

Jade Far Eastern and General Pension Fund

Investment Manager's Report

October 2017

Investment Commentary

For the last six months from May to October 2017, the portfolio returned 14.4% in British Pounds, while the MSCI World Index performance was 5.8 percent in British Pounds and TOPIX performance was 15.3 percent in Japanese Yen and 10.24 percent in British Pounds.

The global stock market continued its gradual upward trend with no major adjustment phase reflecting the expansion of the global economy.

	30 Apr 2017		31 Oct 2017	
	£Millions	%	£Millions	%
Japanese Equities	19.5	98.8	21.0	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	1.2	0.3	1.3
	19.7	100.0	21.2	100.0

The Japanese stock market also remained firm, reflecting the expansion of the global economy and its accompanying strong corporate earnings. Although there was an adjustment due to the increasing geopolitical risks surrounding North Korea in August, when the concern faded away in September onwards, the increased expectation for good corporate performance and the sense of stability gained from the Liberal Democrat Party's win in the House of Representatives Election have accelerated the rise in the market. British Pound increased against Japanese Yen by 4.54% during the period.

Asset allocation wise, the portfolio continued to be fully invested in Japanese equities with approximately 2 percent in cash as working capital.

The global economy is in a recovery phase, and the corporate performance improvement is a continuing trend. Though we believe that good fundamentals are unlikely to collapse rapidly, such adverse factors are gradually factored into the market. Following this period, the pace of the corporate performance improvement may slow down, hence we expect the Japanese stock market as a whole to expand in the box area.

As a portfolio, we will continue to maintain balanced operation of domestic and external demands and observe on the sign of environmental changes.

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 2017, the Net Fund Bid Value was £21,282,611.83 with 9,972,180.348 units in issue.

Bid Price: 2.134
Offer Price: 2.246

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

	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	30/04/2017	31/10/2017
Fund offer	120.5	147.6	152.4	134.0	142.0	158.1	154.7	159.3	204.8	197.8	224.6
Fund bid	114.5	140.2	144.8	127.3	134.9	150.2	147.0	151.3	194.6	187.9	213.4
TOPIX Index (yen)	742.3	1165.1	1194.3	1162.4	1333.6	1592.8	1558.2	1340.6	1393.0	1531.8	1766.0
% Change since:	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	30/04/2017	
Fund offer	22.5%	3.3%	-12.1%	6.0%	11.3%	-2.2%	3.0%	28.6%	-3.4%	13.5%	
TOPIX Index (yen)	11.5%	2.5%	-2.7%	14.4%	19.4%	-2.2%	-14.0%	3.9%	10.0%	15.3%	

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

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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.