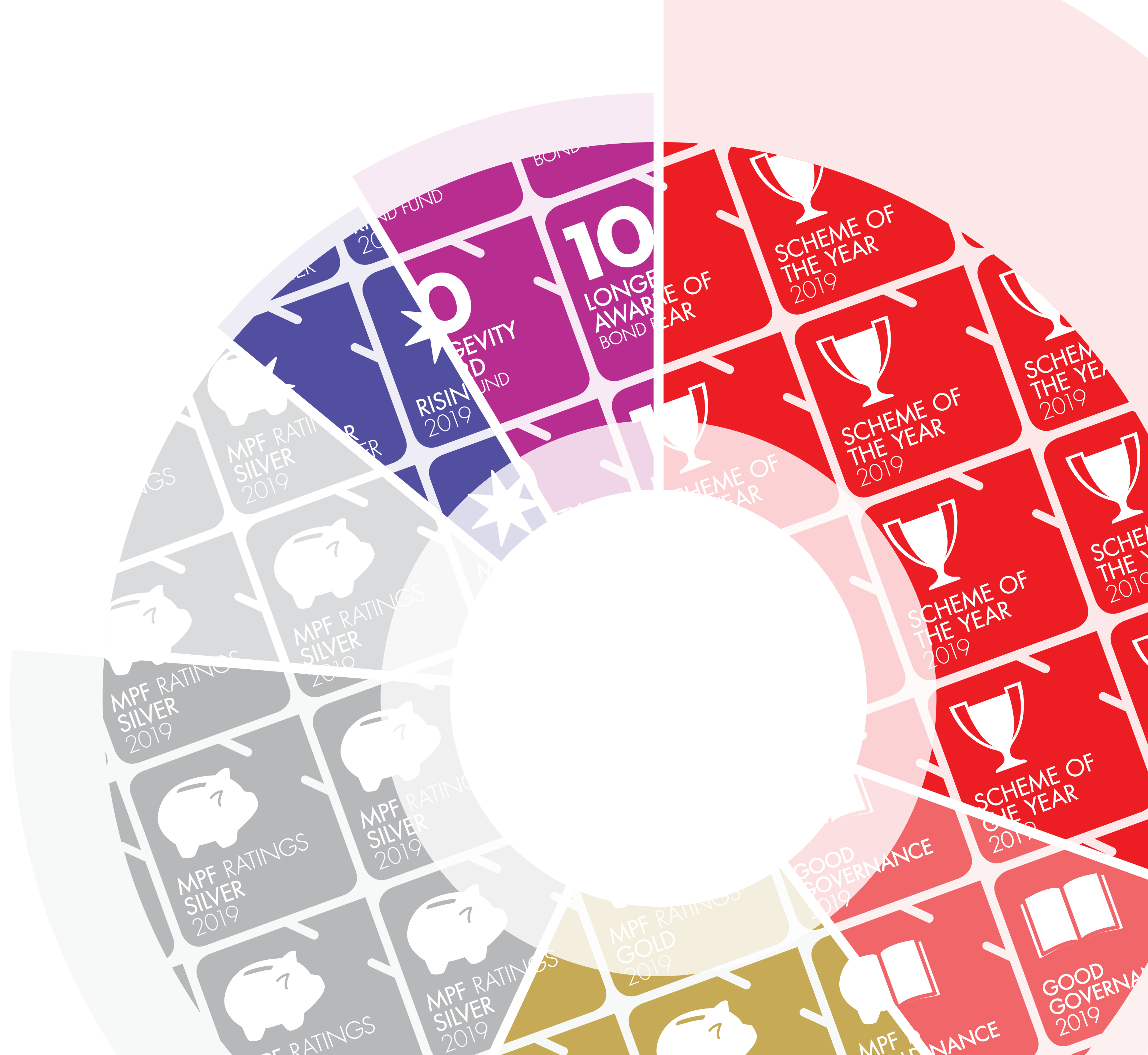




Fund Flow and Market Share Report

Quarter Ending 30 June 2019



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Quarterly Overview

MPF Closing in on \$1 Trillion

Despite a 9.4% fall in the Hang Seng Index in May the index was down only 1.75% for the quarter ending June 2019. However, this volatile investment environment was unable to negatively impact overall growth in MPF assets with a net increase of \$16.7 billion or 1.9% for the quarter to 30 June 2019.

For the half year, total MPF assets have grown 11.9% to \$910.1 billion. If positive investment markets are maintained through to 30 September 2019, the MPF industry could possibly reach the HK\$1 trillion landmark in the current quarter.

Despite the choppy investment conditions, the quarter only saw one scheme sponsor, YF Life, with an overall fall in assets while HSBC/Hang Seng lost 20 basis points of market share with AIA also losing 3 basis points. However, Sun Life gained 19 basis points of market share with Manulife gaining an additional 13 basis points.

HK\$
211,052m

23.19%

MPF Assets Under Management

RANK	SPONSOR	30 JUN 2019		31 MAR 2019	
		AUM HK\$m	INDUSTRY SHARE	AUM HK\$m	INDUSTRY SHARE
1	Manulife	211,052	23.19%	206,035	23.06%
2	HSBC	182,605	20.06%	180,651	20.22%
3	AIA	83,113	9.13%	81,851	9.16%
4	Sun Life	77,992	8.57%	74,898	8.38%
5	BOCI-Prudential	68,020	7.47%	66,823	7.48%
6	Hang Seng	60,105	6.60%	59,395	6.65%
7	Principal	54,507	5.99%	53,706	6.01%
8	BCT	54,129	5.95%	53,399	5.98%
9	Fidelity	42,008	4.62%	41,153	4.61%
10	BEA	26,490	2.91%	26,068	2.92%
11	Invesco	21,347	2.35%	21,036	2.35%
12	AGI	9,007	0.99%	8,912	1.00%
13	SHKP	5,791	0.64%	5,645	0.63%
14	BoComm	5,790	0.64%	5,644	0.63%
15	China Life	4,027	0.44%	3,979	0.45%
16	YF Life	2,941	0.32%	2,944	0.33%
17	AMTD	645	0.07%	640	0.07%
18	Haitong	530	0.06%	529	0.06%
		910,098	100.00%	893,308	100.00%

Over the six months to 30 June, Sun Life (43bps), Manulife (19bps) and Fidelity (11bps) have been the best performers in terms of flows with Sun Life closing the market share gap with AIA by almost 50% which is now only 0.56% down from 1.08% six months ago.

Scheme Sponsors

Earnings Providing Major Impact on Growth Profile

HSBC/Hang Seng, Manulife and Sun Life accounted for more than 64% of the total increase in assets in the June 2019 quarter. Interestingly, however, the three scheme sponsors only accounted for less than 50% of the investment gain for the period with Sun Life experiencing a net loss over the three months to 30 June 2019.

In contrast, Fidelity provided the greatest investment gain as a percentage of its invested assets for the quarter and, on an overall basis, contributed 13% of the industry's positive gain for the quarter.

For smaller scheme sponsors, while traction with new contributing members appears difficult, China Life was able to double its inflows in the June quarter from the levels received in the previous quarter.

ACCOUNTED FOR MORE THAN
64%
TOTAL INCREASE

LESS THAN
50%
INVESTMENT GAIN

CONTRIBUTED
13%
OF POSITIVE GAIN

Quarter ended 30 Jun 2019 Gross Inflow Analysis

PROVIDER	AUM HK\$M 30/06/19	AUM HK\$M 31/03/19	NET INFLOWS HK\$M	INVESTMENT GAINS HK\$M	QTR CHANGE HK\$M	INV'T GAIN ON ASSETS	RANK
Manulife	211,052	206,035	3,962	1,055	5,016	0.5%	8
HSBC	182,605	180,651	1,441	512	1,954	0.3%	12
AIA	83,113	81,851	778	485	1,263	0.6%	4
Sun Life	77,992	74,898	3,171	(76)	3,094	-0.1%	15
BOCI-Prudential	68,020	66,823	960	237	1,197	0.4%	10
Hang Seng	60,105	59,395	607	103	710	0.2%	13
Principal	54,507	53,706	774	28	801	0.1%	14
BCT	54,129	53,399	575	154	730	0.3%	11
Fidelity	42,008	41,153	438	416	854	1.0%	1
BEA	26,490	26,068	270	152	422	0.6%	5
Invesco	21,347	21,036	203	108	311	0.5%	7
AGI	9,007	8,912	114	(20)	95	-0.2%	17
SHKP	5,791	5,645	83	63	146	1.0%	2
BoComm	5,790	5,644	171	(24)	147	-0.4%	18
China Life	4,027	3,979	28	20	48	0.5%	9
YF Life	2,941	2,944	1	(4)	(3)	-0.1%	16
AMTD	645	640	1	4	5	0.6%	6
Haitong	530	529	(3)	3	0	0.6%	3
Grand Total	910,098	893,308	13,574	3,216	16,790		

MPF Schemes

MARKET SHARE OF ASSETS AND NET FUND INFLOWS		AUM HK\$M 30/06/19	SHARE OF MPF INDUSTRY	NET INFLOWS HK\$M	INDUSTRY SHARE OF QTY INFLOWS	RANK	NET INFLOWS AS % OF ASSETS	RANK
1	Manulife Global Select (MPF) Scheme	211,052	23.2%	3,962	29.2%	1	1.9%	8
2	HSBC Mandatory Provident Fund - SuperTrust Plus	174,758	19.2%	1,185	8.7%	3	0.7%	22
3	AIA MPF - Prime Value Choice	83,113	9.1%	778	5.7%	6	1.0%	17
4	Sun Life Rainbow MPF Scheme	71,803	7.9%	3,164	23.3%	2	4.6%	2
5	BOC-Prudential Easy-Choice Mandatory Provident Fund Scheme	65,984	7.3%	873	6.4%	5	1.3%	11
6	Hang Seng Mandatory Provident Fund - SuperTrust Plus	58,843	6.5%	560	4.1%	7	1.0%	16
7	BCT (MPF) Pro Choice	48,789	5.4%	534	3.9%	8	1.1%	13
8	Fidelity Retirement Master Trust	42,008	4.6%	438	3.2%	9	1.1%	14
9	Principal MPF Scheme Series 800	26,358	2.9%	886	6.5%	4	3.5%	5
10	Invesco Strategic MPF Scheme	21,347	2.3%	203	1.5%	11	1.0%	15
11	Principal MPF - Smart Plan	18,275	2.0%	(53)	-0.4%	30	-0.3%	26
12	BEA (MPF) Master Trust Scheme	14,023	1.5%	99	0.7%	15	0.7%	20
13	BEA (MPF) Industry Scheme	12,370	1.4%	166	1.2%	13	1.4%	10
14	Allianz Global Investors MPF Plan	9,007	1.0%	114	0.8%	14	1.3%	12
15	HSBC Mandatory Provident Fund - ValueChoice	7,846	0.9%	256	1.9%	10	3.4%	6
16	Principal MPF Scheme Series 600	6,681	0.7%	(40)	-0.3%	29	-0.6%	30
17	SHKP MPF Employer Sponsored Scheme	5,791	0.6%	83	0.6%	17	1.5%	9
18	BCOM Joyful Retirement MPF Scheme	5,790	0.6%	171	1.3%	12	3.0%	7
19	BCT (MPF) Industry Choice	5,339	0.6%	41	0.3%	19	0.8%	18
20	China Life MPF Master Trust Scheme	4,027	0.4%	28	0.2%	20	0.7%	21
21	Principal MPF - Simple Plan	3,194	0.4%	(19)	-0.1%	28	-0.6%	29
22	Mass Mandatory Provident Fund Scheme	2,941	0.3%	1	0.0%	24	0.0%	24
23	Sun Life MPF Comprehensive Scheme	2,437	0.3%	0	0.0%	25	0.0%	25
24	My Choice Mandatory Provident Fund Scheme	2,036	0.2%	88	0.6%	16	4.5%	3
25	Sun Life MPF Basic Scheme	1,920	0.2%	(7)	-0.1%	27	-0.4%	27
26	Sun Life MPF Master Trust	1,832	0.2%	13	0.1%	21	0.7%	19
27	Hang Seng Mandatory Provident Fund - ValueChoice	1,262	0.1%	47	0.3%	18	3.9%	4
28	AMTD MPF Scheme	645	0.1%	1	0.0%	23	0.2%	23
29	Haitong MPF Retirement Fund	530	0.1%	(3)	0.0%	26	-0.5%	28
30	BEA (MPF) Value Scheme	97	0.0%	5	0.0%	22	4.9%	1
		910,098	100.0%	13,574	100.0%			

LARGEST MPF SCHEME BY MORE THAN
HK\$36bn

23.3%
2ND HIGHEST INFLOW

HK\$11b
SMALLER THAN 3RD LARGEST SCHEME

30%
INCREASE IN INFLOWS

Net Inflows

While Manulife Global Select remains the largest MPF scheme by a significant margin it has again grown further ahead in the last two quarters now being \$36 billion more than HSBC SuperTust Plus (\$32 billion last quarter).

Sun Life's Rainbow's rapid growth sees it now consistently receiving the second highest level of inflows. Sun Life rainbow is now \$11 billion smaller than the 3rd largest scheme, AIA Prime Value Choice. At this growth rate, Sun Life Rainbow is likely to be the third largest scheme within 12 months.

Principal's three smaller schemes recorded their second consecutive negative net inflows (outflow) but with their Series 800 Scheme recording a 30% increase in inflows, perhaps providing acknowledgment to strategy.

Fund Categories

Industry Asset Allocation and Net Inflows per Fund Category as at 30 Jun 2019

RANK & FUND TYPE	FUND SIZE	% SHARE OF MPF ASSETS	QTR NET INFLOWS HK\$ M	% OF TOTAL MPF INFLOWS	RANK	QTR INV'T GAIN HK\$ M	YTD NET INFLOWS HK\$ M	RANK
1 Equity Fund (HK & China)	229,191	25.2%	2,132	15.7%	2	(3,307)	4,551	2
2 Mixed Asset Fund (81-100)	106,368	11.7%	(226)	-1.7%	17	952	312	14
3 Money Market Fund (CF)	103,252	11.3%	1,851	13.6%	4	239	4,572	1
4 Mixed Asset Fund (61-80)	82,689	9.1%	166	1.2%	12	843	525	12
5 Guaranteed Fund	73,009	8.0%	995	7.3%	6	351	1,942	6
6 Equity Fund (Global)	56,984	6.3%	1,328	9.8%	5	664	2,575	5
7 Equity Fund (Asia)	49,414	5.4%	114	0.8%	13	(361)	919	10
8 Mixed Asset Fund (41-60)	43,671	4.8%	458	3.4%	9	612	947	9
9 Mixed Asset Fund (21-40)	39,316	4.3%	374	2.8%	10	597	696	11
10 Bond Fund	35,881	3.9%	2,228	16.4%	1	596	3,654	4
11 Default Inv't Strategy Fund (Core Accum. Fund)	30,437	3.3%	2,089	15.4%	3	658	3,943	3
12 Equity Fund (Regional ex Asia)	29,262	3.2%	852	6.3%	8	975	1,190	8
13 Mixed Asset Fund (Target Date)	10,143	1.1%	176	1.3%	11	146	433	13
14 Default Inv't Strategy Fund (Age 65 Plus Fund)	8,854	1.0%	898	6.6%	7	206	1,461	7
15 Mixed Asset Fund (Other)	7,188	0.8%	83	0.6%	14	59	144	15
16 Money Market Fund (non CF)	2,267	0.2%	8	0.1%	16	(21)	60	17
17 Other	2,171	0.2%	48	0.4%	15	6	128	16
	910,098	100.0%	13,574	100.0%		3,216	28,054	

EQUITY FUND
(HK & CHINA) WITH

25.2%
OF ALL ASSETS

BOND FUND
NET INFLOWS AT

16.4%

DEFAULT
INVESTMENT
STRATEGY INFLOWS
INCREASED TO

15.4%

Net Inflows – Funds

The June 2019 quarter saw the highest volume of inflows (16.4%) move into Bond Funds after Money Market Funds had received the highest inflows over the previous three quarters. However, the cautious mindset has not altered with 13.6% of all inflows investing in Money Market funds.

HK & China equity funds still attracted 15.7% of all inflows being the second ranked recipient of flows while Mixed Asset Funds (81-100) recorded a net outflow.

Again, while Default Investment Strategy (Core Accum) was the third ranked investment category for inflows at 15.4%, DIS inflows were up from 12.8% in the March quarter.

On a Year to Date basis, Money Market funds have received the highest inflows, just above HK & China equity funds, DIS and Bond funds. Overall, these 4 fund types have received 60% of all flows since 1 January 2019.

Scheme Sponsors

Market Share of Assets By Type of Fund as at 30 Jun 2019

		YF LIFE INSURANCE INT'L					
RANK		AUM HK\$M	MARKET SHARE	NET INFLOWS HK\$M	% OF TOTAL INFLOWS	RANK	
1	Mixed Asset Fund (61-80)	793	27.0%	(6)	-719.0%	11	
2	Equity Fund (HK & China)	524	17.8%	(5)	-627.3%	10	
3	Equity Fund (Asia)	295	10.0%	0	48.0%	5	
4	Money Market Fund (CF)	274	9.3%	14	1626.8%	1	
5	Mixed Asset Fund (41-60)	251	8.5%	(3)	-395.4%	8	
6	Equity Fund (Regional ex Asia)	240	8.2%	2	255.0%	3	
7	Equity Fund (Global)	201	6.8%	(5)	-564.5%	9	
8	Guaranteed Fund	156	5.3%	0	17.1%	6	
9	Bond Fund	123	4.2%	(1)	-116.8%	7	
10	Default Investment Strategy Fund (Core Accum Fund)	57	1.9%	3	364.5%	2	
11	Default Investment Strategy Fund (Age 65 Plus Fund)	26	0.9%	2	211.6%	4	
		2,941	100%	1	100%		

		SUN HUNG KAI PROPERTIES LIMITED					
RANK		AUM HK\$M	MARKET SHARE	NET INFLOWS HK\$M	% OF TOTAL INFLOWS	RANK	
1	Mixed Asset Fund (41-60)	2,097	36.2%	40	48.7%	1	
2	Mixed Asset Fund (61-80)	1,871	32.3%	19	23.3%	2	
3	Mixed Asset Fund (21-40)	661	11.4%	(2)	-2.0%	6	
4	Money Market Fund (CF)	567	9.8%	(7)	-7.9%	7	
5	Guaranteed Fund	447	7.7%	6	7.3%	5	
6	Default Investment Strategy Fund (Core Accum Fund)	90	1.6%	17	20.2%	3	
7	Default Investment Strategy Fund (Age 65 Plus Fund)	58	1.0%	9	10.5%	4	
		5,791	100%	83	100%		

		PRINCIPAL INSURANCE COMPANY (HK) LTD					
RANK		AUM HK\$M	MARKET SHARE	NET INFLOWS HK\$M	% OF TOTAL INFLOWS	RANK	
1	Equity Fund (HK & China)	10,557	19.4%	212	27.4%	1	
2	Guaranteed Fund	7,046	12.9%	98	12.7%	4	
3	Mixed Asset Fund (61-80)	6,342	11.6%	(6)	-0.7%	13	
4	Equity Fund (Asia)	4,552	8.4%	42	5.5%	9	
5	Mixed Asset Fund (81-100)	4,434	8.1%	(62)	-8.0%	15	
6	Money Market Fund (CF)	3,894	7.1%	74	9.6%	5	
7	Equity Fund (Global)	3,836	7.0%	(13)	-1.7%	14	
8	Mixed Asset Fund (21-40)	3,711	6.8%	30	3.9%	10	
9	Other	2,171	4.0%	48	6.1%	7	
10	Bond Fund	2,132	3.9%	107	13.8%	3	
11	Mixed Asset Fund (41-60)	1,993	3.7%	17	2.2%	11	
12	Equity Fund (Regional ex Asia)	1,571	2.9%	69	8.9%	6	
13	Default Investment Strategy Fund (Core Accum Fund)	1,265	2.3%	111	14.4%	2	
14	Money Market Fund (non CF)	570	1.0%	(1)	-0.2%	12	
15	Default Investment Strategy Fund (Age 65 Plus Fund)	432	0.8%	47	6.1%	8	
		54,507	100%	774	100%		

		SUN LIFE HONG KONG LIMITED					
RANK		AUM HK\$M	MARKET SHARE	NET INFLOWS HK\$M	% OF TOTAL INFLOWS	RANK	
1	Equity Fund (HK & China)	33,722	43.2%	957	30.2%	1	
2	Money Market Fund (CF)	9,125	11.7%	746	23.5%	2	
3	Mixed Asset Fund (61-80)	8,035	10.3%	215	6.8%	5	
4	Mixed Asset Fund (21-40)	5,813	7.5%	189	5.9%	7	
5	Mixed Asset Fund (41-60)	5,478	7.0%	193	6.1%	6	
6	Bond Fund	4,353	5.6%	404	12.8%	3	
7	Equity Fund (Global)	4,257	5.5%	130	4.1%	8	
8	Equity Fund (Asia)	2,528	3.2%	40	1.3%	10	
9	Default Investment Strategy Fund (Core Accum Fund)	2,131	2.7%	230	7.2%	4	
10	Guaranteed Fund	865	1.1%	(4)	-0.1%	13	
11	Money Market Fund (non CF)	685	0.9%	(1)	0.0%	12	
12	Default Investment Strategy Fund (Age 65 Plus Fund)	670	0.9%	71	2.3%	9	
13	Mixed Asset Fund (81-100)	328	0.4%	1	0.0%	11	
		77,992	100%	3,171	100%		

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