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Media Release



2015 Gain Miles MPF Confidence Index Survey Result

[Hong Kong, 9 September 2015] – Gain Miles MPF Consultants Limited (“Gain Miles”) released the results of 2015 MPF Confidence Index Survey, conducted in collaboration with The Public Opinion Programme (POP) of the University of Hong Kong (HKU).

Mandatory Provident Fund (MPF) is the only employment-based and compulsory retirement protection system for all working population in Hong Kong. To meet the challenges such as rapid aging population and evolving market economy, Gain Miles carried out the first MPF Confidence Index Survey since 2012 and every year onwards, aiming to examine the development of MPF members in terms of their investment behavior, knowledge and expectations. Along with the study on MPF market trends and related attribution factors, the survey is appealing to assist members across all employee classes to better manage their MPF.

This year Gain Miles has once again commissioned HKUPOP to conduct the survey, an extension of the continuity for the fourth year, to study member behavior and confidence level using systematic approach. 1,000 telephone interviews were successfully conducted from June 16th to July 7th, in which MPF members aged between 18 and 64 were randomly selected, representing a 75.2% of effective responding sample. Apart from the trends that have been developing over time, new questions were added in cross dimensions looking into the key factors that affected the member confidence level from the perspectives of their daily necessities including clothing, food, accommodation, transportation, medical, and entertainment.

Overall MPF Confidence Index Remained Low; Worst on Accommodation and Medical Protection after Retirement

Compared with an average of 3.1 in 2014, the Overall MPF Confidence Index hovered around at a low level of 3.2 this year, reflecting members still lack confidence on MPF as a retirement protection. 6 new questions were added this year to further study if the respondents were confident about MPF in supporting their retirement lives on daily necessities including clothing, food, accommodation, transportation, medical, and entertainment. An average score of 2.7, 2.6, and 2.2 were rated for medical, entertainment and accommodation respectively, which were even lower than the Overall MPF Confidence Index at 3.2. Members were completely unconfident about MPF to protect their accommodation and medical needs after retirement.

“It is worrying to see that MPF Confidence Index still hovers at low level in particular to accommodation and medical protection. We observed from the survey results that members do not fully understand and manage their MPF investment well. Mandatory Provident Fund Authority (MPFA) and the industry have to enhance members’ confidence on investment, by stepping up public education; increasing fund transparency and investment disclosure, to give members a clearer picture of their fund investment return, so as to make the standard of MPF disclosure comparable to that of retail funds,” said Gloria Siu, Chief Executive of Gain Miles Group.

MPF Members’ Awareness Increased; Most Expected for Professional Advice

26.6% of the survey respondents spent at least 30 minutes in reviewing their MPF performance over the past 12 months, a slight increase as compared to 20.6% in 2014. Members were more aware of their MPF and most of them desired for multiple channels of assistance. The most important tools to evaluate MPF investment in descending order of the ratings were “Professional Consultant Services”(35.5%), “Self-Managed e-platforms” (31.8%) and “Assistance from HR/ Employers” (11.9%).

“With reference to the survey results, a vast majority of MPF members (73.3%) did not review their MPF in the past year in which corrective actions must be taken. Over the years “Professional Consultant Services” and “Self-Managed e-platforms” are the top assistances requested by respondents, whilst “Assistance from HR/ Employers” has maintained its 3rd position since 2014. We believe employers and human resources professionals, who are progressively deemed by employees as the authority in choosing the MPF service providers on their behalf, should take the responsibility for providing support to employees in managing MPF,” said Gloria.

Risk Assessment Suggested Prior to Investment Decision in Recent Volatile Global Stock and Bond Market

As at March 2015, there is a total of 68% MPF asset allocation invested in the stock market. Risk level is considerably high as the ratio is way higher than the weighted average of the equity exposure for private pension schemes in Organisation for Economic Co-operation and Development (“OECD”) countries at 40.3%. On the other hand, the U.S. Federal Reserve is brewing to hike the interest rates. The bond market with 17% of MPF asset allocation is expected to fluctuate drastically, exposing the group of conservative investors to a certain risk level. Given most of the members had never performed risk assessment, they might not be able to establish a proper investment mix that fits their risk tolerance levels.

“MPF is an important long-term investment asset for every employees. Regulated risk assessment is necessary prior to making any investment decisions for the best retirement planning,” Gloria explained.

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About Gain Miles

Over 35 years' experience in the pensions industry, Gain Miles is one of Hong Kong's most trusted independent MPF advisors. As a market-leading MPF specialist, we aim to deliver professional analysis, in-depth market knowledge and centered-around advice. Gain Miles has been committed to MPF healthy development in Hong Kong, by forming HR Task Group and MPF Club to employers and employees, we helped to prepare the Hong Kong market for the launch of MPF since December 2000 – organizing hundreds of seminars and workshops to educate organization and their staff on the active management of Mandatory Provident Fund schemes. In addition to the independent advisory assisting our clients in choosing the right service providers and schemes, our effort has extended to online services aimed to facilitate our clients and their staff to self-manage their MPF account with ease.

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NOTE:

- i. The research agreement of the project titled "Survey on Behaviour of MPF Members in Hong Kong 2015" was made between The University of Hong Kong Public Opinion Programme (HKUPOP) and Gain Miles Assurance Consultants Limited.
- ii. Gain Miles Group refers to Gain Miles Group Limited and its subsidiaries, including Gain Miles Assurance Consultants Limited, Gain Miles MPF Consultants Limited and Gain Miles Financial Planning Consultants Limited.
- iii. Source: The Public Opinion Programme (POP) at the University of Hong Kong, The Mandatory Provident Fund Scheme Authority, Gain Miles MPF Consultants Limited and Gain Miles Financial Planning Consultants Limited, 2015 Gain Miles MPF Confidence Index Survey, 2013 Organisation for Economic Co-operation and Development (OECD) Countries Private Pension Scheme Statistics.

This press release contains forward-looking statements that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. These forward-looking statements are, by their nature, subject to significant risks. When the words "will", "plan", "should" and similar expressions used in this document, they are intended to identify forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks, and uncertainties. Actual results and events may differ materially from information contained in the forward-looking statements. Investment involves risks; past performance is only for illustration and is no guarantee of future returns.