

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

Key Financial Data

		Quarter ended <u>28.2.2018</u>	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 <u>(Change vs. HKD)</u>	Equity <u>(in original currency)</u>	Bond <u>(in original currency)</u>
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 (HK\$ million)	30.11.2017 (HK\$ million)
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
	<u>87,441</u>	<u>84,193</u>

Net Asset Allocation In Percentage

