

## MPF - Whiz



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# MPF management tips you can learn from buying a new smartphone

The iPhone recently celebrated its 10th anniversary with the launch of several new models. With so many attractive handsets on the market now, which one would members pick?

The process of choosing a new smartphone is actually similar to managing your MPF. Different models offer different specifications: for example, do you want a faster processor, a better camera, or a bigger screen? You make a decision based on your requirements. Select the funds that make up your MPF portfolio in the same way. Consider which funds are most suitable for your needs, rather than just going for those with the highest return.

### Spend time researching the product

With smartphone prices as high as nearly HK\$10,000, members would think extra carefully and research the product thoroughly before parting with your hard-earned money. Members would consider several risk factors: would the bigger screen be less ergonomic to hold? Would the interface be difficult to use? And so on.

The amount of time and effort you spend deliberating over a smartphone should be similar to that which you spend managing your MPF. Check out the features of each fund. For example, equity funds may be more attractive in terms of return, but with higher risk they may not be suitable for all. Members should select funds according

to your own risk appetite and adjust your portfolio accordingly.

### Emphasize on service quality

When buying a smartphone, besides considering hardware, software and interface, it's also important to think about service quality, especially after-sales service. If there's a problem with your phone, will you receive quick and efficient customer support? In the same way, members should find out about the quality and services of your MPF provider, as these will impact the performance of your MPF. Ask, for instance, how you can check your account, make a new transaction and trade using an online platform. How fast does the MPF provider respond to an inquiry?

Remember not to take service quality lightly because a highly efficient platform can help you manage your MPF better.

### Skip the expensive phone and save your money

At the end of the day a fundamental question to ask yourself is, do you really need such an expensive smartphone? In fact, do you need a new phone at all? The money could be put to better use, such as making a one-off voluntary contribution to your MPF account. Although it may not seem like much in the short-term, through the power of compound interest, this small investment could bring you substantial returns and help you save more for your future retirement.

MPF is a long-term investment and members are encouraged to be proactive about your MPF - just as you are with smartphones.

