

## Subsidized Schools Provident Fund

### Financial Bulletin for the Quarter Ended 31 May 2020

#### Key Financial Data

		Quarter ended <u>31.5.2020</u>	Quarter ended <u>29.2.2020</u>
Contributors' Account (HK\$ million)	(a)	77,210	76,004
Net Assets (HK\$ million)	(b)	90,223	89,429
Asset cover (%)	(b) / (a) *100	116.9	117.7

#### Market Commentaries

- Global central banks and governments enacted extraordinary monetary and fiscal stimulus measures to contain the downside risk of the economy due to COVID-19. The US Federal Reserve reduced interest rates to near zero, launched "unlimited" quantitative easing and provided massive loans to support the economy. After experiencing large falls in March 2020, the global equity markets stabilised.
- As the spread of COVID-19 intensified risk-off market sentiment, the US 10-year Government bond yield decreased from around 1.1% by end of February 2020 to around 0.7% by end of May 2020.
- For the quarter ended 31 May 2020, the Hang Seng index decreased by about 12.1% from 26,130 as at end of February 2020 to 22,961 by end of May 2020, while the Dow Jones Industrial Average Index decreased by about 0.1% from 25,409 to 25,383 during the same period.

#### Changes of Key Market Indicators In Percentage

	Currency <u>(Change vs. HKD)</u>	Equity <u>(in original currency)</u>	Bond <u>(in original currency)</u>
Hong Kong	N/A	-12.13	+0.70
USA	-0.54	+3.05	+3.30
Canada	-3.41	-6.58	+3.16
UK	-3.73	-7.66	+5.17
Germany	+0.72	-2.55	-1.51
Japan	-0.42	+3.48	-2.15
Australia	+2.40	-9.82	-0.09
Mainland China	-2.73	-0.97	N/A

## Major Investment Activities During The Quarter

Hong Kong equities	Maintained
Hong Kong and offshore RMB debt securities	Maintained
Overseas equities	Maintained
Overseas debt securities	Maintained
Cash and net accounts receivable	Maintained

## Net Asset Allocation In Value

	<u>31.5.2020</u> <u>(HK\$ million)</u>	<u>29.2.2020</u> <u>(HK\$ million)</u>
Hong Kong equities (HKE)	15,557	17,079
Hong Kong and offshore RMB debt securities (HK/RMBDS)	13,848	13,937
Overseas equities (OE)	33,844	32,952
Overseas debt securities (ODS)	13,186	13,460
Cash and net accounts receivable (CH/NAR)	13,788	12,001
	<u>90,223</u>	<u>89,429</u>

## Net Asset Allocation In Percentage

