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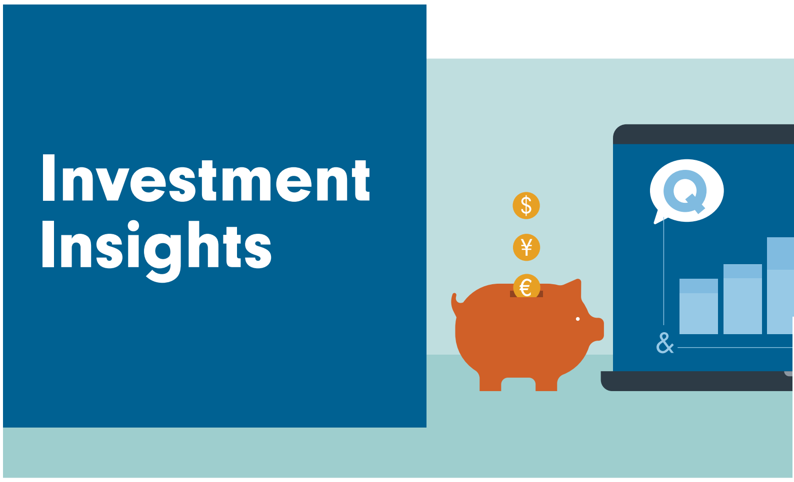

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Keep calm and carry on

Since the beginning of spring this year, markets have seen a pullback. It triggered volatility in the stocks market to shoot up to levels not seen for years. Fidelity believes the current sell off is more systematic than fundamental. Overall economic and corporate earnings growth remains robust. As always, we encourage investors to stay calm and look at longer-term perspectives.

Q1: Why should investors keep calm in volatile markets?

Volatility is a normal part of long-term investing. From time to time, there is inevitably volatility in stock markets as investors react nervously to changes in the economic, political and corporate environment. Yet markets are also prone to over-react to events that cloud the short-term outlook. As an investor, it is important to take a step back at these times and keep an open mindset. By accepting short- term volatility, investors can begin to exploit lower prices rather than lock in losses by emotionally selling at lower prices.

Q2: Any tips for MPF asset investment in volatile markets?

Diversification of investments helps to smooth returns. During volatile markets, Investors can spread the risk associated with specific markets or sectors by investing into different investment buckets to reduce the likelihood of concentrated losses.

Q3: Should we switch funds frequently when the markets go up and down?

Those who remain invested typically benefit from the long-term uptrend in stock markets. When investors try to time the market and stop-and-start their investments, they can run the risk of denting future returns by missing the best recovery days in the market and the most attractive buying opportunities that become available during periods of pessimism. Therefore, avoid switching too frequently.

Q4: How can we manage our MPF fund choices and allocations better, considering unexpected uncertainty in the markets?

As MPF asset investment is your long-term retirement savings, during which you may go through different life stages, such as raising a family or purchasing property. Thus, it is essential for you to periodically review your existing fund choices, say every 6-12 months to align with your personal risk tolerance level, irrespective of market volatility. Fidelity provides the Monthly Investment Report which highlights market review, fund performance and allocation of the funds in your MPF platform. This is one of the resources that can help you make informed decisions about your fund choices and allocations.

Conclusion:
"Following the herd" to chase the market is a terrible investment strategy. Going against the herd feels very difficult as we have to fight our emotions. When it comes to regular investments for retirement, always keep calm and keep investing.

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