


Volatile investment markets - three things to consider in the context of your MPF savings



multiple economic cycles, with consequent short-term fluctuations, up and down. Investors are often influenced by short-term blips and these can impact judgment on market timing and rational decision-making.

Long-term investors should make investments in accordance with their own risk tolerance level. When market conditions fluctuate during the investment journey, it doesn't mean that you should panic and start selling investments in response. This also applies in times of very adverse market conditions. And, if members continue to invest during the recovery period, members will be buying funds at cheaper prices, thereby reducing the average unit fund price – as discussed above.

Diversify your portfolio to secure returns and reduce risk

The last suggestion is to spread your savings over a range of different investments - never put all your eggs in one basket. Diversification of your investment savings can be at the asset class level as well as at the regional or industry level.

When an unfavorable market event occurs and the value of assets fall, the idea is that there will be other asset classes that are less adversely affected, or even increase in value. It is suggested that members' investment portfolios should contain both stocks and bonds, for example, because the correlation between these two types of assets is low. This approach, whereby the assets behave differently, effectively reduces the volatility of the investment portfolio. The amount to be held in each asset class is left to be determined by each investor according to their individual appetite for risk.

In addition, within each asset class, members can further diversify by investing in different regions or sectors. Some factors may only impact specific regions or industries. For example, the tightening of industry regulations by the Chinese Government may only have a limited impact on Europe, U.S. and other regions. Another way to diversify is to consider the Default Investment Strategy (DIS) within the MPF, comprising 2 funds, i.e. Core Accumulation Fund and the Age 65 Plus Fund. Both are mixed asset funds

Investment markets continue to be very volatile, made worse recently by the Russian invasion of Ukraine, surging inflation and many central banks starting to tighten their monetary policies. This volatility can also have a direct effect on your MPF savings. Here are three things you may like to consider when investing during volatile times.

Dollar cost averaging

The payment of monthly contributions to the MPF system not only serves as a positive savings habit, but it also benefits the saver by utilizing "dollar cost averaging". When the market rises, the number of fund units purchased with the same monthly contributions decreases over time, and vice versa when the market drops.

For example, if the monthly contribution of a member is HK\$1,000, and the price of the fund unit is HK\$100, the member can purchase 10 fund units. In the next month, if the fund price drops to HK\$90, the same HK\$1,000 contribution buys 11 fund units. By making regular contributions over an extended period, the price of the units purchased will be averaged out.

Further, this approach can, to some extent, reduce the risk of making a wrong decision on market timing. Even professional investors sometimes employ this approach as it is difficult to make consistently accurate decisions on the state of a particular investment market. This is even more difficult for the general public.

Long-term investing – don't try to time the market

The second item to consider is that saving for retirement will, in most cases, involve investing for the long-term.

In the case of younger MPF members, this could be 30 to 40 years. Try not to be too sensitive to short term market fluctuations. During the retirement savings journey, your MPF investment funds will be exposed to

that make investments in different assets classes around the globe.

In volatile times, you may observe short term losses in fund value. However, keep these three strategies in mind, and you will hopefully look forward to achieving satisfying investment returns over the period to retirement.

About WTW

At WTW (NASDAQ: WTW), we provide data-driven, insight-led solutions in the areas of people, risk and capital. Leveraging the global view and local expertise of our colleagues serving 140 countries and markets, we help organizations sharpen their strategy, enhance organizational resilience, motivate their workforce and maximize performance. Working shoulder to shoulder with our clients, we uncover opportunities for sustainable success—and provide perspective that moves you. Learn more at [wtwco.com](https://www.wtwco.com).

有關韋萊韜悅

在韋萊韜悅，我們運用數據和灼見，為機構的人才、風險和資本範疇提供解決方案。我們的同事遍布全球 140 多個國家，他們既具國際視野，亦富當地知識，協助機構強化策略、增強組織彈性、激勵員工，以及儘量提昇表現。我們與客戶並肩合作，發掘機會去持續取得成功，同時提供打動你的觀點，詳情請瀏覽 [wtwco.com](https://www.wtwco.com)。

三招強積金部署應對波動市況



近日投資市場較為波動，俄烏戰事爆發、美國通漲率抽升以及各國開始收緊貨幣政策等多個不明朗因素，均對市場造成衝擊。強積金的投資回報亦難免受到影響。然而，成員只要善用以下三招部署，或許能應對波動的市場環境。

平均成本法於跌市時買進更多單位

強積金每月定期供款，除了是一項持之以恆的儲蓄習慣以外，也是發揮平均成本法的最佳方式。平均成本法的原理，是指當市場上升時，同等供款金額買到的基金單位數目會減少，反之亦然。

例如，每月供款 1,000 港元，進行第一筆供款時基金單位的價格為 100 港元，即可以購入 10 個基金單位。在第二筆供款時，基金價格下跌至 90 港元，那麼同等金額的供款便能買入 11 個單位。將以上操作維持一段時間後，平均買入成本就會拉勻。

事實上，就算是專業的投資者也未必能預測市場的升跌，更遑論各位打工仔。比起一次過將錢投入市場中，平均成本法可一定程度上避免錯誤預測市況，並減少單一時間點投入的風險。

長線投資少對時機作判斷

當投資組合出現虧損，就應該採用第二招應對方式——保持長線投資心態。

強積金是一項長達三、四十年的長線投資儲蓄計劃，必定會經歷多個經濟興衰周期，並存在短線波動。成員不應對市場時機作出過多判斷，投資者面臨艱難的市況時往往受情緒及偏見支配而錯失良機。

長線投資代表成員應根據自身的風險承受水平作出部署，市況波動並不代表要沽售所有投資。即使市況再艱難，在市況收復期間持續投資，成員能以低價購入基金，降低平均買入價，在一段時間後收復失地。

分散部署降低風險保回報

最後一招便是分散部署，不要將所有雞蛋放在同一個籃子內。分散部署可以是資產類別層面，也可以是地區或行業層面。

當一個不利市場的事件發生時，某一資產價值下跌時，必然有其他資產受影響較少，甚至反而升值。成員的投資組合可考慮同時包含股票及債券，因這兩類資產的相關性不高，有時甚至會出現相反走勢可以抵銷部份虧損，能夠有效降低投資組合的波動性，而實際比重可按成員的風險承受水平而決定。

除此之外，成員還可以在每個資產類別中進一步細分，將風險分散到不同地區或行業。有些因素可能只會對特定地區或行業造成衝擊，例如中國政府收緊行業監管，對歐美及其他地區的影響有限。值得注意的是，強積金預設投資策略的兩項基金，即核心累積基金及 65 歲後基金，均是股債混合而且分散投資於世界各地的。

在波動的市場環境下，投資組合或無可避免出現虧損，但成員只要謹記及運用以上三招，長遠或許可以獲得可觀的資產增值。