



MPF Default Investment Strategy – Deploying offensive and defensive investment strategy based on members' age

When the Default Investment Strategy (DIS) was implemented in April 2017, it was commonly known as “funds for lazy people”. The reason behind is that DIS automatically adjusts the allocation between the Core Accumulation Fund (CAF) and the Age 65 Plus Fund (A65F) according to the member's age. Both funds invest in the lower-risk assets (mainly global bonds) and higher-risk assets (mainly global equities). While the CAF invests 40% of its assets of the fund in lower-risk assets and 60% in higher-risk assets, the A65F invests in the ratio of 80%: 20% respectively in comparison.

Members who are below age 50 investing in DIS will have their new contributions and accrued benefits 100% invested in CAF. When a member turns 50, their accrued benefits and new contributions will automatically be partially allocated to the A65F annually on their birthdays until they reach 64, when the entire accrued benefits will be invested in the A65F. DIS is a ready-made investment strategy and it is suitable for members who do not have time, or do not know how to make investment decisions. Therefore, during the initial launch of DIS, it was also referred as “funds for lazy people”.

According to data from MPFA, as of September 2023, the 5-year annualized net return for CAF and A65F were 3.5% and 0.6% respectively*. In comparison, the annualized net return of all mixed assets funds during the same period was 0.4%*. It seems to appear that the DIS funds, which invest widely in the global market, has generally outperformed other mixed asset funds in recent years.

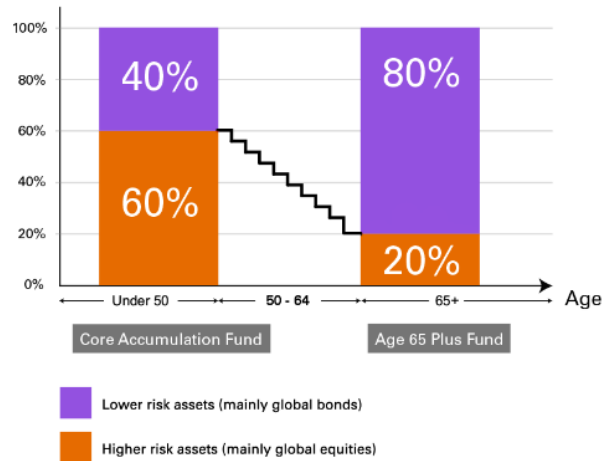
DIS is not a passive investment strategy

DIS is an all-round investment solution with features including automatic de-risking, fee cap and diversification across global investment market. It should not be considered as a passive investment choice which is only suitable for beginner investors.

1. Automatic de-risking according to the members' age

About 60% of the assets of the CAF is invested in higher risk assets (mainly global equities), and the rest in lower risk assets (mainly global bonds). DIS automatically reduces the risk as the scheme member approaches retirement age. While all contributions are invested in CAF below age 50, the CAF investment will gradually reduce and the investment in A65F will gradually increase every year, until the member reaches the age of 64. When the member reached age 64, all the MPF benefits in the member's account are invested in A65F.

*Source: MPF Schemes Statistical Digest (September 2023)



2. Fee cap

There is a management fee cap of 0.75% per annum of the net asset value for both the CAF and A65F. For recurrent out-of-pocket expenses, the cap is 0.2% per annum of the net asset value of the fund. When combined, the total fee cap for these funds is 0.95%.

3. Diversification across global investment market

CAF and A65F, the two mixed assets funds used by DIS, adopt a diversified investment approach by investing in different asset classes in global markets. These asset classes include equities, bonds, money market instruments, deposits and other investments permitted by MPF legislation.

Meeting the needs in different life stages

Although DIS is a ready-made investment strategy, it has thoughtfully incorporated features such as automatic de-risking according to members' age, risk diversification and management fee cap. Therefore, in reality, DIS is a flexible solution that allows young employees to seek potential returns from diversified assets and global markets, while also enabling members who are approaching retirement or already retired to accumulate wealth with a lower risk. Members may consider DIS in your MPF portfolio if you find the above features of DIS suitable for your needs and risk tolerance level.

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Investment involves risks. Past performance is not indicative of future performance. The value of financial instruments, in particular stocks and shares, and any income from such financial instruments, may go down as well as up. For further details including the product features and risks involved, please refer to the relevant MPF Scheme Brochure. The content shared in this article should not be viewed as investment recommendation and advice. You should seek professional analysis and advice before making any decisions related to the information shared in this article



About Pension Schemes Association

Pension Schemes Association (the "PSA") was established in February 2018. As the most prominent MPF sponsor association in the industry, the PSA assumes the bridging role among stakeholders as to ensure our MPF system can fulfil public and industry interests, and acts as a consultative body in liaising with relevant policy makers and regulatory bodies on matters related to the development of the MPF system in Hong Kong.

Mission & Vision

Representing the MPF Community - To act as the representative body for all MPF Scheme Sponsors and industry stakeholders in Hong Kong.

Providing thought leadership - To act as a consultative body in liaising with relevant policy makers and regulatory bodies on matters related to the development of the MPF system in Hong Kong.

Enhancing Trust in the system - To enhance the trust and confidence in the MPF industry by partnering with industry stakeholders to cultivate public awareness of MPF.

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強積金「預設投資策略」 按成員年齡部署攻守投資方案

強積金「預設投資策略」(Default Investment Strategy 'DIS')於2017年4月實施時，被坊間冠以「懶人基金」的稱號，因為簡單來說，這投資方案是按成員的年齡自動調整投資於「核心累積基金」及「65歲後基金」的比例。兩項基金均投資於風險較低的投資項目（主要為環球債券）及風險較高的資產（主要為環球股票），「核心累積基金」投資約40%於風險較低的投資項目，其餘60%為風險較高的資產，而「65歲後基金」投資於兩者之間比重為80%：20%。

成員年滿50歲前，投資於DIS的全部供款會投資於核心累積基金上；成員50歲起，DIS會自動按年減持核心累積基金並增持65歲後基金，直到64歲時全數投資於65歲後基金。由於對成員來說，這是一項現成的投資方案，成員的決策相對被動，被視為較適合不太懂得投資，及不想主動檢視強積金投資組合的成員，因此DIS推出初期，又被稱為「懶人基金」。積金局的資料顯示，截至今年9月底，核心累積基金及65歲後基金這兩項混合資產基金的過去五年年率化淨回報分別是3.5%及0.6%*，而市場上所有混合資產基金的同期年率化淨回報為0.4%*，可見分散投資於環球市場的DIS基金，在近年表現上普遍優於市場上的其他混合資產基金。

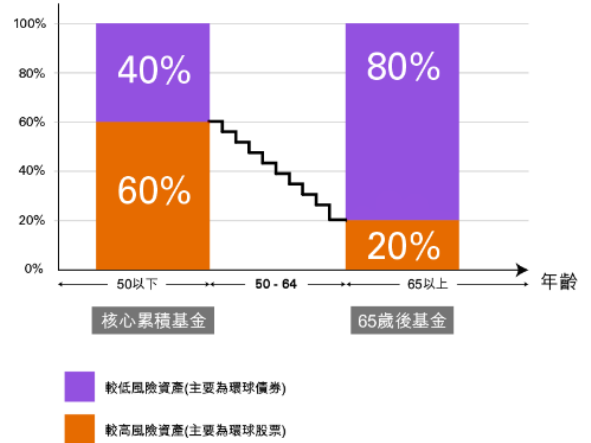
DIS絕不是被動的策略

DIS的設計集合了風險控制、收費上限及分散環球投資的特點，是一項考慮周全的強積金投資策略，而非坊間所誤傳它只適合欠缺投資經驗及只是一項被動投資選項。

特點一：隨成員年齡自動降低投資風險

DIS下的核心累積基金有約60%投資於風險較高的資產，如環球股票，其餘為風險較低的資產，如環球債券。受託人會隨成員接近退休年齡逐步降低風險，由50歲前把所有供款投資於核心累積基金，至50歲起按年減持核心累積基金，並增持65歲後基金，當成員滿64歲，所有供款投資於65歲後基金。

*資料來源：強制性公積金計劃統計摘要2023年9月季刊



特點二：收費設上限

DIS的兩項成分基金享有同樣的管理費上限，均為基金每年淨資產值的0.75%，經常性實付開支上限為基金每年淨資產值的0.2%，加起來上限便是0.95%。

特點三：分散投資環球市場

核心累積基金及65歲後基金均是混合資產基金，以分散投資方式投資於全球不同市場及不同的資產類別，包括股票、定息債券、貨幣市場工具、存款及強積金法例容許的其他投資，這樣有助爭取環球市場下的潛在回報，同時分散不同市場及資產類別的風險。

配合不同人生階段的需要

如上文所說，即使DIS是一個現成投資策略，但它貼心地加入了年齡、分散投資風險及收費上限的特點，所以實際上DIS是一個富有彈性的方案，讓相對年輕的僱員盡量從多元資產及環球市場中爭取潛在回報，同時又能替接近退休及已退休的成員，以相對低風險的目標，滾存強積金以累積退休財富。成員不妨按需要、風險承受能力，及考慮DIS以上的特點，決定應否選擇它成為你的投資組合。

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投資涉及風險，往績不能作為未來表現的指標。金融工具（尤其是股票及股份）之價值及任何來自此類金融工具之收入均可跌可升。有關詳情，包括產品特點及所涉及的風險，請參閱有關「強積金計劃說明書」。本文內列明的資訊只供說明用途，不應被視為投資意見及你不應根據這資料而作出強積金賬戶的投資選擇，並建議你就本文件內容審慎行事。如你對本文的內容有任何疑問，應向獨立人士尋求專業意見。



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PENSION SCHEMES ASSOCIATION
退休積金計劃協會

專家觀點
2023年12月

有關退休積金計劃協會

退休積金計劃協會成立於2018年2月，作為最具代表性的強積金保薦人業界組織，協會積極發揮橋樑角色，與各持份者和業界共同努力，令香港強積金制度更貼近市民所想及業界所需，並就與香港強積金制度發展有關的事宜匯納業界意見，成就與有關政策制定者及監管機構進行溝通。

使命與信念

強積金業界橋樑 - 成為全港強積金計劃保薦人及業界持份者的代表機構。

帶領諮詢平台 - 就與香港強積金制度發展有關的事宜匯納業界意見，成就與有關政策制定者及監管機構進行溝通。

增強公眾信任 - 與業界及相關合作伙伴攜手，提高公眾對強積金的認識，從而加強公眾對強積金行業的信任及信心。

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