

How does the surge in global interest rates affect Hong Kong MPF investment returns?

Faced with inflation that keeps soaring to new levels, central banks in many countries are responding by raising interest rates. To what extent will MPF investments be affected by higher interest rates, and what actions should members take in response?

Economic recession and stagflation

When central banks raise bank interest rates, money becomes more expensive to borrow, which increases the borrowing cost to investors. This slows the growth rate of the economy overall, while also curbing inflation. The U.S. Federal Reserve, one of the most powerful central banks, increased interest rates by 75 basis points at its June and July meetings, the largest increases in the past decade.

Over the past ten years, we have all become accustomed to the low-interest rate environment. People are now starting to feel uneasy about the prospect of increasing interest rates, and are also concerned by the fall in investment markets. The biggest worry for investors now is that further expected increases will lead to a recession or even stagflation.

Both stocks and bonds have fallen in value

Under current market conditions, different asset classes are affected in different ways and to a different extent. Companies' revenue and earnings have been relatively gloomy due to slowing economic activity, leading to a downward trend in stock values, especially high-growth technology stocks.

In addition, lower-risk assets such as bonds have also been falling in price due to higher interest rates. Although the Fed only sets short-term interest rates, there is a knock-on effect on medium and long-term interest rates.

When interest rates rise, bond prices typically fall as will the market value of bond portfolios.

Historical ups and downs in the economic cycle

When investment markets are volatile, decision-making can be difficult. However, it can be seen from historical market downturns, that investment markets often recover faster than expected.

Over the 20 or so years since the MPF was launched, there have been several market corrections including the global financial crisis in 2008, and asset prices have subsequently returned to their long-term trend. According to the MPFA's annual report, for the period from 1 April 2008 to 31 March 2009, MPF assets dropped by 25.9%, with a total loss of HK\$69 billion. During the following year, MPF asset returns rebounded sharply, with a net investment return (excluding contributions) of HK\$70 billion, a rate of return of 30.1%.


Similar examples can be seen in 2003-2004, 2012-2013, and 2020-2021. It should be noted that past market performance is not an indication of future returns, but it can be considered a useful reference.

When asset prices are low, members can buy more fund units with the same contribution amount and lower the average buying price. When market conditions recover, the rebound in returns will also be reflected in members' MPF balances.

Price volatility is inevitable for MPF assets

Market volatility may be of concern to anxious investors whose focus is on the short-term. However, for longer-term investors who invest for retirement in the MPF, market fluctuations along the way are inevitable. MPF

contributors should make decisions based on their long-term risk tolerance level and should adopt a forward-looking retirement-focused mindset. Further, it should be noted that the MPF system allows retired members to continue to invest their accumulated benefits after retirement, which provides flexibility for members approaching retirement to wait until market conditions improve before withdrawing their benefits.



全球加息如何影響香港 強積金投資組合

為應對嚴重通漲，多個國家的中央銀行陸續進入加息周期。在加息的環境下，強積金投資組合將受到甚麼程度的衝擊，成員面對這情況又應該採取甚麼應對措施呢？

經濟存在衰退及滯脹風險

加息是指中央銀行提升銀行利率，令投資者要用更高的成本去借錢，從而令整體經濟放緩及減低消費，最終使通漲降溫。美國聯儲局作為全球最重要的中央銀行之一，於六月及七月會議分別宣佈加息 75 基點，是近十年增長幅度最高的。

過往十多年，很多成員對低息環境習以為常，面對加息感到不適應及焦慮，對投資市場出現全方位下跌也感到不知所措。現時，投資者最憂慮的是進一步的加息行動，會導致經濟陷入衰退，甚至收縮令經濟出現滯脹情況。

股票及債券都出現下跌

於這個市場環境下，不同資產類別都會受到一定程度的影響。企業的收入及盈利因經濟放緩而下跌，導致其股票價值首當其衝向下調整，尤其是高增長的科技股份。

然而，債券這類風險較低的資產，也因息率上升而表現失色。雖然美聯儲只是決定短期息率，但中長年期債息仍會被拉動。當債息上升時，債券價格便會下跌，債券投資組合便有可能出現虧損。

歷史數據現升跌周期

當股票及債券市場表現波動，成員更難作出投資決定。不過，從過往多次的市場調整及震盪中可見，市場復甦的時間可比成員想像中快。

於強積金成立二十多年的歷史內，也曾經出現大規模的市場調整，例如 2008 年金融海嘯，而最終很快便收復失地。根據積金局的年報，於 2008 年 4 月 1 日至 2009 年 3 月 31 日的年度，強積金的回報虧損為 25.9%，合共損失了 690 億港元。隨後一年，強積金的卻回報大幅反彈，投資淨收益(不包括供款)為 700 億港元，回報率為 30.1%。

同類的例子亦可見於 2003 至 2004 年、2012 至 2013 年以及 2020 至 2021 年。當然，大家都應該明白過往的市場表現並不構成未來的回報保險，不過也可權充參考。

當基金價格處於低位，成員可以同等的供款購入更多基金單位，以及降低平均買入價。當市況收復，回報率的反彈亦會反映在成員的強積金累積權益。

市場波動是積金投資必經過程

市場波動可能會影響令成員變得焦急。但對於強積金這類長線投資計劃而言，市場波動是一個必經的過程。成員應該根據自己風險承受水平進行部署，以更具前瞻性

的目光規劃退休。此外，強積金制度允許退休成員繼續將滾存權益進行投資，這為臨近退休的成員提供彈性，可等待市況好轉才提取權益。



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