

Standing Committee on Investment

Report for 2017

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. During the financial year the Wharf Finance Ltd. Bonds matured on 8 February 2017 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 2017) was HK\$2,667,381.60, 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 \$173,803.31.
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\$651,976.21, and also received scrip dividends in the value of \$774,456.35.

The Committee opted to receive more scrip dividends instead of cash dividends in the past year as it took the view that the prospect of capital gain on the shares was likely to be better. Indeed, the stock market has significantly improved during the latest financial year, and the equities held by the Bar reported a gain of HK\$6,713,385.45, which was a significant improvement over the gain of HK\$401,613.72 in the previous financial year. The capital gain on the market value of the equities held by the Bar during the past financial year is about 25.245%. 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.



Horace Wong SC
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