

**Grant Schools Provident Fund**  
**Financial Bulletin for the Quarter Ended 31 May 2018**

**Key Financial Data**

|                                      |                 | Quarter ended<br><u>31.5.2018</u> | Quarter ended<br><u>28.2.2018</u> |
|--------------------------------------|-----------------|-----------------------------------|-----------------------------------|
| Contributors' Account (HK\$ million) | (a)             | 3,048                             | 3,028                             |
| Net Assets (HK\$ million)            | (b)             | 3,744                             | 3,724                             |
| Asset cover (%)                      | (b) / (a) * 100 | 122.8                             | 123.0                             |

**Market Commentaries**

- The US Federal Reserve raised interest rate by 0.25% in March 2018, in line with the market expectation.
- On market expectation of two more US interest rate hikes in 2018, the US 10-year Government bond yield climbed to above 3% during the quarter but pulled back to around 2.9% by end of May 2018.
- For the quarter ended 31 May 2018, the global stock market was volatile due to the increased trade tension between the US and China. The Hang Seng index decreased by about 1.2% from 30,844 as at end of February 2018 to 30,468 by end of May 2018, and the Dow Jones Industrial Average Index also decreased by about 2.5% from 25,029 to 24,415 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                                 | -1.22                                   | -0.36                                 |
| USA            | +0.24                               | -0.32                                   | +1.03                                 |
| Canada         | -0.98                               | +4.01                                   | +0.88                                 |
| UK             | -3.19                               | +6.17                                   | +2.95                                 |
| Germany        | -4.06                               | +1.36                                   | +2.34                                 |
| Japan          | -1.55                               | +0.61                                   | +0.39                                 |
| Australia      | -2.67                               | +0.10                                   | +1.47                                 |
| Mainland China | -1.29                               | -5.03                                   | N/A                                   |

## Major Investment Activities During The Quarter

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

## Net Asset Allocation In Value

|   | 31.5.2018<br>(HK\$ million) | 28.2.2018<br>(HK\$ million) |
|---|-----------------------------|-----------------------------|
| Hong Kong equities (HKE)                  | 738                         | 738                         |
| Hong Kong debt securities (HKDS)          | 539                         | 539                         |
| Overseas equities (OE)                    | 1,256                       | 1,259                       |
| Overseas debt securities (ODS)            | 599                         | 599                         |
| Cash and net accounts receivable (CH/NAR) | 612                         | 589                         |
|   | <u>3,744</u>                | <u>3,724</u>                |

## Net Asset Allocation In Percentage

