



## Increasing the prescribed saving rate will improve returns on Conservative Funds

Hong Kong's deposit rates have been increasing recently following increases in interest rates around the world. Banks are attracting cash by offering higher interest rates on time deposits, and the one-year Hong Kong Dollar fixed-term interest rate has now reached more than 4%.

Given this background, the "Prescribed Savings Rate" under the MPF and the returns available from MPF Conservative Funds have also increased.

### What is the Prescribed Savings Rate?

The Prescribed Savings Rate (PSR) is used as a benchmark to decide whether MPF trustees can collect fees on their Conservative Fund. Each month, the PSRs for the previous month are announced in newspapers, as well as on the Mandatory Provident Fund Authority's (MPFA) website.

Under the regulations, no fees can be deducted from a Provider's Conservative Fund in any month unless it achieves a net return for that month greater than the return calculated based on the PSR. However, within any 12-month period, if the return in any month exceeds the PSR, the MPF trustee can recoup any uncollected fees, but only to the extent of the excess returns achieved.

This arrangement encourages MPF Conservative Fund managers to actively look for suitable investment opportunities in the market, so that the investment return on their funds is higher than the PSR.

### The PSR has been on an upward trend since September 2022

The calculation method to determine the PSR is based on the simple average of the interest rates offered by the three note-issuing banks in Hong Kong on a Hong Kong dollar savings account with deposit amount of HKD

120,000. In the prior "zero-interest rate", the PSR remained at 0.001%. From September 2022 onwards, the PSR has started to increase, and the latest announced PSR is 0.625% for Jan 2023.

### Conservative Funds cannot fully invest in longer-term instruments

Conservative Funds must adhere to certain investment requirements.

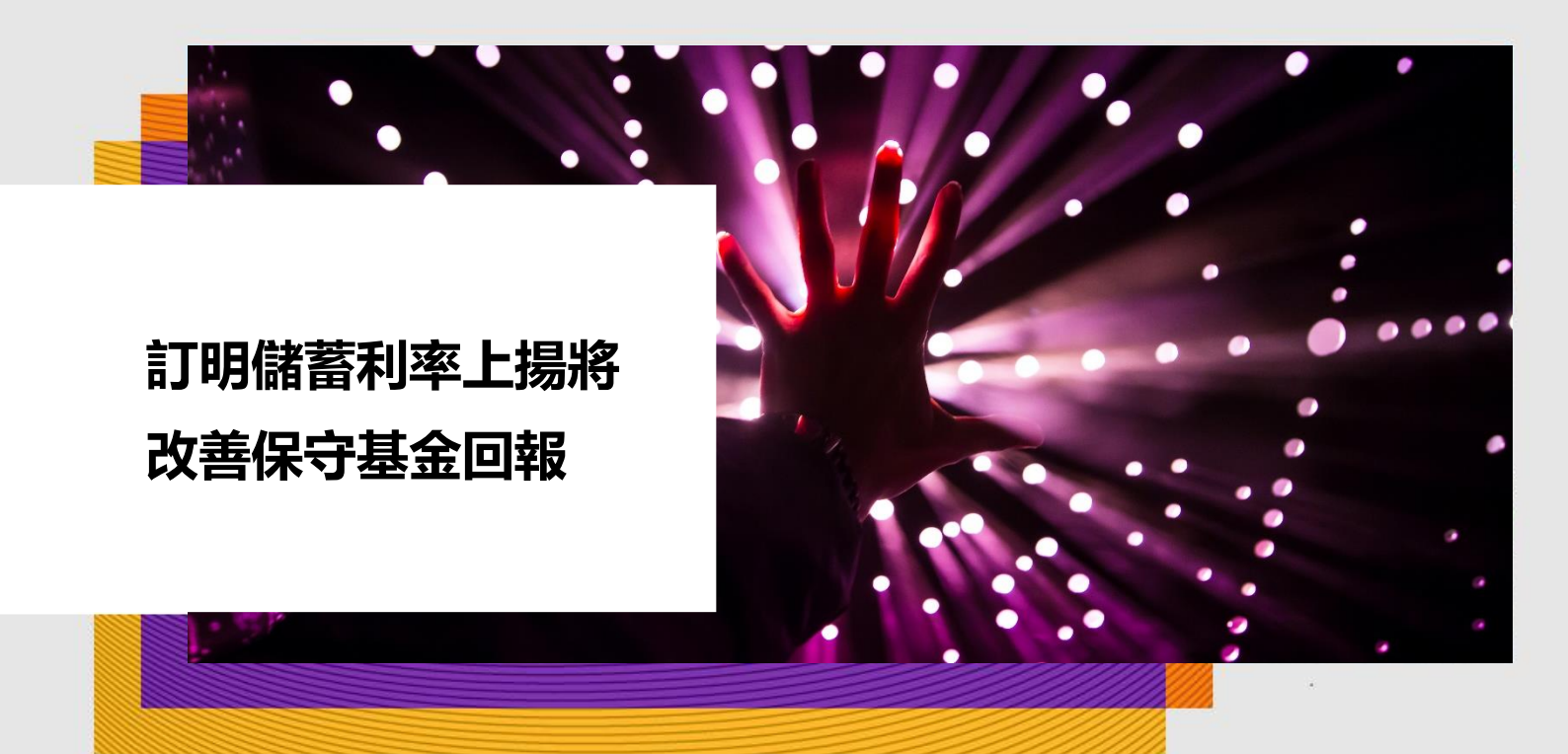
First, Conservative Funds can only invest in Hong Kong-dollar short-term bank deposits and short-term bonds, with an average maturity of not more than 90 days. Further, since Conservative Funds are mostly viewed as short-term parking funds, fund managers need to ensure there is sufficient liquidity to fulfill redemption demands.

These requirements prevent Conservative Funds from investing heavily in longer-term time deposits or bonds, so comparing overall fund performance with returns available on one-year time deposits is not appropriate.

### The effects of timing can prevent returns from matching the market

Conservative Funds are required to wait for their current holdings to mature before they can invest in new time deposits or bonds, which may offer higher interest rates. This lag effect can affect fund performance. In addition, interest rate increases may adversely affect other investments within the fund.

Whilst the effect of rising interest rates may not be fully reflected in Conservative Fund returns, the returns will still follow in the direction of the rise in interest rates and the PSR, so they can be considered a suitable fund choice in the current economic cycle.



## 訂明儲蓄利率上揚將 改善保守基金回報

香港的存貸利率隨著全球加息浪潮一同上調。不少銀行透過高息定期存款吸納資金，一年期港元定存息率可達四厘以上水平。

在這個情況下，強積金的「訂明儲蓄利率」以及保守基金的回報相信也會跟隨上升。

### 訂明儲蓄利率是什麼？

訂明儲蓄利率是受託人能否就保守基金收取任何費用的參考基準。積金局每月會在報章及其網頁公佈上月的「訂明儲蓄利率」。

在強積金條例下，若某一受託人所提供的保守基金回報未能超越訂明儲蓄利率，該受託人當月便不能收取行政費。若其後 12 個月內任何一個月的回報高於訂明儲蓄利率，受託人可追收之前未有收取的行政費，但所追收的行政費不可高於扣除訂明儲蓄利率的回報後所得的盈餘。

這個安排促使受託人及基金經理積極於市場上尋找合適的投資機會，令投資組合回報高於訂明儲蓄利率。

### 訂明儲蓄利率 9 月起進入上升周期

訂明儲蓄利率的計算方式是以本港三間發鈔銀行的港元活期儲蓄賬戶 12 萬存款所提供的平均利率作為計算標準。過往在零息環境下，訂明儲蓄利率一直處於

0.001%的水平。訂明儲蓄利率自 2022 年 9 月開始上升，最新公佈的 2023 年 1 月訂明儲蓄率為 0.625%。

### 保守基金不能全數投資於長年期工具

保守基金是有一些投資的限制。

首先，保守基金只能投資於港元短期銀行存款及短期債券，平均投資期不可超過 90 日。此外，由於保守基金多數用作短暫停泊資金，基金經理需要確保一定流動性以應付贖回需求。

這些限制令保守基金不能大量投資於更長年期的定期存款或債券，因此將基金整體表現直接與一年期定存利率作比較未必合適。

### 滯後影響令回報未能追上市場水平

保守基金要等待現時持有的投資到期後，才能以較高利率投資於新的定期存款或債券，這個滯後效果亦會影響基金表現。另外，加息也有可能反向影響部份保守基金內的投資。

儘管利率上升的效果並不一定會全面反映在保守基金的回報之中，保守基金的回報理論上還是會隨同加息及訂明儲蓄利率上升呈同一方向的走勢，因此可作為在現今的經濟周期中其中一個投資的考慮。



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