

MPF Survey 2008

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HSBC's MPF Survey 2008

- Survey among MPF members in Hong Kong
- Conducted among 505 respondents, aged 18-65 years old, with a personal income in excess of HK\$5,000/month
- Conducted by The University of Hong Kong, Public Opinion Programme
- Covered MPF members' level of knowledge and involvement in their MPFs; and attitudes on retirement planning

Respondents' Profile

Gender

- 49% male; 51% female

Age

- 78% are 18-50 years old

Educational Background

- 49% secondary; 23% college degree

Occupation

- 32% clerks; 17% service workers; 13% managers; 12% associate professionals; 10% professionals

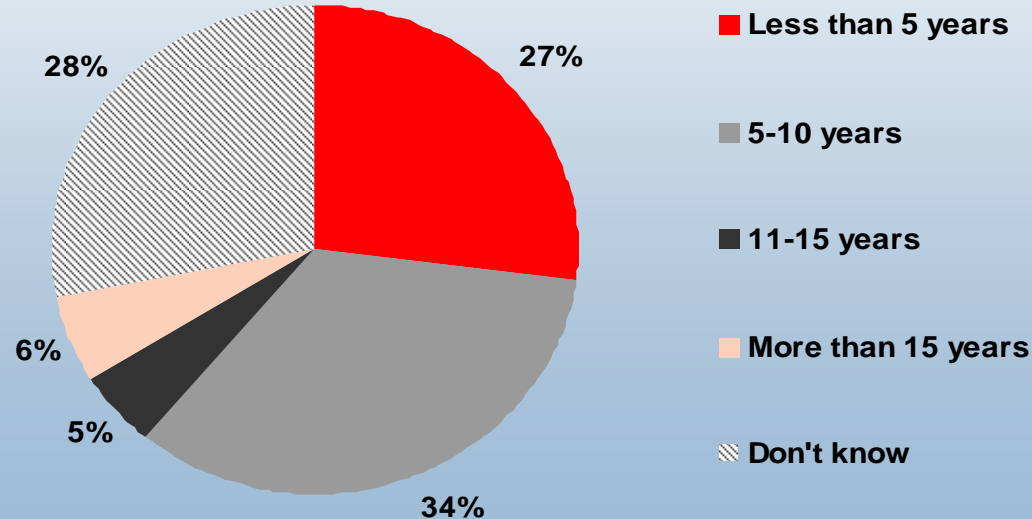
Monthly personal income (including bonus)

- 37% HK\$5,000-HK\$10,000
- 39% HK\$10,000-HK\$20,000
- 14% HK\$20,000-HK\$30,000
- 10% above HK\$30,000

MPF savings to last about 8 years after retirement

- On average, MPF members believe their savings will last **7.6 years** after retirement
- Close to **3 in 10** believe their savings will last **less than 5 years** post-retirement
- **34%** believe they are covered for **5-10 years**
- Only **6%** believe MPF savings will last **more than 15 years** post-retirement
- **28% do not know** for how many years they are covered

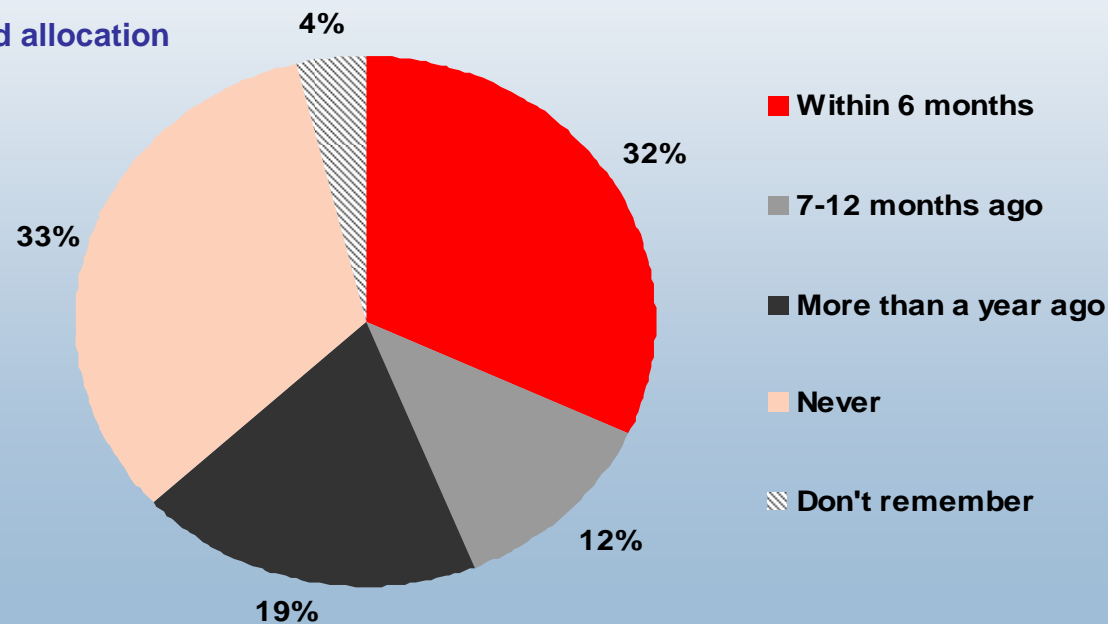
Based on current contribution, how many years can your MPF support basic living expenses at retirement



Passive MPF management after enrolment among many respondents

- **A third never reviewed** their fund allocation
- **19%** last looked at their fund allocation **more than a year ago**
- **12%** undertook a review between **7 and 12 months ago**
- **32%** reviewed their fund allocation **within last six months**
- **Of those that did undertake a review:** 41% reviewed their allocation via statements, 34% via online, 12% via branch

Last review of fund allocation



Passive MPF management after enrolment among many respondents

- Almost **90% do not make voluntary contributions**
- About **10%** make voluntary contributions with an average payment of **HK\$1,200/month**

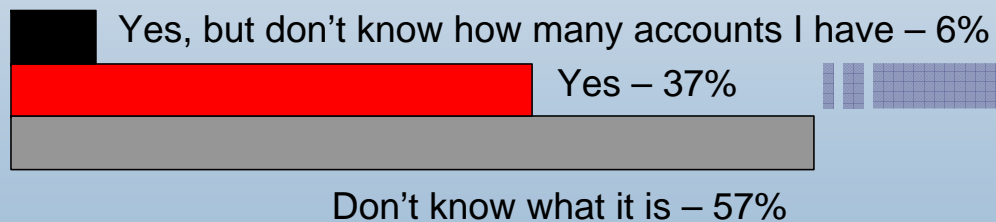
Voluntary contributions



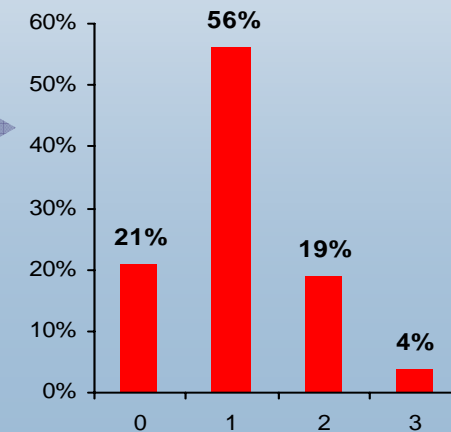
* Don't remember – 1%

- **57%** do not know what a preserved account is
- **37%** know about preserved accounts and how many they maintained – **56%** have 1 preserved account

Preserved Accounts



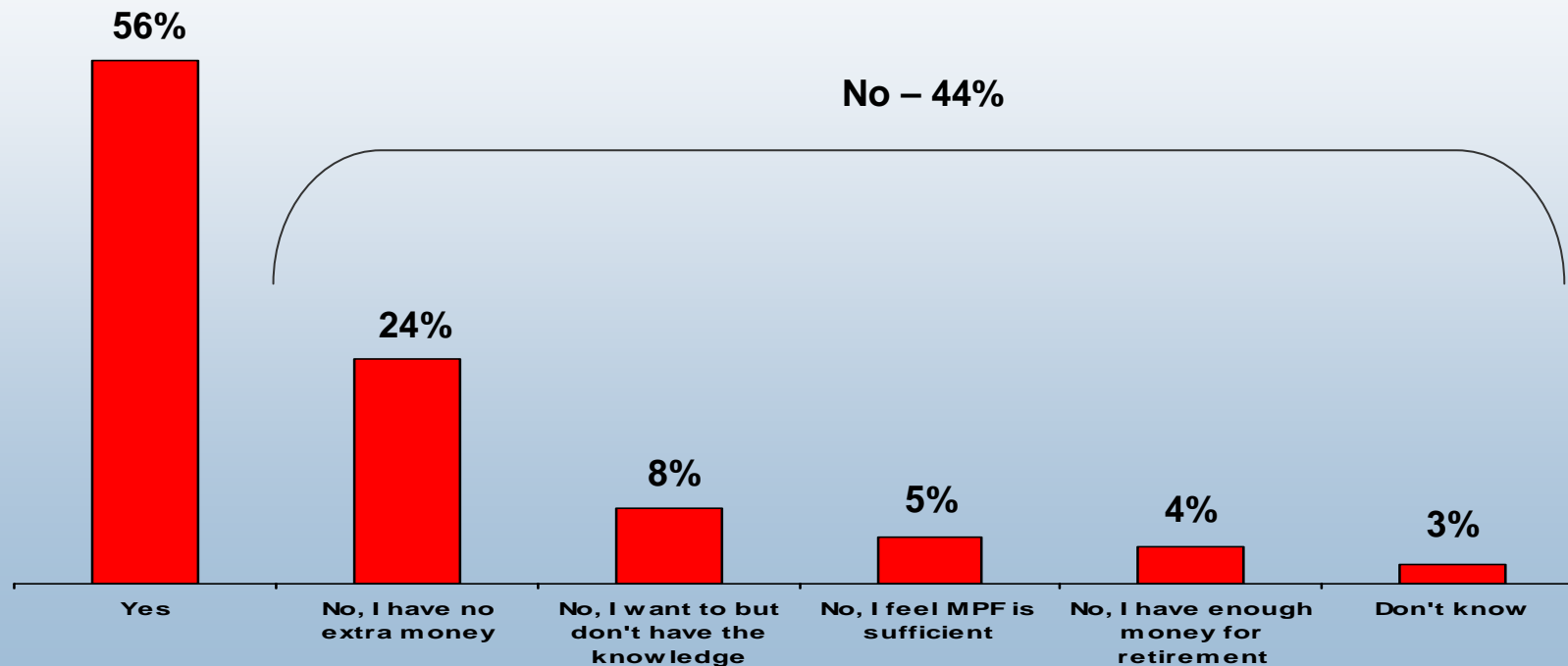
No. of Preserved Accounts



Many members rely solely on MPF for retirement

- Over 4 out of 10 do not have plans aside from MPF to prepare for retirement

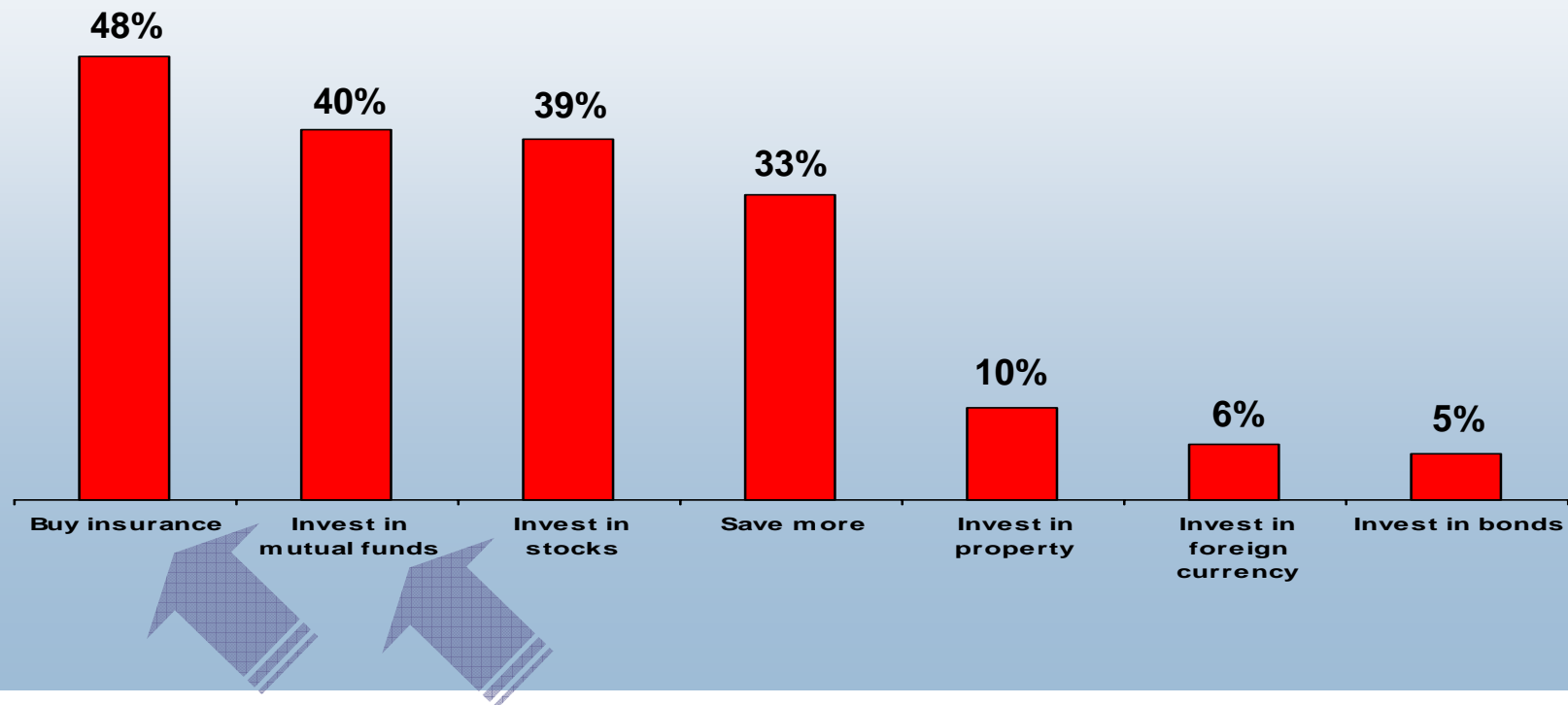
Preparation for retirement aside from MPF



MPF members buy insurance, invest, to augment retirement fund

- Of the 56% with plans, 48% bought insurance and 40% invested in mutual funds

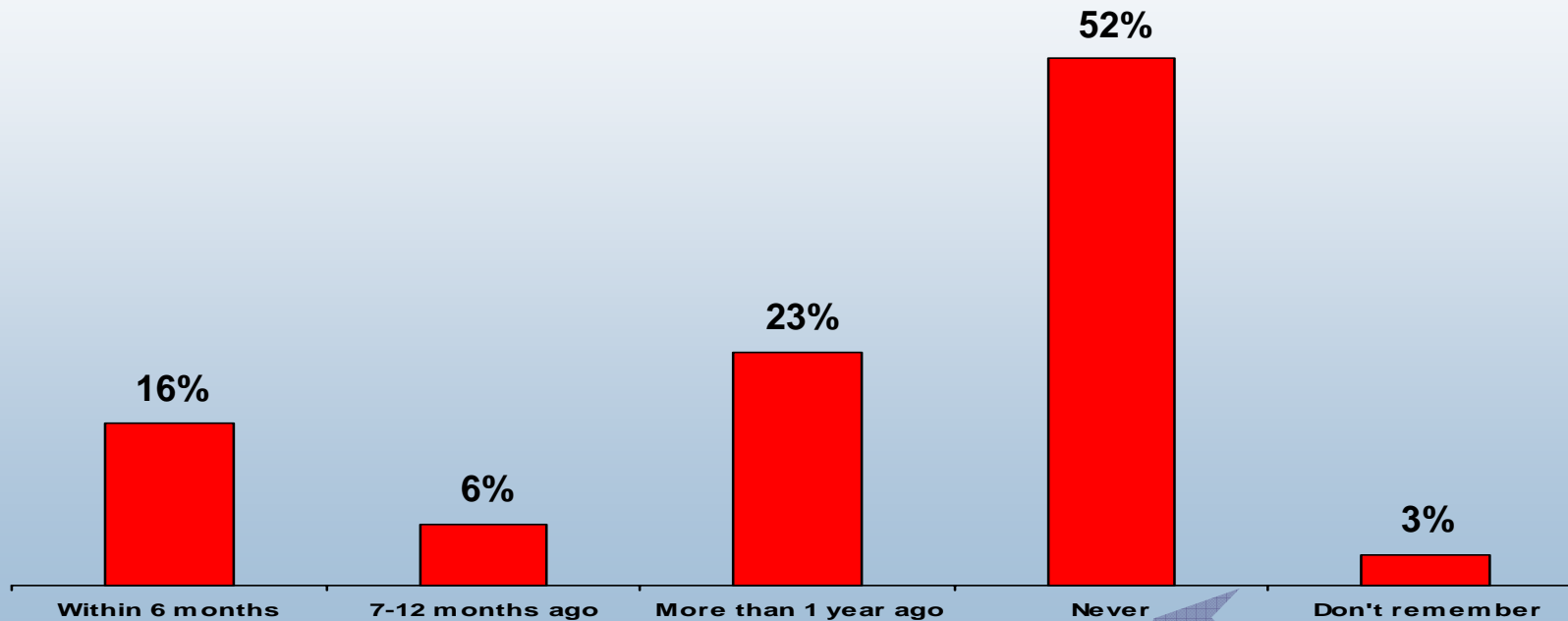
Preparation for retirement aside from MPF



Most MPF members lack professional advice in retirement planning

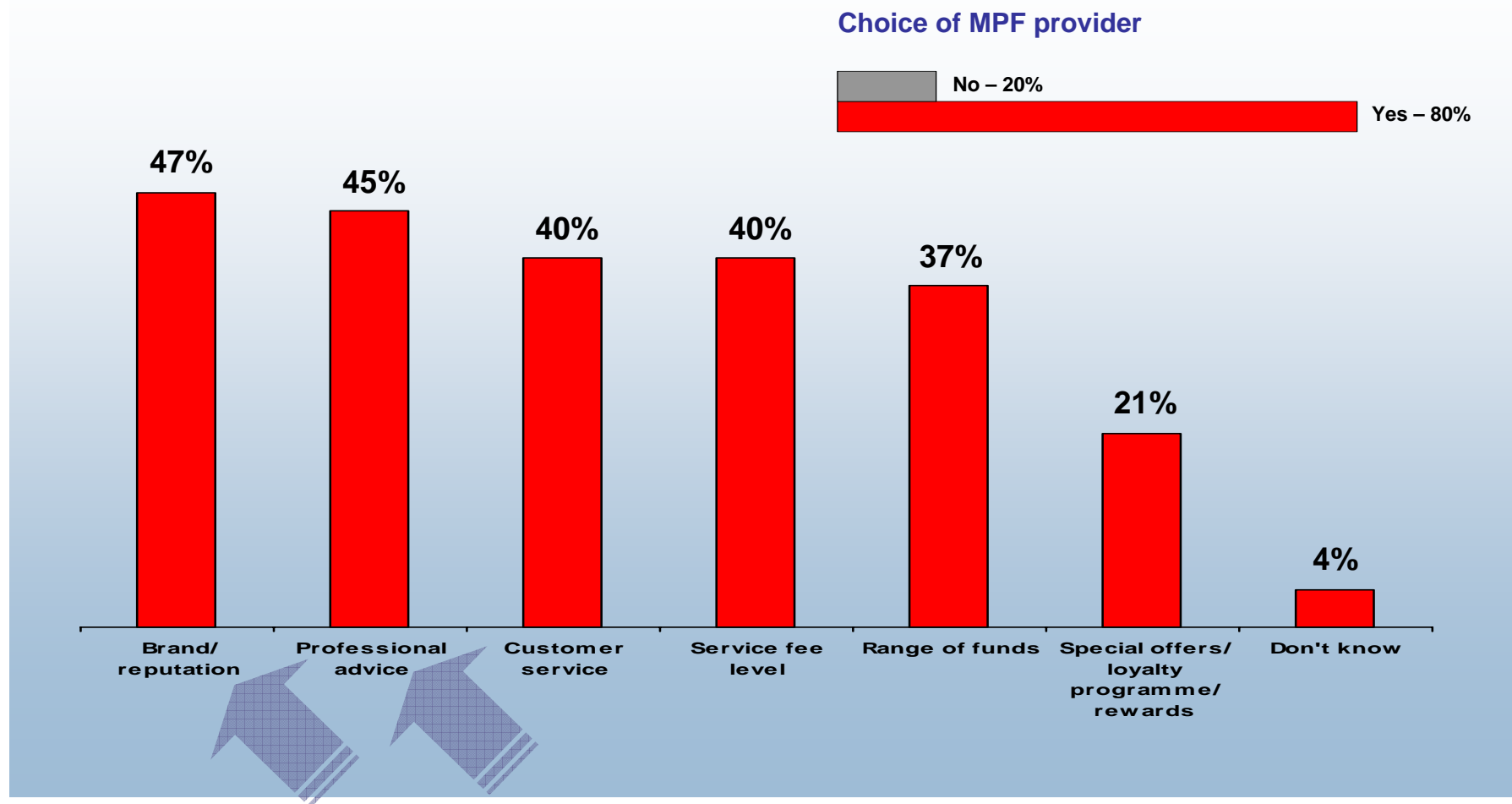
- Over half have not talked to a financial planner about retirement savings

Last consultation with a financial planner about retirement and MPF



Most MPF members want choice; brand and professional advice drive choice

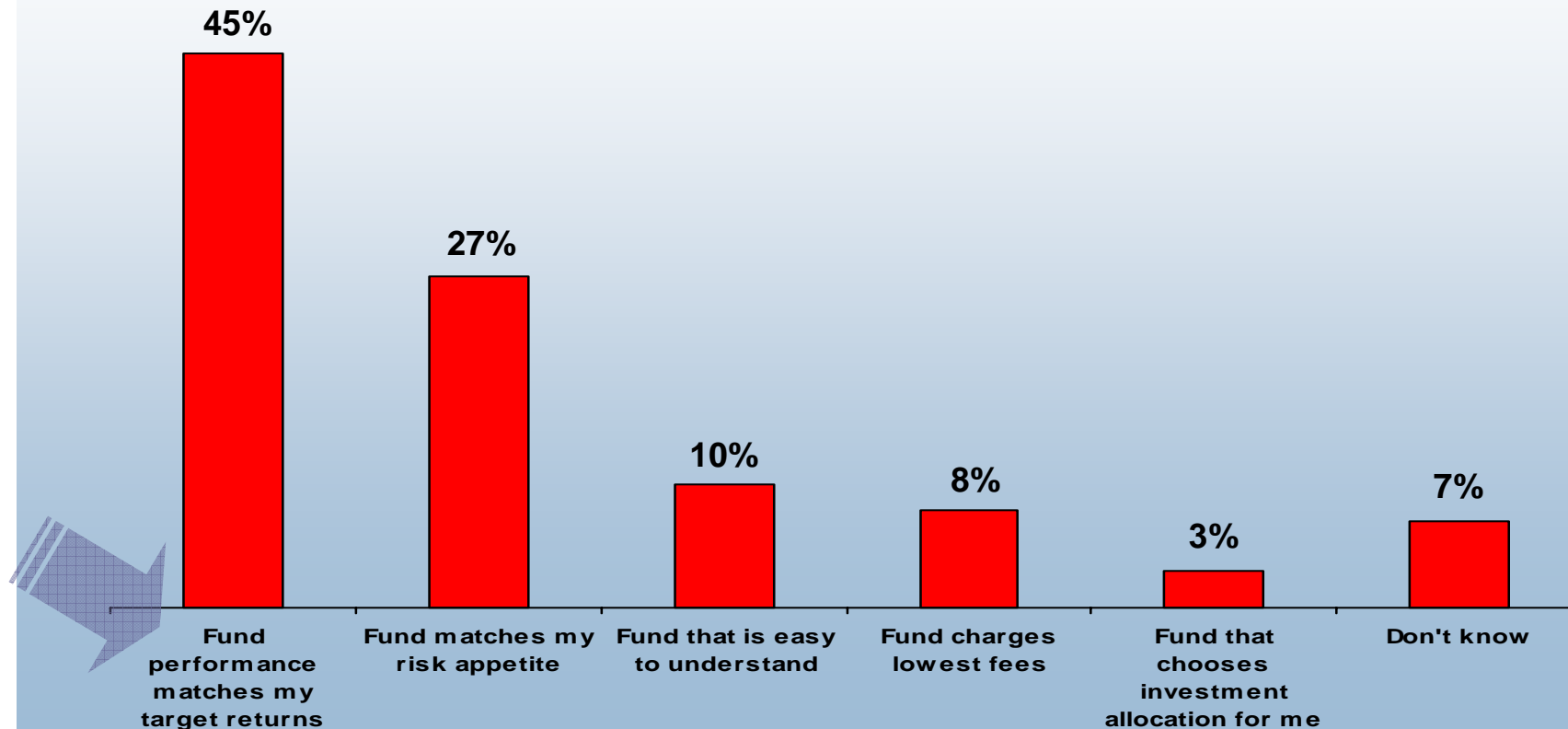
- **80%** would like to choose their own MPF provider



Fund performance is key factor in fund choice for many respondents

- **45%** say “**fund performance matching target returns**” was most important factor in choosing funds
- Only **8%** considers “**fees**” as important

Factors in fund choice



Key Findings

A significant proportion of **MPF members** think their MPF funds will last them **8 years on average** after retirement.

Many **MPF members** became **passive** about **reviewing investments, managing preserved accounts** and **making voluntary contributions**, after enrolment.

Many **MPF members** in general have **no retirement plans** apart from MPF.

A significant proportion of **MPF members want choice** in MPF providers.

Brand and professional advice, more than fees, drive choice of MPF provider among many MPF members.

For many MPF members, **fund performance**, more than fees, is the key factor in choosing funds.

Our take as the leading MPF provider

MPF is a **most important part** of planning for retirement

MPF members need to be **more involved** in managing their MPF investments

- » Choose where to invest
- » Review investments regularly
- » Consider voluntary contributions
- » Monitor and consolidate preserved accounts
- » Push for choice

MPF is just the **beginning**

- » Speak to a financial / retirement planner regularly
- » Learn more about MPF and retirement planning
- » Aim to build a retirement nest egg to cover at least 20 years after retirement

MPF Education Activities 2007 – Now!

Over 50 days of Roadshow in 18 residential and commercial locations



Newsletters for employers and members



Investment seminars for employers and members



Regular columns on MPF tips!



MPF Education

- **HK\$20 million** set aside to support MPF education
- **Coming soon!** Creative **school programme** to reach parents, teachers, students and the general public

