

Subsidized Schools Provident Fund

Financial Bulletin for the Quarter Ended 31 August 2020

Key Financial Data

		Quarter ended <u>31.8.2020</u>	Quarter ended <u>31.5.2020</u>
Contributors' Account (HK\$ million)	(a)	78,290	77,210
Net Assets (HK\$ million)	(b)	100,674	90,223
Asset cover (%)	(b) / (a) *100	128.6	116.9

Market Commentaries

- With the ongoing reopening of economies and the implementation of ultra-accommodative monetary policies around the world, the global equity markets continued to recover from the impact of COVID-19. In August 2020, the US Federal Reserve announced a monetary policy framework change seeking to achieve an average inflation of 2% over time.
- On market concerns over the risk of another wave of COVID-19 pandemic, the US 10-year Government bond yield maintained at around 0.7% as at end of August 2020.
- For the quarter ended 31 August 2020, the Hang Seng index increased by about 9.7% from 22,961 as at end of May 2020 to 25,177 by end of August 2020, while the Dow Jones Industrial Average Index increased by about 12% from 25,383 to 28,430 during the same period.

Changes of Key Market Indicators In Percentage

	<u>Currency</u> <u>(Change vs. HKD)</u>	<u>Equity</u> <u>(in original currency)</u>	<u>Bond</u> <u>(in original currency)</u>
Hong Kong	N/A	+9.65	+1.57
USA	-0.01	+14.98	+0.14
Canada	+6.07	+8.70	+0.01
UK	+8.29	-1.86	-3.66
Germany	+7.50	+11.72	-0.29
Japan	+1.58	+5.77	-0.74
Australia	+11.40	+6.36	-0.36
Mainland China	+4.05	+19.05	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>31.8.2020</u> <u>(HK\$ million)</u>	<u>31.5.2020</u> <u>(HK\$ million)</u>
Hong Kong equities (HKE)	18,753	15,557
Hong Kong and offshore RMB debt securities (HK/RMBDS)	14,234	13,848
Overseas equities (OE)	39,270	33,844
Overseas debt securities (ODS)	13,472	13,186
Cash and net accounts receivable (CH/NAR)	14,945	13,788
	<u>100,674</u>	<u>90,223</u>

Net Asset Allocation In Percentage

