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The Hong Kong Retirement Schemes Association
香港退休計劃協會



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You're invited to join our

Christmas Luncheon

**With Mr. Yan Chee CHENG
(Managing Director, MPFA)**

This luncheon is eligible for 1.5 hours of non-core CPD/CPT training hours

Date | Time: 14 Dec 2023 | 12:30pm

HARCOURT SUITE
1/F THE HONG KONG CLUB
1 JACKSON ROAD CENTRAL

HKRSA Member: \$750 Non Member: \$850



Dress code: Business Smart

Jeans, T-shirts, tracksuits, shorts, shoes for sports activities and
flip-flops are not acceptable
to be worn at any time in the Club





HKRSA Webinar
21 Sep 2023
Conducted in English

China-US: Can we see the end of the Tunnel?

By Allianz Global Investors

ABOUT THE WEBINAR: More than 85 people attended the webinar. Albert Leung of Allianz Global Investors (AllianzGI) delivered the opening remarks and moderated a discussion of the hot topic of China-US relations at the webinar, featuring two speakers from AllianzGI: Christiaan Tuntuno and Stephen Chow. Vincent Chow of the HKRSA chaired the Q&A session and closed the webinar.

Mainly driven by geo-political issues, tensions between China and the US have introduced a new reality. The speakers shared their insights on recent developments in the ongoing competition between the two countries and the possible impact on the global economy and the technology sector. They highlighted which industries and markets are likely to benefit from the Sino-American competition and which non-tech industries/sectors are in the firing line.

			
Moderator: Albert Leung Sales Manager Allianz Global Investors	Speaker: Christiaan Tuntuno Senior Economist, Asia Pacific Allianz Global Investors	Speaker: Stephen Chow Portfolio Manager Allianz Global Investors	Q&A facilitator: Vincent Chow Member of Executive Committee & Vice Chairman of Member Communication Sub-Committee, HKRSA

KEY TAKEAWAYS:

- The US is modifying its strategy on China's trade restriction from a seemingly "decoupling" one to a more practical "de-risking" one. It means not cutting off trade with China but protecting its sensitive technologies with a small yard and high fence. The "de-risking" process will create redundancy and inefficiency from the perspective of a single global economy. On a positive note, it will foster diversity, innovation and customisation. The global popularity of a few Chinese social internet applications is an example of such diversity.
- The rising geopolitical tension will affect the global tech industry in two ways. First, there is a growing trend of tech brands diversifying, nearshoring or reshoring their manufacturing base. Where companies are setting up local tech supply chains (especially for Semiconductors) and building factories in multiple locations, equipment makers, factory automation solution providers, and a few Asian markets should be the early cycle beneficiaries. Second, China's clear intention to increase localisation rate will create new opportunities for Chinese domestic suppliers, especially in the mid-to-high-end market.
- In addition to sensitive technology that affects military supremacy, some dual-use civilian and military technology, like advanced logic semiconductor chips, face strict restriction by the US. Improvement in localization is happening in various tech subsegments in China, but the pace and degree vary. Localising smartphone components is relatively easy, whereas semiconductor supply chain is a tough place for localisation due to its complexity. The China-US tension affects not only the tech industries but also other industries like Lithium battery and Solar, then Electric vehicles and Energy storage systems.

Can we see the end of the tunnel?

- The best scenario is that China and the US can find a "middle path" amidst their strained relations to avoid progressively stepping into greater tension in the future. It will mean more open communication among the top leadership in both countries to allow a mutual understanding of strategic intents. If no amicable "middle path" can be seen, then there is a genuine risk that both countries may fall into greater conflict.



Webinar review: <https://www.youtube.com/watch?v=ppuO5FTYsLI>

**HKRSA Webinar –
27 Oct 2023
2:30 pm – 3:30 pm
Conducted in Cantonese**



ESG investing: a pathway for sustainable retirement

At a recent webinar themed “ESG investing: a pathway for sustainable retirement” Ms. Kristy Wong, Associate Director, ESG Investment Specialist from Amundi shared insights on ESG investment, latest trends, and tips about ESG investment.

ESG has been the attention among commercial sectors and governments, ESG Investment is also a popular topic among investors. In the Q2 of 2023, the total assets of global sustainable development fund assets closed to US\$2.9 trillion, including a net inflow of around US\$18 billion¹. At the same time, central banks are increasingly willing to incorporate responsible investment into reserve management². This shows that ESG investment is not only a global trend, but also a major direction of development for all countries.

In terms of returns, while there is a fallacy that ESG investments sacrifice investment performance, 90% of the studies³ show that ESG investments do not have a negative impact on investment performance, while 48% of the studies⁽³⁾ even point out that they have a positive impact.

The following tips for investors who are considering ESG Investing:

1. Keep an eye on the latest ESG development trends: Apart from the investment returns, investors could also consider the latest trends in ESG. For example, countries around the world have adopted "net-zero emissions" as their goal in recent years. Investors should assess the risks and opportunities for different industries and companies in the transition towards net-zero emissions and make suitable investment decisions based on their investment objectives and risk tolerance. Additionally, demand for green finance, i.e., green bonds, green financing and other financial products that help finance climate-friendly projects, is expected to have continuous growth.
2. Be aware of greenwashing: Investors need to recognize what a true ESG product is to avoid the risk of greenwashing. Therefore, investors can refer to the centralized database of green funds or ESG funds authorized by the SFC on its website in 2019, which lists the key features of each ESG fund, in order to make the right investment choices.

ESG投資：尋找退休生活可持續投資的出路

東方匯理資產管理副董事及環境、社會及管治投資專員黃裕琳女士於10月27日以「ESG投資：尋找退休生活可持續投資的出路」為題的研討會上，分享ESG投資資訊及趨勢，並提供計劃退休生活時的ESG投資貼士。

近年ESG引起政商各界的關注，而ESG投資更是投資者的熱門話題。於2023年第二季，全球可持續發展基金資產總值接近2萬9千億美元，當中包括約180億美元的淨資金流入¹。同時，各國央行將ESG投資納入其儲備管理的意願亦不斷提高²。由此可見，ESG投資不但成為全球大趨勢，同時亦是各國發展的主要方向。

就回報方面，雖然有謬誤認為ESG投資會犧牲投資表現，但90%研究³顯示ESG投資並不會對投資表現有負面影響，48%的研究⁽³⁾更指出可帶來正面影響。

以下為計劃ESG投資的投資者提供貼士：

1. 留意ESG最新發展趨勢：除了考慮投資回報外，投資者亦可考慮ESG最新發展趨勢。例如，近年全球各國都以「淨零排放」為目標，投資者應評估不同行業和企業在「淨零排放」轉型過程中的風險和機遇，並按個人投資目標和風險承受能力做出合適的投資決策。此外，綠色金融，即綠色債券、綠色融資以及其他協助氣候友善項目提供資金等相關金融產品的需求預計會持續增長。
2. 注意漂綠風險：投資者要認清什麼是真正的ESG產品，避免漂綠風險。因此，投資者可參考香港證監會在2019年於其網站建立認可綠色基金或ESG基金的中央數據庫，當中列出各ESG基金的主要特點，以便作出正確的投資選擇。

¹Morningstar Direct, Manager Research. Data as of June 2023.

²HSBC, Central Bank Investment Trends 2020

³Friede, Busch, & Bassen. (2025). ESG and financial performance: meta-study aggregating the result of 2200 individual analyses of ESG performance on different asset classes and regions published between 1970 & 2014 shows a positive relationship globally.



Webinar review: <https://www.youtube.com/watch?v=x6Chw1bxctQ>

Presentation review: <https://www.hkrsa.org.hk/image/catalog/Amundi%20webinar%20slides%20for%20website.pdf>

www.hkrsa.org.hk

HR Roundtable Workgroup Meeting on 20 Sep 2023

On September 20, 2023, HR Roundtable Work Group (WG) held its third meeting, attended by over 20 HR representatives and WG committee members. The WG welcomed guest speaker - Ms. Tana Chan, Senior Associate of Deacons specializing in private clients practice including wealth, later-life and succession planning, wills, probate and estate administration. Ms. Chan presented "Three Instruments of Peace" 『平安三寶』 to the WG, sharing the importance of 1. Enduring Power of Attorney, 2. Advance Directive, and 3. Will. These instruments are essential not just for retirement planning, but also in ensuring that individuals' wishes are respected and thoroughly executed in the event of incapacity or death. All WG members unanimously agreed that this would make a very interesting and informational webinar topic for a wider group of member audience.

The HR Roundtable Work Group welcomes more HR professionals to join them and share their knowledge and expertise. The next meeting of the HR Roundtable Work Group will be held on November 15th, and the topic will be "Medical Plan Conversion". Medical Conversion Plan is for staff who, upon leaving their employer at retirement, wish to extend their medical plan coverage, so there would be no disruption to their medical coverage and also won't be subject to much higher plan cost due to old age or "pre-existing conditions" exclusion. This is another topic very relevant to member's long-term lifestyle planning.

If you or your HR executive are interested to join the HKRSA HR Roundtable Working Group, please contact The Secretariat of HKRSA at events@hkrsa.org.hk for details.

香港退休計劃協會的人力資源圓桌工作小組（WG）於2023年9月20日召開第三次會議。當天共有20多名人力資源代表和工作小組委員會成員出席會議，工作小組特別邀請了「的近律師事務所」的高級律師Tana Chan女士為本次的演講嘉賓，Tana專門從事私人客戶業務，包括財富、晚年和繼承規劃、遺囑、遺囑認證和遺產管理等等。Tana與工作小組分享『平安三寶』的1.)持久授權書、2.)預立指示及3.)遺囑的重要性。這些工具對於退休規劃和確保個人意願於在喪失工作能力或死亡時得到尊重至關重要。所有工作小組成員一致認為，這將為成員觀眾群體提供一個更廣泛及非常具資訊性的網路研討會主題，

人力資源圓桌工作小組歡迎更多人力資源專業人士加入，分享他們的知識和專業意見。人力資源圓桌工作小組下次會議將於11月15日舉行，主題為「醫療計畫轉換」。醫療計畫轉換適用於退休或離開僱主後希望延長醫療計畫承保範圍的員工，這樣他們的醫療承保不會受到干擾，也不會因年老或“既往病史”而承受更高的計畫費用。這是另一個與會員長期生活方式規劃有密切相關的話題。

如果您或您的人力資源主管有興趣加入香港退休計劃協會的「人力資源圓桌會議工作小組」請聯絡秘書處以獲取詳細資訊：

events@hkrsa.org.hk



Meeting with ADPF on 5 Sep, 2023

Connected by Taikang Asset Management, the Hong Kong Retirement Schemes Association met with 2 representatives from the Abu Dhabi Pension Fund to share about retirement system design and the latest developments in Hong Kong. We also discuss retirement portfolio asset allocation and management. At the end of the meeting, we established understanding of continued exchange and learning with each other for enhancing retirement and investment outcomes.



12th Cross Strait Pension Forum

18 – 20 Oct 2023

The 12th Cross-Strait Pension Forum has been held on 18-20 October 2023 in Nanjing, China. This is the first time in 3 years since COVID-19 has had an in-person conference.

The HKRSA invited MPFA General Manager (Product Regulation) Mr. Paul YU with the Cross-Straits Forum Taskforce Convenor – Ms Ka Shi LAU and the HKRSA Chairman – Calvin CHIU, Vice Chairman – Ms Janet LI and other taskforce members in total 9 delegates attended in person with The Undersecretary for Labour and Welfare Mr Kai Ming HO, JP and Professor WONG Yu Cheung via video recording to present for the Hong Kong MPF schemes and pension industry.

第十二屆兩岸四地養老保險研討會已於2023年10月18日至20日在中國南京舉行。這是自新冠疫情三年來首次召開親臨會議。

香港退休計劃協會邀請了積金局總經理（產品規管）余盛名先生、兩岸四地研討會專責小組召集人劉嘉時女士、協會主席邱鎧平先生及副主席李子恩女士連同其他工作小組會員共9位代表親臨參與出席，勞工及福利局副局長何啟明先生，及黃於唱教授通過視頻來展示香港的最新強積金制度及退休方案。



Premier Sponsor Column (Oct 2023)

We are delighted to feature articles in both English & Traditional Chinese versions by Mercer HK, and Taikang Asset Management providing invaluable insights on how we can better plan for our retirement. Stay tuned for more in our December 2023 issue!

Mercer [ENG](#) | [CHI](#)

Taikang [ENG](#) | [CHI](#)



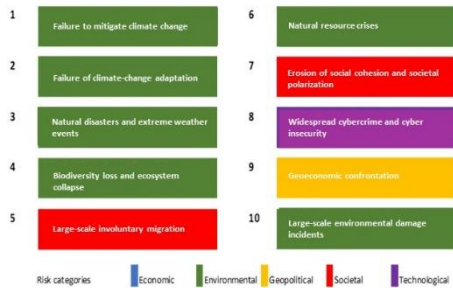
Nature alert: The next major ESG theme



Why investors should pay attention to nature

Nature and biodiversity have risen to prominence as a significant ESG theme. The World Economic Forum (WEF), in collaboration with Marsh McLennan and the Zurich Insurance Group, runs an annual survey of nearly 1,000 global experts and leaders to understand their views on the most severe global risks that will be faced by individuals, governments and businesses over the next 10 years. Biodiversity loss was the fourth-highest risk identified by respondents in the 2023 survey.

Figure 1: Global risks ranked by severity over the long term (10 years)



WEF 2023 Global Risks Survey — Biodiversity a top risk¹

It is clear that the destruction of biodiversity and the environment is a key business risk, as economies are highly dependent on nature. There are, however, even more direct links between the environment and financial markets that relate to the interrelationship between nature and climate change.

- Preserving the diversity of plant and animal life and the integrity of ecosystems is one of the most effective ways to remove carbon from the atmosphere and so combat climate change. For example, forest ecosystems are the largest terrestrial carbon sink.²
- Conversely, increasing global temperatures will result in the extinction of species and a reduction in biodiversity. Climate change is becoming an increasingly important driver of many destructive changes in nature.³

¹World Economic Forum, "The Global Risks Report 2023 – 13th Edition," (2023)
²UN FAO, "Global Forest Resource Assessment," (2020)
³IPBES, "Global Assessment of Biodiversity and Ecosystem Services," (2019)

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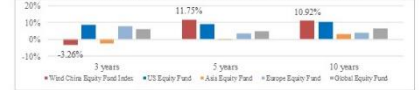
Seize long-term investment opportunities of China A-Shares by seeing light at the end of tunnel

In early 2023, after a shift in China's pandemic-prevention policies, the market anticipated a rebound in the China's economy. However, the slower pace of recovery and stimulus policies falling short of expectations have resulted in A-shares underperforming major global stock markets this year. In late July, the Political Bureau of the CPC Central Committee meeting released policy signals that were better than expected. Nevertheless, since August, the speed of policy implementation and economic data have both been below market expectations. The hawkish signals from the U.S. Federal Reserve have pushed up U.S. bond yields, leading to a significant stock market downturn. It was not until the end of the month when a series of policies was implemented that the market stabilized somewhat.

China A-Share funds deliver impressive long-term returns with lower correlation to other stock markets

Although A-shares are currently experiencing consolidations at bottom level and their short-term performance may not be satisfactory, it can be an opportunity for long-term investors. The China securities market has a relatively short history, mismatches between price and value at times are normal. Therefore, fund managers who adopt active management strategies in Mainland China stock market often achieve higher long-term returns than those in developed markets. Despite the superior performance of US stocks over the past decade compared to China A-shares, when comparing China A-share funds and MPP US equity funds (categorized by MPP Ratings), the median return of A-share funds has been higher than that of MPP US equity funds for both the past 5 years and 10 years as shown in Figure 1 below. It is also higher than MPP Global, MPP European, and MPP Asian equity funds.

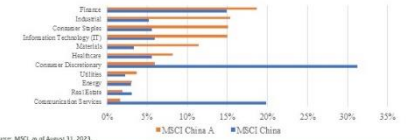
Figure 1: Annualized returns comparison of China A-Shares funds and major market equity funds



Source: MPP Ratings, Wind, as of August 31, 2023, calculated in fund base currency. Wind China Equity Fund Index is compiled by Wind based on over 800 funds.

In addition, for Hong Kong investors with a home bias toward Hong Kong stocks, allocating a portion of funds to A-shares not only helps in diversifying risks but also provides access to a more diverse range of investment opportunities. Comparing the MSCI China A-share index with the MSCI China index which primarily focuses on Hong Kong stocks, it is evident that A-shares have a more significant weighting in sectors such as industrials, consumer staples, information technologies, and materials. This includes many leading high-end manufacturing, liquor, and chemical companies that are not listed in Hong Kong (see Figure 2). On the other hand, we observe that the correlation between A-shares and other markets is lower compared to the correlation between Hong Kong stocks and other markets (see Figure 3), which gives A-shares an advantage in risk diversification.

Figure 2: Sector allocation of MSCI China A Index and MSCI China Index



Source: MSCI, as of August 31, 2023.

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Upcoming HKRSA event

Webinar HKRSA x Franklin Templeton

Topic: Opportunity In Uncertainty: *Building Resilient Portfolios with Income*

Date: Wednesday, 29 November 2023

Time: 11:00 am – 12:00 noon

Language: English

Fee: Free

[Register now](#)



Upcoming HKRSA event

Webinar HKRSA x T. Rowe Price

Topic: Investment implications of Generative AI

Date: Tuesday, 12 December 2023

Time: 10:30 am – 11:30 am

Language: English

Fee: Free

Stay tuned for the registration!

External event



Date:

Thursday, 16 November 2023

Time:

2:30p.m. - 6:00p.m. (Conference)

Time:

6:00p.m. - 8:30p.m. (Presentation Ceremony & Cocktail Reception)

Venue:

Conference: HKUST Business School Centre
 1501-02, Hong Kong Club Building, 3A Chater Road, Central
 Presentation Ceremony & Cocktail Reception:
 The Hong Kong Club, Garden Lounge, 1 Jackson Road, Central
 (reservation is made under Ms Ka Shi LAU)

Fee:

HK\$1,180 Conference + Cocktail
 (Special rate for supporting organisations)

Language:

English

CPD hours:

3.5 CPD hours
 for HKTA Certified Trust Practitioner™ and Law Society
 being applied for

Registration:

Please click [HERE](#) for registration form

Enquiries:

queries@hktrustees.com or (852) 3511 6030