

Jade Far Eastern and General Pension Fund

Investment Manager's Report

May 2019

Investment Commentary

For the last six months from November 2018 to April 2019, the portfolio returned -0.55% in British Pounds, and TOPIX performance was -1.7 percent in Japanese Yen and -1.8 percent in British Pounds. Global stock markets traded in a range at the beginning of the period, however, growing concerns over deceleration of global economy combined with deteriorated US-China relations triggered by an arrest of an executive of a major Chinese high-tech company brought the market down significantly in December 2018.

	31 Oct 2018		30 Apr 2019	
	£Millions	%	£Millions	%
Japanese Equities	18.9	98.4	17.9	98.0
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	1.6	0.4	2.0
	19.2	100.0	18.3	100.0

The markets started low in the New Year 2019, but rebounded strongly supported by good US employment data which reduced concerns over slow-down of the US economy, the supportive stance of the Fed chairman showing no hurry to tighten monetary policy and growing expectation for economic stimulus measures in China. The markets extended recovery trend through April as investors viewed that the Chinese and Global economy are recovering from the worst.

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

The Japanese stock market traded as along with the global stock markets. Until December 2018, the market fell sharply amid the fear of China's economic slowdown, however from January 2019, expectations for a global economic recovery particularly in China increased, and dovish monetary stance in the US, China and European Monetary Authorities supported the market recovery. The Japanese Yen traded flat against Sterling. Despite the concerns over intensified US-China trade friction, we are expecting a solid recovery in the market, as we believe that the global economy and corporate earnings have passed their worst stage of growth, in addition to support by dovish monetary policies in the US, China and European Monetary Authorities. In terms of portfolio management, we will continue to invest primarily in stocks which have own growth catalysts and are less sensitive to economic changes. However, we will also look into invest in stocks which will benefit from cyclical recovery of the economy.

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 2019, the Net Fund Bid Value was £ 18,200,239.94 with 9,103,671.7070 units in issue.

Bid Price: 1.999
Offer Price: 2.104

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

	30/04/2014	31/10/2014	30/04/2015	31/10/2015	30/04/2016	31/10/2016	30/04/2017	31/10/2017	30/04/2018	31/10/2018	30/04/2019
Fund offer	134.0	142.0	158.1	154.7	159.3	204.8	197.8	224.6	226.9	213.2	210.4
Fund bid	127.3	134.9	150.2	147.0	151.3	194.6	187.9	213.4	215.6	202.5	199.9
TOPIX Index (yen)	1162.4	1333.6	1592.8	1558.2	1340.6	1393.0	1531.8	1766.0	1777.2	1646.1	1617.9
% Change since:											
Fund offer	6.0%	11.3%	-2.2%	3.0%	28.6%	-3.4%	13.5%	1.0%	-6.0%	-1.3%	
TOPIX Index (yen)	14.4%	19.4%	-2.2%	-14.0%	3.9%	10.0%	15.3%	0.6%	-7.4%	-1.7%	

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@3hrbc.com to register your interest and your e-mail address will be recorded for future correspondence.

Disclaimer: This document is for information purposes only and does not constitute independent financial advice.