



Refining MPF benchmarks - a more valid measure of your MPF's performance

Members evaluate MPF fund performance in different ways. Some compare against Hong Kong or US stock market performance, whilst others take a simpler approach and see whether a positive or negative return has been achieved. However, a more legitimate method to evaluate fund performance and determine if the manager has outperformed or underperformed is to compare against asset class benchmark performance.

Losses are inevitable during market downturns

Investment managers must invest in permissible investments based on the investment objectives stated in the MPF Scheme Brochure. If the market value of a certain asset class falls, even the best investment managers cannot avoid suffering losses in their investment portfolios. For example, in Hong Kong, the Hang Seng Index slumped by more than 15% in 2022, and none of the Hong Kong equity funds in the MPF universe were able to successfully “dodge the bullet” and achieve a positive return.

The investment manager is the key to whether funds outperform

The investment industry usually evaluates investment managers based on their ability to generate excess returns or “Alpha”. For example, if a fund's return in 2021 is 10%, while its asset class benchmark return in that year is 8%, the fund's performance is better than the benchmark return by 2%. The 2% outperformance is the “Alpha”. Positive Alpha means that the fund has outperformed the market, while negative Alpha means that the fund has underperformed the market.

Outstanding investment managers can make informed investment decisions and astutely select stocks to accomplish better returns on their investment portfolios. Benchmark returns serve as helpful market indicators and are crucial for assessing fund performance. If over time the

composition of a benchmark is no longer representative of the underlying assets and does not fully match the asset's investment allocation, it is necessary to refine the benchmark to more accurately evaluate and measure fund performance.

Refining benchmarks by including China A-shares

Since the inception of the MPF system in Hong Kong more than two decades ago, WTW has worked to maintain a representative set of MPF industry benchmarks for investors to measure and compare funds under the same category. In 2021, WTW and the Hong Kong Investment Funds Association (HKIFA) conducted a review of the MPF benchmark indices. After communicating with industry stakeholders, it was decided to refine the benchmark indices for mixed-asset and global bond fund categories to better match changes in their underlying assets.

In view of the MPF Authority adding Shanghai and Shenzhen Stock Exchanges to its list of approved stock exchanges, it was decided to adjust the mixed-asset fund benchmark index to allow for the removal of the upper allocation limit to Chinese A-shares. The adjustment to the benchmark index will be carried out in four tranches from July 2023 to April 2024.

In addition, to better account for certain regulatory investment guidelines faced by MPF managers, adjustments will also be made from 1 July 2023, to the reference indices for both global bond funds and the global bond component of mixed asset funds.

It is believed that these and other refinements will help to maintain benchmark relevance to enable investors to more accurately assess and compare fund managers' performance.



優化基準 更準確評估積金表現

部份強積金成員依照香港或美國大市表現或根據回報是否正數評估其基金表現，然而更準確及更公平的評估方式是與基金所屬的資產類別基準指數比較，從而了解基金經理於管理投資組合時能否「跑贏」市場。

大跌市出現虧損在所難免

基金經理需要根據計劃說明書所列的投資目標以及可使用的投資工具進行投資。如果所屬資產類別市值全面下跌，即使是最出色的基金經理所管理的投資組合也難以避免出現虧損。以香港股市為例，恆生指數於 2022 年下跌超過 15%，強積金內所有港股基金也難逃噩耗，未能錄得正回報。

基金經理回報能否跑贏基準？

投資業界通常以基金經理提供「超額」回報的能力進行評價。例如某基金於 2021 年的投資回報為 10%，而其所屬的資產類別基準指數於同年的投資回報為 8%，該基金的表現優於基準指數 2%，2% 的差異就是超額回報。超額回報為正數代表該基金「跑贏」大市，負數則代表該基金「跑輸」大市。

傑出的基金經理以敏銳的觸角選股及部署，主導投資組合的表現。而基準指數就如一個市場指標，對量度基金表現非常關鍵。如果基準不符合資產的投資分佈，便有需要調整基準，從而更準確評估及量度基金表現。

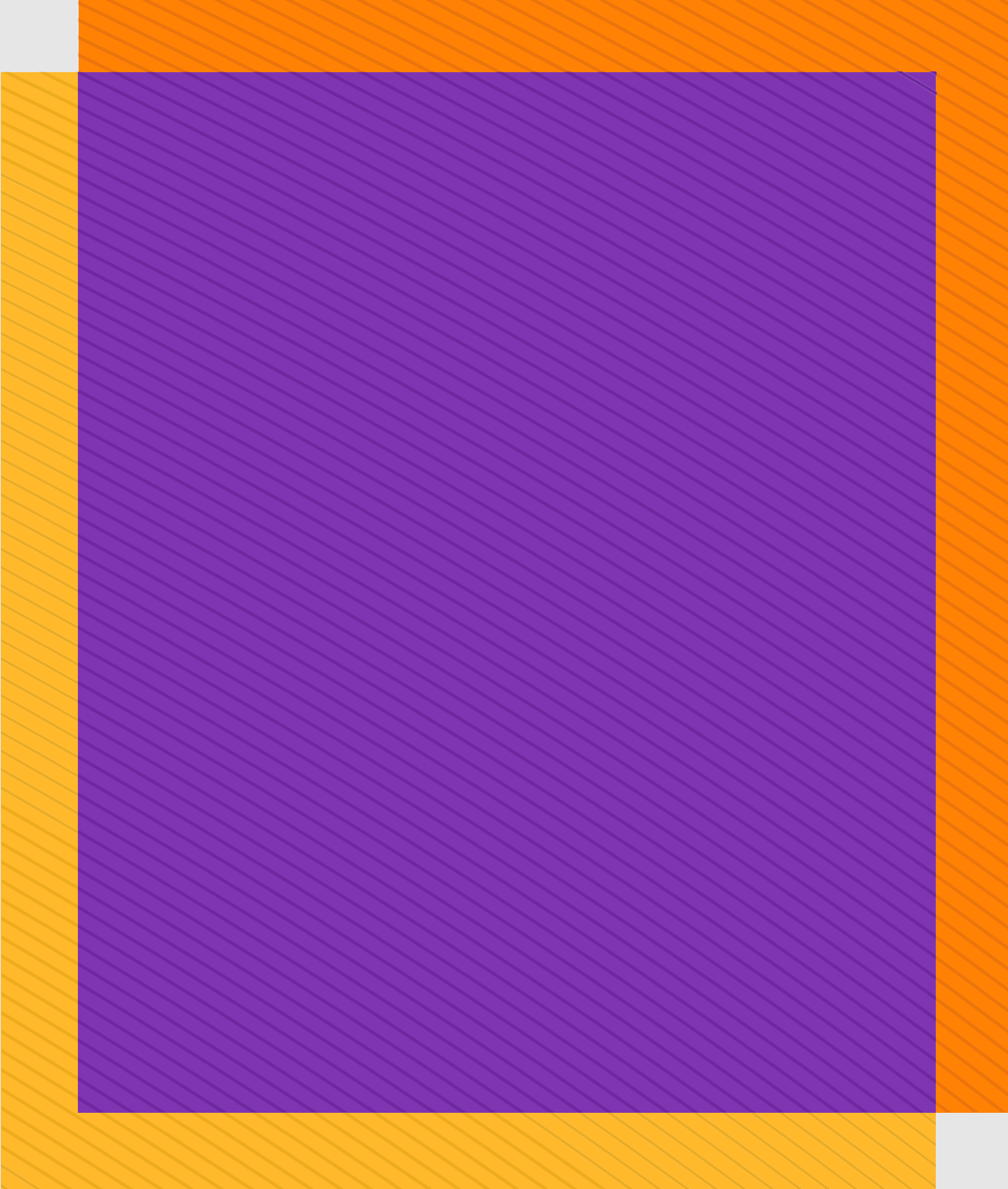
優化基準加入 A 股成份

自香港強積金制度成立二十多年以來，韋萊韜悅一直致力於為投資者維持一套全面的強積金行業基準，以衡量和比較同一類別的基金。韋萊韜悅與香港投資基金公會 (HKIFA) 於 2021 年就強積金的基準指數進行檢討，與業界持份者溝通後，決定進一步優化強積金的混合資產以及環球債券基金類別的基準指數。

有鑑於積金局早前將上海及深圳證券交易所納入認可交易所名單，中國 A 股的配置比重限制因此取消。有見及此，混合資產基金類別的基準指數將從 2023 年 7 月至 2024 年 4 月分階段加入中國 A 股比重。

此外，為了更準確反映投資指引的特定監管要求，環球債券基金以及混合資產基金內環球債券成份的基準指數將於 2023 年 7 月 1 日起更替。

相信這項變動能提高基準的相關性，並鼓勵市場採用優質且標準化的參考指數以反映基金經理的實際表現。



About WTW

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