

China Life MPF Member Newsletter

2020
4th Issue



Issued by China Life Trustees Limited



New Design for MPF Member Online Account

What is the balance in my MPF account? Which funds am I investing in? How much do I gain? These MPF informations which are most-concerned by members are now brought to you in one-go!

We have revamped the first page of account of website and mobile APPs. You can find the above informations in "Account Overview" page that can help you manage your MPF.

Website www.chinalife.com.hk > Login > Individual > Hong Kong MPF

Account Overview
As of 21/10/2020

Account Balance (HK\$) (Balance as at 21/10/2020)	=	Net Contributions & Net Transfer-in (HK\$) (Since inception of the account)	+	Account Gain/(Loss) (HK\$) (Since inception of the account)
146,187.74		97,458.49		48,729.25

Investment Allocation

Constituent Fund	Fund Code	Investment Allocation
China Life MPF Conservative Fund	MCF	0.00 %
China Life Balanced Fund	BAL	30.00 %
China Life Growth Fund	GRW	0.00 %
China Life Joyful Retirement Guaranteed Fund*	RGU	30.00 %
China Life Retire-Easy Global Equity Fund	RGF	0.00 %
China Life Hong Kong Equity Fund	HKE	0.00 %
China Life Core Accumulation Fund	CAF	0.00 %
DIS - China Life Core Accumulation Fund	ICA	0.00 %
China Life Age 65 Plus Fund	APF	40.00 %
DIS - China Life Age 65 Plus Fund	IAP	0.00 %

Constituent Fund Code	Unit Holding As of 22/10/2020					Latest Unit Price (HK\$)	Total Balance (HK\$)
	Employer		Employee		Unit		
	Mandatory Contribution	Voluntary Contribution	Mandatory Contribution	Voluntary Contribution			
BAL	795.8181	0.00000	795.8181	0.00000		27.55420	43,856.32
RGU	1,444.9521	0.00000	1,444.9521	0.00000		15.17570	43,856.32
APF	2,504.9950	0.00000	2,504.9950	0.00000		11.67170	58,475.10

Account balance, net contributions & net transfer-in, account gain/(loss) (since inception of the account) are shown

A pie chart and table showing account balance according to the percentage distribution of funds

Balance in terms of constituent funds are shown





Award

China Life MPF Won 3 Offshore China Fund Awards

The “Offshore China Fund Awards 2020” ceremony was held via virtual live show on 10 December, jointly organized by China Asset Management Association of Hong Kong (CAMAHK) and Bloomberg. The award rankings calculation used proprietary methodologies from data provided and compiled by Bloomberg. With outstanding performance, China Life MPF won first runner-up in the 3 categories “Best Total Return – Multi-asset allocation (1-Year, 3-Year and 5-Year)”.

A total of 35 awards were distributed. China Life MPF is once again the only MPF product which attained award this year. The awards prove the strength of China Life MPF and recognize the effort given by China Life Trustees on Hong Kong people’s retirement life.

Source: Bloomberg’s website



Important Note: You should consider your own risk tolerance level and financial circumstances before making any investment choices. Investment involves risks. The value of constituent funds may go down as well as up. You should not invest based on this document alone. Before making any investment choices, please read the relevant principal brochure for details.



Know More about MPF

Tips for Managing MPF



No idea on how to manage your MPF after checking your MPF account? Here are some tips introducing several aspects on MPF management, which you may find it helpful in preparing for fruitful retirement life:



Over-conservative, just aims at capital preservation may not be good. You can consider to set inflation-beating as target

Review periodically e.g. semi-annually / quarterly and adjust asset allocation if necessary. Don't make decision just based on feeling, ignore it, or changing funds too frequently

Get well-prepared before selecting funds. Fund Performance Review is one of a good reference.

Compare MPF with other financial products, consider your own risk tolerance level and financial circumstances

Proactively handle and consolidate the MPF you accumulated in the previous job when you change employer



United States

In US, spurred by vaccine breakthrough the equity market record hefty gains. Positive sentiment also bolstered by an easing in US political uncertainties. The Dow Jones Industrial index hit 30,000 for the first time. We believe the US economy will be able to recover lost activity over the next year, shares of companies that had suffered most from the pandemic, such as energy producers, cruise-line operators and banks, led the rally.

Europe (including UK)

European and UK equities gained in November, propelled by a series of Covid-19 vaccine breakthroughs and optimism over Joe Biden's victory in the US presidential election. We are cautious in European equities due to its cyclical bias as we see better opportunities in other regions. Remains to be seen if liquidity easing by European Central Bank (ECB) proves to be effective.

Asia Pacific (ex Hong Kong ex China ex Japan)

Asian equity market performance was positive over the month amidst the announcement of Covid-19 vaccine results and a stock-market favourable US election outcome. The ASEAN markets were among the top performers thanks to the improved outlook for travel and tourism. We remained positive towards Asian equities in 2021. Aggregate manufacturing PMI in Asia ex-Japan has rebounded and been on an upward trend since April, and the consensus forecast expects real GDP growth to return to the positive territory in the third quarter and accelerate to pre-COVID level of +5.4% in 2021.

Hong Kong and China (A-shares and H-shares)

Chinese equities ended November in positive territory but underperformed the Asia ex-Japan region. The renewed tension with the US and a change in regulatory environment for online platforms dragged down market performance. Hong Kong market returned strongly, but the COVID-19 situation however became more severe with rising local transmission cases and the government has again tightened some social distancing measures. We expect growth recovery to extend into next year as economic activities benefit from a low base and further normalization. This is in line with consensus forecast that expects real GDP growth to reach +8.0% year-on-year in 2021. We believe consumption will play a key role in driving growth recovery.

Japan

Japan's equity market rose as sentiment was boosted by prospects of a cyclical rebound. In particular, positive news flow surrounding Covid-19 vaccines boosted hopes of the economy normalizing sooner-than-expected. Japanese corporates are likely to benefit under Biden's presidency as US trade and foreign policies are expected to become more predictable. Furthermore, full-year guidance was also revised upwards, especially in the manufacturing sectors.

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Three Steps to Enhance the Transparency of MPF Information

There is a saying that goes, “If a craftsman wants to do a good job, he must first sharpen his tools.” To help MPF members manage their accounts, the MPFA has adopted a “three-step approach” to further enhance the transparency of MPF information and provide scheme members with the required information to make informed choices to better manage their MPF.

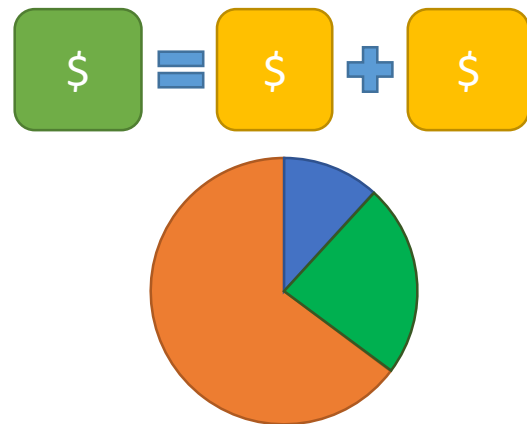
Step 1: The one-stop MPF Fund Platform

The MPFA launched the one-stop MPF Fund Platform in April last year. Like many travel sites which offer detailed comparisons, the platform enables scheme members to compare the fees and performance of different MPF funds by disclosing the three main components of the management fees. This allows employees to make informed choices in selecting high value-for-money funds that meet their personal needs.

Scheme	Constituent Fund	MPF Trustee	Fund Type	Launch Date	Fund size (HKD m)	Risk Class	Latest FER (%)	Annualized return (% p.a.)			Cumulative return (%) Since Launch	Details
								1 Year	5 Year	10 Year		
China Life MPF Master Trust Scheme	China Life Age 65 Plus Fund	China Life	Mixed Assets Fund - Default Investment Strategy - Age 65 Plus Fund	01-06-2017	88.50	3	0.87	8.39	n.a.	n.a.	4.76	More
China Life MPF Master Trust Scheme	China Life Balanced Fund	China Life	Mixed Assets Fund - 81% to 90% Equity	01-12-2000	444.85	5	1.42	12.44	7.09	5.11	5.38	More
China Life MPF Master Trust Scheme	China Life Core Accumulation Fund	China Life	Mixed Assets Fund - Default Investment Strategy - Core Accumulation Fund	01-04-2017	87.10	4	0.87	10.85	n.a.	n.a.	7.18	More
China Life MPF Master Trust Scheme	China Life Growth Fund	China Life	Mixed Assets Fund - 81% to 100% Equity	01-12-2000	704.06	5	1.42	13.47	7.87	5.94	5.82	More
China Life MPF Master Trust Scheme	China Life Guaranteed Return Fund	China Life	Guaranteed Fund	01-12-2000	1,632.70	3	1.94	1.09	0.67	1.50	2.14	More
China Life MPF Master Trust Scheme	China Life Hong Kong Equity Fund	China Life	Equity Fund - Hong Kong Equity Fund	23-12-2011	328.99	6	0.88	16.84	9.72	n.a.	7.42	More
China Life MPF Master Trust Scheme	China Life MPF Conservative Fund	China Life	Money Market Fund - MPF Conservative Fund	01-12-2000	242.39	1	0.89	0.77	0.45	0.24	0.48	More
China Life MPF Master Trust Scheme	China Life Retire-Easy Global Equity Fund	China Life	Equity Fund - Global Equity Fund	01-10-2007	167.04	6	1.58	8.48	6.96	5.41	2.12	More
China Life MPF Master Trust Scheme	China Life Retire-Easy Guarantee Fund	China Life	Guaranteed Fund	01-10-2007	618.84	n.a.	2.54	3.94	2.62	2.89	3.23	More

Step 2: A standard format to show account information

When an employee changes jobs, a new MPF personal account is created, and therefore many scheme members have more than one MPF account. As the information displayed in the Annual Benefit Statement (ABS) under different MPF schemes follows different layouts, scheme members may find it difficult to understand their account information and become less motivated to manage their MPF.



At the end of 2019, the MPFA requested trustees to adopt a standardized template coupled with graphs to show the information on the ABS, and to present the same set of key member account information, such as account balance, net contributions and account gain/loss, on the Online Dashboard of the trustees’ platforms. The aim is to facilitate members’ understanding and cross-product comparisons.

Step 3: The new risk class function

It is crucial for scheme members to assess the risk of various MPF funds so that they can invest according to their personal circumstances and risk-tolerance level. The MPFA has required trustees to add the risk class on their fund fact sheets and their websites to serve as an additional reference for scheme members. A seven-point risk classification scale has been adopted – the higher the number, the higher the risk.



Scheme members should make use of these tools to effectively manage their MPF accounts for better retirement planning.