

# Petroleum Fund of Timor-Leste

## Quarterly Report

30 September 2019

### Inside This Report

1. Introduction.
1. Executive summary.
2. Investment mandate.
2. Market trends.
5. Management during the quarter.
6. Portfolio performance.
9. Management costs.
9. Transfers to state budget.
9. Compliance statement.
10. Financial Information.

### 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 July 2019 to 30 September 2019.

Key statistics for the quarter include:

- The capital of the Fund at the end of the Current quarter was \$17.55 billion while the previous quarter was \$17.45 billion.
- Gross cash inflows to the fund from royalties and taxes were \$166.70 million.
- Outflow for the quarter were \$203.24 million, being transfers to the state budget of \$200 million while \$3.24 million was for management costs.
- The profit/loss for the quarter was \$139.62 million, representing a gross of fees return of 0.81% compared with the benchmark return of 0.84%.

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	0.81	9.90	5.42	5.30	4.38	4.31
Benchmark	0.84	10.06	5.39	5.09	4.30	4.26
<i>Excess</i>	<i>-0.03</i>	<i>-0.16</i>	<i>0.03</i>	<i>0.21</i>	<i>0.08</i>	<i>0.05</i>
International Fixed Interest	0.88	5.08	7.29	1.69	2.15	2.73
Benchmark	0.90	5.28	7.62	1.63	2.15	2.72
<i>Excess</i>	<i>-0.02</i>	<i>-0.20</i>	<i>-0.33</i>	<i>0.05</i>	<i>0.01</i>	<i>0.00</i>
International Equities	0.64	17.68	2.18	10.44	7.50	9.48
Benchmark	0.53	17.61	1.83	10.21	7.18	8.95
<i>Excess</i>	<i>0.10</i>	<i>0.08</i>	<i>0.36</i>	<i>0.23</i>	<i>0.32</i>	<i>0.54</i>
Private debt instrument for Petroleum Operations	1.12	n.a	n.a	n.a	n.a	2.15
Benchmark	1.12	n.a	n.a	n.a	n.a	2.15
<i>Excess</i>	<i>0.00</i>	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	<i>0.00</i>

## 1. INVESTMENT MANDATE

A revised Management Agreement between the Ministry of Finance and the Central Bank was signed on 25 June 2009. Annex 1 was further updated subsequently to reflect the latest developments. The latest update was on 30 July 2019 to reflect Minister's decision on introducing factor equity portfolios. The benchmarks as of September 2019 were as follows:

Table 2

	July-19	August-19	September-19
3 Month US Treasury Bills/Cash	5%	5%	5%
BOA Merrill Lynch 3-5 Years Treasury Bond Index	35%	35%	35%
BOA Merrill Lynch 5-10 Years Treasury Notes and Bond Index	10%	10%	10%
Barclays Global Treasury Developed Market ex US, 30% Eurozone and 10% Country Capped	10%	10%	10%
<b>Total Fixed Income</b>	<b>60%</b>	<b>60%</b>	<b>60%</b>
<b>Total equity (MSCI World Index Net Dividends Reinvested)</b>	<b>35%</b>	<b>35%</b>	<b>35%</b>
<b>Total Private debt instrument for Petroleum Operations</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## 2. MARKET TRENDS DURING THE QUARTER

### Global Market Trend

The major themes drove the market during the third quarter of 2019 are the monetary policy developments from the major central banks and trade disputes between the U.S with China and Europe.

Heightened concerns on global economic growth during the quarter made many major central banks to ease monetary policy by reducing interest rates and reintroducing the recent-halted stimulus program in an effort to prevent further economic slowdown. The U.S Federal Reserve reduced its short-term interest rate by 0.25% in September, made it the second reduction of the year, taking the benchmark rate from 2.25 – 2.50% from the beginning of the year to 1.75 – 2.00% by the end of September. The Fed made the move after a series of data showed concern particularly contraction in manufacturing sector. The U.S manufacturing sector declined for two consecutive months in August and September; marked the lowest level seen before the global financial crisis. The employment data showed that the U.S economy still creating jobs but at much slower pace. In addition to the rate reduction, the Fed decided to expand its balance sheet by purchasing the short-term

securities from the market, aiming to address the recent short-term liquidity problem. The USD remained strong against the other major currencies due to the synchronized easing of monetary policy among the major central banks.

Weak economic data out of Eurozone major economic countries and lingering uncertainties over BREXIT triggered the European Central Bank to cut interest rate further to negative territory and reintroduce its quantitative easing program. The ECB cut its deposit rate from -0.40% to -0.50% in September in an attempt to increase the subdued inflation data and counter the economic slowdown. The Bank also decided to reintroduce its asset-purchasing program at the pace of 20 billion euros (\$22 billion) government and corporate bonds per month. The purchases drive down market interest rates in an effort to stimulate business borrowing and activity. BREXIT uncertainty continues to dominate the headline news in Europe as the 31 October deadline for both parties to be parted approaching. There is no sign of agreement to be in place before the deadline. The U.K Prime Minister was reluctant to ask the European Union parliament for deadline extension, however the U.K lawmakers have passed legislation recently obliged the Prime Minister to ask for an extension if there was no deal agreed upon before 19 October, making the U.K to leave the E.U without a deal less likely. Analysts have projected detrimental economic effect to both E.U and U.K and the world to some extent if both U.K and E.U divorce abruptly. The U.K government submitted a proposal to the E.U earlier in October but there is no clear sign that both parties would agree on a deal.

Across Asia, Bank of Japan did not make any changes to its monetary policy during the quarter but promised to act if there is adverse effect to the economy from the newly implemented 10% sales tax increase. In addition, the government promised to employ necessary fiscal tools if the risks of sales tax increase to economic growth downturn intensify. The objective of introducing the sales tax rise is to increase the revenue to improve the country's long standing financial issues. However, the critics argued that the sales tax increase might hurt the consumer spending, which would lead the country's economy to recession. Reserve Bank of Australia reduced its cash rate by 0.25% recently to take the rate to the historical low of 0.75%. The Bank said that the rationale behind the rate reduction is the unemployment is not low enough to drive up wages, which in turn would increase broad-based inflation.

### *Equities*

Global equity market performance for the quarter under review varied with the market in advanced economies posted a small gain while emerging markets declined.

In the U.S the large caps equity ended the quarter with a small gain, while the small caps represented by index Russell 2000 declined.

Equity market across Europe was mixed with equity market in France posted gain, market in German was flat, and U.K market declined during the period under review. The equity market performance in the region reflects the divergence of economic growth of countries in the region. The final economic growth in France for the second quarter of the year came out at 0.3% and expected to grow at the same pace in third quarter, as recent survey by the Bank of France showed the business sentiment for the manufacturing and service sectors are still positive. On the other hand, German's economy contracted a seasonally adjusted 0.1 percent on quarter in the three months to June 2019, unrevised from the preliminary estimate and following a 0.4 percent growth in the previous period. Net external demand contributed negatively to the GDP as exports fell faster than imports, while investment in construction declined markedly.

Equity in Asia and emerging market also ended the quarter with mixed performance as equity index of Japan increased while South Korea and generic MSCI Emerging Market index posted a sharp decline. Equity market in Japan was supported by the relieved trade news between the U.S and Japan. Both countries agreed on a trade deal in September, as Japan was able to compromise on the concessions U.S demanded, including importing more agricultural products from the U.S. On the other hand, equity in emerging market declined for

the quarter triggered by the U.S – China trade dispute and strong USD against the emerging market currencies. Australian equity market, represented by MSCI Australia increased more than 1% for the period under review.

In terms of factor performance, quality and low volatility performed better during the quarter compared to value, size, and momentum. Escalation in trade disputes between U.S against China and Europe, BREXIT uncertainties, and weak global economic outlook prompted investors to lean toward the defensive factors.

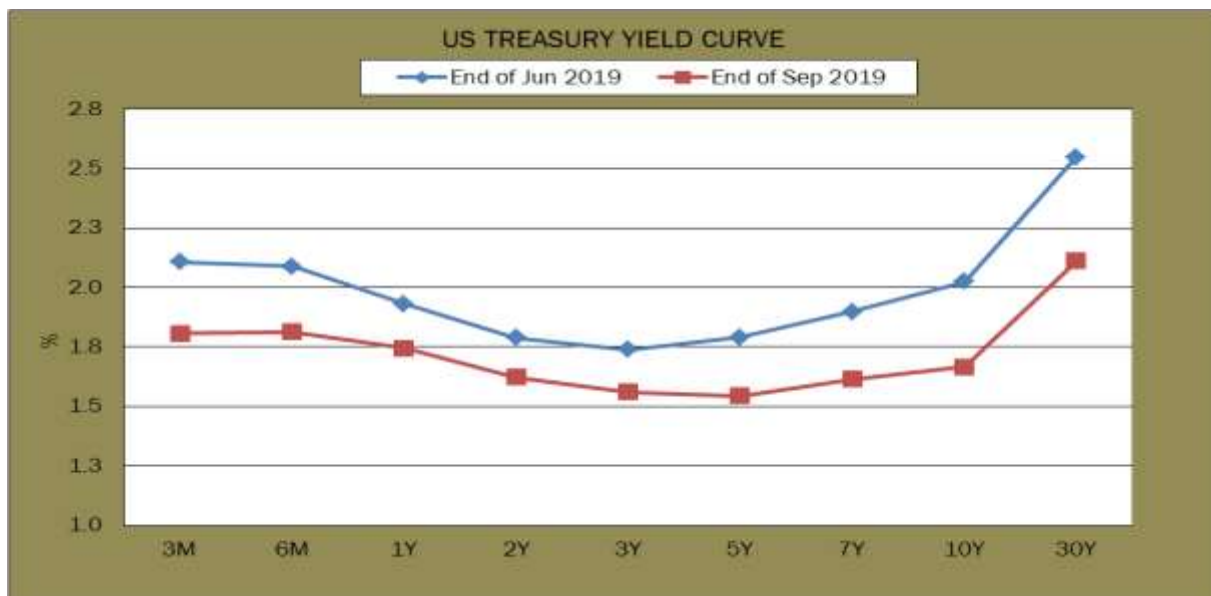
### *Bonds including US Treasuries*

The yield of global sovereign government bonds include the U.S Treasuries fell during the quarter propelled by the uncertainties of the global trade policies and the simultaneous easing of monetary policy among the major central banks.

The yields of the 10-year Government bonds across Europe fell drastically during the quarter, as the like of German and France 10-years government bond fell further into negative territory. The yield of the 10-year German declined from -0.30% to -0.50% by the end of the quarter. In addition, France 10-years government bonds' yield fell from 0.00% to -0.20%. The yield of the Italian government bond fell more than 1.20% by the end of period and stood at 0.82%. The U.K 10-year gilt decreased from 0.83% to 0.48% by the end of the quarter.

The yield curve graph below demonstrates the yields movement of the U.S Treasury securities for the quarter as it notes the yield fell more steeply in the middle of the curve while showing a moderate upward movement at the front and the end of the curve. The sharp decline in the medium term compared to the short-term bond yield caused the yield curve to invert, meaning the short-term bonds yield higher than the long-term. For example, the 3-month U.S Treasury Bills yield was at 1.81% compared to the 10-year yield of 1.66%. Historically, in the United States all the yield curve inversion mostly preceded with the economic recession.

Figure 1



### 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 3

Mandate	Management Style	Authorised Managers	Tracking Error	Outperformance Target	Commencement date
3 Month USD Treasury Bills/Cash	Passive	BCTL	n/a	Nil	14-Aug-18
BOA Merrill Lynch 3-5 Years US Treasury Bond Index	Passive	BCTL	n/a	Nil	19-Jan-12
BOA Merrill Lynch 5-10 Years US Treasury Bond Index	Enhanced Passive	Bank for International Settlements	0.50%	0.25%	15-Dec-11
Barclays Global Treasury Developed Market ex US, 30% Eurozone and 10% Country Capped	Enhanced Passive	Alliance Bernstein	0.50%	Nil	3-Jul-14
	Enhanced Passive	Wellington Management	0.50%	Nil	4-Dec-14
MSCI World Index ex Australia Net Dividends Reinvested	Equity Factor	Schroders Investment Management	3.00%	Nil	2-Aug-19
		SSgA Equity Factor	3.00%	Nil	2-Aug-19
MSCI World Index ex Australia Net Dividends Reinvested	Passive	SSgA International Equity	0.35%	Nil	18-Jan-12
		BlackRock	0.35%	Nil	21-Feb-13
MSCI Australia	Passive	BCTL	0.50%	Nil	4-Jul-16
Private debt instrument for Petroleum Operations	Passive	BCTL	n/a	n/a	10-Apr-19

#### Operational Implementation

Following Minister's decision to introduce equity factor portfolios into the Petroleum Fund, the State Street Global Advisors (SSgA) global multi factor has been appointed and the existing Schroder's global equity mandate has been recalssified, as equity factor managers. The factor portfolios have been effectively implemented on 2 August 2019 by splitting the composition of the global equities into the market cap and equity factor portfolios.

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

Table 4

Mandate	Managers	Target Benchmark	Tolerance	Actual	Lower Boundary	Upper Boundary
3 Month US Treasury Bills/Cash	BCTL	5%	± 2.5%	6.34%	2.50%	7.5%
BOA Merrill Lynch 3-5 Years Treasury Bond Index	BCTL	35%	± 2.5%	35.61%	32.50%	37.5%
BOA Merrill Lynch 5-10 Years Treasury Notes and Bond Index	Bank for International Settlements	10%	± 1%	10.07%	9%	11%
Barclays Global Treasury Developed Market ex US, 30% Eurozone and 10% Country Capped	Alliance Bernstein	5%	± 0.5%	4.58%	4.50%	5.5%
	Wellington Management	5%	± 0.5%	4.66%	4.50%	5.5%
<b>Total Fixed Income</b>		<b>60%</b>		<b>61%</b>	<b>53%</b>	<b>67%</b>
MSCI Index ex Australia Net Dividends Reinvested	Schroders Investment Management	4.38%	± 1.75%	4.31%	2.6%	6.13%
	SSgA Equity Factor	4.38%		4.38%	2.6%	6.1%
MSCI Index ex Australia Net Dividends Reinvested	SSgA International Equity	10.50%	± 4%	10.50%	6.50%	14.5%
	BlacRock	14.50%		14.86%	10.50%	18.5%
MSCI Australia Index	BCTL	0.88%	± 0.45%	0.89%	0.43%	1.3%
<b>Total Equities</b>		<b>35%</b>		<b>35%</b>	<b>23%</b>	<b>47%</b>
Total Private debt instrument for Petroleum Operations	BCTL	5%	n/a	3.78%	0%	0%
<b>Total</b>		<b>100%</b>		<b>100%</b>	<b>76%</b>	<b>114%</b>

## 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 recognise 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 \$17.55 billion as follows:

Capital Account	\$'000
Opening book value (01 July 2019)	17,447,364
Receipts during the period	166,696
Transfer to General State Budget	-200,000
Investment Return	139,617
<b>Closing book value (30 September 2019)</b>	<b>17,553,677</b>

The Fund was invested as follows:

Assets	\$'000
Cash and Cash Equivalents	1,184,725
Other Receivables	67,358
Financial assets held at fair value through profit or loss	16,371,027
Less:	
Payable for Securities Purchased	-65,483
Accounts Payable	-3,950
<b>Total</b>	<b>17,553,677</b>

The income for the quarter was as follows:

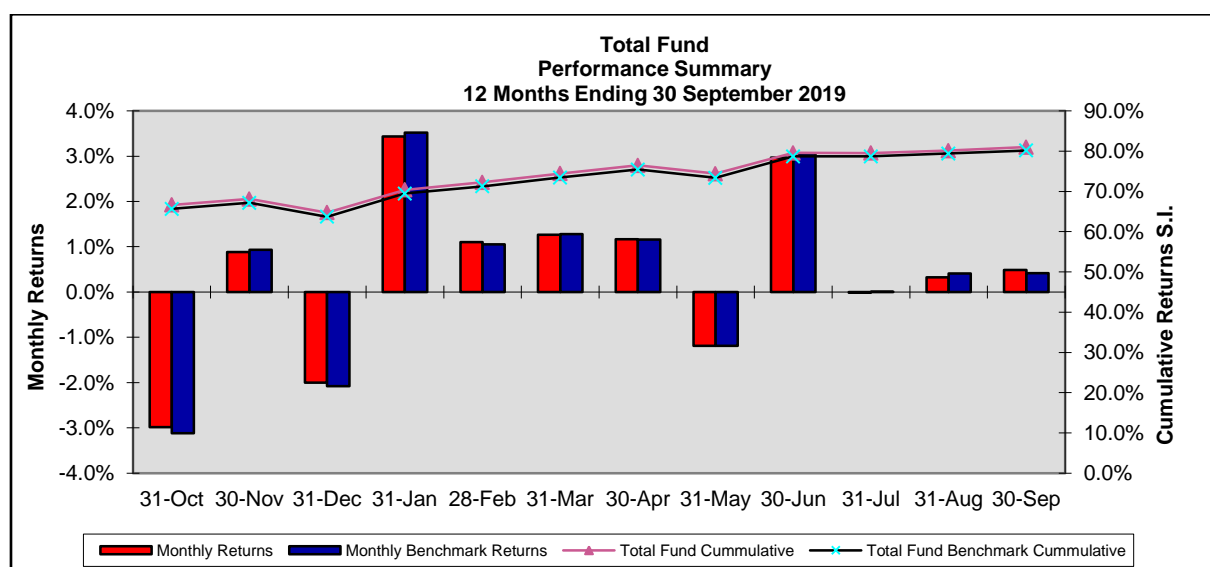
Income	Table 7 \$'000
Interest income	66,258
Dividend income	34,778
Unit Trust distributions	1,505
Other Investment income	5
Net gains/(losses) on Financial Assets at fair value	42,259
Net foreign exchange gains/(losses)	-1,422
Less:	
External manager, custody fees	-1,709
Central Bank management expenses	-1,187
IAB Expenses	-41
Other expenses	-305
Withholding taxes	-524
<b>Total Investment Income</b>	<b>139,617</b>

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.

Global Benchmark over the same period is shown in the following graph.

Figure 2





**FIXED INTEREST**

The performance of the investments in Fixed Interest for the quarter, including the performance of the managers responsible for those investments, was as follows:

Table 8

%	Qtr	FYTD	1 Year	3 Years	5 Years	Since Inc
<b>International Fixed Interest</b>	0.88	5.08	7.29	1.69	2.15	2.73
Benchmark	0.90	5.28	7.62	1.63	2.15	2.72
<i>Excess</i>	-0.02	-0.20	-0.33	0.05	0.01	0.00
<b>BCTL Cash Management (TLCM)</b>	0.58	1.80	2.33	n.a	n.a	1.64
3 Month USD Treasury Bills	0.56	1.81	2.48	n.a	n.a	2.11
<i>Excess</i>	0.02	-0.02	-0.15	n.a	n.a	-0.48
<b>BCTL 3-5 yr US Treasury</b>	1.01	4.95	7.45	1.82	2.22	1.70
BoA Merrill Lynch 3-5 Years US Treasury Passive	1.02	5.09	7.59	1.81	2.26	1.68
<i>Excess</i>	-0.01	-0.14	-0.14	0.01	-0.04	0.02
<b>Bank for International Settlements</b>	2.08	8.33	11.96	2.35	3.35	2.55
BoA Merrill Lynch 5-10 Years US Treasury Enhanced Passiv	2.09	8.24	11.89	2.24	3.33	2.52
<i>Excess</i>	-0.01	0.09	0.07	0.11	0.02	0.02
<b>Alliance Bernstein</b>	-0.63	4.23	4.77	0.67	0.56	-0.34
Barclays Global Treasury DM ex US Enhanced Passive	-0.52	4.69	5.18	0.72	0.64	-0.34
<i>Excess</i>	-0.10	-0.46	-0.41	-0.04	-0.08	0.00
<b>Wellington Management</b>	-0.45	5.04	5.61	0.80	n.a	0.88
Barclays Global Treasury DM ex US Enhanced Passive	-0.52	4.69	5.18	0.72	n.a	0.87
<i>Excess</i>	0.08	0.34	0.43	0.09	n.a	0.01

**INTERNATIONAL EQUITIES**

The performance of the investments in global developed market equities 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
<b>International Equities</b>	0.64	17.68	2.18	10.44	7.50	9.48
Benchmark	0.53	17.61	1.83	10.21	7.18	8.95
<i>Excess</i>	0.10	0.08	0.36	0.23	0.32	0.54
<b>Schroders Investment Management*</b>	n.a	n.a	n.a	n.a	n.a	0.94
MSCI World Index ex Net Australia dividends Reinvested	n.a	n.a	n.a	n.a	n.a	0.74
<i>Excess</i>	n.a	n.a	n.a	n.a	n.a	0.20
<b>SSgA Equity Factor**</b>	n.a	n.a	n.a	n.a	n.a	0.35
MSCI World Index ex Net Australia dividends Reinvested	n.a	n.a	n.a	n.a	n.a	0.74
<i>Excess</i>	n.a	n.a	n.a	n.a	n.a	-0.39
<b>SSgA International Equity</b>	0.85	18.03	2.38	10.68	7.62	10.37
MSCI World Index ex Net Australia dividends Reinvested	0.58	17.60	1.72	10.27	7.20	9.96
<i>Excess</i>	0.26	0.43	0.66	0.41	0.41	0.41
<b>BlackRock Investment Management</b>	0.70	17.91	2.21	10.67	7.61	9.47
MSCI World Index ex Net Australia dividends Reinvested	0.58	17.60	1.72	10.27	7.20	9.11
<i>Excess</i>	0.12	0.32	0.48	0.40	0.40	0.36
<b>BCTL Australia Equity</b>	-1.43	17.49	6.06	7.82	n.a	9.07
MXAU AU Index	-1.39	17.86	6.06	7.80	n.a	9.05
<i>Excess</i>	-0.04	-0.37	0.00	0.02	n.a	0.02

\*The Performance number of Schroder reflects the reclassification of Schroder's mandate to be factor mandate effectively implemented on 2 August 2019.

\*\*SSgA Equity factor performance numbers commence on 2 August 2019.



### Private debt instrument for Petroleum Operations

The performance of the investment in Private debt instrument for Petroleum Operations for the quarter, including the performance of the manager responsible for this investment, was as follow:

Table 10

%	Qtr	FYTD	1 Year	3 Years	5 Years	Since Inc
<b>Private debt instrument for Petroleum Operations</b>	1.12	n.a	n.a	n.a	n.a	2.15
Benchmark	1.12	n.a	n.a	n.a	n.a	2.15
<b>Excess</b>	<b>0.00</b>	<b>n.a</b>	<b>n.a</b>	<b>n.a</b>	<b>n.a</b>	<b>0.00</b>

## 5. MANAGEMENT COSTS

A management fee of \$3.24 million for operational management costs was charged to the fund during the quarter. The fee covered the following services (in thousands \$):

Table 11

External Management and Custody expenses	1,709
Central Bank management expenses	1,187
IAB expenses	41
Other Expenses	305
<b>Total Cost</b>	<b>3,243</b>

## 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 \$200 million was transferred to the State Budget account during the quarter. The transfers are summarized in table 12.

Table 12

In Thousand (\$)

Transfer July 2019	0
Transfer August 2019	100,000
Transfer September 2019	100,000
<b>Transfer for this Quarter</b>	<b>200,000</b>
Total Transfers previous quarters	220,000
<b>Total transfers this fiscal year to September 2019</b>	<b>420,000</b>

## 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 2019.

## 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 13

<b>BALANCE SHEET</b>	2019	2018
In thousands of USD	September	September
<b>ASSETS</b>		
Cash and Cash Equivalents	1,184,725	887,047
Receivables	67,358	37,837
Financial assets held at fair value through profit or loss	16,371,027	16,253,122
<b>TOTAL ASSETS</b>	<b>17,623,110</b>	<b>17,178,006</b>
<b>LIABILITIES</b>		
Payables for securities purchased	-65,483	-19,462
Accounts payable	-3,950	-2,966
<b>TOTAL LIABILITIES</b>	<b>-69,433</b>	<b>-22,428</b>
<b>NET ASSETS</b>	<b>17,553,677</b>	<b>17,155,577</b>
<b>CAPITAL</b>		
Opening Balance (January)	15,803,638	16,799,313
PF Law Art. 6.1 (a) Revenue receipts	257,292	169,294
PF Law Art. 6.1 (b) DA receipts	342,147	156,092
PF Law Art. 6.1 (e) Other receipts	0	5,944
PF Law Art 7.1 Transfers to State Budget	-420,000	-210,000
Income for the period	1,570,601	234,934
<b>CAPITAL</b>	<b>17,553,677</b>	<b>17,155,577</b>

Table 14

STATEMENT OF PROFIT OR LOSS In thousands of USD	QUARTER		YEAR TO DATE	
	Sep-19	Sep-18	Sep-19	Sep-18
<b>INVESTMENT INCOME</b>				
Interest income	66,258	50,745	192,021	146,046
Dividend income	34,778	36,735	124,379	126,600
Trust income	1,505	2,383	4,621	5,111
Other investment income	5	0	29	33
Net gains/(losses) on Financial Assets at fair value	42,259	226,355	1,269,928	92,998
Net foreign exchange gains/(losses)	-1,422	-22,498	-1,548	-114,431
<b>Total Investment Income</b>	<b>143,383</b>	<b>293,721</b>	<b>1,589,430</b>	<b>256,359</b>
<b>EXPENSES</b>				
External management, fees	1,709	2,270	5,907	7,608
Internal operational management fees	1,187	1,720	4,499	5,074
IAB Expenses	41	46	116	143
Other expenses	305	115	840	467
<b>Total expenses</b>	<b>3,243</b>	<b>4,151</b>	<b>11,362</b>	<b>13,292</b>
Profit before tax	140,140	289,570	1,578,068	243,067
Withholding taxes on investments	524	741	7,468	8,133
Profit/loss for the period	139,617	288,829	1,570,601	234,934
Other comprehensive income	0	0	0	0
<b>Total comprehensive income for the period</b>	<b>139,617</b>	<b>288,829</b>	<b>1,570,601</b>	<b>234,934</b>

Notes: 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, 16 October 2019



**Venancio Alves Maria**  
Deputy Governor



**Nur Aini Djafar Alkatiri**  
Act. Governor