

Jade Far Eastern and General Pension Fund

Investment Manager's Report

April 2018

Investment Commentary

For the last six months from November 2017 to April 2018, the portfolio returned 1.77% in British Pounds, and TOPIX performance was 0.64 percent in Japanese Yen and 1.03 percent in British Pounds. Global stock markets rose sharply until January favouring the U.S. tax reform and against the backdrop of robust global economic growth. The markets retreated from their highs in February as investors adjusted their positions amid rising U.S. long bond yields and traded in a narrow range thereafter. The Japanese stock market rose along with global stock markets until January against the backdrop of robust global economy and growing corporate earnings before retreating in February and March, along with a decline in global stock markets, amid growing concerns over protectionist trade policies by the U.S. administration. The Japanese yen closed flat against the British Pound.

	31 Oct 2017		30 Apr 2018	
	£Millions	%	£Millions	%
Japanese Equities	21.0	98.7	20.8	98.8
Pacific Basin Equities	0.0	0.0	0.0	0.0
North American Equities	0.0	0.0	0.0	0.0
European Equities	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	0.3	1.3	0.2	1.2
	21.2	100.0	21.0	100.0

In asset allocation wise, the portfolio remained fully invested in Japanese equities except for the cash portion which was held at 2%.

We think corporate earnings will continue to expand amid robust global economic growth and believe the risk of a change in these favourable fundamentals is small. However, demand started to decelerate from a high base last year and rising labour costs and increasing investments are curbing the pace of corporate earnings growth. Amid policy uncertainties in the United States until the mid-term election, we expect the Japanese stock market to trade in a narrow range. In terms of portfolio management, we will maintain balanced exposure to both external and domestic demand while we focus in identifying individual stocks with robust earnings growth.

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 2018, the Net Fund Bid Value was £ 21,045,771.88 with 9,760,566.3780 units in issue.

Bid Price: 2.156
Offer Price: 2.269

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

	30/04/2013	31/10/2013	30/04/2014	31/10/2014	30/04/2015	31/10/2015	30/04/2016	31/10/2016	30/04/2017	31/10/2017	30/04/2018
Fund offer	147.6	152.4	134.0	142.0	158.1	154.7	159.3	204.8	197.8	224.6	226.9
Fund bid	140.2	144.8	127.3	134.9	150.2	147.0	151.3	194.6	187.9	213.4	215.6
TOPIX Index (yen)	1165.1	1194.3	1162.4	1333.6	1592.8	1558.2	1340.6	1393.0	1531.8	1766.0	1777.2
% Change since:											
Fund offer	3.3%	-12.1%	6.0%	11.3%	-2.2%	3.0%	28.6%	-3.4%	13.5%	1.0%	
TOPIX Index (yen)	2.5%	-2.7%	14.4%	19.4%	-2.2%	-14.0%	3.9%	10.0%	15.3%	0.6%	

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

301 St Vincent Street
Glasgow
G2 5NB

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

Asset Management One International Ltd

Mizuho House
30 Old Bailey
London EC4M 7AU

Asset Management One International Ltd is authorised and regulated by the Financial Conduct Authority.

3HR Benefits Consultancy Limited

New Broad Street House
35 New Broad Street
London EC2M 1NH
Tel: +44 (0) 20 7194 8144
Email: info@3hrplc.co.uk

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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.