

Subsidized Schools Provident Fund

Financial Bulletin for the Quarter Ended 31 May 2018

Key Financial Data

		Quarter ended <u>31.5.2018</u>	Quarter ended <u>28.2.2018</u>
Contributors' Account (HK\$ million)	(a)	70,654	69,847
Net Assets (HK\$ million)	(b)	88,539	87,441
Asset cover (%)	(b) / (a) *100	125.3	125.2

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 <u>(Change vs. HKD)</u>	Equity <u>(in original currency)</u>	Bond <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 and offshore RMB debt securities	Maintained
Overseas equities	Maintained
Overseas debt securities	Maintained
Cash and net accounts receivable	Maintained

Net Asset Allocation In Value

	31.5.2018 <u>(HK\$ million)</u>	28.2.2018 <u>(HK\$ million)</u>
Hong Kong equities (HKE)	19,918	19,946
Hong Kong and offshore RMB debt securities (HK/RMBDS)	12,996	12,987
Overseas equities (OE)	32,343	32,077
Overseas debt securities (ODS)	12,177	12,193
Cash and net accounts receivable (CH/NAR)	11,105	10,238
	<u>88,539</u>	<u>87,441</u>

Net Asset Allocation In Percentage

