

Petroleum Fund of Timor-Leste

Quarterly Report

31 December 2023

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INTRODUCTION

This report is produced in accordance with Article 13 of the Petroleum Fund Law which requires the Central Bank to report on the performance and activities of the Petroleum Fund of Timor-Leste, referred to in this report as the Fund unless the context suggests otherwise.

All monetary references in this report are to United States dollars as the official currency of Timor-Leste.

While every effort has been made to ensure accuracy, the information is based on management and custodial reports and has not been independently audited and is subject to change, in which case the changes will be incorporated into subsequent reports.

EXECUTIVE SUMMARY

The Petroleum Fund was formed by the enactment of the Petroleum Fund Law Promulgated on 3 August 2005 as amended on 28 September 2011. The law gives the Central Bank of Timor-Leste the responsibility for the operational management of the Fund.

This report covers the period from 01 October to 31 December 2023.

Key statistics for the quarter include:

- The capital of the Fund at the end of the Current quarter was \$18.252 billion while the previous quarter was \$17.521 billion.
- Gross cash inflows to the fund from royalties and taxes were \$16.337 million.
- Outflow for the quarter were \$302.064 million, being transfers to the state budget of \$300 million while \$2.064 million was for management costs.
- The profit and loss for the quarter was \$1.015 billion, representing a gross of fees return of 5.86%. The return on financial market investments was 6.06% compared with the benchmark return of 6.11%.

The Fund performance for the quarter, including the performance of the relative asset classes, was as follows:

Table 1

%	QTR	FYTD	1 Year	3 Years	5 years	Since Inc
Total Fund	5.86	9.78	9.78	1.49	5.46	4.26
Benchmark	5.95	9.88	9.88	1.48	5.44	4.21
<i>Excess</i>	<i>-0.08</i>	<i>-0.11</i>	<i>-0.11</i>	<i>0.01</i>	<i>0.02</i>	<i>0.05</i>
Financial Market Investments	6.06	10.11	10.11	1.66	5.73	4.33
Benchmark	6.11	10.06	10.06	1.27	5.34	4.18
<i>Excess</i>	<i>-0.05</i>	<i>0.05</i>	<i>0.05</i>	<i>0.39</i>	<i>0.39</i>	<i>0.15</i>
Investment in Petroleum Operations	0.00	0.00	0.00	-3.07	n.a	-3.06
Benchmark	1.11	4.50	4.50	4.50	n.a	4.50
<i>Excess</i>	<i>-1.11</i>	<i>-4.50</i>	<i>-4.50</i>	<i>-7.57</i>	<i>n.a</i>	<i>-7.56</i>

Table 2

%	QTR	FYTD	1 Year	3 Years	5 years	Since Inc
Total Financial Market Investments	6.06	10.11	10.11	1.66	5.73	4.33
Benchmark	6.11	10.06	10.06	1.27	5.34	4.18
<i>Excess</i>	<i>-0.05</i>	<i>0.05</i>	<i>0.05</i>	<i>0.39</i>	<i>0.39</i>	<i>0.15</i>
Liquidity Portfolios	1.10	4.25	4.25	n.a	n.a	1.30
Benchmark	1.59	4.81	4.81	n.a	n.a	1.56
<i>Excess</i>	<i>-0.49</i>	<i>-0.56</i>	<i>-0.56</i>	<i>n.a</i>	<i>n.a</i>	<i>-0.25</i>
Growth Portfolios	7.04	11.37	11.37	n.a	n.a	0.18
Benchmark	6.98	11.26	11.26	n.a	n.a	0.05
<i>Excess</i>	<i>0.07</i>	<i>0.11</i>	<i>0.11</i>	<i>n.a</i>	<i>n.a</i>	<i>0.13</i>

1. INVESTMENT MANDATE

A revised Management Agreement between Ministry of Finance and the Central Bank was signed on 25 June 2009. The Annexes of the Management Agreement was subsequently amended to reflect the actual investments.

From 1 November 2020, the Private Debt Instrument is separated from the financial market investments portfolio. From 1 July 2021, the Financial Market Investment portfolio is segmented into the Liquidity Portfolio and the Growth Portfolio. The benchmarks of the Total Fund and Financial Market Investment as of December 2023 were as follows:

Table 3

Mandates	Oct-23	Nov-23	Dec-23
Total Fund	100%	100%	100%
Investment in Petroleum Operations	3.23%	3.14%	3.07%
Financial Market Investment	96.77%	96.86%	96.93%
Total Financial Market Investment	100%	100%	100%
Liquidity Portfolio	18.95%	17.84%	17.03%
Growth Portfolio	81.05%	82.16%	82.97%
Total Liquidity Portfolio	100%	100%	100%
USD Cash	80.75%	80.03%	84.87%
US Government Short-term Treasury Notes	19.25%	19.97%	15.13%
Total Growth Portfolio	100%	100%	100%
US Government Treasury Notes 3-5 Years	35.00%	35.00%	35%
US Government Treasury Notes 5-10 Years	10.00%	10.00%	10%
Global Developed Market Sovereign Bond, Hedged	10.00%	10.00%	10%
US Treasury Inflation Protected Securites 1 - 10 Years (FT)	5.00%	5.00%	5%
US Treasury Inflation Protected Securites 1 - 10 Years (BR)	5.00%	5.00%	5%
Developed Market Equities	35.00%	35.00%	35%

2. MARKET TRENDS DURING THE QUARTER

Global Macroeconomic Trends

1) Labor Market and Economic Growth

- Global economic growth is projected to decelerate in 2024, affected by the tight monetary policy and the restrictive financial conditions in place.
- The U.S. economy was proven to be more resilient than expected in 2023, supported by consumer buffers built during the pandemic. The employment data for December from the U.S. painted a mixed picture as 216,000 new jobs were created during the month, easily beating the consensus number of 175,000. However, the employment data for October and November were revised down 75,000, which resulted in the slowest three-month moving average employment gain since 2021. The unemployment rate was unchanged at 3.7%.

2) Inflation and Monetary Policy

- The headline inflation in most developed markets trending downward due to falling energy prices, higher interest rates, and normalization in the supply chain. However, the core inflation has proved to be stickier in most markets, still above the central bank's target. Headline consumer price index (CPI) in the U.S. increased from 3.1% to 3.4% in December, exceeding the estimates of 3.2%. However, the core inflation, which excludes food and energy prices dropped from 4% to 3.9% in the same month, but above the 3.8% expected. Moreover, the core PCE (the Fed's preferred inflation measure) decelerated to 3.2% in December from 3.5% of the previous month. The resurgence of inflation in December demonstrates that the central bank's mission to return inflation to its 2% target is far from done. Minutes from the Fed's latest meeting revealed some Fed officials showed concerns that this level of inflation may persist as the inflation relief contributed by the supply chain recovery and labor supply might be over. Hence, the effort to bring

inflation further down to the central bank's target needs to be accomplished with tighter monetary conditions.

- Inflation in the Euro area also fell to 2.4% in December, nearly reaching the European Central Bank's (ECB) target of 2%. As a result, the ECB left the interest rate unchanged in the December meeting and acknowledged that inflation appeared to be easing. The ECB officials did not give any indication that they are going to start easing the monetary policy in the region despite the economic growth in the region reportedly declining 0.1% in the third quarter of 2023.
- Across Asia, China's economic data were mixed in December as industrial production (4.6%) and retail sales were positive, the investment growth was negative (-11%), with major drag coming from the real state. The deflationary trend continues in China with CPI falling 0.2% and the producer price index falling 2.6% y/y in November. On the other hand, inflation in Japan was at 3.8% in November still above the Bank of Japan's target but continues to decline reflecting the price moderation in food prices.

Global Equity Market Trends

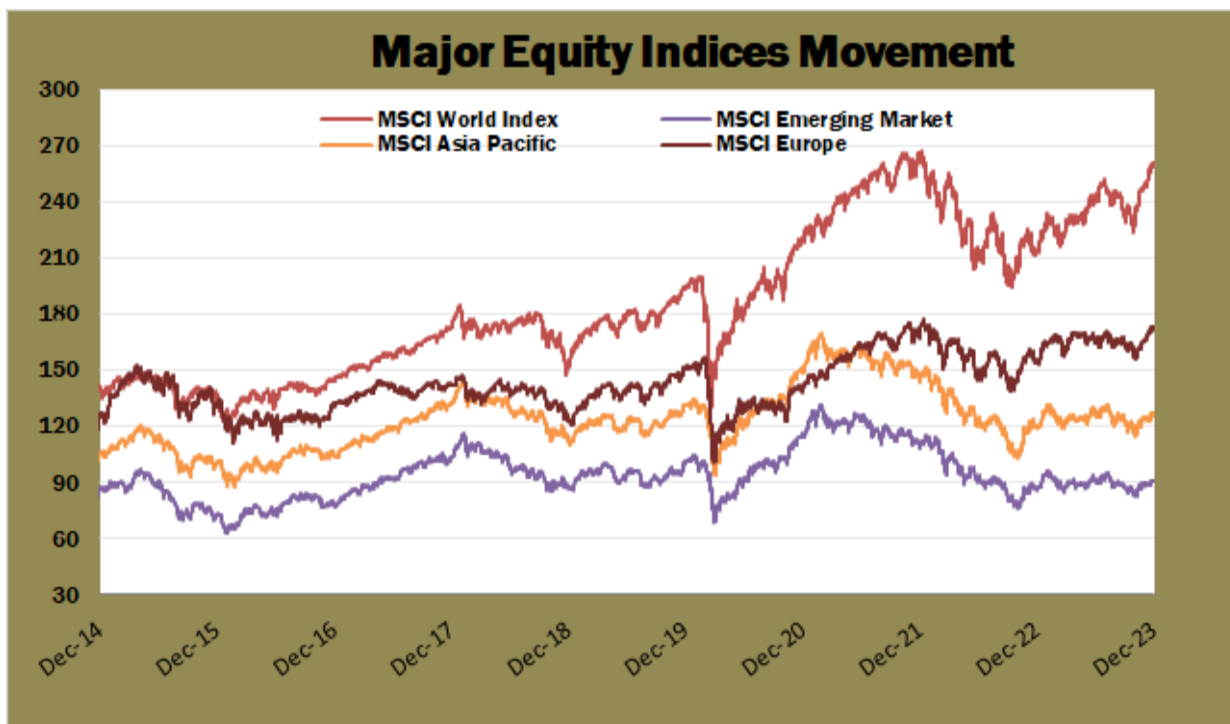
1) MSCI World Index

- Global equity prices rallied in the last two months fueled by the expectation that the central banks starting to ease their respective monetary policy in 2024. This expectation is based on the inflation numbers released, which showed inflation in most developed countries is trending down toward the end of 2023. The MSCI world index gained more than 4% in December while increasing around 11% for the quarter. The breadth of the share price rally was also noticeable in December as the small stocks fared better during December as the small company's index, Russell 2000 recorded a 12% increase in price, compared to the S&P 500 index of 4%.
- The equity market in European regions measured by the MSCI Europe index reported a gain of 3.18% in December and 6.11% for the quarter, underperforming the global MSCI index for the respective period.
- Across the Asia Pacific and emerging markets, Australia's MSCI AU index recorded a 7.35% gain in December, outperforming all the other peer-developed markets. MSCI Emerging Market Index also reported a positive return for the quarter.

3) Equity Factors Performance

- The equity performance was positive across all sectors, but in terms of factors, performances were mixed during the period under review. The MSCI World Value index increased by 5.24% compared to the MSCI World Growth (4.40%) and Quality (4.92%) Indices. However, for the quarter, the growth (13.20%) and quality (12.45%) factor stocks outperformed the value (8.75%) factor by a wide margin, reflecting the stellar performance in the so-called *magnificent seven stocks* in the information and technology sectors throughout the year. This trend has contributed to the positive performance of the Petroleum Fund's equity mandates for this term.

Graph 01 Major Equity Indices Movement (USD)



Global Treasury Bonds include U.S Treasuries

1) Global Sovereign Bonds – Developed Markets only

- The yield of global sovereign bonds excluding the U.S. broadly decreased during the quarter echoing the global trend. The UK's gilt 10-year declined from 4.4% at the beginning of the quarter to 3.5% by the end of the quarter. At the same time, Germany's 10-year government bond yield experienced a decline of 0.80 percentage points, closing the year at 2.0%. The decline in treasury yield in these countries reflects the expectation that the sluggish economic growth and downward inflation movement will enable the central banks to ease monetary policy. The declining treasury yield in these countries resulted in a positive performance for the Petroleum Fund's global sovereign bonds ex-U.S. mandate.

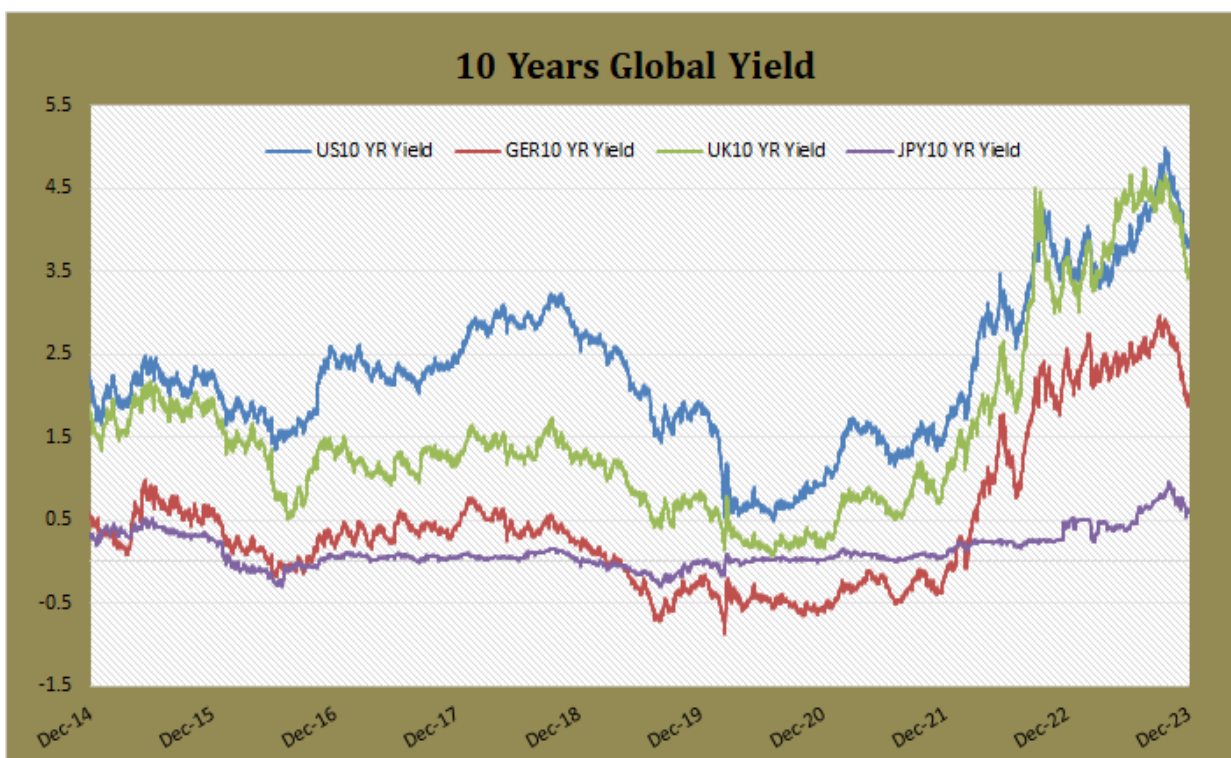
2) US Treasury Market including Treasury Inflation-Protected Securities

- The yield of the U.S Treasuries falls across the curve, with the long end of the curve experiencing more decline compared to the short end of the curve. The yield of the U.S. Treasury 10-year fell from 4.6% to 3.9% this quarter, while the 2-year Treasury yield ended the quarter at 4.2%. down from 5.0% in the previous quarter. The decline in yield mostly reflects the expectation that the Fed may embark on easing the monetary policy soon. This is in line with the broad expectation that the level of restraint in monetary policy currently in place will cause economic recession, but the timing is highly uncertain. The U.S. Federal Reserve revised its summary of economic projections during the December meeting, which showed the Fed expected three rate cuts in 2024. The recent downward movement in the yield of U.S Treasuries weakened the fixed income hedging ability against equity downward should the inflation reaccelerate. The risk of inflation resurgence will boost the price of the inflation-protected securities.

3) US Yield Curve

- The U.S. yield curve remains inverted, meaning that the yield of short-term securities is greater than that of long-term securities. However, the spread between widely monitored 10-year vs 2-year Treasury yield was narrowed slightly as the yield of 2-year U.S. Treasuries declined 0.79% compared to a 0.69% fall in 10-year U.S. Treasury during the quarter. The movement of yield long-end of the curve reflects the sentiment on future economic conditions. Therefore, the movement in this quarter may reflect a gloomy economic outlook and the expectation from the central bank to ease the monetary policy.

Graph 02. 10 Years Global Yield



3. MANAGEMENT DURING THE QUARTER

Objectives

The Central Bank, as operational manager of the Fund, has implemented the investment mandates through a combination of internal and external management.

The following table shows how the investment mandates have been implemented.

Table 4

Mandate	Management Style	Authorised Managers	Tracking Error	Outperformance Target	Commencement date
Liquidity Portfolio					
3 Month USD Treasury Bills/Cash	Passive	BCTL	n/a	Nil	August-18
BOA Merrill Lynch 1-3 Years US Treasury Bond Index					July-21
Growth Portfolio					
BOA Merrill Lynch 3-5 Years US Treasury Bond Index	Passive	BCTL	0.25%	Nil	January-12
BOA Merrill Lynch 5-10 Years US Treasury Bond Index			0.50%		May-20
Global Developed Market Sovereign Bond, Hedged	Enhanced Passive	BIS	0.50%	0.15%	April-20
US TIPS Treasury Bonds 1 - 10 Years	Enhanced Passive	Franklin Templeton	0.50%	0.20% to 0.25%	April-23
US TIPS Treasury Bonds 1 - 10 Years		Barings			April-23
MSCI World Index ex Australia Net Dividends Reinvested	Equity Factor	Schroders	3.0%	Nil	August-19
		SSgA			
MSCI World Index ex Australia Net Dividends Reinvested	Passive	SSgA	0.35%	Nil	January-12
		BlackRock			February-13
MSCI Australia	Passive	BCTL	0.50%	Nil	July-16
Alternative		BCTL	n/a		April-19

Operational Implementation

The actual allocation of the capital of the Fund to the various mandates as at the end of the quarter was as follows:

Table 5

Mandates	Actual weight in FMI		
	Oct-23	Nov-23	Dec-23
Total Financial Market Investment	100%	100%	100%
Total Liquidity Portfolio	18.95%	17.84%	17.03%
BCTL 3 Month US Treasury Bill Index	15.30%	14.28%	14.45%
BCTL 1-3 year US Treasury Bonds Index	3.65%	3.56%	2.58%
Total Growth Portfolio	81.05%	82.16%	82.97%
Total Fixed Income	51.92%	51.26%	51.31%
BCTL 3-5 year US Treasury Bonds	28.08%	27.42%	27.35%
BCTL5-10 year US Treasury Bonds	7.76%	7.83%	7.92%
BIS Global Developed Market Sovereign Bond, Hedged	8.04%	8.05%	8.12%
US TIPS Treasury Bonds 1 - 10 Years	8.04%	7.96%	7.94%
Total Global Equities	29.13%	30.90%	31.66%
SSGA Equity Factor	3.63%	3.83%	3.91%
Schroders Equity Factor	3.71%	3.92%	3.99%
SSGA International Equity Passive	8.76%	9.30%	9.53%
BlackRock International Equity Passive	12.40%	13.18%	13.50%
BCTL Australia Equities Passive	0.64%	0.68%	0.74%

4. PORTFOLIO PERFORMANCE

This section contains a number of tables and charts describing the performance of the Petroleum Fund.

The following notes are intended to assist in interpreting this information:

- The percentage figures show the return of the Fund, or a part of it, which is compared with the performance of the corresponding benchmark. The benchmark represents the investment strategy established by the Minister and is used as a goal against which the

performance of the actual investments is measured. The Minister's benchmarks for the Petroleum Fund are described earlier in this report.

- The excess is the difference (which may be negative) between the benchmark and the portfolio being measured. In general a portfolio and its benchmark will respond in a similar manner to movements in the financial markets. The excess occurs because the benchmark does not recognize transaction costs, and because the actual portfolio usually contains a different mix of financial instruments to the benchmark.

Global Portfolio

In the course of the quarter the Petroleum Fund balance was \$18.252 billion as follows, which has been adjusted with the D&P valuation reports of 2022:

Capital Account	\$'000
Opening book value (01 October 2023)	17,520,642
Receipts during the period	16,337
Transfer to General State Budget	-300,000
Investment Return	1,015,389
Closing book value (31 December 2023)	18,252,368

The Fund was invested as follows:

Assets	\$'000
Cash and Cash Equivalents	4,801,152
Other Receivables	93
Financial assets held at fair value through profit or loss	15,500,624
Less:	
Payable for Securities Purchased	(1,914,378)
Accounts Payable	(135,123)
Total	18,252,368

The income for the quarter was as follows:

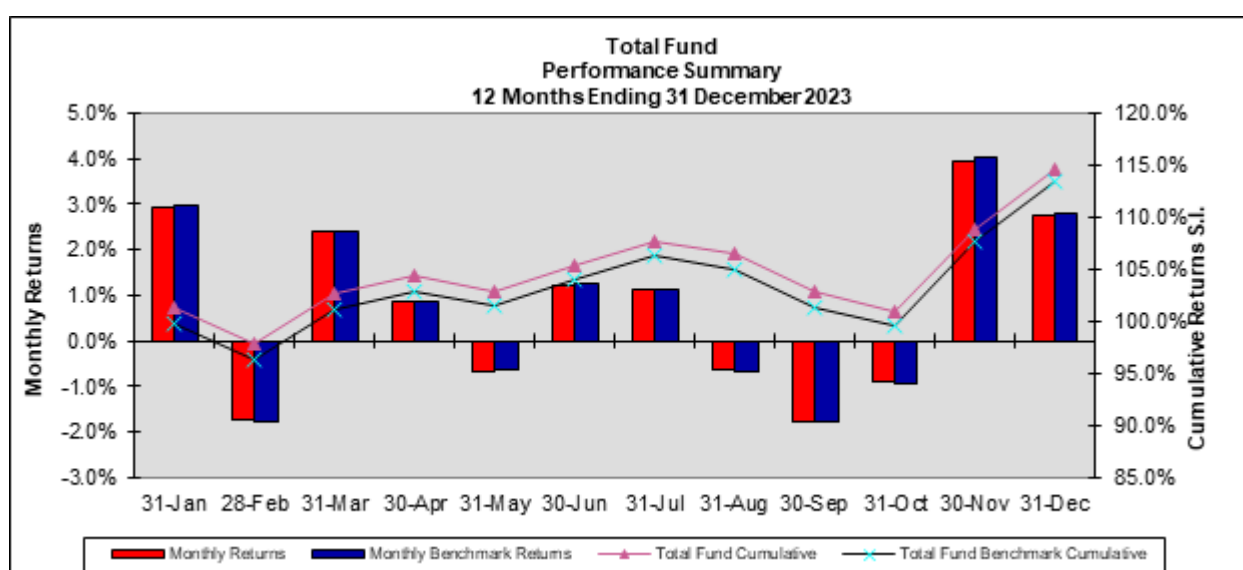
Income	Table 8 \$'000
Interest income	99,050
Dividend income	20,743
Unit Trust distributions	993
Other Investment income	2,214
Net gains/(losses) on Financial Assets at fair value	877,235
Net foreign exchange gains/(losses)	17,775
Less:	
External manager, custody fees	-1,719
Central Bank management expenses	0
IAB Expenses	-289
Other expenses	-55
Withholding taxes	-555
Total Investment Income	1,015,389

The following notes are intended to assist in interpreting this information:

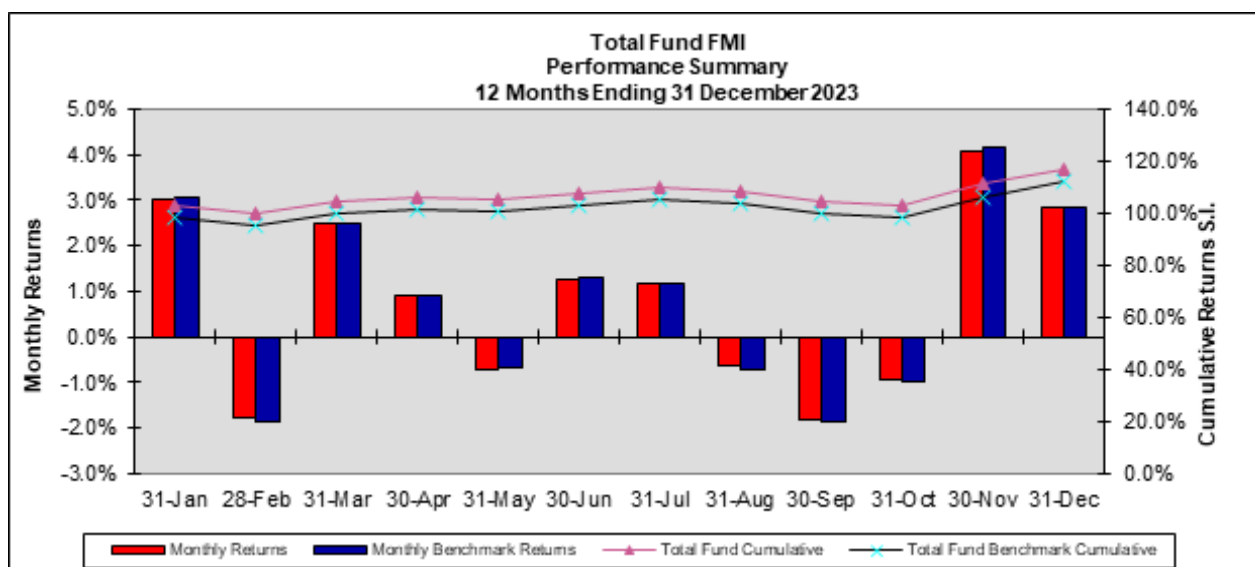
- Unit trust distribution is the income received from listed property investment entities.
- Other expenses relate to derivative trading costs which are deducted directly from the Fund.

The global Fund Performance of absolute and benchmark over the same period are shown in the following graph.

Graph 03 Total Fund Performances



Graph 04 Total Financial market Investments Performance



Liquidity Portfolio

The performance of the investments in the short-term liquidity portfolio for the quarter, including the performance of the managers responsible for those investments, was as follows:

Table 9

	%	Qtr	FYTD	1 Year	3 Years	5 Years	Since Inc
Liquidity Portfolio		1.10	4.25	4.25	n.a	n.a	1.30
Benchmark		1.59	4.81	4.81	n.a	n.a	1.56
<i>Excess</i>		-0.49	-0.56	-0.56	n.a	n.a	-0.25
BCTL Cash Management		0.45	4.05	4.05	1.51	1.41	1.41
ICE BoA ML 3 Month US Treasury Bill Index		1.37	5.01	5.01	2.15	1.88	1.67
<i>Excess</i>		-0.92	-0.97	-0.97	-0.64	-0.47	-0.26
BCTL ML 1-3 Year US Treasury Index		2.47	4.05	4.05	n.a	n.a	0.16
BoA Merrill Lynch 1-3 Years US Treasury Note Index		2.49	4.26	4.26	n.a	n.a	-0.11
<i>Excess</i>		-0.02	-0.21	-0.21	n.a	n.a	0.28

Growth Portfolio

The performance of the investments in global developed market bonds and equities for the quarter, including the performance of the managers responsible for those investments was as follows:

Table 10

	Qtr	FYTD	1 Year	3 Years	5 Years	Since Inc
Growth Portfolio	7.04	11.37	11.37	n.a	n.a	0.18
Benchmark	6.98	11.26	11.26	n.a	n.a	0.05
<i>Excess</i>	0.07	0.11	0.11	n.a	n.a	0.13
International Fixed Interest	4.63	4.91	4.91	-2.30	0.60	1.98
Benchmark	4.61	4.79	4.79	-2.34	0.66	1.98
<i>Excess</i>	0.01	0.13	0.13	0.04	-0.06	-0.01
BCTL 3-5 year US Treasury Bonds	4.15	4.67	4.67	-1.85	1.02	1.11
BoA Merrill Lynch 3-5 Years US Treasury Passive	4.01	4.35	4.35	-1.95	1.02	1.09
<i>Excess</i>	0.13	0.32	0.32	0.10	0.00	0.02
BCTL 5-10 year US Treasury Bonds	5.83	4.46	4.46	-4.09	n.a	-3.59
BoA Merrill Lynch 5-10 Years US Treasury Passive	5.73	3.93	3.93	-4.38	n.a	-3.77
<i>Excess</i>	0.10	0.53	0.53	0.29	n.a	0.18
BIS Global Treasury Developed Marked Hedged	6.25	7.64	7.64	-2.58	n.a	-1.73
Global Treasury Developed Market - Hedged	6.20	7.51	7.51	-2.82	n.a	-1.96
<i>Excess</i>	0.06	0.13	0.13	0.24	n.a	0.23
Barings LLC 1-10 Years US TIPS	3.90	n.a	n.a	n.a	n.a	1.15
US 1-10 years Tips	3.89	n.a	n.a	n.a	n.a	1.19
<i>Excess</i>	0.01	n.a	n.a	n.a	n.a	-0.04
Franklin Templeton 1-10 years US TIPS	3.80	n.a	n.a	n.a	n.a	1.28
US 1-10 years Tips	3.89	n.a	n.a	n.a	n.a	1.19
<i>Excess</i>	-0.09	n.a	n.a	n.a	n.a	0.10
International Equities	11.27	23.67	23.67	8.07	12.94	9.98
Benchmark	11.42	23.79	23.79	7.27	12.80	9.57
<i>Excess</i>	-0.15	-0.12	-0.12	0.80	0.14	0.41
SSgA Equity Factor	10.77	20.77	20.77	8.83	n.a	10.19
MSCI ex. Australia Net Dividends Reinvested	11.34	24.00	24.00	7.30	n.a	10.74
<i>Excess</i>	-0.56	-3.23	-3.23	1.54	n.a	-0.55
Schroders Equity Factor	10.41	24.87	24.87	10.59	n.a	11.99
MSCI ex. Australia Net Dividends Reinvested	11.34	24.00	24.00	7.30	n.a	10.74
<i>Excess</i>	-0.93	0.88	0.88	3.30	n.a	1.25
SSGA International Equity Passive	11.37	24.27	24.27	7.57	12.95	10.59
MSCI ex. Australia Net Dividends Reinvested	11.34	24.00	24.00	7.30	12.87	10.33
<i>Excess</i>	0.03	0.28	0.28	0.27	0.08	0.26
BlackRock International Equity Passive	11.40	24.30	24.30	7.62	13.06	10.12
MSCI ex. Australia Net Dividends Reinvested	11.34	24.00	24.00	7.30	12.87	9.84
<i>Excess</i>	0.06	0.31	0.31	0.32	0.19	0.28
BCTL Australia Equity Passive	15.11	14.68	14.68	5.87	9.32	7.85
MXAU Australia Net Dividends Reinvested	15.23	14.79	14.79	5.97	9.72	8.06
<i>Excess</i>	-0.12	-0.11	-0.11	-0.10	-0.40	-0.21

Private Debt Instrument for Petroleum Operations

The performance of the investment in Private debt instrument for Petroleum Operations for the quarter was as follows:

Table 11

	Qtr	FYTD	1 Year	3 Years	5 Years	Since Inc
Private debt instrument for Petroleum Operations	0.00	0.00	0.00	-3.07	n.a	-3.06
Benchmark	1.11	4.50	4.50	4.50	n.a	4.50
<i>Excess</i>	-1.11	-4.50	-4.50	-7.57	n.a	-7.56

The Private debt instrument is maintained at its independently verified fair value for December 2022 until the new valuation for December 2023 is undertaken.

5. MANAGEMENT COSTS

A management fee of \$2.064 million for operational management costs was charged to the fund during the quarter. The fee covered the following services (in thousands \$):

External Management and Custody expenses	1,719
Central Bank management expenses	-
IAB expenses	289
Other Expenses	55
Total Cost	2,064

6. TRANSFERS TO STATE BUDGET

According to Article 7.1 of the Petroleum Fund Law transfers from the Fund may only be made to the credit of a single State Budget account. An amount of -\$300 million was transferred to the State Budget account during the quarter.

	In Thousand (\$)
Transfer October 2023	0
Transfer November 2023	-200,000
Transfer December 2023	-100,000
Transfer for this Quarter	-300,000
Total transfers this fiscal year to December 2023	-1,090,000

7. COMPLIANCE STATEMENT

Banco Central de Timor-Leste asserts the following statements relating to compliance with the mandates given by the Minister

Qualifying Instruments

The Fund was invested in instruments within the investment universes specified in the various mandates at all times during the quarter.

Modified Duration

The modified duration of the Fund's fixed interest investment portfolios remained within the mandate during the quarter.

Tracking Error

The tracking error of each mandate in the Fund's investment portfolio was within the specified range during the quarter.

External Managers

External managers' investments were within their mandates during the quarter.

Internal Audit

The provisions of Article 22 of the Petroleum Fund law no. 9/2005 require the Central Bank's Internal Auditor to perform an audit of the Fund every six months. The Internal Auditor has performed an audit up to quarter ended 30 June 2023.

8. FINANCIAL INFORMATION

The following financial information is presented for the purpose of assisting the Minister to review the quarterly performance of the Petroleum Fund as set out in this report. The figures have not been audited.

Table 14

BALANCE SHEET	December-23	December-22
In thousands of USD		
ASSETS		
Cash and Cash Equivalents	4,801,152	2,028,957
Receivables	93	45,170
Financial assets held at fair value through profit or loss (included PD)	15,500,624	15,226,932
TOTAL ASSETS	20,301,869	17,301,059
LIABILITIES		
Payables for securities purchased	-1,914,378	-1
Accounts payable	-135,123	-28,056
TOTAL LIABILITIES	-2,049,501	-28,057
NET ASSETS	18,252,368	17,273,002
CAPITAL		
Opening Balance (January)	17,273,002	19,621,024
PF Law Art. 6.1 (a) Revenue receipts	54,578	494,743
PF Law Art. 6.1 (b) DA receipts	366,788	611,673
PF Law Art. 6.1 (e) Other receipts	5,334	
PF Law Art 7.1 Transfers to State Budget	-1,090,000	-1,404,000
Income for the period	1,642,667	-2,050,438
CAPITAL	18,252,368	17,273,002

Note: The Fair Value of Private Debt as of December 2022 was \$560.76 million. This is reflected in the December 2022 values and the opening balance for January 2023. The December 2022 valuation is also used for December 2023 and will be adjusted once the valuation for 2023 is finalized.

Table 15

STATEMENT OF PROFIT OR LOSS In thousands of USD	QUARTER		YEAR TO DATE	
	Dec-23	Dec-22	Dec-23	Dec-22
INVESTMENT INCOME				
Interest income	99,050	63,819	359,041	197,316
Dividend income	20,743	19,164	104,944	105,950
Trust income	993	931	3,735	3,797
Other investment income	2,214	178	9,444	415
Net gains/(losses) on Financial Assets at fair valu	877,235	422,232	1,153,207	-2,342,721
Net foreign exchange gains/(losses)	17,775	23,860	31,160	4,306
Total Investment Income	1,018,007	530,184	1,661,532	-2,030,937
EXPENSES				
External management, fees	1,719	1,559	6,581	7,184
Internal operational management fees	0	422	5,388	5,543
IAB Expenses	289	82	548	251
Other expenses	55	102	315	445
Total expenses	2,064	2,165	12,832	13,423
Profit before tax	1,015,944	528,019	1,648,700	-2,044,360
Withholding taxes on investments	-555	626	-6,033	6,078
Profit/loss for the period	1,015,389	534,868	1,642,667	-2,050,438
Other comprehensive income	0	0	0	0
Total comprehensive income for the period	1,015,389	534,868	1,642,667	-2,050,438

Note: The accounting policies and method of computation used to prepare the above figures are the same as disclosed in the most recent annual financial statements of the Petroleum Fund.

Dili, 29 January 2024



Sara Lobo Brites
Deputy Governor



Helder Lopes
Governor