

Subsidized Schools Provident Fund

Financial Bulletin for the Quarter Ended 31 August 2022

Key Financial Data

		Quarter ended <u>31.8.2022</u>	Quarter ended <u>31.5.2022</u>
Contributors' Account (HK\$ million)	(a)	78,607	78,169
Net Assets (HK\$ million)	(b)	89,590	92,335
Asset cover (%)	(b) / (a) *100	114.0	118.1

Market Commentaries

- The US Federal Reserve substantially raised interest rate by 0.75% in June and July 2022 respectively. Due to the surge in the USD, the HKD rallied against major currencies. Amid slow economic growth, persistently high inflation and tightened monetary policy, global investment markets generally decreased during the quarter.
- The US 10-year Government bond yield increased from around 2.8% by the end of May 2022 to around 3.2% by the end of August 2022.
- For the quarter ended 31 August 2022, the Hang Seng index decreased by about 6.8% from 21,415 as at the end of May 2022 to 19,954 by the end of August 2022, while the Dow Jones Industrial Average Index decreased by about 4.5% from 32,990 to 31,510 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	-6.82	-1.77
USA	+0.04	-4.29	-1.87
Canada	-3.38	-6.75	-1.37
UK	-7.63	-4.25	-7.97
Germany	-6.09	-10.80	-2.55
Japan	-7.16	+2.98	-0.81
Australia	-4.39	-3.07	-0.86
Mainland China	-3.35	+0.49	+1.59

Major Investment Activities During The Quarter

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

Net Asset Allocation In Value

	31.8.2022 (HK\$ million)	31.5.2022 (HK\$ million)
Hong Kong equities (HKE)	14,792	15,703
Hong Kong and RMB debt securities (HK/RMBDS)	14,871	15,130
Overseas equities (OE)	31,779	33,397
Overseas debt securities (ODS)	11,465	11,920
Cash and net accounts receivable (CH/NAR)	16,683	16,185
	<u>89,590</u>	<u>92,335</u>

Net Asset Allocation In Percentage

