

LimeLighter

Latest news and update | July 2021



HKRSA x RTHK 投資新世代 Investment Era

Stay tuned starting from 19 June to 17 July
5 consecutive Saturdays

Interview timeslot featured by HKRSA 10:35 - 10:50am

for the interview on RTHK Radio / TV Channel 31 <https://www.rthk.hk/tv>
and

HKRSA website: www.hkrsa.org.hk

Premier Sponsors 2021



HKRSA

香港退休計劃協會

The Hong Kong Retirement Schemes Association

Retirement
Beyond
Dollars
and Cents
HKRSA 2020

退休有術

▶ REPLAY

HKRSA x Metro Finance FM104

Retirement Planning and Education Programme 22Aug – 24 Oct 2020

【退休有術】第九集

【退休有術】第十集

How to Build Engagement, Part 1



Lowana Yick
Executive Committee
Member, HKRSA



Eddy Chan
General Manager
(External Affairs),
Mandatory Provident
Fund Schemes
Authority



Charlotte Chan
Portfolio Strategist,
Intermediary Business,
North East Asia,
Fidelity International

為何積金局向成員進行提升參與度或者與持份者關係的工作，情況有時會類似「地面部隊」？強制性公積金計劃管理局 對外事務部總經理 陳安定表示，積金局做持份者關係工作時，就好似「地面部隊」，好多工作好多關係都是靠一兵一卒逐單逐單打返來，每一位新朋友都係要親身去認識，建立互信的關係，好似強積金般一點一滴累積回來。我們的工作是長時間深耕細作，和持份者持續進行溝通，通常面對面交流，即時了解持份者的反應及真實想法，並確保成員能夠正確瞭解積金局的訊息。

在協助積金成員部署退休計劃方面，富達國際東北亞區分銷業務投資策略師 陳宇昕指出，坊間愈來愈多不同的互動計算工具協助打工仔計劃退休，這些工具可以分為三大類。第一類集中幫助僱員定立儲蓄目標，計算自己所需退休金額，以及定立每月儲蓄目標。第二類工具著手幫助在職的員工審視進度，透過規劃和設置一些相對短期的儲蓄目標，並檢視整體退休規劃的進度。第三類則幫助即將準備退休的員工，計劃退休後的財務安排，估算每月能夠在退休金中提取多少款項，又不用擔心太早花光退休積蓄。積金成員如果能夠善用這些不同工具，相信有助設計更個人化的退休計劃。

Recording Replay:
<https://www.youtube.com/watch?v=WqrLjofBFic&feature=youtu.be>

How to Build Engagement, Part 2



Hayly Leung
Executive Committee
Member, HKRSA



Andrew Wan
Chief Finance Officer,
Securities and Futures
Commission



Ray Chan
Executive Director,
Product, Sales &
Marketing Department,
Taikang Asset (Hong
Kong)

在現今科技愈為便利社會各階層的環境下，騙徒的犯案手法亦愈日新月異。投資者或積金供款人應如何避免及提防投資騙局？證監會首席財務總監及投委會董事局成員溫志遙指出，避免跌入投資騙局，要緊記3招防騙貼士：

第一招 - 不輕易信人

「在過往的騙案中，騙徒通常會假扮不同的角色，例如投資專家，又或財經KOL。若遇到這樣的情況，我們要第一時間核實對方的身份，千萬不要輕易相信他人。」

第二招 - 不貪心

「騙徒很多時會透過社交媒體，博取你的信任，而成為你的密友之後，就向你推介一些所謂必賺的股票，又或訛稱有內幕貼士，誘騙你投資。大家千萬不要隨便相信，因為隨時貪字得個貧，最後變成人財兩空！」

第三招 - 多留意防騙資訊

「騙徒手法層出不窮，我們要多留意這方面的資訊，例如警方的「反詐騙協調中心」會提供很多真實的騙案例子。大家亦可以上 IFEC 投委會的「錢家有道」網站，了解更多防騙資訊。」

雖然以上都是老生常談，但投資大眾必須小心為上，避免跌入投資騙局。至於為何要預早部署退休計劃，免除「未富先老·又老又窮」的境況？泰康資產管理(香港)有限公司 產品、銷售及市場部執行董事 陳俊文，列出以下要點：

- 人類社會正在進入長壽時代。長壽時代其中一大特徵壽 命延長。
- 我們將更加依賴投資回報和財富積累來滿足養老和健康的需求及開支。
- 對MPF或退休金成員而言，應該及早定立具體退休目標，為退休所需作出安排。
- 避免「未富先老·又老又窮」的情況發生在自己身上。

Recording Replay:
<https://www.youtube.com/watch?v=TFYK5u6tbg4&feature=youtu.be>
www.hkrsa.org.hk

HKRSA Webinar 5 May 2021 (Wed) 3:00-4:00pm Conducted in English

Asian Fixed Income 2021: Reasons for Optimism

Asian Fixed Income – Your First Steps into Emerging Markets

As the size of the pension and savings industry in Hong Kong continues to grow, it is natural that the asset owners will evolve their asset allocation, looking farther afield for new opportunities. This is particularly relevant in the COVID environment where interest rates globally have been reduced nearer to or are at zero. With some yield still on offer in Asian Fixed Income (“AFI”) (specifically USD investment grade credit), we believe we stand at a juncture where AFI should be considered a strategic allocation for Hong Kong investors and may actually compliment their asset allocation.

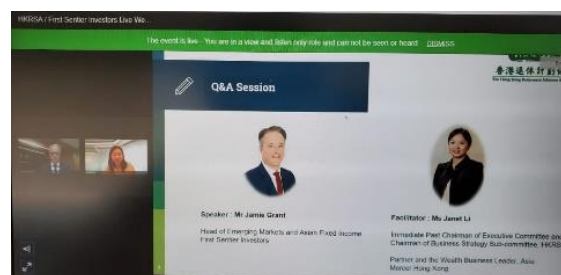
Earlier in May 2021, First Sentier Investors (FSI) hosted a webinar on the key reasons for optimism for investing into AFI, particularly on why Asian fixed income should be considered as a strategic solution within MPF and pension solutions. Jamie Grant, Head of Emerging Markets and Asian Fixed Income, discussed about why AFI should be considered as a key allocation in portfolios. Here is a summary of some of the considerations:

Diversification

When considering the number of issuers and that Asian Fixed Income issuers (eligible for benchmark inclusion) originate from 17 countries, this facilitates the construction of portfolios far more diversified than ever before. Today China issuers are the largest constituent of AFI, followed by Indonesia, South Korea, Hong Kong, and India.

Volatility

AFI had historically endured volatility greater than other investment grade markets. With the growth in the market creating a deeper and more diversified universe, and the investor base of Asian professional investors growing, Asia volatility has begun to recede. Today, AFI has a volatility profile better than U.S. investment grade credit, yet still enjoys a premium over.



Speaker: Mr. Jamie Grant of First Sentier Investors

Returns

AFI has delivered consistent returns year on year. Since inception the most commonly used benchmark has provided consistent yearly positive returns except in 2008 (in line with most asset classes) and 2013 (as a result of taper tantrum). The index was launched in September 2005, in the middle of the Federal Reserve’s last rate rising cycle that lasted through to the middle of 2006. That cycle was quite aggressive yet AFI still generated positive returns. The return profile for AFI in our assessment represents a resilient return profile suitable for long-term investors.

In the context of volatility (i.e. risk adjusted returns or Sharpe Ratio), we compare AFI to major asset classes (Chart below). The AFI Sharpe Ratio when compared to other asset classes for the period post Global Financial Crisis to May 2021 remains favourable.

Looking ahead to 2021, we believe Asian fixed income will create investment opportunities and add values to your MPF and pension solutions.

Source: First Sentier Investors, as of end of 7 June 2021.

	5-yr UST	Asia Credit	Asia IG	Asia HY	Global Credit	EM Corp IG	EM Corp HY	US IG	US HY	EM Sovs	EM Corps	World Equity	S&P Equity	EM Equity	Asia Ex-Japan Equity
Ann Return	2.3%	5.2%	4.7%	6.7%	3.6%	5.2%	5.9%	3.3%	6.4%	5.7%	5.5%	10.2%	14.4%	4.5%	7.1%
Ann Vol	2.7%	4.6%	3.8%	7.5%	5.2%	5.3%	9.9%	3.0%	7.0%	8.0%	6.1%	14.1%	13.6%	17.7%	16.8%
Sharpe Ratio	0.6	1.0	1.1	0.8	0.6	0.9	0.5	0.9	0.8	0.6	0.8	0.7	1.0	0.2	0.4


Source: UBS, Bloomberg Barclays, JP Morgan, MSCI, S&P, and First Sentier Investors as of 31 May 2021.

Premier Sponsor Column (June 2021)

We are delighted to publish articles by Fidelity and First Sentier Investors to provide us insights on how we can better plan for our retirement. Stay tuned for more articles in Aug 2021!

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The Hong Kong Retirement Schemes Association

PREMIER SPONSOR ARTICLE SERIES JUN 2021

Improving their financial wellness may help Hongkongers secure a happier life 





As much of the world faces an uncertain economic outlook due to the global pandemic and volatile markets, many people are facing financial challenges. Hong Kong workers are not immune from suffering of financial problems, especially as Hong Kong's unemployment rate rose to 7% in January 2021, the highest level since April 2004.

Many Hong Kong workers report being under significant emotional stress, with many facing a drop in wages or job loss during the economic downturn and the coronavirus outbreak. Fidelity conducted a financial wellness survey in 2020 during the pandemic period. The survey revealed that 21% of Hong Kong respondents felt "very" or "extremely" stressed about their financial situation, and 77% expressed that their happiness depends on financial security.

Achieving financial wellness can help Hongkongers feel more financially secure. However, Hong Kong's median Financial Wellness Score is 65 out of 100, sitting at the lower range of the "Good" category. It indicates that there is room for Hongkongers to improve their financial wellness.

What is financial wellness?

Fidelity believes financial wellness is holistic and multi-layered with objective and subjective inputs across four key domains: Budgeting, Debt, Savings and Protection.

 Budgeting Monitoring a budget and a positive cash flow are both necessary precursors to managing debt, saving for the future, investing, and protecting against risk.	 Savings This includes long-term savings and investing (e.g., for retirement) but also saving for short-term expenses such as home repairs or holidays.
 Debt High levels of debt relative to income can prevent a considerable barrier to savings. Prudent use of credit may be a good way to build a positive credit profile.	 Protection Without adequate emergency savings and/or financial protection against catastrophic health events, disability, or property loss one's financial situation can very quickly move from comfortable to distressed.

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PREMIER SPONSOR ARTICLE SERIES JUN 2021

Investment Grade Credit in Asia – a long term investment tool for retirement? 

We believe bond market demand in Asia represents an opportunity for fixed income investors as well as those who invest for retirement. There are many factors driving this positivity: its high stability and low risk feature, robust return, and Asia's strong growth outlook drive allow it to outshine its peers as we look towards a post-Covid world.

What is investment grade credit?

Investment Grade Credit, sometimes called 'high grade bonds', are issued by corporates of good quality usually resulting in lower risk of default. These bonds receive higher ratings (Baa3/BBB- or above) from credit rating agencies. Non-investment grade bonds, also known as high yield or junk bonds, receive lower ratings reflecting their low quality compared to investment grade bonds.

Why would we consider investment grade credit as an investment tool for retirement?


1. High stability with relatively lower risks

In Asia USD investment grade credit, government related and state-owned enterprises make up the highest market value. Given government ownership, these companies are inherently less risky than general corporates, resulting in higher stability.

Chart 1: Asia IG offers spread premium over US IG spreads



Chart 2: Asia IG volatility is lower versus US IG



Besides, it is important to note three key observations and trends which are likely to support the growth story of Asian fixed income. First, developed market investment grade benchmarks are typically dominated by financial institutions, due to their need for capital. Asia has fewer financials in the benchmark relative to peers such as US investment grade. The dominant issuers within this sector in Asia are the high quality financial institutions from Singapore, the mainland China and Hong Kong. Secondly, our research has shown that Asian investors are buying Asia. This trend continues with approximately 75% of new issues being invested in by Asia-based investors. Finally when we look at the dominant issuers for the industrials, we see high profile, well capitalised, profitable global names that represent diversity and exposure to the growth story of Asia.

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Upcoming HKRSA event

HKRSA X Taikang Webinar

Date & Time: 30 July, 2021 10:00-11:00am

日期及時間: 2021年7月30日上午10時至11時

Topic: Generating retirement income in a low return environment

主題: 低回報環境下如何創造穩定退休收入

Language: Cantonese

語言: 廣東話

Fee: Free 費用全免

Register now:

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Collaboration event



IFPHK Financial Education Leadership Awards 2021 - Open for Application

Organized by the Institute of Financial Planners of Hong Kong (IFPHK), the "IFPHK Financial Education Leadership Awards 2021" is now open for application. Themed **"From Spark to Flame – Financial Education in the Time of Pandemic"**, the Awards aims at recognizing corporates and individuals in providing public financial education to the community on a pro bono basis.

The Awards is open to all Hong Kong commercial firms, NGOs and individuals who have undertaken financial education tasks over the two years. Corporate awards include **"Best Corporate Financial Education Leadership of the Year"**, **"Corporate Financial Education Leadership"** and **"Corporate Volunteer Team in Financial Education"**. The individual award is named as **"Citizen Volunteer in Financial Education"**.

The Awards is open for application with a submission deadline of **30 September, 2021**.

For Awards details, please visit: www.ifphk.org.