

香港特別行政區政府  
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**FINANCIAL SERVICES BRANCH**  
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本函檔號 OUR REF.:

來函檔號 YOUR REF.:

12 March 2015

Hon CHAN Kin-por, BBS, JP  
Chairman of Panel on Financial Affairs  
Legislative Council Complex  
1 Legislative Council Road  
Central  
Hong Kong  
(Fax No.: 3529 2837)

Dear Hon CHAN,

**Consultation Conclusions on  
Mandatory Provident Fund (“MPF”) Core Fund –  
Providing Better Investment Solutions for MPF Members**

I write to inform you that we released today the consultation conclusions on MPF Core Fund – Providing Better Investment Solutions for MPF Members. A copy of the conclusions is attached for your reference.

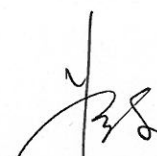
To ensure that all MPF scheme members have access to a standardised, low fee investment product that is designed in a manner consistent with the overall objective of retirement savings, we and the MPF Schemes Authority (“MPFA”) consider that the most pragmatic and effective reform measure is to improve the default investment arrangement of the MPF System. We sought views from the public on the reform proposals during the period from 24 June to 30 September 2014.

We received a total of 266 written submissions during the consultation period. A majority of the respondents (more than 80%) indicated support for enhancing the default investment arrangement of the MPF system by introducing a standardised low fee investment product across all MPF schemes. More than 70% of the respondents agreed that the strategy for default investment should be

designed based on an automatic de-risking approach by age and more than 60% of the respondents supported that the management fees of constituent funds used in the default investment should not exceed 0.75% per annum.

Based on the views received and recommendations of the MPFA, we are preparing the legislative proposals on default investment arrangement in each MPF scheme (including the fee control mechanism). We aim to introduce the Bill into the Legislative Council by end 2015.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Eddie Cheung', written over a vertical line.

( Eddie CHEUNG )

for Secretary for Financial Services and the Treasury

c.c. Mandatory Provident Fund Schemes Authority (Attn: Darren MCSHANE)