

Subsidized Schools Provident Fund

Financial Bulletin for the Quarter Ended 31 August 2017

Key Financial Data

		Quarter ended <u>31.8.2017</u>	Quarter ended <u>31.5.2017</u>
Contributors' Account (HK\$ million)	(a)	68,375	67,454
Net Assets (HK\$ million)	(b)	83,971	79,591
Asset cover (%)	(b) / (a) *100	122.8	118.0

Market Commentaries

- The US Federal Reserve raised interest rate by 0.25% in June 2017. Market reaction was mild as the rate increase had already been anticipated.
- For the quarter ended 31 August 2017, Hang Seng Index increased by about 9% from 25,661 as at end of May 2017 to 27,970 by end of August 2017 as driven by inflow of funds from the Mainland. Major indices in the US stock market reached record high, with the Dow Jones Industrial Average Index increased by about 4.5% from 21,009 to 21,948 during the same period, whereas the European stock markets decreased.
- US dollar continued to weaken during the quarter, resulting in a rise in other foreign currencies.

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	+9.00	+0.42
USA	+0.44	+2.48	+1.08
Canada	+8.20	-0.90	-2.04
UK	+0.25	-1.19	+0.26
Germany	+6.19	-4.43	+0.08
Japan	+0.92	-0.02	+0.31
Australia	+7.01	+0.26	-1.12
Mainland China	+3.94	+7.82	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

	31.8.2017 <u>(HK\$ million)</u>	31.5.2017 <u>(HK\$ million)</u>
Hong Kong equities (HKE)	18,461	16,580
Hong Kong and offshore RMB debt securities (HK/RMBDS)	12,933	12,755
Overseas equities (OE)	30,099	29,063
Overseas debt securities (ODS)	12,250	12,005
Cash and net accounts receivable (CH/NAR)	10,228	9,188
	<u>83,971</u>	<u>79,591</u>

Net Asset Allocation In Percentage

