

Subsidized Schools Provident Fund

Financial Bulletin for the Quarter Ended 28 February 2019

Key Financial Data

		Quarter ended <u>28.2.2019</u>	Quarter ended <u>30.11.2018</u>
Contributors' Account (HK\$ million)	(a)	72,830	72,242
Net Assets (HK\$ million)	(b)	86,836	82,874
Asset cover (%)	(b) / (a) *100	119.2	114.7

Market Commentaries

- The US Federal Reserve raised interest rate by 0.25% in December 2018, in line with the market expectation.
- On market expectation of a pause in US interest rate hike in 2019, the US 10-year Government bond yield decreased from around 3% as at end of November 2018 to around 2.7% by end of February 2019.
- For the quarter ended 28 February 2019, the global stock markets generally rebounded. The Hang Seng index increased by about 8% from 26,506 as at end of November 2018 to 28,633 by end of February 2019, while the Dow Jones Industrial Average Index increased by about 1.5% from 25,538 to 25,916 during the same period.

Changes of Key Market Indicators In Percentage

	<u>Currency</u> (Change vs. HKD)	<u>Equity</u> (in original currency)	<u>Bond</u> (in original currency)
Hong Kong	N/A	+8.02	+2.90
USA	+0.31	+0.88	+2.34
Canada	+1.23	+5.27	+2.35
UK	+4.57	+1.35	+2.82
Germany	+0.88	+2.30	+0.95
Japan	+2.32	-4.32	+1.71
Australia	-2.27	+8.76	+3.90
Mainland China	+4.18	+13.63	N/A

Major Investment Activities During The Quarter

Hong Kong equities	Reduced for asset re-balancing purpose
Hong Kong and offshore RMB debt securities	Maintained
Overseas equities	Added for asset re-balancing purpose*
Overseas debt securities	Maintained
Cash and net accounts receivable	Maintained

* Including setting up of a new low volatility overseas equities investment sub-class in January 2019

Net Asset Allocation In Value

	28.2.2019 (HK\$ million)	30.11.2018 (HK\$ million)
Hong Kong equities (HKE)	17,919	17,386
Hong Kong and offshore RMB debt securities (HK/RMBDS)	13,362	12,843
Overseas equities (OE)	33,264	31,380
Overseas debt securities (ODS)	12,369	12,031
Cash and net accounts receivable (CH/NAR)	9,922	9,234
	<u>86,836</u>	<u>82,874</u>

Net Asset Allocation In Percentage

