

Report of the Standing Committee on Investment 2016

The Special Committee on Investment has been renamed as the Standing Committee on Investment this year. The Committee was formed to make suggestion on the long-term and short-term investment strategies for the Bar, with the assistance of professional investment advisers, presently RBC Investment Services (Asia) Limited. The investment approach of the Bar, as always, has been prudent. Its objective is to achieve growth in the long-run. At the same time, the interest and dividends income earned from the Bar's investments provide an important regular source of income required to fund the Bar's various activities.

- 1. Bonds and Fixed Income.** The Bar is currently holding 3 Bonds in its portfolio, namely, Wharf Finance Ltd, Swire Pacific Finance EMTN and Franshion Development. During the financial year the Swire Properties Offshore Bond matured on 30 March 2016 and was redeemed on that date. The estimated total market value of the Bonds (excluding the redeemed bond) held by the Bar at the end of the financial year (30 September 2016) was HK\$4,204,941.00, representing a slight increase in value over the previous financial year by about 1%. Total interest income from the bond investments during the financial year was \$248,076.74.
- 2. Equities.** The Bar currently holds the following equities: HSBC Holdings PLC, Hang Seng Bank Ltd., CKH Holdings, Swire Pacific Ltd "A", China Construction Bank Corporation, China Mobile Limited, Cheung Kong Infrastructure Holdings Ltd., Cheung Kong Property, AIA Group Ltd., Industrial and Commercial Bank of China Limited, Ping An Insurance (Group) Co. of China, Bank of China, and the ChinaAMC CSI 300. During the financial year, the Bar earned cash dividends in the total sum of HK\$1,207,328.06, and also received scrip dividends in the value of \$364,170.98. The stock market has improved during the latest financial year, and the equities held by the Bar reported a gain of HK\$401,613.72, which was a significant improvement over the loss of HK\$5,171,492.46 in the previous financial year. The Bar's equities holdings are not for short-term trading and we remain cautiously optimistic of the performance of the Bar's portfolio, which we intend to hold for the medium to long term, but we will keep watch of the market conditions and adjust our investment strategy accordingly.

I took up the Chairmanship of the Standing Committee on Investment in March this year, replacing Robert Kotewall SC, who had looked after the Bar's investments for over 20 years. During his Chairmanship Robert had devoted much time and made significant contribution to the work of the Committee, and the Bar's investments had been well looked after under his steady lead. We would like to thank Robert for his work on the Committee, and we wish him well.

Current membership of the Standing Committee on Investment is as follows:

Horace Wong SC (Chairman)

Chan Chi Hung SC

Douglas Lam SC

Jean-Paul Wou

Laurence Li

Horace Wong SC

Chairman

Standing Committee on Investment

31 December 2016