

Subsidized Schools Provident Fund

Financial Bulletin for the Quarter Ended 31 August 2018

Key Financial Data

		Quarter ended <u>31.8.2018</u>	Quarter ended <u>31.5.2018</u>
Contributors' Account (HK\$ million)	(a)	71,660	70,654
Net Assets (HK\$ million)	(b)	89,334	88,539
Asset cover (%)	(b) / (a) *100	124.7	125.3

Market Commentaries

- The US Federal Reserve raised interest rate by 0.25% in June 2018, in line with the market expectation.
- For the quarter ended 31 August 2018, the Hong Kong stock market was affected by the trade tension between the US and China. The Hang Seng index decreased by about 8.5% from 30,468 as at end of May 2018 to 27,888 by end of August 2018. However, the US stock market remained positive, and the Dow Jones Industrial Average Index increased by about 6.3% from 24,415 to 25,964 during the same period.
- During the quarter, the accelerated trade tension between the US and China also exerted pressure on the currency exchange rate of Renminbi, though it gradually stabilised afterwards.

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	-8.47	+0.33
USA	+0.06	+7.25	+0.35
Canada	-0.46	+1.25	+0.35
UK	-2.26	-3.20	-0.85
Germany	-0.26	-1.91	+0.19
Japan	-1.96	+2.99	-0.86
Australia	-4.36	+4.97	+1.64
Mainland China	-6.78	-11.96	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

	31.8.2018 <u>(HK\$ million)</u>	31.5.2018 <u>(HK\$ million)</u>
Hong Kong equities (HKE)	18,211	19,918
Hong Kong and offshore RMB debt securities (HK/RMBDS)	12,846	12,996
Overseas equities (OE)	33,923	32,343
Overseas debt securities (ODS)	12,183	12,177
Cash and net accounts receivable (CH/NAR)	12,171	11,105
	<u>89,334</u>	<u>88,539</u>

Net Asset Allocation In Percentage

