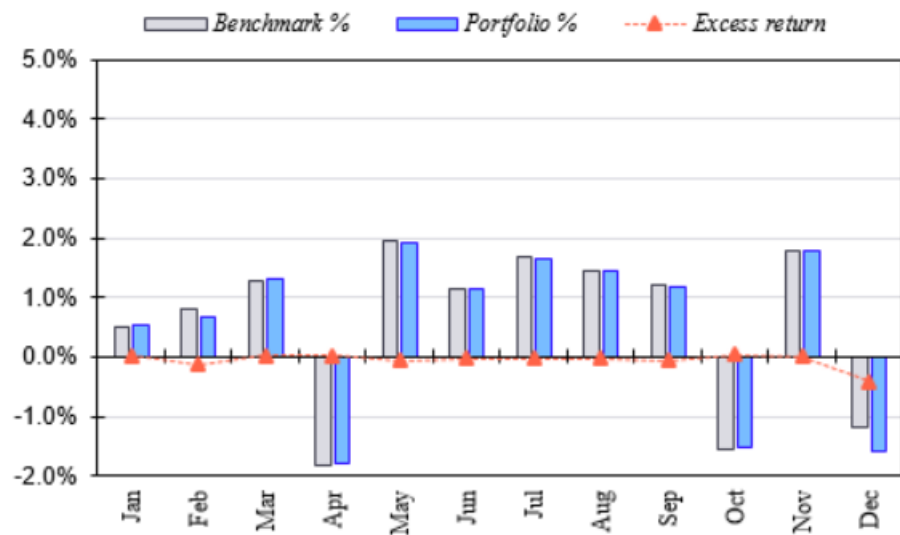


Table 22 – Petroleum Fund Monthly Returns (Jan – Dec 2024)

| Period                  | Portfolio    | Benchmark    | Excess return |
|-------------------------|--------------|--------------|---------------|
| January                 | 0.55%        | 0.52%        | 0.03%         |
| February                | 0.66%        | 0.79%        | -0.13%        |
| March                   | 1.30%        | 1.29%        | 0.02%         |
| April                   | -1.79%       | -1.82%       | 0.03%         |
| May                     | 1.91%        | 1.97%        | -0.06%        |
| June                    | 1.13%        | 1.16%        | -0.03%        |
| July                    | 1.65%        | 1.68%        | -0.04%        |
| August                  | 1.43%        | 1.46%        | -0.02%        |
| September               | 1.16%        | 1.22%        | -0.05%        |
| October                 | -1.51%       | -1.54%       | 0.04%         |
| November                | 1.79%        | 1.78%        | 0.01%         |
| December                | -1.58%       | -1.17%       | -0.41%        |
| <b>Fiscal Year 2024</b> | <b>6.80%</b> | <b>7.47%</b> | <b>-0.67%</b> |

## **Annex VII: Comparison of the Estimated Sustainable Income for the fiscal year 2024 with the sum of transfers from the Petroleum Fund for the same year**

*(As per Article 24.1 (h) of the Petroleum Fund Law No. 9/2005 of 3<sup>rd</sup> of August as amended by the Law No. 12/2011 of 28<sup>th</sup> of September, and Law No.2/2022 of 10<sup>th</sup> of February).*

The total withdrawals from the Petroleum Fund for the Financial Year 2024 were US\$1,300.0 million which was US\$777.9 million higher than the Estimated Sustainable Income (ESI) amount of US\$522.1 million projected for the year.

Please refer to Statement of Changes in Capital and Notes to the Financial Statements in Annex II for further details.

## **Annex VIII: Treasury statement on borrowings**



República Democrática de Timor-Leste  
Ministério das Finanças

Direção Geral do Tesouro



REF NO: 470 /IX/DGT-MF/6/2025

5/June/2025

**Treasury Statement on Borrowings by Government of Timor-Leste for Fiscal Year 2024**

This statement is made in accordance with the requirement under the Article 24.1 (i) of the Petroleum Fund Law No.9/2005 as of 3 August, as amended by the Law No. 12/2011 as of 28 September 2011 and Law No 2/2022 of 10 February 2022, to declare if there have been any borrowings by the Government of Timor-Leste in which the Petroleum Fund's assets are being used as collateral as detailed in the Article 20.2.

The Government of Timor-Leste from time to time negotiates and enters into agreements with international financial institutions such as the World Bank, the Asian Development Bank, Japan International Co-operation Agency and the Australian Infrastructure Financing Facility for the Pacific. Timor-Leste's assets are used for payment of interest and repayment of principal on these loans. These loan agreements under their terms and conditions do not have any specific collateral requirements that encumber the Petroleum Fund's assets.

The Directorate General of Policy and External Resources Mobilization at the Ministry of Finance confirmed that no new loans were signed during the fiscal year ended 31<sup>st</sup> December 2024. The total value of all loans committed or signed up to 31<sup>st</sup> December 2024 amounts to approximately \$1,024.57 million USD. The loans were denominated in USD, Special Drawing Rights (SDRs) and the Yen and will vary according to ruling exchange rates.

  
**Regina de Jesus de Sousa**  
Director General of Treasury



## Annex IX: List of persons holding positions relevant for the operations and performance of the Petroleum Fund

(As per Article 24.1 (j) of the Petroleum Fund Law No. 9/2005 of 3<sup>rd</sup> of August as amended by the Law No. 12/2011 of 28<sup>th</sup> of September, and Law No.2/2022 of 10<sup>th</sup> of February).

The list of persons holding relevant positions for the operation and performance of the Petroleum Fund is given below:

### A. Minister of Finance

Mrs. Santana J.R.F. Viegas Cardoso

### Vice-Minister of Finance

Mrs. Felícia Claudinanda da Cruz Carvalho (from 15 September 2023)

### B. Director General of Treasury

Mrs. Regina de Jesus de Sousa

### C. Members of the Investment Advisory Board (IAB):

| Name                     | Position and tenure                |
|--------------------------|------------------------------------|
| Mr. Olgario de Castro    | Chairman. Voting member since 2008 |
| Dr. Torres Trovik        | Voting member since 2006           |
| Mr. Gualdino da Silva    | Voting member since 2012           |
| Professor Michael Drew   | Voting member since 2017           |
| Mr. Venancio Alves Maria | BCTL's representative since 2012   |
| Mr. Filipe Nery Bernardo | MoF's representative since 2022    |

### D. Operational Manager

- Banco Central de Timor-Leste (BCTL) – from 12 October 2005.

### E. External Investment Managers

- Bank for International Settlements (BIS) – from 3 June 2009.
- Barings LLC – from April 2023.
- Franklin Resources Inc (Franklin Templeton) – from April 2023.
- Schroders Investment Management Limited – from 8 October 2010.
- State Street Global Advisors (SSGA) – from 14 September 2011 (implementation commenced in January 2012).
- BlackRock Investment Management Australia Limited – from April 2012 (implementation commenced in February 2013).

### F. Custodian

- JP Morgan Chase Bank N.A.

### G. Independent Auditor

- Ernst & Young (EY)

### H. Governor of the Central Bank

Mr. Helder Lopes

I. **Petroleum Fund Consultative Council (PFCC)**

The PFCC was formally constituted on 6 November 2006. Members of the PFCC for financial year 2024 are as the following:

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**Mr. Juvinal Dias** is President of the PFCC. He joined PFCC in December 2017 representing civil society organizations. He is one of the Commissioners for Greater Sunrise Governance Board. He also heads Core Group Transparency Timor-Leste, Publish What You Pay Timor-Leste and was a former researcher at Lao Hamutuk.

**Mr. Nuno Eugénio Goulart** is Vice President of the PFCC. He joined PFCC in October 2019 representing the Parliament. He is Education Coordinator at PHD Australia.

**Mrs. Izilda Imanuela da Luz Pereira** is a former member of the Parliament. She joined PFCC in December 2017 representing the Parliament. She holds a senior position in Legal Counsel and Audit at AEMTL.

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**Pe. Mauzinho Pereira Lopes** joined PFCC in September 2022. He is a Catholic priest and lecturer at Universidade Católica Timorense (UCT) and Instituto Filosofia e Teologia (ISFIT).

**Mr. Hernani Agostinho Soares** is a member of PFCC representing the private sector since October 2019. He is Vice President of Timor-Leste Chamber of Commerce and adviser to Minister of Tourism, Industry and Commerce.

**Mrs. Martinha da Silva Jesus Pinto** joined PFCC in October 2019 representing civil society organizations. She is Director of NGO Feto Hadomi Família (FFHF).

## Members of the Investment Advisory Board



**Olgario de Castro** is Chairman of the Investment Advisory Board. He has been with the Petroleum Fund since 2008. He is a Timorese national and chartered accountant and partner in De Castro Sullivan Lai Practice in Darwin, Australia. His areas of expertise include tax, financial and management accounting and auditing.

**Dr. Torres Trovik** helped establish the Petroleum Fund in 2005 and has been an IAB member from the start. He is a non-executive director and chairs the risk management committee at Folketrygdfondet, a Norwegian sovereign wealth fund. He teaches as an adjunct associate professor at the Norwegian School of Economics and serves as an advisor at KLP, a Norwegian pension fund. Dr. Trovik also chairs the OECD's Committee for the Administration of Funds, coordinating pension management for multiple international organizations. His broad experience spans NBIM, Norges Bank, the IMF, and the World Bank, focusing on sovereign wealth fund governance, investment strategy and management.

**Gualdino da Silva** has been with the Petroleum Fund since 2012. He holds geological engineering qualification from RMIT and currently serves as the President of the National Authority for Petroleum from September 2023.

**Prof. Michael Drew** joined the Petroleum Fund in April 2017. He is Professor Emeritus of Finance at Griffith University and co-founder of Drew, Walk & Co., a firm of consulting financial economists specializing in the areas of investment governance and pension plan design. He also serves as Deputy Chair of CareSuper and is Chair of the Investment Committee.

**Venancio M. Alves** is a senior advisor at the Central Bank. He is formerly a Deputy Governor and Executive Director of the Petroleum Fund at the Central Bank. He is a Timorese national with many years of experience in managing the Petroleum Fund's investments. He is a non-voting member at the IAB representing the Operational Manager (BCTL), appointed by the Governor of the Central Bank.

**Filipe Nery Bernardo** joined the Petroleum Fund in September 2009 as an analyst and has been leading and coordinating the works at the PFPMO at the Ministry of Finance since 2012. He is also the representative of the Ministry of Finance on Timor-Leste's EITI Multi-stakeholders Working Group. He is a non-voting member of the IAB, as the appointed alternate to the Director General of Treasury from February 2022.

## **Annex X: Statement on total withdrawals versus the approved appropriation amount**

*(As per Article 7.2 of the Petroleum Fund Law No. 9/2005 of 3<sup>rd</sup> of August as amended by the Law No. 12/2011 of 28<sup>th</sup> of September, and Law No.2/2022 of 10<sup>th</sup> of February).*

In accordance with Article 7.2 of the Petroleum Fund Law No.9/2005 of 3<sup>rd</sup> August as amended by the Law No.12/2011 of the 28<sup>th</sup> September, and Law No.2/2022 of 10<sup>th</sup> February, the Framework for the General State Budget and Public Financial Management Law, the total amount transferred from the Petroleum Fund for a Fiscal year shall not exceed the appropriation amount approved by the Parliament for that Fiscal year.

In accordance with Article 4.1 of Law No.21/2023, of the 27<sup>th</sup> December, the General State Budget for 2024, the proposed transferred amount from the Petroleum Fund to the General State Budget for 2024 should not exceed US\$1,377.5 million.

The actual total amount transferred from the Petroleum Fund to the Consolidated Fund of Timor-Leste for 2024 was US\$1,300.0 million.

The actual total amount transferred from the Petroleum Fund for 2024 was in compliance with Article 7.2 of the Petroleum Fund Law.

## **Annex XI: Article 35 report on the Petroleum Fund receipts from Ernst & Young**

## **Compilation report to the Ministry of Finance, Democratic Republic of Timor-Leste in respect of the Statement of Petroleum Fund Receipts for the year ended 31 December 2024**

We have compiled the accompanying Statement of Petroleum Fund Receipts detailing the payments made to the Petroleum Fund of Timor-Leste ("the Petroleum Fund") for the year ended 31 December 2024 based on information provided to us by the Petroleum Fund's operational manager, Banco Central de Timor-Leste ("the operational manager").

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised) *Compilation Engagements*.

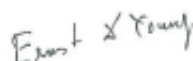
We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of the Statement of Petroleum Fund Receipts. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

The National Petroleum Authority and the National Directorate of Petroleum Tax Revenue are responsible for monitoring that all payments that should have been made under the Petroleum Fund Law No. 9/2005 dated 3 August 2005, as amended by Law No. 12/2011 dated 28 September 2011 and Law No. 2/2022, of 10 February 2022 (the "Petroleum Fund Law") have been made for the year ended 31 December 2024. This Statement of Petroleum Fund Receipts and the accuracy and completeness of the information used to compile it are the responsibility of the operational manager.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the Statement of Petroleum Fund Receipts. Accordingly, we do not express an audit opinion or a review conclusion on the Statement of Petroleum Fund Receipts.

As stated in Note 1, the Statement of Petroleum Fund Receipts is prepared and presented in accordance with the requirements under the Petroleum Fund Law. Accordingly, the Statement of Petroleum Fund Receipts is for use only in connection with that purpose and may not be suitable for any other purpose.

Our compilation report is intended solely for the use by the Ministry of Finance as required under the Petroleum Fund Law. We disclaim all responsibility to any other party for any loss or liability that the other party may suffer or incur arising from or relating to or in any way connected with the contents of our report, the provision of our report to the other party or the reliance upon our report by the other party.



Ernst & Young  
Perth  
5 June 2025

PETROLEUM FUND OF TIMOR-LESTE  
STATEMENT OF PETROLEUM FUND RECEIPTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

| Article 6.1(a) receipts                        | US\$      |
|------------------------------------------------|-----------|
| Baker Hughes Aust Pty Ltd                      | 354,548   |
| BGP Inc., China National Petroleum Corporation | 4,592     |
| BU12 Australia Pty Ltd                         | 2,568,732 |
| BU13 Australia Pty Ltd                         | 5,901,382 |
| Callidus Process Solutions Pty Ltd             | 18,738    |
| Caltech Unipessoal Lda                         | 1,065,054 |
| Catterpillar of Australia Pty Ltd              | 11,515    |
| Chandler Macleod Group Limited                 | 60,579    |
| Clough Wood Pty Ltd                            | 2,041,138 |
| Compass Group (Australia) Pty Ltd              | 1,077,910 |
| Competentia Pty Ltd                            | 5,788     |
| Conocophillips Timor Leste                     | 3,417,491 |
| ENI Australia Ltd                              | -         |
| ENI JPDA 03-13 LTD                             | 3,220,000 |
| Eni JPDA 06-105 PTY LTD                        | 48,987    |
| ENI JPDA 11-105 Pty Ltd                        | 1,685     |
| ENI JPDA 11-106                                | 39,707    |
| ENI JPDA Pty Ltd                               | 1,685     |
| ENI Timor Leste Spa Branch                     | 82,265    |
| Finder Operation Pty Ltd                       | -         |
| Haliburton Australia Pty Ltd                   | 157,702   |
| Hertel Modern Pty Ltd                          | 144,953   |
| Inpex Timor Sea Ltd                            | 21,113    |
| Jose Pedro da Costa                            | 2,674     |
| KG Timor Leste 4 Ltd                           | 500       |
| Konnekto Unip Lda                              | 273,688   |
| Konnekto Unip, Lda (CGA Tax)                   | 16,832    |
| Konnekto Unip, Lda (KKT P Tax)                 | 4,508     |
| Konnekto Unip, Lda. (BABCOCK P Tax)            | 4,716     |
| KONNEKTO UNIPessoal LDA                        | 57,231    |
| KONNEKTO UNIPessoal LDA KKT PETROTAX           | 4,803     |
| KONNEKTO UNIPessoal LDA(BABCOCK)               | 11,489    |
| Laloran Marine Service Lda                     | 620,489   |
| Noble Drilling Offshore                        | 172,540   |
| Oceaneering Australia Pty Ltd                  | 13,817    |
| Offshore Service Australia Pty                 | 1,207,148 |
| Qantas Airways Limited                         | 14,416    |
| Santos (JPDA 91-12) Pty Ltd                    | -         |
| Santos Ltd                                     | 4,850,057 |
| Schlumberger Australia Pty Ltd                 | 59,267    |
| SGS Australia Pty Limited                      | 173,284   |
| Sodexo Timor Unipessoal, Lda                   | 562       |
| Solar Tubimes Int. Co                          | 4,912     |
| Sunda Gas Timor Leste Sahul                    | 85,423    |
| Sundagas Banda Unip Lda                        | 109,146   |
| Taxpayers Adjustment (Audit confirmation)      | -         |
| Tidewater Offshore Operations Pte              | 36,612    |

PETROLEUM FUND OF TIMOR-LESTE  
STATEMENT OF PETROLEUM FUND RECEIPTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

|                                                                          |                   |
|--------------------------------------------------------------------------|-------------------|
| Timor Gap Chuditch Unip Lda                                              | 1,129,109         |
| Timor Gap EP                                                             | 333,732           |
| TIMOR GAP EP (PSC 11-106)                                                | 3,036             |
| TIMOR GAP EP (RAHANA BLK)                                                | 1,705             |
| Timor Gap G Sunrise Unip Lda                                             | 8,168             |
| Timor Gap Offshore Block Unip                                            | -                 |
| Timor Gap Onsh Block Unip.Lda.                                           | 8,674             |
| Timor Gap Onshore Block C                                                | 2,689             |
| Timor Gap PSC 11-106 Unip Ld                                             | 2,025             |
| Timor Gap Pualaca Unip                                                   | 4,549             |
| Timor Gap Pualaka Unip                                                   | 9,921             |
| Timor Resources Pty Ltd                                                  | 159,247           |
| Tokyo Timor Sea Resources Pty Ltd                                        | 3,486,935         |
| Valmec Services Pty Ltd                                                  | 61,170            |
| Woodside Energy Ltd                                                      | 39,688            |
| <b>Total Article 6.1(a) receipts per the Petroleum Fund for the year</b> | <b>33,220,326</b> |

**PETROLEUM FUND OF TIMOR-LESTE  
STATEMENT OF PETROLEUM FUND RECEIPTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

| <b>Article 6.1(b) receipts</b>                                                            | <b>US\$</b>       |
|-------------------------------------------------------------------------------------------|-------------------|
| 2024 Article 6.1(b) receipts collected and paid per Autoridade Nacional do Petróleo (ANP) | 41,988,629        |
| <b>Total Article 6.1(b) receipts per the Petroleum Fund for the year</b>                  | <b>41,988,629</b> |
| <br><b>Article 6.1(e) receipts</b>                                                        |                   |
| Department Foreign Affairs & Trade (pipeline fees)                                        | 5,197,600         |
| Sunda Gas Timor Leste Sahul                                                               | 107,145           |
| Santos Ltd                                                                                | 2,149,100         |
| Eni JPDA 06-105 PTY LTD                                                                   | 485,000           |
| Timor Resources Pty Ltd                                                                   | 60,180            |
| Eni Australia Ltd                                                                         | 120,967           |
| Santos JPDA 91-12 Pty Ltd                                                                 | 1,829,100         |
| Finder Operation Pty Ltd                                                                  | 85,000            |
| Timor Gap Offshore Block Unip                                                             | 110,370           |
| <b>Total Article 6.1(e) receipts per the Petroleum Fund for the year</b>                  | <b>10,144,462</b> |
| <br><b>Summary of Receipts for the year ended 31 December 2024 per the Petroleum Fund</b> |                   |
| Article 6.1(a) receipts                                                                   | 33,220,326        |
| Article 6.1(b) receipts                                                                   | 41,988,629        |
| Article 6.1(e) receipts                                                                   | 10,144,462        |
| <b>Total Article 6.1 receipts per the Petroleum Fund for the year</b>                     | <b>85,353,417</b> |

**PETROLEUM FUND OF TIMOR-LESTE  
STATEMENT OF PETROLEUM FUND RECEIPTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**Note 1 Basis of Preparation**

The Statement of Petroleum Fund Receipts details the payments made to the Petroleum Fund of Timor-Leste ("the Petroleum Fund") for the year ended 31 December 2024 as required under article 35 of the Petroleum Fund Law No. 9/2005 dated 3 August 2005, as amended by Law No. 12/2011 dated 28 September 2011 and Law No. 2/2022 dated 10 February 2022 (the "Petroleum Fund Law").

The National Petroleum Authority and the National Directorate of Petroleum Tax Revenue are responsible for monitoring that all payments that should have been made under the Petroleum Fund Law have been made for the year ended 31 December 2024.

Banco Central de Timor-Leste, the operational manager of the Petroleum Fund of Timor-Leste is responsible for the accuracy and completeness of the information contained in the Statement of Petroleum Fund Receipts.

The petroleum receipts are received in US\$ and the Statement of Petroleum Fund Receipts is presented in US\$.

The petroleum receipts are recorded in the Statement of Petroleum Fund Receipts on a receipt basis. The Statement of Petroleum Fund Receipts include the following types of receipts for the financial year ended 31 December 2024:

- Article 6.1 (a) receipts - the gross revenue, including Tax Revenue, of Timor-Leste from any Petroleum Operations, including prospecting or exploration for, and development, exploitation, transportation, sale or export of petroleum, and other activities relating thereto
- Article 6.1 (b) receipts - any amount received by Timor-Leste from the Designated Authority pursuant to the Treaty
- Article 6.1 (d) - any amount received from direct or indirect participation of Timor-Leste in Petroleum Operations. There is no receipt under this category for the current financial year; and
- Article 6.1 (e) any amount received by Timor-Leste relating directly to petroleum resources not covered in paragraphs above.

## **Annex XII: Advice provided by the Investment Advisory Board**

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## Investment Advisory Board

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21 February 2024

**H.E. Mrs. Santana J.R.F. Viegas Cardoso**

Minister of Finance

Dili, Timor-Leste

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**Subject: IAB advice on the liquidity portfolio**

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Dear Minister,

Firstly, thank you Excellency for your letter dated 11 December 2023. The IAB have noted the Ministry of Finance's priorities for the Petroleum Fund in 2024 and have incorporated those into our annual objectives. We will discuss the Fund's priorities in the IAB meeting on 6 March 2024, which we understand Your Excellency may be able to attend virtually.

We are writing to provide advice on a change to the Petroleum Fund's investments, as provided for in Section 16 of the Petroleum Fund Law. The PFPMO from the Ministry of Finance has assessed a proposal by the BCTL to amend the liquidity portfolio, which finances the next three years of government withdrawals with low-risk investments. The proposal is to amend the portfolio's current structure of two mandates, namely, Cash (0-12 month securities) and Short-term US Government Notes (benchmarked to 1-3 Year US Government Notes), to a single mandate that is benchmarked to 0-3 Year US Government Notes. The operational manager believes that the change provides more flexibility, which helps to preserve capital. PFPMO provided a note to the IAB on the proposed change, which analysed the weights of the two mandates since segmentation was introduced in July 2021, and assessed the BCTL's performance in internally managing the liquidity portfolio.

Your Excellency, we agree with PFPMO's recommendation to amend the portfolio. Specific reporting on this mandate, in addition to the current quarterly reports from the BCTL, is required for the Ministry of Finance to properly monitor and understand the holdings and performance of the mandate. The new parameters for the mandate are included in the Annex to this letter, which has been reviewed and agreed to by the BCTL and PFPMO. We note that other sections in Annex 1 of the Operational Management Agreement will also need to be amended to reflect the change.

We seek Your Excellency's decision on this matter. Excellency, if you agree, please instruct the BCTL to implement the associated changes to Annex 1 of the Operational Management Agreement.

We thank Your Excellency for considering this matter.

Yours sincerely,



**Olgario de Castro**

Chairman, Investment Advisory Board

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## Investment Advisory Board

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### Annex – Parameters of Liquidity Mandate

#### Liquidity Portfolio: MANDATE

| Asset Class                 | USD Cash and US Government Short-Term Treasury Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Allocation</b>           | The Ministry of Finance instructs the BCTL on the value of the mandate at the start of each year according to the process in Section 1.4. The initial allocation reflects expected withdrawals in the next three years.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Benchmark</b>            | ICE Bank of America Merrill Lynch 0-3 Year US Treasury Index (Bloomberg code "G1QA Index")                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Eligible Instruments</b> | <p>US Dollar denominated deposits or debt instruments with a maturity of less than one year and a minimum credit rating of investment grade or equivalent. This includes US Government Treasury bills; US Government Treasury bonds; securities issued by supranationals; repurchase agreements and deposits with banks having an S&amp;P short-term issuer rating of A-1 or equivalent; and deposits with the Bank for International Settlements (BIS) and securities issued by the BIS.</p> <p>US Government fixed interest instruments with maturities of 0-3.5 years. BIS instruments (FIXBIS and Medium-Term Instruments) with maturities of 0-3.5 years.</p>                                       |
| <b>Mandate Objective</b>    | <p>The objective is to fund withdrawals by the Government as they are required in the current budget year, and also account for expected withdrawals in year two and three by investing in low-risk, liquid investments.</p> <p>The composition of the mandate may need to depart from the benchmark index after accounting for the timing and size of expected withdrawals over the three-year period, including projections from the Ministry of Finance's Treasury for withdrawals in the current year. The manager also has the discretion to account for yield differentials.</p> <p>The mandate is also used to meet the Petroleum Fund's management expenses and receives petroleum receipts.</p> |
| <b>Approved Manager</b>     | Banco Central de Timor-Leste                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |



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## Investment Advisory Board

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### **Internal Reporting**

BCTL will provide quarterly reports on performance and holdings specific to this mandate to the Ministry of Finance.



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## Investment Advisory Board

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10 September 2024

**H.E. Mrs. Santana J.R.F. Viegas Cardoso**

Minister of Finance

Dili, Timor-Leste

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**Subject: Withholding Tax on Petroleum Fund Investments**

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Dear Minister,

We are writing to you regarding an important matter affecting the Petroleum Fund's investments: the issue of withholding tax.

The Banco Central de Timor-Leste (BCTL), as the operational manager of the Petroleum Fund, has provided the Investment Advisory Board (IAB) with a preliminary briefing on the withholding tax paid by the Fund. The data shared by the BCTL illustrates the significant sums involved. The BCTL has agreed to work with the Fund's custodian to compile a detailed summary of the Fund's tax status by country, the potential for future exemptions, the methods to achieve these exemptions, and the amounts involved. This comprehensive data will be shared with the Ministry of Finance, allowing the Ministry to assess whether there is potential for securing additional exemptions.

As you are aware, tax is a complex issue, and navigating the intricacies of withholding tax can be challenging. Additional exemptions may require negotiating double tax agreements with investee countries. It is essential that the Fund's institutions have sufficient resources to manage these complexities effectively, including support from other Ministries, such as the Ministry for Foreign Affairs.

Excellency, we respectfully suggest that this matter be treated as a priority for the Fund. The Investment Advisory Board stands ready to assist as required.

Thank you for considering this important issue.

Yours sincerely,



**Olgario de Castro**

Chairman, Investment Advisory Board

## **Annex XIII: TLPF implementation of the Santiago Principles**

## **TIMOR-LESTE PETROLEUM FUND IMPLEMENTATION OF THE GENERALLY ACCEPTED PRINCIPLES AND PRACTICES - “SANTIAGO PRINCIPLES”**

Timor-Leste Petroleum Fund is an active member of the International Forum for Sovereign Wealth Funds (IFSWF) since 2010. The cornerstone of the IFSWF is the “Santiago Principles”, 24 Generally Accepted Principles and Practices for sovereign wealth funds. The Santiago Principles are designed to promote good governance, accountability, transparency and prudent investment practices whilst encouraging a more open dialogue and deeper understanding of sovereign wealth fund activities.

All members of the IFSWF voluntarily endorse the Santiago Principles and seek to implement them in their governance and investment practices. The IFSWF’s members regularly undertake a self-assessment of their adherence to the Santiago Principles. Timor-Leste Petroleum Fund has decided to conduct an annual review of the Santiago Principles’ implementation, which is published in the Petroleum Fund Annual Report and on the IFSWF’s website. The Ministry of Finance, the executive responsible for the overall management of the Petroleum Fund, has completed the fourteenth self-assessment of the Fund’s adherence to the Santiago Principles and its results are presented in the table below. Key sources are identified for each principle. Reference is made throughout the document to the following formative documents, which are available on the Ministry of Finance’s website <https://www.mof.gov.tl/pagedetails/petroleum-fund-of-timor-leste>.

The Petroleum Fund Law: Petroleum Fund Law No. 9/2005 of the 3<sup>rd</sup> of August as amended by the Law No. 12/2011 of the 28<sup>th</sup> of September.

The Petroleum Fund Operational Management Agreement (OMA) signed on 12 October 2005 and amended on 25 June 2009 between the Ministry of Finance and Timor-Leste’s Central Bank (“BCTL” - Banco Central de Timor-Leste), the appointed Operational Manager of the Petroleum Fund.

The Petroleum Fund Law has been supplemented by amendments to the Petroleum Activities Law No. 13/2005 of the 2<sup>nd</sup> of September amended by the Law No. 6/2019 of the 4<sup>th</sup> of December, and the Framework for the General State Budget and Public Financial Management Law, Law No.2/2022, of 10<sup>th</sup> February.

The BCTL’s website also provides a general overview of the Petroleum Fund and publishes the Petroleum Fund Monthly and Quarterly Reports with audited financial statements.

<https://www.bancocentral.tl/en/go/about-petroleum-fund>

<https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report>

<https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports>

Information on the Petroleum Fund’s Investment Advisory Board (IAB) and its advice are published in the Petroleum Fund Annual Reports that are available on both the Ministry of Finance and BCTL websites:

<https://www.mof.gov.tl/pagedetails/petroleum-fund-of-timor-leste>

<https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports>

<https://www.bancocentral.tl/en/go/investment-advisory-board3>

| Principle                                                                                                                                                                                                                                                                                                                                                                                                                             | Implementation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| <b>I. Legal framework, objectives, and coordination with macroeconomic policies</b>                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p>1. The legal framework for the SWF should be sound and support its effective operation and the achievement of its stated objective(s).</p> <p>1.1. The legal framework for the SWF should ensure legal soundness of the SWF and its transactions.</p> <p>1.2. The key features of the SWF's legal basis and structure, as well as the legal relationship between the SWF and other state bodies, should be publicly disclosed.</p> | <p>Timor-Leste Petroleum Fund ("the Fund") was established in 2005 to fulfil the requirement set by Article 139 of the Constitution of the Republic that mandates a fair and equitable use of the natural resources in accordance with national interests and the establishment of a mandatory financial reserve from the exploitation of these resources.</p> <p>Timor-Leste's National Parliament through the enactment of the Petroleum Fund Law established the legal framework for the Petroleum Fund. This was supplemented by recent amendments made to the Petroleum Activities Law and enactment of the Framework for General State Budget and Public Financial Management Law.</p> <p>The Fund is formed as an account of the Ministry of Finance held in Timor-Leste's Central Bank ("BCTL" - Banco Central de Timor-Leste), rather than as a separate legal entity.</p> <p>The Petroleum Fund Law:</p> <ul style="list-style-type: none"> <li>– provides mechanisms that assist Timor-Leste to sustainably manage its petroleum revenues,</li> <li>– details the parameters for operating and managing the Petroleum Fund,</li> <li>– defines the asset allocation guidelines and risk limits,</li> <li>– governs the collection and management of the petroleum receipts,</li> <li>– regulates transfers to the State Budget,</li> <li>– defines the roles and responsibilities of the entities involved in the management of the Fund, and</li> <li>– provides for accountability and oversight of these activities.</li> </ul> <p>The Petroleum Fund Law requires the Ministry of Finance to enter into an agreement with the Operational Manager. The Operational Management Agreement (OMA) was signed between the Ministry of Finance and BCTL, the Operational Manager, on 12 October 2005 with the subsequent amendments to account for key changes made to the Fund's investment strategies. The agreement specifies key functions and competencies of the Ministry of Finance, the government's entity that is responsible for the overall management of the Fund, and the BCTL, which is responsible for the operational management of the Fund.</p> <p><i>Sources: Petroleum Fund Law</i><br/> <a href="https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf">https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf</a><br/> <a href="https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf">https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf</a><br/> <a href="http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf">http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf</a></p> <p><i>Petroleum Activities Law</i><br/> <a href="https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/13_2005.pdf">https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/13_2005.pdf</a><br/> <a href="https://mj.gov.tl/jornal/public/docs/2019/serie_1/SERIE_I_NO_2_A.pdf">https://mj.gov.tl/jornal/public/docs/2019/serie_1/SERIE_I_NO_2_A.pdf</a></p> <p><i>Framework for General State Budget and Public Financial Management Law</i><br/> <a href="https://www.mj.gov.tl/jornal/public/docs/2025/serie_1/SERIE_I_NO_17.pdf">https://www.mj.gov.tl/jornal/public/docs/2025/serie_1/SERIE_I_NO_17.pdf</a></p> <p><i>Operational Management Agreement</i><br/> <a href="https://www.bancocentral.tl/en/go/other-regulatory-instruments">https://www.bancocentral.tl/en/go/other-regulatory-instruments</a></p> |
| <p>2. The policy purpose of the SWF should be clearly defined and publicly disclosed.</p>                                                                                                                                                                                                                                                                                                                                             | <p>The Petroleum Fund accumulates petroleum revenues from the extraction of natural resources. The preamble of the Petroleum Fund Law decrees that the purpose of establishing the Fund is to contribute to a prudent management of the petroleum resources for the benefit of both current and future generations. The Petroleum Fund is a tool that contributes to sound fiscal policy, where appropriate consideration and weight is given to the long-term interest of Timor-Leste's citizens. The Petroleum Fund finances the Government's expenditure and acts as a saving vehicle for future generations.</p> <p>Detailed information on the purpose of creating the Petroleum Fund is provided by the Ministry of Finance in the Fund's Annual Reports and regular public consultations.</p> <p><i>Sources: Petroleum Fund Law</i><br/> <a href="https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf">https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

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| <p>3. Where the SWF's activities have significant direct domestic macroeconomic implications, those activities should be closely coordinated with the domestic fiscal and monetary authorities, so as to ensure consistency with the overall macroeconomic policies.</p>                                                                                                                               | <p>The Petroleum Fund is integrated into the State Budget. Transfers are made from the Petroleum Fund to the State Budget to finance the Government's budget deficit. Transfers are guided by the Estimated Sustainable Income (ESI), which is 3% of the sum of the value of the Fund's holdings and the net present value of expected petroleum revenue from proven reserves and approved development fields. The rationale for adopting the ESI is to smooth the spending of temporarily high petroleum income, shield against the volatility of petroleum inflows, and safeguard the sustainable use of public finances.</p> <p>The Petroleum Fund's assets are invested primarily overseas in financial market instruments. Following amendments to the Petroleum Activities Law in 2019, the Fund can also be invested in petroleum operations in the national territory or abroad, subject to a 5% exposure limit.</p> <p>The Ministry of Finance is responsible for the overall management of the Petroleum Fund and also coordinates the preparation, discussion and execution of the Government's budget.</p> <p><i>Sources: Petroleum Fund Law</i><br/> <a href="https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf">https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf</a></p> <p><a href="https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf">https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf</a></p> <p><a href="http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf">http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf</a></p> <p><i>Petroleum Activities Law</i><br/> <a href="https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/13_2005.pdf">https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/13_2005.pdf</a></p> <p><a href="https://mj.gov.tl/jornal/public/docs/2019/serie_1/SERIE_I_NO_2_A.pdf">https://mj.gov.tl/jornal/public/docs/2019/serie_1/SERIE_I_NO_2_A.pdf</a></p> <p><i>Ministry of Finance Budget Books</i><br/> <a href="https://www.mof.gov.tl/pagedetails/budget-and-spending-documents">https://www.mof.gov.tl/pagedetails/budget-and-spending-documents</a></p> |
| <p>4. There should be clear and publicly disclosed policies, rules, procedures, or arrangements in relation to the SWF's general approach to funding, withdrawal, and spending operations.</p> <p>4.1. The source of SWF funding should be publicly disclosed.</p> <p>4.2. The general approach to withdrawals from the SWF and spending on behalf of the Government should be publicly disclosed.</p> | <p>The Petroleum Fund Law clearly defines the methods of funding and withdrawals.</p> <p>All petroleum revenues initially enter the Fund before any transfers are made to the State Budget. The Petroleum Fund Law defines what constitutes Petroleum Fund receipts and sets out the mechanisms for handling these receipts. The returns on the Petroleum Fund's investments also contribute to the accumulation of the Fund's capital.</p> <p>The Petroleum Fund Law also sets out the requirements for withdrawals. The only permissible transfers out of the Petroleum Fund is to the State Budget, which requires Parliament's approval. The State Budget identifies the contribution made by the Fund to the Government's expenditure. Withdrawals are guided by the ESI (see GAPP 3). The National Parliament may approve an excess transfer above the ESI where justification is provided that it is in the long-term interest of Timor-Leste.</p> <p>Detailed information on petroleum receipts and transfers made to finance the Government's budget are publicly disclosed in the Petroleum Fund Annual Reports, Budget Reports prepared by the Ministry of Finance, and the Petroleum Fund quarterly and monthly reports from the BCTL.</p> <p>A complete list of all entities making payments to the Petroleum Fund is compiled and certified by an external auditor and published annually both in the Petroleum Fund Annual Report (Annex XI – Compilation Report of Petroleum Receipts) and Timor-Leste's EITI (Extractive Industries Transparency Initiative) reports. Timor-Leste was accepted as an EITI compliant country on 1 July 2010.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

| Principle                                                                                                                                                                                                                                                           | Implementation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| <p>5. The relevant statistical data pertaining to the SWF should be reported on a timely basis to the owner, or as otherwise required, for inclusion where appropriate in macroeconomic data sets.</p>                                                              | <p>Transparency is a fundamental principle of the Petroleum Fund Law. The Law sets out the requirements for all entities involved in the management of the Fund to provide and publish the reports pertaining to the activities of the Fund.</p> <p>The Ministry of Finance prepares and publishes the Petroleum Fund Annual Report along with the Petroleum Fund financial statements. The Law requires an international accredited auditor to issue and publish an annual audit report on the Fund's financial statements. The audited financial statements are submitted with the Government's national accounts to the National Parliament. The Ministry of Finance also prepares the State Budget for the National Parliament. The Budget reports the Estimated Sustainable Income (ESI), withdrawals in excess of the ESI, and other matters relevant to the Petroleum Fund.</p> <p>The BCTL, on a quarterly basis, provides reports to the Ministry of Finance on the Fund's performance and also publishes a monthly report on the Fund's performance on its own website.</p> <p>All information is publicly available on the MOF and BCTL websites.</p> <p><i>Sources: Petroleum Fund Law</i><br/> <a href="https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf">https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf</a><br/> <a href="https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf">https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf</a><br/> <a href="http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf">http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf</a></p> <p><i>Petroleum Fund Annual, Quarterly and Monthly Reports</i><br/> <a href="https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports">https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports</a><br/> <a href="https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report">https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report</a></p> <p><i>Ministry of Finance Budget Books</i><br/> <a href="https://www.mof.gov.tl/pagedetails/budget-and-spending-documents">https://www.mof.gov.tl/pagedetails/budget-and-spending-documents</a></p> |
| <p><b>II. Institutional Framework and Governance Structure</b></p>                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p>6. The governance framework for the SWF should be sound and establish a clear and effective division of roles and responsibilities in order to facilitate accountability and operational independence in the management of the SWF to pursue its objectives.</p> | <p>The National Parliament of Timor-Leste established the Petroleum Fund Law, which defines the roles and responsibilities of the entities involved in the management of the Fund.</p> <p>The Minister of Finance is the executive of the Fund and responsible for the overall management of the Petroleum Fund. The Ministry of Finance sets the investment policy, enters into a management agreement with the Operational Manager, and monitors the Fund's performance. The Investment Advisory Board (IAB) provides independent advice to the Minister of Finance on the Fund's investment policy and management, including the investment mandates for the Fund.</p> <p>The BCTL, as Operational Manager, is responsible for the Fund's operations, including implementing the investment mandates set by the Ministry of Finance. The BCTL</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

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|                                                                                                                                                                                                           | <p>manages some of the portfolio internally and also contracts with external managers to manage and invest the Fund's assets and monitors their performance.</p> <p>The Ministry of Finance with support from the IAB decided to undertake an independent review of the Petroleum Fund's governance structure, resources and investments. The 2023 review found that the Fund's governance, investment, operation and people models are robust, while identifying some areas for improvement. An overview of the review is provided in Box 1 of the Petroleum Fund Annual Report for 2023.</p> <p>Sources: <i>Petroleum Fund Law, Operational Management Agreement</i><br/> <a href="https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf">https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf</a><br/> <a href="https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf">https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf</a><br/> <a href="http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf">http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf</a><br/> <a href="https://www.bancocentral.tl/en/go/other-regulatory-instruments">https://www.bancocentral.tl/en/go/other-regulatory-instruments</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p>7. The owner should set the objectives of the SWF, appoint the members of its governing body(ies) in accordance with clearly defined procedures, and exercise oversight over the SWF's operations.</p> | <p>The National Parliament, representing the people of Timor-Leste, sets the objectives of the Fund as outlined in the Petroleum Fund Law (see GAPP 1). The Law defines the broad asset allocation and risk limits. The Petroleum Fund Consultative Council (PFCC), a statutory body with broad representation, is appointed to advise the Parliament on matters relating to the Petroleum Fund's performance, operations, and withdrawals.</p> <p>The Ministry of Finance is responsible for the overall management of the Fund, which includes determining the investment policy in accordance with the provisions in the Law. The Ministry of Finance is required to present to the National Parliament the Fund's investment policy and any changes to its principal asset allocation that will materially impact on the overall level of risk. The Ministry of Finance sets the investment mandates, which reflect the acceptable level of risk, and also exercises oversight of the overall management of the Fund.</p> <p>The Minister of Finance receives independent advice from the Investment Advisory Board (IAB) on the investment strategy and management of the Fund. The Prime Minister appoints members of the IAB on the advice of the Ministry of Finance. The Timor-Leste Central Bank (BCTL) is the Operational Manager of the Fund. The BCTL's specific responsibilities are set out in an Operational Management Agreement with the Minister of Finance. This includes reporting requirements that allow the Ministry of Finance to exercise its oversight role.</p> <p>Sources: <i>Petroleum Fund Law, Operational Management Agreement</i><br/> <a href="https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf">https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf</a><br/> <a href="https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf">https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf</a><br/> <a href="http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf">http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf</a><br/> <a href="https://www.bancocentral.tl/en/go/other-regulatory-instruments">https://www.bancocentral.tl/en/go/other-regulatory-instruments</a></p> |
| <p>8. The governing body(ies) should act in the best interests of the SWF, and have a clear mandate and adequate authority and competency to carry out its functions.</p>                                 | <p>The National Parliament through the Petroleum Fund law sets the objective of the Fund, the broad asset allocation guidelines and the risk limits. It is assisted by the Petroleum Fund Consultative Council (PFCC). The Petroleum Fund Consultative Council (PFCC) seeks to safeguard the proper management of the Petroleum Fund.</p> <p>The Ministry of Finance has the authority to determine the strategy and policies to achieve the Petroleum Fund's objectives. The Minister of Finance is supported by the Petroleum Fund Policy and Management Office (PFPMO) at the Ministry of Finance.</p> <p>In carrying out his/her functions, the Minister of Finance is required to seek advice from the IAB. The Law requires that at least three of the IAB members have significant knowledge and experience in financial investment management.</p> <p>Further to the discussion in Principle 7, the Minister of Finance is accountable to the Parliament and is required to provide relevant reporting annually and whenever required.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

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|                                                                                                                                                                                                     | <p>The BCTL, through the Operational Management Agreement, has been delegated the responsibility for operational management of the Fund. The agreement seeks to ensure that the BCTL acts in the best interests of the Fund and sets out the Operational Manager's responsibilities.</p> <p><i>Sources: Petroleum Fund Law, Operational Management Agreement</i><br/> <a href="https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf">https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf</a></p> <p><a href="http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf">http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf</a></p> <p><a href="https://www.bancocentral.tl/en/go/other-regulatory-instruments">https://www.bancocentral.tl/en/go/other-regulatory-instruments</a></p> <p><i>Petroleum Fund Annual Reports</i><br/> <a href="https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports">https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports</a></p> <p><a href="https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report">https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p>9. The operational management of the SWF should implement the SWF's strategies in an independent manner and in accordance with clearly defined responsibilities.</p>                             | <p>The Petroleum Fund Law defines the roles and responsibilities of the Operational Manager, the BCTL. The BCTL's specific responsibilities are clearly set out in the Operational Management Agreement (OMA) with the Minister of Finance. The BCTL is delegated with authority to make decisions relating to the operational management of the Fund as set out in the OMA. The Operational Manager is able to deduct reasonable management expenses, in accordance with the OMA.</p> <p><i>Sources: Petroleum Fund Law, Operational Management Agreement</i><br/> <a href="https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf">https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf</a></p> <p><a href="http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf">http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf</a></p> <p><a href="https://www.bancocentral.tl/en/go/other-regulatory-instruments">https://www.bancocentral.tl/en/go/other-regulatory-instruments</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p>10. The accountability framework for the SWF's operations should be clearly defined in the relevant legislation, charter, other constitutive documents, or management agreement.</p>             | <p>Accountability arrangements are detailed in the Petroleum Fund Law and the Operational Management Agreement.</p> <p>The Ministry of Finance, on behalf of the Government, is accountable to the National Parliament and the general public. It reports to the Parliament on the performance of the Fund on an annual basis and is required to publish all advice received from the IAB in the Petroleum Fund Annual Report (Annex XII), or earlier upon request.</p> <p>The Operational Manager, the BCTL, is appointed by the Minister of Finance and is accountable to the Minister of Finance for operational management of the Petroleum Fund. The BCTL may appoint external investment managers subject to the Minister's consent. The BCTL reports to the Minister on the Fund's performance on a quarterly basis. These reports are published and available on the Central Bank's website.</p> <p><i>Sources: Petroleum Fund Law, Operational Management Agreement</i><br/> <a href="https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf">https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf</a></p> <p><a href="https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf">https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf</a></p> <p><a href="http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf">http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf</a></p> <p><a href="https://www.bancocentral.tl/en/go/other-regulatory-instruments">https://www.bancocentral.tl/en/go/other-regulatory-instruments</a></p> <p><i>Petroleum Fund Annual and Quarterly Reports</i><br/> <a href="https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports">https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports</a></p> <p><a href="https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report">https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report</a></p> |
| <p>11. An annual report and accompanying financial statements on the SWF's operations and performance should be prepared in a timely fashion and in accordance with recognized international or</p> | <p>The Petroleum Fund Law requires the Government to prepare and submit to the Parliament an annual report of the Fund's operations and performance for the fiscal year, including financial statements prepared according to International Financial Reporting Standards (IFRS) and audited by an internationally recognized auditor, at the same time as the Government's annual financial accounts of that year. The Law identifies the minimum information that need to be disclosed in the Petroleum Fund Annual Report.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

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| national accounting standards in a consistent manner.                                                                                                                           | <p>The Petroleum Fund Law provides that the Director of Treasury of the Ministry of Finance is responsible for maintaining the Petroleum Fund accounts and records, and preparing financial statements, in accordance with the IFRS. Accounting and preparation of the financial statements is delegated to the BCTL as the Fund's Operational Manager.</p> <p>Sources: <i>Petroleum Fund Law, Operational Management Agreement</i><br/> <a href="https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf">https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf</a><br/> <a href="https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf">https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf</a><br/> <a href="http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf">http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf</a><br/> <a href="https://www.bancocentral.tl/en/go/other-regulatory-instruments">https://www.bancocentral.tl/en/go/other-regulatory-instruments</a><br/> <i>Petroleum Fund Annual Reports and Financial Statements</i><br/> <a href="https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports">https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports</a><br/> <a href="https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report">https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report</a></p>                                                                                                                                                                                   |
| 12. The SWF's operations and financial statements should be audited annually in accordance with recognized international or national auditing standards in a consistent manner. | <p>The Petroleum Fund Law requires the Fund's annual financial statements to be audited by an internationally recognized accounting firm. The international auditor is appointed by the Ministry of Finance and is subject to strict qualification criteria and a transparent selection process. The audited financial statements are submitted to the Parliament together with the Petroleum Fund Annual Report and the Government's financial accounts.</p> <p>The Petroleum Fund Law also requires the accounts, records and other documents relating to the Petroleum Fund to be internally audited every six months. This is undertaken by the BCTL's Internal Audit, which is independent of the investment management area.</p> <p>Sources: <i>Petroleum Fund Law, Operational Management Agreement</i><br/> <a href="https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf">https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf</a><br/> <a href="http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf">http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf</a><br/> <a href="https://www.bancocentral.tl/en/go/other-regulatory-instruments">https://www.bancocentral.tl/en/go/other-regulatory-instruments</a><br/> <i>Petroleum Fund Annual Reports and Financial Statements</i><br/> <a href="https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports">https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports</a><br/> <a href="https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report">https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report</a></p> |
| 13. Professional and ethical standards should be clearly defined and made known to the members of the SWF's governing body(ies), management, and staff.                         | <p>Each of the institutions involved in the management of the Petroleum Fund has its own professional and ethical standards to ensure the soundness and integrity of the Fund's operations.</p> <p>The professional and ethical standards for the Ministry of Finance's staff are defined by the Public Service Law No. 8/2004, 16<sup>th</sup> of June, as amended by Law No.5/2009, 15<sup>th</sup> of July.</p> <p>All the staff of the Operational Manager are bound by the BCTL's Code of Conduct.</p> <p>The Petroleum Fund Law also requires members of the IAB before taking office to declare in writing that their appointment has no conflict with any personal or family interests. The IAB has established its own standards of conduct in its Operational Regulations, which include the requirement to disclose potential conflicts of interest. The Operational Regulations are published on the Ministry of Finance website.</p> <p>Sources: <i>Petroleum Fund Law, BCTL, MoF and Ministry of Justice websites</i><br/> <i>Petroleum Fund Law</i><br/> <a href="https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf">https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf</a><br/> <a href="https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf">https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf</a><br/> <a href="http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf">http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf</a></p>                                                                                                                              |

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| <p>14. Dealing with third parties for the purpose of the SWF's operational management should be based on economic and financial grounds, and follow clear rules and procedures.</p>             | <p>The BCTL's dealings with third parties as Operational Manager are based purely on economic and financial grounds and follow a clear established procedure.</p> <p>The Operational Management Agreement provides that the BCTL is responsible for the tendering and selection of external investment managers. The selection is based on the parameters for the investment mandate set by the Ministry of Finance. The Petroleum Fund Law also specifies the minimum requirements for the engagement of external managers. The Minister of Finance must be satisfied that each external investment manager has sufficient equity, guarantees and insurance; a sound record of operational and financial performance; and has business references and a reputation of the highest standard. The IAB advises the Minister on whether the BCTL's recommended managers are consistent with the objectives of the mandate.</p> <p>The BCTL is also responsible for tendering for other services, including the Petroleum Fund's custodian and procurement for the IAB. The BCTL's selection procedure is rigorous, fair and transparent and in compliance with the substantive provisions of Timor-Leste's laws.</p> <p><i>Sources: Petroleum Fund Law, Operational Management Agreement</i><br/> <a href="https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf">https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf</a><br/> <a href="https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf">https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf</a><br/> <a href="http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf">http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf</a><br/> <a href="https://www.bancocentral.tl/en/go/other-regulatory-instruments">https://www.bancocentral.tl/en/go/other-regulatory-instruments</a></p> |
| <p>15. SWF operations and activities in host countries should be conducted in compliance with all applicable regulatory and disclosure requirements of the countries in which they operate.</p> | <p>The Petroleum Fund Law requires the management of the Petroleum Fund to be conducted in compliance with all applicable regulatory and disclosure requirements of the countries in which the investments are made.</p> <p><i>Source: Petroleum Fund Law</i><br/> <a href="https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf">https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf</a><br/> <a href="https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf">https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf</a><br/> <a href="http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf">http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf</a></p> <p><i>Petroleum Fund Annual Reports and Financial Statements</i><br/> <a href="https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports">https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports</a><br/> <a href="https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report">https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>16. The governance framework and objectives, as well as the manner in which the SWF's management is operationally independent from the owner, should be publicly disclosed.</p>              | <p>The Petroleum Fund's governance framework and objectives are established by the Parliament in the Petroleum Fund Law. The Operational Management Agreement provides details of the division of responsibilities between the Ministry of Finance and the BCTL, along with accountability arrangements.</p> <p>The Minister of Finance is required to seek advice from the IAB, an independent Board staffed by investment experts, before making any decision relating to the Fund's investment strategy and management.</p> <p>Information on the governance framework and objectives is detailed in the Petroleum Fund Law and published in the Petroleum Fund Annual Report.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

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| 17. Relevant financial information regarding the SWF should be publicly disclosed to demonstrate its economic and financial orientation, so as to contribute to stability in international financial markets and enhance trust in recipient countries.                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>Information regarding the Petroleum Fund's asset allocation, its investment mandates and benchmarks and investment performance are published in the BCTL's quarterly performance reports and the Petroleum Fund's Annual Report and audited financial statements. A full list of the Petroleum Fund's holdings is provided in the Petroleum Fund financial statements, which are annexed to the Petroleum Fund Annual Report (Annex II – Audited Financial Statements). The reports are available on the Ministry of Finance and BCTL's websites.</p> <p>Sources: <i>Petroleum Fund Law, Operational Management Agreement Annex 1</i><br/> <a href="https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf">https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf</a><br/> <a href="https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf">https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf</a><br/> <a href="http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf">http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf</a><br/> <a href="https://www.bancocentral.tl/en/go/other-regulatory-instruments">https://www.bancocentral.tl/en/go/other-regulatory-instruments</a><br/> <i>Petroleum Fund Annual and Quarterly Reports, Petroleum Fund Financial Statements</i><br/> <a href="https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports">https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports</a><br/> <a href="https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report">https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report</a></p>                                                                                                                                                                                                            |
| <b>III. Investment and Risk Management Framework</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p>18. The SWF's investment policy should be clear and consistent with its defined objectives, risk tolerance, and investment strategy, as set by the owner or the governing body(ies), and be based on sound portfolio management principles.</p> <p>18.1. The investment policy should guide the SWF's financial risk exposures and the possible use of leverage.</p> <p>18.2. The investment policy should address the extent to which internal and/or external investment managers are used, the range of their activities and authority, and the process by which they are selected and their performance monitored.</p> <p>18.3. A description of the investment policy of the SWF should be publicly disclosed.</p> | <p>The Fund's investment policy is directed by the provisions in the Petroleum Fund Law that define the asset allocation guidelines, eligible investments, concentration limits and investment principles, which include diversification and maximizing the risk-adjusted financial return.</p> <p>The Ministry of Finance, on behalf of the Government, determines the investment policy, which is designed to meet the investment objectives of the Fund after taking into account the risk preference of the Timor-Leste people and any constraints under which the Fund operates. The IAB advises the Minister of Finance on the investment strategy. The advice of the IAB is guided by its publicly disclosed Investment Beliefs and Principles.</p> <p>The investment policy is described in the Petroleum Fund Annual Report. Annex 1 of the Operational Management Agreement specifies the Fund's strategic asset allocation and benchmark portfolio, the parameters for each of the investment mandates and where derivatives are permissible.</p> <p>The Minister of Finance, with advice from the IAB, determines whether a mandate will be internally or externally managed. The Ministry of Finance monitors the internally managed mandates. The selection process for external investment managers is undertaken by the BCTL as Operational Manager and is based on professional and commercial criteria. The external managers are given clearly defined mandates, including expected performance, risk and fees. Their performance is monitored by the BCTL.</p> <p>Sources: <i>Petroleum Fund Law, Operational Management Agreement</i><br/> <a href="https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf">https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf</a><br/> <a href="https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf">https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf</a></p> |

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| <p>19. The SWF's investment decisions should aim to maximize risk-adjusted financial returns in a manner consistent with its investment policy, and based on economic and financial grounds.</p> <p>19.1. If investment decisions are subject to other than economic and financial considerations, these should be clearly set out in the investment policy and be publicly disclosed.</p> <p>19.2. The management of an SWF's assets should be consistent with what is generally accepted as sound asset management principles.</p> | <p>The Petroleum Fund Law provides that the investment policy shall apply the principles of diversification with the objective of maximizing risk-adjusted financial returns after taking into account the Fund's purposes, its operational constraints and ability to bear risk.</p> <p>The Petroleum Fund's investments in offshore financial market instruments are assessed purely on these financial grounds and comply with sound portfolio management practices. The Petroleum Fund Law requires the Fund's assets to be invested in deposits with highly-rated institutions, investment grade bonds, and listed equities.</p> <p>The Petroleum Activities Law allows for the Petroleum Fund to invest in petroleum operations in national territory or overseas, subject to a 5% exposure limit. The investment in petroleum operations in 2019 followed the Petroleum Activities Law, and represents an exception to the general rules in the Petroleum Fund Law. In addition to financial considerations, national economic development objectives and social benefits were accounted for in the investment decision. The rules and criteria governing the investment are published and the Minister was required to present the proposed allocation to National Parliament.</p> <p>Since 2021, the Fund's financial market investments have been segmented into a Liquidity and Growth Portfolio to manage investment risk during the Fund's decumulation phase. The Liquidity Portfolio is intended to finance the State Budget over a three year period and is invested in low risk and highly liquid assets. The Growth Portfolio is the longer-term segment of the Fund and seeks to earn higher returns through an allocation to equities, with the remainder in fixed interest.</p> <p>The Ministry of Finance is required to present to the Parliament a summary of the new investment policy prior to making changes to the Fund's principal asset allocation.</p> <p><i>Sources: Petroleum Fund Law</i><br/> <a href="https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf">https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf</a></p> <p><a href="https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf">https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf</a></p> <p><a href="http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf">http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf</a></p> <p><i>Petroleum Activities Law</i><br/> <a href="https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/13_2005.pdf">https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/13_2005.pdf</a></p> <p><a href="https://mj.gov.tl/jornal/public/docs/2019/serie_1/SERIE_I_NO_2_A.pdf">https://mj.gov.tl/jornal/public/docs/2019/serie_1/SERIE_I_NO_2_A.pdf</a></p> <p><i>Petroleum Fund Annual Reports</i><br/> <a href="https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports">https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports</a></p> <p><a href="https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report">https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report</a></p> |
| <p>20. The SWF should not seek or take advantage of privileged information or inappropriate influence by the broader Government in competing with private entities.</p>                                                                                                                                                                                                                                                                                                                                                              | <p>Most of the Fund's assets are invested in offshore financial markets that are regulated and transparent. The Fund does not have access to privileged information nor is there influence exerted from the Government in competing with private entities.</p> <p>The objective of the Petroleum Fund's investment in petroleum operations in 2019 is to facilitate the development of a national petroleum industry. It is expected that its contribution to national economic development will in turn encourage private investment in Timor-Leste.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>21. SWFs view shareholder ownership rights as a fundamental element of their equity</p>                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>The BCTL, as Operational Manager, exercises the Petroleum Fund's shareholder ownership rights by engaging the Institutional Shareholder Services (ISS) proxy voting service.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

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| <p>investments' value. If an SWF chooses to exercise its ownership rights, it should do so in a manner that is consistent with its investment policy and protects the financial value of its investments. The SWF should publicly disclose its general approach to voting securities of listed entities, including the key factors guiding its exercise of ownership rights.</p>                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p>22. The SWF should have a framework that identifies, assesses, and manages the risks of its operations.</p> <p>22.1. The risk management framework should include reliable information and timely reporting systems, which should enable the adequate monitoring and management of relevant risks within acceptable parameters and levels, control and incentive mechanisms, codes of conduct, business continuity planning, and an independent audit function.</p> <p>22.2. The general approach to the SWF's risk management framework should be publicly disclosed.</p> | <p>The Petroleum Fund Law requires the Ministry of Finance and the Operational Manager to develop and maintain policies, systems and procedures to ensure that the risks associated with the implementation of the investment strategy are identified, monitored and managed.</p> <p>The BCTL has developed an operational risk management framework for the Petroleum Fund. This includes a risk register that identifies the responsible section for each risk and the associated internal controls. The BCTL's Internal Audit area, which is independent from its investment management area, monitors and ensures that procedures are being followed and there is an effective framework in place. All the staff of the BCTL are bound by its Code of Conduct.</p> <p>The financial risk in the Petroleum Fund's strategy is embedded in the Fund's investment policy that is set by the Ministry of Finance, specifically the parameters for the global mandate and the investment mandates included in Annex 1 of the Operational Management Agreement. The appropriate level of financial risk is assessed during regular asset allocation reviews. The Ministry of Finance is required to present the investment policy to the Parliament on an annual basis as part of the Petroleum Fund Annual Report or prior to making any changes to the Fund's principal asset allocation. The BCTL manages the global mandate, which is comprised of individual mandates with specific allocations. There is periodic rebalancing of the Growth Portfolio and transfers from the Growth Portfolio to the Liquidity Portfolio. The BCTL also monitors the compliance of the external managers with their risk targets. The BCTL reports on compliance to the Ministry of Finance in the quarterly performance report.</p> <p>The Ministry of Finance monitors the Fund's performance including its risk exposure through the BCTL's quarterly performance reports. The Ministry of Finance reports to the Parliament on an annual basis through the Petroleum Fund Annual Reports.</p> <p><i>Sources: Petroleum Fund Law, Operational Management Agreement</i><br/> <a href="https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf">https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf</a><br/> <a href="https://www.bancocentral.tl/en/go/other-regulatory-instruments">https://www.bancocentral.tl/en/go/other-regulatory-instruments</a><br/> <a href="https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf">https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf</a><br/> <a href="http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf">http://timor-leste.gov.tl/wp-content/uploads/2010/03/Law_2005_9_petroleum_fund_law_.pdf</a><br/> <i>Petroleum Fund Annual and Quarterly Reports</i><br/> <a href="https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports">https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports</a><br/> <a href="https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report">https://www.bancocentral.tl/en/go/publications-key-report-petroleum-fund-report</a></p> |
| <p>23. The assets and investment performance (absolute and relative to benchmarks, if any) of the SWF should be measured and reported to the owner according to clearly defined principles or standards.</p>                                                                                                                                                                                                                                                                                                                                                                  | <p>The Petroleum Fund Law requires the Operational Manager, the BCTL, to report to the Ministry of Finance on a quarterly basis the performance and activities of the Petroleum Fund relative to the benchmarks.</p> <p>Performance reporting is prepared by the Fund's custodian, JP Morgan, in compliance with the Global Investment Performance Standards (GIPS) methodology. The quarterly report is published within 40 days after the end of every quarter. Both BCTL and MOF take further initiative to have a face-to-face press conference with relevant stakeholders to coincide with the release of the Petroleum Fund quarterly report.</p> <p><i>Sources: Petroleum Fund Law</i><br/> <a href="https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf">https://mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/9_2005.pdf</a><br/> <a href="https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf">https://mj.gov.tl/jornal/public/docs/2011/serie_1/serie1_no36.pdf</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

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| <p>24. A process of regular review of the implementation of the GAPP should be engaged in by or on behalf of the SWF.</p> | <p>The Ministry of Finance intends to review the Petroleum Fund's implementation of the Santiago Principles annually and publish the results of the self-assessment in the Petroleum Fund Annual Report. This is the fourteenth review. The Petroleum Fund conducted its first review in 2010.</p> <p><i>Source: Petroleum Fund Annual Reports</i><br/> <a href="https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports">https://www.mof.gov.tl/publicationdetails/petroleum-fund-annual-reports</a></p>                                                                                                                                                                                                                                                                                                     |



**Democratic Republic of Timor-Leste**  
**Ministry of Finance**  
**Petroleum Fund Policy and Management Office**

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