

# Petroleum Fund of Timor-Leste

## Quarterly Report

31 March 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 January to 31 March 2023.

Key statistics for the quarter include:

- The capital of the Fund at the end of the Current quarter was \$17.832 billion while the previous quarter was \$17.414 billion.
- Gross cash inflows to the fund from royalties and taxes were \$21.16 million.
- Outflow for the quarter were \$303.687 million, being transfers to the state budget of \$300 million while \$3.687 million was for management costs.
- The profit and loss for the quarter was \$697.113 million, representing a gross of fees return of 3.56%. The return on financial market investments was 3.71% compared with the benchmark return of 3.66%.

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
<b>Total Fund</b>	3.56	3.56	-2.51	4.76	3.95	4.15
Benchmark	3.56	3.56	-2.96	4.38	3.66	4.03
<i>Excess</i>	<i>0.01</i>	<i>0.01</i>	<i>0.45</i>	<i>0.38</i>	<i>0.29</i>	<i>0.12</i>
<b>Financial Market Investments</b>	3.71	3.71	-2.61	4.90	4.01	4.17
Benchmark	3.66	3.66	-3.24	4.18	3.60	4.01
<i>Excess</i>	<i>0.04</i>	<i>0.04</i>	<i>0.63</i>	<i>0.72</i>	<i>0.41</i>	<i>0.16</i>
<b>Investment in Petroleum Operations</b>	0.33	0.33	0.33	1.22	n.a	2.00
Benchmark	1.10	1.10	4.50	4.50	n.a	4.50
<i>Excess</i>	<i>-0.77</i>	<i>-0.77</i>	<i>-4.17</i>	<i>-3.28</i>	<i>n.a</i>	<i>-2.50</i>

Table 2

%	QTR	FYTD	1 Year	3 Years	5 years	Since Inc
<b>Total Financial Market Investments</b>	3.71	3.71	-2.61	4.90	4.01	4.17
Benchmark	3.66	3.66	-3.24	4.18	3.60	4.01
<i>Excess</i>	<i>0.04</i>	<i>0.04</i>	<i>0.63</i>	<i>0.72</i>	<i>0.41</i>	<i>0.16</i>
<b>Liquidity Portfolios</b>	1.16	1.16	1.38	n.a	n.a	0.13
Benchmark	1.16	1.16	1.42	n.a	n.a	0.18
<i>Excess</i>	<i>0.00</i>	<i>0.00</i>	<i>-0.04</i>	<i>n.a</i>	<i>n.a</i>	<i>-0.05</i>
<b>Growth Portfolios</b>	4.33	4.33	-3.37	n.a	n.a	-3.41
Benchmark	4.39	4.39	-3.49	n.a	n.a	-3.51
<i>Excess</i>	<i>-0.05</i>	<i>-0.05</i>	<i>0.12</i>	<i>n.a</i>	<i>n.a</i>	<i>0.10</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 March 2023 were as follows:

Table 3

Mandates	Jan-23	Feb-23	Mar-23
<b>Total Fund</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Investment in Petroleum Operations	3.91%	4.05%	3.93%
Financial Market Investment	96.09%	95.95%	96.07%
<b>Total Financial Market Investment</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Liquidity Portfolio	15.44%	14.34%	18.73%
Growth Portfolio	84.56%	85.66%	81.27%
<b>Total Liquidity Portfolio</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
USD Cash	77.19%	82.54%	86.84%
US Government Short-term Treasury Notes	22.81%	17.46%	13.16%
<b>Total Growth Portfolio</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
US Government Treasury Notes 3-5 Years	45.00%	45.00%	45%
US Government Treasury Notes 5-10 Years	10.00%	10.00%	10%
Global Developed Market Sovereign Bond, Hedged	10.00%	10.00%	10%
Developed Market Equities	35.00%	35.00%	35%

## 2. MARKET TRENDS DURING THE QUARTER

### *Global Macroeconomic Trend*

At the outset of 2023, the global economy has seen some positive signs as inflation and energy prices ease from their peak levels. China's ending of its zero-COVID policy also provided some growth impulses, though its full impact remained yet to be seen. However, the banking turmoil towards the end of the quarter rightfully rattled investors and sent volatility soaring. The collapse of Silicon Valley Bank (SVB) in March (the second largest banking failure in US history) led to a major sell-off in the US and European financial sectors. Crude-oil prices dipped to \$66.74 per barrel on March 17, their lowest level since November 2021. Oil prices ended the first quarter at \$75.67 per barrel.

### **Labour Market**

In the first quarter, strength continued for the labour market, with solid payroll gains of 311,000 in February & 517,000 in January. The unemployment rate edged higher in February (from 3.4% to 3.6%), but the labour force participation rate was little changed at 62.5 % in February. The U.S. Federal Reserve Governor Christopher Waller said in late March that inflation could decrease without harming the labour market.

### **Global Growth and Inflation**

The quarter's last Consumer Price Index (CPI) data release showed consumer pricing declining in February from January levels. However, prices remained elevated. Core CPI (which removes volatile food and energy) remains firm—potentially firmer than the Federal Reserve would like to see. The inflation battle resulted in the fastest pace of Federal Reserve rate hikes in decades. Global business activity accelerated further in March, reaching a nine-month high, according to the S&P Global PMI surveys based on data provided by over 30,000 companies. A fourth successive monthly rise in the global PMI's headline output index took the pace of growth to its highest for nine months in March. At 53.4, up from 52.1 in February (the Global PMI is compiled by S&P Global across over 40 economies and sponsored by JPMorgan).

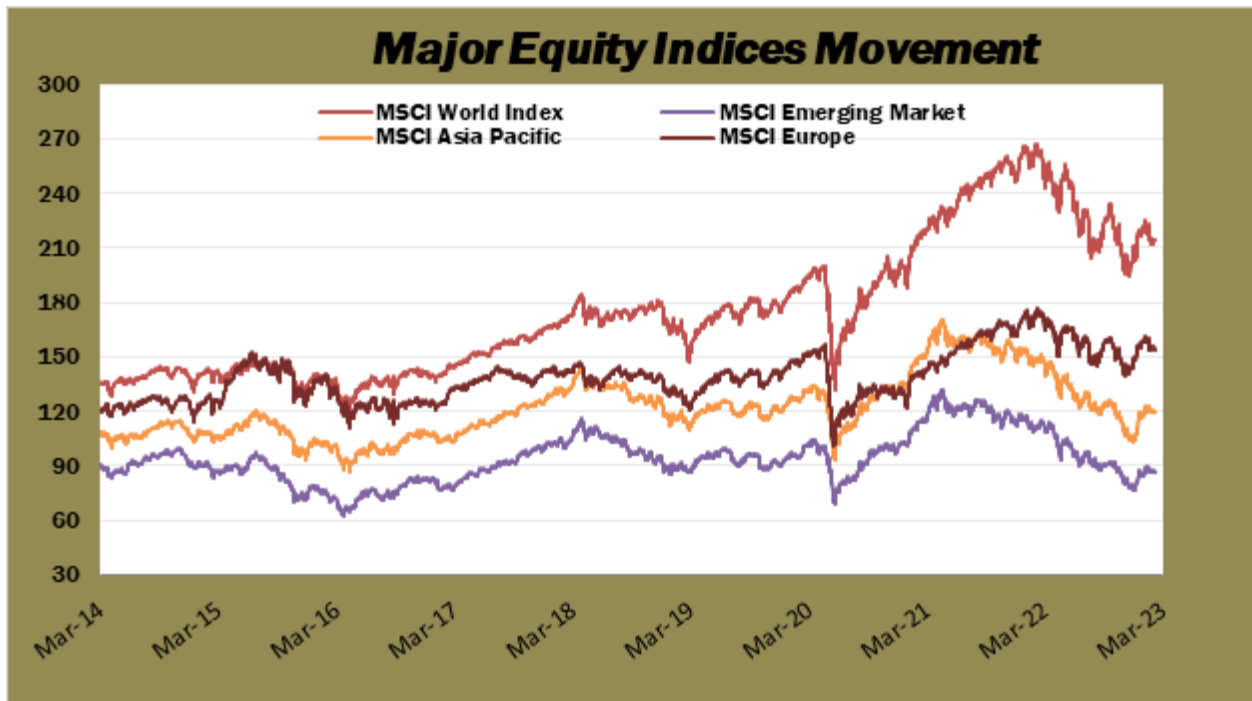
### Quarterly Fed Decisions

The first quarter featured two Fed meetings, resulting in 25-basis-point hikes. The hikes were largely expected, although some participants wanted to see a pause in March in the wake of the banking turmoil. This took borrowing costs to the higher point since 2007.

### Global Equity Market Trends

Global equities (MSCI World) ended the Q1 at 7.7 % (in USD) on the back of receding recession worries in developed markets. Gains came despite the collapse of Silicon Valley Bank, which caused significant volatility in bank shares. The clear winners in the quarter were found in tech and growth stocks. The fall in bond yields led to a rally in growth stocks, which rallied by more than 15% over the quarter, with most of the well-known mega-cap index stocks posting gains north of 20% over the quarter. Meanwhile defensive areas with value and quality characteristics lagged despite the market turbulence. The performance gap between MSCI's World Growth and Value indices was more than 14% in Q1. All the regions were positive in the first quarter, with developed markets outperforming emerging markets (EM). Europe outperformed the U.S., driven by strong gains in France and Germany and led by demand from China. Within EM ex China, countries with high economic exposure outside the domestic market, namely Mexico, Taiwan and Korea, fared well. Among style factors, quality delivered positive active returns across all regions except the Emerging Markets. While volatility was extreme within select equity groups, mainly banks, the VIX Index was relatively tame. Its highest close in March was 26.52 while having only three daily closes above 25 before closing March below 19.

**Graph 01 Major Equity Indices Movement (USD)**

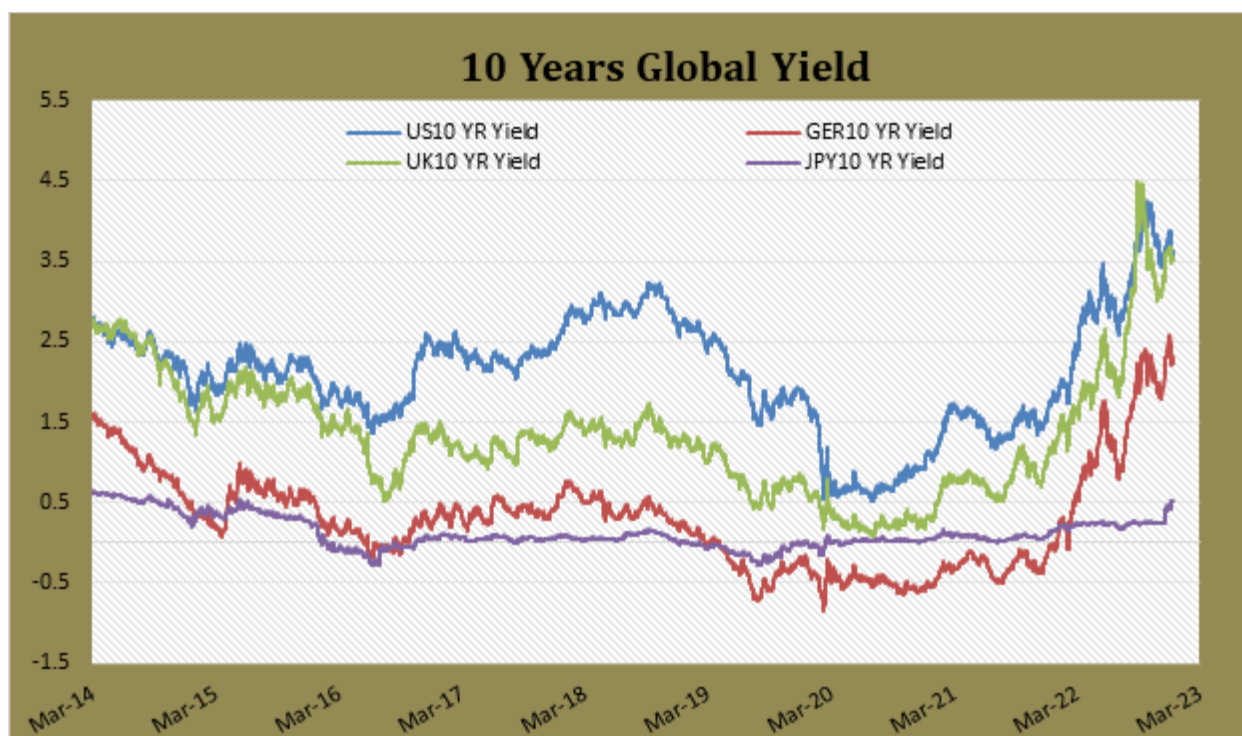


### Global Treasury Bonds include U.S Treasuries

Fixed income markets reacted positively to the decline in inflation and the prospect of easier monetary policy. In February, fixed income markets were weighed down by strong economic data, which together with sticky core inflation forced investors to reassess their interest rate expectations and price in higher-

for-longer interest rates. However, in March, the collapse of SVB and broader concerns around the financial sector resulted in government bond markets rallying. As a result, the global aggregate bond index returned 3% over the quarter. Central banks continued with their interest rate hikes, though some adjusted their stance. The Federal Reserve (Fed) announced two rate hikes in the quarter of 25bps each, marking a slowdown. The Bank of England (BoE) approved two rate hikes of 50bps and 25bps, respectively. The European Central Bank (ECB) remained more hawkish by comparison and hiked rates twice in 50bps increments. Overall, The US 10-year yield fell from 3.92% to 3.47%, with the two-year going from 4.82% to 4.03%, thus representing a spread of -56%, whereby bonds of longer maturities provide a lower yield, reflecting investors' expectations for a decline in long-term interest rates. Volatility was most profound in the belly of the curve. The 2-5 year UST yields had their biggest weekly decline since the 9/11 terrorist attacks in 2001, while the MOVE Index reached its highest level since the peak of the Financial Crisis in Q4 2008. The entire 2s-30s UST yield curve continued trading below Fed Funds, and it had been exactly one year since the 2s-10s UST spread first inverted. Germany's 10-year yield decreased from 2.65% to 2.29%. The UK 10-year yield fell from 3.71% to 3.49% and two-year decreased from 4.07% to 3.44%. In summary, Volatility in the bond market remained at twice its long-term levels for the fourth quarter in a row. Within the bond market, investors sought the safety of U.S. Treasuries while shunning bonds with lower credit ratings.

**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
<b>Liquidity Portfolio</b>					
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
<b>Growth Portfolio</b>					
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
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
<b>Alternative</b>		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		
	Jan-23	Feb-23	Mar-23
<b>Total Financial Market Investment</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Total Liquidity Portfolio</b>	<b>15.44%</b>	<b>14.34%</b>	<b>18.73%</b>
BCTL 3 Month US Treasury Bill Index	11.92%	11.84%	16.27%
BCTL 1-3 year US Treasury Bonds Index	3.52%	2.50%	2.47%
<b>Total Growth Portfolio</b>	<b>84.56%</b>	<b>85.66%</b>	<b>81.27%</b>
<b>Total Fixed Income</b>	<b>55.80%</b>	<b>56.54%</b>	<b>52.84%</b>
BCTL 3-5 year US Treasury Bonds	38.98%	39.60%	36.22%
BCTL5-10 year US Treasury Bonds	8.42%	8.38%	8.10%
BIS Global Developed Market Sovereign Bond, Hedged	8.39%	8.56%	8.51%
<b>Total Global Equities</b>	<b>28.77%</b>	<b>29.12%</b>	<b>28.43%</b>
SSGA Equity Factor	3.65%	3.68%	3.56%
Schroders Equity Factor	3.61%	3.69%	3.56%
SSGA International Equity Passive	8.58%	8.69%	8.54%
BlackRock International Equity Passive	12.16%	12.31%	12.10%
BCTL Australia Equities Passive	0.77%	0.75%	0.68%

## 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 \$17.832 billion as follows, which has been adjusted with the D&P valuation reports of 2021:

Table 6

Capital Account	\$'000
Opening book value (01 January 2023)	17,413,597
Receipts during the period	21,162
Transfer to General State Budget	-300,000
Investment Return	697,113
<b>Closing book value (31 March 2023)</b>	<b>17,831,872</b>

The Fund was invested as follows:

Table 7

Assets	\$'000
Cash and Cash Equivalents	2,994,897
Other Receivables	7,263
Financial assets held at fair value through profit or loss	14,851,712
<b>Less:</b>	
Payable for Securities Purchased	-490
Accounts Payable	-21,509
<b>Total</b>	<b>17,831,872</b>

The income for the quarter was as follows:

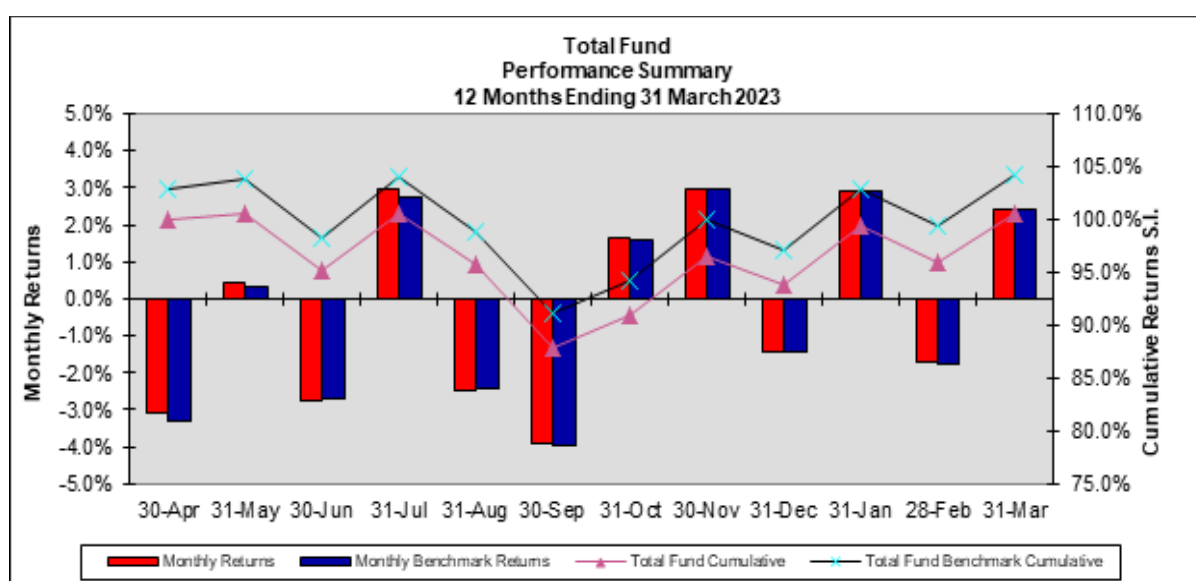
Income	Table 8 \$'000
Interest income	79,937
Dividend income	27,599
Unit Trust distributions	932
Other Investment income	185
Net gains/(losses) on Financial Assets at fair value	585,365
Net foreign exchange gains/(losses)	8,562
Less:	
External manager, custody fees	-1,637
Central Bank management expenses	-1,737
IAB Expenses	-174
Other expenses	-140
Withholding taxes	-1,779
<b>Total Investment Income</b>	<b>697,113</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.

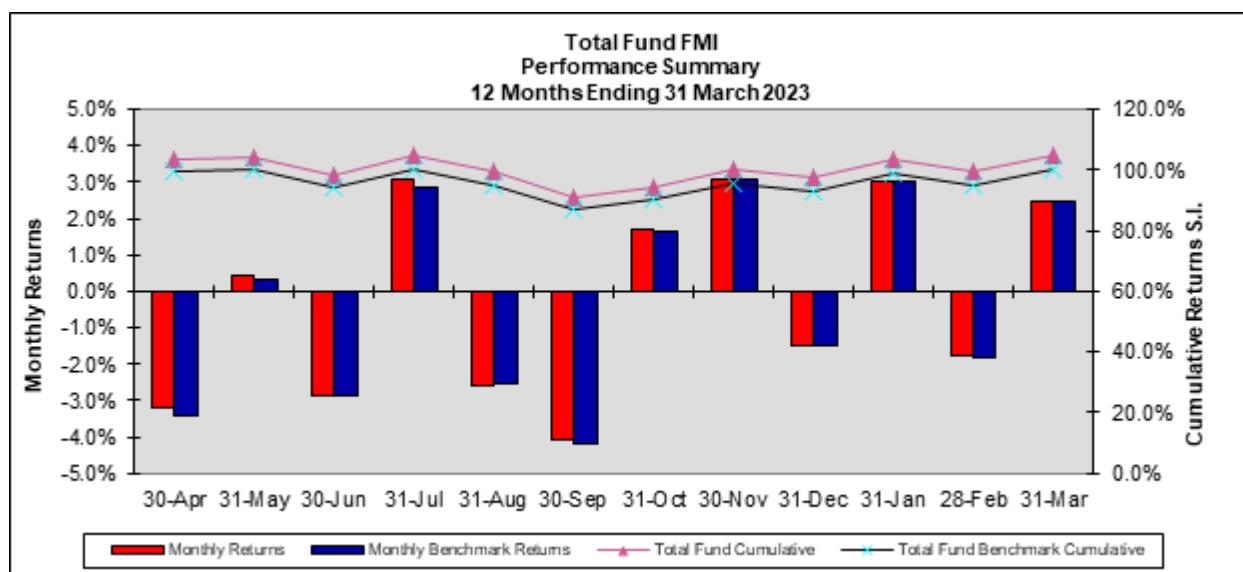
The global Fund Performance of absolute and benchmark over the same period are shown in the following graph.

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
<b>Liquidity Portfolio</b>		1.16	1.16	1.38	n.a	n.a	0.13
Benchmark		1.16	1.16	1.42	n.a	n.a	0.18
<i>Excess</i>		0.00	0.00	-0.04	n.a	n.a	-0.05
<b>BCTL Cash Management</b>		1.09	1.09	1.86	0.54	1.12	1.13
ICE BoA ML 3 Month US Treasury Bill Index		1.07	1.07	2.50	0.89	1.47	1.28
<i>Excess</i>		0.01	0.01	-0.65	-0.35	-0.35	-0.15
<b>BCTL ML 1-3 Year US Treasury Index</b>		1.51	1.51	0.54	n.a	n.a	-1.17
BoA Merrill Lynch 1-3 Years US Treasury Note Index		1.55	1.55	-0.01	n.a	n.a	-1.65
<i>Excess</i>		-0.05	-0.05	0.55	n.a	n.a	0.48

### 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
<b>Growth Portfolio</b>	4.33	4.33	-3.37	n.a	n.a	-3.41
Benchmark	4.39	4.39	-3.49	n.a	n.a	-3.51
<i>Excess</i>	-0.05	-0.05	0.12	n.a	n.a	0.10
<b>International Fixed Interest</b>	2.61	2.61	-1.98	-2.68	0.37	1.93
Benchmark	2.51	2.51	-2.21	-2.69	0.43	1.94
<i>Excess</i>	0.10	0.10	0.23	0.01	-0.06	-0.01
<b>BCTL 3-5 year US Treasury Bonds</b>	2.40	2.40	-1.00	-2.35	1.02	0.99
BoA Merrill Lynch 3-5 Years US Treasury Passive	2.23	2.23	-1.35	-2.40	1.04	0.98
<i>Excess</i>	0.17	0.17	0.35	0.05	-0.02	0.01
<b>BCTL 5-10 year US Treasury Bonds</b>	3.45	3.45	-4.09	n.a	n.a	-4.84
BoA Merrill Lynch 5-10 Years US Treasury Passive	3.19	3.19	-4.95	n.a	n.a	-4.99
<i>Excess</i>	0.26	0.26	0.86	n.a	n.a	0.14
<b>BIS Global Treasury Developed Marked Hedged</b>	2.82	2.82	-4.54	n.a	n.a	-3.69
Global Treasury Developed Market - Hedged	3.07	3.07	-5.01	n.a	n.a	-3.86
<i>Excess</i>	-0.25	-0.25	0.47	n.a	n.a	0.17
<b>International Equities</b>	7.57	7.57	-6.09	16.90	8.22	9.39
Benchmark	7.73	7.73	-7.02	16.40	8.01	8.96
<i>Excess</i>	-0.16	-0.16	0.93	0.50	0.21	0.43
<b>SSgA Equity Factor</b>	6.45	6.45	-4.97	16.57	n.a	8.60
MSCI ex. Australia Net Dividends Reinvested	7.84	7.84	-6.97	16.32	n.a	8.86
<i>Excess</i>	-1.39	-1.39	2.01	0.25	n.a	-0.26
<b>Schroders Equity Factor</b>	7.79	7.79	-4.67	18.10	n.a	10.11
MSCI ex. Australia Net Dividends Reinvested	7.84	7.84	-6.97	16.32	n.a	8.86
<i>Excess</i>	-0.05	-0.05	2.31	1.78	n.a	1.25
<b>SSGA International Equity Passive</b>	7.86	7.86	-6.49	16.56	8.17	9.94
MSCI ex. Australia Net Dividends Reinvested	7.84	7.84	-6.97	16.32	8.05	9.68
<i>Excess</i>	0.01	0.01	0.49	0.25	0.12	0.26
<b>BlackRock International Equity Passive</b>	7.94	7.94	-6.39	16.70	8.28	9.37
MSCI ex. Australia Net Dividends Reinvested	7.84	7.84	-6.97	16.32	8.05	9.09
<i>Excess</i>	0.09	0.09	0.58	0.39	0.23	0.28
<b>BCTL Australia Equity Passive</b>	2.73	2.73	-8.94	20.10	5.64	7.00
MXAU Australia Net Dividends Reinvested	2.79	2.79	-9.19	20.18	5.96	7.22
<i>Excess</i>	-0.06	-0.06	0.26	-0.07	-0.32	-0.23

### 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
<b>Private debt instrument for Petroleum Operations</b>	0.33	0.33	0.33	1.22	n.a	2.00
<b>Benchmark</b>	1.10	1.10	4.50	4.50	n.a	4.50
<i>Excess</i>	-0.77	-0.77	-4.17	-3.28	n.a	-2.50

The Private debt instrument is maintained at its independently verified fair value for December 2021 until the new valuation for December 2022 is undertaken.

## 5. MANAGEMENT COSTS

A management fee of \$3.687 million for operational management costs was charged to the fund during the quarter. The fee covered the following services (in thousands \$):

Table 12

External Management and Custody expenses	1,637
Central Bank management expenses	1,737
IAB expenses	174
Other Expenses	140
<b>Total Cost</b>	<b>3,687</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 -\$300 million was transferred to the State Budget account during the quarter.

Table 13	In Thousand (\$)
Transfer January 2023	0
Transfer February 2023	-300,000
Transfer March 2023	0
Transfer for this Quarter	-300,000
<b>Total transfers this fiscal year to March 2023</b>	<b>-300,000</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 31 December 2022.

## 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

<b>BALANCE SHEET</b>		
In thousands of USD	March-23	March-22
<b>ASSETS</b>		
Cash and Cash Equivalents	2,994,897	2,101,897
Receivables	7,263	258,633
Financial assets held at fair value through profit or loss (including PD)	14,851,712	16,777,913
<b>TOTAL ASSETS</b>	<b>17,853,871</b>	<b>19,138,444</b>
<b>LIABILITIES</b>		
Payables for securities purchased	-490	-12,898
Accounts payable	-21,509	-1,772
<b>TOTAL LIABILITIES</b>	<b>-22,000</b>	<b>-14,670</b>
<b>NET ASSETS</b>	<b>17,831,872</b>	<b>19,123,773</b>
<b>CAPITAL</b>		
Opening Balance (January)	17,413,597	19,650,677
PF Law Art. 6.1 (a) Revenue receipts	21,162	145,335
PF Law Art. 6.1 (b) DA receipts	0	388,127
PF Law Art. 6.1 (e) Other receipts	0	0
PF Law Art 7.1 Transfers to State Budget	-300,000	-150,000
Income for the period	697,113	-910,366
<b>CAPITAL</b>	<b>17,831,872</b>	<b>19,123,773</b>

Note: There has been reclassification of the private debt instrument from amortized cost method to fair value measurement starting from December 2020. The Fair Value as of December 2021 was \$701.3 million, which is reflected in financial assets held at fair value for 2022 until a new valuation for 2022 is undertaken.

Table 15

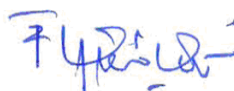
STATEMENT OF PROFIT OR LOSS In thousands of USD	QUARTER		YEAR TO DATE	
	Mar-23	Mar-22	Mar-23	Mar-22
<b>INVESTMENT INCOME</b>				
Interest income	79,937	37,444	79,937	37,444
Dividend income	27,599	28,280	27,599	28,280
Trust income	932	865	932	865
Other investment income	185	-10	185	-10
Net gains/(losses) on Financial Assets at fair value	585,365	-971,757	585,365	-971,757
Net foreign exchange gains/(losses)	8,562	836	8,562	836
<b>Total Investment Income</b>	<b>702,579</b>	<b>-904,341</b>	<b>702,579</b>	<b>-904,341</b>
<b>EXPENSES</b>				
External management, fees	1,637	2,554	1,637	2,554
Internal operational management fees	1,737	1,260	1,737	1,260
IAB Expenses	174	126	174	126
Other expenses	140	142	140	142
<b>Total expenses</b>	<b>3,687</b>	<b>4,081</b>	<b>3,687</b>	<b>4,081</b>
Profit before tax	698,892	-908,422	698,892	-908,422
Withholding taxes on investments	-1,779	1,931	-1,779	1,931
Profit/loss for the period	697,113	-910,353	697,113	-910,353
Other comprehensive income	0	0	0	0
<b>Total comprehensive income for the period</b>	<b>697,113</b>	<b>-910,353</b>	<b>697,113</b>	<b>-910,353</b>

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, 28 April 2023



Venancio Alves Maria  
Deputy Governor



Abraão de Vasconcelos  
Governor