



Jade Far Eastern and General Pension Fund Manager's Report

April 2016

Investment Commentary

Fund performance for the period between November 2015 and April 2016 was 3.68 percent in GBP term. MSCI World index gained 3.4 percent in GBP term, TOPIX index gained 1.4 percent in GBP term and declined 13.9 percent in JPY term for the same period.

Global stock markets started the period with a rather solid tone but sharply declined in January and February as investor sentiment turned risk averse on concerns over the plunge in the Chinese stock market and crude oil price as well as heightened tension in the Middle East. Stock markets rebounded subsequently as excessive concern over the outlook of the global economy eased.

	31 Oct 2015		30 Apr 2016	
	£Millions	%	£Millions	%
Japanese Equities	16.5	97.8	16.7	98.6
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	0.4	2.2	0.2	1.4
	16.9	100.0	16.9	100.0

The Japanese stock market staged a large decline during the period due to growing concerns over the recent steep yen appreciation and the negative impact on corporate earnings in addition to the concerns over the global economic outlook. The Japanese yen appreciated 19.7 percent against the British Pound during the period.

The fund allocated 100% in Japanese equity except for the cash position which was maintained around 2 percent of the fund's assets.

The negative impact of the strong Japanese yen on corporate earnings will continue to drag as a concern for Japanese stock market in the short term while expectations for fiscal stimulus and growth strategy towards G7 Ise-Shima summit in May and the Upper House election in July will underpin the market. Manufacturers will not escape the negative impact of the strong Japanese yen on their earnings this year. We think the stock market is pricing in the earnings shortfall that stems from the currency exchange rate. Once the yen appreciation stops, manufacturers are expected to return back on the growth track next year. In addition, there are many domestic demand stocks with robust earnings growth in Japan. We think the Japanese stock market will recover gradually once the negative impact of the recent yen appreciation is fully discounted.

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 April 2016, the Net Fund Bid Value was £16,887,186.92 with 11,160,997.661 units in issue.

Bid Price: 1.513
Offer Price: 1.593

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

	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	30/04/2016
Fund offer	141.1	130.5	127.8	120.5	147.6	152.4	134.0	142.0	158.1	154.7	159.3
Fund bid	134.0	124.0	121.1	114.5	140.2	144.8	127.3	134.9	150.2	147.0	151.3
MSCI World (£)	4907.7	4501.3	4811.9	4936.0	5858.6	6225.1	6297.4	6793.4	7432.3	7162.0	7471.6
MSCI Europe	1218.0	1033.7	1062.7	1106.4	1234.2	1338.3	1389.2	1363.0	1531.5	1443.7	1346.6
TOPIX Index (yen)	851.9	764.1	804.3	742.3	1165.1	1194.3	1162.4	1333.6	1592.8	1558.2	1340.6
Phoenix Alba Japan Pension Fund	173.9	170.1	171.8	161.7	216.3	213.7	189.4	217.1	247.3	241.1	245.7
Phoenix Alba Far East Pension Fund	271.3	254.7	260.1	258.1	312.3	308.7	285.6	319.1	352.0	317.5	324.5
% Change since:											
Fund offer	-7.5%	-2.1%	-5.7%	22.5%	3.3%	-12.1%	6.0%	11.3%	-2.2%	3.0%	
MSCI World (£)	-8.3%	6.9%	2.6%	22.4%	6.3%	1.2%	7.9%	9.4%	-3.6%	4.3%	
MSCI Europe	-15.1%	2.8%	4.1%	18.7%	8.4%	3.8%	-1.9%	12.4%	-5.7%	-6.7%	
TOPIX Index (yen)	-10.3%	5.3%	-7.7%	11.5%	2.5%	-2.7%	14.4%	19.4%	-2.2%	-14.0%	
Phoenix Alba Japan Pension Fund	-2.2%	1.0%	-5.9%	57.0%	-1.2%	-11.4%	14.6%	13.9%	-2.5%	1.9%	
Phoenix Alba Far East Pension Fund	-6.1%	2.1%	-0.8%	21.0%	-1.2%	-7.5%	11.7%	10.3%	-9.8%	2.2%	

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
Glasgow
G2 5NB

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

DIAM International

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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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