



MPF 積金快線 Express

A balanced perspective
on your MPF

Issue no. 62

MPF emerging trends – Introduction of Retirement Income Funds

Bigger MPF balances

The total net asset value of all MPF schemes exceeded HK\$1.553 trillion at the end of 2025. With a total of 4.794 million MPF members (including both active employees and former employees with MPF balance left in the system), this gives an average MPF balance of HK\$320,000+ per member (source: MPFA Quarterly Report as of 31 December 2025).

As MPF balances get more substantial, members are likely to pay more attention to their own MPF holdings, particularly those who are contemplating retirement – how much do I need? What do I want to do with my retirement nest egg? How to manage/select investment funds to cater for retirement needs?

Evolving member needs as retirement approaches

The MPF system today offers a broad range of fund choices across different asset classes, risk levels, and investment objectives – mostly distinguished between equity funds, bond funds, money market funds and/or a mixture of these asset classes. During most of an employee's working life, the emphasis is naturally on accumulation and long-term growth. However, as employees move closer to retirement, their needs and concerns tend to shift. Questions around income sustainability, cashflow planning, and managing market volatility become increasingly relevant. For employers, this presents an opportunity to help members understand how their MPF choices can evolve over time. In addition to traditional growth-oriented funds, retirement-focused options – such as retirement income funds – are emerging as an additional choice that may support employees in transitioning from wealth accumulation to drawing a more predictable income in retirement.

Retirement Income Funds – an emerging trend

A new retirement income fund was registered with MPFA early this year, highlighting a growing focus on the post-retirement phase of MPF planning by providers. The first such type of fund was launched in 2020. As of 30 April 2026, six out of the top ten providers (by asset size as of 31 March 2026) are offering them.

What are Retirement Income Funds?

As the name implies, retirement income funds aim to provide a stream of regular income (quarterly or monthly) to members in retirement. This means their main focus will be on income stability with dividends/payouts generated through interest from bonds, dividends from stocks, and other investment returns. However, dividends and payouts are not guaranteed and may vary depending on market conditions and investment performance. Different dividend modes will apply – reinvestment into the fund before retirement, and payouts to members after retirement. Retirement income funds can provide a monthly underpin in retirement, but the magnitude of payout will depend on the seed investment in the fund. You may find out more from providers' relevant scheme material.

How to help your members to prepare for retirement?

Income-generating products may be of interest to the silver-haired generation in your organization. But the question is broader than that – how prepared are your employees for retirement and how would retirement income funds, or other options, fit into this?

Most MPF providers now have retirement planning tools, some even have AI-supported utilities to help select funds. When was the last time they came to brief members on retirement planning and the available tools? This is a prime candidate and low hanging fruit for your financial wellness program. Let us know if we could assist in making this happen.



Other MPF resources

Member Education

Given the defined contribution nature of the MPF scheme, it is vital to provide sufficient member education so that employees can achieve the best value from their contributions.

At WTW, we provide regular short educational articles to members on hot topics and recent events. Recent articles published by WTW are available on [MPFexpress](#). Visit our website to find out more.

Article	Content
Regulation and penalties for defaulting on MPF contributions	Under the Mandatory Provident Fund Schemes Ordinance, employers in Hong Kong are required to make monthly MPF contributions for eligible employees. Both employers and employees must each contribute 5% of the employee's relevant income. Contributions for monthly paid employees must be remitted to the trustee on or before the 10th day of the following month.
One stop TVC account opening via eMPF	As we step into 2026, the processes of account opening, contributions, and transferring accrued benefits have become more streamlined and efficient with all MPF schemes now fully migrated to the eMPF platform. This system makes it the ideal time for members to revisit or open a Tax-Deductible Voluntary Contributions (TVC) account and consider contributions before the annual deadline on 31 March 2026. Through TVC, members can enjoy tax deductions while enhancing their retirement protection conveniently.
eMPF platform driving down administrative fees	Not only is the eMPF platform a one-stop solution for members to manage their MPF accounts, it also helps reduce administrative costs through streamlined electronic processes, ultimately lowering fees. As trustees onboard the eMPF platform, some have already started or are planning to reduce administrative fees. This trend is expected to continue, creating further room for fee reductions and promoting greater transparency in the overall fee structure.
Leveraging eMPF for efficient MPF management	As more trustees join the eMPF platform, the management of MPF accounts is transitioning toward digital solutions. eMPF provides a streamlined, paperless platform that enables members to manage investments, transfers, and account consolidation with greater ease.

MPF market share

Do you know how your MPF sponsor ranks in terms of the market share within the entire MPF market? This information is available on [MPFexpress](#). This section provides the latest MPF market distribution information and helps you understand the relative MPF asset sizes of different sponsors in the MPF market.

Highlight of investment performance up to 31 March 2026

The annualised performance over 1-year and 5-year periods ended 31 March 2026 of each MPF fund type was as follows:

Performance ended 31 March 2026		1-year period			5-year period		
Fund Category	Fund Type	Highest % p.a.	Average % p.a.	Lowest % p.a.	Highest % p.a.	Average % p.a.	Lowest % p.a.
Mixed Assets Funds	Equity content > 80% Funds	19.5	17.3	13.7	4.3	2.8	0.9
	Equity content 60% - 80% Funds	16.7	14.4	11.5	3.3	1.9	0.2
	Equity content 40% - 60% Funds	12.5	10.7	8.5	1.8	0.6	-0.8
	Equity content 20% - 40% Funds	8.7	7.6	5.9	0.4	-0.3	-1.4
Default Investment Strategy Funds	Core Accumulation Fund	20.2	13.3	11.2	7.1	5.3	4.6
	Age 65 Plus Fund	9.3	5.3	3.8	2.3	0.7	0.2
Equity Funds	Hong Kong Equity Funds	15.9	10.8	5.7	-1.9	-3.8	-6.2
	Hong Kong Equity (Index Tracking) Funds	12.0	9.1	6.4	0.1	-0.7	-3.5
	China Equity Funds	9.2	4.5	-0.3	-3.0	-4.6	-6.5
	Greater China Equity Funds	34.6	28.5	17.0	0.3	-1.4	-3.8
	Asia ex Japan Equity Funds	44.5	30.1	19.2	5.0	1.1	-1.5
	Asia Pacific ex Japan Equity Funds	42.7	26.9	18.5	6.5	2.4	-1.9
	Global Equity Funds	29.3	17.9	13.8	10.6	7.6	5.1
	United States Equity Funds	18.6	15.5	9.4	10.6	9.3	5.5
	European Equity Funds	21.6	15.9	8.4	8.9	7.0	1.8
	Japanese Equity Funds	28.7	24.8	19.0	10.1	8.9	8.3

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Bond Funds	Hong Kong Dollar Bond Funds	5.0	4.5	4.0	1.5	1.2	0.7
	Asian Bond Funds	4.5	4.2	3.6	0.8	0.0	-1.1
	Global Bond Funds	4.0	2.8	2.0	-0.8	-2.3	-3.1
	RMB Bond	7.1	6.4	6.2	1.9	1.5	0.8
Money Market Funds	MPF Conservative Funds	2.2	1.9	1.5	2.2	2.0	1.7
	Hong Kong Dollar Money Market Funds	3.4	3.3	3.1	2.2	2.1	2.1
	RMB and HKD Money Market Funds	5.0	4.6	4.3	1.8	1.2	0.8
Others	Guaranteed Funds	6.2	3.7	0.9	1.6	0.1	-2.0

Source: MPFA
As of 31 March 2026

About WTW

At WTW (NASDAQ: WTW), we provide data-driven, insight-led solutions in the areas of people, risk and capital. Leveraging the global view and local expertise of our colleagues serving 140 countries and markets, we help you sharpen your strategy, enhance organisational resilience, motivate your workforce and maximise performance. Working shoulder to shoulder with you, we uncover opportunities for sustainable success — and provide perspective that moves you. Learn more at wtwco.com.



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