



Jade Far Eastern and General Pension Fund Manager's Report

October 2016

Investment Commentary

The portfolio performance between May and October was 29.54 percent in British Pounds. MSCI World Index performance during the same period was 21.05 percent in British Pounds. TOPIX performance was 3.91 percent in the Japanese yen and 28 percent in British Pounds.

Stock markets in general started strongly at the beginning of the period before plunging on BREXIT in June followed by a strong recovery as concerns over the slow down of the global economy receded with releases of good economic numbers out of the US.

	30 Apr 2016		31 Oct 2016	
	£Millions	%	£Millions	%
Japanese Equities	16.7	98.6	20.7	98.7
Pacific Basin Equities	0.0	0.0	0.0	0.0
North American Equities	0.0	0.0	0.0	0.0
European Equities	0.0	0.0	0.0	0.0
UK Equities	0.0	0.0	0.0	0.0
Fixed Interest	0.0	0.0	0.0	0.0
Cash Deposits	0.2	1.4	0.3	1.3
	16.9	100.0	21.0	100.0

The Japanese stock market traded in line with the rest of the world. Change in investor sentiment towards the global economy influenced stock preferences in the market. The Japanese yen appreciated 17.53 percent against the British Pound.

In asset allocation, the portfolio invested 100 percent in Japanese equity except cash. The portfolio kept around 2 percent in cash.

In the short term, market focus will be on policy measures of the US president Donald Trump and monetary policy in the US. The street views that Donald Trump will implement economic stimulus policy domestically and a protectionist foreign policy. We believe we need to carefully watch details of his policies. For Japanese companies, the yen's appreciation will have a negative impact on earnings particularly around manufacturing sectors but the stock market is pricing them in. Many of the domestic demand driven stocks on the other hand are showing robust earnings. We expect manufacturing companies will start to grow earnings again as the impact from the yen's appreciation disappear and Japanese stock market will start to move up gradually.

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 Asset Management One 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. Asset Management One International Ltd 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 31st October 2016, the Net Fund Bid Value was £20,965,676.22 with 10,775,231.5140 units in issue.

Bid Price: 1.946
Offer Price: 2.048

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.

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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Performance

	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	30/04/2016	31/10/2016
Fund offer	130.5	127.8	120.5	147.6	152.4	134.0	142.0	158.1	154.7	159.3	204.8
Fund bid	124.0	121.1	114.5	140.2	144.8	127.3	134.9	150.2	147.0	151.3	194.6
MSCI World (£)	4501.3	4811.9	4936.0	5858.6	6225.1	6297.4	6793.4	7432.3	7162.0	7471.6	9167.0
MSCI Europe	1033.7	1062.7	1106.4	1234.2	1338.3	1389.2	1363.0	1531.5	1443.7	1346.6	1401.1
TOPIX Index (yen)	764.1	804.3	742.3	1165.1	1194.3	1162.4	1333.6	1592.8	1558.2	1340.6	1393.0
Phoenix Alba Japan Pension Fund	170.1	171.8	161.7	216.3	213.7	189.4	217.1	247.3	241.1	245.7	311.4
Phoenix Alba Far East Pension Fund	254.7	260.1	258.1	312.3	308.7	285.6	319.1	352.0	317.5	324.5	418.0
% Change since:	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	30/04/2016	
Fund offer	-2.1%	-5.7%	22.5%	3.3%	-12.1%	6.0%	11.3%	-2.2%	3.0%	28.6%	
MSCI World (£)	6.9%	2.6%	22.4%	6.3%	1.2%	7.9%	9.4%	-3.6%	4.3%	22.7%	
MSCI Europe	2.8%	4.1%	18.7%	8.4%	3.8%	-1.9%	12.4%	-5.7%	-6.7%	4.0%	
TOPIX Index (yen)	5.3%	-7.7%	11.5%	2.5%	-2.7%	14.4%	19.4%	-2.2%	-14.0%	3.9%	
Phoenix Alba Japan Pension Fund	1.0%	-5.9%	57.0%	-1.2%	-11.4%	14.6%	13.9%	-2.5%	1.9%	26.7%	
Phoenix Alba Far East Pension Fund	2.1%	-0.8%	21.0%	-1.2%	-7.5%	11.7%	10.3%	-9.8%	2.2%	28.8%	

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 Asset Management One 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
Glasgow
G2 5NB

Phoenix Life Limited is authorised and regulated by the Financial Conduct Authority.

Asset Management One International Ltd

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30 Old Bailey
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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.

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