

2017 MPF Performance

Mandatory Provident Fund Schemes Authority

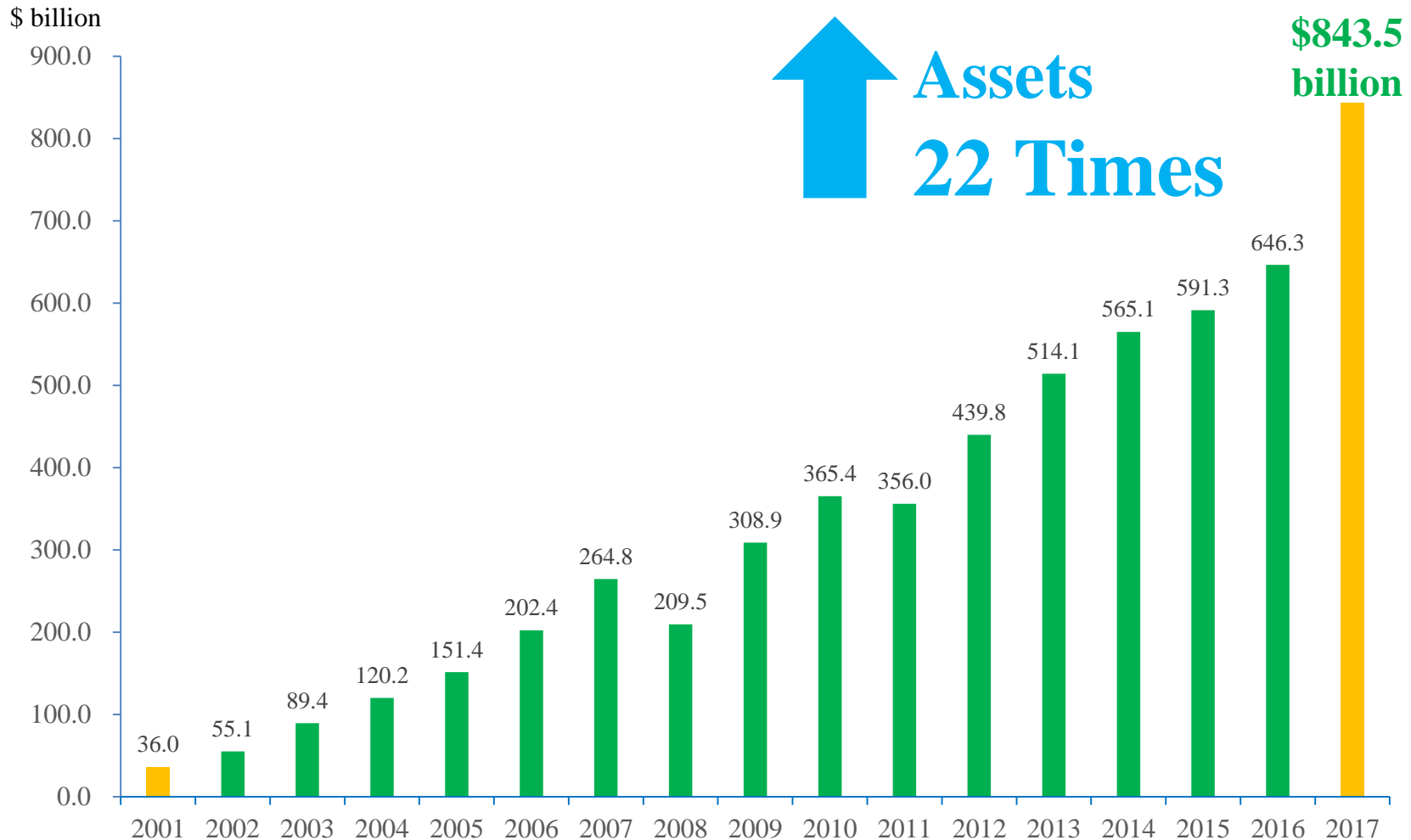
8 February 2018

MPF

**has added value to
members' contributions**



MPF plays an important role in retirement protection

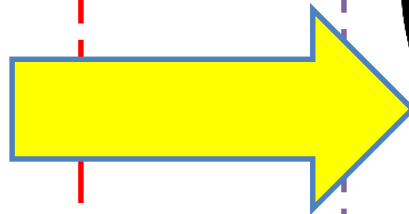


MPF assets per member increased to \$200,000



\$13,000

Late December 2001



\$200,000

Late December 2017



MPF has added value to members' contributions

Total assets:

\$843.5 billion

Net returns:

\$267.4 billion

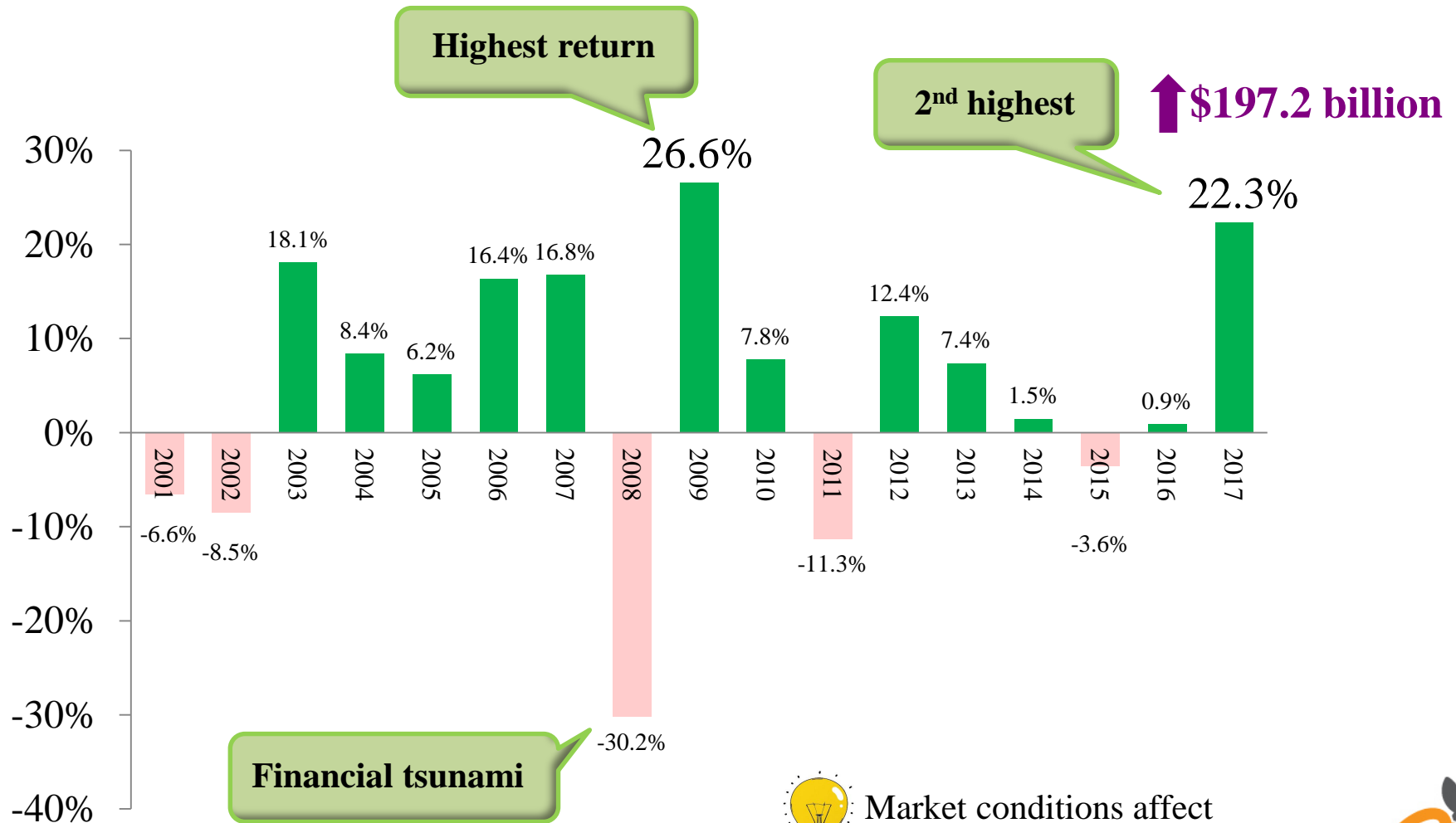
**Annualized
return:**

4.8%

**Annualized
inflation:**

1.8%

MPF yearly investment returns






MPF overall returns



**Return in
2017:**

22.3%



**Annualized
return since
inception[#]:**

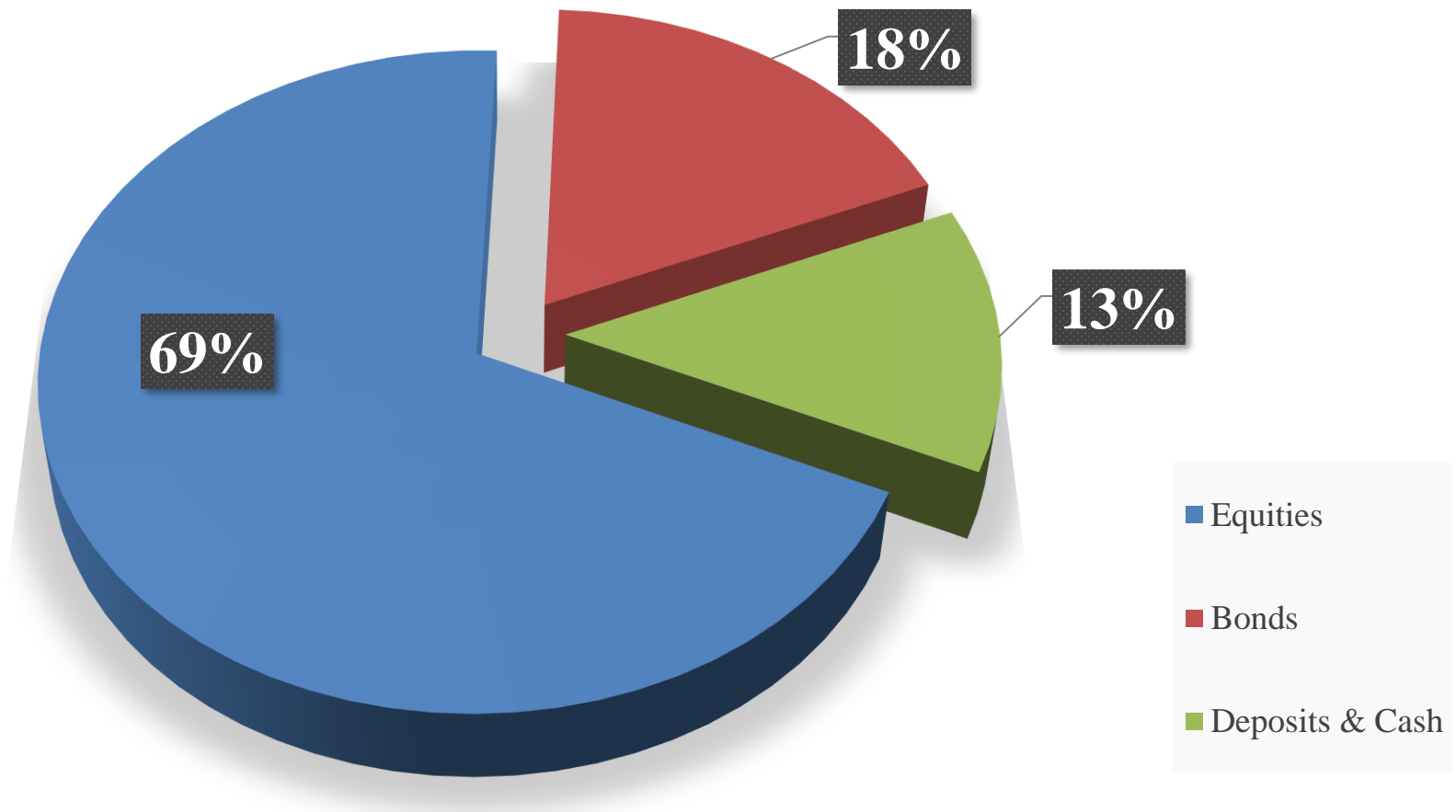
4.8%

[#]Up to December 2017

System's returns
reflect members' collective
choices and market
conditions



Equities account for 69% of MPF assets



Asset allocation as at 30 September 2017



Overall return reflects
members' collective choices

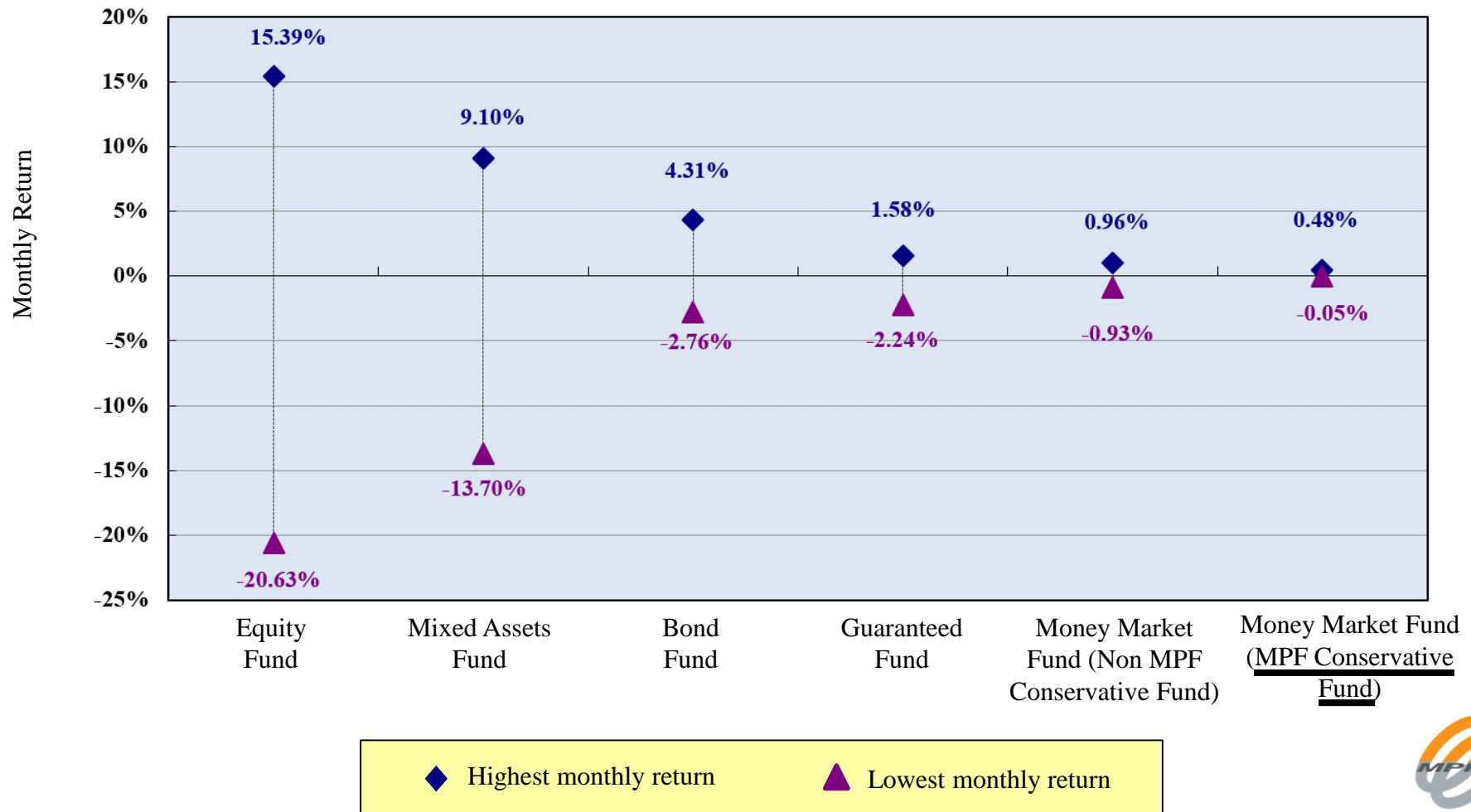


Risk levels and returns of different fund types

Fund type	Risk Level	Return in 2017	Dec 2000 to Dec 2017	
			Annualized return	Cumulative return
Equity Fund	High	↑ 34.4%	5.5%	147.7%
Mixed Assets Fund	Medium to High	↑ 22.3%	4.6%	117.3%
Bond Fund	Medium to Low	↑ 4.8%	2.7%	58.9%
Guaranteed Fund	Low	↑ 3.0%	1.2%	23.4%
Money Market Fund (non MPF Conservative Fund)	Low	↑ 2.5%	0.6%	10.3%
Money Market Fund (<u>MPF Conservative Fund</u>)	Low	↑ 0.1%	0.7%	13.0%

Volatility reflects risk level

Highest and Lowest Monthly Returns of MPF Funds (December 2000 – December 2017)



Returns of funds of the same type vary

Fund Category	Return in 2017	Dec 2000 to Dec 2017	
		Annualized return	Cumulative return
Hong Kong equity	↑ 40.7%	7.4%	241.0%
China equity	↑ 40.3%	N/A [#]	N/A [#]
Hong Kong equity (index tracking)	↑ 39.3%	6.1%	174.8%
Asia equity	↑ 35.2%	7.6%	251.4%
Japan equity	↑ 24.3%	1.9%	37.4%
Global equity	↑ 22.4%	3.5%	78.9%
Europe equity	↑ 20.9%	1.7%	34.0%
US equity	↑ 19.5%	3.0%	64.5%

[#] Data not available as no equity funds were classified as China equity funds as at 1 December 2000.

**A member's return
depends on
his investment choices**



Examples

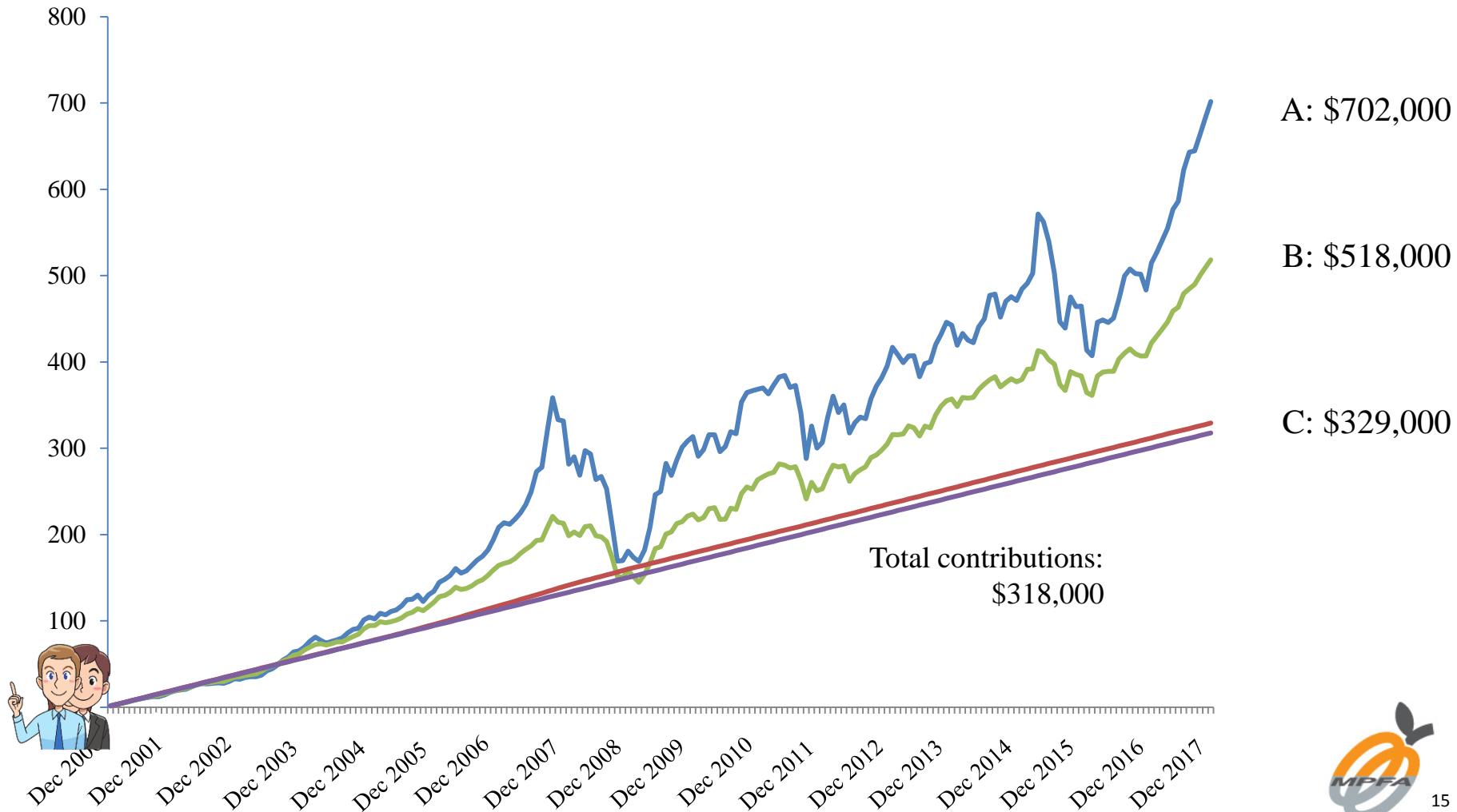


	Member A	Member B	Member C
Total contributions in 17 years	\$318,000	\$318,000	\$318,000
Investment choice	Hong Kong Equity Fund	Mixed Assets Fund	MPF Conservative Fund
Risk level	High	Medium to High	Low
Investment return	\$384,000 (↑121%)	\$200,000 (↑63%)	\$11,000 (↑3%)

The monthly contribution of each scheme member is \$1,550, inclusive of the employer's and the member's contributions

Examples

MPF assets (\$'000)



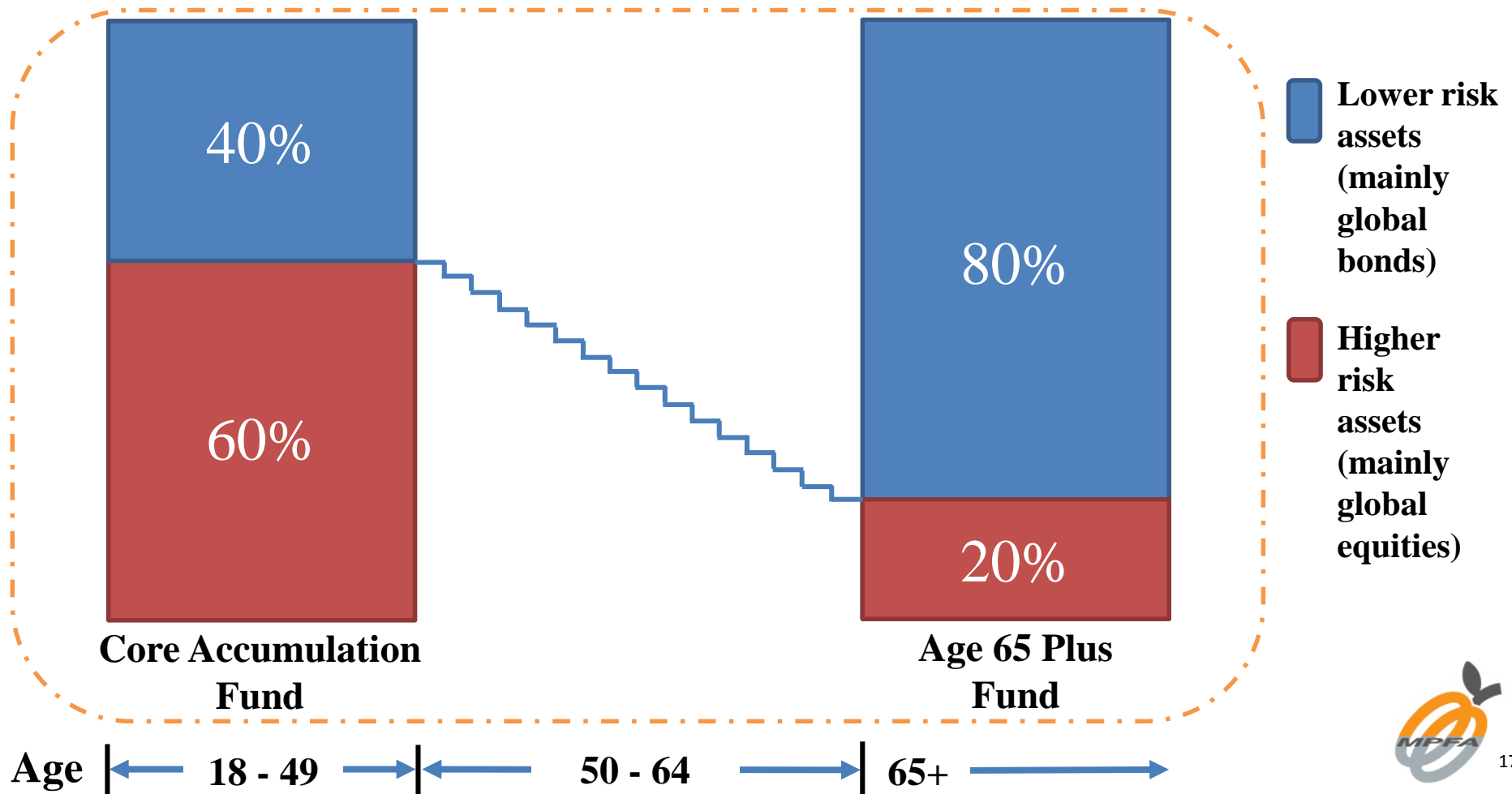
Default Investment Strategy

**A retirement investment strategy
balancing long-term risk
and return**



Default Investment Strategy - automatic de-risking

DIS : Mixed assets funds





Investment tips



Do not time the market



Review MPF investment regularly



強制性公積金計劃管理局
MANDATORY PROVIDENT FUND
SCHEMES AUTHORITY

My Favourite



Enter Keyword



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MPFA

MPF
System

MPF
Education

Member
Protection

Supervision

Enforcement

Legislation &
Regulations

Public
Registers

ORSO

Information
Centre



Employee



Employer



Self-employed Person



Industry Practitioner

Fund Performance Platform





Objectives



- Enhance transparency of MPF funds
- Help scheme members get key information conveniently

website : <https://fpp.mpfa.org.hk/>



Features

- One-stop information platform
- Three interactive sections



My Selection >



Performance Chart >



Fund Information Table >





Comprehensive fund information

Fund size

Launch date

Latest
Fund Expense
Ratio

Annualized returns
covering
different periods

Cumulative
return

Fund risk
indicator

Compare with the same type of funds

Six major MPF fund types

Guaranteed
Fund

Money Market
Fund

MPF
Conservative
Fund

Equity
Fund

Mixed Assets
Fund

Bond Fund

- On geographical allocation
 - 10 sub-groups, e.g.
 - Asia equity funds
 - Global equity funds
- On equity content
 - 7 sub-groups, e.g.
 - 81% to 100% equity
 - 21% to 40% equity
- On geographical allocation or currency exposure
 - 5 sub-groups, e.g.
 - RMB bond funds
 - Hong Kong dollar bond funds



Demonstration

Fund Performance Platform

Important Note:

- Investment involves risks and past performance is not indicative of future performance.
- Investment decision should not be solely based on the fund performance. Other factors (e.g. fund's investment objective, fees and charges, fund risk level, service level) should also be considered.



Intro Videos



Fund Performance Platform



My Selection



Performance Chart



Fund Information Table



FAQ



My Selection >



Performance Chart >



Fund Information Table >





Closing remarks

MPF has added value to members' contributions

Fund Performance Platform helps members review funds from different perspectives

Members should take care of their MPF



**Take an active
approach
to your
retirement
investment**