

**Board of Control**  
**Grant Schools Provident Fund**  
**補助學校公積金管理委員會**

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***MESSAGE TO ALL CONTRIBUTORS***

The financial impact of the recent liquidation of the U.S. investment bank, Lehman Brothers Holdings Inc. (“Lehman Brothers”), on the Grant Schools Provident Fund (GSPF) is assessed as follows:-

- i) GSPF’s current holdings in Lehman Brothers’ equities and senior debt securities amount to about HK\$0.14 million and HK\$2.45 million respectively.
  
- ii) The portfolio managers have assessed that the value of the equities would need to be fully written-off due to the company’s liquidation, while there might be a 20% to 40% recovery rate for the senior debt securities. Therefore, the estimated total loss of the Fund due to investment in Lehman Brothers’ securities would be around HK\$1.76 million, which is about 0.07% of the Fund’s net asset.

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