

**Subsidized Schools Provident Fund**  
**Financial Bulletin for the Quarter Ended 31 August 2016**

**Key Financial Data**

|                                      |                | Quarter ended<br><u>31.8.2016</u> | Quarter ended<br><u>31.5.2016</u> |
|--------------------------------------|----------------|-----------------------------------|-----------------------------------|
| Contributors' Account (HK\$ million) | (a)            | 64,675                            | 63,746                            |
| Net Assets (HK\$ million)            | (b)            | 74,154                            | 70,386                            |
| Asset cover (%)                      | (b) / (a) *100 | 114.7                             | 110.4                             |

**Market Commentaries**

- The result of UK's referendum in June 2016 to leave the European Union led to a slide in the Sterling exchange rate.
- The US Federal Reserve meetings in June and July 2016 maintained no change to the interest rate.
- For the quarter ended 31 August 2016, Hang Seng Index increased by about 10.4% from 20,815 as at end of May 2016 to 22,977 by end of August 2016 as driven by inflow of funds, while the Dow Jones Industrial Average Index increased by about 3.5% from 17,787 to 18,401 during the same period.

**Changes of Key Market Indicators In Percentage**

|                | Currency<br><u>(Change vs. HKD)</u> | Equity<br><u>(in original currency)</u> | Bond<br><u>(in original currency)</u> |
|----------------|-------------------------------------|---|---------------------------------------|
| Hong Kong      | N/A                                 | +10.39                                  | +2.13                                 |
| USA            | -0.15                               | +3.53                                   | +2.04                                 |
| Canada         | -0.45                               | +3.78                                   | +2.21                                 |
| UK             | -10.15                              | +8.84                                   | +11.55                                |
| Germany        | -0.10                               | +3.22                                   | +2.33                                 |
| Japan          | +7.06                               | -2.02                                   | -0.77                                 |
| Australia      | +3.59                               | +1.50                                   | +3.14                                 |
| Mainland China | -1.73                               | +5.79                                   | N/A                                   |

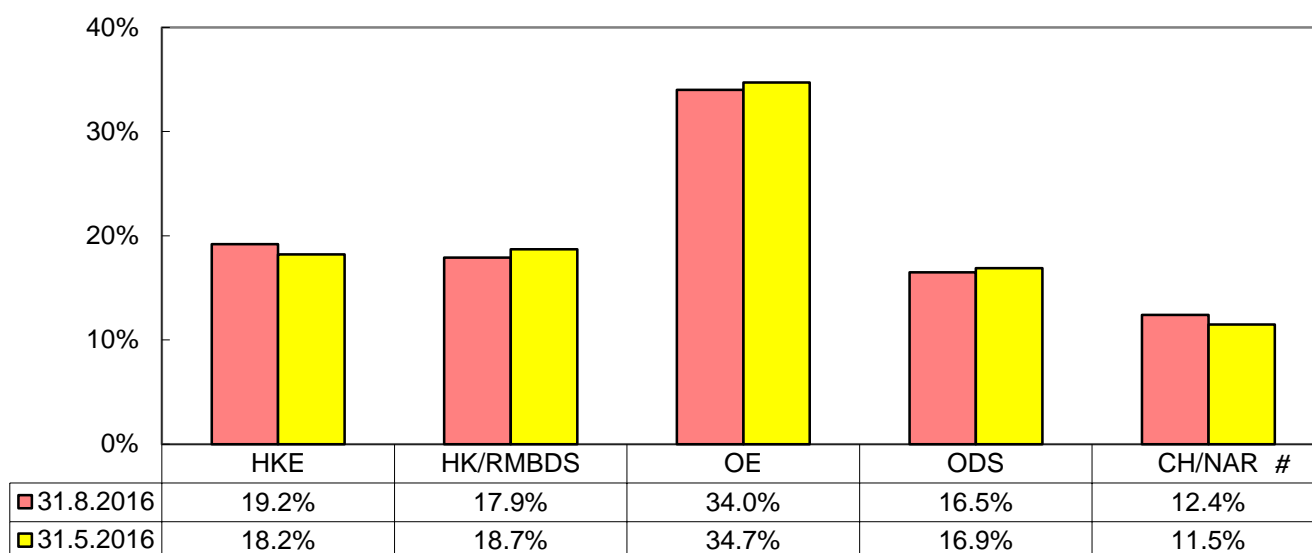
## Major Investment Activities During The Quarter

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

## Net Asset Allocation In Value

|   | 31.8.2016<br>(HK\$ million) | 31.5.2016<br>(HK\$ million) |
|---|-----------------------------|-----------------------------|
| Hong Kong equities (HKE)                              | 14,256                      | 12,791                      |
| Hong Kong and offshore RMB debt securities (HK/RMBDS) | 13,275                      | 13,127                      |
| Overseas equities (OE)                                | 25,229                      | 24,401                      |
| Overseas debt securities (ODS)                        | 12,209                      | 11,890                      |
| Cash and net accounts receivable (CH/NAR) #           | 9,185                       | 8,177                       |
|   | <u>74,154</u>               | <u>70,386</u>               |

## Net Asset Allocation In Percentage



# Include deposits denominated in RMB.