



Unlocking the potential of MPF

Mr Jack Mak

Product and Customer Proposition Head, Pensions

20 October 2017

PUBLIC



Why retirement benefit matters



Key retention tool

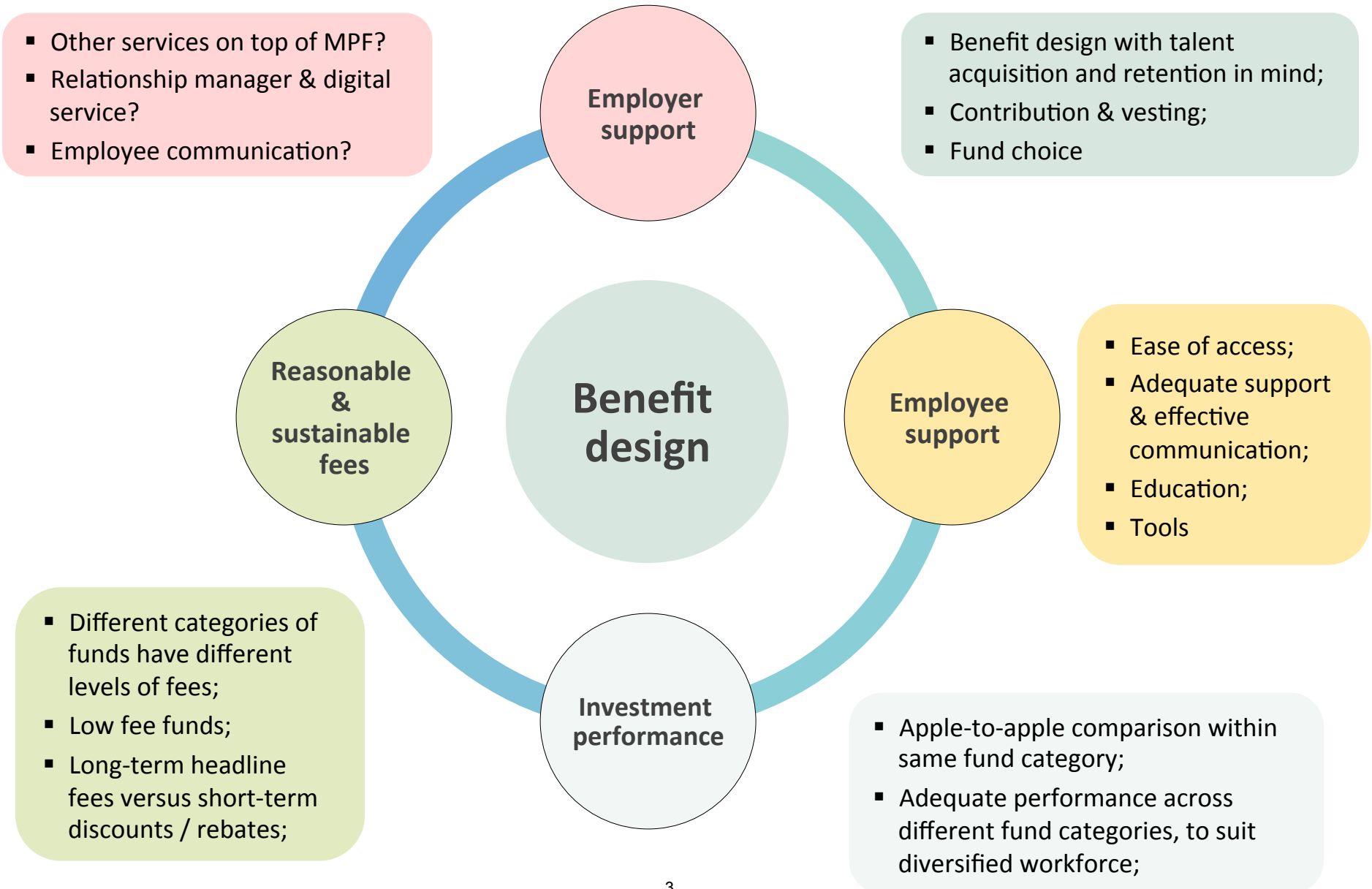


Visible benefit



Proactive management of employee concerns

Optimizing your MPF through a provider that suits your needs



Tips #1

Market share

- Good indication of how popular the provider is;
- Provide some ideas how much they will continue investing in the business and hence improving their product proposition and customer services;
- Some source of information in public domain:
<http://www.mpfexpress.com/en-US/MPFComparisons/MarketShare>
<https://www.mercer.com.hk/newsroom/mpf-market-shares-and-net-inflow-report.html>
<http://www.thempfblog.com/mpf-market-shares/>



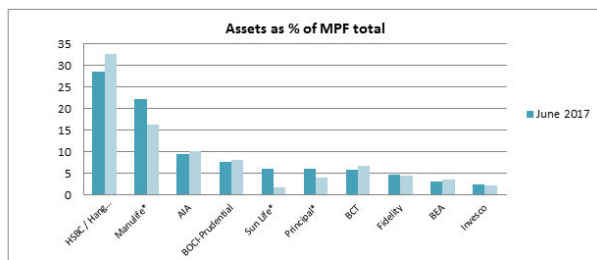
What We Do Our Thinking Our Company

"With the launch of DIS, there was a significant net inflow into various DIS funds and significant outflow from mixed asset funds. As of Jun 30, 2017, the DIS fund assets were about HK\$15 billion (2.1% of the total market). The actual asset size of DIS funds may not seem significant yet but we still see the DIS as a good default option for members. Of course, this may also reflect that more members care about their MPF investments and make active investment decisions," said Billy Wong, Wealth Business Leader, Hong Kong, China, Korea.

In June 2017, the Mercer MPF Satisfaction Index has shown an [increase in satisfaction towards the DIS](#) compared to May 2017.

Providers ranking, movements and net inflows by asset class and type of fund

In Q2, HSBC/ Hang Seng (28.6%) remains the top provider in terms of assets, followed by Manulife (22.2%), AIA (9.5%) and BOCI-Prudential (7.6%). Sun Life (6.1%) continues to demonstrate a strong growth momentum and rose to the 5th place, narrowly overtaking Principal with also 6.1%. The top 10 providers account for 96% of total MPF assets.



However, on a 10-year basis, the Top 10 rankings in terms of MPF market share have actually changed quite a bit. HSBC/ Hang Seng's market share has dropped, while Manulife and Sun Life saw significant increases and AIA remained more or less the same.

Largest providers – Rank by AUM and Change in % of Asset as % of MPF total over the past 10 years

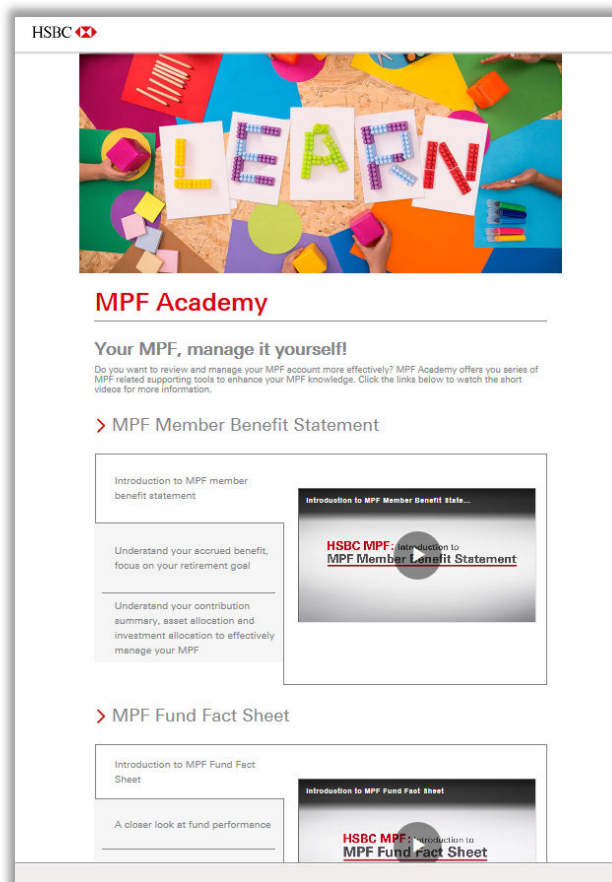
Tips #2

Employer and employee services

Provider's publication



Provider's website



MPFA's trustee comparison platform

<http://tscplatform.mpfa.org.hk/scp/eng/scp.jsp>

Services Comparison

DOWNLOAD RESULT

COMPARE SERVICE AGAIN

< Prev

1

Next >

Trustee	HSBC Provident Fund Trustee (Hong Kong) Limited		
MPF Scheme	HSBC Mandatory Provident Fund - SuperTrust Plus		
	(Through website and by mail only)		
	By mail	Number of free changes (per calendar year / per scheme year)	Unlimited
		Date of fund price for fund dealing ¹	Within 5 working days after the date of receipt of the completed instruction
		Required time to complete (after the date of receipt of completed instruction) ²	Within 5 working days
	By fax	Number of free changes (per calendar year / per scheme year)	x
		<u>Cut-off time</u>	x
		Date of fund price for fund dealing ¹	x
		Required time to complete (after the date of receipt of completed instruction) ²	x
	Through website	Number of free changes (per calendar year / per scheme year)	Unlimited
		<u>Cut-off time</u>	4:00 p.m.
		Date of fund price for fund dealing ¹	Date of receipt of the completed instruction
Required time to complete (after the date of receipt of completed instruction) ³		Within 2 working days	

Tips #3

Investment performance

- Lots of platforms you can use, some examples:
<http://www.hk.morningstar.com/ap/mpf/default.aspx?CLANG=EN-US>
<http://www.etnet.com.hk/www/tc/mpf/ranking.php>
<http://www.mpfexpress.com/en-US/MPFComparisons/Performance>
- MPFA will also be launching its own performance comparison platform in Q1 2018

經濟通 etnet 報價 | 極速報價 | 全文搜索
 代號/中文/英文

MPF 強精金 > MPF主頁 新聞及評論 登辦商大比拼 積金報價 積金搜尋 積金比較 積金

zuji

全部

[低風險] 強積金保守 | 貨幣市場 | 保證 | 固定收益 | 混合資產 - 保守

[中風險] 混合資產 - 均衡

[高風險] 混合資產 - 進取 | 亞太區 | 大中華 | 香港 | 中國 | 日本 | 北美洲 | 歐洲 | 環球 | 新興市場 | 其他

積金排行榜 (全部) 更新日期為 2017/10/10 (每日更新)

年初至今 三個月 一年 三年 顯示所有全部積金

10大最佳回報表現積金

名稱	風險	年初至今	三個月	一年	三年	截至
1 匯豐智選中國股票基金	高	+38.54%	+18.03%	+26.80%	+38.41%	2017/10/06
2 恒生智選中國股票基金	高	+38.54%	+18.03%	+26.80%	+38.41%	2017/10/06
3 中銀保誠我的強積金中國股票基金	高	+38.59%	+14.17%	+25.30%	+37.64%	2017/10/06
4 中國人壽香港股票基金	高	+34.46%	+13.61%	+24.79%	+36.30%	2017/10/04
5 信安明智大中華股票基金	高	+38.03%	+13.95%	+24.66%	+35.75%	2017/10/06
6 海通MPF香港特區基金 - T	高	+43.69%	+17.63%	+29.47%	+35.10%	2017/10/06
7 美國萬通基金大中華股票基金	高	+37.93%	+13.99%	+24.58%	+34.81%	2017/10/06
8 海通MPF香港特區基金 - A	高	+43.60%	+17.59%	+29.37%	+34.77%	2017/10/06
9 全明利香港股票基金	高	+35.40%	+13.45%	+25.00%	+34.70%	2017/10/06

MORNINGSTAR® Tuesday 10 October 2017 Sign Up Login Company Site Contact Us

JPMorgan Asia Growth Fund focuses on growth opportunities in Asia. LET'S SOLVE IT. J.P.Morgan Asset Management

Subscribe ETF Newsletter

Home Portfolio Manager Fund ETF MPF/ Real Life Finance Fund Tools

Funds to Explore

China & Greater China Equity

All Companies

Enter ISIN,FundName,SecId

Search

Snapshot

Short Term

Performance

Nuts and Bolts

Fund Name	Risk Profile (Relative to MPF/ Real Life Finance Market)	YTD Return (HKD,%)	1 Yr Return (HKD,%)	▼ *3 Yr Anlnd (HKD,%)	*5 Yr Anlnd (HKD,%)	*10 Yr Anlnd (HKD,%)
My Choice China Equity Provident	High	38.59	25.30	10.71	10.55	-
Hang Seng MPF-ST Plus-Chinese Eq	High	37.30	26.18	10.40	9.40	-
HSBC MPF-ST Plus-Chinese Equity	High	37.30	26.18	10.40	9.40	-
Principal Smart Plan-JPMorgan Greatr Chi	High	38.03	24.66	10.23	9.82	-
Mass MPF Greater China Equity	High	36.92	24.16	9.94	9.76	-
BCT (Pro) Greater China Equity Fund	High	32.10	23.55	8.97	8.07	-
BEA Greater China Equity	High	36.21	23.16	8.92	-	-
Manulife GS MPF China Value	High	32.44	24.43	8.79	8.26	1.88
BEA Greater China Tracker	High	32.29	24.27	8.60	-	-

Look Inside an Investment with Morningstar Direct™



Tips #4

Management fees

- MPFA fee comparison platform:
<http://cplatform.mpfa.org.hk/MPFA/english/system.jsp>
http://cplatform.mpfa.org.hk/MPFA/english/low_fee_fund_list.jsp

Fee ranking by fund categories



Comparative Table

You can select additional criteria to filter the list of funds

Criteria for Filtering the List of Funds


Additional Search Criteria

By default, funds are listed in order by lowest to highest FER. You can change the listing order by clicking on down arrow (highest to lowest) next to any heading. You can also sort a selected group by using the criteria

248 funds selected / Average FER = 1.73% / Median risk indicator = 8.22%

MPF Trustee	Scheme	Constituent Fund	Fund Type	Latest FER	OCI 1 Year	OCI 5 Year	Fund Risk Indicator
HSBC	Hang Seng Mandatory Provident Fund - ValueChoice	ValueChoice Balanced Fund	Mixed Assets Fund	0.93%	\$10	\$53	9.43%
HSBC	HSBC Mandatory Provident Fund - ValueChoice	ValueChoice Balanced Fund	Mixed Assets Fund	0.93%	\$10	\$53	9.43%
BEA	BEA (MPF) Value Scheme	BEA Stable Fund	Mixed Assets Fund	0.94%	\$10	\$53	4.91%
HSBC	Hang Seng Mandatory Provident Fund - ValueChoice	Core Accumulation Fund	Mixed Assets Fund	0.94%	\$10	\$53	7.01%
HSBC	HSBC Mandatory Provident Fund - ValueChoice	Core Accumulation Fund	Mixed Assets Fund	0.94%	\$10	\$53	7.01%

Low fee funds by fund categories



強制性公積金計劃管理局

MANDATORY PROVIDENT FUND SCHEMES AUTHORITY

MPFA Home

Fee Comparative Platform

Text version

繁體中文

简体中文

Glossary

Low Fee Fund List

Criteria for Filtering the List of Funds

Fund Type

Bond Fund

Trustee

All Trustees

Scheme

All Schemes

Submit

OR

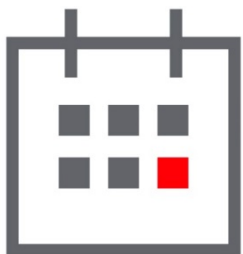
預設投資 MPF

預設投資 DIS

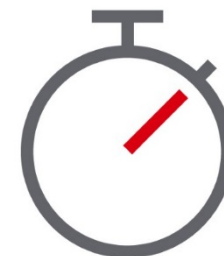
Total number of low fee funds: 24#

MPF Trustee	Scheme	Constituent Fund	DIS Fund	Fund Type	Current Management Fees (%p.a. of NAV)	FER	Annualised Return 5 Year	Annualised Return 10 Year	Offering Document	Details
HSBC	Hang Seng Mandatory Provident Fund - SuperTrust Plus	Global Bond Fund		Bond Fund	0.79%	0.78%	+2.38%	n.a.		More
AIAT	AIA MPF - Prime Value Choice	Asian Bond Fund		Bond Fund	0.99%	0.78%	+0.50%	n.a.		More
HSBC	Hang Seng Mandatory Provident Fund - ValueChoice	Global Bond Fund		Bond Fund	0.79%	0.79%	+2.38%	n.a.		More
HSBC	HSBC Mandatory Provident Fund - SuperTrust Plus	Global Bond Fund		Bond Fund	0.79%	0.79%	+2.38%	n.a.		More
HSBC	HSBC Mandatory Provident Fund - ValueChoice	Global Bond Fund		Bond Fund	0.79%	0.79%	+2.38%	n.a.		More
BEA	BEA (MPF) Value Scheme	BEA Global Bond Fund		Bond Fund	0.9%	0.92%	n.a.	n.a.		More
HSBC	Sun Life MPF Master Trust	Schroder MPF Global Fixed Income Portfolio - Class B		Bond Fund	0.78%	0.95%	n.a.	n.a.		More
AIAT	AIA MPF - Prime Value Choice	Global Bond Fund		Bond Fund	0.99%	0.98%	-0.11%	n.a.		More
HSBC	Sun Life MPF Master Trust	Schroder MPF Global Fixed Income Portfolio - Ordinary Class		Bond Fund	0.83%	0.99%	n.a.	n.a.		More
PRIN	Principal MPF Scheme Series 800	Principal Hong Kong Bond Fund - Class N		Bond Fund	0.99%	1.03%	+1.13%	n.a.		More
BOCIP	My Choice Mandatory Provident Fund Scheme	My Choice HKD Bond Fund		Bond Fund	0.99%	1.06%	+1.60%	n.a.		More

Key takeaways



- Retirement benefit has a role in your talent acquisition & retention strategy;
- On top of benefit design, it is important to pick a MPF provider that suit the needs of you and your employees.



- You should review the performance of your MPF provider(s) regularly to ensure that your needs are still met;



- Possible to do a DIY health check of your MPF providers using information available in public domain;
- Employer service, employee service, investment performance, fees, etc.

Work with your MPF provider(s) to keep your employees engaged!



Unlocking the potential of MPF

Q&A



Risk disclosure and disclaimers

This presentation is not intended to provide investment advice and does not constitute a recommendation or advice to any prospective customers. Readers should not act on any information in the presentation without seeking specific professional advice.

The Hongkong and Shanghai Banking Corporation Limited ('HSBC') neither endorses nor is responsible for the accuracy or reliability of, and under no circumstances will HSBC be liable for any loss or damage caused by reliance on, any opinion, advice or statement made in this presentation. The opinions expressed are those of the featured speakers, and except where a speaker is specifically identified as a representative of HSBC, do not represent HSBC's views. The opinions are subject to change without notice and should not be construed as a recommendation of any individual holdings or market sectors.

Investment involves risk, value of investment may move up or down, and may become valueless. The opinions expressed above may vary due to market factors and conditions without further notice. Past performance figures shown are not indicative of future performance. The information contained in this presentation has not been reviewed in the light of your personal financial circumstances. Reliance upon the information is at your sole discretion. You should carefully consider whether any investment products are appropriate in view of your investment experience, objectives, financial resources and relevant circumstances. The relevant product offering documents should be read for further details.

The investment decision is yours but you should not invest in any products unless the intermediary who sells it to you has explained to you that the product is suitable for you having regard to your financial situation, investment experience and investment objectives.

All intellectual property rights in and to this presentation are owned and reserved by HSBC. No person may copy, distribute, modify, broadcast, hyperlink or transmit in any way or any part of this presentation for purpose whatsoever without HSBC's prior written consent.

October 2017