VOLUME 22 NUMBER LXXIX

Petroleum Fund of Timor-Leste

Quarterly Report

30 JUNE 2026

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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 April to 30 June 2026.

Key statistics for the quarter include:

- The capital of the Fund at the end of the current quarter was $18.43 billion while in the previous quarter was $18.31 billion.
- Gross cash inflows to the fund from royalties and taxes were $9.62 million.
- The outflow for the quarter was $600 million, representing the transfer to the State Budget.
- The profit/loss for the quarter was $712.97 million, after deducting management costs of $3.80 million. The return on financial market investments was 4.05% compared with the benchmark return of 3.99%.

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	3.98	3.41	7.94	8.34	4.13	4.72
Benchmark	3.91	3.26	7.98	8.41	4.25	4.69
Excess	0.07	0.15	-0.04	-0.08	-0.12	0.03
Financial Market Investments	4.05	3.40	8.35	8.63	4.34	4.82
Benchmark	3.99	3.29	8.09	8.54	4.17	4.68
Excess	0.05	0.12	0.26	0.09	0.17	0.14
Investment in Petroleum Operations	1.80	3.64	-4.31	-0.36	-2.06	-2.16
Benchmark	1.10	2.22	4.50	4.50	4.50	4.50
Excess	0.70	1.43	-8.81	-4.86	-6.56	-6.66

Table 2

%	QTR	FYTD	1 Year	3 Years	5 years	Since Inc
Total Financial Market Investments	4.05	3.40	8.35	8.63	4.34	4.82
Benchmark	3.99	3.29	8.09	8.54	4.17	4.68
Excess	0.05	0.12	0.26	0.09	0.17	0.14
Liquidity Portfolio	0.55	0.98	3.16	4.40	2.81	2.81
Benchmark	0.53	0.98	3.24	4.56	2.94	2.94
Excess	0.02	0.00	-0.09	-0.17	-0.13	-0.13
Growth Portfolio	4.99	3.90	9.48	9.60	4.71	4.71
Benchmark	4.91	3.71	8.98	9.46	4.60	4.60
Excess	0.08	0.19	0.50	0.13	0.12	0.12

1. INVESTMENT MANDATE

A revised Management Agreement between the Ministry of Finance and the Central Bank was signed on 25 June 2009. The Annexes of the Management Agreement were 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 June 2026 were as follows:

Table 3

Mandates	Apr-26	May-26	Jun-26
Total Fund	**100%**	**100%**	**100%**
Investment in Petroleum Operations	3.0%	3.0%	2.9%
Financial Market Investment	97.0%	97.0%	97.1%
Total Financial Market Investment	**100%**	**100%**	**100%**
Liquidity Portfolio	22.4%	20.5%	20.3%
Growth Portfolio	77.9%	79.5%	79.7%
Liquidity Portfolio	**100%**	**100%**	**100%**
BOA ML 0-3 Years US Treasury Bond Index			
Total Growth Portfolio	**100%**	**100%**	**100%**
US Government Treasury Notes 3-5 Years	35.0%	35.0%	35.0%
US Government Treasury Notes 5-10 Years	10.0%	10.0%	10.0%
Global Developed Market Sovereign Bond, Hedged	10.0%	10.0%	10.0%
US TIPS Treasury Bonds 1 -10 Years	10.0%	10.0%	10.0%
Developed Market Equities	35.0%	35.0%	35.0%

2. MARKET TRENDS DURING QUARTERLY

Global Macroeconomic Trends

Economic Growth and Labor Market

- During the second quarter of 2026, global economic growth remained positive but showed signs of moderation. According to the World Bank Group's Global Economic Prospects report (June 2026), global GDP (Gross Domestic Product) growth is projected to slow from 2.9% in 2025 to 2.5% in 2026, reflecting sharp increases in energy prices, renewed inflationary pressures, expectations of tighter monetary policy, and weaker growth prospects for energy-importing economies and countries directly affected by the conflict in the Middle East. Purchasing Managers' Index (PMI) indicators showed continued expansion in global manufacturing activity, with the J.P. Morgan Global Manufacturing PMI at 52.2 in June, down from 52.7 in May, but still above the 50.0 expansion threshold for the eleventh consecutive month. Inflation remained a key concern, with the International Monetary Fund (IMF) projecting global headline inflation at 4.4% in 2026, before easing to 3.7% in 2027. Meanwhile, global employment conditions remained broadly stable, continuing to support household income and consumption.
- The U.S. economy remained resilient, although growth moderated during the second quarter of 2026. According to the U.S. Bureau of Economic Analysis (BEA) Advance Estimate released on 30 July 2026, real gross domestic product (GDP) increased at an annualized rate of 1.5% in the second quarter of 2026, following a 2.1% annualized increase in the first quarter. The slower pace of economic growth primarily reflected a downturn in government spending and slower growth in investment and exports, although these were partly offset by stronger consumer spending. Labor market conditions remained broadly stable, with the U.S. Bureau of Labor Statistics reporting that nonfarm payrolls increased by 57,000 in June 2026 and the unemployment rate at 4.2% in June 2026 which reflects a slight decrease from the 4.3% rate recorded in May 2026. Business activity also remained expansionary,

with the Institute for Supply Management reporting that the Manufacturing PMI stood at 53.3 in June 2026, above the 50.0 expansion threshold.

- Economic activity in the euro area remained subdued during the second quarter of 2026, while the UK showed clearer signs of slowing momentum. The European Central Bank's (ECB) June 2026 baseline projections indicated a modest growth outlook for the euro area, with real GDP growth expected to reach 0.8% in 2026, 1.2% in 2027, and 1.5% in 2028. Compared with the March projections, growth forecasts for 2026 and 2027 were revised downward by 0.1 percentage points, reflecting the larger-than-anticipated economic impact of the conflict in the Middle East. However, the 2028 growth projection was revised upward by 0.1 percentage points, as the adverse effects of the conflict are expected to gradually dissipate over the medium term. Business activity in the Eurozone showed signs of stabilization in June 2026, with the S&P Global Eurozone Composite PMI Output Index rising to 50.0 from 48.5 in May, reaching a three-month high, while the unemployment rate stable at 6.2% in May 2026, unchanged from April and below the 6.3% recorded a year earlier. By comparison, the UK real GDP grew by 0.7% in the three months to May 2026, compared with the previous three-month period.
- The Asian Development Bank (ADB) projected developing Asia and the Pacific's growth to moderate to 4.9% in 2026, down from 5.5% in 2025, as the Middle East conflict, higher energy prices, supply disruptions, and tighter financial conditions weigh on economic activity. According to the latest Bank of Japan (BOJ) Outlook for Economic Activity and Prices (April 2026), Japan's real GDP growth forecast for fiscal 2026 was revised downward to 0.5% (median forecast), reflecting the adverse impact of higher crude oil prices on corporate profits and households' real income. Australia also showed clearer signs of slowing, with real GDP growth easing to 0.3% quarter-on-quarter in the March quarter, equivalent to 2.5% year-on-year growth. However, recent business surveys indicated a modest improvement in activity, with the Composite Output Index rising above the 50.0 threshold to 50.4 in June from 48.7 in May, signaling a marginal expansion in private-sector business activity.

Inflation and Monetary Policy

- U.S. inflation remained elevated during the second quarter of 2026. According to the U.S. Bureau of Labor Statistics, headline CPI inflation rose from 3.8% year-on-year in April to 4.2% in May before moderating to 3.5% in June. Core CPI inflation also increased slightly, from 2.8% in April to 2.9% in May, before easing to 2.6% in June. In its June 2026 Summary of Economic Projections, the Federal Reserve raised its median projection for headline PCE inflation in 2026 to 3.6%, from 2.7% in March, and its core PCE inflation projection to 3.3%, also from 2.7%. Both projections remained above the Federal Reserve's longer-run inflation objective of 2%. Against this backdrop, the Federal Open Market Committee (FOMC) maintained the target range for the federal funds rate at 3.50%–3.75%. Meanwhile, the median projection for the federal funds rate at the end of 2026 was raised to 3.8%, from 3.4% in March, partly reflecting expectations that supply-side pressures, including higher energy prices, would keep inflation elevated.
- Euro area inflation remained above the ECB's 2% target in quarter two 2026, with headline inflation rising to 3.2% in May from 3.0% in April and core inflation increasing to 2.5%. The ECB projected

inflation to average 3.0% in 2026 before easing to 2.3% in 2027 and 2.0% in 2028. In response, the ECB raised its three key policy rates by 25 basis points in June, with the deposit facility rate increasing to 2.25%, while reaffirming a data-dependent approach to future policy decisions. In the UK, CPI inflation stood at 2.8% in May, above the BoE's 2% target. The Monetary Policy Committee voted 7–2 to keep the Bank Rate unchanged at 3.75%, with two members favoring a 25-basis-point increase.

- Australian and Japanese inflation remained above their respective central bank targets during the second quarter of 2026, supporting cautious monetary policy settings. In Australia, the Reserve Bank of Australia (RBA) kept the cash rate unchanged at 4.35% in June after raising it by a cumulative 75 basis points earlier in the year, noting that headline and underlying inflation remained above target and that higher energy prices continued to pose upside risks to the inflation outlook. In Japan, the BoJ expected underlying inflation to remain around or above its 2% target during fiscal 2026 before gradually moderating. At its June 2026 meeting, the BoJ raised its policy rate by 25 basis points to 1.0%.

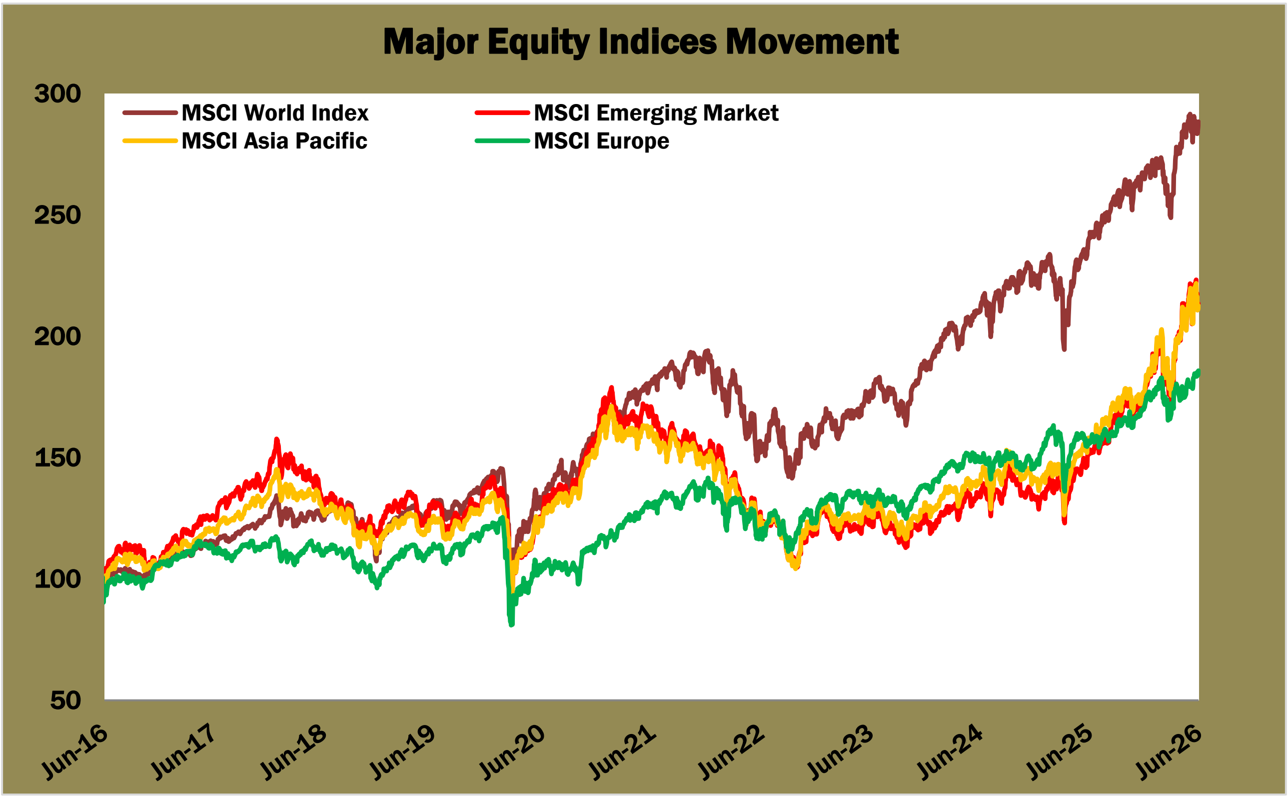
Global Market Trends

Equities

- During the second quarter of 2026, global equity markets delivered strong positive returns, supported by improving investor sentiment, easing geopolitical tensions, resilient corporate earnings, and continued momentum in technology and artificial intelligence (AI)-related sectors. The MSCI World Index returned 13.76% in USD terms, reflecting broad-based gains across developed markets. Investor confidence was further supported by strong performance in Asia ex-Japan, particularly in South Korea and Taiwan, where sustained demand for semiconductors, electrical equipment, and other AI-related supply chain companies continued to drive equity market gains.
- U.S. equities were among the strongest contributors to overall portfolio performance, with the MSCI USA Index returning 15.18% in USD terms. Performance was underpinned by robust corporate earnings, particularly within the technology sector, and continued investment in AI infrastructure and applications. The AI investment cycle also supported gains in financials through stronger capital market activity and in industrial companies benefiting from increased demand for electrical equipment and data center infrastructure.
- European equities also posted solid gains during the quarter. The MSCI Europe ex UK Index returned 13.85% in local currency terms, supported by improving economic sentiment, reduced geopolitical uncertainty, and resilient manufacturing activity, with the eurozone PMI remaining in expansionary territory. However, the index returned 13.01% in USD terms, as the appreciation of the U.S. dollar reduced returns for USD-based investors by approximately 1.26 percentage points. Despite the strong quarterly performance, European equities continued to lag technology-oriented markets due to the region's relatively lower exposure to AI-related sectors and greater weighting in defensive industries.
- Australian equities recorded positive but more moderate gains. The MSCI Australia Index returned 3.86% in local currency terms and 5.06% in USD terms. Performance was supported by stable domestic economic conditions but lagged other developed markets because of the Australian market's relatively higher exposure to financials, materials, and commodity-related sectors, which benefited

less from the global technology- and AI-led rally. Currency movements contributed approximately 1.2 percentage points to returns in USD terms.

Graph 01 Major Equity Indices Movement – Price Indices in USD



Global Government Bonds including U.S Treasuries

1) US Treasury Market including Treasury Inflation-Protected Securities (TIPS):

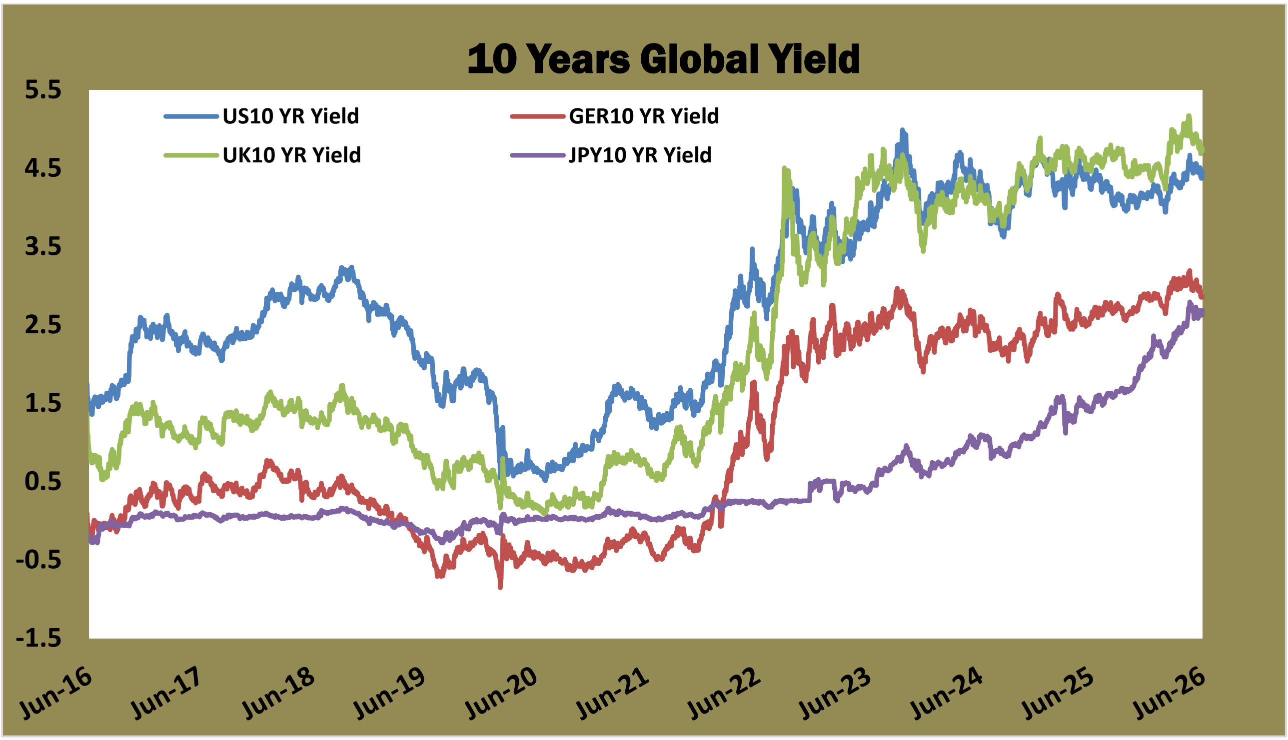
   In the U.S. Treasury market, yields moved higher across both shorter- and longer-maturity government bonds. The 2-year yield increased from 3.79% to 4.17%, representing an increase of 38 basis points (bps), while the 10-year yield rose from 4.32% to 4.47%, an increase of 15 bps. The sharper increase in shorter-maturity yields suggests that investors continued to reassess the timing and scale of future Federal Reserve policy easing, as inflation remained above target and the Fed maintained a cautious policy stance. The rise in U.S. Treasury yields negatively affected bond prices, particularly for portfolios with exposure to medium- and longer-duration securities.

2) Global Sovereign Bonds – Developed Markets only:

   In European government bond markets, yields generally declined during the period. In the United Kingdom, the 2-year yield decreased from 4.41% to 4.15%, or by 25 bps, while the 10-year yield declined from 4.92% to 4.76%, or by 16 bps. German government bond yields also moved lower, with the 2-year yield falling from 2.62% to 2.53%, a decrease of 9 bps, and the 10-year yield declining from 3% to 2.86%, or by 14 bps. Similarly, the French government bond market recorded lower yields, with the 2-year yield decreasing from 2.82% to 2.71%, or by 11 bps, and the 10-year yield declining from 3.72% to 3.65%, or by 7 bps.

In Japan, government bond yields increased, particularly among longer-dated maturities. The 2-year yield rose slightly from 1.35% to 1.37%, an increase of 1.4 bps, while the 10-year yield increased more significantly from 2.35% to 2.68%, or by 33 bps. This movement is consistent with market expectations of gradual policy normalization by the BoJ and higher inflation expectations. In contrast, Australian government bond yields declined, with the 2-year yield falling from 4.66% to 4.42%, a decrease of 24 bps, and the 10-year yield declining from 4.97% to 4.72%, or by 25 bps.

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					
BOA Merrill Lynch 0-3 Years US Treasury Bond Index		BCTL			April-24
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			
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 at the end of the quarter was as follows:

Table 5

Mandates	Actual weight in FMI		
	Apr-26	May-26	Jun-26
Total Financial Market Investment	**100%**	**100%**	**100%**
Total Liquidity Portfolio	20.5%	20.3%	19.0%
Total Growth Portfolio	**79.5%**	**79.7%**	**81.0%**
Total Fixed Income	**50.8%**	**50.2%**	**51.1%**
BCTL 3-5 year US Treasury Bonds	27.3%	26.9%	27.4%
BCTL5-10 year US Treasury Bonds	7.8%	7.6%	7.8%
BIS Global Developed Market Sovereign Bond, Hedged	7.8%	7.8%	8.0%
US TIPS Treasury Bonds 1 - 10 Years	7.9%	7.8%	7.9%
Total Global Equities	**28.7%**	**29.6%**	**29.9%**
SSGA Equity Factor	3.6%	3.7%	3.7%
Schroders Equity Factor	3.6%	3.7%	3.8%
SSGA International Equity Passive	8.6%	8.9%	9.0%
BlackRock International Equity Passive	12.2%	12.6%	12.7%
BCTL Australia Equities Passive	0.7%	0.7%	0.7%

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. 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 Petroleum Fund balance closed at $18.43 billion as shown in Table 6. The balance incorporates the fair value of private debt for December 2025, which was valued by an independent third-party valuer:

Table 6

Capital Account	$'000
Opening book value (01 April 2026)	18,310,308
Receipts during the period	9,618
Transfer to General State Budget	-600,000
Investment Return	712,970
Closing book value (30 June 2026)	**18,432,896**

The Fund was invested as follows:

Table 7

Assets	$'000
Cash and Cash Equivalents	3,818,264
Other Receivables	178,831
Financial assets held at fair value through profit or loss	14,905,116
Less:	
Accounts Payable	-1,863
Payable for Securities Purchased	-462,962
Financial liability held at fair value through profit or loss	-4,490
Total	**18,432,896**

The income for the quarter was as follows:

Table 8

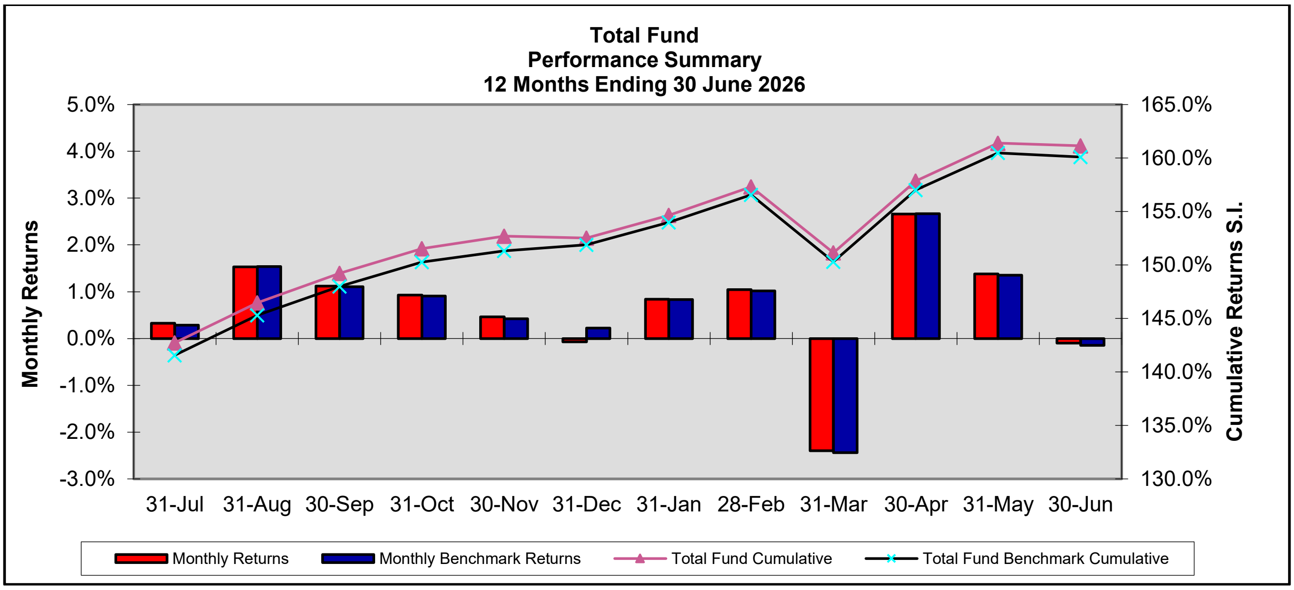
Income	$'000
Interest income	113,342
Dividend income	26,190
Unit Trust distributions	756
Other Invesment income	1,190
Net gains/(losses) on Financial Assets at fair value	577,611
Less:	
External manager, custody fees	-1,792
Central Bank management expenses	-1,852
IAB Expenses	-54
Other expenses	-103
Withholding taxes	-2,317
Total Net Income	**712,970**

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

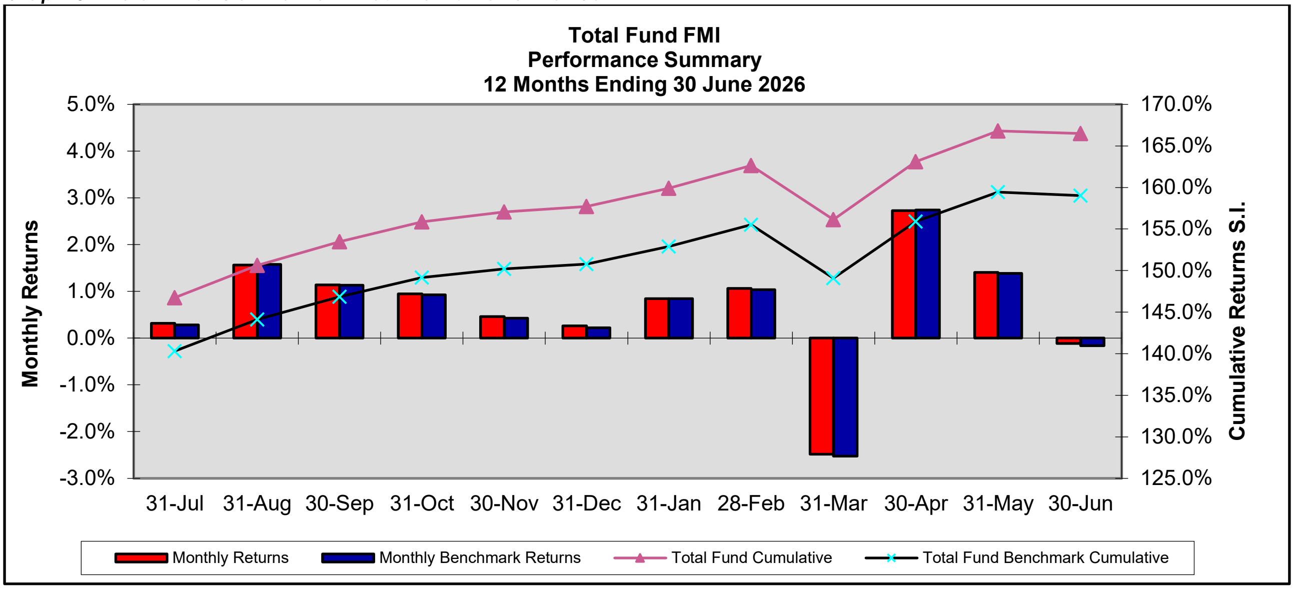
- Unit trust distribution is the income received from listed property investment entities.
- Other expenses relate to derivative trading costs which are deducted directly from the Fund.

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

Graph 03 Total Fund Performance



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 manager responsible for those investments, was as follows:

Table 9

%	Qtr	FYTD	1 Year	3 Years	5 Years	Since Inc
Liquidity Portfolio						
BCTL ML Index 0-3 Years US Treasury Bonds	0.55	0.98	3.16	4.40	2.81	2.81
Benchmark	0.53	0.98	3.24	4.56	2.94	2.94
Excess	0.02	0.00	-0.09	-0.17	-0.13	-0.13

Growth Portfolio

The performance of the investments in globally 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	4.99	3.90	9.48	9.60	4.71	4.71
Benchmark	4.91	3.71	8.98	9.46	4.60	4.60
Excess	0.08	0.19	0.50	0.13	0.12	0.12
International Fixed Interest	0.44	0.47	2.74	4.27	0.70	2.18
Benchmark	0.41	0.48	2.67	4.24	0.67	2.18
Excess	0.03	-0.02	0.07	0.03	0.03	0.00
BCTL 3-5 year US Treasury Bonds	0.00	0.00	2.36	4.18	0.81	1.53
BoA Merrill Lynch 3-5 Years US Treasury Passive	-0.02	0.02	2.31	4.17	0.79	1.52
Excess	0.02	-0.02	0.05	0.00	0.02	0.01
BCTL 5-10 year US Treasury Bonds	0.05	-0.21	2.51	3.64	-0.36	-0.84
BoA Merrill Lynch 5-10 Years US Treasury Passive	0.07	-0.02	2.55	3.58	-0.53	-0.93
Excess	-0.02	-0.19	-0.04	0.06	0.17	0.09
BIS Global Treasury Developed Marked Hedged	2.08	1.92	3.41	4.74	0.76	0.42
Global Treasury Developed Market - Hedged	1.93	1.79	3.07	4.43	0.50	0.18
Excess	0.15	0.13	0.34	0.30	0.26	0.24
Barings LLC 1-10 years US TIPS	0.71	1.32	3.60	4.86	n.a	4.04
US 1-10 years TIPS	0.71	1.33	3.64	4.91	n.a	4.11
Excess	0.00	-0.01	-0.04	-0.05	n.a	-0.07
Franklin Templeton 1-10 years US TIPS	0.77	1.36	3.66	4.88	n.a	4.15
US 1-10 years TIPS	0.71	1.33	3.64	4.91	n.a	4.11
Excess	0.05	0.03	0.02	-0.03	n.a	0.04
International Equities	13.79	10.06	22.03	19.42	11.90	11.54
Benchmark	13.76	9.69	21.34	19.24	11.47	11.16
Excess	0.03	0.36	0.69	0.17	0.43	0.37
SSgA Equity Factor	13.72	10.95	24.56	17.49	11.24	12.96
MSCI ex. Australia Net Dividends Reinvested	13.91	9.71	21.52	19.38	11.57	14.06
Excess	-0.19	1.24	3.04	-1.89	-0.32	-1.10
Schroders Equity Factor	14.91	11.19	23.72	21.13	13.75	15.60
MSCI ex. Australia Net Dividends Reinvested	13.91	9.71	21.52	19.38	11.57	14.06
Excess	1.00	1.47	2.20	1.75	2.18	1.54
SSGA International Equity Passive	13.87	9.74	21.66	19.62	11.82	12.22
MSCI ex. Australia Net Dividends Reinvested	13.91	9.71	21.52	19.38	11.57	11.96
Excess	-0.04	0.02	0.14	0.24	0.26	0.26
BlackRock International Equity Passive	13.94	9.78	21.71	19.75	11.92	11.99
MSCI ex. Australia Net Dividends Reinvested	13.91	9.71	21.52	19.38	11.57	11.69
Excess	0.03	0.06	0.20	0.37	0.35	0.30
BCTL Australia Equity Passive	5.05	8.33	11.07	12.05	6.28	8.33
MXAU Australia Net Dividends Reinvested	5.06	8.53	11.14	11.97	6.30	8.47
Excess	-0.01	-0.20	-0.07	0.07	-0.02	-0.13

Private Debt Instrument for Petroleum Operations

The performance of the investment in Private debt instruments 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	1.80	3.64	-4.31	-0.36	-2.06	-2.16
Benchmark	1.10	2.22	4.50	4.50	4.50	4.50
Excess	0.70	1.43	-8.81	-4.86	-6.56	-6.66

The Private debt instrument reflects its independently verified fair value for December 2025.

5. MANAGEMENT COSTS

A management fee of $3.80 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	1,792
Central Bank management expenses	1,852
IAB expenses	54
Other Expenses	103
Total Cost	**3,801**

6. TRANSFERS TO THE 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 $600 million was transferred to the State Budget account during the quarter (in thousands $):

Table 13

Transfer April 2026	300,000
Transfer May 2026	0
Transfer June 2026	300,000
Transfer for this Quarter	**600,000**
Total transfers this fiscal year 2026	**800,000**

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 for the Fund every six months. The Internal Auditor has performed an audit up to quarter ended 31 December 2025.

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 In thousands of USD	June-26	June-25
ASSETS		
Cash and Cash Equivalents	3,818,264	3,687,831
Receivables	178,831	97,029
Financial assets held at fair value through profit or loss	14,905,116	14,995,648
TOTAL ASSETS	18,902,211	18,780,508
LIABILITIES		
Accounts payable	-1,863	-1,431
Payables for securities purchased*	-462,962	-9,126
Financial Liability held at fair value through profit or loss**	-4,490	-26,647
TOTAL LIABILITIES	-469,315	-37,203
NET ASSETS	18,432,896	18,743,304
CAPITAL		
Opening Balance (January)	18,609,108	18,274,056
PF Law Art. 6.1 (a) Revenue receipts	8,499	11,962
PF Law Art. 6.1 (b) DA receipts	0	1,168
PF Law Art. 6.1 (e) Other receipts	5,623	5,247
PF Law Art 7.1 Transfers to State Budget	-800,000	-500,000
Income for the period	609,665	950,871
CAPITAL	18,432,896	18,743,304

Note:

1. **Represents payables arising from overnight repurchase agreements (repo)*
2. ***Reflect derivatives price movement.*

Table 15

STATEMENT OF PROFIT OR LOSS In thousands of USD	QUARTER Jun-26	 Jun-25	YEAR TO DATE Jun-26	 Jun-25
INVESTMENT INCOME				
Interest income	113,342	117,583	221,046	224,783
Dividend income	26,190	28,627	48,564	52,703
Trust income	756	919	1,425	1,723
Other investment income	1,190	1,671	2,424	3,304
Net gains/(losses) on Financial Assets at fair value	577,611	587,063	347,908	680,003
Net foreign exchange gains/(losses)	0	0	0	0
Total Investment Income	**719,088**	**735,863**	**621,366**	**962,515**
EXPENSES				
External management, fees	1,792	1,800	3,950	3,738
Internal operational management fees	1,852	1,835	3,699	3,650
IAB Expenses	54	67	82	195
Other expenses	103	65	245	215
Total expenses	**3,801**	**3,767**	**7,977**	**7,798**
Profit before tax	715,288	732,096	613,389	954,718
Withholding taxes on investments	-2,317	-2,388	-3,724	-3,847
Profit/loss for the period	712,970	729,708	609,665	950,871
Other comprehensive income	0	0	0	0
Total comprehensive income for the period	**712,970**	**729,708**	**609,665**	**950,871**

Note:

1. *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, 06 August 2026

Tobias Ferreira

Executive Director

Helder Lopes

Governor