



Jade Far Eastern and General Pension Fund Manager's Report

October 2015

Investment Commentary

The Fund fell 5.1% in the six months to the end of October. During the same timeframe, the MSCI World Index lost 2.2% in sterling terms. The Topix was down 2.2% in local currency terms and down 3.7% in sterling terms.

Equity markets maintained their positive trend up until June on the back of the recovery in the US economy and healthy corporate earnings in 1Q15. However, the market trend changed and declined rapidly due to several reasons; uncertainty surrounding Greece, a huge decline in Chinese stocks market and a scandal over Volkswagen cheating pollution emissions tests in the US. The market volatility calmed down and the further monetary easing implemented by China and the Eurozone provided a boost to markets in the latter end of the reporting period.

	30 Apr 2015		31 Oct 2015	
	£Millions	%	£Millions	%
Japanese Equities	13.9	78.3	16.5	97.8
Pacific Basin Equities	0.0	0.0	0.0	0.0
North American Equities	0.0	0.0	0.0	0.0
European Equities	2.6	14.6	0.0	0.0
UK Equities	1.0	5.9	0.0	0.0
Fixed Interest	0.0	0.0	0.0	0.0
Cash Deposits	0.2	1.2	0.4	2.2
	17.7	100.0	16.8	100.0

Japanese equity markets fell sharply in the summer mainly due to the Chinese financial market turmoil. Dissappointing Chinese growth heightened uncertainty globally and had negative impacts on commodity prices as well as global equity markets. The Yen depreciated further, albeit to a lesser extent, at just over 4% against the British Pound.

In terms of asset allocation, we have increased the Japanese exposure and eventually all exposure excluding cash were allocated to Japanese equity at the end of the reporting period. The cash weighting was slightly down.

With regard to Japanese equity which we are fully invested in at the moment, overall we are positive on market in the long term. However, we could see increased volatility due to the uncertainties of the global economic growth and the timing of the Fed rate hike in the short term. In addition to the business performance, the recent established Corporate Governance Code led companies to increase shareholder return and implement a capital policy. Furthermore the weakness of the Yen and low oil price will have some effects to the domestic economy, for example, an increase in wages and capital expenditure.

Technical Information

The Jade Far Eastern & General Pension Fund ("the Scheme") is an approved pension fund, administered by Phoenix Life Limited with investment management services provided by DIAM International Ltd. On 1st October 2011, Bluefin's administrative responsibilities were passed to 3HR Benefits Consultancy Limited whose contact details are shown on the next page. DIAM International is responsible for the Investment Commentary and Performance sections and the Statutory Information is provided by Phoenix Life Limited.

Statutory Information

As at the valuation on 30th October 2015, the Net Fund Bid Value was £16,924,397.47 with 11,511,120.60 units in issue.

Bid Price: 1.470
Offer Price: 1.547

The assets and liabilities of the Fenchurch Fund were amalgamated into the Jade Far Eastern and General Fund as from 8 December 1999.

Fund Objectives

The Jade Far Eastern & General Pension Fund was launched on 1 May 1990 in order to provide a suitable investment vehicle for members of the Jade Pension Scheme. It was created to enable Japanese, Korean, and other Far Eastern delegates in the UK to invest their rebated National Insurance Contributions (protected rights) with the opportunity of improving their returns.

The Fund seeks to achieve long-term capital growth by investment, mostly in Japanese and, to a lesser extent, other Asian and International equities, bonds and cash investments, with the overriding objective of outperforming the Japanese TOPIX Index.



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Performance

	29/10/2010	28/04/2011	31/10/2011	30/04/2012	31/10/2012	30/04/2013	31/10/2013	30/04/2014	31/10/2014	30/04/2015	31/10/2015
Fund offer	135.6	141.1	130.5	127.8	120.5	147.6	152.4	134.0	142.0	158.1	154.7
Fund bid	128.8	134.0	124.0	121.1	114.5	140.2	144.8	127.3	134.9	150.2	147.0
MSCI World (£)	4466.0	4907.7	4501.3	4811.9	4936.0	5858.6	6225.1	6297.4	6793.4	7432.3	7162.0
MSCI Europe	1149.8	1218.0	1033.7	1062.7	1106.4	1234.2	1338.3	1389.2	1363.0	1531.5	1443.7
TOPIX Index (yen)	810.9	851.9	764.1	804.3	742.3	1165.1	1194.3	1162.4	1333.6	1592.8	1558.2
Phoenix Alba Japan Pension Fund	174.8	173.9	170.1	171.8	161.7	216.3	213.7	189.4	217.1	247.3	241.1
Phoenix Alba Far East Pension Fund	263.8	271.3	254.7	260.1	258.1	312.3	308.7	285.6	319.1	352.0	317.5
% Change since:											
Fund offer	4.1%	-7.5%	-2.1%	-5.7%	22.5%	3.3%	-12.1%	6.0%	11.3%	-2.2%	
MSCI World (£)	9.9%	-8.3%	6.9%	2.6%	22.4%	6.3%	1.2%	7.9%	9.4%	-3.6%	
MSCI Europe	5.9%	-15.1%	2.8%	4.1%	18.7%	8.4%	3.8%	-1.9%	12.4%	-5.7%	
TOPIX Index (yen)	5.0%	-10.3%	5.3%	-7.7%	11.5%	2.5%	-2.7%	14.4%	19.4%	-2.2%	
Phoenix Alba Japan Pension Fund	-0.5%	-2.2%	1.0%	-5.9%	57.0%	-1.2%	-11.4%	14.6%	13.9%	-2.5%	
Phoenix Alba Far East Pension Fund	2.8%	-6.1%	2.1%	-0.8%	21.0%	-1.2%	-7.5%	11.7%	10.3%	-9.8%	

Source: Bloomberg, Phoenix Life Ltd

The value of an investment portfolio and the income from it may fall as well as rise and investors may not get back the amount originally invested. Past performance is no guarantee of future performance.

Charges

A management fee of 1% per annum of the Fund's value is deducted monthly in arrears to meet the investment management and servicing costs of the Fund. Value Added Tax (currently 20%) has been added to the fee. The fee is shared between DIAM International Ltd. and 3HR Benefits Consultancy Limited.

Risk Level

This fund has been graded as above average risk which we describe as follows:

Funds that invest predominantly in one type of investment or geographical region, for example Japanese equities (shares). Fund prices may fluctuate significantly but offer the potential for good returns over the long term.

This level of risk is typically suitable for investors who are prepared to accept a higher than average degree of risk in order to potentially achieve above-average long-term returns. Investors accept that this will involve a high degree of exposure to equity investments (shares) whose performance may be volatile.

If you are not sure that this fits in with your investment objectives we recommend that you obtain independent financial advice.

Further Information

Members can obtain information about the Scheme and the Fund from:

Phoenix Life Limited

301 St Vincent Street
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Phoenix Life Limited is authorised and regulated by the Financial Conduct Authority.

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Important Announcement

Fund Managers reports will no longer be issued to you in paper format. From now on all reports will be available via the 3HR website at the following address:

www.3hrplc.co.uk/jade-fund

If you prefer, on request, these can be sent to you electronically. Please send an e-mail to info@3hrplc.co.uk to register your interest and your e-mail address will be recorded for future correspondence.

3HR Benefits Consultancy Limited is authorised and regulated by the Financial Conduct Authority. Firm Reference Number: 556015. The registered office of 3HR Benefits Consultancy Limited is New Broad Street House, 35 New Broad Street, London, EC2M 1NH. Registered in England and Wales No: 06681835. VAT Registration No: 948 353 100.

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