

Jade Far Eastern and General Pension Fund

Investment Manager's Report

May 2020

Investment Commentary

For the last six months from November 2019 to April 2020, the portfolio returned -8.1% in British Pounds, and TOPIX performance was down at -12.2% in Japanese Yen and -8.9% in British Pounds.

	31 Oct 2019		30 Apr 2020	
	£Millions	%	£Millions	%
Japanese Equities	18.8	98.8	16.6	98.5
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	1.2	0.2	1.5
	19.0	100.0	16.8	100.0

Global stock markets staged a rally until mid-February, despite an economic slowdown in Europe and China, on hope for progress in the US-China trade negotiations in addition to relaxed monetary policies around the world. Subsequently, stock markets plummeted until mid-March on fears about the global pandemic of Covid-19 and accompanying economic shutdowns. The markets rebounded towards the end of April supported by fiscal and monetary policies by governments and as the number of global infections started to slow down.

The Japanese stock market traded in line with global stock markets. Hopes for progress in the US-China trade negotiations and corporate earnings to bottom out supported the market before fears about the Covid-19 global pandemic dominated the market. The Japanese yen appreciated against the British Pound.

With regards to our asset allocation strategy, the portfolio remained fully invested in Japanese equities except for the cash portion which was held around 2 percent.

We will manage our portfolio carefully by monitoring the number of Covid-19 infections and moves by governments to restart economic activities. In the meantime, we aim to make stock switches within respective sectors taking into account the relative impact of the economic downturn on earnings and growth potential in the mid-term.

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 30th April 2020, the Net Fund Bid Value was £16,978,279.05 with 8,389,792.0260 units in issue.

Bid Price: 2.024
Offer Price: 2.131

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

	30/04/2015	31/10/2015	30/04/2016	31/10/2016	30/04/2017	31/10/2017	30/04/2018	31/10/2018	30/04/2019	31/10/2019	30/04/2020
Fund offer	158.1	154.7	159.3	204.8	197.8	224.6	226.9	213.2	210.4	227.3	213.1
Fund bid	150.2	147.0	151.3	194.6	187.9	213.4	215.6	202.5	199.9	215.9	202.4
TOPIX Index (yen)	1592.8	1558.2	1340.6	1393.0	1531.8	1766.0	1777.2	1646.1	1617.9	1667.0	1464.0
% Change since:											
Fund offer	-2.2%	3.0%	28.6%	-3.4%	13.5%	1.0%	-6.0%	-1.3%	8.0%	-6.2%	
TOPIX Index (yen)	-2.2%	-14.0%	3.9%	10.0%	15.3%	0.6%	-7.4%	-1.7%	3.0%	-12.2%	

Source: Bloomberg, Phoenix Life Ltd

Asset Management One International Ltd provides investment management services to Jade Far Eastern and General Pension Fund.

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 and thus could lead to loss.

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

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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:

<https://www.broadstone.co.uk/3hr-portal-page/>

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