



NATURAL RESOURCE FUND
ANNUAL REPORT 2023

The Natural Resource Fund

“The Natural Resource Fund was established to manage the natural resource wealth of Guyana for the present and future benefit of the people and for the sustainable development of the country, and for connected matters”.

In accordance with part II, Section 3(2) of the Natural Resource Fund Act 2021, the purpose of the Fund is to manage the natural resource wealth of Guyana for the present and future benefit of the people in an effective and efficient manner by:

- (a) ensuring that volatility in natural resource revenues does not lead to volatile public spending;
- (b) ensuring that natural resource revenues do not lead to a loss of economic competitiveness;
- (c) fairly transferring natural resource wealth across generations to ensure that future generations benefit from natural resource wealth; and
- (d) using natural resource wealth to finance national development priorities including any initiative aimed at realising an inclusive green economy.

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1.0 FOREWORD BY THE CHAIRMAN

This is the second Annual Report to be presented under the authority of the Board of Directors (BOD) of the Natural Resource Fund (NRF). The inaugural NRF Annual Report 2022 was presented to the National Assembly on Thursday, July 20, 2023.

The NRF Act 2021, Act No. 19 of 2021, was assented to by His Excellency the President Dr Mohamed Irfaan Ali on December 30, 2021. Section 3 (1) of the Act established the NRF to manage the natural resource wealth of Guyana for the present and future benefit of the people in an effective, and efficient manner and in accordance with the principles of good governance, transparency, accountability, and international best practices, including the Santiago Principles¹. The BOD is the overall manager of the Fund, while the Bank of Guyana (BOG) is the operational manager through an Operational Agreement between the BOD and the BOG signed on January 18, 2023.

The NRF governance structure includes Parliament, the BOD, the Public Accountability and Oversight Committee, the Investment Committee and the Auditor General. The Minister of Finance has the responsibility of presenting in his Annual Budget the performance of the Fund and seeks approval of Parliament for any amounts to be withdrawn from

the Fund. All withdrawals from the NRF are deposited in the Consolidated Fund and disbursed in accordance with the guidance given in the Act to finance priority public spending for the economic development of Guyana and in the event of natural disasters and emergencies, as approved by Parliament.

The BOD, in consultation with the BOG, the Investment Committee, and the Minister of Finance, makes decisions on investment of the Fund in compliance with the guidance given in the Act and in accordance with the schedules of withdrawals and balances that are appended to the Act. In 2023, based on the balance of the Fund at December 31, 2022, the projected inflows and ceiling of withdrawals for 2023, and guided by Section 23 of the NRF Act, the BOD decided that investments shall be in very safe instruments (eligible bank deposits and eligible treasury bills). Accordingly, the BOD issued an Investment Mandate to the BOG (see Annex A) that the resources of the NRF be held in the overnight deposit account at the Federal Reserve Bank of New York and that the Governor BOG will monitor the overnight interest rate and communicate with the Chairman BOD when there is any change to the rate.

For the fiscal year 2023, the Chair convened three in-person and virtual

¹ See link: <https://www.ifswf.org/santiago-principles>

meetings of the BOD which took place on January 17, May 11 and November 29, 2023 and were attended by all members of the BOD. Throughout the year, the BOD maintained communication with the Chairs of the NRF Committees, the Governor BOG, and the Ministry of Finance (MOF). The Chairman BOD held in-person meetings with the Chairs of the NRF Committees on May 11 and November 22, 2023.

There was an unanticipated delay in the full establishment of the NRF Secretariat. It was planned that the Secretariat would be established by the middle of 2024. The BOD and the Committees participated in meetings with visiting officials and representatives of investors, and in webinars organised by external agencies.

The Monthly and Quarterly Reports in 2023— on the performance of the Fund were received in a timely manner from the BOG, perused by the BOD, and shared with the two Committees of the Fund. These reports and the performance of the Fund were publicised within the prescribed timelines on the websites of the BOG, the MOF and the Ministry of Natural Resources (MNR). The BOD also requested and received from the MNR a detailed briefing on the Government of Guyana's Petroleum Management Programme and the Petroleum Revenue Formula. The BOG has also been

monitoring the dynamics of the global economic landscape and has shared with the BOD its analysis of financial trends and projections and the impacts these were likely to have on interest rates.

I thank my colleague Directors for their advice and our collegial inter-action; the Chairs and Members of the NRF Committees for their cooperation; the Governor and staff of the BOG for the efficient operational management of the NRF; the Permanent Secretary and staff of MNR for their responsiveness to requests; and, Technical Director of the MOF and the Honorable Senior Minister in the Office of the President responsible for Finance, for their continuing guidance and support for the work of the BOD and the Committees. The BOD and the Committees also acknowledge the invaluable administrative support received from Mrs. Joan Byrne, Administrative Assistant, Office of the President.

The BOD of the NRF remains committed to the execution of its duties and responsibilities in accordance with its mandate as prescribed in the Act.

Joseph G Singh
Major General (retd)
Chairman of the Board of the NRF
April 2024

2.0 BOARD OF DIRECTORS

The Board of Directors was appointed by the President on August 30, 2022 in accordance with section 5 (1) of the NRF Act 2021. The members of the Board are as follows:



Major General (ret'd) Joseph Govinda Singh
MSS, MSc, FCMI, FRGS
CHAIRMAN

Major General (ret'd) Joseph Singh was appointed the Special Assistant to the President of Guyana from May 2021 and served in the same capacity (2010-2017) under the three previous Presidents. He is also Chairman of the Board of the Natural Resource Fund with effect from August 2022 for two years (renewable) and was re-appointed for 2023 the Chairman of the Board of the National Agriculture Research and Extension Institute (NAREI). He was the Pro-Chancellor of the University of Guyana from March 2018 to March 2021, during which time he also acted as the Chancellor from November 2018 to November 2019. He has chaired several State and autonomous Boards including NAREI, the Guyana Geology and Mines Commission, and the National Protected Areas Trust. He was Chief Executive Officer of the Guyana Telephone & Telegraph Company (2005 –

2010); Executive Director of Conservation International Guyana (2001 – 2005) and, Chairman of the Guyana Elections Commission (2000 – 2001) for the March 2001 General Elections. Major General (ret'd) Singh has had a career in uniform spanning 35 years (1965-2000), and was the Chief of Staff of the Guyana Defence Force (1990 – 2000) under five Presidents and Commanders-in-Chief.

Major General (ret'd) Singh is an alumnus of Queen's College; the University of Guyana (Public Administration); the School of Earth and Environmental Sciences of the University of Greenwich (MSc – Tourism & Protected Areas Management); the British Army Staff College and, the Royal College of Defence Studies (post-graduate in International Affairs and Strategic Studies). He is a Fellow of the UK Chartered Management Institute; a Fellow

of the Royal Geographical Society; an Officer of the Order of the Golden Ark (for work in global conservation), a Founder-Member of the Global Military Advisory Council on Climate Change which is based in Brussels, and is the Guyana representative of the UK Scientific Exploration Society.

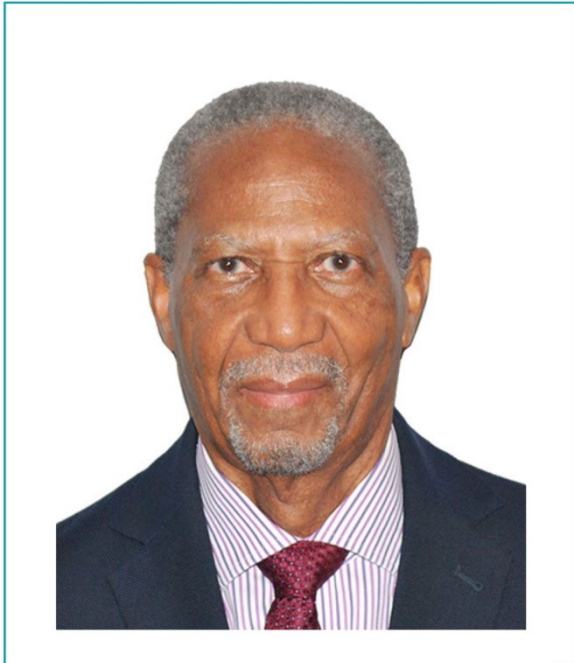
He is the recipient of Guyana's highest military award - the Military Service Star (MSS) and national and military awards from Brazil, Venezuela, Suriname, France, Cuba and the Netherlands. He is a Director of the Institute of Private Enterprise Development, and a Director of the Demerara Distillers Limited. He is a Founder-Member of the Kidney Foundation of Guyana, and Patron of the Guyana Heritage Society.

Major General (retd) Singh is a published author and has contributed peer-reviewed articles on a wide range of topics for local, regional and international publications. He chaired the Country Nominating Committee of the AN SABGA Caribbean Awards for Excellence in 2006, and since 2007 he has been a Member of the Regional Eminent Persons Selection Panel.

Her Excellency Carolyn Rodrigues-Birkett is the Permanent Representative of Guyana to the United Nations since October 2020. Prior to this appointment she served at the United Nations Food and Agriculture Organization (FAO) as the Director of FAO's Liaison Office in Geneva, Switzerland (2017-2020) and Special Coordinator of Parliamentary Alliances (2015-2017). Ambassador Rodrigues-Birkett also served as Guyana's Minister for Foreign Affairs, Foreign Trade and International Cooperation from 2008 to 2015 and Minister for Amerindian Affairs from 2001 to 2008, during which time she also served as Member of Parliament. She holds a Bachelor's Degree in Social Work and a Master's Degree in International Affairs and Diplomacy.



Ambassador Carolyn Rodrigues-Birkett
MSc. B.Sc.
DIRECTOR



Professor Compton Bourne,
O.E., PhD, M.Soc. Sc, B.Sc, LLD (Hon)
DIRECTOR

Professor Compton Bourne is Professor Emeritus of Economics, The University of the West Indies. He is a graduate of the University of London, the University of Birmingham and the University of the West Indies. He was President of the Caribbean Development Bank (2001 to 2011); Principal of the St. Augustine Campus of The University of the West Indies (1996-2001) and Pro Vice Chancellor for Planning and Development (1990-1996).

For various periods, Professor Bourne served as a Director of the National Savings Commission of Jamaica; Commissioner of the Port Authority of Trinidad and Tobago; Vice-Chairman, UNESCO Institute for Higher Education in Latin America and the Caribbean; Director of the Central Bank of Trinidad and Tobago; Director, Trinidad Publishing

Company; and Chancellor, University of Guyana.

He is a Fellow of the Caribbean Academy of Sciences, past President of the Caribbean Studies Association, and past Vice-President of the Caribbean Agro-Economic Society.

He is a Member of the Order of Excellence — the highest honour of the Republic of Guyana — and is a recipient of the Caribbean Studies Distinguished Service Award; The American Foundation for The University of the West Indies Award for Outstanding Contribution to the Caribbean; and the National Coalition on Caribbean Affairs International Service Award; Honorary Doctor of Laws (LLD) (The University of the West Indies), and the Lifetime Achievement Award for Excellence in Higher Education (Accreditation Council of Trinidad and Tobago).

Professor Bourne has authored or edited numerous books, scholarly papers, and research reports and advisory memoranda for Caribbean governments, foreign governments, United Nations Development Programme, international development institutions and organisations, and regional and international financial institutions.

Mr. Dunstan Barrow has an MBA: Specializing in Finance, Entrepreneurship, Quantitative Business Analysis, and Organization Development—Marshall School of Business, University of Southern California, Los Angeles, California USA;

He also has a BSc: Business Administration, specializing in Finance, Insurance and Real Estate— California State Polytechnic University, Pomona, California, USA.

His professional posts include:

Consultant/Advisor— Guyana Geology & Mines Commission

- Former Member of the Board of Directors
- Chairman: Finance & Audit Committee
- Chairman: Tender & Evaluation Committee
- Chairman: Bauxite Development Committee
- Member of the Technical Committee



Mr. Dunstan Barrow
A.A., MBA (Hons), B.Sc (Hons),
DIRECTOR

Former CEO— Guyana Bauxite Co Ltd, Linden, Guyana, South America

This was a state-owned Company charged with the responsibility of mine development, the mining and processing of bauxite-graded ore to produce Metal Calcine and chemical-graded products.

- Total annual production: approximately 1.2 metric tons of finished products
- Annual Revenue: approximately US\$60 million
- Total number of employees: 4000.

Former Director— Citizens Bank Guyana Inc., Georgetown

- Chairman: Audit and Finance Committee
- Member of the Credit Committee
- Member of the Marketing and Building Committee

Former Member of Parliament (1992-2001)

Chairman of The Public Accounts Committee: As Chairman of the Committee, he worked with the members to bring the public accounts of Guyana up to date after the yearly accounts had not been considered and accepted by the Parliament of Guyana for a period of 12 years.

Past District Governor (PDG) 2005-2006 (Rotary District 7030): from St Kitts & Nevis to the French West Indies representing 62 clubs from 14 countries and islands.

In 2009, he became a Major Donor Recipient from The Rotary Foundation, Illinois USA.

Mr. Ramesh Dookhoo is an accomplished businessman and leader in Guyana, with extensive experience serving in various positions of responsibility and leadership in both the public and private sectors. He has a strong background in business development, internal auditing, risk management, and corporate governance.

Mr. Dookhoo's professional career spans several decades, during which he has held numerous leadership positions in various organizations. He has served as the President of the Guyana Manufacturing and Services Association and the Chairman of the Private Sector Commission. Presently, he serves as the Chairman of the Board of Directors of Guyana Water Incorporated, Governor of the Board of Governors of the Institute of Internal Auditors of Guyana, and Executive of Business Development of Banks DIH Ltd. In addition to his work in Guyana, Mr. Dookhoo has also been actively involved in regional business organizations, serving as the Past President of the Caribbean Association of Industry and Commerce, and as a Board member of the Caribbean Court of Justice Trust Fund Board of Trustees.

Mr. Dookhoo has an impressive educational background, having attended Queen's College; the University of Western Ontario; The University of the West Indies; the Swiss Institute of Standards, and the Institute of Internal Auditors. He holds a Master's Degree in Business Administration (MBA) and is a certified Risk Management and Assurance Professional.

Mr. Dookhoo has received numerous awards for his contributions to the business community, including the Paul Harris Rotary Award and a GMSA Lifetime Award for service to the business community. He continues to be an influential figure in the business world, and his expertise and leadership are highly respected both locally and regionally.



Mr. Ramesh Dookhoo, MBA
DIRECTOR



The Board of Directors

3.0 COMMITTEES

The Investment Committee

The NRF Act by way of section 8(1) makes provision for the establishment of an Investment Committee which shall consist of the following seven members appointed by the Minister:

- (a) a nominee of the Minister who shall be the Chairperson;
- (b) a nominee of the Minister responsible for the administration of the petroleum sector;
- (c) a nominee of the Attorney General;
- (d) a nominee of the Leader of the Opposition;
- (e) a nominee of the private sector; and
- (f) two *ex officio* non-voting members as follows:

- (i) the Senior Investment Advisor and Analyst
- (ii) a nominee of the Governor of the Bank

Functions of the Investment Committee

Section 9(1) of the Act stipulates that the Investment Committee shall be responsible for advising the Board of Directors on the Investment Mandate for the Fund, and in doing so, shall take account of:

- (a) the overall objectives of the Fund as outlined in the Act;
- (b) the current conditions, opportunities and constraints in relevant financial markets;
- (c) the need to ensure sufficient funds are available for withdrawals from the Fund;

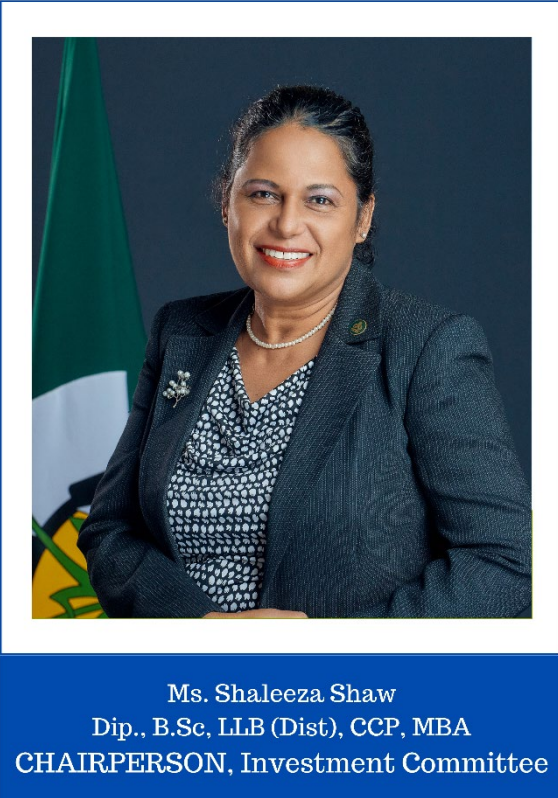
- (d) international best practices in investment portfolio management;
- (e) the principle of financial diversification with the objective of maximising risk-adjusted financial returns taking into account Guyana's ability to bear financial risk;
- (f) the need for the Fund, in the long-term, to achieve, on average over a number of years, a real total return of at least 3% per annum while minimising risk; and
- (g) follow a strategic asset allocation strategy whereby over time, as the balance of the Fund increases, the percentage of the Fund invested in low risk eligible asset classes decreases and the percentage of the Fund invested in higher risk eligible asset classes increases.

The Investment Committee

The first four members of the Investment Committee were appointed by the President of Guyana, Dr. Irfaan Ali, on August 30, 2022.

The members of the Investment Committee are as follows:

1. Ms. Shaleeza Shaw, Dip (Dist); B.Sc (Dist); LLB (Dist); CCP; MBA, CB, MCBIS (Dist). – Chairperson
2. Mr. Lauris Hukumchand, BSc, MBA (Double Major)
3. Mr. Michael Munroe, B.Sc; MA, MBA, M.Sc., LLB (Dist); LLM (Dist); LLM
4. Mr. Richard Rambarran, B.Sc., M.A., M.B.A., M.Sc.



Ms. Shaleeza Shaw
Dip., B.Sc, LLB (Dist), CCP, MBA
CHAIRPERSON, Investment Committee

Ms. Shaleeza Shaw is Managing Director of Opulent Consultancy Inc. She holds a Diploma in Banking and Finance, a Bachelor of Social Sciences in Business Management and a Bachelor of Laws (all with distinction) from the University of Guyana. Ms Shaw is also a Certified Credit Professional with Jamaica Institute of Financial Services & The Chartered Institute of Bankers in Scotland and holds a Master in Business Administration - Chartered Banker (with Distinction) from The Bangor University, Wales. She has 33 years banking experience having held former portfolios as the Chief Executive Officer (ag), Head of Credit, Corporate Secretary, and Legal and Recoveries Manager of the Guyana Bank for Trade and Industry Limited; and Manager-Main Branch for Demerara Bank Limited, two dynamic indigenous banks in Guyana.

She served in various capacities on the Georgetown Chamber of Commerce and Industry (which was established in 1889) as former Junior Vice President, Secretary and Council member and the former Chairperson of the Chamber's Green Economy Committee.

In addition, as a private sector representative, she sits as the Chairperson for the Investment Committee of the Natural Resource Fund and is a Director on the boards of the National Communications Network; Guyana Sugar Corporation; and the Income Tax Review Board of the Guyana Revenue Authority.

In her limited spare time, Ms Shaw does volunteer work with the Shaheed's Boys and Girls Orphanage; the West La Penitence, Middle Road, Sideline Dam and Independence Boulevard (West) Community Group and Green Acres Homeowners Association.

The Public Accountability and Oversight Committee

Section 6(1) of the Act requires the establishment of a Public Accountability and Oversight Committee which shall comprise the following members appointed by the President, and one of whom shall be appointed the Chairperson:

- (a) a nominee of the National Assembly;
- (b) three representatives of the religious community;
- (c) two representatives of the private sector;
- (d) two representatives of organised labour; and

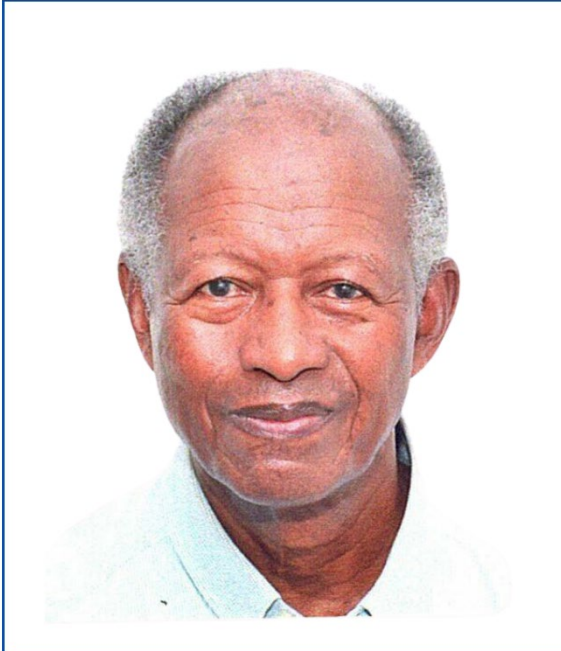
(e) one representative of the professions. The Act by way of section 6 (4&5) mandates that the committee shall provide non-governmental oversight of the Fund; and pursuant to discharge of its functions, the Committee shall:

- (a) receive quarterly reports from the Board of Directors on the operations of the Fund; and
- (b) meet no less than quarterly with the Board of Directors of the Fund to be briefed on the operations of the Fund.

PUBLIC ACCOUNTABILITY AND OVERSIGHT COMMITTEE (PAOC)

The Public Accountability and Oversight Committee (PAOC) was appointed by the President of Guyana, Dr. Irfaan Ali on August 29, 2022. The members of the PAOC are as follows:

1. Mr. Clement Sealey, B.Sc, M.Sc, MBA, CPA, CGA - Chairperson
2. Mr. Ryan Alexander, Dip. in Marketing and Agriculture
3. Ms. Savitri Balbahadur, B.Sc. & Dip. in Education
4. Ms. Dawn Gardener, B.Sc, MPA
5. Mr. Teni Housty - BA (Hons), LLB, MBA
6. Pastor Wendell Jeffrey, B.Sc
7. Dr. Desmond Sears, Post Graduate Shipping - Norwegian Shipping Academy, Doctorate in Maritime Administration & Economics
8. Mr. Aslim Singh, B.Sc, MBA
9. Mr. Abu Zaman, B.Sc, MBA



Mr. Clement Sealey
B.Sc, MSc, MBA, CPA, CGA
CHAIRPERSON, PAOC

Mr. Clement Sealey is the Chairperson of the Public Accountability and Oversight Committee of the Natural Resource Fund. He holds Master's Degrees of Public/Business Administration from the Queen's University, Ontario and Political Science from the University of Toronto, Ontario, Canada. He also holds the Bachelor's Degree in Economics and Administrative with Honours from York University, Ontario, Canada and is also accredited as a Chartered Professional Accountant by the Chartered Professional Accountants, Ontario, Canada. He has a Bachelor's Degree in Social Science and Specialization in Economics and Administration from the University of Guyana.

He served in several senior executive positions and as Deputy Commissioner General, Tax, Customs and Trade Administration, Guyana Revenue Authority from 2003 - 2015. He served also in similar capacity in Tax/Revenue Administration in Canada.

In addition, Mr. Sealey has skills to research, develop, design, implement and manage major new taxes as well as the ability to revitalise and build capacity to modernise and strengthen organisations. He has special skills to train, develop, coach and mentor management, professional, customer service and technical human resources.

4.0 LEGAL FRAMEWORK

4.1 ESTABLISHMENT OF THE FUND

The Natural Resource Fund (referred to hereinafter as “the Fund”) was established by the enactment of the Natural Resource Fund Act 2019 assented to on January 23, 2019. This Act was subsequently repealed and replaced by the Natural Resource Fund Act 2021 (hereinafter called “the Act”) assented to by the President on December 30, 2021.

Notable amendments in the revised Act include establishment of a Board of Directors; modifications to the composition and responsibilities of the Public Accountability and Oversight Committee, and the rules governing withdrawals from the Fund. Further, it must be noted that the withdrawal rules were again amended on February 6, 2024 through the Fiscal Enactments (Amendment) Act 2024.

The Fund was established for the purpose of managing the natural resource wealth of Guyana for the benefit of present and future generations in order to:

(a) ensure that volatility in natural resource revenues do not lead to volatile spending, and such revenues do not lead to a loss of economic competitiveness;

(b) fairly transfer natural resource wealth across generations to ensure that those future generations benefit from such wealth; and

(c) utilise the natural resource wealth to finance national development including any initiative aimed at realising an inclusive green economy.

Section 3(3&4) of the Act stipulates that the Fund shall be a public fund and be held in the name of the Bank of Guyana (hereinafter referred to as “the Bank”) on behalf of the Government and people of Guyana, along with all investments including those managed by private managers. Subsection 5 also requires that the Fund be managed separately from the reserves of the Bank.

The Act by way of Section 4 mandates that the Fund be managed according to the principles of good governance — including transparency and accountability, and international best practices, including the Santiago Principles.

4.2 GOVERNANCE AND MANAGEMENT OF THE FUND

The National Assembly of Guyana

The National Assembly passed the enabling legislations (the Act) governing the Fund and is empowered to exercise oversight of the Fund through review of annual reports and audited financial statements which are to be submitted by the Senior Minister with Responsibility for Finance no later than 30 days after receipt from the Board of Directors.

The Senior Minister with Responsibility for Finance

The Senior Minister with Responsibility for Finance may issue general policy directives to the Board of Directors in respect of their functions as the Minister deems necessary in accordance with the Act. The Minister is responsible for the appointment of nominees as members of the Investment Committee of the Fund.

The Minister is empowered under the Act to ascertain the estimated withdrawals from the Fund for the next fiscal year through an annual budget proposal presented to the National Assembly. In the event a withdrawal is to be made for emergency financing, the Minister is mandated under section 20 and 21 of the Act to present to the National Assembly a detailed report of why such a withdrawal is required.

The Board of Directors

The Act makes provision for the Fund to be governed by a Board of Directors, which under section 5 of the Act is tasked with the overall management and oversight of the Fund. Section 5 (1) of the Act stipulates that there shall be a Board of Directors of the Fund, which shall comprise of not less than three and not more than five members who shall be appointed by the President, one of whom shall be appointed the Chairperson. The Act by way of section 5(5) subject to subsection 8, assigns responsibility to the Board of Directors for:

- (a) the overall management of the Fund;
- (b) reviewing and approving the policies of the Fund;
- (c) monitoring the performance of the Fund;
- (d) ensuring compliance with the approved policies of the Fund;
- (e) exercising general oversight of all aspects of the operations of the Fund; and
- (f) ensuring that the Fund is managed in compliance with the Act and all applicable laws.

The Board, as allowed under section 5(6d), delegated its responsibility for the operational management of the Fund to the Bank.

The Board is responsible for the preparation of the Investment Mandate of the Fund and hence decides on the

investment objectives and how funds are to be invested by the Bank.

The Act through section 5(7) mandates that the Board of Directors in the discharge of their functions, shall report to the Minister and provide such information and reports as the Minister may require.

The Bank of Guyana

The Bank by way of its operational agreement signed with the Board of Directors on January 18, 2023 is responsible for the day-to-day operations of the Fund. The Bank manages the Fund in accordance with the agreement and the Board's investment strategy and reports monthly, quarterly and annually to the Board. The operational agreement outlines the detailed responsibilities of the Bank.

Committees

The Act requires the establishment of an Investment Committee, and a Public Accountability and Oversight Committee to aid in providing oversight of the Fund. The Investment Committee is responsible for advising the Board of Directors on the Investment Mandate of the Fund which shall take into account the overall objectives of the Fund; financial market conditions, opportunities and constraints; international best practices in investment portfolio management, among other factors as outlined in Section 9 of the Act. The Public

Accountability and Oversight Committee is tasked with providing non-governmental oversight of the Fund. Both committees were constituted and members appointed, except for one outstanding member of the Investment Committee. A nominee of the Governor of the Bank was appointed to the Investment Committee in October 2023.

4.3 DEPOSIT AND WITHDRAWAL RULES

The Act outlines the provisions governing deposits of revenue and the withdrawals rules of the Fund.

Deposits

The Act by way of section 15 requires all petroleum revenues to be paid directly into an account denominated in United States dollars and held by the Bank as part of the Fund. Such an account was established with the Federal Reserve Bank of New York and is managed by the Bank of Guyana.

Withdrawals

The Act states that the maximum amount of withdrawals from the Fund in a fiscal year shall not exceed the amount approved by the National Assembly for that fiscal year.

Section 19 of the Act stipulates that the amount the Minister shall request the National Assembly to approve as withdrawal for the next ensuing fiscal

year shall be included in the annual budget proposal and shall not exceed, for that year, the ceiling calculated in accordance with Section 17 of the Act and the First Schedule, plus any amount required for emergency financing. For the fiscal year 2023, the ceiling on annual withdrawals except for emergency financing, were calculated as follows:

- (a) 100 percent of the first five hundred million United States dollars paid into the Fund in the immediately preceding fiscal year;
- (b) 75 percent of the second five hundred million;
- (c) 50 percent of the third five hundred million;

- (d) 25 percent of the fourth five hundred million;
- (e) 5 percent of the fifth five hundred million; and
- (f) 3 percent of any amount in excess of the first two thousand five hundred million.

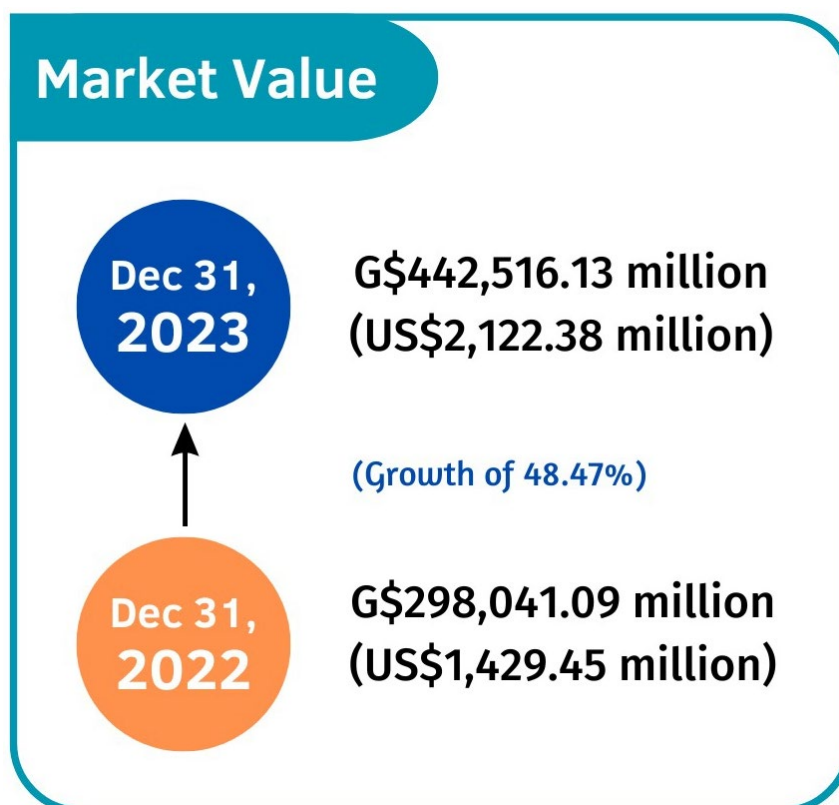
Transfer to the Consolidated Fund

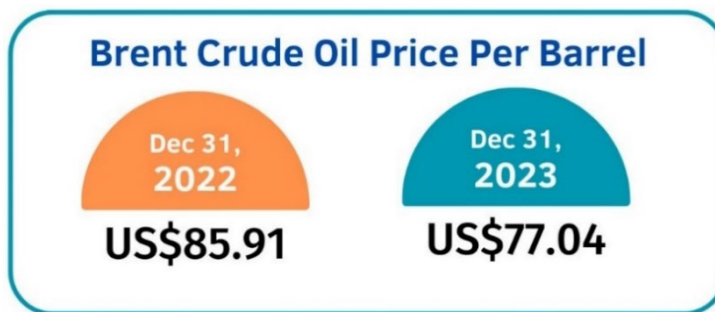
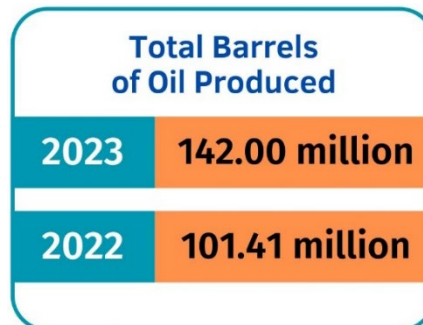
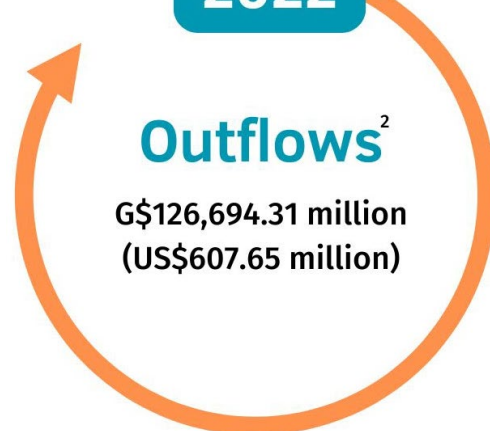
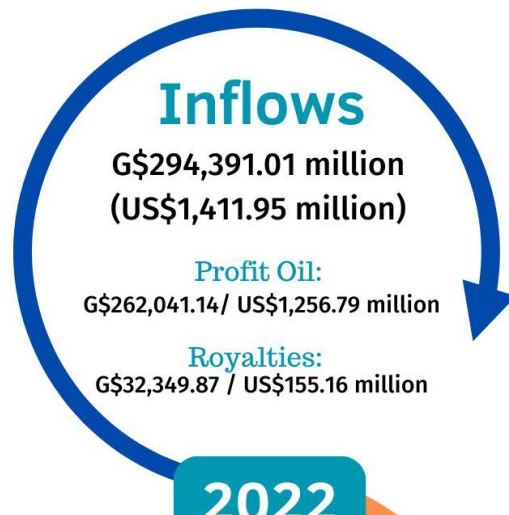
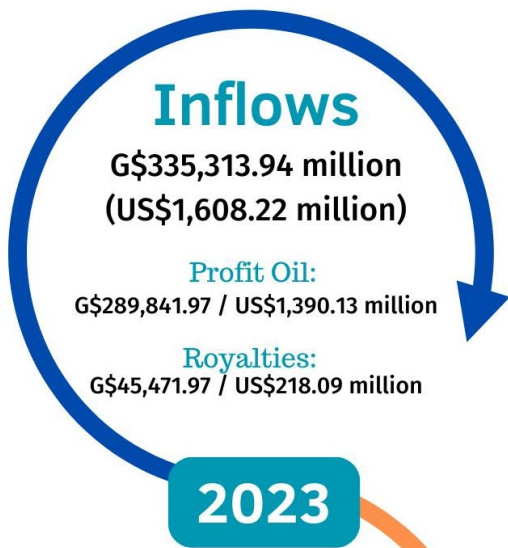
Section 16 of the Act states that the amount withdrawn from the Fund shall be deposited into the Consolidated Fund and shall be used only to finance national development priorities, and essential projects that are directly related to ameliorating the effect of a major natural disaster.

5.0 FINANCIAL HIGHLIGHTS

This report covers the period January 1, 2023 to December 31, 2023.

As at December 31, 2023, the market value of the Fund stood at G\$442,516.13 million (US\$2,122.38 million), reflecting a growth of 48.47% (G\$144,475.04 million / US\$692.93 million from the previous year-end level. The Fund accounted for inflows of G\$335,313.94 million (US\$1,608.22 million) for this year, and represented an increase of 13.90% when compared with the inflows of G\$294,391.01 million (US\$1,411.95 million) for 2022. Outflows in the form of withdrawals from the Fund totaled US\$1,002.13 million in 2023, which reflected an increase of 64.92% (US\$394.48 million) over the previous year's level of US\$607.65 million. Net return generated by the Fund totaled G\$18,105.25 million (US\$86.84 million) for the year 2023, a substantial increase of 396% (G\$14,455.17 / US\$69.33 million) over the previous year's level on account of higher interest rates on overnight deposits during 2023. Hence, an annual portfolio return of 4.824% was achieved by the Fund in 2023 compared with 1.581% in 2022. Brent crude oil prices fell by 10.32% during 2023 moving from US\$85.91/bbl. at the start of the year to US\$77.04/bbl. as at end-December 2023. Further, total barrels of oil produced by Guyana's FPSOs totaled 142.0 million barrels during 2023 in comparison with 101.41 million barrels for 2022.





² NRF transactions are converted at a rate of G\$208.50 to US\$1 for reporting purposes.
Annual Report – December 31, 2023

6.0 THE INVESTMENT MANDATE

The Board of Directors of the Natural Resource Fund at its meeting held on June 26, 2023 approved the Investment Mandate of the Fund. It was mandated that the funds be maintained in the deposit account held at the Federal Reserve Bank of New York earning overnight deposits interest at the prevailing federal funds rate of 5.30%. It

was also agreed that the Bank will continue to monitor the overnight interest rate and inform the Chairman of any changes by the Federal Reserve Bank to consider redeploying cash. As at the financial year end, there have been no changes to the Investment Mandate as the federal funds rate remained within the range of 5.25% - 5.50%.

7.0 GLOBAL MARKET DEVELOPMENTS

The IMF, in its World Economic Outlook published in January 2024, estimated global growth for 2023 at 3.1%, down from the revised 3.5% level in 2022. The World Bank's estimates were slightly lower as growth was pegged at 2.6% in 2023 and a revised level of 3.0% in 2022. The year 2023 would mark the second consecutive year in which global growth would have decelerated. During 2023, the global economy was negatively impacted by supply shortages driven mainly by geopolitical conflicts, high inflation levels, a short-lived banking crisis, and restrictive financial conditions.

During the first quarter of the year, a potential banking crisis emerged when three US banks - Silvergate Bank, Signature Bank, and Silicon Valley Bank - collapsed, while the European bank, Credit Suisse faced financial difficulties. The Federal Reserve Bank viewed the crisis as caused by poor risk management by the respective banks, elaborating that the banking sector was sound and resilient. Restrictive financial conditions were prevalent in 2023 as elevated interest rates were maintained throughout the year resulting from global central banks continued efforts to combat high inflation. During the latter half of the year, geopolitical tensions escalated in the Middle East when Hamas attacked Israel and a war ensued adding to existing geopolitical conflicts caused by the Russia-Ukraine war.

To reduce inflation, global central banks continued their aggressive tightening monetary policy stance during the first half of 2023 before easing off on rate hikes towards the end of the year. This was a result of cooling inflation in the global economy nearing the end of 2023. The IMF estimated inflation for 2023 at 6.8% compared to 8.7% in 2022 and also projects inflation to fall even further to 5.8% in 2024.

During 2023 the Federal Reserve raised their interest rate target range four times by an overall 100 bps to close the year at 5.25% - 5.5%. Similarly, the Bank of Canada increased its interest rate from 4.25% to 5%, an increase of 75 bps. Other major central banks including the Bank of England and the European Central Bank were also hawkish for the majority of 2023. The Bank of England hiked rates five times during the year, increasing their interest rate by 175 bps to close the year at 5.25% while the European Central Bank hiked rates by 200 bps to move from 2.5% to 4.5%.

7.1 OIL

Oil prices generally fluctuated throughout 2023 mainly due to OPEC's decisions on oil production cuts, falling US inventories, fluctuations in the US dollar, weak industrial activity, and prevailing global energy demand. Oil prices opened the year at US\$85.91/bbl. reaching a high of

US\$96.55/bbl. in September and a low of US\$71.84/bbl. in June. Following the downward trend in oil prices during the second quarter, prices started to rebound in the third quarter before retreating once more to close 2023. The falloff in prices was mainly driven by an appreciation of the US dollar and increased exports out of OPEC while withstanding geopolitical conflicts in the Middle East. To close 2023, oil was traded at US\$77.04/bbl. It is expected that oil prices will continue to be influenced by geopolitical tensions coupled with OPEC's potential measures to cut oil production heading into 2024.

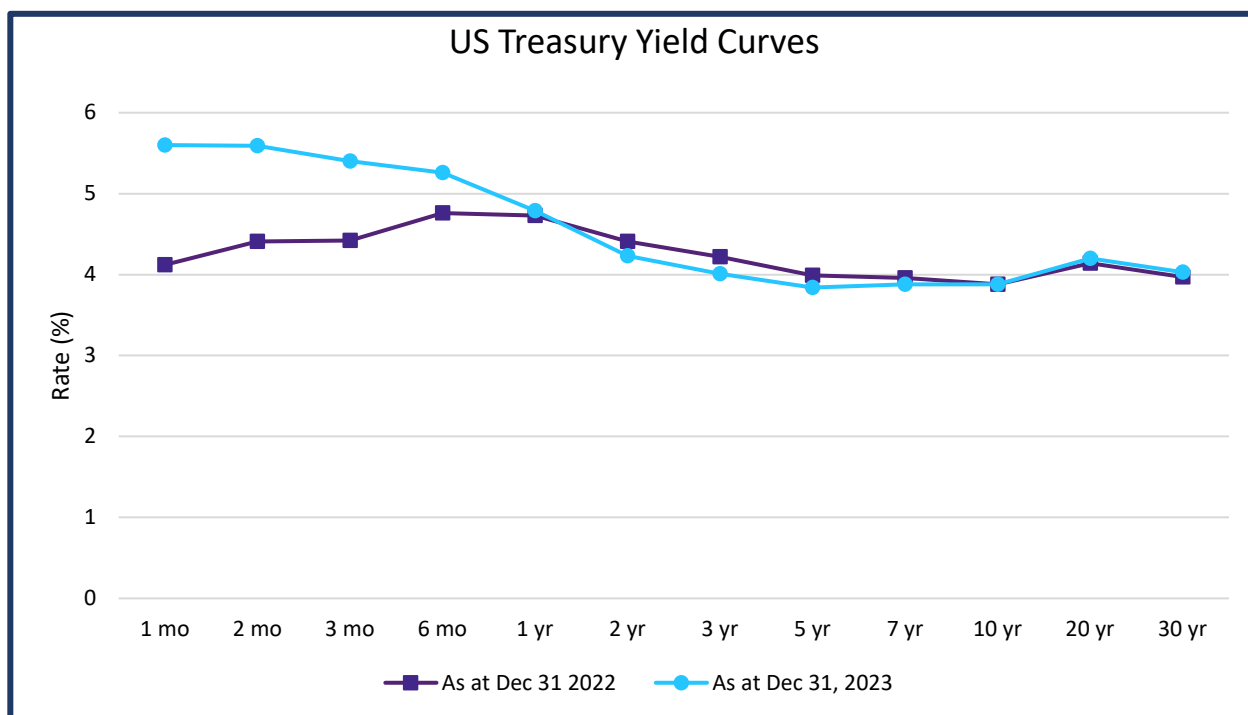
7.2 GOLD

Throughout 2023, gold prices fluctuated as a result of the impacts of various economic developments which weighed on the safe-haven appeal for gold. The safe-haven asset opened the year at US\$1,824.02 per ounce and shortly after reached its lowest value for 2023 at US\$1,811.04 per ounce in late February. This was attributed to resilient US economic data signalling high central bank rates for a longer period. However, gold prices rebounded towards the end of the first quarter when one of the largest US banks collapsed in mid-March followed by the collapse of two other US banks. Expectations of future rate cuts and weaker than anticipated US economic data contributed to the asset's bullish momentum going into the second quarter of the year before investors decided to sell off their holdings towards the end of the

quarter causing gold prices to fall tremendously. A stronger US dollar coupled with the new narrative of expected future hawkish monetary measures in the near term caused gold prices to retreat during the second quarter. Notwithstanding, geopolitical tensions in the Middle-East contributed to gold's safe-haven appeal causing prices to rebound in mid-October. This rally was also supported by a weaker US dollar, lower bond yields, and the Fed's decision to adopt a dovish monetary policy tone going into 2024. Gold prices reached its highest value for 2023 at US\$2,077.49 per ounce in December before closing the year at US\$2,062.98 per ounce.

7.3 GLOBAL FIXED INCOME BONDS

Bond yields pushed higher for most of 2023 due to major central banks continuing to increase interest rates and adopting a higher-for-longer strategy. Other factors, such as the failing of major banks as well as the USA's growing debt resulted in higher volatility in the earlier part of the year. The final quarter of 2023 saw a reversal of the previous trend as inflation was cooling and growth seemed to be slowing. Most central banks had paused rate hikes and it was expected that the Fed would move to implement rate cuts in 2024. The fixed income market was able to recover its earlier losses as rates moderately declined towards the end of the year and prices ended the year a bit higher than they were at the start for most maturities.



Graph 1

The 10-year yields of all major government bonds had a net decrease over the year. The US 10-year bond yield fell from 3.88% to 3.87%, the UK's from 3.70% to 3.54%, Spain's from 3.65% to 2.99%, France's from 3.10% to 2.56% and Germany's from 2.57% to 2.03%.

The US treasury yield curve as shown above reflects an increase in yields on the short end and a slight decrease on the longer end of the curve year on year. This resulted in a further pronounced inversion of the yield curve where yields for shorter dated bonds continued to be higher than yields for lower dated bonds as at end-December 2023. The yield on 3-month Treasury bills were over 152 basis points higher than the yield for 10-year notes. However, despite this pronounced inversion usually being interpreted by market commentators as an indicator of an

upcoming recession, the economy continued to be resilient throughout 2023.

7.4 GLOBAL EQUITIES

At the start of the year, the equities market rallied despite the collapse of Silicon Valley Bank, one of the largest US banks. Notwithstanding, investor sentiment was bolstered by the Fed's commitment to protecting the banking system against any potential instability, which reduced market volatility. This upward trend continued during the first half of the year as developed markets led the way, while emerging market stocks lagged behind. However, in the third quarter, the stock market fell after it became apparent that high interest rates would be protracted. During the final quarter of the year, the equities market rebounded as investors

expected the Fed and other major central banks to cut rates during 2024 as a result of cooling inflation. During 2023 the S&P index increased by 24% while the NASDAQ index rose by 43% year on year.

7.5 THE DOMESTIC ECONOMY

The Guyanese economy registered Real Gross Domestic Product (GDP) and non-oil GDP growth of 33.0 percent and 11.7 percent respectively. The oil and gas sector continued to be the major contributor of growth, with other notable contributions by the construction, manufacturing and agriculture sectors for non-oil real GDP. The buoyant performance of the economy was facilitated by an effective fiscal and monetary policy mix, greater government investments in infrastructure and stronger investors' confidence.

Inflation in Guyana was estimated at 2.0 percent in 2023. The Central Bank of Guyana retained its 5% lending rate throughout the year, with the yield on the 182-day and 364-day Treasury Bill remaining relatively stable at 0.99% each.

7.6 GLOBAL OUTLOOK FOR 2024

The IMF indicated that geopolitical conflicts, elevated central bank rates, and low underlying productivity growth will continue to influence global growth heading into 2024. Global growth rates for 2024 are projected at 3.1% and 2.4% by the IMF and the World Bank respectively. Compared to the previous year, the World

Bank predicts global growth to decelerate by 0.2% in 2024 while the IMF projects no change. The IMF projects interest rates for major global central banks to remain elevated until the second half of 2024, before gradually declining as desired inflation target levels are met. The FOMC committee indicated that they will not prematurely cut interest rates without sufficient economic data to influence otherwise. This comes after the Fed decided to hold their target funds range steady at 5.25%-5.5% at their policy meeting in March 2024. Fed Chair Jerome Powell indicated that recent data has not given the FOMC enough confidence to cut rates at its upcoming meetings but market participants and investors still anticipate two to three cuts for 2024. The expectation of future rate cuts during the second half of 2024, falling yields and persisting geopolitical tension will be the main drivers for gold during 2024 as the safe-haven asset is forecasted to rally as it did in late 2023. Analysts predict gold prices to peak at US\$2,300 per ounce in 2025.

According to the World Bank's Global Economic Prospects report published in January 2024, oil prices are forecasted at \$81 per barrel for 2024, revised downward by \$1 since the previous report published in June 2023. Oil prices continued to be influenced by geopolitical tensions coupled with OPEC's potential measures to cut oil production heading into 2024.

In December 2023, the US 10-year bond fell below the 4% mark as investors tried to factor-in higher interest rates for a longer

period. The US 10-year government bond is currently regaining momentum as data showed the US economy is still growing at a healthy pace, thus reducing the chance of any premature rate cuts. Investors believe yields will remain fairly stable in the coming months before declining in the second half of 2024.

7.7 DOMESTIC OUTLOOK FOR 2024

The Guyanese economy is projected to record real GDP growth of 34.3 percent, on account of higher oil production, following accelerated operations from the Prosperity FPSO. Non-oil GDP growth is projected at 11.9 percent. This growth will be primarily due to continued development of the agriculture, forestry, and fishing sectors, along with further expansion of the construction and services sectors. The bauxite and gold mining industries are expected to reverse the contractions recorded in 2023 and thus, increase the growth of the non-oil economy as well. Inflation rate is expected to increase to 2.5%, largely due to external developments, which will influence higher domestic production to satisfy demand.

7.8 LOCAL UPDATES

In 2015, Guyana's first oil discovery was made at the Stabroek Block oil field. This paved the way for a sustained effort towards oil exploration activities resulting in numerous additional oil finds. To date, there are 46 oil discoveries spanning the

Stabroek Block, the Orinduik Block, the Kanuku Block and the Corentyne Block.

Since the first oil discovery in 2015, there have been 43 discoveries as at end-of-December 2022. During 2023, there were an additional three discoveries – two in the Stabroek Block, and one in the Corentyne Block. Currently, Guyana's offshore basin is estimated to have a reserve in excess of 11 billion barrels of oil.

The Liza Phase 1 Project, which started production in December 2019 is currently at its maximum production capacity of 120,000 bpd while the Liza Phase 2 Project which started production in February 2022 is also operating at a full capacity of 220,000 bpd. The Liza Destiny, Liza Unity and Payara FPSOs' average production capacity throughout 2023 were recorded at 142,000bpd, 235,000bpd and 107,000bpd respectively.

The Government of Guyana announced their approval of the Payara Offshore Development Project on 30th September, 2020, which holds an estimated resource base of approximately 600 million oil-equivalent barrels. Production began in mid-November 2023 and the project reached its peak capacity of 220,000 bpd in the first quarter of 2024. Plans are advancing for ExxonMobil's fourth project – the Yellowtail Development project - which is expected to start production of 250,000 bpd in 2025 taking Guyana's production level to 810,000 bpd.

During April 2023, the Government of Guyana approved the Uaru project –

Guyana's fifth project approved for development offshore Guyana which is slated for start-up in 2026. The project will add approximately 250,000 bpd to Guyana's daily oil production when operations begin. A sixth development – the Whiptail project was approved by the Government of Guyana in mid-April 2024 since ExxonMobil Guyana submitted the Environmental Impact Assessment (EIA) for review and approval in August 2023. The project is expected to have a production capacity of 250,000 bpd and is scheduled to be operational by the end of 2027. By the end of the decade, it is expected that Guyana's oil production will increase to more than 1 million bpd.

During 2023, Guyana lifted the scheduled 17 one-million-barrel oil cargoes as its share of profit oil compared with 13 in 2022, and is expected to benefit from approximately 25 lifts in 2024. Oil

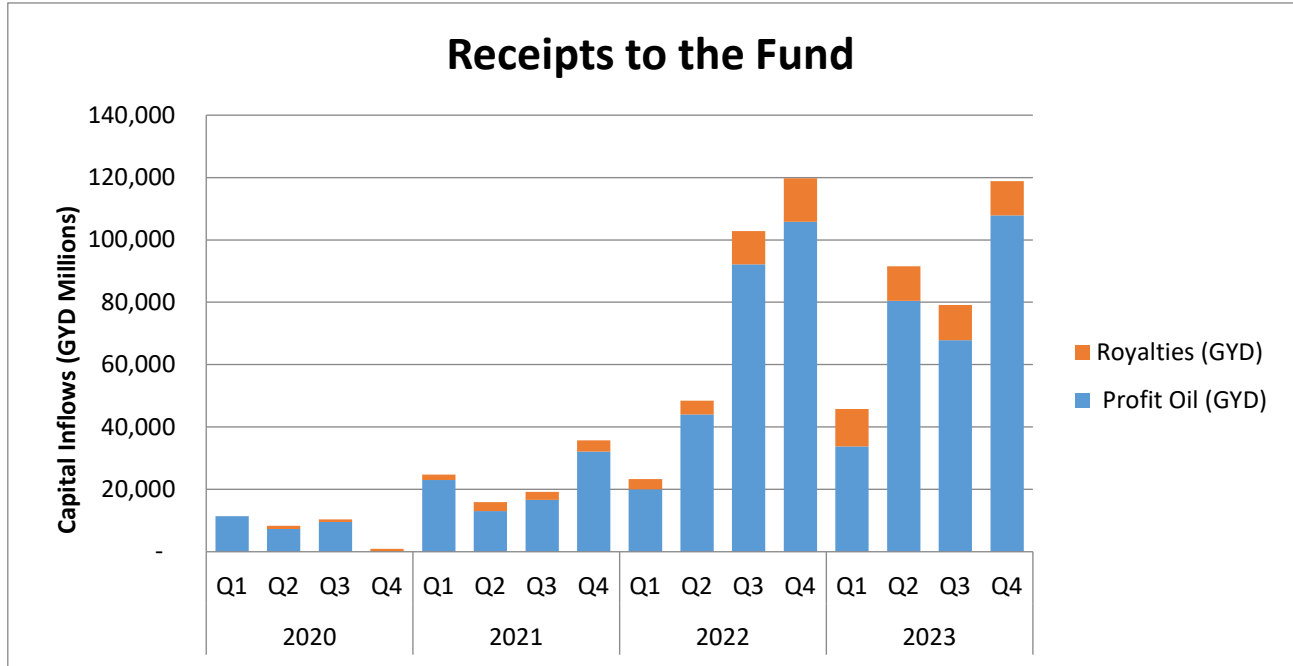
produced by the Liza Destiny, Liza Unity and Payara FPSOs totalled 142 million barrels of oil in 2023, while a production level of 220 million of barrels of oil is estimated for 2024.

In December 2022, Guyana launched its first competitive bidding round for 14 of its existing offshore oil blocks; 11 being located in shallow water and three in ultra-deepwater. The first bidding round was expected to conclude in July 2023; however, this was delayed as the Government of Guyana decided to postpone its offshore licensing round beyond this deadline to facilitate a review of the country's oil and gas regulatory framework. During September 2023, Guyana's first offshore licensing round was concluded and the country received bids for eight of its 14 existing oil blocks from six groups.

8.0 Activities of the Fund

8.1 RECEIPTS TO THE FUND

Graph 2



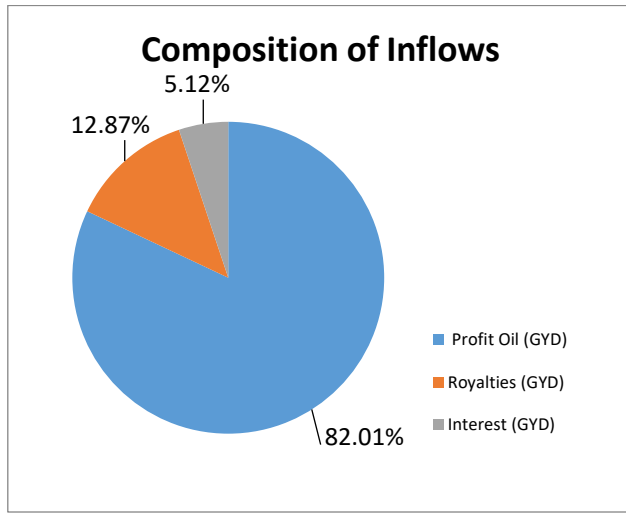
During the year 2023, the Fund accounted for inflows amounting to G\$335,313.94 million (US\$1,608.22 million) under the accruals basis, comprising of profit oil - G\$289,841.97 million (US\$1,390.13 million) and royalties – G\$45,471.97 million (US\$218.09 million). Inflows were deposited into the Natural Resource Fund account held at the Federal Reserve Bank of New York, with the exception of two profit oil payments for two lifts which occurred in December, 2023 totaling G\$31,047.07 million (US\$148.91 million). These were received in January and February, 2024.

Inflows to the Fund increased by 13.90% (G\$40,922.93 million / US\$196.27 million) from the previous year’s level of G\$294,391.01 million (US\$1,411.95 million) on account of more lifts of profit oil following efforts to ramp up production to maximum capacity.

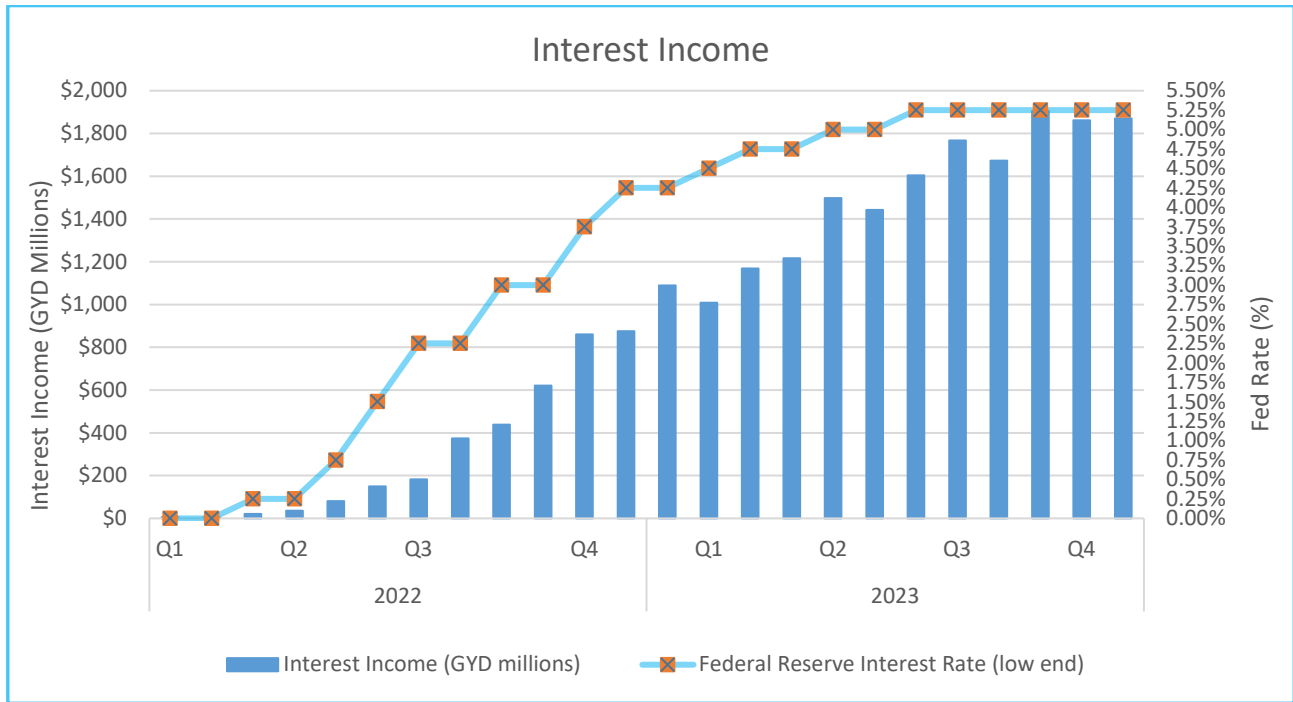
Since its inception, the Fund has accounted for G\$665,013.66 million (US\$3,189.51 million) from 39 lifts of profit oil and G\$91,357.13 million (US\$438.16 million) from royalties (see Appendices).

8.2 INTEREST INCOME

Chart 1



The US Federal Reserve Bank, increased the target interest rate range four times during 2023. These increases saw the range moving from 4.75% - 5% at the end of the first quarter to 5.25% - 5.50% at the end of the fourth quarter. Sustained high interest rates coupled with a higher account balance, saw the Fund earning interest income of G\$18,105.25 million (US\$86.84 million) in 2023 compared with G\$3,650.08 million (US\$17.51 million) for 2022.

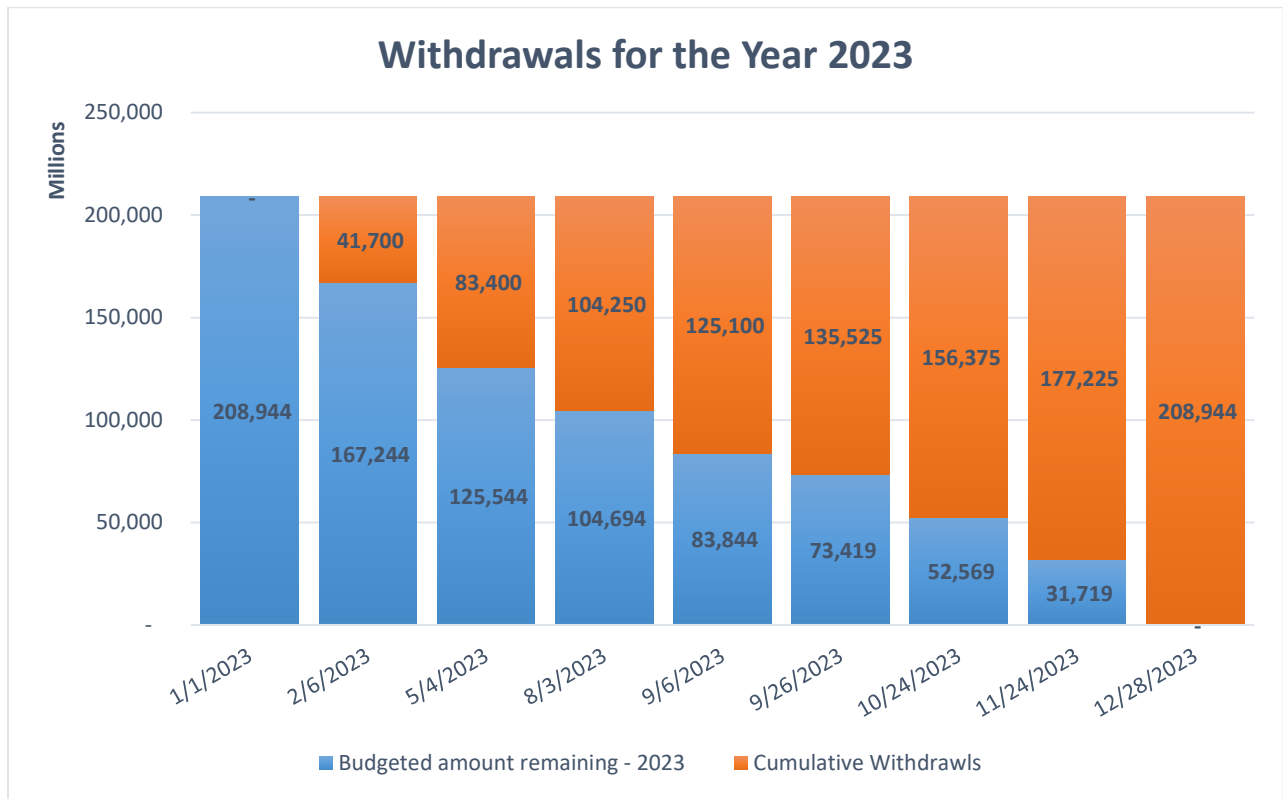


Graph 3

8.3 TRANSFERS TO CONSOLIDATED FUND

In accordance with Section 16 of the Natural Resource Fund Act 2021, budgeted withdrawal for the year 2023 amounted G\$208,944.16 million (US\$1,002.13 million). Actual withdrawals were in line with budgeted withdrawals for the year, with G\$41,700.00 million (US\$200.00 million) withdrawn in the first quarter; G\$41,700.00 million (US\$200.00 million) in the second quarter; G\$52,125.00 million (US\$250.00 million) in the third quarter and G\$73,419.16 million (US\$352.13 million) in the fourth quarter of 2023. All withdrawals were deposited into the Consolidated Fund as required by the Act³.

Since the inception of the Fund, total withdrawals stand at G\$335,638.47 million (US\$1,609.78 million).



Graph 4

³ Transfers to the Consolidated Fund are stated at a rate of G\$208.50 to US\$1 for reporting purposes.

9.0 Portfolio Performance

9.1 MARKET VALUE OF THE FUND

Overall, the value of the Fund as at December 31, 2023 grew by 48.47% or G\$144,475.04 million (US\$692.93 million) when compared to the previous year's end value. The market value included cash deposits and revenue receivables totalling G\$442,516.13 (US\$2,122.38 million). The Fund comprised: *cash deposits* of G\$411,469.07 million (US\$1,973.47 million) held at the Federal Reserve Bank and *revenue receivables* totaling G\$31,047.07 (US\$148.91 million). The receivables

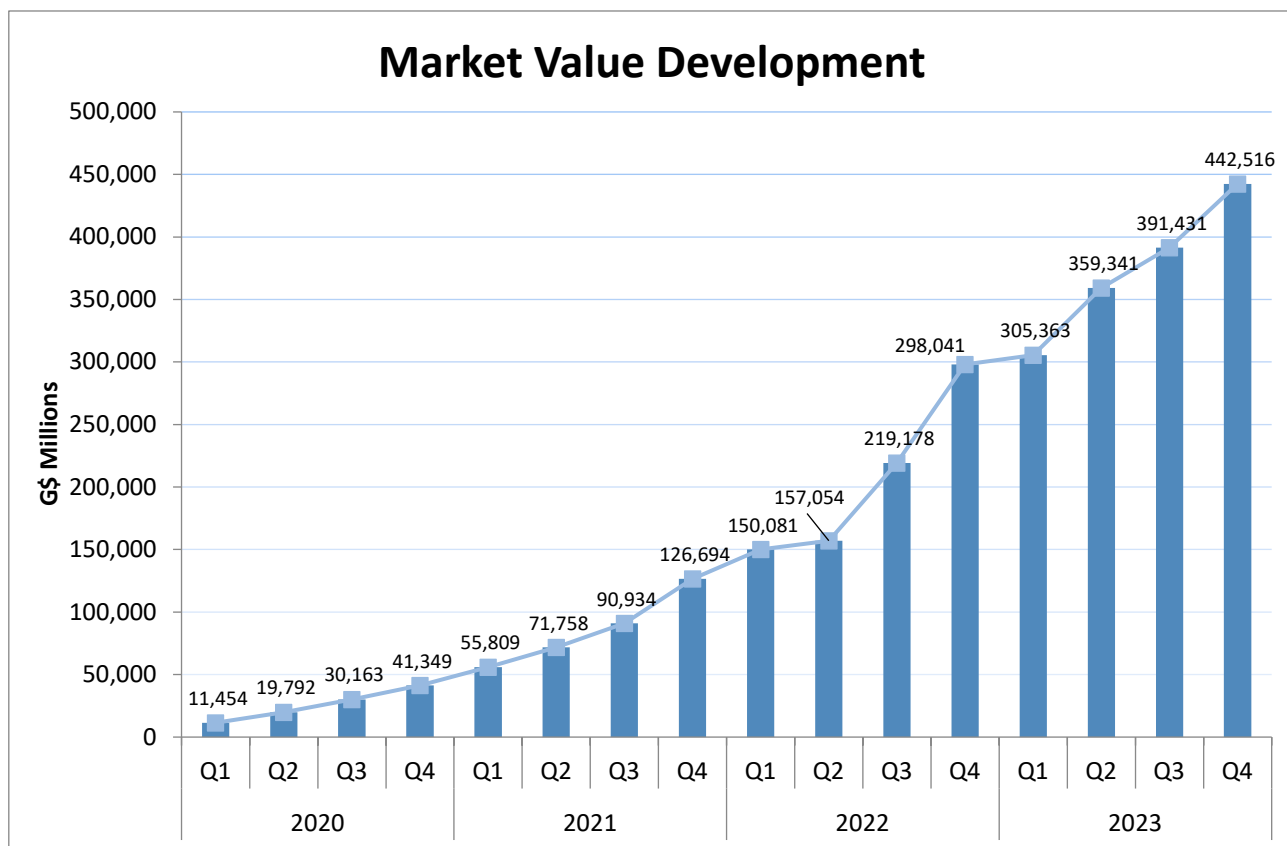
represented funds for the two lifts of profit oil of US\$73.57 million and US\$75.33 million that were received in January, 2024 and February, 2024 respectively.

In comparison, the total value of the Fund at December 31, 2022 was G\$298,041.09 (US\$1,429.45), comprising *cash deposits* of G\$265,163.40 million (US\$1,271.77 million) and *revenue receivables* totalling G\$32,877.70 (US\$157.69 million).

Table 1

Changes in Market Value					G\$'000
	2020	2021	2022	2023	Since Inception
Starting Market Value	-	41,348,595	126,694,310	298,041,094	-
Inflows	41,346,021	85,319,813	294,391,009	335,313,943	756,370,787
Withdrawals	-	-	-126,694,310	-208,944,157	-335,638,467
Interest Income	1,581	25,902	3,650,085	18,105,255	21,782,822
Capital Gains (Losses)	993	-	-	-	993
Admin., management and other costs	-	-	-	-	-
Final Market Value	41,348,595	126,694,310	298,041,094	442,516,135	442,516,135

Graph 5



9.2 PERFORMANCE

The Fund recorded a net return of G\$18,105.25 million (US\$86.84 million) for the year 2023 solely due to the interest earned on deposits, compared with a net return of G\$3,650.08 million (US\$17.51 million) for the year 2022. This resulted in a significant return⁴ of 4.824% for the year compared with 1.581% for 2022 on account of sustained high levels of

overnight deposit interest rates throughout the year 2023.

Quarterly returns of 1.059%, 1.159%, 1.253% and 1.269% were earned by the Fund for Quarter 1 to Quarter 4 respectively.

The Fund earned an annualized return of 1.594% since its inception.

⁴ The Fund is not currently tracking an index as funds were not invested in securities as at December 31, 2023.
Annual Report – December 31, 2023

Table 2

FUND PORTFOLIO	2020	2021	2022	2023	Since Inception (Annualized)
Return	0.020%	0.026%	1.581%	4.824%	1.594%

Graph 6



10.0 Financial Statements



Audit Office of Guyana

*P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana
Tel: 592-225-7592, Fax: 592-226-7257, <http://www.audit.org.gy>*

AG: 43/2024

19 April 2024

REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE BOARD OF DIRECTORS
OF THE NATURAL RESOURCE FUND
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Audit Opinion

I have audited the financial statements of the Natural Resource Fund, which comprise the statement of financial position as at 31 December 2023, and the statement of income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Natural Resource Fund as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the Rules of the Natural Resource Fund.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC), the International Standards of Supreme Audit Institutions (ISSAIs), and the Audit Act 2004. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements Section of my report. I am independent of the Natural Resource Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in Guyana, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and the Rules of the Natural Resource Fund, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

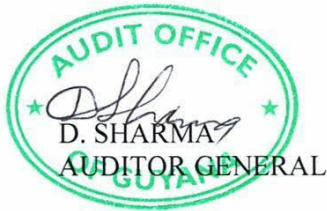
Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of my audit in accordance with ISAs and ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to date of my auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



AUDIT OFFICE OF GUYANA
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

NATURAL RESOURCE FUND
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2023

	Notes	2023 G\$'000	2022 G\$'000
ASSETS			
Balance with Foreign Bank	3	411,469,068	265,163,399
Receivables	4	31,047,066	32,877,695
Foreign Capital Market Securities	5	-	-
TOTAL ASSETS		442,516,134	298,041,094
LIABILITIES & EQUITY			
LIABILITIES			
		-	-
EQUITY			
Capital		420,760,795	294,391,009
Accumulated Surplus		21,755,339	3,650,085
Reserves		-	-
TOTAL LIABILITIES & EQUITY		442,516,134	298,041,094

Approved on behalf of the Management of the Natural Resource Fund


 Mr. M. Munro (Chief Accountant)


 Dr. G. Ganga (Governor)

The accompanying notes form an integral part of these financial statements.

NATURAL RESOURCE FUND
STATEMENT OF INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2023

<u>INCOME</u>	Notes	2023 G\$'000	2022 G\$'000
Interest on Deposits	8	18,105,254	3,650,085
Net gains/(losses) on Foreign Investments	9	-	-
TOTAL INCOME		<u>18,105,254</u>	<u>3,650,085</u>
<u>EXPENSES</u>			
Management Fees		-	-
Administration Expenses		-	-
Other Expenses		-	-
TOTAL EXPENSES		<u>-</u>	<u>-</u>
Net Profit/(Loss)		<u>18,105,254</u>	<u>3,650,085</u>

The accompanying notes form an integral part of these financial statements.

NATURAL RESOURCE FUND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER, 2023

	Capital	Accumulated Surplus	Total
	G\$'000	G\$'000	G\$'000
Balance as at December 31, 2021	126,665,834	28,476	126,694,310
Royalties	32,349,868	-	32,349,868
Profit Oil	262,041,141	-	262,041,141
Profit for the year	-	3,650,085	3,650,085
Transfer to the Consolidated Fund	(126,665,834)	(28,476)	(126,694,310)
Balance as at December 31, 2022	294,391,009	3,650,085	298,041,094
Royalties (Note 6)	45,471,968	-	45,471,968
Profit Oil (Note 7)	289,841,975	-	289,841,975
Profit for the year	-	18,105,254	18,105,254
Transfer to the Consolidated Fund (Note 10)	(208,944,157)	-	(208,944,157)
Balance as at December 31, 2023	420,760,795	21,755,339	442,516,134

The accompanying notes form an integral part of these financial statements.

NATURAL RESOURCE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2023

	2023	2022
	G\$'000	G\$'000
Cashflow from Operating Activities		
Net Profit	18,105,254	3,650,085
Adjustment:		
Receivables	<u>1,830,629</u>	<u>(32,877,695)</u>
Net Cash Flow from Operating Activities	<u>19,935,883</u>	<u>(29,227,610)</u>
Cashflow from Investing Activities		
Foreign Capital Market Securities	<u>-</u>	<u>-</u>
Net Cash Flow from Investing Activities	<u>-</u>	<u>-</u>
Cashflow from Financing Activities		
Royalties	45,471,968	32,349,868
Profit Oil	289,841,975	262,041,141
Transfer to Consolidated Fund	<u>(208,944,157)</u>	<u>(126,694,310)</u>
Net Cash Flow from Financing Activities	<u>126,369,786</u>	<u>167,696,699</u>
Net increase/(decrease) in cash and cash equivalent for the year	146,305,669	138,469,089
Cash and cash equivalent at the beginning of the year	<u>265,163,399</u>	<u>126,694,310</u>
Cash and cash equivalent at the end of the year	<u>411,469,068</u>	<u>265,163,399</u>

The accompanying notes form an integral part of these financial statements.

NATURAL RESOURCE FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2023

1. General Information

The Natural Resource Fund was established by the enactment of the Natural Resource Fund Act 2019 which was passed by the National Assembly and assented to by the President on January 23, 2019. This Act was subsequently repealed and replaced by the Natural Resource Fund Act 2021 (referred to hereinafter as the Act) which was passed in the National Assembly and assented to by the President on December 30, 2021.

Notable amendments in the revised Act includes:

- a) establishment of a Board of Directors (comprising of not less than three and not more than five members) with responsibility for the overall management and monitoring of the Fund, and preparation of an Investment Mandate;
- b) modifications to provisions regarding the composition and responsibilities of the Public Accountability and Oversight Committee;
- c) removal of the Macroeconomic Committee altogether; and
- d) modifications to the withdrawal rules of the Fund.

The purpose of the Natural Resource Fund (“the Fund”) is to manage the natural resource wealth of Guyana for the present and future benefit of the people of the country in order to:-

- (a) ensure that volatility in natural resource revenues do not lead to volatile spending, and such revenues do not lead to a loss of economic competitiveness;
- (b) fairly transfer natural resource wealth across generations to ensure that those future generations benefit from such wealth; and
- (c) utilize the natural resource wealth to finance national development including any initiative aimed at realizing an inclusive green economy.

The Act assigns responsibility to the Bank of Guyana for the operational management of the Fund pursuant to section 7 of the revised Act (previously under section 12). As at the financial year-end, management of the Fund was undertaken in accordance with an Operational Agreement signed between the Bank of Guyana and the Ministry of Finance. An updated agreement was signed between the Bank of Guyana and the Board of Directors of the Fund on January 18, 2023.

Under the Operational Agreement the Bank is responsible for the daily operational management of the Fund which shall include some key functions such as:

- a) receiving and accounting for all deposits into the Fund;
- b) investing the Fund in eligible asset classes as set out in the Investment Mandate and in accordance with the Act, and complying with all obligations necessary for the efficient management of those investments;
- c) maintaining the books of account for the Fund and all financial and asset records in accordance with International Financial Reporting standards; and
- d) submit monthly and quarterly reports to the Minister and the Board of Directors in accordance with the Act, which shall include a summary of the performance of the Fund.

The assets of the Fund are held in the name of the Bank of Guyana on behalf of the Fund, and such assets are segregated from the other assets of the Bank. The resources of the Fund consist of revenues from royalties and the Government's share of profit oil as per terms and conditions of relevant signed production sharing agreement(s).

2. Basis of Preparation and Significant Accounting Policies

A. Basis of Preparation

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and their interpretation as adopted by the International Accounting Standards Board (IASB). These financial statements have been prepared under the historical cost convention except for the measurement at fair value of investment securities classified and measured at fair value through profit or loss. The accounting records reflect the activities of the Natural Resource Fund and the resulting assets, liabilities, income and expenses of the Fund.

These statements have been reported in Guyana dollars (G\$) and are presented in thousands (G\$'000). Foreign currency transactions have been translated to G\$ at the rate of exchange ruling at the dates of the transactions. Rate of exchange at December 31, 2023 was GYD 208.50 = USD 1.

B. Adoption of new and revised IFRS and interpretations

The accounting policies adopted in preparation of these financial statements are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended December 31, 2022.

Standards and interpretations issued but not yet effective

Amendments and interpretations issued but not yet effective up to the date of the issuance of the Fund's financial statements are listed below. It is not anticipated that the amended standards and interpretations will significantly impact the financial statements of the Fund when they become effective.

IAS 1	Presentation of Financial Statements (effective January 1, 2024)
IAS 16	Leases (effective January 1, 2024)

Improvements to IFRS applicable January 1, 2023

IAS 1	Presentation of Financial Statements (effective January 1, 2023)
IAS 8	Accounting Policies, Changes in Accounting Estimates & Errors (effective January 1, 2023)
IFRS 17	Insurance Contracts (effective date January 1, 2023)

The amendments and interpretations applied for the first time in 2023 did not have any impact on the financial statements of the Fund.

C. Financial Instruments

A financial asset or financial liability is recognized in the Fund's statement of financial position when the Bank becomes a party to the contractual provisions of the instrument on behalf of the Fund.

(a) Classification of Investments

The Investment Manager of the Bank would determine the classification of the instruments at the time of purchase and takes into account the underlying purposes for which the investment securities were purchased.

IFRS 9 – *Financial Instruments* requires that classification of financial assets shall be based on the Fund's business model for managing the financial assets and the contractual cash flow characteristics of those financial assets.

Financial assets can be classified and subsequently measured at either:

- (i) Amortised Cost
- (ii) Fair Value through profit or loss (FVTPL)
- (iii) Fair Value through other comprehensive income (FVTOCI)

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated at FVTPL:

- The financial asset is held within the business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met and is not designated at FVTPL:

- The financial asset is held within the business model whose objective is achieved by both collecting contractual cash flows and by sale of financial assets; and
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest.

Financial assets that are not measured at amortised cost or FVTOCI shall be classified under the category FVTPL, with gains and losses arising from changes in fair value recognized in profit and loss. The investment manager of the Fund can also on initial recognition, irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an inconsistency in measurement or recognition that would otherwise arise from measuring assets or liabilities, and their gains and losses, on different bases.

The Fund's investments are classified and measured at FVTPL.

(b) Initial Recognition

The Fund's investments are initially recognized at fair value on the date the Bank commits to the purchase of the investment for the Fund.

(c) Subsequent Measurement

The Fund's investments are measured at FVTPL, and any gains and losses arising from changes in fair value are recognized directly in profit and loss.

(d) Fair value Measurement Principles

The fair value of investments classified as FVTPL is based on quoted market prices at the date of the statement of financial position.

(e) Derecognition

A financial asset is derecognised when the rights to receive cash flows from the asset have expired, or the Fund has transferred substantially all the risks and rewards of ownership of the asset or has relinquished control of the asset. A financial liability is derecognised when it is extinguished, that is when the obligation in the contract is either discharged, cancelled or expired.

3. Balance with Foreign Bank

	2023		2022	
	US\$	G\$'000	US\$	G\$'000
Federal Reserve Bank of New York	1,973,472,751	411,469,068	1,271,766,900	265,163,399
	1,973,472,751	411,469,068	1,271,766,900	265,163,399

4. Receivables

This amount represented funds for two lifts of profit oil which occurred in December 2023 of US\$73,573,471.27 (G\$15.34 billion) and US\$75,333,318.77 (G\$15.71 billion) respectively to be received in January and February 2024 respectively. The respective amounts were subsequently deposited to the Natural Resource Fund's account at Federal Reserve Bank of New York on January 2 & February 15, 2024.

5. Foreign Capital Market Securities

Investments of the Fund are recognized and measured at FVTPL.

	G\$'000
Balance as at December 31, 2022	-
Additions	-
Disposals	-
Gain or (Loss) on Fair Value	-
Balance as at December 31, 2023	-

The Board of Directors of the Natural Resource Fund at its meeting held on June 26, 2023 approved the updated investment mandate for the Fund. It was mandated that the funds be maintained in the deposit account held at the Federal Reserve Bank of New York earning overnight deposit interest at the prevailing federal funds rate. It was also agreed that the Bank of Guyana will continue to monitor the overnight interest rate and inform the Chairman of any changes by the Federal Reserve Bank to consider redeploying cash. As at the financial year end, there has been no changes made to the investment mandate as the federal funds rate remained within the range of 5.25% - 5.50%.

6. Royalties

Royalty receipts were deposited into the Fund's US dollar account held at the Federal Reserve Bank of New York as follows:

	US\$	G\$'000
Total as at December 31, 2021	64,917,457.47	13,535,290
Royalties for the year:		
27-Jan-22	16,087,959.27	3,354,340
28-Apr-22	21,059,488.63	4,390,903
27-Jul-22	51,060,711.00	10,646,158
25-Oct-22	66,947,083.73	13,958,467
	220,072,700.10	45,885,158
Royalties withdrawn for the year:	(64,917,457.47)	(13,535,290)
Total as at December 31, 2022	155,155,242.63	32,349,868
Royalties for the year:		
30-Jan-23	57,591,504.37	12,007,829
28-Apr-23	53,256,878.46	11,104,059
28-Jul-23	54,436,683.89	11,350,048
30-Oct-23	52,805,908.09	11,010,032
	373,246,217.44	77,821,836
Royalties withdrawn for the year:	(123,966,083.63)	(25,846,928)
Total as at December 31, 2023	249,280,133.81	51,974,908

Royalties withdrawn on a pro-rata basis.

7. Profit Oil

Guyana accounted for seventeen (17) lifts of 1-million-barrel oil cargoes in the year 2023 in comparison with thirteen (13) lifts for 2022. These funds were deposited directly into the account at Federal Reserve Bank of New York except for the two (2) lifts made on December 2 & 31, 2023 respectively, for which payments are to be received in January and February 2024. Details of profit oil lifts made over the last two years are shown below indicating date of lift, US dollar and G\$ equivalent amount.

	US\$	G\$'000
Total as at December 31, 2021	542,592,537.85	113,130,544
Profit oil lifts for the year:		
29-Jan-22	95,928,020.91	20,000,992
25-Apr-22	102,548,225.10	21,381,305
3-May-22	108,556,874.23	22,634,108
17-Jun-22	122,973,502.40	25,639,975
27-Jun-22	117,445,452.90	24,487,377
30-Jul-22	102,543,769.89	21,380,376
14-Aug-22	99,161,132.32	20,675,096
8-Sep-22	88,996,551.12	18,555,781
7-Oct-22	89,149,227.73	18,587,614
15-Oct-22	87,993,773.93	18,346,702
18-Nov-22	83,808,725.98	17,474,120
29-Nov-22	82,612,294.01	17,224,663
22-Dec-22	75,074,493.46	15,653,032
	1,799,384,581.83	375,171,685
Profit oil withdrawn for the year	(542,592,537.85)	(113,130,544)
Total as at December 31, 2022	1,256,792,043.98	262,041,141
Profit oil lifts for the year:		
17-Jan-23	82,248,712.42	17,148,857
3-Feb-23	79,613,822.68	16,599,482
10-Mar-23	74,216,496.21	15,474,139
11-Mar-23	74,054,727.58	15,440,411
10-Apr-23	87,145,733.95	18,169,886
15-May-23	74,729,733.63	15,581,149
18-May-23	75,546,324.85	15,751,409
20-Jun-23	73,773,346.19	15,381,743
6-Jul-23	81,786,204.95	17,052,424
24-Jul-23	84,436,660.87	17,605,044
21-Aug-23	85,277,583.54	17,780,376
14-Sep-23	96,031,133.77	20,022,491
23-Sep-23	96,959,767.23	20,216,111
29-Oct-23	90,027,503.19	18,770,734
5-Nov-23	85,139,327.68	17,751,550
2-Dec-23	73,573,471.27	15,340,069
31-Dec-23	75,333,318.77	15,706,997
Other profit oil receipt	235,507.07 ¹	49,103
	2,646,921,419.83	551,883,116
Profit oil withdrawn for the year	(878,164,165.37)	(183,097,229)
Total as at December 31, 2023	1,768,757,254.46	368,785,887

Profit oil withdrawn on a pro-rata basis.

¹ This figure represents the Government of Guyana's 12.5% interest in lift# 22UNY000 - Liza Unity off-spec oil emulsion.

8. Interest on Deposits

Interest earned is recognized in the statement of income for deposits held at the Federal Reserve Bank of New York on an accrual basis. The Fund generated an average annual return of 4.824% for the year 2023.

9. Net Gains/(Losses) on Foreign Investments

This figure represents gains or losses on changes in fair value of investments, and any profit or loss on derecognition. IFRS 9 – *Financial Instruments* requires that gains and losses be recognized through profit and loss.

10. Transfer to the Consolidated Fund

In accordance with section 16 (1 & 2) of the Natural Resource Fund Act 2021, subject to section 19, the maximum amount of withdrawals from the Fund in a fiscal year shall not exceed the amount approved by the National Assembly for that fiscal year. All withdrawals from the Fund shall be deposited into the Consolidated Fund and shall be used only to finance:

- a) national development priorities including any initiative aimed at realizing an inclusive green economy; and
- b) essential projects that are directly related to ameliorating the effect of a major natural disaster.

Section 19 (1 & 2) of the Act 2021 stipulates that the amount the Minister shall request the National Assembly to approve and the amount that the Assembly can approve as withdrawal for the next ensuing fiscal year shall be included in the annual budget proposal and shall not exceed, for that year, the ceiling calculated in accordance with section 17 of the Act and the First Schedule, plus any amount required for emergency financing.

As at the financial year end, section 17 of the Act stipulates the calculation of the ceiling on annual withdrawals in accordance with the First Schedule as follows:

1. 100 percent of the first five hundred million US dollars of deposits paid into the Fund in the immediately preceding fiscal year;
2. 75 percent of the second five hundred million US dollars of deposits paid into the Fund;
3. 50 percent of the third five hundred million US dollars of deposits paid into the Fund;
4. 25 percent of the fourth five hundred million US dollars of deposits paid into the Fund;
5. 5 percent of the fifth five hundred million US dollars of deposits paid into the Fund;

6. 3 percent of any amounts in excess of the first two thousand five hundred million US dollars of deposits paid into the Fund;

Accordingly, funds were withdrawn and deposited into the Consolidated Fund as follows:

Date of Withdrawal	2023	
	US\$	G\$'000
6-Feb-23	200,000,000	41,700,000
4-May-23	200,000,000	41,700,000
3-Aug-23	100,000,000	20,850,000
6-Sep-23	100,000,000	20,850,000
26-Sep-23	50,000,000	10,425,000
24-Oct-23	100,000,000	20,850,000
24-Nov-23	100,000,000	20,850,000
28-Dec-23	152,130,249	31,719,157
Total for the year 2023	1,002,130,249	208,944,157

Date of Withdrawal	2022	
	US\$	G\$'000
10-May-22	200,000,000	41,700,000
12-Jul-22	200,000,000	41,700,000
9-Dec-22	207,646,570	43,294,310
Total for the year 2022	607,646,570	126,694,310

11. Key Management Personnel

The Board of Directors of the Natural Resource Fund comprised of the following members:

Major General (Ret'd) Joseph Singh	-	Chairman
Dr. Compton Bourne	-	Director
Ms. Carolyn Rodrigues-Birkett	-	Director
Mr. Dunstan Barrow	-	Director
Mr. Ramesh Dookhoo	-	Director

12. Financial Risk Management

The Natural Resource Fund is susceptible to financial risks and the effective management of these risks is essential to enhancing the earning capacity of the Fund. The Bank as part of executing its responsibility for the operational management of the Fund applies its risk management framework which involves the identification, assessment and monitoring of risks through the adoption of various approaches as

guided by its policies. Risks are managed by the Investment Manager of the Bank of Guyana and at senior management level through the Bank's Investment Committee.

The Fund is potentially exposed to credit, market and liquidity risks arising from its foreign bank deposits. An investment mandate for the Fund was approved by its Board of Directors in June 2023 mandating that all funds be maintained in the deposit account held at the Federal Reserve Bank of New York so as to benefit from the continual high level of overnight deposit interest rate.

(a) Credit Risk

Credit risk is the risk of loss arising from the failure of a counterparty to discharge its obligations in accordance with agreed terms. The revenue of the Fund are currently held in its account at the Federal Reserve Bank of New York which has a credit rating of 'AA+'.

(b) Market Risk

Market risk is the risk that the value of financial instruments will fluctuate due to changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or factors affecting all securities traded on the market.

(i) Interest Rate Risk

Interest rate risk is the risk that future cash flows or the fair value of financial instruments will fluctuate due to changes in market interest rates. This risk arises from the Fund's deposits with foreign banks. The Bank manages this risk by continuously monitoring market conditions and yields.

(ii) Foreign Currency Risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund's exposure to the effects of foreign exchange fluctuations arises from its holdings of foreign currency denominated assets.

The Bank manages the risk of adverse exchange rate movements through constant monitoring of market conditions and trends. Further mitigation measures are also taken to ensure that foreign currency assets are maintained in stable currencies. The principal currency in which foreign assets are denominated is the United States dollar.

The aggregate G\$ equivalent amounts of assets and liabilities denominated in foreign currencies are shown below, along with the impact of a reasonable rate movement of each currency against the Guyana dollar.

FINANCIAL ASSETS	2023			Total
	GYD	USD	OTHER	
	G\$'000	G\$'000	G\$'000	G\$'000
		(Equiv.)		
Balance with Foreign Bank	-	411,469,068	-	411,469,068
Investments	-	-	-	-
Receivables	-	31,047,066	-	31,047,066
TOTAL FINANCIAL ASSETS	-	442,516,134	-	442,516,134
FINANCIAL LIABILITIES				
Payables	-	-	-	-
TOTAL FINANCIAL LIABILITIES	-	-	-	-
NET POSITION	-	442,516,134	-	442,516,134
Impact on Net Income				
+0.50%	-	2,212,581	-	2,212,581
-0.50%	-	(2,212,581)	-	(2,212,581)

FINANCIAL ASSETS	2022			Total
	GYD	USD	OTHER	
	G\$'000	G\$'000	G\$'000	G\$'000
		(Equiv.)		
Balance with Foreign Bank	-	265,163,399	-	265,163,399
Investments	-	-	-	-
Receivables	-	32,877,695	-	32,877,695
TOTAL FINANCIAL ASSETS	-	298,041,094	-	298,041,094
FINANCIAL LIABILITIES				
Payables	-	-	-	-
TOTAL FINANCIAL LIABILITIES	-	-	-	-
NET POSITION	-	298,041,094	-	298,041,094
Impact on Net Income				
+0.50%	-	1,490,205	-	1,490,205
-0.50%	-	(1,490,205)	-	(1,490,205)

(c) Liquidity Risk

Liquidity risk is the risk that the Natural Resource Fund will be unable to meet its payment obligations when they fall due. The Fund's deposits are held with a foreign bank which can be easily called in the event such a need arises.

11.0 Appendix

The following table shows the receipt of profit oil and royalties to the Natural Resource Fund since its inception.

Table 3

Activity of the Natural Resource Fund					
Date	Profit Oil (USD)		Royalties (USD)	Withdrawals	Net Inflows to Date (USD)
	Liza Destiny	Liza Unity			
11-Mar-2020	54,927,994.80				54,927,994.80
28-Apr-2020			4,919,505.30		59,847,500.10
9-Jun-2020	35,063,582.06				94,911,082.16
3-Aug-2020			3,698,152.63		98,609,234.79
24-Aug-2020	46,046,937.03				144,656,171.82
19-Oct-2020			4,304,275.30		148,960,447.12
11-Jan-2021	49,341,810.55				198,302,257.67
20-Jan-2021			8,332,957.12		206,635,214.79
3-Mar-2021	50.00				206,635,264.79
9-Mar-2021	61,021,098.64				267,656,363.43
20-Apr-2021			13,869,099.18		281,525,462.61
14-May-2021	62,617,616.23				344,143,078.84
23-Jul-2021			12,301,462.65		356,444,541.49
28-Jul-2021	79,617,561.87				436,062,103.36
22-Oct-2021	80,373,718.56				516,435,821.92
26-Oct-2021			17,492,005.29		533,927,827.21
24-Dec-2021	73,582,168.11				607,509,995.32
27-Jan-2022			16,087,959.27		623,597,954.59
28-Feb-2022	95,928,020.91				719,525,975.50
28-Apr-2022			21,059,488.63		740,585,464.13
10-May-2022				-200,000,000.00	540,585,464.13
25-May-2022		102,548,225.10			643,133,689.23
2-Jun-2022	108,556,874.23				751,690,563.46
12-Jul-2022				-200,000,000.00	551,690,563.46
20-Jul-2022		122,973,502.40			674,664,065.86
27-Jul-2022	117,445,452.90		51,060,711.00		843,170,229.76
29-Aug-2022		102,543,769.89			945,713,999.65
13-Sep-2022	99,161,132.32				1,044,875,131.97
7-Oct-2022		88,996,551.12			1,133,871,683.09
25-Oct-2022			66,947,083.73		1,200,818,766.82
7-Nov-2022	89,149,227.73				1,289,967,994.55
14-Nov-2022		87,993,773.93			1,377,961,768.48
9-Dec-2022				-207,646,570.00	1,170,315,198.48
30-Dec-2022		83,808,725.98			1,254,123,924.46
3-Jan-2023	82,612,294.01				1,336,736,218.47
23-Jan-2023		75,074,493.46			1,411,810,711.93
30-Jan-2023			57,591,504.37		1,469,402,216.30
6-Feb-2023				(200,000,000.00)	1,269,402,216.30
16-Feb-2023	82,248,712.42				1,351,650,928.72

20-Mar-2023		79,613,822.68			1,431,264,751.40
10-Apr-2023	74,054,727.58	74,216,496.21			1,579,535,975.19
28-Apr-2023			53,256,878.46		1,632,792,853.65
4-May-2023				(200,000,000.00)	1,432,792,853.65
10-May-2023		87,145,733.95			1,519,938,587.60
14-Jun-2023	74,729,733.63				1,594,668,321.23
16-Jun-2023		75,546,324.85			1,670,214,646.08
20-Jul-2023		73,773,346.19			1,743,987,992.27
28-Jul-2023			54,436,683.89		1,798,424,676.16
3-Aug-2023				(100,000,000.00)	1,698,424,676.16
7-Aug-2023	81,786,204.95				1,780,210,881.11
23-Aug-2023		84,436,660.87			1,864,647,641.98
6-Sep-2023				(100,000,000.00)	1,764,647,641.98
20-Sep-2023		85,277,583.54			1,849,925,125.52
26-Sep-2023				(50,000,000.00)	1,799,925,125.52
13-Oct-2023	96,031,133.77				1,895,956,259.29
23-Oct-2023		96,959,767.23			1,992,916,026.52
24-Oct-2023				(100,000,000.00)	1,892,916,026.52
30-Oct-2023			52,805,908.09		1,945,721,934.61
24-Nov-2023				(100,000,000.00)	1,845,721,934.61
28-Nov-2023		90,027,503.19			1,935,749,437.80
1-Dec-2023		235,507.07			1,935,984,944.87
5-Dec-2023	85,139,327.68				2,021,124,272.55
28-Dec-2023				(152,130,249.00)	1,868,994,023.55
Total	1,629,435,379.98	1,411,171,787.66	438,163,674.91	(1,609,776,819.00)	1,868,994,023.55

Note: Profit oil payments for two lifts which occurred in December 2023 of US\$73,573,471.27 & US\$75,333,318.77 were received on January 2, 2024 and February 15, 2024 respectively.

The following table shows the monthly return earned for the year ended December 31, 2023.

Table 4

Fund Portfolio 2023	Return
January	0.332%
February	0.340%
March	0.383%
April	0.330%
May	0.419%
June	0.406%
July	0.395%
August	0.440%
September	0.412%
October	0.424%
November	0.427%
December	0.412%

12.0 Annex A

Chairman of the Board of Directors

Natural Resource Fund

Re: Investment Mandate for the Natural Resource Fund (NRF)

Section 23 of the NRF Act 2021 states that where the balance of the Fund is less than five hundred million United States Dollars (USD) and less than three times the amount approved by the National Assembly for the Withdrawal from the Fund for the next ensuing fiscal year then all of the Fund shall be invested in very safe investments.

Based on the current and projected balance of the NRF, and guided by Section 23 of the NRF Act, investments of the Fund over the next few years shall be in very safe instruments (eligible bank deposits and eligible treasury bills).

Over time, as production is ramped up associated with additional FPSOs, and the corresponding increase in inflows to the NRF, the Investment Mandate would have to change in line with section 23 of the NRF Act.

The balance of the Natural Resource Fund (NRF) as of December 31, 2022, totaled USD1,271.77 million. Of this amount, USD1,002.00 million is available for withdrawal by the Government of Guyana during 2023 while the sum of USD 269.77 million is available for core investments. As of June 15, 2023, the balance in the NRF totaled \$1,644.069 million.

The economic landscape of high inflation in the USA has resulted in the Federal Reserve Bank of (FRB) New York increasing overnight interest rates to a range of 4.25 percent – 4.50 percent during 2022 and to a range of 5.0 percent – 5.25 percent effective May 4, 2023. At its meeting held during June 2023, the FRB decided to leave the rate unchanged but indicated that there was a possibility of two more hikes during 2023. The FRB has also indicated that the high overnight rate could be maintained over the medium term.

Currently, USD deposits and treasury bills and bonds which are rated AA+ by Standards and Poors' and are considered the most liquid in the world, offer the highest interest rates among developed

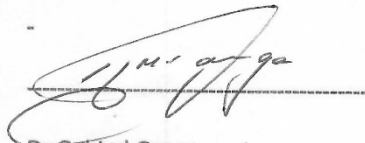


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countries. However, due to the expectation for a decline in interest rates in the future, the yield curve slopes upwards to the three-month tenor and then becomes inverted as shown by the table below¹:

Tenor	Interest Rate (%)
Overnight Deposit	5.05
1-week bills	4.95
1-month bills	5.09
3-month bills	5.20
6-month bills	5.10
1-year bonds	4.91
2-year bonds	4.63
3-year bonds	4.24
4-year bonds	4.08
5-year bonds	3.90

Consequently, the Bank of Guyana (BOG) recommends that investments be held in overnight deposits as the FRB is likely to increase overnight interest rates further during the year. This will allow the Fund to benefit from higher rates and be in a position to redeploy cash when there is a change in position by the FRB.



Dr Gobind Ganga

Governor Bank of Guyana

June 16, 2023

¹ Information retrieved on June 15, 2023, from Bloomberg L.P. online platform.

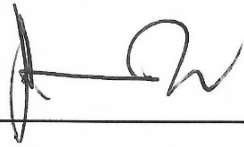
Dr Gobind Ganga

Governor of the Bank of Guyana

Natural Resource Fund - Investment Mandate

Decision of the Board of Directors

The Board of Directors (BOD) of the Natural Resource Fund (NRF), at a meeting on Monday, June 26, 2023 held in the Boardroom of the Ministry of Finance, considered the Investment Proposal dated June 16, 2023, submitted by the Bank of Guyana (BOG) and, with the concurrence of the Hon Senior Minister in the Office of the President with responsibility for Finance, agreed that the resources of the NRF be held in the overnight deposit account at the Federal Reserve Bank of New York, which currently offers an interest rate of 5.05% per annum. It was also agreed that the Governor of the BOG will continue to monitor the overnight interest rate and communicate with the Chairman BOD when this rate changes.



Major General (retd) Joseph G Singh, MSS

Chairman, BOD

June 30, 2023



**Natural
Resource
Fund**