Subsidized Schools Provident Fund Financial Bulletin for the Quarter Ended 28 February 2018

Key Financial Data

		Quarter ended 28.2.2018	Quarter ended <u>30.11.2017</u>
Contributors' Account (HK\$ million)	(a)	69,847	69,240
Net Assets (HK\$ million)	(b)	87,441	84,193
Asset cover (%)	(b) / (a) *100	125.2	121.6

Market Commentaries

- The US Federal Reserve raised interest rate by 0.25% in December 2017, which was in line with the market expectation. US dollar remained weak during the quarter.
- On market expectation of higher global inflation, the yield for the US 10-year Government bond increased to about 2.8% by end of February 2018, and global bond prices decreased in general.
- For the quarter ended 28 February 2018, the Hong Kong stock market continued to increase, Hang Seng index increased by about 5.7% from 29,177 as at end of November 2017 to 30,844 by end of February 2018. The Dow Jones Industrial Average Index also increased by about 3.1% from 24,272 to 25,029 during the same period, and reached historical high of 26,616 in January 2018, whereas other stock markets decreased.

Changes of Key Market Indicators In Percentage

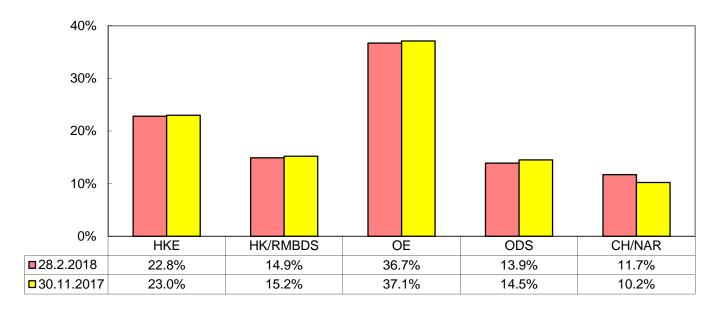
	Currency (Change vs. HKD)	Equity (in original currency)	Bond (in original currency)
Hong Kong	N/A	+5.71	-0.37
USA	+0.19	+2.50	-1.78
Canada	+0.74	-3.89	-1.17
UK	+1.98	-1.29	-0.35
Germany	+2.49	-4.52	-1.38
Japan	+5.08	-2.89	+0.37
Australia	+2.85	+0.99	-0.95
Mainland China	+5.24	-1.74	N/A

Major Investment Activities During The Quarter

Hong Kong equities	Reduced for asset re-balancing purpose
Hong Kong and offshore RMB debt securities	Maintained
Overseas equities	Reduced for asset re-balancing purpose
Overseas debt securities	Maintained
Cash and net accounts receivable	Maintained

Net Asset Allocation In Value

	28.2.2018 <u>(HK\$ million)</u>	30.11.2017 <u>(HK\$ million)</u>
Hong Kong equities (HKE)	19,946	19,358
Hong Kong and offshore RMB debt securities (HK/RMBDS)	12,987	12,833
Overseas equities (OE)	32,077	31,192
Overseas debt securities (ODS)	12,193	12,216
Cash and net accounts receivable (CH/NAR)	10,238	8,594
	87,441	84,193



Net Asset Allocation In Percentage