

## Standing Committee on Investment

### Report for 2018

The Standing Committee on Investment 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.

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

1. **Bonds and Fixed Income.** The Bar is currently holding 2 Bonds in its portfolio, namely, Swire Pacific Finance EMTN and Franshion Development. The estimated total market value of the Bonds held by the Bar at the end of the financial year (30 September 2018) was HK\$2,561,239.20, representing a decrease in value over the previous financial year by about 4%. Total interest income from the bond investments during the financial year was HK\$149,770.38.
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 (CK Asset), 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\$1,106,838.65, which is 70% more than the cash dividends received in the previous financial year. On the other hand, the Bar received scrip dividends in the value of \$392,833.08, which is about 49% less than the previous financial

year. The Committee opted to receive more cash dividends instead of script dividends in the past year as it took the view that the prospect of capital gain on the shares was likely to be less attractive. After a significant rise in the financial year of 2016-2017 (which saw the market value of the Bar's portfolio soared by more than 25%), the stock market has significantly slowed down in the latest financial year. The equities held by the Bar reported a loss of HK\$954,398.98, compared with the gain of HK\$6,713,385.45 in the previous financial year. The capital loss on the market value of the equities held by the Bar during the latest financial year is about 2.8%. The Bar's equities holdings are not for short-term trading and the overall performance of the Bar's portfolio is relatively steady, compared with the overall performance of the stock market in Hong Kong. We intend to hold the equities for the medium to long term, but we will keep watch of the market conditions and adjust our investment strategy accordingly.



Horace Wong SC  
Standing Committee on Investment